

**PORTFOLIO COMMITTEE ON PREMIER, FINANCE, COOPERATIVE
GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS**



NORTH WEST PROVINCIAL LEGISLATURE

**REPORT ON PUBLIC HEARING
DIVISION OF REVENUE BILL [B 6 - 2022]**

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ACRONYMS

CoE	Compensation of Employees
CHW	Community Health Workers
DCoG	Department of Cooperative Governance
DHS	Department of Human Settlements
ECD	Early Childhood Development
EPWP	Expanded Public Works Programme
HSDG	Human Settlements Development Grant
MIG	Municipal Infrastructure Grant
NGO	Non-Governmental Organisation
NW	North West
NWPG	North West Provincial Government
NYDA	National Youth Development Agency
PFMA	Public Financial Management Act
PPE	Personal Protective Equipment
NCOP	National Council of Provinces

1. INTRODUCTION

The Portfolio Committee on Premier, Finance, Cooperative Governance, Human Settlements and Traditional Affairs exercises oversight over the Provincial Treasury through its assessment of the provincial-wide strategic support provided to NWPG departments. *The Constitution of the Republic of South Africa 1996* and the *PFMA 1999* creates a basis on which oversight by Legislatures should be accomplished.

2. PROCESS FOLLOWED

The Division of Revenue Bill [B6 - 2022] was formally referred by the Speaker, Honourable S.R. Dantjie to the Portfolio Committee on Premier, Finance, Cooperative Governance, Human Settlements and Traditional Affairs for consideration and reporting.

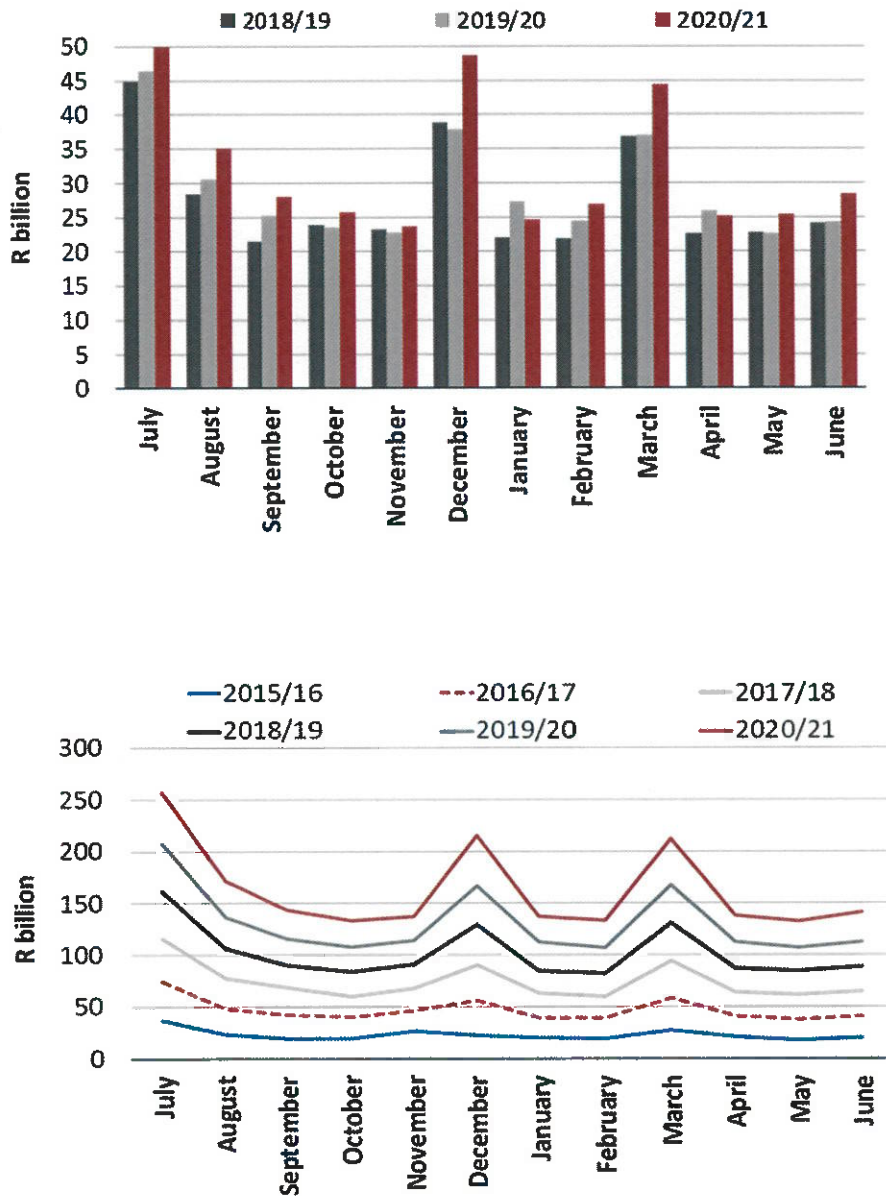
The Portfolio Committee then received a presentation from the NCOP Permanent Delegate and National Treasury on the Division of Revenue Bill [B 6 - 2022] through a virtual meeting held on 21 April 2022. Following the briefing, the Committee embarked on Public Hearings throughout the province on 28 April 2022 held as follows; Ngaka Modiri Molema District (Zeerust Town Hall - Zeerust – 271), Bojanala District (Mantserr Tribal Hall -Mantserr 275), Dr Kenneth Kaunda District (Madiba Banquet Hall – Potchefstroom - 197) and Dr Ruth Segomotsi Mompati District (Ba Ga Mariba Tribal Hall - 195) . A total of 938 people were reached in various districts of the Province.

3. OBJECTIVE OF THE DIVISION OF REVENUE BILL [B 6 – 2022]

To provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2022/23 financial year; the determination of each province's equitable share; allocations to provinces, local government and municipalities from national government's equitable share; the responsibilities of all three spheres pursuant to such division and allocations; and to provide for matters connected therewith.

4. PRESENTATION BY NATIONAL TREASURY ON THE DIVISION OF REVENUE AMENDMENT BILL

MUNICIPAL REVENUE COLLECTION



- Revenue collection has been increasing gradually from 2015/16 and this trend continued in 2020/21
- Due to the pandemic, municipalities anticipated a substantial decline in revenue collection in 2020/21
 - Revenue collection remained similar to the previous year, with no significant changes in the collection of revenue during the period of higher restrictions
 - The trend in revenue collection remained the same during the COVID pandemic as before the pandemic

SUBSTANTATIVE CHANGES TO THE BILL CLAUSES

Most of the Bill clauses remain the same from one year to the next. Changes in the 2022 Bill

include:

- **Clarification of the funding source for additional allocations to provinces and municipalities**

- Section 6 – Shortfalls and excess revenue - additional funds to provinces and municipalities may be funded from the excess revenue as envisaged in sub-section 2, not national government's equitable share

- **Expediting spending of transfers funded from the contingency reserve**

- Section 6(1) of the Appropriation Act (AA) makes provision for spending of additional funds before the Appropriation Adjustment Bill is enacted if it meets specific criteria

- DoRA currently has no supporting provision for this – provinces and municipalities have to wait for the enactment of the DoRAB

- Changes made to sections 6, 7 and 8 to allow for the fast release of funds authorised i.t.o s6(1) of the AA

- **Enforcement measures for transfers made to Eskom and water boards**

- Section 16(5) is expanded to include withholding and re-allocation provisions and require Eskom and water boards to pay back unspent funds into the National Revenue Fund, unless a rollover is approved in terms of sections 21 and 22

- **Finalisation of allocations to municipalities, schools, hospitals and entities from provincial**

budgets

- 29(2)(b) is amended to make provision for the allocations envisaged in sub-section 1, to be considered final on the day of publication by notice in Gazette if the notice is published after the provincial appropriation Act takes effect

- Section 26 is expanded to require provinces to gazette allocations to relevant institutions including municipalities no later than 15 June 2023

UPDATE ON PROVINCIAL EQUITABLE SHARE FORMULA REVIEW

- The PES formula is currently under an ongoing review that is carried out by the task team consisting of National Treasury, 9 provincial treasuries and the FFC
 - Sector departments are coopted on the review as and when it is necessary
 - Changes are made to the formula in a phased manner, while the review is being carried out

- PES task team previously resolved to prioritise the review of the health component – with NT committing to work closely with NDoH
- The Health Component consists of two sub-components
 - Risk adjusted sub-component (75% weighting)
 - Output (demand) sub-component (25% weighting), with
 - Primary health care (5%)
 - Hospital (20%)

The review focused on updating the risk-adjusted index that is used to account for the risk profile of each province in the health component

- Extensive technical work was carried out during 2019 and 2020 to redesign the risk-adjusted index of each province
 - The process entailed reviewing the variables that currently inform the risk profile and redesigning the index with variables that are suitable to inform the index
- Following the completion of the technical work, a workshop was held
 - Representatives included NT, provincial treasuries, national and provincial health departments and other health experts who work closely with health related matters
 - The final redesigned risk adjusted index incorporates changes and suggestions made during the workshop
- The redesigned risk-adjusted index retains the previous variables that were used and added three more
 - Risk adjusted index - new
 - Age and sex – measures relative resource requirements of providing health care by age and sex for the population without medical aid
 - Total fertility rate – considers the additional burden of providing health care services to pregnant women
 - Premature mortality – serves as a proxy for the burden of all diseases, including HIV
 - Sparsity – accounts for the additional costs of delivering healthcare services in areas of low population density
 - Multiple deprivation index – captures the differences in the social determinants of health between provinces that have a bearing on the health of the population

- The combination of these variables form the risk adjusted index used in the 2022 PES formula
 - The changes will be phased-in over a period of 3 years to give provinces time to adapt to the changes in their equitable shares

TECHNICAL UPDATES TO THE PROVINCIAL EQUITABLE SHARE FORMULA

- Formula has been updated with the most recent data available
 - Insured population – the most recent publication of the GHS is 2019 and the 2020 GHS was only published after the equitable share formula was determined
 - Output subcomponent - the most recent data submitted by DoH had some issues
 - Significant declines in visits due to CoVID-19
 - Data gaps in some information submitted
 - Data from 2021 MTEF was used for the update
- The rest of the formula was updated with the following data
 - LURITS enrollments data
 - Mid-year population estimates
 - Income and expenditure survey data
 - Regional GDP data

PROVINCIAL TRANSFERS , 2022 MTEF

R million	Equitable share	Conditional grants	Total transfers
Eastern Cape	72 231	13 850	86 081
Free State	31 107	8 737	39 845
Gauteng	120 042	26 503	146 545
KwaZulu-Natal	114 509	25 041	139 551
Limpopo	64 056	10 741	74 796
Mpumalanga	45 962	9 060	55 022
Northern Cape	14 942	4 795	19 737
North West	39 540	8 568	48 108
Western Cape	58 367	14 016	72 383
Unallocated		471	471
Total	560 757	121 782	682 539

- Transfers to provinces account for 95 per cent of provincial revenue
- Provincial equitable share grows at an average annual growth rate of 1 per cent, whilst conditional grants at 3.3 per cent
 - Average annual growth of PES amounts to 2 per cent, when excluding additions that were made in 2020/21
 - Low growth of PES is partly attributed to fiscal consolidation measures made in previous MTEF periods
- Funds have been added to provincial transfers to:
 - Respond to existing spending pressures
- Continuation of PEI
- Once-off cash gratuity
- The 2021 wage agreement included a once-off non-pensionable cash gratuity payment to all public servants in government

- Similarly, in 2022/23 R14.7 billion is set aside for provinces to fund the preliminary carry-through costs of the cash gratuity, in the event that no new wage agreement is reached
- R13.9 billion of this funding has been added to the provincial equitable share
- To allow for the continuation of the Presidential Employment Initiative, R12.7 billion has been added to provincial allocations for the first 2 years of the MTEF
 - These funds have been added to the education sector and will be used to hire education and other assistants in schools
- Additional funds were also added to the provincial equitable share to accommodate a set of spending pressures
 - R24.6 billion to the education sector to address shortages of teachers and materials
 - R15.6 billion to fund COVID-19 responses and reduce the effect of budget reductions on essential medical goods and services
 - R988 million to ensure that social welfare budget grow by inflation

CHANGES TO PROVINCIAL CONDITIONAL GRANTS

Education

- The early childhood development programme will be transferred to the education sector in April 2022
- As a result, the allocation for the Early Childhood Development grant have been moved from DSD to DBE

Cooperative Governance

- The name of the Provincial Disaster Relief Grant will change to the Provincial Disaster Response Grant
- The objective of the grant remains the same and the change aligns to existing NDMC processes in responding to disasters that have occurred

Health

- The District Health Programmes Grant (formerly the HIV, AIDS, TB Malaria & Community Outreach Grant) has been restructured over the 2022 MTEF
 - The grant will now have two components being Comprehensive HIV/AIDS component and District Health component
 - The Mental health services and Oncology services components will be shifted to the direct National Health Insurance Grant
- R1 billion to has been added to this grant to support provinces in the rollout of the COVID-19 vaccine

- The Mental Health services and Oncology services components in the indirect National Health Insurance Grant will also be shifted to the direct National

Health Insurance Grant

- To address a shortfall for medical internship and community services posts in provinces, R 4 billion has been made available for the Human Resource and

Training Grant

- A total R745 million was reprioritised from indirect National Health Insurance Grant and the Health Facility Revitalisation Grant

- R3.3 billion was added to the grant as part of the identified spending pressure identified in the sector

Transport

- Due to delays in developing clear and objective criteria to allocate the incentive component in the PRMG, this allocation will be removed from the grant for

2022/23

- R15 million in 2022/23, R20 million in 2023/24 and R30 million in 2024/25 will be reprioritised from the PRMG to DoT to fund a system that will be used to centralise data collected

Other changes to conditional grants

- Once-off cash gratuity - of the R14.7 billion that has been added to the provincial allocations for the carry-through cost of the once-off cash gratuity, R809 million has been added to several provincial conditional grants that fund compensation of employees

- Disaster funding - For the first two years of the 2022 MTEF, funds have been set aside in order to support KZN with the costs associated with repairing the damage of provincial public infrastructure from these disaster-related incidents in 2019

- Human Settlements Development Grant: R398 million in 2022/23 and R475 million in 2023/24

- Education Infrastructure Grant: R145 million in 2022/23 and R326 million in 2023/24

- Provincial Roads Maintenance: R490 million in 2022/23 and R294 million in 2023/24

NORTH WEST 2022 MTEF PROVINCIAL ALLOCATIONS

North West	2022/23	2023/24	2024/25	Total MTEF allocations
R thousand	48 107 806	46 648 635	48 404 568	143 161 009
Transfers from National				
<i>of which</i>				
Equitable share Conditional grants	39 540 134	38 297 617	39 701 790	117 539 541
<i>of which</i>				
Agriculture, Land Reform and Rural Development	8 567 672	8 351 018	8 702 778	25 621 468
	266 956	271 348	283 473	821 777
Comprehensive Agricultural Support Programme	185 122	188 148	196 597	569 867
Grant Ilima/Letsema Projects Grant	72 881	74 099	77 427	224 407
Infrastructure Development	8 953	9 101	9 449	27 503
Basic Education	1 981 957	1 947 918	2 035 743	5 965 618
Early Childhood Development	104 104	106 484	111 266	321 854
<i>Maintenance Component Subsidy Component</i>	3 388	1 563	1 633	6 584
	100 716	104 921	109 633	315 270
Education Infrastructure Grant	1 236 625	1 179 049	1 232 051	3 647 725
HIV and AIDS (Life Skills Education) Grant	16 953	15 654	16 416	49 023
Learners With Profound Intellectual Disabilities Grant	16 997	20 259	21 438	58 694
Maths, Science and Technology Grant	41 675	41 617	43 452	126 744
National School Nutrition Programme Grant	565 603	584 855	611 120	1 761 578

North West	2022/23	2023/24	2024/25	Total MTEF allocations
R thousand	3 303 225	3 062 673	3 169 761	9 535 659
Health				
District Health Programmes Grant	1 938 678	1 784 563	1 864 707	5 587 948
<i>Comprehensive HIV/AIDS Component</i>	1 524 570	1 511 685	1 579 574	4 615 829
<i>District Health Component</i>	414 108	272 878	285 133	972 119
Health Facility Revitalisation Grant	652 491	613 468	632 609	1 898 568
Human Resources and Training Grant	277 212	271 800	262 601	811 613
<i>Statutory Human Resources Component</i>	136 937	142 227	127 210	406 374
<i>Training Component</i>	140 275	129 573	135 391	405 239
National Health Insurance Grant	80 681	60 366	62 437	203 484
National Tertiary Services Grant	354 163	332 476	347 407	1 034 046
Human Settlements	1 656 036	1 727 805	1 805 400	5 189 241
Human Settlements Development Grant Informal Settlements Upgrading	1 276 712	1 331 763	1 391 572	4 000 047
Partnership Grant: Provinces	379 324	396 042	413 828	1 189 194
Public Works and Infrastructure	71 164	-	-	71 164
Expanded Public Works Programme				
Integrated Grant for Provinces	44 394	-	-	44 394
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	26 770	-	-	26 770
Sport, Arts and Culture	200 608	200 422	210 186	611 216
Community Library Services Grant	153 174	152 451	160 289	465 914
Mass Participation and Sport Development	47 434	47 971	49 897	145 302
Transport	1 087 726	1 140 852	1 198 215	3 426 793
Provincial Roads Maintenance Grant	957 028	1 004 393	1 055 628	3 017 049
Public Transport Operations Grant	130 698	136 459	142 587	409 744

NORTH WEST LG EQUITABLE SHARE ALLOCATIONS FOR 2022 MTEF

Code	Municipality	2022/23 R'000	Forward Estimates	
			2023/24 R'000	2024/25 R'000
NORTH WEST				
B	NW371 Moretele	415 351	441 379	469 519
B	NW372 Madibeng	941 456	1 037 558	1 144 194
B	NW373 Rustenburg	941 352	1 050 064	1 171 812
B	NW374 Kgetlengrivier	117 740	128 323	140 000
B	NW375 Moses Kotane	528 602	563 247	600 772
C	DC37 Bojanala Platinum District Municipality	381 952	395 846	410 921
Total: Bojanala Platinum Municipalities		3 326 453	3 616 417	3 937 218
B	NW381 Rato	150 626	159 416	169 085
B	NW382 Tswaing	140 780	149 989	160 171
B	NW383 Mafikeng	327 788	352 887	380 697
B	NW384	159 232	171 105	184 258
B	Ditsobotla	215 223	229 949	246 232
C	NW385 Ramotshere Moiloa	974 124	1 050 306	1 131 892
DC38	Ngaka Modiri Molema District Municipality			
Total: Ngaka Modiri Molema Municipalities		1 967 773	2 113 652	2 272 335

Code	Municipality	2022/23	Forward Estimates	
		R'000	2023/24 R'000	2024/25 R'000
NORTH WEST				
B	NW392 Naledi	63 233	67 496	72 233
B	NW393 Mamusa	66 849	71 251	76 127
B	NW394 Greater Taung	231 374	243 432	256 672
B	NW396 Lekwa-Teemane	60 204	64 394	69 047
B	NW397 Kagisano-Molopo	144 818	152 490	160 915
C	DC39 Dr Ruth Segomotsi Mompoti District Municipality	448 060	478 601	511 048
Total: Dr Ruth Segomotsi Mompoti Municipalities		1 014 538	1 077 664	1 146 042
	B NW403 City of	545 300	588 793	636 078
	B Matlosana NW404	159 404	170 622	182 817
	B Maquassi Hills NW405	343 436	377 012	414 080
	C JB Marks	206 714	212 491	218 574
	DC40 Dr Kenneth Kaunda District Municipality			
Total: Dr Kenneth Kaunda Municipalities		1 254 854	1 348 918	1 451 549
Total: North West Municipalities		7 563 618	8 156 651	8 807 144

NORTH WEST LG CONDITIONAL GRANT ALLOCATIONS

	2022/23	Forward Estimates	
		2023/24	2024/25
Infrastructure transfers to local government	4 125 864	4 486 966	4 680 255
Direct transfers	3 244 962	3 490 548	3 631 119
Municipal infrastructure grant	2 009 965	2 090 637	2 187 414
Public transport network grant	238 721	248 902	258 409
Neighbourhood development partnership (capital) grant	32 000	50 000	30 000
Energy efficiency and demand-side management grant	20 500	17 292	23 000
Integrated national electrification programme (municipal) grant	163 025	177 515	185 487
Regional bulk infrastructure grant	399 581	487 038	508 911
Water services infrastructure grant	370 676	408 630	426 981
Rural roads asset management systems grant	10 494	10 534	10 917
Indirect transfers	880 902	996 418	1 049 136
Neighbourhood development partnership (technical assistance) grant	2 400	600	600
Integrated national electrification programme (Eskom) grant	504 632	530 015	561 816
Regional bulk infrastructure grant	239 936	257 189	268 737
Water services infrastructure grant	133 934	208 614	217 983
Capacity building transfers to local government	117 543	76 600	80 859
Direct transfers	96 512	58 640	62 899
Programme and project preparation support grant	-	-	-
Infrastructure skills development grant	-	-	-
Local government financial management grant	58 440	58 640	62 899
Expanded public works programme integrated grant for municipalities	38 072	-	-
Indirect transfers	21 031	17 960	17 960
Municipal systems improvement grant	21 031	17 960	17 960
Total North West Municipalities	4 243 407	4 563 566	4 761 114

5. DELIBERATIONS BY THE PORTFOLIO COMMITTEE

The Committee deliberated as follows, after the presentation on the Division of Revenue Bill [B6 - 2022];

- 5.1 The Committee raised a concern that municipalities in the North West province cannot afford record management and billing systems, they are amongst some of the worst performing municipalities in the country.
- 5.2 The Committee is concerned with the bad condition of the roads throughout the province. The roads that were affected by the recent heavy floods, were not set as a priority in the presented budget.
- 5.3 The Committee raised a concern that most of the roads in the province are rural roads and that communities are not interested in them being regavelled as they desire tarred roads. Yet the conditional grant, the Roads Maintenance Infrastructure Grant , is continuously being returned to National Treasury.
- 5.4 The Committee is concerned that service providers at the Department of Public works & Roads are appointed two months prior to the end of a financial year, this constitutes as bad planning.
- 5.5 The Committee raised a concern that the spending of the allocations for rehabilitation, construction and maintenance of roads is pivotal.
- 5.6 The Committee raised a concern on the Presidential Employment Initiative. How will it be implemented in the province.
- 5.7 The Early Childhood Development grant is being directed to the provincial Department of Education. Provincial Treasury will have to monitor this grant, the department has a tendency of not spending conditional grants.
- 5.8 The Committee remarked on the energy supply by independent power producers and it welcomes this, as it will assist in the alleviation of load shedding.
- 5.9 The Committee is concerned with the allocations to municipalities ,municipalities do not want to be held accountable for fruitless and wasteful expenditure, irregular expenditure, non-spending of grants , yet they are being appropriated with increased budgets.
- 5.10 The Committee raised a concern on the percentage that is indicated on spending of conditional grants , yet with regards to service delivery it is not reflective.
- 5.11 The Committee raised a concern that the Department of Education is renting mobile offices, which is not in accordance with SCM processes and regulations.
- 5.12 The Committee enquired from Provincial Treasury which departments are more than likely not going to spend allocated appropriations and conditional grants, which in turn they will be redirected to other provinces.

6. ADVERTISING OF PUBLIC HEARINGS

Advertisements were posted on;

- North West Provincial Legislature Facebook page , North West Provincial Legislature Twitter handle
Regional newspapers
- The Mail, Klerksdorp Record and Rustenburg Herald
Community newspapers
- News facts, Business Inc, Mmega Dikgang, Taung Daily News, Tabea News, Quick Act, Molopo News, , Lekwa Teemane , Tlhabane News and Ratlou Dispatch.

Advertisements were broadcast on;

National radio stations

- Motsweding FM, SA FM and RSG FM

Community radio stations

- YOU FM, Mafikeng FM, Bophirima FM, Vaaltar FM, Mafisa FM, Madibogo FM, Star FM, Aganang FM,

7. PUBLIC INPUTS/CONCERNS

After the presentation by the Portfolio Committee, the public raised the following concerns:

7.1 DR RUTH SEGOMOTSI MOMPATI DISTRICT

- 7.1.1 The province and departments have returned a lot of money to National Treasury. How does this affect communities all over the province , this leads to many incomplete projects in the province.
- 7.1.2 The Community wanted to know why Gauteng province are always getting the biggest piece of the budget and the province does not have a lot of rural areas like the North West and KwaZulu Natal provinces.
- 7.1.3 The province does not have a power substation that can create job opportunities and give the province power, the money that is returned to National Treasury every year , the province can use it to build a power substation.
- 7.1.4 How does the community benefit from budget allocations for the province.
- 7.1.5 The stipend for Ward Committees is very small , it be Increased to R5000.

- 7.1.6 From Mageleng to Mokgareng there is a challenge with electricity power cuts every day , the municipality cannot explain the cause of the challenge.
- 7.1.7 According to the Bill rural roads are appropriated a substantial amount of the budget, but still there are no roads in rural areas and money is returned to National Treasury, what is the reason for this?
- 7.1.8 The Community of Ntswanahatshe has been without water for the past four years , yet amounts of the budget are being taken back to National Treasury.
- 7.1.9 Government must stop erecting asbestos toilets at Morokweng, this is dangerous for the community.
- 7.1.10 Communities of Dr Ruth Segomotsi Mompati District are in support of the Bill.

7.2 BOJANALA PLATINUM DISTRICT

- 7.2.1 Communities were pleased with higher allocations per capital in most rural municipalities / provinces than in metropolitan / urban provinces.
- 7.2.2 A concern raised on the compatibility of the Equitable Share Formula in addressing the Agricultural Sector, so that there is support for emerging farmers in various municipalities.
- 7.2.3 Address the issue of performance management at various municipalities by enforcing monitoring and evaluation on how funds are utilised.
- 7.2.4 A concern was sharply raised on the utilisation of Conditional Grants by various municipalities, which are irregular and does not respond to community needs.
- 7.2.5 A concern was registered on the utilisation of the Equitable Share Formula by municipalities without any output of delivery of services. The Provincial Legislature must enforce accountability and consequence management.
- 7.2.6 There are countless incomplete infrastructure projects at municipalities. There is no value for money on the allocated budgets for implementation of various projects at municipalities.
- 7.2.7 Communities demanded that time frames be attached during the implementation of projects in municipalities and be adhered to.
- 7.2.8 There must be an increase in the Equitable Share Formula for roads in order to upgrade the poor condition of road infrastructure across the province.
- 7.2.9 The community enquired on the Equitable Share for Land Reform.
- 7.2.10 A plea an increased budget allocation for Disability Movements and Forums.
- 7.2.11 The Community enquired on the Equitable Share Formula for religious services and made an appeal to the Provincial Legislature for budget allocations for religious services.

- 7.2.12 There was an appeal to the Provincial Legislature to conduct pre - workshops prior to Public Hearings in order to prepare communities to input valid comments on the Bill in question.
- 7.2.13 The community made a request to the Provincial Legislature to intensify public consultations and provide adequate feedback to communities.
- 7.2.14 A clinic at Mogogelo in Moretele Local Municipality used to operate for 24 hours, but that has since stopped. The clinic infrastructure is also in an unbearable and terrible condition.
- 7.2.15 There is a challenge of poor road infrastructure and access to roads in Moretele Local Municipality.
- 7.2.16 Communities of Bojanala District are in support of the Bill.

7.3 NGAKA MODIRI MOLEMA DISTRICT

- 7.3.1 There are unspent allocations that return to National Treasury, this is a concern and there must be consequence management for such departments/ municipalities.
- 7.3.2 There are many potholes on provincial roads, however the budget remains unspent
- 7.3.3 The allocated money for municipalities has been returned.
- 7.3.4 The MPAC Chairperson to request Provincial Treasury that the unused /returned money be allocated back to the municipality to be used ,to cover all outstanding projects.
- 7.3.5 The accounting person should be held accountable for not using the allocated money.
- 7.3.6 No service delivery at local level especially in Mahikeng as the capital city of the province.
- 7.3.7 Late information from the department to communities to be able to apply for funds in relation to establishing cooperatives.
- 7.3.8 The allocated money to a department be allocated to relevant beneficiaries.
- 7.3.9 Communities of Ngaka Modiri Molema District are in support of the Bill.

7.4 DR KENNETH KAUNDA DISTRICT

- 7.4.1 Participants highlighted a concern regarding media reports on NW province funds being returned to Provincial Treasury whereas people do not have houses and some of these houses are incomplete. The shortage of water, sewage spillages, lack of high mass lights, lack of sports facilities and roads that are in bad state were cited as unacceptable especially if funds were allegedly returned to Provincial Treasury.

- 7.4.2 A submission was made that High/ Secondary Schools be constructed in Ward 9, Maquassi Hills LM.
- 7.4.3 A concern was raised on the shortage of ambulances and poor services from Department of Health.
- 7.4.4 Communities requested that when money is allocated, more funds be made available for people who received training on Early Childhood Development course so that they can complete Level 5.
- 7.4.5 It was enquired if there is a budget to upgrade informal settlements.
- 7.4.6 A recommendation that the Bill should have an allocation for SMME's was advanced.
- 7.4.7 A proposal that Provincia Treasury must have a policy on appointment of contractors for municipalities in order to alleviate fights and protests was put forward.
- 7.4.8 The community wanted to know what process should be taken to know that the budget allocated for a road has been spent properly.
- 7.4.9 The community wanted to know where the money allocated for road infrastructure is , as the roads in the North West Province are not in a good condition.
- 7.4.10 The youth have made applications for funding for farming the department of Agriculture and Rural development and there has been no feedback.
- 7.4.11 The community requests harmonious lights and speed pumps be implemented on the road.
- 7.4.12 The community suggested that money allocated for the Department of Sports, Arts and Culture build a sports ground in Gaonakgomo Ward 5 in Matlosana.
- 7.4.13 The community suggested that the money allocated for the road infrastruaction should be used in Ward 5 Matlosana as it is a point of entry.
- 7.4.14 The community request clarity on what the department or the government done to entertain the Youth as the sport facilities are not in good condition.
- 7.4.15 Communities of Dr Kenneth Kaunda District are in support of the Bill.

8. ADOPTION OF THE BILL

- 8.1 All districts voted in support of the Bill.

9. RECOMMENDATIONS BY THE PORTFOLIO COMMITTEE

The Committee recommends as follows;

- 9.1 National Treasury create a conditional grant for municipalities in the North West province for record management and billing systems.
- 9.2 That the policy on the rehabilitation and maintenance of roads in the province be revised so that implementation occurs.
- 9.3 The appointment of service providers at departments be in accordance with the Public Finance Management Act of 1999, in relation to plans being carried out timeously within a financial year.
- 9.4 The budget that is allocated for road infrastructure in the province must be increased, as it is insufficient.

10. ACKNOWLEDGEMENTS


The Chairperson of Committee thanked all the present Members for their commitment to the oversight process of the Division of Revenue Bill [B 6– 2022].

The Chairperson of Committee would also like to thank the support staff for contributing in compiling this report.

11. ADOPTION OF THE REPORT

The Portfolio Committee recommends that the House approve the passing of the Division of Revenue Bill [B 6 - 2022] and mandate the North West Permanent Delegate in the National Council of Provinces to vote in support of the Division of Revenue Bill [B 6– 2022] as tabled by the Minister of Finance.

I present to this House, the report of the Portfolio Committee on Premier, Finance, Cooperative Governance, Human Settlements and Traditional Affairs for consideration and adoption.



HON. A. MOTSWANA
CHAIRPERSON: PREMIER, FINANCE, COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS

02/05/2022
DATE