

TUESDAY, 18 JUNE 2013

PROCEEDINGS OF THE NATIONAL COUNCIL OF PROVINCES

The Council met at 14:03.

The Chairperson took the Chair and requested members to observe a moment of silence for prayers or meditation.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS - see col 000.

NOTICES OF MOTION

Mrs B L ABRAHAMS: Chairperson, I hereby give notice that on the next sitting day of the Council I shall move on behalf of the DA:

That the Council -

- (1) notes that vacant schools should be converted into rehabilitation, training and education centres;
- (2) further notes that these centres should be utilised as rehabilitation centres but also afford students the

opportunity of receiving training and education to allow them to complete their formal education;

(3) also notes that youth that are affected by any substance should be afforded an equal opportunity to access the rehabilitation centre and not just a selected few; and

(4) finally notes that it would alleviate the drug dealers' market if all affected youth were rehabilitated.

Mr D A WORTH: Chairperson, I hereby give notice that on the next sitting day of the Council I shall move on behalf of the DA:

That the Council –

(1) notes that the Maluti-A-Phofung Local Municipality in the Free State owes Eskom R100 million;

(2) further notes that this is largely because of residents connecting to the power grid to use electricity without paying for it;

(3) also notes that illegal connections are costing the municipality millions of rands, according to Executive Mayor Sarah Moleleki; and

- (4) finally notes that the municipality would now install smart meter boxes to ensure that every consumer pays for electricity to enable the Eskom bill to be paid.

Mr F ADAMS: Chairperson, I hereby give notice that on the next sitting day of the Council I shall move on behalf of the ANC:

That the Council –

- (1) notes with concern that the DA-led Swartland Local Municipality in the Western Cape has served eviction notices on small-scale farmers in the Wesbank area in Malmesbury, many of whom are disabled, to vacate their farm land by August 2013;
- (2) further notes that this is despite the fact that the municipality had in 2008 signed lease agreements with them which only expire in 2018;
- (3) also notes that the money that these farmers derive from their farming activities is their only income;
- (4) further notes that, if evicted, they will be unemployed and be left with no income to support their families;

- (5) also notes that by this action, its failure and neglect to provide these farmers with the necessary technical and managerial skills and financial support to empower them to create sustainable livelihoods, the municipality negates its constitutional obligation;
- (6) further notes that the municipality undermines government policy and programmes to support small-scale farmers to enhance subsistence food production, to eradicate rural poverty and unemployment and to improve rural economic development;
- (7) takes this opportunity to condemn this behaviour and action by the Swartland municipality; and
- (8) calls on the Ministers of Rural Development and Land Reform and of Agriculture, Forestry and Fisheries as well as of Co-operative Governance and Traditional Affairs to intervene as a matter of urgency.

UNPARLIAMENTARY REMARKS MADE BY ANC MEMBERS OF PARLIAMENT

(Draft Resolution)

Mr D JOSEPH: Chairperson, I move without notice:

That the Council -

- (1) notes the unparliamentary remarks made by two ANC MPs in the NA towards the leader of the DA in Parliament, Ms Lindiwe Mazibuko;
- (2) further notes that the two MPs referred to her weight and fashion;
- (3) also notes that their statements about how a woman should look or dress are against our Constitution, particularly in terms of Chapter 1, which refers to equality, human dignity, nonracialism and nonsexism; and
- (4) recognises that it must request the two MPs to apologise and withdraw their statements, failing which shall be seen as discrimination against women by the ANC.

The CHAIRPERSON OF THE NCOP: Order! In light of the objection, the motion may not be proceeded with. The motion without notice will now become a notice of motion.

DETERIORATING STATE OF INFRASTRUCTURE AND ROADS AND BUILDING OF NEW HOUSING DEVELOPMENTS IN TOWNS OF NORTHERN CAPE

(Draft Resolution)

Mr K A SINCLAIR: Chairperson, I move without notice:

That the Council -

- (1) notes the deteriorating state of infrastructure, roads and new housing developments in the outlying towns and "dorpies" [small towns] of the Northern Cape;
- (2) further notes that outlying communities such as Griquastad, Schmidtsdrift and Douglas, for instance, have since lost hope;
- (3) also notes that the last time government made any inroads in developing houses, strategic assistance targeted at mining operations of small enterprises and general agricultural assistance was back in the early 2000s; and
- (4) finally notes that there are roads that have deteriorated since they were built during the apartheid days, and maintenance of schools, which is a distant agenda for the government, must be put on the agenda urgently.

Motion agreed to in accordance with section 65 of the Constitution.

TREVOR NYAKANE, SPRINGBOK RUGBY PLAYER FROM BUSHBUCKRIDGE

(Draft Resolution)

Mr V M MANZINI: Chairperson, I move without notice:

That the Council -

- (1) notes that Bushbuckridge has produced a Springbok rugby player, Trevor Nyakane, a loosehead prop;
- (2) also notes that the 24-year-old loosehead prop's great Super Rugby season for the Cheetahs was rewarded by coach Heyneke Meyer;
- (3) further notes that the coach gave him his first Bok cap as a substitute in the 44-10 win over Italy last Saturday;
- (4) also notes that Nyakane's rise is credited to the guidance of Bok legend and Cheetahs scrum coach, Os du Randt, who helped the youngster to improve his scrum and ball skills;
- (5) finally notes that he eventually ended up in the Blue Bulls' and Griffons' youth set-ups.

Motion agreed to in accordance with section 65 of the Constitution.

SHACK FIRES CAUSE DEATHS IN CAPE PENINSULA AND JOHANNESBURG

(Draft Resolution)

Mrs M C DIKGALE: Chairperson, I move without notice:

That the Council -

- (1) notes with sadness the death of people as a result of shack fires in the Cape Peninsula and Johannesburg;
- (2) further notes that three people have died, two minors are currently being treated for burn wounds at the Red Cross Children's Hospital in Cape Town and fifty people were left homeless;
- (3) also notes that a total of five people have died in shack fires in and around Johannesburg, one in Ivory Park, two in Waterworks informal settlement in Lenasia and another two in Meadowlands;
- (4) takes this opportunity to convey its sincere condolences to the families and friends of the deceased during this difficult time, and to wish those still in hospital a speedy recovery; and
- (5) calls upon the people in informal settlements to exercise special caution during this season.

Motion agreed to in accordance with section 65 of the Constitution.

**17-YEAR GROWTH AND DEVELOPMENT STRATEGY UNVEILED IN UGU DISTRICT
MUNICIPALITY IN PORT SHEPSTONE, KWAZULU-NATAL**

(Draft Resolution)

Mr D D GAMEDE: Chairperson, I move without notice:

That the Council -

- (1) notes that the Ugu District Municipality in Port Shepstone in KwaZulu-Natal last week unveiled its 17-year growth and development strategy to address growing unemployment;
- (2) further notes that this strategy is aimed in particular at turning the current situation around, where unemployment levels are growing, spatial fragmentation persists and the gap between the skilled and unskilled is widening;
- (3) also notes that the development of this strategy was an inclusive process, formulated in collaboration with the six local municipalities in the district as well as stakeholders from government, local business, ratepayers' associations, civil society organisations and other interest groups and role-players;

- (4) further notes that it represents their shared strategy and development vision aimed at transforming the district into a leading tourist destination and agricultural and manufacturing hub by 2030;
- (5) takes this opportunity to commend the Ugu District Municipality, all stakeholders and role-players on this achievement and their commitment to reducing inequality and poverty levels; and
- (6) takes this opportunity to call on all spheres of government, stakeholders and role-players to embark on similar initiatives.

Motion agreed to in accordance with section 65 of the Constitution.

PAY CUTS LEAD TO GO-SLOW BY TRAFFIC OFFICERS IN EASTERN CAPE

(Draft Resolution)

Ms Z C FAKU: Chairperson, I move without notice:

That the Council -

- (1) notes reports of a go-slow decision taken by Eastern Cape traffic officers in a row arising from a pay cut;

- (2) further notes that the Eastern Cape's department of transport took a decision to stop overtime payments and henceforth to treat public holidays as normal working days;
- (3) also notes that more than 500 officers have embarked on a go-slow, backed by their union, the Police and Prisons Civil Rights Union, Popcru;
- (4) further notes that they have vowed not to work on public holidays or between 4:30 pm and 8 am;
- (5) also notes that the move leaves motorists vulnerable on some of the country's most dangerous roads, including the N2 between East London and Mthatha, and the R61 between Port St Johns and Cradock;
- (6) expresses its disappointment and calls upon the Eastern Cape's department of transport, the traffic officers and their union to try to resolve this matter as a matter of urgency; and
- (7) takes this opportunity to make a call to all motorists to drive cautiously and obey the laws of the road.

Motion agreed to in accordance with section 65 of the Constitution.

(Draft Resolution)

Mr R A LEES: Chairperson, I move without notice:

That the Council -

- (1) notes that the Natives Land Act has brought untold hardship and deprivation to millions of black South Africans;
- (2) further notes that effects of this racist legislation are still felt after 100 years and it is a sad part of South Africa's divided colonialist and apartheid history;
- (3) calls upon all South Africans to:
 - (a) recognise the shameful legacy of deprivation and poverty that resulted from the 1913 Natives Land Act;
 - (b) engage in redressing the legacy of this Act;
 - (c) do everything possible in this process to assist to ensure that its consequences are properly addressed;
 - (d) promote reconciliation between all the people of South Africa; and

- (e) ensure that the land reform process is transparent, is free from endemic corruption and is sustainable for the benefit of future generations.

The CHAIRPERSON OF THE NCOP: Order! In light of the objection the motion may not be proceeded with. The motion without notice will now become a notice of motion.

MINIMUM WAGE CAUSES JOB LOSSES FOR 300 FARM WORKERS IN MPUMALANGA

(Draft Resolution)

Mr A J NYAMBI: Chairperson, I move without notice:

That the Council -

- (1) notes with concern that 300 farm workers in Mpumalanga have lost their jobs because their employers have allegedly told them that they cannot afford to pay them the minimum wage of R105 a day set by government in the regulations relating to minimum wages for farm workers that came into operation on 1 March 2013;
- (2) further notes that some of these workers were paid only R69 a day, while others were paid as little as R57 a day despite

the minimum wage for farm workers set by the minimum wage regulations;

- (3) also notes that when these workers enquired from their employers why they were not being paid the minimum wage, as required by law, their employers told them that they could not afford it and fired them; and
- (4) takes this opportunity to call on the Ministers of Labour and of Agriculture, Forestry and Fisheries to launch an urgent investigation into this matter and to intervene appropriately, if necessary.

Motion agreed to in accordance with section 65 of the Constitution.

INITIATIVES TO FIX POTHOLES BY KWAZULU-NATAL DEPARTMENT OF TRANSPORT

WELCOMED

(Draft Resolution)

Mr M P SIBANDE: Chairperson, I move without notice:

That the Council -

- (1) notes that while 10% of fatal road accidents are as a result of the condition of the roads, the provincial department of

- transport of KwaZulu-Natal has undertaken to fix potholes within 48 hours of their being reported;
- (2) further notes that corrective action against contractors who deliver poor workmanship in fixing potholes on roads will be tightened up;
 - (3) also notes that, in view of the department's commitment to improving road maintenance and the quality of workmanship, contractors who do not do a proper job will be compelled to rectify any poor workmanship immediately, at their own cost, while they would furthermore face the possibility of being blacklisted;
 - (4) further notes that in order to achieve these objectives and to ensure compliance with high standards of quality and workmanship, the department has established a monitoring and evaluation team; and
 - (5) takes this opportunity to welcome this initiative and to commend the KwaZulu-Natal department of transport on its commitment and efforts in this regard.

Motion agreed to in accordance with section 65 of the Constitution.

**CONDOLENCES ON THE PASSING OF VHA-MUSANDA VHO KHOSI VUSANI
NETSHIMBUPFE**

(Draft Resolution)

Mr M W MAKHUBELA: Chairperson, I move without notice:

That the Council -

- (1) notes with sadness the death of VHA - Musanda Vho Khosi Vusani Netshimbupfe, who was a deputy chairperson of the House of Traditional Leaders in Limpopo, amongst other roles he played;
- (2) further notes that Khosi Netshimbupfe played a pivotal role as chairperson of an initiation school task team overseen by Limpopo's House of Traditional Leaders;
- (3) also notes that his death has affected us deeply, especially because it comes at a time when dikoma [initiation] school season has begun;
- (4) further notes that his wisdom will be missed;
- (5) also notes that he was passionate about promoting objectives of the house of traditional leaders, including counselling

government on matters of traditional leadership, customs, heritage and language, as the rightful custodians of all these values; and

- (6) finally notes that its thoughts are with his family and his subjects and wishes to extend its sincerest condolences and support in these most tragic circumstances.

Motion agreed to in accordance with section 65 of the Constitution.

**CALL TO UPHOLD BILL OF RIGHTS AND LAWS AGAINST RACISM IN
KAMEELFONTEIN ESTATE NEAR PRETORIA, GAUTENG**

(Draft Resolution)

Mr B A MNGUNI: Chairperson, I move without notice:

That the Council -

- (1) notes with concern and utter dismay that a black female psychologist and her family, of Kameelfontein Estate near Pretoria in Gauteng, were recently threatened by 20 white men to vacate the upmarket residential area where she is staying, which they claimed was for whites only;

- (2) further notes that this black professional woman and her family are the only black family living in this elite estate;
- (3) also notes that the men attacked her, insulted her, threatened to assault and kill her and told her that she was "just as stupid as her president";
- (4) takes this opportunity to condemn these barbaric and criminal actions in the strongest possible terms and takes this opportunity to call on the Ministers of Police and State Security urgently to launch a comprehensive investigation into these matters as well as the violation of the Bill of Rights and other appropriate legislation; and
- (5) calls on the Ministers of Police and State Security to take the strongest possible action against the perpetrators and as may further be necessary to protect and uphold the provisions of the Bill of Rights and the law.

Motion agreed to in accordance with section 65 of the Constitution.

TEACHING OF RACISM AND HATE AT WILGEHOF PRIMARY SCHOOL IN

BLOEMFONTEIN, FREE STATE

(Draft Resolution)

Mr M P JACOBS: Chairperson, I move without notice:

That the Council -

- (1) notes with shock and utter dismay the extent to which racism and the teaching of hatred is still alive, especially at Wilgehof Primary School in Bloemfontein in the Free State where, among other things, a poster that portrays black people as baboons is displayed; and
- (2) notes that an old apartheid South African flag is hoisted in a classroom, while the teachers make racial slurs and derogatory remarks about blacks and use "skeltaal" against black people;
- (3) further notes with concern that these practices of racism and apartheid are no different from the view of the Western Cape deputy leader of the DA, hon Theuns Botha, who recently, during a debate, likened a black ANC member of the Western Cape legislature to a baboon;
- (4) condemns this despicable state of affairs in the strongest possible terms and welcomes the intervention by the provincial department of education to suspend the teacher involved and the principal of the school; and

- (5) takes this opportunity to call on the Minister of Basic Education and the relevant MEC for education and their respective departments to ensure that this matter is investigated comprehensively and as a matter of urgency; and
- (6) ensures that appropriate steps are taken against all those involved and that appropriate corrective measures are implemented soonest.

The CHAIRPERSON OF THE NCOP: Order! In light of the objection, the motion may not be proceeded with. The motion without notice will now become a notice of motion.

**POLICE, HEALTH OFFICIALS AND VILLAGERS WORK TOGETHER AGAINST ILLEGAL
INITIATION SCHOOLS IN EASTERN CAPE**

(Draft Resolution)

Mrs A N D QIKANI: Chairperson, I move without notice:

That the Council -

- (1) notes the reports of two Eastern Cape initiates who were rescued after they had undergone illegal circumcisions;

- (2) further notes that a team of police and health officials responded to a call from one of the villagers and rescued the two boys;
- (3) also notes that the boys were found in a forest near Sicambeni village and taken to hospital as they required immediate medical care as they were suffering from dehydration and hallucinations;
- (4) takes this opportunity to applaud the quick response by the police and health officials; and
- (5) commends the villagers for reporting such cases immediately and their vigilance in their surroundings.

Motion agreed to in accordance with section 65 of the Constitution.

INSTALLATION OF SOLAR PANELS ON GOVERNMENT BUILDINGS IN GAUTENG

(Draft Resolution)

Ms B P MABE: Chairperson, I move without notice:

That the Council -

- (1) notes that the provincial government of Gauteng has embarked on an innovative project to install rooftop solar panels on government buildings;
- (2) further notes that this project is not only aimed at saving energy and relieving the pressure on the national electricity grid but also at harnessing the energy of the sun to generate electricity in order to assist in meeting government's energy needs;
- (3) notes that this project, which is expected to cost about R11,2 billion, will be entirely self-funded from existing financial resources meant for current electricity costs while the roll-out thereof would also drive job creation as well as enterprise and skills development;
- (4) takes this opportunity to welcome this initiative and commends the Gauteng provincial government on this innovative project; and
- (5) calls on all spheres of government to develop and implement a similar projects.

The CHAIRPERSON OF THE NCOP: Order! In light of the objection, the motion may not be proceeded with. The motion without notice will now become a notice of motion.

SA MARITIME SAFETY AUTHORITY TO TRAIN STUDENTS IN MARITIME SECTOR

(Draft Resolution)

Mr B L MASHILE: Chairperson, I move without notice:

That the Council -

- (1) notes that the Maritime Careers Expo and Job Summit was held in Durban, KwaZulu-Natal, earlier this month;
- (2) further notes that the SA Maritime Safety Authority has consequently announced that it is to acquire a maritime mining vessel to train students in the maritime sector, thereby developing skills and creating more maritime entrepreneurial opportunities;
- (3) also notes that this will create a multiplicity of career opportunities in the maritime sector, such as offshore mining, offshore oil and gas exploration, seagoing officers, ship design, ship services and ship repair;
- (4) further notes that many other opportunities will be unlocked to young people and that they will be equipped with the necessary skills;

(5) welcomes this development, and commends the SA Maritime Safety Authority on its initiative and commitment, especially to develop much-needed skills and to create much-needed jobs; and

(6) takes this opportunity to call on all young people to grasp this opportunity.

Motion agreed to in accordance with section 65 of the Constitution.

**RULE 239(1) SUSPENDED FOR CONSIDERATION OF PROTECTION OF PERSONAL
INFORMATION BILL**

(Draft Resolution)

Ms M G BOROTO (on behalf of the Chief Whip of the Council): Hon Chairperson, on behalf of the Chief Whip of the Council I move:

That Rule 239(1), which provides *inter alia* that the consideration of a Bill may not commence before at least three working days have lapsed since the committee's report was tabled, be suspended for the purposes of consideration of the Protection of Personal Information Bill on Tuesday, 18 June 2013.

Question put: That the motion be agreed to.

The CHAIRPERSON OF THE NCOP: Order! Mr Bloem, is your machine not working? [Interjections.]

Mr D V BLOEM: Chairperson, perhaps with regard to the younger guys the machines are not working, but they can't speak on behalf of older people. Thank you. [Laughter.]

IN FAVOUR: Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, North West, Western Cape.

Motion accordingly agreed to in accordance with section 65 of the Constitution.

DANGEROUS WEAPONS BILL

(Consideration of Bill and of Report thereon)

Mr B NESI: Chairperson, the Dangerous Weapons Bill was introduced in Parliament by the Minister of Police on 12 February 2013. The Bill is meant to classify dangerous weapons and remedial steps that members of the SA Police Service should take when confronted by people who either conceal dangerous weapons or use dangerous weapons. It provides the police with greater powers of discretion to arrest people who carry dangerous weapons, firearms and imitations or replicas of firearms with the intention of using them for unlawful purposes. It also provides for people not to carry

dangerous weapons at gatherings with the intention of using them. To this end, it amends the regulations of the Regulation of Gatherings Act, Act 205 of 1993.

During the committee deliberations, the state law advisers and parliamentary legal advisers concurred with each other on the constitutionality of the Bill. The committee was concerned that the discretion that the Bill allows police officers is open to abuse. However, the committee was satisfied after an explanation by the state law and parliamentary legal advisers. The Department of Police was asked to provide an implementation plan and a training manual because training was a concern. The committee passed the Bill without amendments.

Debate concluded.

Bill agreed to in accordance with section 75 of the Constitution.

PROTECTION OF PERSONAL INFORMATION BILL

(Consideration of Bill and of Report thereon)

Mr B NESI: Chair, the Protection of Personal Information Bill was introduced in 2009 and adopted in the National Assembly on 12 September 2012. The Bill aims to give effect to the right to privacy by introducing measures to ensure that the personal information of

an individual is safeguarded when it is processed by responsible parties. The Bill also aims to balance the right to privacy against other rights, particularly the right to access of information, and to generally protect important interests, including the free flow of information within and across the borders of the Republic.

The aims of the Bill are: to introduce information protection principles so as to establish minimum requirements for the processing of personal information; to provide for the establishment of an information production regulator; to provide for the issuing of codes of conduct; to provide for the rights of persons regarding unsolicited electronic communications and automated decision-making; and to regulate the flow of personal information across the borders of the Republic.

The Select Committee on Security and Constitutional Development decided to pass the Bill with minor amendments.

Debate concluded.

Bill, subject to proposed amendments, agreed to in accordance with section 75 of the Constitution.

CRIMINAL PROCEDURE AMENDMENT BILL

(Consideration of Bill and of Report thereon)

Mr B NESI: Chairperson, the Criminal Procedure Amendment Bill seeks to amend section 316(10)(c) and section 316(12) of the Criminal Procedure Act by not requiring the Supreme Court of Appeal to request a record of proceedings if the appeal is against sentence only. It does so by giving the discretion to the Supreme Court of Appeal to decide whether it is in the interests of justice to request a full record or merely a portion of the record, if this was not submitted in terms of section 316(c) and under specified circumstances listed in the proposed section.

Regarding the retrospective application of the Bill, the Bill provides for the amendment to apply retrospectively from September 2010. This will allow for the backlog of 60 cases that was caused by the previous amendment to be considered without delay. The Office of the Chief State Law Adviser has indicated that it has no objection to the Bill's retrospective application.

The Supreme Court of Appeal judges concurred, stating that the effect of retrospectivity will be that the accused will appeal, will know sooner about the outcome of his or her appeal application and the state will be relieved of the burden of unnecessary expenditure relating to the transcribing of records.

Regarding recommendations, the Constitution contains various forms of protection to safeguard the rights of an accused person. The streamlining and speeding-up of the appeals process will assist in

giving effect to the rights of an accused to have a fair trial and to have his or her appeal heard as soon as possible thereafter. The Select Committee on Security and Constitutional Development did not propose any amendments to the Bill, and they are satisfied that the concerns that the rights of an accused could be detrimentally affected by the proposed amendment are being adequately addressed.

The Bill allows for judicial discretion by allowing the Supreme Court of Appeal judges to decide whether or not a record of proceedings will be required if this was not submitted in terms of section 316(10) of the Criminal Procedure Act. It is therefore recommended that the Council passes the Criminal Procedure Amendment Bill, as adopted by the committee on 12 June 2013.

Debate concluded.

Bill agreed to in accordance with section 75 of the Constitution.

APPROPRIATION BILL

(Policy debate)

Budget Vote No 8 - Women, Children and People with Disabilities:

The MINISTER OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES:

Chairperson and hon members, it is indeed an honour for me to

present the policy debate on the Budget Vote of the Department of Women, Children and People with Disabilities this afternoon.

Xa sijonge kumashumi amabini eminyaka yenkululeko yabantu bakowethu eMzantsi Afrika, sikhumbula uBawo wethu, uRholihlahla Mandela olele ngandletyananye, sithetha nje, esibhedlele. Sithi wanga uThixo angamsikelela, amkhusele kwaye amphilise. (*Translation of isiXhosa paragraph follows.*)

[As we look forward to the 20 years of democracy for our fellow South Africans, we remember our father, Rolihlahla Mandela, who is sick in hospital as we speak. We ask God to bless, protect and heal him.]

The 1994 democratic breakthrough marked a decisive milestone in the creation of a society based on the principles of equality, justice, human dignity and nonsexism. The character of this new society was very succinctly articulated by our founding President, Nelson Mandela, when he opened the first democratic Parliament in 1994:

And so we must, constrained by and yet regardless of the accumulated effect of our historical burdens, seize the time to define for ourselves what we want to make of our shared destiny ... And in this glorious vision ... our endeavours must be about the liberation of the woman, the emancipation of the man and the liberty of the child.

Regarding corporate governance, I said the following in my speech last year:

To ensure good governance and transparency, an independent labour law firm, Fluxmans, has been appointed to investigate allegations of corruption, nepotism and mismanagement in the department.

I am pleased to inform you that the investigation has been finalised and its recommendations have been implemented. This included disciplinary hearings against those who had been implicated and those who were found guilty have been dismissed. As the ANC government, we have declared zero tolerance of corruption and mismanagement.

We have now improved the capacity of the department with the appointment of the new director-general, Ms Veliswa Baduza, who is here with us today, and the chief financial officer. We also have a fully functional audit committee, risk committee, supply chain management unit and an improved human resource management unit. We are therefore confident that we have established the necessary systems, structures, controls and procedures that will enable us to discharge our mandate more effectively.

The turnaround strategy we adopted in consultation with National Treasury last year is being implemented. The results and

improvements of that strategy are now being realised in the department.

In terms of women empowerment and gender equality, we are determined to ensure that all our provinces reflect our nation's commitment to women empowerment and gender equality and remain convinced that we are on course. As a country in general, we have made significant progress to promote women empowerment and the representation of women in key decision-making structures. Before 1994, the South African Parliament had a mere 2,7% representation of women. Through the visionary leadership of former President Nelson Mandela and the ANC, the representation of women immediately increased tenfold to 27% following the 1994 elections. After 1997, having adopted the 30% target for representation of women at the ANC Mafikeng conference, we stood at 30% and 33% representation of women after the 1999 and 2004 elections respectively, under the leadership of former President Thabo Mbeki.

At its Polokwane national conference held in 2007, the ANC adopted the 50/50 representation for women. This increased representation of women to 44% in Parliament and 43% in Cabinet, under President Jacob Zuma. The progress our nation is making is mainly due to the commitment of the ANC to women empowerment and gender equality. If the other political parties in this august House had followed suit, we would have reached the 50/50 target in South Africa long ago.

On the economic empowerment of women, a number of women's projects are unfolding positively, with some women's businesses growing in leaps and bounds. For example, in Gauteng, we have the Dreamland Piggery, which is doing exceptionally well, so much so that the project already supplies pork to Pick n Pay. The project recently acquired an abattoir and is training other women in pig production, also to supply Pick n Pay. [Applause.] In Limpopo, a co-operative of women is producing moringa supplements, including teabags and tablets. The project exports to Indonesia, Swaziland, Botswana, the United States, the United Kingdom and the Netherlands. The Department of Science and Technology plans to set up a factory for them in Ga-Mphahlele village in Limpopo.

In the Eastern Cape, women are growing household brands with their traditional attire and beadwork. The women are running a sewing training centre and plans to build a factory for women in the village are progressing well. This is also supported by the Department of Rural Development and Land Reform, as well as the office of the premier in the Eastern Cape. Of course, moringa has been found by Wits University to be very rich in important elements that boost the immune system and fight diabetes and high blood pressure.

In memory of Charlotte Maxeke's generation, we will, in the course of this year, advocate for more land to be allocated to women. We also know that the Natives Land Act, Act 27 of 1913, is being

commemorated from tomorrow, because it was passed on 19 June 1913. We call on all our partners across all three spheres of government, in partnership with the Commission for Gender Equality and my department, as well as the agriculture and business communities, to join in this partnership. We will ensure that the campaign includes young women and women with disabilities.

Last year we informed this House that we were finalising consultation towards the Women Empowerment and Gender Equality Bill. This Bill is based on the international instruments that South Africa has signed and ratified, including the Beijing Platform for Action; the Committee on the Elimination of Discrimination against Women, CEDAW; the African Union Protocol on the Rights of Women in Africa; the SADC Gender Protocol; our Constitution and the Bill of Rights. I am pleased to inform this House that the draft Bill was approved for public consultation by Cabinet in August 2012. The draft Bill, which incorporates input from the public participation process, was tabled at Nedlac for negotiation. The revised Bill will be tabled in Cabinet for consideration before presentation to the National Assembly.

We believe that this Bill, once enacted, will become a powerful instrument to advance the objectives of women empowerment and gender equality. It will enforce compliance both within and outside the Public Service. We will continue to influence policy positions and government programmes to reflect the imperatives of women

empowerment and gender equality. This Bill will also assist to accelerate the engendering of policies and programmes across the public and private sector.

With regard to the Traditional Courts Bill, we will continue to facilitate the participation of rural women and other stakeholders to ensure that the provisions of this Bill are consistent with our Constitution and the gains we have made thus far.

Gender-responsive budgeting is an essential tool for development, poverty alleviation and redistribution. Chairperson, you will recall that last year we made an undertaking that, in partnership with the Motsepe Foundation, we would pursue the Women's Budget Initiative to ensure that our budgeting processes and allocations are gender responsive. I am pleased to inform the House that baseline research with the Departments of Agriculture, Forestry and Fisheries; Energy; Trade and Industry; and Health, in partnership with my department and the UN agencies, has been completed. This output will invigorate multistakeholder gender-responsive budget analysis in South Africa.

As part of our monitoring mandate, we have developed the integrated mainstreaming framework, as well as sector-specific monitoring and evaluation strategies, to monitor progress made in the realisation of the rights and empowerment of all three sectors. We have also developed a quarterly reporting tool so that we can determine trends and progress or regression. These tools will also be effective in

monitoring service delivery progress in provinces and municipalities.

The National Council Against Gender-Based Violence was launched on 10 December 2012. We are therefore planning to incrementally roll out the council to provinces through the establishment of provincial councils against gender-based violence, as well as the establishment of local councils against gender-based violence in municipalities. This structure will ensure that gender-based violence is dealt with at all levels of our society. The national council has finalised its annual action plan and will engage with communities through awareness-raising programmes and educational campaigns across the country. This will include road shows, consultations, summits and driving the 365 Days National Action Plan to End Gender Violence to fight gender-based violence.

Working together with the Ministers of Police; Justice and Constitutional Development; Social Development; Basic Education; Higher Education and Training; Health and Correctional Services, we will continue to support, promote, co-ordinate and monitor access to justice. This includes effective and efficient services to all victims, such as the sexual offences courts, which are being re-established by the Minister of Justice and Constitutional Development; the family violence, child protection and sexual offences units, which are being revived by the SA Police Service; and the training of police, forensic social workers, forensic

technicians, as well as restorative justice and the rehabilitation of offenders. These pillars constitute the key element of our fight against gender-based violence.

During the 57th UN Commission on the Status of Women, the department managed to stage a special parallel signing ceremony on 11 March 2013 at the UN Women headquarters in New York, where we registered South Africa's commitment, signed by President Jacob Zuma, to the United Nations "Commit to ending violence against women and girls" campaign. The ceremony was led by Ms Michelle Bachelet, the Under-Secretary-General and Executive Director of UN Women. South Africa was commended for its solo stance in Africa on the issue of sexual orientation and gender identities, as well as the matter of sexual and reproductive rights for women and girls.

We were also commended for our valiant efforts in ensuring that for the first time in the commission there were agreed conclusions on violence against women that were adopted in the session itself. Several concrete recommendations have emerged in the final outcome document, which we need to domesticate in this country. We also need to monitor the progress.

We were also congratulated for developing a multisectoral approach to fighting gender-based violence by launching the National Council Against Gender-Based Violence on International Human Rights Day, 10 December, last year, as well as launching the Orange Day campaign as

part of our 365 Days National Action Plan to End Gender Violence. We were also commended for promoting and assisting the empowerment of rural women in South Africa economically and socially.

We therefore call on all to support campaigns meant to deal with the scourge of violence, including the UNiTE to End Violence against Women campaign, for which Orange Day is held on the 25th day of every month, by wearing orange, speaking up against violence and raising awareness about the scourge of violence against women and children.

Regarding children's rights and responsibilities, we were in Malebitsa, Limpopo, to mark national Children's Day last year. We were there to place the spotlight on what we can and must do to meet the basic rights of our children. Together, we must continue to inculcate a culture of caring for and protecting our children and give concrete expression to the notion that it takes a village to raise a child.

In collaboration with the Nelson Mandela Children's Fund, we held the Nelson Mandela Children's Parliament in the Mpumalanga legislature. This became a venue for a robust and exciting engagement between South Africa's children and government leaders. It was a lesson in democratic participation for our children and an eye-opener for the political leadership about the challenges that face our children, which they articulated very well.

This year, the Nelson Mandela Children's Parliament will be held in the Eastern Cape province, in partnership with the Eastern Cape provincial legislature. We must continue to promote the rights of children, in keeping with the words of Nelson Mandela when he said that "there is no keener revelation of a society's soul than the way it treats its children".

I am happy to report that our UN Convention on the Rights of the Child report is ready for submission to the UN and AU in July this year. We are also saying that we have to continue to fight and ensure a reduction in poverty levels. We know a lot has been done by this government to fight child poverty. The grants that we have, the programmes that have been set up and early childhood development are some of the measures that we believe will help us empower our children and fight poverty.

Kunyaka-mali wama-2012-13, xa sijongene nokuxhatshazwa nokubulawa kwabantwana, siye sabamba imbizo phaya e-Filadelfia Special School. Loo mbizo yayijolise kubantwana abakhubazekileyo, ifundisa ngokuba abantwana abakhubazekileyo mabayekwe ukuxhatshazwa kuba nabo banawo amalungelo nje ngabo bonke abanye abantwana. Le mbizo yayikhokelwe nguSekela Mphathiswa, Hendrietta Bogopane-Zulu.

Siphinde saqaqambisa i-White Paper engunombolo 6 yemfundo equkayo, apho sasithi ... *(Translation of isiXhosa paragraphs follows.)*

[In the 2012-13 financial year, as part of addressing the abuse and murder of children, we held an imbizo at Filadelfia special school. That imbizo was focused more on children with disabilities, teaching people that abusing children with disabilities must stop because they too have equal rights like other children. This imbizo was hosted by the Deputy Minister, Hendrietta Bogopane-Zulu.

Again we've promoted White Paper No 6 on inclusive education, where we were saying ...]

... there must be access to education for all children.

Eli phulo lalibanjelwe eSoshanguve, saphinda kwakhona saya nalo eLimpompo sisebenzisana ne-ofisi yenkulumbuso, iSebe lezeMfundo namalungu e-Disabled People SA.

Iphondo lase-Limpompo ... *(Translation of isiXhosa paragraphs follows.)*

[This campaign was held in Soshanguve and we also took it to Limpopo in collaboration with the office of the premier, the department of education and members of Disabled People SA.

Limpopo province ...]

... has committed to roll out this campaign to their respective districts.

Kulo nyaka, ngomhla wama-27 kuCanzibe, siphehlelele iVeki yoKhuselo lwaBantwana sibambisene neSebe loPhuhliso lwezeNtlalo eThekwini. Sisuke apho saya eTaung apho bekukho ukubulawa nokudlwengulwa kwabantwana, kwakhona konke oko sikwenza ne-ofisi yenkulumbuso neSebe loPhuhliso lwezeNtlalo. *(Translation of isiXhosa paragraph follows.)*

[On 27 May this year we launched Child Protection Week together with the Department of Social Development in Durban. From there we went to Taung where children were being murdered and raped, and all this was done in collaboration with the office of the Premier and the Department of Social Development.]

To improve government's co-ordination, advocacy and monitoring capacity, we have revised the National Plan of Action for Children 2012-2017 and implemented a monitoring strategy to ensure compliance with national and international instruments.

Siqhubile kwakhona nge-Techno Girls, apho sifake amantombazana ali-1829 kwinkqubo yenyanga yeSilimela ngeholidi. Okwangoku ngamantombazana ali-3920 aye axhamla kule nkqubo, kuqukwa nabantwana abakhubazekileyo.

Sifuna nje ukuphakamisa kwiNdlu ukuba sifumana kakhulu abantwana abasuka eGauteng, KwaZulu-Natala naseNtshona Koloni, kwaye sifuna ukukhuthaza namanye amaphondo ukuba abe yinxenye yale nkqubo ibaluleke kangaka ikhuthaza abantwana bethu abangamantombazana ukuba babe ziinjinieli, amachule ejioloji nesazinzulu. (*Translation of isiXhosa paragraphs follows.*)

[Again, we continued with the Techno Girl programme, where we enrolled 1 829 girls in the June holidays programme. Currently, there are 3 920 girls who have benefited in this programme, including children with disabilities.

We would like to declare in the House that most of the children we get are from Gauteng, KwaZulu-Natal and the Western Cape and we would like to encourage other provinces to be part of this programme because it's very important; it encourages our girls to become engineers, geologists and intellectuals.]

The HOUSE CHAIRPERSON (Mr R J Tau): Hon Minister, would you please wrap up?

The MINISTER OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES: Yes, I would like to close with the children and remind you of what former President Mandela said:

Our children are the rock on which our future will be built, our greatest asset as a nation. They will be the leaders of our country, the creators of our national wealth, those who care for and protect our people.

Therefore, as a nation, we must invest more in our children.

Ndifuna ukuthi ke kulo nyaka uphelileyo besigida, sibhiyozela i ...

[I therefore want to say that last year we were celebrating the ...]

... International Day of Persons with Disabilities ...

... noMongameli uJacob Zuma phaya eMpumalanga apho abantu abakhubazekileyo bazichaze ngokwabo iingxaki nemingeni abadibana nayo kuMongameli nakubaPhathiswa ababelapho.

Ndifuna ukuthi ke nalapha xa sijonga le minyaka ingama-20 yenkululeko, nabantu abakhubazekileyo nabo baye bakhululwa ngumbutho wesizwe i-ANC. Namhlanje sinamaLungu ePalamente akhubazekileyo ali-16 ngenxa yombutho kakhongolose. Sina - ... *(Translation of isiXhosa paragraphs follows.)*

[... with President Jacob Zuma in Mpumalanga where people with disabilities reported to the President and the Ministers who were present on the problems and challenges they are facing.

I want to say even here as we reflect on the 20 years of democracy, that the ANC, as the ruling party, has also liberated people with disabilities. Today, because the government is led by the ANC, we have 16 members of Parliament who are disabled. We have ...]

... 96 public representatives all over the country.

Ngumsebenzi we-ANC ke lowo. Ndifuna ukuthi sisenengxaki okwangoku asikafiki kwesa sibini ekhulwini kodwa sizimisele noMphathiswa weNkonzo zikaRhulumente noLawulo ukuba sifake lo mqathango wesi sibini ekhulwini kwizivumelwano zohanjiso lweenkonzo nentsebenzo zabalawuli jikelele. Ndiyavuya ukuchaza ukuba ... *(Translation of isiXhosa paragraph follows.)*

[That is all the ANC's doing. I want to say that we still have a challenge for now because we have not yet reached that 2% that was proposed but the Minister for the Public Service and Administration and I are committed to including this 2% condition in the service delivery agreements and the general performance of the managers. I am happy to report that ...]

... my department is the best-performing department in this regard

...

... kuba ngoku sifikelele kwi-5,55% sabantu abakhubazekileyo abasebenza kwela sebe. Ngokubhekiselele kumakhosikazi asebenza kwela sebe, sifikelele kuma-60 ekhulwini.

Ndifuna ukubulela bonke ababambisene nathi, ngakumbi ikomiti ekhethekileyo, naBaphathiswa, iiNkulumbuso kunye naBapPhathiswa bamaphondo, oosodolophu kunye noorhulumente basekhaya. Ndifuna ukuthi, ngaphandle kwentsebenziswano nawo onke la masebe, konke esikwenzileyo bekungayi kuphumelela. Siyabulela kakhulu. Malibongwe! [Kwaqhwywa.] *(Translation of isiXhosa paragraph follows.)*

[... because we now have reached the target of 5,55% of people with disabilities working in that department. We have reached a target of 60% of women who are working in that department.

I want to thank all those who co-operated with us, especially the select committee, Ministers, premiers and MECs, mayors and local governments. I want to say that without the co-operation of all these departments, we would not have succeeded in everything that we wanted to achieve. We thank you very much. Praise! [Applause.]

Ms B P MABE: Hon Chairperson, hon Minister, hon members, ladies and gentlemen, the ANC's 1992 policy document titled Ready to Govern gives a clear expression of the ANC's vision and political aspiration on matters that have to do with the equality of life of

all people, regardless of race, gender, sexual orientation or disability challenges. Therefore, the ANC says:

Gender discrimination has either excluded or subordinated women's participation in all socioeconomic and political institutions. Combined with apartheid, this has resulted in African women being the most exploited and poverty-stricken section of the South African population.

We want a country that is unified, open, nonracial, nonsexist, democratic and free. We must abolish all forms of discrimination, domination, privilege or abuse. We must ensure that the basic rights and freedoms of all are respected.

The goal of the 1994 Reconstruction and Development Programme was to build on this theme of the equality of people. Thus, under the programme of democratising the state and society and developing human resources, emphasis was put on undermining the colonial and apartheid legacies of gender inequality in favour of a nonsexist society, among other defining traits.

This historic inspiration of gender equality was to be affirmed when it was enshrined in the Constitution of the Republic of South Africa in 1996 as what is now widely celebrated as the equality clause, section 9(2) of the Constitution. Admittedly, this aspiration has not been fully realised because women still suffer significantly

from the institutional legacies of apartheid, as well as from current patriarchal behaviour and attitudes.

It is equally true to say that a lot has been achieved under the ANC government. Under the ANC-led government a lot has been done to improve the conditions of women and to promote gender equality and women empowerment. The ANC government has enacted legislation that seeks to achieve the above. The Domestic Violence Act of 1998 represents a major achievement in the struggle against gender-based violence. This Act provides for the arrest of the perpetrator without a warrant of arrest and it provides for the issuing of an enforceable protection order for the victim of abuse.

Under the ANC government customary marriages have been given full recognition by the Recognition of Customary Marriages Act of 1998. Under the Promotion of Equality and Prevention of Unfair Discrimination Act of 2000, the implications for those women who had been in customary unions but were discriminated against in civil marriages are huge.

The Criminal Law (Sexual Offences and Related Matters) Amendment Act and the recently gazetted Women Empowerment and Gender Equality Bill, which is currently being processed by Parliament, are two other critical pieces of legislation that promote the cause of gender equality and combat gender-based violence.

In addition to the above, the National Council Against Gender-Based Violence was established to help protect women. The council has been charged with the following responsibilities: to drive the implementation of the 365 Days National Action Plan and advise government on policy and intervention programmes; to create and strengthen international partnerships on gender-based violence; and to monitor and report on progress made with regard to initiatives aimed at addressing gender-based violence.

The ANC understands that it is not enough to create legislation and hope that the problems will disappear. The ANC believes that the people are their own liberators. It is the people in the various communities who must rise, organise themselves and claim back their livelihood. They must claim back their streets and all other spaces, including their homes, from those who imprison women through gender-based violence.

In fact, the ANC understands that the problem of patriarchy requires a comprehensive, all-round and sustainable strategy that will bring all sections of society together. In its 2007 Strategy and Tactics document, the ANC characterised the problem of patriarchy as above precisely because patriarchal oppression was embedded in the economic, social, religious, cultural, family and other relations in all communities and therefore its eradication cannot be an assumed consequence of democracy. All manifestations of patriarchy, from the feminisation of poverty and of physical and psychological abuse,

resulting in the undermining of self-confidence, to open and hidden forms of exclusion from positions of authority and power, need to be eliminated.

When this happens, the ANC's cherished vision will be realised. The vision was stated in the 1992 policy document Ready to Govern, when the ANC said:

Women should be able to walk in the streets freely without fear of assault and should be able to feel safe and free from violence in their own homes.

Under the ANC-led government, South Africa is launching the National Council Against Gender-Based Violence to review the existing National Action Plan and to strategise on delivery. While the government appears to be committed to addressing gender-based violence, social tolerance of the problem, low prosecution rates and continued cultural practices that are harmful to women inhibit the effectiveness of all these initiatives.

The ANC believes that together we can do more. That is why we call on society to work in partnership and collaboration in order to eliminate the manifestations of gender inequality, including the scourge of gender-based violence. In the Public Service, women make up only 34% of senior managers, 30% of the judiciary and 36% of

ambassadors. In state-owned companies, 35% of director positions and 31% of executive manager positions are held by women.

New programmes, such as the Land Redistribution for Agricultural Development programme and the Comprehensive Agricultural Support Programme, are meant to increase women's access to land by establishing a quota for female-headed households and encouraging women-only projects. The Minister spoke extensively on this issue when she made reference to the moringa tree. I am pleased to mention that in this House we have an ambassador for moringa, Mrs Madikgale. All of us, or 90% of us, have tasted moringa because of Mrs Madikgale's strong belief in this medicine. [Laughter.]

The ANC government has responded to the protection of children in this country in various ways. In terms of a legislative framework, the Constitution, Act 108 of 1996, has a specific part that deals with the socioeconomic rights of children. The ANC believes that children should be allowed to be children. They should be allowed to be at school during school hours. They should be given the necessary support and opportunity to grow and develop holistically through playing, among other means of development. They should not be drawn into labour at a fragile age.

The ANC reiterates its condemnation of the abusive child labour practices perpetrated on farms, among other places of employment. We call on the government to ensure that perpetrators who breach the

provisions of the Basic Conditions of Employment Act are brought to book to face the full might of the law. We call on society to reinstate the traditional African principle of communal parenthood, which says, "Your child is my child; let the whole village raise all the children."

Research indicates that the incidence of abuse of people with disabilities, particularly women, is a problem of epidemic proportions. Compared to nondisabled women, women with disabilities experience violence at a higher rate and more frequently; are at a significantly higher risk of violence; have considerably fewer pathways to safety; experience violence that is more diverse in nature; and experience violence at the hands of a greater number of perpetrators.

In conclusion, the words of the late former president of Mozambique, Comrade President Samora Machel, come to mind. He said:

The liberation of women is not an act of charity. It is not the result of a humanitarian or compassionate position. It is a fundamental necessity for the revolution, a guarantee of its continuity, and a condition for its success.

It is against this background that the ANC endorses the call by the United Nations that violence against women must be addressed in the context of seeking to end all forms of discrimination, to advance

gender equality and the empowerment of women and to create a society in which all women enjoy their human rights. The ANC supports the Budget Vote. Malibongwe! [Praise!] [Applause.]

Mr D A M KGOHULE (Free State): House Chairperson, Deputy Chairperson, Acting Chief Whip, Minister Lulu Xingwana, hon members, ladies and gentlemen, Director-General Baduza and the support staff from the department, women and child abuse continues to be a blemish on the human rights culture enshrined in the Bill of Rights that we adopted, and on our proud history of fighting for the rights of both women and children.

Undoubtedly, as a country we have set the tone on the global stage as far as human rights are concerned. Several developing democracies are looking towards South Africa for guidance with regard to the development of their constitutions, because our Constitution is widely considered to be the most progressive Constitution in the world today.

As a nation that has been struggling and fighting for human rights as a fundamental right for so many years, we have succeeded in that struggle to a great extent. However, we are still confronted with a considerable challenge when it comes to protecting the rights of our women and children in the face of those who have taken it on themselves to trample on the rights of women and children in our communities. Women and child abuse is a human rights violation of

the grossest nature, because it deprives our children and women, the builders of a future and a nation, of the fundamental right to live a free and safe life.

We have to and, indeed, we are confronting this scourge from all sectors of our society. Abuse is a harmful act forced on a more vulnerable person by someone who has the power to dominate. Abuse disrespects fundamental human rights, feelings and needs, as well as basic mental and physical safety. It is something we cannot tolerate - that those who feel they are more powerful should make others feel less safe and vulnerable.

We have defeated the horrendous system of apartheid, which made many of us vulnerable and put us under constant siege. In this day and age, after such a protracted battle against oppression, we cannot tolerate the oppression of our grandmothers, mothers and sisters, as well as our children, and allow it to continue unabated.

It is difficult to get reliable statistics on violence against women and children in South Africa. Although the number of reported cases is very high, many cases go unreported.

Many women are still unaware of their rights when reporting abuse. Even informed women traumatised by an assault are unlikely to be assertive and insist on their rights. Many women are afraid of further violence from the perpetrator should they contemplate legal

action. This is compounded further by the introduction of the new Domestic Violence Act, which a lot of women have not yet grasped.

The challenge exists for the Act, including the regulations, to be made into an accessible form of legislation for the benefit and protection of women in all areas of their lives. The effective implementation of the Act also needs to be ensured, for example in the form of effective legal preventive measures like protection orders and police escorts for abused women.

The gender-based nature of domestic violence has unfortunately also seen an increase in the number of women being murdered by their intimate male partners. The lack of statistical information on this form of killing makes it very hard to measure the extent of the scourge but newspaper reports on this issue leave little to one's imagination. These killings demonstrate the culture of male violence against women and the sexism that still pervades our society.

Women have fought and succeeded in getting many basic rights, yet in the private sphere of their homes the inequality between men and women is still a battleground.

The Institute for Security Studies did a research project in 1999 and found that 90% of the women interviewed had experienced emotional abuse. Being humiliated in front of others was reported most commonly. Also, 90% expressed an experience of physical abuse -

being pushed, shoved, slapped or hit were highlighted. Another 71% had experienced sexual abuse: attempts to kiss or touch, followed by forced sexual intercourse, often occurred. In addition, 58% experienced economic abuse - money taken without consent was the most common - while 42,5% of women had experienced all these forms of abuse.

Every South African has an important role to play in rooting out the scourge of gender-based violence. Violence against women and children is a complex issue. Government has enacted various pieces of legislation to provide protection for women and children.

There is a strong need to focus on what is required to educate the girl-child of her responsibilities to protect herself. Government's commitment to preventing violence against women and children, holding perpetrators accountable for their actions and ensuring that women and children who experience violence receive support is now the focus of this government and the challenges that we, as a country, are facing.

Government is also creating awareness by hosting the annual 16 Days of Activism for No Violence against Women and Children as an international campaign. Although the global campaign focuses on violence against women only, South Africa should be commended for adding children to its campaign because of the high incidence of child abuse in the country.

Through our various government programmes we will continue to intervene to stem the tide of women and child abuse. It will take practical and intensive programmes on our part to ensure that women and children feel safe in the land of their birth. We cannot be held to ransom by abusers and molesters.

As part of the many practical steps we are taking to curb the scourge of violence against women and children, we are establishing a "fusion centre" in the Free State. This emanates from the resolutions we took as a province during our provincial crime prevention summit, held on 11 and 12 April 2013 at the Philip Saunders resort near Bloemfontein. The thrust of this provincial crime prevention summit was to ensure that we develop a provincial crime prevention strategy, which will serve as a blueprint for all crime prevention programmes and initiatives based on the National Development Plan.

As a province, we are mindful that domestic violence among the poor majority of our people resonates to some extent with the rampant effects of unemployment, poverty and inequality. Hence we are attempting to ensure that we widen access to economic opportunities for women in particular and our people in general.

As far as children are concerned, we pride ourselves on the proper functioning of drop-in centres for children of schoolgoing age to be assisted with school and homework in instances where children come

from broken families. We are constantly implementing a system of care that ensures that our children access social grants to ensure that we mitigate the effects of poverty and the extent to which they may be forced out of school. We also implement a school uniform programme to ensure that we bring dignity to children who come from less fortunate families.

Our school sports programme ensures that our children are exposed to the possible excavation of talent that may widen their social horizons and benefits. The talent of many young lads is easily spotted through their excellence in various school sports. As the Free State government, we have ensured that there are sports committees in the urban and rural nodes of our province to ensure equal access to sporting development. These committees are supported by enabled access to multipurpose sporting facilities. The benefit of this is that it is highly probable that these young minds may be shifted away from the egocentric tendencies of focusing on violence-moulding activities born in inactive minds and bodies.

These sets of interventions are reactive, an attempt to mitigate the effects of the scourge of domestic violence. The biggest challenge is dealing with the psychology of violence, especially gendered forms of violence. That is why it is important for us to look into probable causes and seek to deal with them, such as the effects of unemployment on the emotional stability and viability of our system

of family, the effects of social inequality and the increasing rate of unemployment.

The emphasis should be on creating sustainable partnerships to ensure that opportunities are created for South Africans, and that our social protection policy is cushioned from the negative effects of potential economic upheaval. Ke a leboaha. [I thank you.]

[Applause.]

The DEPUTY CHAIRPERSON OF THE NCOP (Ms T C Memela): Hon Chairperson, Ministers, Deputy Ministers, members of Salga, members and MECs present, we gather here today at a time when people all over the world are speaking in one voice, wishing former President Nelson Mandela a speedy recovery from his recurring lung infection. Comrade Madiba is a pillar of strength and a source of inspiration for the ANC, South Africans and people around the world. We wish him a speedy recovery.

We also send a revolutionary birthday greeting to the 11th president of our national liberation movement, Comrade Thabo Mbeki, who turns 71 today. [Applause.] The ANC is proud of the contribution Comrades Mandela and Mbeki made to the struggle for liberation and the creation of a united, democratic, nonracial, nonsexist and prosperous South Africa.

We urge our people to work together in transforming the country for the better. South Africa is faced with many challenges that require our national resolve as we address the imbalances of the past. We call on all sectors in our society to work with the ANC, the people's movement, in the journey to find solutions to the triple challenge of poverty, unemployment and inequality and the accompanying social ills.

The 53rd ANC national conference in December 2012 affirmed that there should be serious action to achieve social transformation. South Africa today is decidedly and qualitatively better than the South Africa of 19 years ago. The government of the ANC has worked tirelessly to improve the lives of our people and bring about social equality.

As the ANC-led Parliament, an activist Parliament, we need to earn the trust of our people. We need to lead by example. We need to be honest. We need to be selfless. We need to fully appreciate our historical mission. More than anything else, we need to be true to the values and teachings of the ANC. Hon members, there is a need for all of us to continue to engage in vigorous and searching debate on the persistence of the legacy of apartheid colonialism, as is reflected in the triple challenge of poverty, inequality and unemployment.

Earlier this year we discussed the role played by the NCOP in protecting the vulnerable, especially in promoting and protecting the rights of children. We also launched a publication that contained a number of reflective assessments and recommendations. Some of the recommendations we proposed are the following: The country should collect data based on specific indicators that would show the progress that has been made in the laws being developed by Parliament. Attention should be given to ensure the obligatory provision of educational programmes to children who are in conflict with the law, with special attention to children who are awaiting trial, unsentenced and sentenced children. Parliament should review the provisions of section 8 of the Child Justice Act for an amendment regarding the age of criminal capacity. This should be done to ensure that South Africa complies with substantive provisions in relation to its international obligations and standards, and this could take place sooner than within the proposed five years.

Parliament should play a pivotal role in the oversight of the implementation of the Child Justice Act, Children's Act and other related laws that have been passed to ensure the survival, protection, development and participation of children. Parliament should ensure that the country reports in time and accurately on the implementation of the UN Convention on the Rights of the Child, the African Charter on the Rights and Welfare of the Child and other international treaties that South Africa has ratified.

The country should also prioritise the strengthening of the primary health care system as the national health response, particularly expanding the number and scope of work of community health workers to include high-impact but low-cost children's health and nutrition interventions. The NCOP in collaboration with the National Assembly and the provincial legislatures should develop a rigorous oversight programme from a multisectoral perspective to monitor the realisation of child rights in the country.

The NCOP should also develop a strategy to report back to the children from across the country who conveyed their messages to seminar participants last year. They should be told what we have done and what has happened. Lastly, special attention should be given to children with disabilities in the realisation of their rights, including the provision of transport to schools.

As we conclude this term, the relevant committees, led by the Select Committee on Women, Children and People with Disabilities, will assist us with reflection on the work we identified. We committed ourselves to promoting the rights of children and to protect the vulnerable groups in society. It is for this reason that we support the work that is being done by government to ensure that all South Africans enjoy freedom under conditions of safety.

We understand that we mean the whole of society when we ensure that we protect vulnerable groups and uphold the protection offered by

the Constitution. We therefore say that we have to support this Bill at all costs.

Mr D A WORTH: Hon Chairperson, Minister, MECs present, members and visitors, I would like to thank the department for their presentation to our committee. The Department of Women, Children and People with Disabilities was established to emphasise the need for equity and access to development opportunities for vulnerable groups in South African society. This department was created in May 2009 to replace the former national multiagency structures in the Presidency.

The budget of the department grew from R172,2 million in 2012-13 to R198,3 million in the 2013-14 financial year. Although this is a nominal increase of 2,85%, when inflation is taken into account the budget has actually decreased by 2,6%. In terms of the budget, some 66% is allocated to current payment, 61% of which will be used for compensation of employees. The balance of R51,3 million is allocated for expenditure on goods and services. In addition, 31,8% of the budget has been allocated to transfer payments.

The department has produced financial reports since 2010-11. The Auditor-General has consistently stated that this department has been overspending on its budget since inception, mostly on travelling, venues and compensation of employees. The department incurred overexpenditure of R22,7 million in the 2011-12 financial

year. In the 2010-11 financial year, the department overspent by some R3,7 million with fruitless and wasteful expenditure of R1 003.

The findings depict a department that has not made any progress in addressing audit findings.

Ms B P MABE: Chairperson, I wanted to find out if the member is prepared to take a question.

The HOUSE CHAIRPERSON (Mr R J Tau): Are you prepared to take a question, hon Worth?

Mr D A WORTH: No, thank you, Chairperson. [Interjections.]

Instead, in some areas, the level of noncompliance has increased and the amount of irregular expenditure has more than doubled. This is a reflection of a lack of capacity to address the findings, a skills shortage and a lack of commitment to ensure that governance is given priority. Only 40% of the planned targets were achieved during the 2011-12 financial year. A further 40% of the reported targets of the department were not consistent with the indicators and targets as per the approved annual performance plan.

There are still a large number of unfunded vacancies in the department, while there is also a high number of appointed staff at the highest salary levels. There are 48 staff members at salary

levels 13 to 16, at a total cost of R47,3 million. In effect, this means that 48 staff members cost the department nearly R48 million. However, the capacity of the department has been improved, which the Minister alluded to, with the appointment of a director-general, a chief financial officer and a functional audit committee.

However, women, children and people with disabilities are among our most vulnerable citizens and the department is failing to protect them and to uphold their rights. There are approximately 5 million disabled people living in South Africa, of whom 1,2 million receive a disability grant. Some 10,5% of the disabled population have no education. Only 7,1% of disabled people have primary education. However, 5,55% of the department's staff members are people with disabilities. Few, if any, of the other state departments meet the minimum 2% disability employment target.

The department has been poorly managed, with - and I refer to the Auditor-General's report - a 66% underspend on the Rights of People with Disabilities Programme; overspending in the Administration programme; and overspending of 112% on employees' salaries. In the latter case, human resources management was poor, compensation was irregular and it did not comply with the Public Service Regulations. Those are just some of the items.

According to the report, the department is currently operating on a deficit due to a misalignment between the allocation, the approved

organogram and the strategic plan. The department has declared that it would be making submissions to National Treasury for additional funding to rectify all the above and it proposes a turnaround strategy to be phased in over three years in order to deliver on its mandate.

The aim of the department is to drive, accelerate and oversee government's equity, equality and empowerment agenda, especially in the poor and rural communities. One of the primary objectives is to facilitate gender equality through the mainstreaming of government's policies and programmes. Other state departments, such as Health, Justice and Social Development, the Police and provincial governments, must assist this department to carry out the implementation and organisation of these functions.

Concerns have been raised about the increase in violence against women and children. The Minister has stated that the National Council Against Gender-Based Violence has been launched and seeks to address this issue. The Department of Justice was also in the process of opening the sexual offences courts, and the SA Police Service has re-established the family and child protection Units.

I wish to sincerely thank all the nongovernmental organisations, faith-based organisations, nonprofit organisations and other civil society organisations whom we rely on for 60% of welfare services. If this department does not function as it should, perhaps it is

time for its budget to be handed over to these welfare organisations or to the Department of Social Development. [Applause.]

Mr D B FELDMAN: Hon Chairperson, Ministers, members and staff members from the department, this department shouldn't have been established in the first place. There are numerous reasons why I, on behalf of Cope, recommend that this department be disbanded. This is based on the following considerations. [Interjections.]

Regarding legislation, the department has failed to implement legislation as required and per its mandate. According to the department, its mandate is derived from elements of a range of - if I may add this word - "selected" legislation. I say "selected" because there is no mention of the Domestic Violence Act, Act 116 of 1998.

The department is mandated to promote and monitor the realisation of the rights of vulnerable people in our country. However, the Minister refers questions regarding the Domestic Violence Act to the Justice and Security cluster. What does this tell us? It tells us that the Minister does not care whether law enforcement agencies implement National Instruction 7/1999, Version 2, which was gazetted on 3 March 2006. The Domestic Violence Act is one of the legal developments provided to women in this country in an attempt to protect them and prevent domestic violence and sexual offences against women.

South Africa is a "leader" in violence against women. Statistics on rape against women have gone up instead of down over the past five years. The police are the weakest link in the fight against gender-based violence. Yet the Minister does not monitor the implementation of the Domestic Violence Act, as required. Many reported cases fall through the cracks of the justice system. The sexual offences Act is not being implemented by policewomen and policemen.

Regarding the Thuthuzela Care Centres, the Minister does not even play an oversight role in these centres. Her only role is to launch a new centre and then she forgets about it in the next hour.

[Interjections.]

Regarding personnel, how does the department justify the payment of an average of R1 million to a third of its employees? We are paying 48 skilled and qualified individuals on a salary level of 13 to 16. What are we getting in return? During the oversight visit in Pretoria, their offices were empty, with no officials in sight. Filing was not done and the office was a complete mess.

[Interjections.]

Ms M W MAKGATE: Chairperson, hon Ministers, hon members, in its 1992 policy document titled Ready to Govern, the ANC asserted that the rights of the child would be protected, as would environmental rights, the rights of disabled people, and the right not to be

discriminated against or subjected to harassment because of sexual orientation.

On the occasion of the World Day Against Child Labour, the International Labour Organisation's Global Report revealed that 36% of all children between the ages of five and 14 in Southern and Eastern Africa were involved in child labour, with most of them working in the domestic and agricultural sectors.

The ANC government has done a lot to curb the problem of child labour in South Africa. According to the Basic Conditions of Employment Act, it is a criminal offence to employ a child younger than 15 years of age - except in the performing arts, with a permit from the Department of Labour. A child aged between 15 and 18 may not be employed to do work that is inappropriate for their age or work that places them at risk.

The Basic Conditions of Employment Act further states that any work performed by a child should not be exploitative, hazardous or otherwise inappropriate for the child's age; nor may it be detrimental to the child's schooling or social, physical, mental, spiritual or moral development.

The newly promulgated Child Justice Act provides innovative ways to deal with children who have been involved in either offences where they were used by adults to commit crime or commercial sexual

exploitation. Yet, despite the above efforts, there is an unacceptably high incidence of child labour in certain parts of South Africa. These incidents are widespread throughout South Africa.

Any incident of child labour should be condemned, regardless of where it happens in South Africa. Over the past few years, and recently, the North West province has drawn the attention of the country as one of the hot spots insofar as this evil of child labour is concerned. In June 2011, an underage boy named Molefe Mogale lost his hand while operating a machine on the farm where he was employed in Rustenburg. A recent report by the SA Human Rights Commission also points a finger at the North West province. The practice of using child labour in this province appears to be rife, in particular in the agricultural sector. We call on the provincial government to investigate this.

It is evident that we are becoming a violent society, especially against children and people with disabilities. The environment in which we live seems to be influencing the generation of the future in a negative way. For instance, children prefer to buy a toy gun, rather than other types of toys. The question is: Why? This is a clear sign of anger among our children; of the wish to defend themselves and to harm the next person. What kind of society are we building? These are challenges that we need to deal with.

The ANC calls on the government to increase its monitoring and inspectorate work so that farmers who continue to breach our labour laws are brought to book. We call on parents to embrace education and to make use of the support that has been made available by the ANC government to promote education among the poor.

The ANC also believes that the advancement of women in society is a necessary means to the end of dealing successfully with the triple challenge of unemployment, poverty and inequality. The ANC Women's League expresses this profound vision when it says:

The gender agenda should not be perceived as an "act of charity" or goodwill, given that nonsexism is a strategic objective of the ANC. Central to the task of social transformation is the role of the ANC in government in confronting the challenges of poverty, inequality, unemployment and underdevelopment through the advancement of women and achievement of gender equality.

Society must therefore aim to eliminate the barriers that limit women's equal participation in society and the economy. This can be achieved by making use of existing South African legislation. I am going to request the hon Feldman to listen carefully here.

[Interjections.] We have laws such as the Domestic Violence Act of 1998, the Recognition of Customary Marriages Act of 1998, the Promotion of Equality and Prevention of Unfair Discrimination Act of

2000, as well as the Women Empowerment and Gender Equality Bill, which is currently being processed by Parliament.

I want to ask the hon Feldman this question: Who is supposed to do oversight? We are here as representatives. We are here to ensure that we show compliance with any Act that we pass in this House. We are the ones who must conduct monitoring to ensure that whatever Act we agree on here is implemented on the ground. [Applause.]

The question would then be this: Are we doing enough to educate our people and create public awareness of these laws? I think this is where the hon Feldman comes in. Is that hon member doing what he is supposed to do to teach people on the ground and to conduct public awareness? I think the hon member must do his work and make sure he truly represents the interests of the people of South Africa.

[Interjections.]

Under the ANC government women have made substantial progress but much more still needs to be done. Despite the ANC government's efforts to deal with gender issues, women still continue to be abused and raped in horrific ways. We call on the government to tighten the partnership in the Justice cluster so that perpetrators are arrested, prosecuted and convicted with high sentences.

More often than not, incidents of child abuse in large cities are given more attention and are treated as high-profile cases. Less is

said about similar incidents in smaller towns and villages. To support my statement, just few months ago, in Kanana township in the North West, a toddler of nine months was raped by a 43-year-old man. The case was reported to the police and a motion was brought to be passed in this House, yet it was never given the same profile and treatment as cases that were recently reported. It is my view that we should give more attention to the people who are less privileged and more downtrodden than to those who reside in big cities. I wish to take this opportunity to thank the community of Kanana for their continued support in ensuring that justice prevails.

Society must appreciate that people with disabilities are human beings who have rights and that they should be respected as such. They are also entitled to receive an education and should be provided with better facilities. They should enjoy equal access to education. We must avoid what happened in the North West province in 2010, where children with disabilities were locked into their rooms due to poor infrastructure and this resulted in the loss of four lives. As a society we need to embrace, support and take care of children with disabilities.

People with disabilities encounter a number of barriers and almost all of these barriers have nothing to do with their physical condition. Instead, they reflect the negative attitudes of society, which are revealed in its failure to support people with disabilities so that they can live fulfilling lives without being

made to feel less important. It is outdated ideas that lead to horrific behaviour, which includes situations where families lock up their members who have disabilities at home and do not enable them to interact with society and their environment.

In conclusion, boys and girls must be socialised in a nonsexist manner. This concept should be built into our schools curriculum, from early childhood development level. This should work to eradicate patriarchy and the perception that males are superior to females, which we see resulting in the rising incidence of gender-based violence. As part of this curriculum, children should be taught to appreciate that differences in appearance do not detract from the essence of equality, which is enshrined in the Constitution for the fulfilment of women, children and people with disabilities. The ANC supports this Budget Vote. [Applause.]

The MINISTER OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES:

Chairperson and hon members, I want to thank the members who supported the debate, starting with the hon Mabe, the chairperson of the select committee, who highlighted the progressive laws that we have passed in the past 19 years. We have done so as a democratic Parliament under the leadership of the ANC, starting with the Constitution and the Bill of Rights.

I also want to say that the recognition of customary marriages does not just protect women. It protects the rights of children as well.

Just to add something on the topic of moringa, I want to say that we also have women in KwaZulu-Natal, like ...

... Njengomama uMaureen Magubane eMooi River ... [... Mama Maureen Magubane from Mooi River ...]

... who have set up 20 co-operatives, were given a feeding scheme contract by the MEC for education, Senzo Mchunu, and are now setting up an umbrella co-operative, with the support of the Department of Trade and Industry, so that they can buy wholesale. They are now working on a contract for Simba chips, in terms of which they will produce potatoes for the Simba chips factory in Durban. Whether we like it or not, after 19 years, the ANC government has brought about a better life for our people.

I am not going to waste my time dealing with the lies of the DA and the lies of Cope. Cope must first go to a conference and obtain some leadership, not sit under a tree and then say that they have leadership. [Interjections.]

The HOUSE CHAIRPERSON (Mr R J Tau): Order! Do you have a point of order, hon member?

Mr M J R DE VILLIERS: Chairperson, it is unparliamentary to use the word "lie" in this House.

The MINISTER OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES: It is parliamentary to say a party is lying, not a member. Go and read your Rules! [Interjections.]

The HOUSE CHAIRPERSON (Mr R J Tau): Order! Hon members, may I make a ruling on this matter? A point of order was raised. I didn't pick up on exactly what the Minister said - whether a party or an individual was lying. I therefore ask that you give me the opportunity to look at the Hansard and make a ruling in the next sitting.

Mr M J R DE VILLIERS: My point of order is to you, hon Chair.

The HOUSE CHAIRPERSON (Mr R J Tau): Hon member, I just made a ruling on the matter. [Interjections.]

The MINISTER OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES: I want to say to hon Worth that we are debating the 2012-13 Budget Vote. Yes, I have acknowledged that there was corruption and mismanagement in the department, and I came to this House last year and reported that I was investigating. I initiated an investigation. I reported that I have implemented the recommendations. People have been dismissed after disciplinary hearings. So, I don't know what the hon member is still wasting his breath about. [Interjections.] The department has improved. Go and listen to the Auditor-General. We are doing very well. [Interjections.] We have not overspent a cent in the 2012-13 financial year. [Applause.]

We have employed people in the unfunded vacancies. In those that are funded, we have employed people. In those that are not funded, we cannot employ people. So, the hon member must assist us with a budget that is reasonable. Of course, the members - Cope, the DA and all of them - are calling for the disbandment of this department. They don't understand issues of gender. They actually don't care about gender. [Interjections.] You must go and ask your premier why she is only employing men as MECs. When is she going to recognise women in the Western Cape? They do not care about women's empowerment, so this department must go, because this department is pricking their conscience. [Interjections.]

People with disabilities have no education. I cannot educate people with disabilities in three years. We are talking about a legacy ...

... yootat'omkhulu bakho ... [... of your grandfathers ...]

... who are responsible for a lack of special schools, for a lack of inclusive education. It is only after the ANC government came to power that we implemented policies like inclusive education for our children. So, the hon member must help us.

The DA in the Western Cape has the highest number of people with disabilities, children who have no schools, who have no education. The Western Cape is the worst. Over and above that, the premier has closed the Office on the Status of Women, has closed the Office on

the Status of Disabled Persons and the Office on the Status of Children, because the DA does not care about the vulnerable and the poor in our country. [Interjections.]

I want to close by saying that we want to thank hon members, Deputy Minister Bogopane-Zulu for her contribution and support, the director-general, the staff, and members of the select committee and portfolio committee for providing support and diligent oversight to ensure that the rights and empowerment of women, children and people with disabilities are protected and promoted. I also want to say, hon members, particularly after hon Thandi Memela, that as signatories of the various international conventions and protocols, we will continue to ensure that South Africa secures outcomes that will promote and protect the rights of women, children and people with disabilities. We will also ensure, hon Memela, that we discharge our reporting obligations to the United Nations and other international instruments.

I would also like to express appreciation to international agencies, such as the UN Development Programme, UN Women, UN Children's Fund, the UN Population Fund, the Joint United Nations Programme on HIV/Aids, UNAIDS, the British Department for International Development, DFID, and others who have supported this department in kind and financially.

While improvements have been made in the department, our baseline budget remains an area of great concern, and we are in discussion with National Treasury to ensure that we improve capacity within the core areas of the department. We also need financial support for the National Council Against Gender-Based Violence. We thank DFID and the UN agencies for giving us \$1 million to fight gender-based violence in South Africa. We trust that more will join their example in this area of need.

As I conclude, allow me once again to quote the immortal words of Charlotte Maxeke:

This work is not for yourselves. Kill the spirit of self. Do not live above your people, but live with them. If you can rise, bring someone with you.

An HON MEMBER: What about you?

The MINISTER OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES:

Halala, Charlotte Maxeke, halala!

HON MEMBERS: Halala!

The MINISTER OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES:

Halala, Lilian Ngoyi, halala!

HON MEMBERS: Halala!

The MINISTER OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES:

Halala, moringa, halala! [Laughter.] [Applause.]

Debate concluded.

Appropriation Bill

(Policy Debate)

Budget Vote No 31 - Human Settlements

Budget Vote No 3 - Cooperative Governance and Traditional Affairs:

The MINISTER OF HUMAN SETTLEMENTS: Chairperson, those who did not applaud may not get their houses ... [Laughter.] ... so I will listen very, very carefully. Thank you for inviting us to this important House, the National Council of Provinces. Chairperson, you said that Ministers may not vote. That applies to Minister Lulu Xingwana and to Minister Baloyi. Once a premier, always a premier, so I have voted! [Laughter.]

Hon members of this House, Chairperson - as I have already indicated - and the chairperson of the select committee, ladies and gentlemen, in his inaugural state of the nation address, President Jacob Zuma made three pronouncements in respect of the Department of Human

Settlements, or the then Department of Housing. These were the name change from Housing to Human Settlements; policy change and the practicalisation of this new paradigm shift to transform the landscape of housing in South Africa.

Over the last four years we have remained seized with the implementation of this new mandate, or Outcome 8. We can state the following without equivocation: A firm foundation has been laid towards a sustainable and integrated Human Settlements objective, Vision 2030. Consequently, we have a comprehensive strategy, premised on three segments around human settlements: firstly, housing for the poor; secondly, housing for people who fall in the gap market; and thirdly, housing for middle to high-income earners, many of whom are sitting here.

How are we going to implement Human Settlements Vision 2030? Let us start with housing for the poor. It is common knowledge that the main focus of our housing delivery strategy remains the poorest of the poor, many of whom are in and around what are called informal settlements, otherwise known as ghettos. At this stage, let me make the following message clear: This government does not build slums. When you see the more than 2 000 informal settlements - imikhukhu or amatyotyombe - it is not this government that built those things. These squalid areas have their roots in the wars of dispossession. They have their roots in the 1913 Natives Land Act - the centenary of which is commemorated this year - and in subsequent apartheid

policies. These policies gave rise to landlessness and joblessness in this country, which saw, and continues to see, the destitute among our people escaping poverty by turning towards urban areas, particularly vulnerable women.

Let me repeat what I said at the Nelson Mandela Metropolitan University concerning slums - amatyotyombe and imikhukhu:

They are essentially shanty towns, littered across all provinces, particularly around the more affluent metros and municipalities. This therefore results in a situation of the classic undesirable urbanisation, which is driven less by economic growth and more by the rural-urban migration of the poor and jobless.

That is the sad story of South Africa, where you have urbanisation but it is driven by poverty. The question that arises is this: What steps have we taken to address this? Apartheid has done what it did. That is a problem, but what steps have we taken to win back our country and give dignity to our people? That is why we are here. As stated, our focus remains the poor. Over the past four years our department has thus far delivered, through grants, over 750 000 houses and housing opportunities.

This has made it possible, during this term of government alone, for the total number of housing units provided since 1994 to break, for the first time, the 3 million threshold for those people who earn

between R3 500 and zero. That is what we call the poorest of the poor. To be precise, to date the delivery by this government in this term alone is 3,3 million houses and opportunities, with the cost of each unit being around R85 000. It is a sliding-scale ruler and can go higher than R85 000, depending on how far we go in the building of houses in different areas because of transport costs and so on. The backlog we are dealing with here is 2,1 million housing units, covering approximately 8 million to 10 million people. So far, with these 3,3 million houses, we have addressed the housing needs of more than 12 million people.

Let's talk about the second area of housing delivery, which is what we call the gap market. It was also named by the President in his last state of the nation address. These are the financially assisted people. This second element of our strategy concerns financial guarantees for affordable housing. This policy is for citizens who earn between R3 500 and R15 000, as announced by the President in his 2012 state of the nation address. The department's task is to implement this finance-linked policy, which covers housing for, among others, school teachers and principals, police and members of the armed forces, nurses, firemen, prison warders and blue-collar workers. The good news is that this is now a reality and it is being rolled out in all provinces via what we call the National Housing Finance Corporation, the NHFC, which is our bank.

This implementing agency, the NHFC, provides finance-linked funds to those people who fall in that gap market. This supports all qualifying beneficiaries with the certainty of being granted loans, as well as bonds and mortgages by banks and other financial institutions. With the amount of R300 000, beneficiaries have the option of buying an existing house, building a new one, or purchasing land. To clarify, there is the R89 000 that is for your Reconstruction and Development Programme house - it is free of charge; it is a grant - and then these finance-linked instruments provide assistance for people to go up to R300 000 to buy a house, construct a new one or purchase land.

Therefore, to all those people who have been "lost" in what was then known as the gap market for earning too much to qualify for an RDP house and too little to access bank finance, we say this: Rest assured that this government cares. We support you in getting your bonds from financial institutions.

Let's talk about housing for middle-income to high-income earners - abomashayela phezulu - some of whom are here. In this area, we rely on three instruments. Human Settlements covers the entire landscape of housing in South Africa. There are three instruments to help some of those people who are sitting here: Firstly, we have the Home Loan and Mortgage Disclosure Act and here we request the banks - or we don't request them but work with them - to provide finance.

Secondly, we have the Community Schemes Ombud Service Act, to assist

people in the resolution of disputes, for example in the case of golf estates and so on.

Lastly, thanks to the sterling work done by its administrator, Mr Taswell Papier, we now have the Estate Agency Affairs Board, EAAB. The EAAB has been now stabilised, having been transferred from the Department of Trade and Industry to the Department of Human Settlements.

In summary, the three elements of our strategy are all critical and applicable for different requirements in the comprehensive Human Settlements environment. However, quite clearly, the continuous allocation of grants for free housing to the poorest of the poor is unsustainable going forward. Strictly speaking, this is more of a welfare programme approach than a long-lasting housing policy, because this programme is driven by the triple evil of unemployment, poverty and inequality. For as long as this is the case, this programme shall remain because we as the ANC-led government are committed to the poor. We shall not abandon those who are poor through no fault of their own, even as we recognise that RDP houses and these grants cannot continue forever as a housing policy. It is a welfare approach.

It therefore stands to reason that, given the current socioeconomic circumstances, the most optimal and practical Human Settlements strategic approach is the enhancement of the finance-linked

programme, where we provide guarantees and then make sure that banks provide bonds, mortgages and loans.

Regarding integrated human settlements and the question of how we integrate the entire system, firstly, the deracialisation of residential areas is at the top of the list of all the budgetary challenges that confront the entire country. We have to tackle the unique question of deracialising the residential space. This, more than anything else, reflects the real evil of apartheid social engineering, which motivated the UN itself, in 1973, to pass a unanimous resolution declaring apartheid a crime against humanity. To undo this crime will take a gigantic effort over a long period, requiring major resources.

At this stage, it is noteworthy that just today I tabled a Cabinet memorandum for them to decide about hosting the UN-Habitat conference here in South Africa in September. Minister Baloyi, you are an important partner and you will be a speaker at that conference.

Our residential deracialisation strategy is underpinned by seven elements in view of the crime that was committed in this country. I will quickly take you through these elements. So, what do we do to deracialise this country? We want to make sure that we do not just mix because Bafana Bafana or Amabhokobhoko are playing and then, after that, we return to different places to sleep. We go to the

same shopping malls but to different places to sleep. We go to the same schools but to different places to sleep. That is very dangerous for this country. One of the functions of Human Settlements is to make sure that we are deracialised. So, what is our approach? These are the seven points.

Firstly, to deracialise white - or originally white - suburbs by continuing, through the Home Loan and Mortgage Disclosure Act, we need to coerce - and I am not using "coerce" in the negative sense - the banks to continue to provide loans to people so that they can go and live in those areas. There should be no redlining of any individual. It is our job to do that and the Act is there to do that. I received a soft complaint from the Banking Association of SA, Basa, when I made this point in the National Assembly, saying we appeared hostile to the banks. I want to say here to Mr Cassim Coovadia, who wrote to me, that we are not coercing them in a hostile manner. We are urging them to get the banks to also play their role, because government alone cannot and will not succeed in discharging this mission if the banks don't come forward. So, it is in that spirit - but all legislation is coercive in nature. The Home Loan and Mortgage Disclosure Act requires all banks to report to this Minister, or the person in my position, about their lending practices. That is one way of deracialising South Africa.

Secondly, we have what we call inner-city housing. All cities have been white cities and deracialising them means that as Human

Settlements - you may not be aware of this - we buy buildings and refurbish them from office spaces into residential homes. They may be 5, 10, 15 or 20-storey buildings. You may think it is private companies but no, it is your hard-earned tax money that is changing those buildings in Cape Town, Pretoria, Johannesburg and so on. We buy and refurbish. You may not be aware of this. Those homes and that kind of space are very popular with young people. So, that is what is happening in your inner city.

Thirdly, with regard to inner-city land, we have the Housing Development Agency, the HDA, which acquires land inside the city. This is land that belongs to state-owned enterprises like Eskom, Telkom and so on. We take that land, even from private companies, and build new buildings inside the city via the whole policy of densification. After all, land is limited and so we densify by going up. We understand that people have questions about what will happen to their goats when they slaughter them, or what will happen to the coffin, but people solve those things. Time passes and people move on.

Fourthly, there is the question of buying land in the outer areas, the perimeters of cities. All cities are expanding, either upwards or sideways. We buy land in the immediate proximity and build new places there. Some of you have been to such projects throughout the country; projects that aim to get people closer not only to their places of work but also to certain amenities and facilities.

Fifthly - and I'm not doing this because they are here - there is the most painful one to deal with. This is the one that exposes apartheid. It is called "no man's land" and lies between Johannesburg and Soweto, where I am from; between Mamelodi and Pretoria; between Cape Town and Khayelitsha; between Durban and Umlazi; and between Port Elizabeth and Kwazakhele. There is no city or town in this country that is not separated from the black area that was supposed to provide it with labour. There is always a stretch of land that forces people to travel to work. That is the land we are now occupying. It is the best land we can get because we are able to build in those areas. Some of the most beautiful houses we are building are there - high-rises, stand-alones and so on. A mix of various types of homes is being built there.

The sixth step in addressing deracialisation is township upgrading. No white person wants to go and live in Soweto if Soweto continues to be a dormitory, which is what it was originally. Therefore, the upgrading of Soweto has seen white people and other racial groups going to live in these places. However, they will only go and live there if we upgrade. In this regard, we want to congratulate the former mayor of Johannesburg, Mr Masondo, because it started under him, and Mayor Tau, who is holding on right now, for Soweto being upgraded. That is what we expect townships to do - they must be upgraded. That is why we work with you, Minister, because that is primarily the function that we share directly with you in terms of

your own outcomes. You have Outcome 9 while we have Outcome 8. So, we work together on that.

Last but not least, the seventh item is that of building new nonracial cities, as the President charged me to do. He said, "Minister, let us have cities that do not have townships. It must be the city by itself." Our mandate is to establish new nonracial towns and cities to concretise the principle of a united and nonracial residential area. The new town of Lephalale - Joe Slovo City - which is under construction in Limpopo at this moment, driven by the economies of the Medupi Power Station, is an example in point for us. Others are in the pipeline.

We have other challenges besides the one of deracialisation. Challenges that confront us are the need for greater co-ordination with other, related government departments responsible for big-ticket items such as bulk services. We need water and big dams for human settlements. We need electrification - there must be power stations. That is not us; we have got to link up with other departments. We need sewerage plants, roads and transportation. Whenever these things are being built, by whichever Ministry, they have got to be built towards the objective that asks: Where are the people? So, Human Settlements lies there, but it cannot survive on its own. The challenge is one of co-ordination. The good news is that the Presidential Infrastructure Co-ordinating Commission, whose efforts are beginning to bear fruit, is the answer to this question

of co-ordination. So this is not bad; it is actually a good challenge.

However, given the fact that after the passing of budgets by the National Assembly and this House, we always speedily transfer funds to provinces and to accredited municipalities, it is unacceptable that some fail to spend. Many of them discharge their responsibilities perfectly well and are applauded, yet some fail to spend. Many - and it is not their fault - need these services. You cannot start a township without bulk services. You can't put up houses without services because you will just have to break those houses down again. However, the headache of underspending remains with us.

Some of the provinces and municipalities sometimes resort to fiscal dumping, which often results in shoddy workmanship, leading to wasteful rectification amounting to billions of rand. Our director-general, Mr Zulu, is here. That becomes a headache for us because we are a housing or human settlements entity. That is our job. We are not a rectification or repair company, but we are faced with this problem of rectification amounting to billions of rand. It is a sad story but it has to be done. The newly appointed board of the National Home Builders Registration Council, the NHBRC, carries a huge responsibility in this regard. It must safeguard proper procedures in the construction industry countrywide. I sit on their

shoulders and stay on their tail to make sure that we do not have this kind of shoddy workmanship continuing in the country.

I therefore urge the select committee, led by the chairperson, the hon Sibande, to redouble its efforts and, together with us, to come down hard on those responsible. For our part, we have taken some of the severest actions against those who engage in shoddy workmanship or fail to adhere to norms and standards in respect of sanitation, for example.

On this point I want to make the following clear. It is totally, totally, unacceptable that although we provide funds, the responsible government entities and certain municipalities fail to even build a simple toilet while the serious stench of the bucket system prevails in some parts of the country. For me as Minister, this is unacceptable. You give me the budget - I also get it from the National Assembly - but then it is passed on to people who cannot build a toilet! [Interjections.] Sometimes, when toilets are built, some are left uncovered, such as in the recent scandalous cases of Makhaza and Moqhaka in the Western Cape and the Free State. [Interjections.] This even prompted the Human Rights Commission to get involved.

Our response - taking funds away from poor performers - is required by law. Remember, I don't take funds from provinces or from municipalities because I want to do so. When you give me this money,

the law - you - say that if I don't perform, the money should be taken back. That is not the job I would like to do. As I indicated, capacity issues need to be addressed. Most importantly, this is my message to members who sit here as representatives of political parties: Political parties must ensure that their deployees are capable people. There is nothing the matter with cadre deployment. I am deployed here as a cadre. There is nothing wrong with that policy, but make sure, political parties, that after these elections you deploy the right people. Make sure that your deployees are people who have a strategic understanding of what they are doing because, in turn, they have to put in place employees who have skills. That is where we fall - when deployees put the wrong employees in place. [Interjections.]

Our commitment and resolve to rooting out corruption is a well-known one and it remains undiminished. We continue to take a dim view of those housing beneficiaries who are engaged in double-dipping. That is a practice of people who come from other parts of the country. MEC Helen Sauls-August is here. People come from her province and go to Gauteng or other provinces. She has provided assistance; she has given toilets; she has built houses and yet some people crook the system by going to other provinces and pretending that since 1994 they have never benefited from this government.

The HOUSE CHAIRPERSON (Mr R J Tau): Hon Minister ...

The MINISTER OF HUMAN SETTLEMENTS: Chair, I have some more time spared somewhere. You can look into it. [Laughter.]

Very quickly, about the budget, the department has been allocated a budget of R28,1 billion. This will increase by R2,9 billion in the coming year. The allocation is expected to grow to R32 billion in 2015-16. The conditional grants to provinces constitute R53,7 billion over the Medium-Term Expenditure Framework period, while the urban settlements development grants to municipalities will be receiving an allocation of approximately R30 billion in three years. The conditional grants and transfers to Human Settlements institutions constitute 97%. The total capital grant allocation amounts to R26 billion.

To conclude, the National Development Plan states the following:

The inefficiencies and inequalities in South Africa's settlement patterns are deeply entrenched. Bold measures are needed to reshape them.

In the context of all we have articulated, the 2013-14 Human Settlements budget is important because it is a continuation of the critical stimulus that we have on our side to assist the country in providing total economic development, including job creation.

Incrementally, throughout our term, the budget has been earmarked primarily to address the poorest of the poor. As we continue to do so, let there be no doubt that our quest is not to be patted on the back for chasing numbers at the cost of quality. We are mindful that in addressing the unique challenges of re-engineering integrated human settlements in our country, there can be no socioeconomic equality without providing our people with quality. There is no compromise in this regard. We put this budget before you and ask for your support. [Applause.]

The MINISTER FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:
Hon Chairperson, Ministers and Deputy Ministers present, chairperson of the select committee and the other delegates, the leadership of the SA Local Government Association, Salga, senior leaders of our Public Service, our royal and indigenous leaders present, ladies and gentlemen, we present this budget today for consideration by the NCOP. This is just a few weeks before we present to the nation a report on the state of local governance after we adopted the Local Government Turnaround Strategy in 2009.

In terms of this strategy, we sought to do things differently in order to build greater confidence between the people and the municipalities, as well as to create and sustain a local government system that is positively responsive to the needs of the people; one that is efficient, effective, developmental and accountable in terms of its commitments and also in implementing the electoral mandate.

We view this budget as an enabler for the Ministry to steer the programmes of action for the Department of Co-operative Governance and Traditional Affairs, Cogta, and the Municipal Infrastructure Support Agency, as well as to fast-track reaction in dealing with questions related to natural disaster relief interventions.

Accordingly, the Department Co-operative Governance has been allocated an amount of R56,12 billion, which is inclusive of transfers to municipalities in the form of grants.

Through the Department of Co-operative Governance and Traditional Affairs, we amended the Local Government: Municipal Systems Act to provide for the professionalisation of the municipal governance systems. In this regard, we addressed tendencies where municipal workers could be hired and fired indiscriminately. We did so by ensuring that the hiring should be done in compliance with the minimum competency requirements and that officials should be treated according to professional prescripts.

We provided for the issuing of a declaratory note by any MEC in order to remedy situations where reasons may prevail for the reversal of the appointment of senior managers in municipalities where the authorities may have violated the provisions of enabling legal instruments.

The amendment provided for the depoliticisation of municipal services by barring senior managers in our municipal services from

holding political offices of influence, such as being chairperson, deputy chairperson, secretary, deputy secretary, treasurer or any related position in the structure of any political organisation. We did so to avoid situations of the blurring of roles, as some of these officials would pull rank at the slightest provocation and frustrate the functioning of municipalities, using their so-called political clout.

This amending Act also paved the way for local government to participate in a single Public Service dispensation. It has not been an easy ride; it was rough, rugged and slippery. That explains why it is only now that we have crossed one hurdle in the promulgation of the regulations that seek to interpret the amending Act.

We led the amendment of the Municipal Property Rates Act with a view to providing for the strengthening of the local government system by boosting the sustainability of municipalities through the payment of rates. We worked together as the three spheres of government to promote good governance in our municipalities through mutual support.

A case in point is the support provided to the Nelson Mandela Bay Metropolitan Council in the Eastern Cape, where the MEC sent a team to assist the municipality in terms of section 154 of the Constitution. We continue to support these municipalities as we

speaking. We are dealing with tendencies that seek to undermine the professional functioning of that municipality.

Along the same lines, we provided close support to the Swellendam municipality in the Western Cape. We are also assigning officials to do the same in Oudsthoorn - we are dispatching them tomorrow to take care of that situation and to work together as the three spheres.

Another illustration that good governance is possible if the spheres co-operate with one another and Cogta plays its central role is the Madibeng municipality in the North West province. Here we are currently assisting the municipality to implement a financial recovery plan and a tailor-made turnaround strategy. All these were introduced as part of the close-out report of the administrator at the end of the section 139 intervention.

Unfortunately we have witnessed a high number of protests in recent years, even higher than when we adopted the turnaround strategy. We continue to address matters related to these protests. Situations we have attended to include Sterkspruit in the Eastern Cape, where the community embarked on a so-called shutdown of businesses and schools and blocked the provision of much-needed municipal services and other related activities. These situations could have been avoided. Through our interventions, we introduced a peaceful process for handling matters, called Project Marumofase. We got all stakeholders to give peace a chance. Unfortunately, just as the situation was

becoming manageable, spoilers shifted the goalposts and plunged the community into chaos again. We continue to deal with the situation.

It is in dealing with situations like these that we need each other, as leaders in the country, to put our heads together, lest it become too late for us all. I want to thank some of the leaders of political parties who have been to Sterkspruit to bring exposure to the real situation. Of course, there were those who went there with opportunistic intentions, thinking they would go there and provide a solution to the question, only to encounter the reality. Then they call us, saying the only way to deal with the issues there is the way that we were following - providing leadership.

I can share with the House - as those leaders who have been there can - that there is more to the situation than meets the eye. You just need to be there - and be there seriously - listen to the people and engage. Then you should draw a line to distinguish between whether you are really dealing with so-called service delivery-related protests or with opportunistic tendencies.

We are managing the situation, being mindful, of course, of those who would like to take advantage of such situations and play the "holier than thou" game. But thankfully, when they are confronted with the reality, they realise that the only way to handle this - as I said - is to join those who are dealing with these matters correctly.

Zamdela is another example where something that could have been avoided resulted in a serious confrontation and the total collapse of order in the community for some days.

To add salt to the already bleeding wound of violent protest, we have the new style of protest in the Western Cape, swa ku chelana hi mahuma [throwing human faeces at one other]. People are taking it too far if they consider that to be a suitable form of protest in an open and democratic society such as ours.

Among other interventions, we have decided to convene a dialogue focusing on service delivery protests and violence, to be held before the end of July 2013. In the context of this dialogue, we have to debate whether it is desirable to damage property such as schools and libraries as an expression of dissatisfaction about the provision of other services. We believe that it is not.

Cogta has been allocated an amount of R105 million to continue with its agenda of further transforming the institutions of traditional rule and governance. We continue to deal with matters related to leadership disputes and claims as a way of completing the programme of removing the distortions brought about by the years of colonialism and apartheid. In 2011, when the new commission was appointed, it had a total of 1 244 disputes and claims to process. Unlike the Nhlapo Commission, the new commission has provincial

committees that assist with expediting the finalisation of these claims.

During 2012-13, 249 of the 1 244 traditional disputes and claims were finalised in the provinces, as follows: Mpumalanga, 49; Limpopo, 72; Eastern Cape, 42; North West, 25; KwaZulu-Natal, 44; and nationally - that is, cases dealing with kingship and queenship - 19.

It should be noted that when these cases are being considered, such consideration takes place side by side with cases that have been finalised by the Nhlapho Commission, some of which are still being challenged in courts of law. One such case is that of the Vhavenda kingship, and King Toni Mphephu Ramabulana won his case on 30 May 2013. I want to take this opportunity in this House to say congratulations, Vho Khosi-Khulu. [Applause.]

We continue to facilitate cultural tolerance and social cohesion, as well as the promotion and protection of the rights of cultural, religious and linguistic communities. On this point, allow me to indicate that we recently held an indaba on male initiation, with the theme, "Promoting healthy, safe and sustainable initiation practices". At the indaba, we identified a 12-point programme of action for advocacy and management: a governance mechanism, the functions of co-ordinating committees, the management of initiation schools, the prohibition of forced attendance, age and consent, the

season for initiation, discipline management, a structure and guidelines for fees, an initiation curriculum, the nature and role of traditional surgeons, and nutrition, as well as medical and emergency arrangements.

Hi rhandza ku rhamba swirho swa Huvo leyo hlawuleka leswaku hi tixaxameta na pfhumba leri ku tlakusa vutihlamuleri eka timhaka hinkwato leti khumbanaka na vuhlayiseki bya vana engomeni hi ku humelerisa pfhumba leri ra magoza ya 12. Loko hi ri etihofisini ta tindhawu ta laha hi tirhelaka kona hi nga tumbeli loko va ku ngoma yi yimile hala. Hambi loko hi ri hava switifikheti swa vululameri a hi tshineleni. I vutihlamuleri bya hina tanihi varhangeri...

(Translation of Xitsonga paragraph follows.)

[We would like to call upon members of this special House to align themselves with this programme to promote accountability in all the matters concerning the safety of children in the initiation school by advocating this 12-point programme of action. When we are in our constituency offices, let us not hide whenever we hear that there is an initiation school which has been started somewhere. Even if we do not have accreditation certificates, let us draw nearer. It is our responsibility as leaders ...]

... so that we can deal with cases and provide leadership according to these 12 points of action.

The issues around traditional affairs are not easy matters. We still have a long way to go to deal with all the outstanding matters. We are looking forward to that challenge, hence we are prioritising the following areas. Firstly, we need to give full effect to the provisions of the Traditional Leadership and Governance Framework Act and ensure that traditional councils are established and functional. Secondly, we need to perfectly align the functioning of our traditional leaders with the structures of local government. Thirdly, we need to remove the grey areas where there is no clarity in the Constitution on the roles and functions of headmen and headwomen. Fourthly, we need to finalise the debate on the right strategic location for the Houses of Traditional Leadership when it comes to the establishment of what is referred to as the third chamber and its legally defined reference mechanisms and executive functions. Fifthly, we need to establish a baseline position for dealing with matters of traditional leadership through established traditional structures. Lastly, we need to give effect to the deserved recognition of the role of the Khoi and San people. To this end, we have assigned a dedicated team, led by the Director-General of Cogta, to deal with all these matters and to report progress by September 2013 - this year.

The Municipal Infrastructure Support Agent, Misa, has been allocated an amount of R252 million to continue providing the necessary technical and professional support to enhance the capacity of our municipalities to deliver services. By the end of March 2013, Misa

had deployed 68 technical consultants and 24 service providers that support 100 priority municipalities. During the 2012-13 financial year, Misa technical consultants accelerated 862 infrastructure projects, amounting to R12,7 million in value. A total of 36 005 jobs were created through Misa.

The Community Work Programme, CWP, has been allocated an amount of R1,6 billion. Since inception, the programme has created employment opportunities to over 204 000 people and our focus is on youth and women. For 2014-15 and 2015-16, the programme has been allocated R2,4 billion and R2,5 billion respectively. We want to make use of these allocations to upscale our target so that we reach the 1 million mark in terms of creating access to job opportunities.

As government, we are running this programme in partnership with three lead agents: the Mvula Trust, Lima and Teba Development. I want to state that these three lead agents and the programme itself, as well as access to benefits that the workers are entitled to, have been out in the public discourse. Issues have been raised about challenges in the operation of these agents and related activities. We then lodged an investigation, which is about to be concluded. As far as we are concerned, when we deal with issues of ensuring clean governance, we are saying that no stone will be left unturned.

A fund has been set aside to deal with disaster relief. It is meant to address the needs of provinces and municipalities in case of

natural disaster. The allocation for 2013-14 is R534,6 million. The National Disaster Management Centre has been managing reactions to disaster, operating under the stewardship of Cogta. We have started the process of having the centre registered as a government component with a view to expediting reaction mechanisms to incidents of disaster.

We continue to say that, since the advent of the Local Government Turnaround Strategy, local government is everybody's business; we should be part of it and be serious about it. We have been saying and continue to say that when we refer to institutions of traditional rule, we say, "My traditional institution, my pride and my heritage".

Of course, when we were creating Misa as a government component and a special-purpose vehicle, which was one of the objectives of the turnaround strategy, we said that one day Misa would be up and running and we would see the result. Now Misa is up and running, and that is why we coined the message, "My Misa, our success".

Mnu M P SIBANDE: Ohhe, bayazala abanye omama! Phela ukuzala ukuzelula amathambo. Ngesintu uma umama ezale ingane eyihlongandlebe kuthiwa lowo mama akazalanga wabola amathumbu. UKhongolose ukholelwa ukuthi ... *(Translation of isiZulu paragraph follows.)*

[Mr M P SIBANDE: Wow, gifted are some mothers! Giving birth is a blessing. In the African culture giving birth to a disobedient child is regarded as a curse. The ANC believes that ...]

... heroes are not born but are produced by the struggle.

Ngalokho-ke, ngiqonde ukuthi yinhlango ye-ANC kuphela ebe negalelo nekwazile futhi nesaqhubeka ukuzala amaqhawe. I-ANC izale abaholi abakwaziyo ukukhalima futhi babuye bafundise isizwe sonke ukuxolela noma-ke singeze salibala. Sonke ngeke sayilibala imbedumehlwana eyasivelela ngokubulawa komholi wethu u-Chris Hani.

OkaHani wasishiya engakalifezi iphupho lakhe lokuthi abansundu nabamhlophe kumele babe namalungelo alinganayo futhi kufanele sonke siphephe futhi sikwazi ukungcebeleka ezindlini zethu.

Kodwa-ke namhlanje okuyindida ukuthi i-ANC isizwile ngosibhincamahasane ukuthi kunenye inhlango yomshiza olambile ozishaya isifuba, obhebhethekisa amahebezi okuthi umholi wethu, uBaba uMandela, ungumholi weqembu labo. Okufanele bangakulibali ukuthi lokho kuyimbudane nje nehlazo kwezepolitiki, futhi phecelezi kubizwa ngokuthi i-political scandal, baligwaza ngowabo iqembu labo, noma i-political suicide.

Kuyaziwa futhi kulotshiwe emlandweni womhlaba wonke ukuthi yi-ANC kuphela eyaqoqa amavolontiya ayehamba izifunda ngezifunda

zaseNingizimu Afrika, eqoqa zonke izikhalazo zabantu kwaze kwazaleka umkhombandlela obizwa ngosoMqulu weNkululeko endaweni yase-Kliptown. Umthethosisekelo we-ANC sicacisa ngokuthe bha ukuthi i-ANC inhlango engacwasi ngebala, ngobuzwe nangobulili.

Ngqongqoshe, umlando wethu njengesizwe esimpisholo uyasho ukuthi iningi lethu lazalelwa ezindlini ezingamaqhugwane. Ngaphezu kwayo yonke imizamo eyenziwa uhulumeni oholwa yi-ANC ukuguqula izimpilo zabantu ukuze zibe ngcono. Zisekhona lezi zindlu ezifana namaqhugwane esifundeni sase-Northern Cape endaweni yase-Britstown umehluko nje ngazo ukuthi zakhiwe ngocwazi oluqinile. Lezi zindlu zazakhelwe abasebenzi bakaloliwe. Izakhamuzi zendawo zizibiza ngokuthi ama-pampoen huise. Izakhamuzi zakuleli dolobha ziyakhalaza zithi ehlobo uma ungaphakathi kulezi zindlu kushisa kuthi bhe, kepha uma kusebusika kubanda sengathi yikhala lesimaku sikamesisi.

Ngqongqoshe, lapha esifundazweni saseMpumalanga Koloni kunobudedengu bokungakwazi ukusebenzisa iSabelomali ngendlela efanele bese kukhunjwa uhulumeni ngenjumbane kuthiwe unqaba ukubanikeza umhlaba wokwakha izindlu. Ngithanda ukukhumbuza le Ndlu ukuthi phakathi kweminyaka yezi-2009 kuya kowezi-2010 uNgqongqoshe wanikezela ngomhlaba kulesi sifundazwe. Ngalokho-ke, sicela lesi sifundazwe siyeke ukubhebhethekisa izinto ezingelona iqiniso; mabakhele abantu izindlu ezisemgangathweni. *(Translation of isiZulu paragraphs follows.)*

[By that I mean it is only the ANC that has made a significant contribution and continues to produce heroes. The ANC has produced heroes who are capable of giving direction and who also teach the nation about reconciliation although we do not forget what happened. We will never forget the tragic death of our leader, Chris Hani.

Hani passed on before fulfilling his vision of seeing blacks and whites enjoying equal rights and all of us being safe and able to relax in our homes.

The ANC has recently heard very disturbing news through the grapevine that a fake party is spreading rumours by boasting that our leader, Nelson Mandela, is the leader of their party. They must not forget that what they are saying is nonsense and a disgrace in politics, which we can also refer to as a political scandal. They are shooting themselves in the foot or committing political suicide.

It is known and it is recorded in history that it is only the ANC that was able to mobilise volunteers who went from region to region in South Africa, collecting all the grievances which led to the birth of the Freedom Charter in Kliptown that serves as a guideline. The constitution of the ANC is crystal clear that we are a party that does not discriminate on the basis of race, ethnicity or gender.

Minister, our history as an African nation shows that most of us were born in huts. After all the efforts made by the ANC-led government to improve the lives of the people, we still have these houses that look like huts in Britstown in the Northern Cape, the only difference is that they are built with strong plastic. These houses are built for railway employees. The people of this area call them "pampoenhuise" [pumpkin houses]. The citizens of that town are complaining that these houses are extremely hot inside in summer, and extremely cold in winter.

Minister, in the Eastern Cape there is negligence in respect of using the allocated budget and then pointing fingers at government saying that it is denying them land to build on. I would like to remind this House that during 2009-2010 the Minister gave land to this province. Therefore, we urge this province to stop spreading false rumours; they must build good quality houses for the people.]

The ANC government has extensively researched the revision of the current ministerial national norms and standards in respect of permanent residential buildings to ensure compliance. This investigation will lead to the design of measures that will substantially improve the thermal performance of the houses. It will also have a substantial and positive effect on the improvement of the quality of the lives of the subsidy beneficiaries.

The improved, environmentally friendly Human Settlements architecture has seen the installation of ceilings with the prescribed air gap in all houses; the installation of insulation above the ceiling; the plastering of all internal walls; the rendering of all external walls; the replacement of windows; and the provision of improved thermal glazing. In addition, a fully fledged electrical installation for all subsidy-finance houses is also being considered to further curtail the use of fossil fuels for cooking and heating purposes.

Under this new framework, all rooms have set sizes and the ceilings and roofs must meet set standards of quality. This is all part of ensuring that people have dignified human settlements. We know of RDP houses where water seeps through and there is mildew all over the walls from the damp. We have seen houses made of poor-quality materials. This makes them either extremely hot or extremely cold and sometimes people have to sleep outdoors, which could lead to an increase in TB and pneumonia and makes people susceptible to crime.

We call on the department to act swiftly by using the Construction Industry Development Board. This board was established to set up a register of all constructors in the industry.

Ngqongqoshe, kunezinsolo ezithile zokuthi kunamaqembu angongqoshishilizi akhuthaza imiphakathi ukuthi yandise imikhukhu

ukuze athumele abezindaba futhi enza lokhu ngenhloso yokukhankasa kuleyo mikhukhu.

Ngithanda ukuxwayisa imiphakathi yakithi ukuthi i-ANC ithi abantu abakhelwe izindlu ezingcono, ngalokho-ke, abantu ababekezele. Akufanele sijabulise abantu abangakufuni ukuthula. Laba bantu, umholi wethu uMandela, wayebabiza ngesandla esinoboya. (*Translation of isiZulu paragraphs follows.*)

[Minister, there are allegations that there are political parties that are at the forefront of encouraging communities to build more shacks so that they can send journalists there with the intention of campaigning in those informal settlements.

I would like to make our communities aware that the ANC is saying that better houses must be built for the people; therefore, people must be patient. We must not satisfy people who do not want peace. Our leader, Mandela, used to call these people the third force.]

At present, the need for houses is not limited to the critically destitute, but also to those who work but do not earn enough money to buy homes of their own, even when these homes are categorised by the market as "affordable". The ANC government wants to create a population of dignified homeowners - with the understanding that the option of renting should be available to those who choose it.

The ANC's 52nd and 53rd national conferences prioritised the housing gap and the use of housing finance subsidies. These subsidies are for those who earn above the level required to receive a state-subsidised house but not enough to receive a bond from any commercial bank. The policy takes into consideration historical justice, the state's restitutive capacity and the restoration of dignity to all South Africans. A multipronged, focused policy that is sensitive to macroeconomic policy and the state's revenue base for social services, including first and second generation rights, underpins the Human Settlements policy.

In light of the above, the department's intervention seeks to address the gap market in the form of the finance-linked subsidy, known as FLISP, or the Finance-Linked Individual Subsidy Programme, which will increase access to housing finance for a segment of the population that would otherwise not have access to housing finance.

The study found that those who obtained homes in this sector went beyond viewing them as mere shelter. Instead, their homes become assets, and through the appreciation of these assets, entrepreneurship, job creation and access to higher levels of education are stimulated.

Our constituency work among workers has demonstrated the impact that this subsidy programme has had on the gap market in the delivery of houses. It is under the ANC government that financial guarantees for

affordable houses have been made available. The Finance-Linked Individual Subsidy Programme, FLISP, provides down-payment assistance to qualifying households who have secured mortgage finance to acquire an existing house or a vacant residential stand linked to a house construction contract. The objective of the programme is to reduce the initial mortgage loan amount to render the monthly loan repayment instalment affordable over the loan repayment term.

The National Development Plan notes the direction taken by the government and supports the diversity and innovativeness employed in housing delivering. This innovation is being applied by the ANC government to meet housing needs in the rural areas too. The nature of communal tenure is such that it limits large-scale housing projects to be undertaken by government. The rural household voucher scheme offers a subsidy to those who wish to build their own homes on communal land. In this way, homeowners do not have to relocate from their ancestral land or move away from their places of work. Those who wish to augment their homes by extending them also qualify for the subsidy.

People feel liberated when their housing choices are not confined to a single type of dwelling. The voucher system allows even the most vulnerable individuals and families to access housing in a way that is participatory and can even involve self-organised groups.

Sihlalo, ngithanda ukubonga ikakhulukazi kuNgqongqoshe nakuMqondisi-Jikelele ngoba ngiyazi ukuthi amaqembu aphikisayo aye afune ukuveza isithombe esibi kube sengathi akukho okuhle okwenziwayo.

Uhulumeni we-ANC kuphela ozamile ukuthi abantu babe nezindlu ezingcono kunalezi zindlu ebesinazo ngaphambilini; lezi ezazinemvumelwano yokuqashiswa yeminyaka engama-99. Uhulumeni we-ANC ukwazile ukwenza izindlu ezisesimweni esihle. Ngaphansi kobuholi bukaNgqongqoshe kunomehluko omkhulu esiwubonayo kulezi zindlu ezakhiwayo.

I-ANC iyasiseka lesi Sabiwomali. Ngiyabonga. [Ihlonbe.] *(Translation of isiZulu paragraphs follows.)*

[Chairperson, I would like to thank the Minister and the director-general, because I know that the opposition parties like to portray a bad image as if nothing positive is being done.

It is only the ANC government that has tried to help build better houses for the people compared to the houses we used to have in the past which had lease agreement terms of 99 years. The ANC government has been able to build quality houses. Under the leadership of the Minister, there is a huge difference that we see with regard to the quality of these houses.

The ANC supports this Budget Vote. Thank you. [Applause.]

Mr M H MOKGOBI: Hon Chairperson, our Ministers of Human Settlements and for Co-operative Governance and Traditional Affairs, members of the SA Local Government Association, who are executive members in their own right, and hon members, in the interests of honesty, let me say that we, the committee, have received an apology from the Deputy Minister for Co-operative Governance and Traditional Affairs, saying that he is outside.

Over the past 19 years, the ANC government has done a lot to bring about a local government system that advances participatory democracy and maximises the opportunities for local economic development through the integration and co-ordination of resources, programmes and delivery structures. These are critical components of a developmental local government and their choice was informed by an in-depth analysis of the socioeconomic conditions that afflict our poor.

From the outset we, as the ANC, needed to make sure that when we say, "A better life for all", we mean that. Moving from slogan to practice, the ANC has made significant strides in local government transformation, ensuring that the majority of our people have access to the basic necessities of life. Historical analysis will tell anyone - even those who decide to be blind - that, from the TRC to where we are now, things are different. There is definitely proper governance at local level in most of our municipalities.

The cornerstone of the ANC government programme, as we said, is redistribution and poverty eradication. Our people must receive what they need for their basic needs and they must have infrastructure that builds the local economy.

Over the past 19 years, the ANC has made massive strides in extending this service to our people. From the Community Survey of 2007 we have learnt that 92% of our people have water; 69% of our people have sanitation; 81% of our people have electricity; and 64% are receiving refuse removal services. Despite the significant progress made, there are major challenges and major problems. That is why we debate the budget annually. We debate the budget precisely because we want to address the backlog, in an ongoing effort to make sure that a better life for all comes to our people.

During this same period, the ANC government has had to grapple with critical challenges, which include deployment processes, accountability, implementation of the code of conduct, the recurrence of instances of political interference in the administration of municipalities, protests associated with service delivery and the disruptive machinations of the opposition.

The ANC noted that, in 2009, an assessment of the state of local government found that problems in municipalities included poor governance, accountability, weak financial management and high vacancy rates in critical senior management posts, in many

instances. We have analysed these as a committee now, and there is a positive way to improve the situation from both the national and provincial governments through intergovernmental relations processes. While we appreciate the fact that there is an ongoing programme aimed at turning the above situation around, we nonetheless wish to urge the department to move with haste in implementing the programme, as well as to continue the bilaterals with the affected, weak municipalities.

We must do all of the above, so that we can achieve the objectives of the Local Government Turnaround Strategy. On behalf of the committee, we also wish to welcome the report that is envisaged in the near future from the department. The Local Government Turnaround Strategy aims to restore the confidence of the majority of South Africans in municipalities as the primary delivery organ of the developmental state at local level; and to rebuild and improve the basic requirements for a functional, responsive, accountable, effective and efficient developmental local government.

Local government is at the coalface of service delivery. The ANC believes that nothing must ever be allowed to stand in the way of improving the lives of our people. As a proponent of a developmental state and a developmental local government, the ANC consistently intervenes to turn around the challenges that face municipalities.

During the 53rd national conference, ANC delegates applied their collective wisdom to the challenges mentioned above. They noted that to deepen the national democratic revolution and to accelerate service delivery and development, we needed a stronger developmental state and a more integrated co-operative governance system. The more we build a developmental state, the more we would create the conditions for a more integrated co-operative governance system and the more we would be creating the conditions for a developmental state that would achieve the objectives of the needs of our people.

The 53rd national conference of the ANC then proceeded to resolve that, firstly, the powers and functions of the three spheres of government should be reviewed to provide greater clarity and to facilitate effective service delivery and development; and secondly, there was a need for national interventions in provinces to be in synergy with provincial interventions in municipalities.

I think here that the national department must really put in more effort, for when provincial governments intervene at municipal level, there is a serious lack of capacity at provincial level. Equally, we noticed, as we moved around doing oversight visits, that intervention must be accompanied by very, very serious capacity plus funding. In this regard, the department must make an in-depth analysis of the causes of the intervention. What is also required is that the interventions should be co-ordinated, systematic and planned, so as to maximise the sustainability of their impact, and

also to ensure that the benefits of the resources that may be invested in the interventions are maximised.

As the committee, our experience is that interventions are necessitated by, *inter alia*, historical issues of spatial inequality, where economic growth is difficult in a rural municipality; and by capacity matters, where, as I mentioned, both at municipal and at the level of some provinces, there are inappropriate skills, qualifications and competence. We believe these things should be addressed when we pass the Local Government: Municipal Systems Amendment Act. We need an effort or a mechanism that will ensure that the Local Government: Municipal Systems Amendment Act is now put into practice. It is an obligation on the municipalities.

Intraparty factional issues are another cause of interventions, where having a quorum becomes a problem because a certain faction will not attend a certain municipal meeting. Another thing is party-political differences. You will find that some municipalities are run by a coalition or by a hung parliament of sorts. In those cases, the quorum suffers. No decision is taken, so no service delivery occurs.

These are things that are beyond government. They are issues of a political nature. All parties involved in these particular municipalities must note this, to ensure that people do not suffer

because of party-political differences. We noted some of these issues when we went to KwaZulu-Natal, in particular in Imbabazane Local Municipality. We also observed it in the Western Cape, particularly in such coalition-like municipalities. They are creating a serious problem. We need to move beyond the government; beyond the state. As parties, we must be mature enough politically to give those who govern a chance to govern and analyse the person objectively in terms of whether this person meets the systems and required procedures. Otherwise, our people will vote and vote for nothing.

As a committee, we also support the differentiated approach of the department because when you move to other provinces, with a village here and another village 300 km to 500 km away, it becomes a ward. Wards are formed by a population, not by a geographical space, and therefore it is difficult to serve that type of ward. That differentiated approach must be implemented. Municipalities exercise different powers and functions from a common list, which is based on the very same differentiation we are talking about: differentiation in the scope of the integrated development plan, funding, support and capacity-building. How we help municipalities to raise revenue is also key.

It is important that the ANC government continues its tradition of listening to the people. We have come from Taking Parliament to the People and from various national, council and provincial weeks, and

the Ministers', premiers' and MECs' izimbizo. What do we do with those issues that are raised? We need a particular way of making sure that these things are being addressed.

In conclusion, the committee will be hosting a demarcation summit, which will require assistance from the Ministry, so that the public and Members of Parliament understand the impact of demarcation in terms of how municipalities are run. [Applause.]

Ms H AUGUST-SAULS (Eastern Cape): Chairperson, hon Ministers, hon members of the NCOP, the portfolio chairperson from the Eastern Cape legislature, ladies and gentlemen, the director-general, members of the Department of Human Settlements, warm greetings from the Eastern Cape on this cold evening. Human settlements development in the province is at the apex of both rural and urban integrated development and it is expected to occupy a significant and central role in the developmental agenda for our people by their government in the province.

Our province continues to make remarkable strides to turn around the fortunes of our people towards a better life for all through human settlements development. This is happening amidst many challenges that continue to beset our beautiful province.

This year, a portion of the conditional grant allocation for 2013-14 will be used to enhance human settlements development in selected

small towns. This will be utilised to unblock services that are stalling the implementation of housing projects. More than 25 000 housing units, ultimately within three to five years, will be unblocked in this process. Not only low-cost housing shall benefit from this intervention but also social and affordable rental housing in areas where the demand has been confirmed by the feasibility studies that have been conducted.

This is intended to stimulate local economic development in these small towns. As such, this intervention strategically blends with the small town revitalisation programme of our province and with the strategic infrastructure interventions targeting mostly rural municipalities, which was announced by the President during his state of the nation address.

As a province, we have also initiated a turnkey rural housing project called "Project 12K", comprising a total of 12 247 units. The construction of these units is to be undertaken at this time by high-performing capacity contractors and developers. Each individual project will be divided into approximately 1 000 units. These are the areas that will benefit: Mbizana, Matatiele and the whole of O R Tambo District Municipality.

The scope entails planning, beneficiary administration, social facilitation, design and, ultimately, the construction of top structures. The objective is to fast-track the implementation of

rural housing projects in the province. The majority of our people still reside in the eastern part of our province.

This year, the department will continue to facilitate the youth development programmes within the sectors through collaboration with district municipalities, the National Home Builders Registration Council and the National Youth Development Agency, NYDA. The programme is informed by the framework for participation and empowerment of youth in human settlements that was approved by the technical Minmec on 10 March 2012.

The YouthBuild programme will be rolled out in four districts, adopting the same approach of imparting technical skills to unemployed youth in the identified regions through collaboration with the Department of Public Works, the NYDA and the National Home Builders Registration Council.

We are also prioritising the matter of title deeds so that beneficiaries can legally own their properties. As a result, a process has begun to assume the overall function of appointing conveyancers to speed up the issuing of title deeds, which is currently the responsibility of municipalities. Unfortunately, it has not yielded the desired results.

A beneficiary administration unit has been established to manage all matters relating to beneficiaries, including, among other things,

the deregistration and registration of beneficiaries for lodgment by conveyancers to the Deeds Office. The national department has dedicated 2013-14 to focus on issuing title deeds to our beneficiaries, and as the provincial department we will also prioritise this programme.

The provincial department has received accolades at the national Govan Mbeki Awards and our flagship projects continue to fly our flag high as a province. The Walmer Link Housing Project, a pilot project for the Finance-Linked Individual Subsidy Programme, has won the Best Finance-Linked Individual Subsidy Programme at the national Govan Mbeki Awards this month. We have to give recognition!

[Applause.]

Our efforts in the informal settlements upgrading programme were also recognised and we won the best informal settlements upgrading programme in the country. One of our students also won the best students award out of many other students. So, we are indeed moving forward. I am convinced that we have overcome the prodigious challenges that stifled service delivery and compromised quality in the province over the years in the delivery of human settlements. We are making timely interventions, geared towards accelerating service delivery and improving the quality of our houses while unblocking systems that delay our progress.

Hon members, we remain cognisant that the majority of our people's hopes and aspirations for a better life will be realised as our government delivers and continues to deliver on its mandate.

For us, the delivery of human settlements means that the end result of our work is an improvement in the quality of household life in its totality. We witnessed what such an improved quality of household life means when we handed over houses to elderly people who had been dispossessed of their property and land when Macleantown was declared a white group area in 1970, and in 2013 we handed out houses to this community.

It is incumbent on us to ensure that our programmes redress the consequences of the 1913 Natives Land Act; improve the quality of household life as enshrined in the objectives of Outcome 8; and address the triple challenge of poverty, unemployment and inequality. As a result, our contribution to achieve these, as a provincial department of human settlements, will be on our Finance-Linked Individual Subsidy Programme, Small Town Revitalisation Programme and the correct Beneficiary campaign, as well as the issuing of title deeds intended to confirm ownership of houses by our beneficiaries.

In conclusion, we are now in the electioneering period, when the plight and suffering of our people will be used by many unscrupulous people to garner votes and mislead them in the process. The plight

of our people should not at any time be used for any other reason than for their own development. As a province, we are at the centre of people's development through human settlements development, which is pivotal to people's wellbeing. It is possible. [Applause.]

Mr H B GROENEWALD: Hon Chairperson, hon Minister, hon members of the NCOP and guests, the hon Minister told us everything about the positive side of Human Settlements but what happens in reality? Where are we going with Human Settlements in South Africa? How many more houses will be built? How many more corrupt people and contractors will get involved in the housing activities in this department?

Hon Minister, in 2011, in this House, you said you would speed up the building of houses and wipe out the backlog in the department. I am afraid you are not reaching the target you set yourself. The department underspent approximately R4 billion of the budget in the previous year. The Eastern Cape and Limpopo have failed to spend R578 million of the funds allocated to them. Only R2 billion of the R7 billion allocated to the urban settlement development grant, USDG, was spent. Almost a billion rand is wasted on rectification every year.

Today, thousands of beneficiaries are still without title deeds and houses. In eThekweni, only 30% of the 2012-2013 houses were being built. The target was also reduced from the original 3 950 to 3 613

houses. There are almost 410 000 people living in 150 000 shacks across the city. More than 1 002 officials in the Department of Human Settlements were found guilty after investigation by the director-general. More than R20 billion is linked to alleged fraud and corruption. The director-general asked for a forensic investigation by the Special Investigating Unit.

Houses are falling apart within months of being built. Corruption and fraud go hand in hand with the transferring of houses to legal owners - and you know it. There were more than 2 877 complaints between July and September 2012 from house owners to the Public Protector.

A total of 93% of the Western Cape human settlements budget is spent on people earning less than R3 500 per month. The Western Cape also leads the country with 99,1% of households having access to piped water and 96,9% to toilet facilities. They have reduced their title deeds backlog to 28% and have issued over 20 000 title deeds in the process.

The head of the Northern Cape department of health, Gugulethu Matlaopane, refused to explain a mysterious R1 million transfer to her account from a building contractor who allegedly accepted millions of rands in municipality payments for housing that he failed to build. According to the report, the contractor, Frank Khotso Khasu, completed only four of 3 500 houses.

Hon Minister, the DA believes your intentions were positive and good when you mentioned and promised South Africa that you would fight corruption in your department. I am afraid that from all the oversight visits we conducted as the NCOP across South Africa, it was clear that your promises failed and disappeared in the mist. Wherever we arrive in South Africa, houses are falling apart, people are unhappy and millions of rands of budget money are being wasted by municipalities.

Let us correct the past. Beneficiaries should have their title deeds for the land, even before the houses are built. Let us help to see that better and more sustainable houses are built in South Africa for South African citizens. [Applause.]

Cllr J MATLOU (Salga): Hon Chairperson, hon Ministers present here

...

... Tatana Baloyi na Tatana Sexwale ... [... Mr Baloyi and Mr Sexwale...]

... hon members of the NCOP, in particular the chairperson of the Select Committee on Co-operative Governance and Traditional Affairs, Cogta, the chairperson of the Public Service Commission, the hon MEC for human settlements in the Eastern Cape, my colleagues from the SA Local Government Association, Salga, hon members, ladies and gentlemen, we wish to agree with the Minister of Cogta when he

stated in his Budget Vote last month that the more integrated our co-operative governance is, the more effective we will be as a state, and the greater will be our capacity to deliver services and ensure development. Minister Baloyi ...

... a vulavula ntiyiso. Ndzi hlamale ngopfu loko Tatana Groenewald a penda timasipala hinkwato ka tona hi tibulachi hi ku vula leswaku timasipala ti na vukungundzwana. Hi ntiyiso swi nga va swi ri tano kun'wana. Kambe a swi vuli leswaku vukungundzwana byi kona eka timasipala hinkwato ka tona ku ya hi leswi va swi vulaka. Ku ya hi leswi Tatana Groenewald a swi vuleke a ku na nchumu xa kahle lexi endliwaka hi timasipala ... *(Translation of Xitsonga paragraph follows.)*

[... was right. It was disconcerting for me to hear Mr Groenewald painting all the municipalities with the same brush by saying all municipalities are corrupt. Truth be told, it may not be the case in some. However, that does not mean that corruption is rampant in all municipalities like he stated. According to what Mr Groenewald said, there is nothing good that is done by the municipalities ...]

... which is a serious concern to us as Salga, and we believe that that notion should be corrected in this House. There are many good practices and pockets of excellence to be found at local government level. It is of critical importance to bear in mind the tremendous

strides and progress that local government has made in the implementation and expansion of services to our people.

It is therefore important that we contextualise the microscopic lens we place on local government in a broader reflection of government as a whole. Local government represents government in all our communities. In that context, the so-called service delivery protests have become part and parcel of our democratic form of expression. We invite the hon Minister to work with us when going to municipalities to address these challenges, so that we are indeed more integrated in our approach.

We also agree that the best mechanism to build confidence between the people and the municipalities is to address the priority issues of accelerating service delivery, promoting good governance, enhancing sound financial management, rolling out infrastructure development and effective maintenance and intensifying the fight against corruption.

How best do we fight corruption at our local level? In terms of sound service management and good governance, this is critically important and it is a precondition for effective service delivery. The financial viability of various municipalities is a critical issue and we certainly want to repeat our call for the comprehensive review of the broader fiscal framework and vertical division. The review is needed to address the fundamental structural challenges,

rather than introducing the minor ad hoc adjustments. Municipalities have been and continue to be grossly underfunded to perform the "big five" functions.

It is our confident hope that the Municipal Infrastructure Support Agency, as announced by the Minister, will not become another stop-gap measure but will support medium-capacity and smaller-capacity municipalities to improve their own technical capacity to operate and maintain infrastructure, as well as borrowing and investing in infrastructure. It is a reality that the country is not producing enough technical skills to manage technical services. The development of the necessary capacity-building initiatives and learning opportunities is critical if we are to make local government the employer of choice. It is correct that our Municipal Infrastructure Support Agency, Misa, should be our success.

While strengthening ward committees is important, it must not be seen as the be-all and end-all of public participation. Ward committees are but one vehicle for facilitating public participation, not a panacea for accommodating our active citizenry ideals. We remain committed to developing and encouraging integrated and holistic public participation approaches at local level, so that the municipal inhabitants indeed become active participants in the decisions and programmes that directly affect them.

I ntiyiso ha amukela na ku khensa, Holobye, loko mi vulavula hi mhaka ya Community Work Programme, CWP, leyi humelelaka eka timasipala ta lomu hi tshamaka kona. I ntiyiso mhaka ya 1 miliyoni ya mitirho leyi lavekaka yi ta humelela. *(Translation of Xitsonga paragraph follows.)*

[It is true we accept and appreciate, Minister, when you speak about the issue of the Community Work Programme, CWP, that it is happening in our local municipalities. It is true that the issue of 1 million jobs required will be realised.]

In his speech, Minister Sexwale gave a broad overview of the sector. As local government, we wish to highlight two important subjects of primary interest to us. The first is the assignment of the housing function to six metros and the second is the Finance-Linked Individual Subsidy Programme, Flisp. These two programmes represent new approaches that will fundamentally shift how government interacts with the housing and property market, and how government better organises itself to scale up and deliver more efficiently. In short, these two developments are game-changers for the Human Settlements sector.

In his state of the nation address in February 2012, President Zuma announced an extended Flisp policy that pushes the eligibility threshold up to households earning R15 000 per month and expanded the maximum subsidy available to R87 000. Flisp has now become a

smarter programme with greater potential to make a positive contribution in the gap market.

Your average teacher, blue-collar worker, policeman and nurse can combine the subsidy with the bond to purchase a new house in one of the accredited projects across the country, or to buy an existing house in the secondary property market. The Flisp budget for the 2013-14 financial year stands at R165 million and is estimated to benefit about 3 250 applicants. It is a marked increase from previous years but still falls far short of what is required.

We therefore implore the national departments and provinces to apply resources to build awareness and take-up of the Flisp programme country-wide and to continue expending the energy to manage and monitor its rapid scale-up. However, two problems persist. The first is the poor credit records of many households and the second is the reality that many of our people are still unemployed. Not only does one need income to access Flisp but one needs steady formal employment, backed up with a regular payslip. While we work with renewed energy to address the gap market and expand affordable rental housing opportunities, we must also remember that these initiatives are only successful as long as the economy grows and people are able to access formal employment.

The second major game-changer in the Human Settlements sector is the move to accredit municipalities and assign the housing function to

six metros this year. We applaud the leadership and effort the Minister has demonstrated in pushing this initiative forward. This commitment to achieving targets on assignment and accreditation reinforces the importance of assignment in achieving integrated and sustainable human settlements.

With assignment and accreditation, built environment functions will be more fully centralised at the local government level. This is in keeping with international practice. Cities around the world are responsible for providing houses and managing and properly planning their urban areas. By putting these powers in the hands of the sphere of government closest to the communities, we ensure that local government can proactively plan for urban challenges such as migration instead of only reactively providing emergency services to slum areas. The targeted provision of support and capacity by provinces and the national department to these municipalities will be vital to the success of assignment and accreditation.

Hon Minister, we must not stop there. Assignment of the housing function must be progressively implemented to other metros and major secondary cities. In many instances, these secondary cities are as well equipped, and they stand ready to implement the full housing function. The chicken-and-egg dilemma of a lack of capacity should not be used to slow down the incremental devolution of the housing function.

In conclusion, we are committed to working with the two departments to ensure an integrated approach to service delivery and that the developmental vision of local government is realised. Let us support the Ministers in the implementation of these two Votes and forge stronger partnerships with our provincial partners in addressing service delivery gaps.

We trust that the departments will take these issues into account as we roll out the various support programmes for local government. As Salga, we appreciate being part of this particular co-operative partnership and look forward to influencing its outcomes positively.

Ndzi khensa ndzi vuyelela. Inkomu. Kxanimambo. [Va phokotela.]

[Thank you very much. Thank you. Thank you.] [Applause.]

Mr V M MANZINI: Chairperson and Minister for Co-operative Governance and Traditional Affairs, it is true that the Auditor-General is measuring the performance of the municipalities. However, it is not his responsibility to rectify their faults. Politicians are the ones who are accountable and responsible for the bad performance of municipalities. The municipal manager and chief financial officer are appointed by the councils and so are those appointed in terms of article 56 to 57. Mayors and the mayoral committees are appointed by the political parties. Municipalities will only improve if political parties take responsibility.

The income bases of municipalities differ a lot. Small municipalities are struggling because their salaries take a big chunk of their income. Only a small part is left to do capital work. This is a great stumbling block to the delivery of services.

Housing is a great problem. Grants are given to municipalities to build houses. The quality of work is sometimes very inferior. The aim of the Vote is to improve co-operative governance across the three spheres of government, in partnership with institutions of traditional leadership to ensure that provinces and municipalities carry out their service delivery and development functions effectively.

The mandate is to develop, monitor and support the implementation of national policy and legislation; to promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and to exercise oversight over provincial and local government. There are areas that need intervention for the municipalities to perform. These are supply chain management; financial management; information technology controls; human resource management; municipalities under administration; the use of consultants; and government structures.

Our municipalities are marked by service delivery protests. The increase in service delivery protests clearly indicates that all is not well in our local municipalities. People are not happy and we

all urgently need to come up with a positive solution to improve the situation. Underspensing is caused by a lack of capacity and of technical and management skills. Millions are being spent by municipalities on consultants.

Our municipalities are infested with corruption. Corruption has become endemic in our society. It is one of the things that people in South Africa are becoming more and more worried about. Corruption disturbs what we do and we simply cannot build if that is the basis. It leads to poor quality in construction. Cement is like glue for a house.

There is also the problem of price fixing. Nothing is as dangerous as the inflation of prices. We as the DA spend time acting like policemen, chasing after corrupt people, because their actions inconvenience the beneficiaries. [Interjections.] Nepotism, favouritism and the manipulation of waiting lists are all ills that we have to deal with. [Interjections.] As the DA, our message to the corrupt officials is simple: We will continue to embarrass and to name and shame.

One of the ANC stalwarts, Andrew Mlangeni, once said:

The Rivonia trialists did not go to prison so that the ANC members could reap the rewards of freedom through self-enrichment and greed. Money is the source of all evil. Some people are so corrupt

in my organisation, the ANC. You put people in leadership positions in government because you know them to be trustworthy. You know that they are going to carry out the policy of the ANC, helping the people of South Africa. They start off by being good people, but ultimately they change and start filling their pockets with money through tenders. Tenderism has destroyed many of our honest people. The pursuit of money and instant wealth is devaluing the sacrifice of those who went to prison and those who died fighting for freedom.

[Interjections.] The lasting lesson of universal leadership is the celebrated South African cliché, "A better life for all". The "all" in this case is emphatic, democratic...

The DEPUTY CHAIRPERSON OF THE NCOP (Ms T C Memela): Hon member, your time has expired.

Nkul V M MANZINI: Manana Mutshamaxitulu, ndza khensa nkarhi lowu u ndzi nyikeke wona. U khomisa sweswo; i khenselo ra valungu. [Vaphokotela.] (*Translation of Xitsonga paragraph follows.*)

[Mr V M MANZINI: Madam Chairperson, I thank you for the opportunity that you have given me. Keep it up; that is how we say it in English. [Applause.]]

Mr M P JACOBS: Deputy Chairperson, hon Ministers, hon MECs, colleagues, friends and comrades, I rise on behalf of the ANC in this House to give my unconditional support to this Budget Vote. It is a budget that hopes to turn the tide for our people. The ANC-led government is the only organisation that can and will address their needs because we have a plan. We have built millions of Reconstruction and Development Programme houses for the needy, although we still have much to do. That is because the list is long and there are always new entrants.

We want to applaud the initiative that would address the gap market. Let me just repeat what the President said during the state of the nation address, when he mentioned that a citizen requested this from him, saying that we needed this kind of fund. We learnt from reliable sources that that citizen is now living in his own house, financed by this gap market fund. Only the ANC can do that.

We also request that you address the issue of RDP houses built in places like Langa; houses that were completed a long time ago but are not occupied.

We will adequately respond to the needs of our people because we have been there. We have experienced living in a shack on hot summer days: When it is hot, the shack is also hot. We have experienced living in a shack on cold winter days: When it is cold, the shack is also cold. We have experienced living in a shack on windy days: On

such days, the roofing is often blown off. We have experienced living in a shack on rainy days: Flooding often takes place.

All these misfortunes affect blacks who are poor, unemployed and desperate. We do not need anybody to lecture us on these experiences because we have travelled this road and we have plans and solutions for them. I want to repeat that it is only the ANC-led government that will address these problems because we have been there.

[Applause.]

I am not sure whether the hon Groenewald has ever slept in a shack or was raised in a shack. [Interjections.] The advice I can give him is to sell that big house of his, to show patriotism and to go and build RDP houses for people in the North West. With the remainder of the money, he should go and build a shack and stay in it. Then he would not talk as he has just done. [Interjections.]

I want to tell you my story of when I first arrived here in Cape Town. I was travelling with my family to Somerset West when, near the airport, I saw a huge village of shacks on my right-hand side. One could build a township as big as Soweto there. I told my family that, whether we liked it or not, we would never address the housing problem during our term. I told them that the process we started would be completed by our children, referring to my son. Little did I know that what I said had an impact on him, because whenever we now pass an informal settlement he will say that that area is not as

huge as the one we saw at Khayelitsha and that it is us who will build for those people. Little did I realise that I had planted a revolutionary seed in my son.

Minister, I believe we need to build a strong foundation for our children so that they will complete the journey that we have travelled. In your own words:

It is totally unacceptable that although we provide funds, responsible government entities and certain municipalities fail to even build a simple toilet, while there is still the serious stench of the bucket system in some parts of the country.

That is what you said. I have made my own analysis of the issues that hinder us from aggressively providing houses to our people and I have come to the conclusion that there is a lack of land on which to build houses. You always make provision for funds to build houses but where will municipalities build houses if there is no land? I will come back to the land issue.

The next issue is that of town planning. Most of the municipalities do not have spatial planning policies. How can they build houses when they have not planned for them? Another concern is the issue of infrastructure. How can you build houses if there is no infrastructure and no funds available to put infrastructure in

place? We need basic infrastructure like water, sanitation, electricity and roads. The rest will follow.

Allocating the building of housing structures and the use of contractors who do not have the capacity and expertise to build decent houses are also issues. I do not need to emphasise this but let me again refer to what you said. You said the danger was that sometimes we deployed people who did not have the proper skills, and they in turn employed people who did not have expertise.

The last issue is the way in which we monitor the work that we have done. For instance, we do not monitor waiting lists, construction that has been completed and the illegal selling of RDP houses. I know my analysis may not be exhaustive but these are the basics if we want to aggressively address housing problems. We always complain about these challenges but we do not respond to them adequately. I believe I am responding positively to what you have said. Let me refer to what you said. You said that for the sake of delivering services to our people, you would not hesitate to apply intervention measures and take funds from underperforming provinces, transferring them to those that are doing well. Before you resort to such drastic measures, you could perhaps look into my analysis and respond to it.

I want to come back to the land question, as I promised earlier. This year and this month, we commemorate the Natives Land Act, Act 27 of 1913, the law that dehumanised Africans and blacks in general.

It deprived us of our human dignity by confining us to isolated, far-flung areas of civilisation; to barren and unproductive land. The land was unsuitable for tilling and habitation.

When you own land, you own wealth, because minerals come from the land. When you own land, you own food and security. When you own land, you own areas of residence. The majority - blacks - were confined to 13% of the land, while the minority - whites - were given an abundance of 87% of productive and fertile land. How can we forget such an inhumane and atrocious infliction on humankind?

I did not tell my son about all these atrocities. He will grow up and discover this for himself. He will be able to complete the journey we have started. Let me conclude my speech by quoting the internationalist Che Guevara, who said, "We must struggle every day so that this love for humanity becomes a reality." [Applause.]

Mr D B FELDMAN: Hon Deputy Chairperson, hon Ministers, hon members, officials from the department, low-cost housing is one of government's priorities. Millions of poor people are still living in informal settlements and overcrowded townships.

In the 2013 state of the nation address, the President identified the following objectives: improving water and sanitation; securing the gap market; the provision of renewable energy, solar energy and solar water geysers to all low-cost houses, and 315 000 solar

geysers fitted in the houses of poor households; the need to improve infrastructure, namely water, roads and electricity infrastructure; and investing in the drivers of job creation, namely infrastructure development, agriculture and the green economy.

This position needs urgent attention. The turnaround strategy, based on the following promises, must deliver improved outcomes. The January 2010 Cabinet lekgotla accepted an outcomes-based approach and to deliver on Outcome 8 agreements. These include greater sustainability, human settlement and improving the quality of household life, which it set as its 2014 targets. This includes the upgrading of 400 000 informal settlement households at an estimated cost of R19,2 billion, including the provision of bulk infrastructure; the delivery of 800 000 rental units; increasing the provision of basic services, including increased access to sanitation from 69% to 100%; financing 600 000 housing opportunities for people in the R3 500 to R12 800 income bracket; and releasing 6 250 hectares of well-located state-owned land for delivery of sustainable human settlements.

Gauteng is in a fortunate position in that the quality and workmanship of housing delivered is reasonable. The walls and roofs are stable, with few defects. However, the same cannot be said for other provinces, where norms and standards are diverse and do not comply with the prescribed regulations and guidelines.

Minister, one of the greatest challenges in Gauteng is the refurbishing of hostels that stand unoccupied. Urgent intervention is required from the Minister to facilitate the process.

The National Development Plan indicates that Human Settlements must aim to create 300 000 direct and indirect jobs by 2030. This is only possible when there are clear intervention and implementation processes in place. There should be closer co-operation, public participation and a reasonable process for making resources available within provinces to achieve this objective.

The latest Minmec 2013 regulations are a step in the right direction, but government can still do more to secure better and improved human facilities.

Provinces and municipalities receive substantial amounts in conditional grants, as shown by the Division of Revenue Act. Firstly, can the department explain the implementation of the Division of Revenue Act and the process to date as it relates to the above-mentioned? Secondly, to what extent is the department working towards improving the expenditure efficiency of provinces and metropolitan municipalities in the delivery of housing and sanitation services?

The department's target for the 2011-12 financial year was to support the development of 20 000 units. However, less than half of

this target was achieved and 5 830 units were delivered. The reasons provided by the department for not achieving this target were limited funding and delays in the approval of plans and the release of the land. To date, what has the department done to address those reasons?

The accreditation of municipalities has slowed down. With the achievement of level-three accreditation still being a major challenge for municipalities, the SA Local Government Association reports that, despite a clear framework with respect to accreditation of municipalities to perform certain functions, implementation requires greater attention, especially co-operation between the provincial and municipal spheres of government. Salga's recommendation regarding provinces must be given serious attention and the Minister needs to secure greater powers for Salga to facilitate this programme.

I would like acknowledge the superb effort that the Minister and his team are making, as well as their dedication to improving the lives of all South Africans.

Mr J J GUNDA: Deputy Chair, hon Ministers and members, when one sits here, listening to members, the Minister of Human Settlements, as well as the Minister for Co-operative Governance and Traditional Affairs, one needs to ask oneself many questions. One of the

questions we need to ask ourselves is: How honest and objective are we?

Let me start with Human Settlements. I have listened to my colleague, the hon M P Jacobs, talking about land and the municipalities. How will a poor black man get land if the municipality tenders out the land? He does not have the money to buy land and build a house. It's impossible! Yet these very same local municipalities are tendering out land to the previously advantaged areas. In other words, as a previously disadvantaged person, you will never be able to buy that land if you don't earn that money. That is neither development nor urbanisation.

Another concern with Human Settlements is the quality of houses. I believe we must start building and giving people decent houses, because we are from a poor background and we have been deprived of our rights and all those things. We have the opportunity now, so why does this government not invest in our people by giving them decent houses, with security? Don't give them 54m² houses. Yes, people will say it is better than a shack; but no, don't tell me this "it is better than a shack" story!

If we go back in our history, we said that when we got the chance to govern, we would give our people decent houses. These RDP houses are not decent houses. They are not security. A house is an asset. In

other words, if our people have decent houses, they will have assets.

Let me come to local government. I have so little time! Hon Minister, Councillor J Matlou talked about the municipalities, but unfortunately almost 60% of the municipalities in the country are bankrupt. How can that be good? According to the Auditor-General's report in the Northern Cape, out of the 32 municipalities only two received clean audits. Are you telling me that that is good? That is not good!

The problem is that we, as government - the national department and local government - must get involved in provincial departments. I heard the Minister say that they will be hands-on because that is where the problem lies. The Minister allocates money and drafts policies but they don't implement them. They do their own thing. That is why you will find municipalities sitting with municipal managers who can't do their work. We have chief financial officers who do not understand the budget and all those things. This thing needs to stop!

Hon Minister for Co-operative Governance and Traditional Affairs, I support you in all your endeavours. I am asking and pleading with you today ...

Mr T E CHAANE: Chair, is the hon Gunda prepared to take a question?

Mr J J GUNDA: No, I can't take a question; I am talking about something very serious. [Laughter.] Let me speak to the Minister for Co-operative Governance and Traditional Affairs. I'm pleading with you: This Bill has been with the department for four years now but the Khoi-San people are still not getting recognition. How long are we going to wait? These people are the first indigenous occupants of this country! It is their right to be recognised in this country and not be subdued by other people because there are so few of them. They were the first owners. They were living in this country and were found here in this country. They did not come from another country to live here. These are the issues that we need to take seriously.

In conclusion, Minister, you can change the systems in local government - that is fine. However, make it a community-participative system and not these ward-based systems where councillors can have their own buddies on the ward so that they can run them like a political party. No! Local government belongs to the people. A municipality belongs to the people. Municipalities cannot exist without the people. This is where our problem lies. The community must participate and it must have a say in the budget of the local municipality, so that their needs can be met and services can be delivered. [Applause.]

Mr L P M NZIMANDE: Deputy Chair, hon Ministers, MECs present, delegates, both special and permanent, and fellow South Africans,

hon Gunda, Herman and Feldman, the ANC speakers have conveyed one message throughout this afternoon. That message is: We have a plan; policies; programmes; necessary interventions; and we are committed to all of it. You must listen attentively as I go down that road.

I stand here on behalf of the ANC to narrate a story about the path that we are on - a journey to a destiny, which is a better life for all; where poverty, inequality and unemployment are being dealt with decisively. The ANC's 101 years of existence and of being in the liberation struggle, and our 19 years of experience in government, bear witness to our sincerity and genuineness, Mr Gunda, in fighting for quality service delivery - no other party but the ANC!

We are sincere and honest in our transformation of this society into a democratic one. We are sincere in building a truly developmental state. We are sincere and genuine as we enact ... [Interjections.]

Mr J J GUNDA: Madam Chair, will the hon member take a question, please?

Mr L P M NZIMANDE: Chair, he may ask a question on one condition: that he does not make a statement.

Mr J J GUNDA: Deputy Chair, the member referred to transformation. I would like to ask the member, through you, hon Deputy Chair: Is he

satisfied right now that transformation is really taking place in respect of local government issues?

Mr L P M NZIMANDE: Hon Chairperson, to answer that: Even this House, the NCOP, has taken serious steps in making interventions in local government. We have created a working relationship with the SA Local Government Association. For the first time in the history of the NCOP, Salga councillors are participating in this House, even today. That councillor spoke here. If that is not honesty to the hon member, then I must ordain him as a pastor. [Laughter.] [Applause.]

We continue to enact laws that are pro-poor. We create structures and systems of governance that are effective, efficient, transparent and able to carry the goals and vision of the national democratic revolution. All these must, of course, be underpinned by what the hon Gunda is complaining about - the participation of our people in all matters that pertain to their aspirations for themselves, their generation, their motherland, the continent and the world.

The Freedom Charter of 1955 says this, in response to the hon Gunda. It is instructive to us as the ANC, and I quote: "All people shall be entitled to take part in the administration of the country." That is exactly what we are doing. It says further: "All bodies of minority rule, advisory boards, councils and authorities shall be replaced by democratic organs of self-government." That is what it

says, sir. As the ANC, we have never deviated from this prescription of the Freedom Charter.

Furthermore, as we fought for in the Convention for a Democratic SA, Codesa, Chapter 7, section 152, of the Constitution clearly and categorically directs our work with regard to the third sphere of government. The ANC resolutions and policies - hon chairperson Mokgobi referred to them quite clearly earlier on - have been consistent in making a concerted effort to give expression to this mandate. We continue with such a legislative programme and policies, as Budget Vote 3 clearly demonstrates today.

Often our critics, like all the members who were negative about the progress that the ANC is making, would like us not to recall the painful past experience of our people as we, together with them, confront the difficulties we face today that result from that past. Of course, the question is why they do so. Perhaps the answer is easy: Because they are haunted by their own identification with the history of destruction of our motherland and its people.

It is easy to imagine why a photograph would mean such a lot to a desperate person, to the extent that they claim a serious contribution to the struggle of the oppressed people while, on the other hand, they vote against any matter of transformation that the ANC puts forward. That picture is now used to mislead our people. Just being in a picture with our stalwart, Helen Suzman, means a lot

to them; it means a contribution to the struggle, or that they are for transformation. However, when they come here, they talk differently and vote differently. [Interjections.]

This history of destruction that I am recalling, which occurred until just before 1994, is mainly and critically characterised by the dispossession of land. It saw traditional communities, local government and people in general becoming landless, land use and spatial planning halted and water and food security affected. Neither infrastructure development nor economic advancement could take place under such situations.

In this history of destruction, we know that our country was divided and given new names: "colony", "Boer Republic", "Union", "Bantustans". Surely all of these affected social cohesion and nationhood. Certainly, that is the reality that the ANC is facing post-1994 and that the ANC is prepared to tackle on this path that has the clear destiny that I was talking about.

We believe that the allocations of Budget Vote No 3 will effectively manage to create the measures and interventions necessary to deal with the challenges confronting municipalities and traditional governance today, as well as going forward.

We note the allocations to the Municipality Infrastructure Support Agency, Misa, and the Municipal Demarcation Board for them to

deliver on their respective mandates. Budget Vote No 3 is representative of two departments: the Departments for Co-operative Governance and for Traditional Affairs. We also note that the allocation that is given to the Department for Traditional Affairs clearly demonstrates the ANC-led government's commitment to improve the work of traditional leadership and their governance in our country. Thus it assists with the creation of social cohesion, which is what we are all about.

We are worried, as hon Mokgobi said, about the so-called service delivery protests. The Minister spoke at length about it as well. We are in full support of what he said. We are also worried that this is now being misused by bankrupt political parties to gun for votes. They are people who have nothing to offer our people. We are saying that the only way ... [Interjections.]

Mr K A SINCLAIR: Chair, I want to ask if the hon member is prepared to take a question, please.

Mr L P M NZIMANDE: My time is running out but you can ask if you are not going to make a statement. Otherwise, the Chair has the right to cut in and send you outside! [Laughter.]

The DEPUTY CHAIRPERSON OF THE NCOP (Ms T C Memela): Order, we are running out of time ...

Mr L P M NZIMANDE: Yes, hon member, ask quickly!

Mr K A SINCLAIR: Chairperson, I just wanted to ask the hon member if it is true that he is a secret organiser for Julius Malema's party.

[Laughter.]

Mr L P M NZIMANDE: Chair, you have the right to throw him out of the House now! [Laughter.]

I would like to take this opportunity to say, on behalf of the ANC, that we support the budget. As I have said, the journey is taking us to the destiny of a better life for all and quality services for our people. We are undoubtedly committed to fighting corruption, to make interventions where we can, and to fight poverty, inequality and unemployment.

Lastly, I take this opportunity, off the clock but on the record, to thank my colleagues in the NCOP, permanent delegates and the leader of the select committee for the help they offered, because this is the last Budget Vote speech and I am not a podium regular. I take this opportunity to thank my family, my wife and my kids for their support, as well as the entire staff in my office. I also thank the service officers here in the Chamber for the help and support they always give. Thanks for all your guidance and help. We support Budget Vote No 3. [Applause.]

The MINISTER OF HUMAN SETTLEMENTS: Chairperson, there in the National Assembly we said to Mphethethwa Blade Nzimande, "Vala [close], Nzimande!" Thank you to this Nzimande for closing so well. I think you have said it all to hon Feldman. No, not the hon Feldman, it was the hon Groenewald. He had only four minutes to say all those terrible things. [Laughter.] Give him more time so that he can be more amorous towards South Africa. Our message to him is the following - the saying comes from the hon Nzimande: "None are so blind as those who have eyes yet refuse to see."

The next four minutes will make you realise that this country, which you people messed up, is changing under us. Secondly, I want to say that I don't know where he gets the figure that this department underspent by R4 billion. That is urban legend, spread by one of their journalists. We know where they get it from. Our department has spent its budget to the tune of a 3% underspend. The law allows us to underspend by 5%, but we did less than that. It is permissible, even if we had underspent by 5%. I would like to spend the entire budget, given the needs. I do not know where he gets this R4 billion from. Please, sir, desist from that or you will become an agent of propaganda! Face the music: You created this situation. Be kind enough to recognise that times have moved on and we have changed.

Talking about piped water in the Western Cape, who sends that water here? It is us. There is no provincial Ministry or MEC here who is

in charge of water. So, when you say you achieved 99%, that's Minister Edna Molewa, sir! You have beautiful houses built here - Minister Tokyo Sexwale is responsible for that, sir! Go and tell your members. That is what is happening here.

As for the shacks, they are your product. They are the result of 100 years of landlessness for our people - since 1913. You are responsible but you can't face the shame, coming here today without showing remorse. We have to take so much. I stayed in jail for 15 years. For people to come and tell us this today is unacceptable. These are the product of 100 years of having taken away people's dignity. Just recognise that we have been kind enough to be forgiving. Do not provoke us any further. Recognise that land was taken and that that is why you have more than 2 400 informal settlements scattered around here. We did not build shacks and informal settlements. I have told you that, so listen very carefully. They are the result of dispossession. Those who created them keep quiet when we deal with the subject. But if you come here and pontificate, pretending that this government has done nothing, then we know that you are not prepared to listen and not prepared to learn.

Hon Gunda, you called for decent housing, and we accept that. You spoke like a South African, even though you are from the opposition. You said you wanted decent houses and that is what we are doing.

Let me tell you, colleagues, that we will never chase quantity at the expense of quality for our people. That we will not do. The President said: "Better fewer, but better." He was quoting Lenin. It is not that we want to have fewer houses, but better few with high quality; better for our people. That is what they deserve.

Hon Manzini, I want to say that you were spot on. You are fighting corruption, and so are we. In my department, 5 000 people have been brought to book by me. Lawyers have been taken away. We blacklist and we name - Minister Radebe has requested that we name them. We blacklist these people. These are companies that were established here in the past. We accept that there is a lot of corruption in this country, and it should concern us all. We agree with you, but do recognise the efforts we are making. I don't want to be a cop; I want to build houses. I don't want to repair houses either. Accept that corruption is being fought here. Corruption is headline news because we are talking about it and doing something. When countries are truly corrupt, they don't speak about corruption. We are looking for good and honest people.

Let me say that by providing houses, somebody is ...

[Interjections.]

The DEPUTY CHAIRPERSON OF THE NCOP (Ms T C Memela): Hon Minister, can you conclude, please?

The MINISTER OF HUMAN SETTLEMENTS: When we provide houses to people - that is my job - we provide assets. We position our people now not just to be owners of assets but to be players in the capital market. They have an asset and they can pass it on to their people. They become players in the property market and they can deal with those properties by exchanging them. They become players in the financial market too, because they can raise bonds, loans and mortgages. It is dignity that we are providing to people. Because our people have been dehumanised, this Ministry attempts in a very soft way to humanise them. That is why it is the Department of Human Settlements. [Applause.]

The MINISTER FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: Chair, we want to agree with the hon Mokgobi that the name of the game is "consult and engage". That is why, three weeks ago, we engaged with 167 municipalities. These are the municipalities which, according to the Auditor-General, are fluctuating in their performance. They are what we can refer to as "a zone needing attention". We are engaging with them. We cannot generalise and say there are municipalities that are bankrupt. No, we talk to these municipalities and understand exactly what causes their state of performance. When we present the report, we will present it to the NCOP. The topic will be the state of local government and we will engage on it. Our findings will be made very clear.

We engaged our metros last week, on Friday. We were engaging municipalities one by one, plus as a collective of structures of government in our areas. So, we fully agree. We initiated the idea that we needed to develop a financial performance quality enhancement programme. That is part of the intervention that has to respond to the questions that we are dealing with around financial management.

Councillor Matlou, the executive mayor of Mopani District, is very right when he says that when we deal with issues, we have to make it a point that co-operative governance must be seen to be in action at the national level.

I agree, hon Mokgobi, that those who intervene must demonstrate a state of readiness. It should not be a question of the weak intervening to correct the weak. You have to demonstrate your reason for intervening. You don't just drop interventions into pockets as you go around, looking for municipalities. You actually have to understand what you are doing. That is why, when we went to Madibeng Local Municipality, we said that you can't just put a municipality under section 139. First you have to implement your first intervention. You cannot just come with a second one. You just can't. We then said it's not only a case of, "Yes, we have an answer." Sometimes it is "no". We are putting our "no" clearly, because our goal is to build relationships. We believe that building relationships is the anchor position of co-operative governance.

Regarding putting the amendment into practice, it is true that we are finalising this. There is just one hurdle that we need to jump in terms of the regulations to implement or give effect to the Local Government: Municipal Systems Act. That hurdle is that one stakeholder took us to court. We are finalising that issue, so that we can give effect to the implementation of the Local Government: Municipal Systems Act. It is a piece of legislation that talks to the professionalisation and strengthening of local government systems. We believe that when we arrive there, we will deal with those issues.

The report that we will present on the state of government will be volume 11. It will focus on the interventions that we want to make in order to improve the system. The whole issue of how we manage coalition government is a serious challenge. If you go to areas like Swellendam, you will see the reality that the minority governs. We have a municipality there that has nine members. Four members are from the ANC, four from the DA and one from the ACDP. The deciding factor is that one municipality. So, that becomes a situation of how best to deal with those issues. We need to look at how we deal with management.

In terms of differentiation, we believe that there is nothing like a one-size-fits-all dispensation. When it comes to the question of financial planning and supporting municipalities, you need to come

with support that is equal to the particular municipality. That is the differentiation we are talking about.

We fully agree to participate in the summit on demarcation. We will take advantage of that summit and give a report. We are concluding a report by the ministerial task team that looked into questions of demarcation and their impact on long-term planning and other related questions. We cannot paint all municipalities with the same brush.

Thank you, hon Gunda, for your support, but even as you support us, we need to correct you. If you support us and we don't correct you when we believe you are wrong, it means the support is dangerous and then you may as well keep it! There is no such thing as 60% of municipalities being bankrupt. We need to talk about these issues as they really are. It is not possible to do a round-up of all the issues and respond to everything the hon member raised in five minutes. We will further engage with this as we deal with matters of local government. However, I would like to say thank you very much for his support on the question of the Khoi-San people. We are definitely dealing with this question. On the issue of the Bill, we would have tabled the Bill by now had it not been for the issue of the reopening of the lodgment date, which suggested that we needed to take one or two steps backwards. We are dealing with that in order to finalise those issues.

The division among the Khoi-San people was also an issue. When you talk about the National Khoi-San Council, some identify with it but others don't. But you cannot have a divided approach. That is why we are talking to them and have told them to facilitate the process so that we can raise all the issues with one voice. When we provide solutions, it must not be a solution that will suit one group only, because the other group will think that we are dispensing poison. Thank you very much, Deputy Chairperson. [Applause.]

Debate concluded.

The Council adjourned at 18:40.

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Bills passed by Houses – to be submitted to President for assent

- (1) Bills passed by National Council of Provinces on 18 June 2013:

- (a) **Dangerous Weapons Bill** [B 37B – 2012] (National Assembly – sec 75).

- (b) **Criminal Procedure Amendment Bill** [B 26B – 2012] (National Assembly – sec 75).

2. Draft Bills submitted in terms of Joint Rule 159

- (1) **Lotteries Amendment Bill**, 2013, submitted by the Minister of Trade and Industry.

Referred to the **Portfolio Committee on Trade and Industry** and the **Select Committee on Trade and International Relations**.

National Council of Provinces

The Chairperson

1. Message from National Assembly to National Council of Provinces in respect of Bills passed by Assembly and transmitted to Council

- (1) Bill passed by National Assembly and transmitted for concurrence on 18 June 2013:

- (a) **Appropriation Bill** [B 1 – 2013] (National Assembly – sec 77).

The Bill has been referred to the **Select Committee on Appropriations** of the National Council of Provinces.

COMMITTEE REPORTS

National Council of Provinces

1. REPORT OF THE SELECT COMMITTEE ON APPROPRIATIONS ON THE HEARING ON THE THIRD AND FOURTH QUARTER EXPENDITURE ON THE DINALEDI SCHOOLS GRANT IN THE 2012/13 FINANCIAL YEAR, DATED 18 JUNE 2013

1. Introduction

The hearings formed part of the Committee's ongoing interaction with national departments and provinces to monitor their spending patterns on conditional grants allocated to them. The purpose of the Dinaledi Schools Grant is to promote mathematics and physical science teaching and learning. The strategic goal is to increase the number of learners taking mathematics and physical science, with a special focus on female learners. Key outputs of this Grant include mobile science laboratories, maths kits and textbooks for each learner in Dinaledi schools and training teachers on content knowledge.

1.1 Terms of reference

The Committee requested the provincial education departments of Limpopo, North West and the Western Cape to report on their third and fourth quarter spending on the Dinaledi Schools Grant. Limpopo was given permission to submit a written report, in light of the fact that they made a presentation to Members in Polokwane during an oversight visit shortly before the hearing took place. The Western Cape and North West, as well as the Department of Basic Education and National

Treasury were invited to the hearing on 7 May 2013. The North West Education Department did not honour the invitation.

2. Presentation by National Treasury

National Treasury reported that the Dinaledi Schools Grant targets 500 schools nationwide. The distribution of Dinaledi schools in provinces is as follows:

Eastern Cape: 60;

Free State: 36;

Gauteng: 103;

KwaZulu-Natal: 88;

Limpopo: 51;

Mpumalanga: 46;

Northern Cape: 17;

North West: 51; and

Western Cape: 48.

During the 2011/12 financial year, the first year of the Grant's implementation, a total of R70 million was allocated to provinces. Of the allocation about R61.5 million, or 88 per cent, was spent. National Treasury presented the provincial spending on the Grant for the 2012/13 financial year as follows:

Table: Dinaledi Schools Grant expenditure as at 31 March 2013

Province	Adjusted budget	Actual payments as at 31 March 2013	Actual payments as % of adjusted budget	Under-Spent	Year-on-year growth
Eastern Cape	11 964	11 656	97.4 %	308	38.8%
Free State	7 374	5 184	70.3%	2 190	7.6%
Gauteng	20 139	20 139	100.0%	-	42.4%
KwaZulu-Natal	17 547	17 078	97.3%	469	38.6%
Limpopo	14 390	5 732	39.8%	8 658	844.3%
Mpumalanga	9 802	9 787	99.8%	15	71.8%
Northern Cape	3 391	3 300	97.3%	91	38.7%
North West	11 287	8 777	77.8%	2 510	34.2%
Western Cape	9 571	4 615	48.2%	4 956	-31.0%
TOTAL	105 465	86 268	81.8%	19 197	40.1%

National Treasury reported that a dedicated Dinaledi Unit was created within the Department of Basic Education (DBE) in August 2012. The responsibilities of this unit include assisting provincial departments with implementation issues, and assisting and liaising with private partners who wish to adopt or support a Dinaledi school. National Treasury is expecting an annual evaluation of the programme from the DBE on 15 May 2013.

National Treasury further reported that, as a sector, Education still experiences challenges, including the following:

- Learner perceptions that maths and science are too difficult;
- Poor skills of teachers who have to teach maths and science;
- Certain provinces need a better management focus on the programme, in order to address avoidable implementation challenges.

The DBE has indicated that Dinaledi schools score only about 10 per cent higher than normal schools in maths and science, and that they are focused on at least doubling this figure. The DBE further indicated that its bursary schemes are a key vehicle to address the issue of poor teacher skills.

National Treasury reported that there are also challenges related to financial issues and that they, together with provincial treasuries, are working to address the challenges with the DBE and provincial education departments. These include the following:

- Failure to procure from service providers identified by the DBE, particularly by the Western Cape;
- Poor Supply Chain Management skills, resulting in procurement delays and cancellations, particularly in Mpumalanga, Limpopo and the Free State;
- Advance payments/transfers to service providers, with poor reporting on what the service providers have actually delivered with the funds, particularly by Gauteng and Mpumalanga.

National Treasury indicated that it has engaged with provincial treasuries and the DBE to enforce reporting requirements. Treasury further expressed the view that the above challenges are avoidable

and solvable, as they essentially relate to a lack of internal management focus within provincial departments to drive the programme.

3. Presentation by Western Cape Education Department

The Western Cape Education Department (WCED) reported that it had managed to spend 99.5 per cent of its Dinaledi Schools Grant allocation during the 2011/12 financial year and that there has been continually improved performance in maths and science by learners in Grade 12. The WCED further explained the reason for its poor spending performance of only 48.2 per cent in the 2012/13 financial year as follows:

In June 2012 the management of the Grant was discussed with all Dinaledi schools. Schools were informed that funds would be transferred directly into their dedicated Dinaledi Grant accounts, in order for them to procure goods and services according to their needs.

However, in July 2012 the WCED management took a strategic decision to change to a more accountable procurement process, based on recommendations by the Auditor-General. Goods and services would now be centrally procured in order to minimise the risks identified by the Auditor-General and to improve the WCED's ability to monitor and control expenditure on the Grant.

The above decision meant that the whole procurement process had to be started over again, including developing a Procurement Item List and holding information meetings in each district to discuss central procurement requirements. District coordinators had to collate schools' needs and submit documents to head office for further processing. The late return of documentation by schools and districts caused further delays.

Special project plans for the installation of technology had to be developed, tenders prepared, advertised and awarded, and site meetings organised for potential service providers in the case of infrastructure projects.

In addition to the change in the manner of procurement, further delays were caused by differences between market prices obtained by schools earlier and much higher prices provided by procurement. This meant that schools had to reprioritise their needs. By the end of the third quarter, in December 2012, only 4 per cent of the allocated grant funds had been spent. At the end of the fourth quarter of the financial year, 48 per cent had been spent, with a further 34 per cent being committed. Approval has been requested from the Western Cape Provincial Treasury to roll-over these funds.

4. Report from Limpopo Department of Education

The Limpopo Department of Education (LDE) reported that it spent 39.8 per cent of its revised allocation of R14.39 million for the Dinaledi Schools Grant in the 2012/13 financial year. On 17 April 2013, a letter was received from the Department of Basic Education (DBE) informing the Administrator that the DBE intended to withhold the transfer of the last tranches of the Grant. The Administrator prepared a detailed response, and sent it to the Director-General of the DBE on 23 April 2013, requesting it to release all withheld funds, as an amount of R8.5 million had already been committed by the end of the financial year. Parallel to that, a formal roll-over request was submitted to the Limpopo Provincial Treasury. An amount of R140 252 had not been committed by the end of the 2012/13 financial year. The LDE reported that the following challenges resulted in the delayed procurement processes:

- A tender for science laboratory equipment and chemicals had been published, but the quoted prices were, in the LDE's opinion, ridiculous;
- The capacitation of principals and teachers had to be scaled down because of the work-to-rule declared by the South African Democratic Teachers Union;
- SITA partners did not agree to lease arrangements for the number of computers required, necessitating that notebooks be purchased; and
- Internal human resource capacity for the programme itself is a constraint.

5. Comments by Department of Basic Education

The Department of Basic Education (DBE) reported that the difference between the national average maths and science results and those of the Dinaledi schools was nowhere near commensurate with the amount of money spent on the Grant. The DBE further reported that it has embarked on a four-pronged intervention strategy, focusing on curriculum, annual national assessments, workbooks and infrastructure. In addition, the DBE provides training for teachers and is working on a DVD to demonstrate practical science experiments.

However, the assessment of the effectiveness of the teacher training is a major deficiency. Very little has been done in terms of the baseline assessment of teachers, partly because of resistance from the teachers themselves. The DBE has found that the pre - and post-training testing of teachers by provinces is not adequate to ascertain whether there was value for the money spent on the training. The DBE is in the process of conducting a diagnostic exercise with each province.

6. Findings and observations

- 6.1 It is unclear whether the Dinaledi Schools Grant funds spent on teacher training is achieving the desired result, as no effective pre- and post-assessment of teachers takes place.
- 6.2 Dinaledi schools only score 10 per cent higher than other schools in maths and science.
- 6.3 Out of their R14.39 million adjusted budget for the 2012/13 financial year, Limpopo Province requested a roll-over of R8.5 million. This is more than the R5.7 million (or 39.8 per cent) that the province spent over the entire financial year.
- 6.4 The under-spending by Limpopo was due to a lack of capacity within its supply chain management.
- 6.5 The under-spending of 51.8 per cent by the Western Cape Province was due the non-compliance with the centralised procurement processes and poor management of its own internal supply chain management processes.
- 6.6 The under-spending of 22.2 per cent by the North West Province was due to a range of problems within the Provincial Treasury and Provincial Education Department.
- 6.7 The commitment of funds has two negative implications – delayed service delivery and a need for additional capacity to spend the additional funds.
- 6.8 The 99.8 and 100 per cent spending by Mpumalanga and Gauteng Provinces, respectively, is only an indication of the funds transferred and not the actual spending by implementing agencies.

7. Recommendations

- 7.1 The Department of Basic Education should provide the Committee with its evaluation report after its release on 15 May 2013.
- 7.2 The Department of Basic Education should monitor capacity building of teachers for maths and science so that the grant achieves its desired outcomes.
- 7.3 The National Treasury together with the Department of Basic Education should monitor the situation in Limpopo to ensure that the province is able to spend the roll-overs as well as new allocations.
- 7.4 The National Treasury together with provincial treasuries should work with the Department of Basic Education to build capacity within provinces.
- 7.5 The National Treasury and the Department of Basic Education should provide support to the Western Cape to ensure that its procurement processes do not unnecessarily delay spending and service delivery.
- 7.6 The National Treasury and the Department of Basic Education should monitor the situation in the North West to ensure that there is effective and efficient spending.
- 7.7 Provinces should avoid roll-overs and March spike spending since this compromise service delivery.

7.8 The National Treasury and the Department of Basic Education should ensure that, where funds are transferred, the expenditure reports include the actual expenditure for the services rendered.

Report to be considered.

2. REPORT OF THE SELECT COMMITTEE ON APPROPRIATIONS ON THE HEARING ON THE THIRD AND FOURTH QUARTER EXPENDITURE REPORT ON THE COMMUNITY LIBRARY SERVICES GRANT FOR PROVINCES FOR THE 2012/13 FINANCIAL YEAR, DATED 18 JUNE 2013

1. Introduction

The purpose of the Community Library Services Grant is to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives. The key outputs of the Grant include purchasing of library materials, providing library services for the visually impaired, construction of new libraries, upgrading and maintenance of existing libraries and the appointment of new librarians.

1.1 Terms of reference

Provinces were requested to make oral presentations on the Community Library Services Grant and to take into consideration the following:

- Data trends in allocations, transfers and actual expenditure on the Grant;

- Assessment of department's monitoring capacity for the 2012/13 financial year and indicate under/over-spending and what capacity constraints impacted on these outcomes;
- Whether monthly reports are received from receiving departments or municipalities, and if not, what the departments are doing in order to ensure compliance with monthly reporting; and
- Whether the departments deviated from their 2012/13 business plans on the Grant.

The Committee invited the Department of Arts and Culture (DoAC) and the National Treasury (NT) to a meeting on 08 May 2013 to report on the provincial third and fourth quarter spending on the Community Library Services Grant. In addition, the following provincial Members of the Executive Council (MECs) and their departments were invited to the meeting to report on their third and fourth quarter spending on the Grant:

- Eastern Cape MEC for Sport, Arts and Culture;
- Limpopo MEC for Sport, Arts and Culture;
- North West MEC for Sport, Arts and Culture; and
- KwaZulu-Natal MEC for Sport, Arts and Culture.

However, the MECs of Sport, Arts and Culture of KwaZulu-Natal and North West did not attend. The North West MEC sent officials to represent the province. There was no notification that the two MECs were not going to attend.

2. Presentations

The National Treasury, National Department of Arts and Culture and the provinces of Eastern Cape and Limpopo reported as follows:

2.1 Briefing by National Treasury

The National Treasury indicated that it would be reporting on the figures as received from all provincial treasuries in terms of Section 32 of the Public Finance Management Act, (Act 1 of 1999). National Treasury further indicated that the report would cover audited figures.

The National Treasury reported that the total adjusted budget for the Grant in the 2012/13 financial year had been R615.155 million and this amount had been transferred to, and spent by, provinces as follows:

Table: Provincial Community Library Services Grant expenditure as on 31 March 2013

Province	2012/13 adjusted budget	Projecte d outcome at 31 Decemb er 2012	Actual payment s and percenta ge spent as at 31 Decemb er 2012	Projecte d outcom e at 31 March 2013	Actual payment s and percenta ge as at 31 March 2013	Audited over- spendin g as at 31 March 2013	Audited under- spending as at 31 March 2013
	'000	'000	'000	'000	'000	'000	'000
Eastern	87 692	71 107	36 979	65 714	61714		21 978
Cape			(42.2%)		(74.9%)		

Free State	52 795	52 795	33 234 (62.9%)	48 502	48502 (91.95%))		4 293
Gauteng	56 762	57 772	43 901 (77.9%)	57 462	57462 (101.2%))	(700)	
KwaZulu-Natal	48 619	48 619	39 799 (81.9)	48 633	48 633 (100%)	(14)	
Limpopo	82 693	82 693	31 303 (37.9)	49 722	49 722 (60.1%)		32 971
Mpumalanga	72 705	68 822	51 966 (71.5%)	66 983	66 983 (92.1%)		5 722
Northern Cape	73 026	65 723	48 761 (66.8%)	62 674	62 674 (85.8%)		10 352
North West	84 734	84 734	42 852 (50.6%)	62 937	62 937 (74.3%)		21 797
Western Cape	56 129	56 129	41 332 (73.6%)	56 129	56 129 (100%)		
Total:	615 155	588 394	370 127 (60.2%)	518 756	518 756 (84.3%)	(714)	97 113

Source: National Treasury 2013

The National Treasury reported that the Community Library Services Grant was allocated R615.155 million in the 2012/13 financial year. The National Treasury indicated that in the third quarter of the 2012/13 financial year all provinces had spent over 50 per cent of their allocated conditional grant funds, except for the Eastern Cape (R36.979 million) and Limpopo (R31.303 million) who had spent 42 per cent and 37.9 per cent, respectively. The total expenditure by provinces as at the end of the third quarter in the 2012/13 financial year was R370.1 million or 60 per cent.

With respect to the fourth quarter expenditure report, the National Treasury reported that, overall, provinces had spent more than 74 per cent (R518.7 million) of their allocated budget. The Province of Limpopo was the lowest performer, having spent only R49.7 million out of R82.6 million allocated to it in the 2012/13 financial year. According to National Treasury, at the end of the fourth quarter in the 2012/13 financial year the provinces of Gauteng and KwaZulu-Natal over-spent their budgets by R700 000 and R14 000 respectively. The National Treasury further reported that a total of R97.1 million (15.7 per cent) was under-spent by six provinces. The provinces that under-spent as at the end of the fourth quarter of the 2012/13 financial year were: Eastern Cape by R21.978 million; Free State by R4.293 million; Limpopo by R32.971 million; Mpumalanga by R5.722 million; Northern Cape by R10.352 million and North West by R21.797 million.

On the provincial performance information, National Treasury reported that the provinces had targeted to purchase 177 200 library material items but only managed to purchase 60 116. The National Treasury explained that the Eastern Cape, North West and Limpopo were the main underperforming provinces due to poor planning and significant delays in their supply chain management processes, such as slow tender-adjudication processes leading to the late delivery of materials. The National Treasury added that provinces built five new libraries (Eastern Cape one, KwaZulu-Natal one and

Limpopo three) against a target of three. The National Treasury also reported that provinces provided 32 libraries with new furniture against a target of 39.

The National Treasury reported that Gauteng transferred about R29.8 million of the R56.8 million and Western Cape transferred R47.8 million out of its R56.1 million to municipalities. These provinces had signed Service Level Agreements with receiving municipalities and their reporting was relatively good. The National Treasury raised a concern about this due to the difference in financial years spending reports, because the municipalities' reports reflect a gap as at the end of the 2012/13 financial year. The municipalities will only report at the end of their financial year with respect to their spending patterns whereas the provinces had already reported their total spending. The National Treasury further reported that the municipalities used most of the funds on operational activities, which are to purchase materials and furniture, and to pay staff.

Regarding challenges and deviations that were submitted by provinces, the National Treasury reported that there were delays with respect to submission of invoices for work done by the State Information Technology Agency (SITA) for the Library Information Management System (SLIMS). The National Treasury also reported that staff shortages and lack of adequate skills in Supply Chain Management units delayed the procurement processes. The National Treasury added that inadequate contract management and the appointment of incompetent contractors by provinces to implement infrastructure projects caused delays and also contributed to poor workmanship. Furthermore, the National Treasury reported that the technical and management shortcomings within public works departments, as the implementing agents, contributed to poor project management.

2.2 Briefing by Department of Arts and Culture

The Department of Arts and Culture (DoAC) reported that it received R615.155 million (R564.574 million plus R50.581 million for roll-overs) for the Community Library Services Grant in the 2012/13 financial year. The DoAC added that the provinces spent R518.756 million of the R564.574 transferred to them as per the 2012 Division of Revenue Act.

The DoAC further reported that the provinces of Gauteng and Western Cape transferred funds directly to municipalities for implementation of infrastructure projects. These transfers were reported to be in line with the Community Library Services Conditional Grant Framework which stipulates that provinces may enter into service level agreements with receiving municipalities. However, the DoAC reported that they were aware of the challenges experienced at local government level and had recommended to provinces that infrastructure projects be managed at provincial level.

With respect to reporting procedures, the DoAC reported that transferring provinces require all municipalities to submit monthly reports on their project implementation and financial expenditure. The DoAC explained that provinces coordinate monthly meetings with Municipal Library Managers to discuss challenges and issues of concern related to the Grant.

2.3 Briefing by Limpopo Department of Sport, Arts and Culture

The Limpopo Department of Sport, Arts and Culture (LDoSAC) reported that in the 2012/13 financial year it had received an allocation of R68.822 million plus a roll-over of R13.871 million which made their total allocation R82.693 million. The LDoSAC reported that of the total allocation, R45.061 million was allocated for Library Infrastructure projects. The LDoSAC explained that it spent only R49.722 million and a total of R32.971 million was not spent. The LDoSAC reported that they had applied for R10.896 million capital expenditure roll-over funds for outstanding works in libraries and purchasing of goods and R4.631 million roll-over funds for services.

The LDoSAC reported that in the 2012/13 financial year, 12 Community Library Infrastructure projects were implemented and all were reported to be 100 per cent complete. The implemented infrastructure projects were:

- Ga-Phaahla Library, for which R367 000 was budgeted, but which cost R314 238;
- Thulamela Library, for which R1.194 million was budgeted, but which cost R967 232;
- Bakgoma Library, for which R2.467 million was budgeted, but which cost R1.659 million;
- Rapotokwane Library, for which R1.867 million was budgeted, but which cost R1.129 million;
- Mutale Library, for which R3.685 million was budgeted, but which cost R1.265 million;
- Shiluvane Library, for which R1.667 million was budgeted, but which cost R1.393 million;
- Saselamani Library, for which R5.901 million was budgeted, but which cost R3.959 million;
- Mulati Library, for which R5.803 million was budgeted, but which cost R4.119 million;
- Vlakfontein Library, for which R5.6 million was budgeted, but which cost R4.975 million;
- Musina-Nancefield Library, for which R5.024 million was budgeted, but which cost only R4.175 million;
- Molepo Library, for which R5.668 million was budgeted, but which cost R3.903 million; and
- Shongoane Library, for which R5.620 million was budgeted, but which cost R5.569 million.

The LDoSAC reported that it under-spent on the Grant's compensation of employees line item, which was budgeted for at R11.774 million of which the Department only managed to spend R8.535 million as at 31 March 2013. The LDoSAC reported that the recruitment process was not done due to the non-completion of new library projects. The LDoSAC added that since the libraries were complete, all vacant positions had been advertised. The LDoSAC further reported that, of the R23.959 million allocated for goods and services, it managed to spend only R7.621 million or 32 per cent.

With regard to capacity constraints which impacted on the Grant's outcomes, the LDoSAC reported that the Senior Manager for Library Services, the Provincial Librarian and the Infrastructure Manager did not possess the requisite skills and competencies to manage the Grant, libraries and the construction of libraries projects. The LDoSAC added that it was highly reliant on the capacity of the Limpopo Department of Public Works (LDoPW) to implement and monitor infrastructure projects. However, the LDoPW Supply Chain Management Unit did not have capacity to procure other services required for libraries. The LDoSAC further reported that infrastructure projects were not aligned to the Intergovernmental Development Plans of the relevant municipalities as well as the relevant Annual Performance Plans and Strategic Plans of both the LDoPW and the LDoSAC. The LDoSAC also reported that the inability to mediate land disputes between the municipalities and the traditional leadership authority further delayed the construction of certain libraries.

With respect to monitoring capacity, the LDoSAC reported that they relied on the National Department of Arts and Culture (NDoAC) personnel to provide oversight on the infrastructure projects. The LDoSAC added that in the 2012/13 financial year an inter-departmental team comprising of Limpopo Provincial Treasury, LDoPW and NDoAC was established and it met weekly. Moreover, a monthly inter-departmental forum on infrastructure projects was convened by the LDoPW. The NDoAC convened quarterly progress meetings. The LDoSAC further reported that weekly visits to libraries were conducted by LDoSAC staff.

The LDoSAC reported that after identifying capacity constraints they implemented the following interventions:

- Appointed a competent Senior Manager to head the Supply Chain Management Unit;
- Advertised the positions of Infrastructure Manager, Acquisition Librarian and Information and Communications Technology Specialist;

- Transferred the qualified Senior Manager from the Museum and Heritage Unit to head Library Services and the Librarian from Human Resources Management to Library Services;
- Appointed a General Manager to provide strategic leadership;
- Signed long term contracts (2-3 years) with service providers;
- Directly contracted service providers for maintenance of all libraries;
- The Member of the Executive Council escalated all challenges experienced to the Minister of Public Works; and
- Requested the LDoPW Administrator to appoint the Independent Development Trust (IDT) to assist in the building of the new libraries.

2.4 Briefing by Eastern Cape Department of Sport, Arts and Culture

The Eastern Cape Department of Sport, Arts and Culture (ECDoSAC) reported that in the 2012/13 financial year they had received a total allocation of R87.6 million to transform urban and rural community libraries infrastructure, facilities and services. The ECDoSAC reported that primarily they targeted the previously disadvantaged communities through a recapitalised programme at provincial level in support of local government and national initiatives. The ECDoSAC indicated that they managed to spend R65.7 million (74.9 percent) of the allocated funds and the department has applied for a roll-over of R11.8 million. The (ECDoSAC) argued that a number of issues contributed to their under-spending.

These included a delay in awarding a modular libraries tender which was only awarded in February 2013. The delivery of modular material began in May 2013. The ECDoSAC also reported that some

projects were cancelled by COEGA Development Corporation, an implementing agent, due to non-performance by the contractors. The ECDoSAC further reported that non-registration of service providers in the provincial database contributed to late issuing of orders to service providers. The ECDoSAC added that some contractors were slow to implement projects due to cash-flow challenges. The construction of four new libraries was delayed due to the issue of land allocation and municipality council resolutions. The contractor of the Mdantsane Library was liquidated and a rescue contractor had to be appointed to finalise the project. The ECDoSAC further reported that the appointment of 48 librarians was delayed due to slow recruitment processes. However 90 per cent of them were appointed with effect from March 2013. The ECDoSAC added that they did not pay SITA for SLIMS due to the non-submission of all invoices.

On the constraints experienced, the ECDoSAC reported that COEGA had capacity challenges in implementing infrastructure projects. The agency was over-stretched because other provinces were utilising its services. The ECDoSAC reported that it became aware that the Department of Roads and Public Works had awarded projects to service providers who had cash-flow challenges and had no tax clearance certificates. The ECDoSAC reported that due to a lack of capacity within, a tender was submitted to the Independent Bid Award Committee (IBAC) for adjudication, the IBAC identified technicalities on the functionality of the tender and the Department was forced to re-advertise the tender. The tender was only awarded in February 2013 and the service providers failed to deliver before the end of the 2012/13 financial year. The ECDoSAC reported that the recruitment of conditional grant personnel was treated differently by the Human Resources Unit, and the contractual conditions of employment contributed to the resignation of eleven public librarians and 4 library assistants.

With respect to monitoring capacity, the ECDoSAC reported that the Strategic Planning Management Unit ensured that reporting was done according to the business plan, annual performance plan and operational plan, and the reporting was done quarterly and annually. The monthly and quarterly reports were submitted to the National Department of Arts and Culture and quarterly review workshops were held at the national level. The ECDoSAC reported that financial reports were analysed and sent to Provincial and National Treasuries. The ECDoSAC reported that the Grant had a Provincial Co-ordinator, a Manager, an Acquisition Librarian and an Administrative Officer who are responsible for monitoring and evaluation of all Grant projects.

The ECDoSAC reported the following achievements:

- Completion of Mount Ayliff library;
- Mdantsane Library was 92 per cent complete as at April 2013;
- 84 out of 145 libraries had been renovated since the inception of the Grant in the 2007/08 financial year;
- 85 libraries were connected to internet and e-mail and an additional 60 were planned to be connected before the end of the 2013/14 financial year;
- Nine container libraries and 11 modular libraries had been distributed to rural areas;
- 107 jobs had been created through appointing librarians in public libraries and qualified staff at the provincial head office. Libraries that had been closed were now operating in normal hours; and
- People with visual disabilities had access to specialised information. Mini-libraries had been established in 21 libraries in all seven districts where special equipment for blind and semi-blind people were provided and they were assisted to access information.

The ECDoSAC further reported that even though the provision of library infrastructure was a priority for the Eastern Cape Province, it was not implemented at an acceptable pace. The ECDoSAC added that the implementation of technical projects had been outsourced to government's implementing agents.

3. Findings

During interactions with the Department of Arts and Culture, National Treasury, and provincial sport, arts and culture departments from the Eastern Cape and Limpopo, the Committee made the following findings:

- 3.1 There is a need for a detailed report on the spending patterns of the Grant since its inception.
- 3.2 The spending reflected by Gauteng and the Western Cape is only an indication of transfers made to municipalities, not necessarily actual spending.
- 3.3 There are a number of weaknesses in supply chain management units in most provinces, leading to poor adjudication processes.
- 3.4 Some municipalities used the Grant allocations for their operational requirements.
- 3.5 Limpopo Province's poor spending is due to weaknesses within its supply chain management and the use of the Provincial Department of Public Works, which has been placed under administration, as its implementing agent.
- 3.6 Limpopo Province recorded huge variations in its projected costs and actual costs for library buildings which is an indication of inaccurate projections. An example is Mutale Library, which was budgeted for at R3.685 million but only cost R1.265 million.

- 3.7 Most of the libraries in Limpopo were reported to be 100 per cent complete, but still need some additional work. This cast doubt on their alleged completeness.
- 3.8 There are huge costs variations in the libraries built in Limpopo, ranging from R367 000 to R5 million and this implies such structures are of varying standards.
- 3.9 Some of the completed libraries in Limpopo were projects carried over from the 2011/12 financial year.
- 3.10 Infrastructure service delivery is a huge challenge in the Eastern Cape because the department does not have a technical expert representative in the bid adjudication committee.
- 3.11 The Eastern Cape is struggling to terminate contracts with poor performing service providers, especially COEGA.
- 3.12 The Eastern Cape relies on one official to monitor projects in the whole province.
- 3.13 The National Treasury indicated that some of the provincial plans for the 2013/14 financial year lack credibility, especially that of Limpopo Province.
- 3.14 The figures presented by the National Department of Arts and Culture differed from those presented by the National Treasury. In a letter dated 20 May 2013 the National Department of Arts and Culture explained that the discrepancies in the figures presented was due to the fact that an amount of R700 000 allocated to Gauteng for the Extended Public Works Programme Grant was erroneously included in the Community Library Services Grant.

3.15 Some of the libraries in Limpopo were inappropriately built due to irregular supply chain management processes.

4. Recommendations

After interactions with the Department of Arts and Culture, National Treasury, and provincial sport, arts and culture departments from the Eastern Cape and Limpopo, the Committee recommends the following:

- 4.1 The National Department of Arts and Culture should provide the Committee, within a month of the adoption of this Report by the NCOP, with a detailed report on the performance of the Community Library Services Grant since its inception; in particular the following: Purchasing of library materials, provision of library services for the visually impaired, construction of new libraries, upgrading and maintenance of existing libraries and the appointment of new librarians.
- 4.2 The National Treasury and National Department of Arts and Culture should ensure that expenditure reports in Gauteng and the Western Cape are a true reflection of the actual expenditure, and not only of funds transferred to municipalities.
- 4.3 The provincial departments for arts and culture in Gauteng and the Western Cape should develop monitoring mechanisms for the funds transferred to municipalities.
- 4.4 The use of grants for operational costs by municipalities compromise service delivery. For this reason, Gauteng and the Western Cape provinces should ensure that funds transferred to municipalities are used only for the purposes they are allocated for and not for operational costs.

- 4.5 The National Department of Arts and Culture as well as the National Treasury should support the Limpopo Province to develop capacity within its supply chain management.
- 4.6 The National Department of Arts and Culture should support Limpopo Province in developing standardised structures for libraries to avoid such huge variations.
- 4.7 The National Department of Arts and Culture should support Limpopo to ensure that it develops credible projections for its library buildings.
- 4.8 Limpopo Province should ensure that it reports appropriately with regard to completed libraries.
- 4.9 National Treasury and the National Department of Arts and Culture should ensure that projects that are carried over from the previous financial years are captured appropriately.
- 4.10 The National Department of Arts and Culture should support Eastern Cape with capacity building to ensure the province is able to monitor bid adjudication processes.
- 4.11 The National Department of Arts and Culture, together with National Treasury, should support the Eastern Cape to ensure that the province is able to terminate its contracts with service providers who fail to deliver.
- 4.12 Eastern Cape should ensure that it has sufficient personnel for monitoring and evaluation of the projects.
- 4.13 The National Department of Arts and Culture should support Limpopo in developing credible plans and further ensure that plans it approves for provinces are credible.

Report to be considered.

3. REPORT OF THE SELECT COMMITTEE ON APPROPRIATIONS ON THE HEARING ON THE THIRD AND FOURTH QUARTER EXPENDITURE REPORT ON THE ILIMA/LETSEMA PROJECT GRANT IN THE 2012/13 FINANCIAL YEAR, DATED 18 JUNE 2013

1. Introduction

The purpose of the Ilima/Letsema Project Grant is to assist vulnerable South African farming communities to achieve an increase in agricultural production and income, invest in infrastructure that unlocks agricultural production and supply government markets with agricultural products thus releasing beneficiaries from the poverty trap. The key outputs of the Grant include:

- Planting of land (hectares);
- Supporting beneficiaries/entrepreneurs;
- Establishment of new infrastructure;
- Rehabilitating and expanding irrigation schemes; and
- Production within the agricultural corridors e.g. maize.

1.1 Terms of reference

Provinces were requested to make oral presentations on their expenditure report on the third and fourth quarter of the 2012/13 financial year on the Ilima/Letsema Project Grant, and to take into consideration the following:

- Data trends in allocations, transfers and actual expenditure on the Grant;

- Assessment of department's monitoring capacity for the 2012/13 financial year and indicate under/over-spending and what capacity constraints impacted on these outcomes;
- Whether monthly reports are received from receiving departments or municipalities, and if not, what the department is doing in order to ensure compliance with monthly reporting; and
- Whether or not the department deviated from its 2012/13 business plans on the Grant.

The Committee invited the Department of Agriculture, Forestry and Fisheries (DAFF) and the National Treasury (NT) to a meeting on 21 May 2013 to report on the provincial third and fourth quarter spending on the Grant. In addition, the following provincial Members of the Executive Council (MECs) and their departments were invited to the meeting to report on their third and fourth quarter spending on the Grant:

- Eastern Cape MEC for Rural Development and Agrarian Reform;
- Free State MEC for Agriculture and Rural Development;
- KwaZulu-Natal MEC for Agriculture and Environmental Affairs; and
- Northern Cape MEC for Agriculture and Land.

However, the MEC for Agriculture and Land of the Northern Cape did not attend and was represented by officials. There was no notification that the MEC was not going to attend.

2. Presentations

The National Treasury, National Department of Agriculture, Forestry and Fisheries (DAFF) and the provinces of Eastern Cape, Free State and KwaZulu-Natal reported as follows:

2.1 Presentation by National Treasury

National Treasury presented the provincial spending on the Grant for the third and fourth quarter of the 2012/13 financial year as follows:

Table1. Grant's allocation per province and expenditure outline

Province	2012/13 adjusted budget	Projected outcome at 31 March 2013	Actual payments and percentage spent as at 31 December 2012	Actual payments and percentag e as at 31 March 2013	Audited under- spending as at 31 March 2013
	'000	'000	'000	'000	'000
Eastern Cape	43 980	43 981	13 345 (30.3%)	38 891 (88.4%)	5 368
Free State	54 600	46 457	12 606 (23.1%)	49 232 (90.2%)	5 368
Gauteng	28 334	28 334	15 004 (53 %)	17 221 (60%)	11 113
KwaZulu- Natal	63 000	63 000	13 550 (21.5 %)	63 000 (100%)	
Limpopo	52 801	52 801	29 713 (56.3	49 025	3 776

			(92.8%)		
Mpumalanga	42 000	42 000	40 262 (95.9%)	42 000 (100%)	
Northern Cape	63 000	63 000	22 777 (36.2%)	48 651 (77.2)	14 349
North West	42 000	42 000	38 903 (92.6%)	41 800 (99.5)	200
Western Cape	50 400	50 400	42 405 (84.1%)	50 400 (100%)	
Total:	440 115	431 973	228 575 (51.9%)	400 220 (90.9%)	39 895

National Treasury reported that the Ilima/Letsema Project Grant was allocated R440.115 million in the 2012/13 financial year. The provinces had projected to spend R431.973 million by the end of the 2012/13 financial year. At the end of the third quarter of the 2012/13 financial year, the provinces had spent R228.575 million (51.9%). However, at the end of the 2012/13 financial year the provinces had spent only R400.220 million (90.9%) as compared to the R431.973 million which they had projected to spend. The provinces that had spent below 50 per cent of their allocated grant funds were the Eastern Cape (30.3 per cent), Free State (23 per cent), KwaZulu-Natal (21.5 per cent), and the Northern Cape (36.2 per cent).

National Treasury reported that generally provinces lacked early and sound planning capacity. Projects were rolled out late due to slow Supply Chain Management processes. The late delivery of inputs

resulted in many farmers deciding not to plant as the window period for planting crops had passed. National Treasury further reported that poor performance by contractors and loss of capacity in the provinces had resulted in poor implementation of Grant projects. Poor monitoring of service providers led to late or non-provision of services as per required standards. National Treasury proposed that performance information reporting be improved.

2.2 Presentation by National Department of Agriculture, Forestry and Fisheries (DAFF)

The National Department of Agriculture, Forestry and Fisheries (DAFF) reported that the Grant was introduced in the 2008/9 financial year and since its inception a sum of R1.2 billion has been spent by provinces.

Table 2: Ilima /Letsema Grant since inception

Year	Allocation	Transferred	Withheld	Expenditure	% Spent
	'000	'000	'000	'000	
2008/9	171,750	171,750	0	146,695	86%
2009/10	50,000	50,000	0	47,006	94%
2010/11	200,000	192,500	7,500	191,671	99,6%
2011/12	400,000	400,000	0	400,066	100%
2012/13	415,798	415,798	0	400,220	96.3%
Total	1,237,548	1,237,548	7,500	1,205,658	97.4%

The DAFF reported that from the 2008/09 to the 2012/13 financial years the provinces had spent 97 per cent of the R1.237 billion Ilima/Letsema Project Grant funds. The DAFF reported that from the 2009/10 to the 2012/13 financial years, a number of highlights had been achieved. The DAFF explained that this Grant focuses on:

- The revitalisation of the three irrigation schemes (Taung, Vaalharts and Makhathini);
- Increasing food production by supporting households, subsistence as well as smallholder farmers; and
- Implementing value-adding projects like the Niewoudtville Rooibos Tea Processing Plant in the Northern Cape Province.

Between the 2009/10 and 2012/13 financial years, 129 496 households were supported with starter packs for household vegetable production, provision of feeds for poultry and planting of fruit trees; 1 202 community gardens were supported including 226 schools in Gauteng Province, through Ilima/Letsema. Provinces branded their household food production programmes and the department have what they call the *Siyazondla* programme in the Eastern Cape and Gauteng, *Mohoma Mobung* in Free State, *Masibuyele Emasimini* in Mpumalanga and *Letsema la Mantshatlala* in North West.

Through Ilima/Letsema 226 572.76 ha of land was put into production in the period between 2008 and 2013, covering the following commodities: maize, sugarcane, sunflower, grains, vegetables, fruit trees and table grapes. About 97 684 smallholder and subsistence farmers benefitted from the programme and 18 676 jobs were reported to have been created through Ilima/letsema initiatives in the period 2008/09-2012/13.

In North West province, about R58 million was invested in revitalizing and rehabilitating the Taung irrigation scheme. The work done had improved irrigation efficiency and resuscitated about 6 131 ha of land back to production. The farmers are reportedly beginning to better their yield and profit. About 18.5 km of road has also been graded to enable transportation of farmers' produce to the market.

In the Northern Cape Province, about R27 million was invested in revitalizing and rehabilitating the Vaalhaarts irrigation scheme. The work done has improved irrigation efficiency and resuscitated about 2 002.7 ha of land back to production benefitting about 66 farmers in the area with improved yield and profit. The total Vaalhaarts irrigation scheme that requires revitalization and rehabilitation is about 32 000 ha. R30.8 million was invested to complete the Rooibos Processing Plant benefitting 90 Rooibos producers in the Suidbokveld and Niewoudtville areas of Namaqualand.

With respect to KwaZulu-Natal Province, the DAFF reported that about R80 million was invested in revitalising and rehabilitating the Makhathini irrigation scheme in the 2012/13 financial year. A total of 3 600 ha of land was resuscitated back into production benefitting 278 plots; 200km of infield road on the irrigation scheme was graded and a 119 km area fenced.

2.3 Presentation by Free State Department of Agriculture and Rural Development

The Free State Department of Agriculture and Rural Development (FSARD) reported that it had been allocated R54.6 million for the Ilima/Letsema Project Grant in the 2012/13 financial year. The FSARD further reported having spent R54.5 million, or 99,9 percent by 31 March 2013, although National Treasury reported their spending lower, at R49.2 million or 90,2 percent.

The FSARD reported that, out of a target of 714 beneficiaries, 652 beneficiaries have been supported through completed projects. These included women, youth and disabled persons. A total of 482 farmers (subsistence, smallholder, and black commercial) have been supported and a total of 1 641 hectares planted. The FSARD further reported that a total of 143 jobs have been created, of which four were permanent and 139 temporary or seasonal.

The FSARD reported that the following challenges have been experienced:

- Due to internal capacity constraints, the implementation of the Grant is outsourced to Implementing Agents (IAs).
- The late appointment of IAs has proven to be a problem.
- The FSARD lacks the capacity to monitor the IAs.
- Due to the lack of capacity, the collecting of information and the timely submission of reports are a challenge.
- The co-funding of projects through the Ilima/Letsema Grant and the Comprehensive Agriculture Support Programme (CASAP) complicate reporting.
- Late delivery of production inputs hampers performance.

The FSARD further reported that they were implementing the *Mohoma Mobung* food security programme. This programme was meant for poverty eradication. The objective of the programme was to encourage each household to cultivate a vegetable garden. The programme assisted households with seeds, fertilizer, and garden tools. Households were encouraged to use recycled water when watering their seeds. A total of 3 389 households and 51 schools have benefitted from this programme.

When the FSARD was asked to explain the matter of 75 tractors and farm equipment which were donated to the Free State Province by the DAFF for distribution to various beneficiaries, it reported that the tractors were stationed at Vrede Showground for safety and storage and that when they were delivered the province had not budgeted for operational costs. The FSARD reported that one tractor has been damaged and it would cost R7000 to fix. The tractor's tyres and battery had been stolen. The FSARD also reported that they did not have funds to purchase diesel. However, the FSARD reported that it was ready to distribute these tractors in the 2013/14 financial year. The Department had since purchased 10 diesel tanks which would be used when delivering diesel.

2.4 Briefing by KwaZulu–Natal Department of Agriculture and Environmental Affairs

The KwaZulu-Natal Department of Agriculture and Environmental Affairs (KZNDAEA) reported that it received R63 000 million for the Ilima/Letsema Project Grant in the 2012/13 financial year. The KZNDAEA added that for the third and fourth quarter they were allocated R25 200 million and R12 600 million, respectively. The KZNDAEA further reported that they spent R13 560 million of the funds transferred in the third quarter and R49 440 million in the fourth quarter. The low expenditure in the third quarter and high expenditure later was reported to be due to incorrect allocation codes on the financial system which required correcting journals to be processed in the fourth quarter. The KZNDAEA added that the bulk of mechanisation and food security expenditure was incurred in the fourth quarter, which was in line with the seasonal agricultural activities. All allocated funds under the Grant were spent in the 2012/13 financial year.

Regarding capacity constraints, the KZNDAEA reported that the change in the allocation codes on the financial system affected the spending trends. However, this was rectified and all expenditure was correctly allocated. Another reported challenge was unseasonably high rainfall which caused some

initial delays in the implementation of projects such as mechanisation and earth dams. The KZNDAEA also reported that a change in management of the food security programme, due to the contract of a Senior Manager ending, resulted in some delays in the programme. However, a newly appointed Senior Manager was able to recover the lost time.

With respect to monitoring capacity, the KZNDAEA reported that it had a Director within the Monitoring and Evaluation Unit responsible for monitoring performance of all activities including those of conditional grants. The departmental line managers report quarterly on performance against set targets. The KZNDAEA further reported that it submits monthly reports on financial performance to Provincial Treasury using the In-Year-Monitoring report of the National Treasury. The Department added that it reports on quarterly performance to the Department of Agriculture, Forestry and Fisheries. The KZNDAEA reported that no transfers are made to the local government sphere or public entities; the Department itself is responsible for the implementation of all projects.

The KZNDAEA argued that timely application and incorporation of appropriate amounts of lime, potassium and phosphate can more than double crop yields (including staple crops such as maize) provided that other factors such as rainfall, weed control, and seed and nitrogen inputs are conducive to crop growth and production.

The KZNDAEA reported that all tractors donated by national government were distributed amongst farmers and they had a database of all the beneficiaries.

2.5 Presentation by Eastern Cape Department of Rural Development and Agrarian Reform

The Eastern Cape Department of Rural Development and Agrarian Reform (ECDRDAR) reported that it had an available budget of R43.98 million for the Ilima/Letsema Project Grant for the 2012/13 financial year. Of this it had managed to spend R38 89 million, or 88.43 percent. The ECDRDAR further reported that a total of 4 582 farmers had been supported and 5 695 hectares had been planted. The estimated yield varied between areas, with an estimated 12 tons per hectare in the western district under irrigation, and seven tons per hectare in the eastern area of the province. In addition the ECDRDAR reported that it had employed 24 tractor drivers and 20 rangers and had paid them at the Expanded Public Works Programme rates.

The ECDRDAR reported that it had entered into Service Level Agreements (SLAs) with the Eastern Cape Rural Development Agency and Ntinga, who had been appointed as Implementing Agents (IAs) of the programme. Weekly meetings were held with them to report on progress and identify bottlenecks. However, the ECDRDAR reported that there was room for improvement in these SLAs and that roles and responsibilities needed to be better defined. This would be considered when planning for the following cropping season.

The ECDRDAR further reported that its continual under-spending on this Grant was due to the procurement and delivery of production inputs being delayed by unforeseen capacity constraints of some emerging suppliers; and the fact that the mechanisation contractors sometimes lacked implements. The ECDRDAR indicated that it was considering using term contracts to enhance effectiveness, efficiency and value for money in all its conditional grants.

When asked about the number of tractors, the ECDRDAR reported that they had 72 tractors and they were not permanently allocated to farmers. The tractors were being rotated amongst farmers depending on the demand.

When asked about under-spending on this grant, the ECDRDAR replied that late payment of invoices and poor weather contributed to the challenge of under-spending.

3. Findings

During interactions with the National Treasury, the Department of Agriculture, Forestry and Fisheries, the Eastern Cape Department of Rural Development and Agrarian Reform, the KwaZulu-Natal Department of Agriculture and Environmental Affairs, and the Free State Department of Agriculture and Rural Development, the Committee made the following findings:

- 3.1 The following provinces had huge expenditure spikes during the last quarter of the financial year: Eastern Cape (58.1 per cent), Free State (67.1 per cent), KwaZulu-Natal (78.5 per cent), and Northern Cape (41 per cent). The Committee noted with concern that these spending spikes have the potential for fiscal dumping.
- 3.2 The provinces that under-spent were Gauteng (39.2 per cent), Northern Cape (22.8 per cent), Eastern Cape (11.6 per cent) and Limpopo (7.2 per cent), the Committee noted with concern that the under-spending compromised service delivery.
- 3.3 Some of the under-spending are due to delays within supply chain processes, capacity constraints and service providers who fail to deliver.
- 3.4 Some of the provincial departments submit unsound plans that lack risk management, show unrealistic targets or do not show long term plans to ensure recipients become self-sustaining.

- 3.5 Distribution of tractors was not based on the plans from provinces, especially in the Free State where the tractors could not be utilised due to delays in registration and lack of budgeted funds for their operational costs.
- 3.6 The submission by Free State Department of Agriculture and Rural Development had some questionable figures like high cost per hectare and expenditure of 99.9 per cent while National Treasury figures showed 90.2 per cent expenditure during the fourth quarter.
- 3.7 The Free State Department of Agriculture and Rural Development was requested to reconcile its figures and re-submit by Friday, 24 May 2013. The Free State Department of Agriculture and Rural Development's re-submission still reflected 99.9 per cent expenditure.
- 3.8 The Committee raised concerns with the viability and sustainability of the One Family One Garden campaign in view of the general inadequate supply of water to households.
- 3.9 The Eastern Cape Department of Rural Development and Agrarian Reform is struggling to recover tractors that were given to cooperatives.

4. Recommendations

After interacting with the National Treasury, the Department of Agriculture, Forestry and Fisheries, the Eastern Cape Department of Rural Development and Agrarian Reform, the KwaZulu-Natal Department of Agriculture and Environmental Affairs, and the Free State Department of Agriculture and Rural Development, the Committee made the following recommendations:

- 4.1 The Department of Agriculture, Forestry and Fisheries should ensure that approved provincial plans spread expenditure over the year to avoid March spending spikes that might lead to fiscal dumping.
- 4.2 The Department of Agriculture, Forestry and Fisheries and National Treasury should closely monitor the provinces (Gauteng, Northern Cape, Eastern Cape and Limpopo) that under-spend to avoid any further compromise to service delivery in those provinces.
- 4.3 The Department of Agriculture, Forestry and Fisheries and National Treasury should prioritise supply chain management and monitoring and evaluation when providing capacity building support to provinces.
- 4.4 The Department of Agriculture, Forestry and Fisheries should ensure that it approves credible plans that also include contingency plans for unforeseen circumstances.
- 4.5 The Department of Agriculture, Forestry and Fisheries should ensure that any material support like the supply of tractors to provinces is informed by provincial needs and plans to avoid delays in their utilisation.
- 4.6 The Department of Agriculture, Forestry and Fisheries and National Treasury should ensure that the expenditure figures for the Free State Department of Agriculture and Rural Development are reconciled without delay to avoid unnecessary roll-overs.
- 4.8 Provincial departments of agriculture should ensure that their One Family One Garden campaigns are sustainable.

4.9 The Department of Agriculture, Forestry and Fisheries should provide support to the Eastern Cape Department of Rural Development and Agrarian Reform to recover the tractors that have been allocated to the cooperatives.

Report to be considered.

4. REPORT OF THE SELECT COMMITTEE ON APPROPRIATIONS ON THE HEARING ON THE THIRD AND FOURTH QUARTER EXPENDITURE ON THE NATIONAL HEALTH INSURANCE GRANT IN THE 2012/13 FINANCIAL YEAR, DATED 18 JUNE 2013

1. Introduction

The hearings formed part of the Committee's ongoing interaction with national departments and provinces to monitor their spending patterns on conditional grants allocated to them. The strategic goal of the National Health Insurance Grant is to improve the service delivery platform, strengthen the performance of the health system in readiness for the full roll-out of National Health Insurance (NHI) through the selected pilot sites in health districts; and to have a more viable NHI design based on experience at pilot sites.

2. Terms of reference

The Committee requested the National Treasury and the National Department of Health to report on the third and fourth quarter spending on the National Health Insurance Grant during a hearing on 04 June 2013. The departments were advised to report as follows:

- Data on trends in allocations, transfers and actual expenditure (over/under) of the Grant;
- What capacity constraints impacted on these outcomes;
- A brief assessment of the department's monitoring capacity for the 2012/13 financial year;
- Whether monthly reports are received from provinces, and if not, what is the department doing in order to ensure compliance with monthly reporting;
- Include spending plans/business plans on the Grant;
- Any other relevant information that the department wanted to share with the Committee.

3. Reports by National Departments

3.1 Report by National Treasury

National Treasury reported that the programme is being run in ten pilot districts – two in KwaZulu-Natal and one in each of the remaining eight provinces. A total of seven central hospitals are also included, of which four are in Gauteng, two in KwaZulu-Natal and one in the Free State.

National Treasury presented the provincial spending on the Grant for the 2012/13 financial year as follows:

Table 1: National Health Insurance Grant expenditure as at 31/12/2012 and 31/03/2013

Province	Adjusted budget '000	Actual payments as at 31 December 2012	Actual payments as at 31 March 2013	Actual payments as % of adjusted budget	Amount under-Spent '000

		'000	'000		
Eastern Cape	11 500	273	8 093	70.4%	3 407
Free State	16 500	4 147	9 337	56.6%	7 163
Gauteng	31 500	3 241	8 066	25.6%	23 434
KwaZulu-Natal	33 000	1 080	16 127	48.9%	16 873
Limpopo	11 500	140	4 118	35.8%	7 382
Mpumalanga	11 500	2 197	5 570	48.4%	5 930
Northern Cape	11 500	509	8 005	69.6%	3 495
North West	11 500	1 392	8 818	76.7%	2 682
Western Cape	11 500	1 977	9 885	86.0%	1 615
TOTAL	150 000	14 956	78 019	52.0%	71 981

National Treasury reported that the following challenges had impacted negatively on the performance of the Grant:

- Business plans were amended between October and December 2012, following a decision by the National Health Council;
- Slow progress on the finalisation of key policy documents, such as the delegations, led to delays in appointing staff and slow supply chain management processes;
- The finalisation of contracts for General Practitioners, a national process, was delayed;

- There is a lack of staff to deal with the National Health Insurance (NHI) deliverables at the district and institution level. This places a burden to ensure better and more frequent communication;
- Change management is required, as there is apathy towards the NHI piloting among some district officials.

With regard to new developments in the 2013/14 financial year, National Treasury reported that part of the Grant has been reconfigured into an in-kind or indirect grant from 1 April 2013. It forms one of the components of the National Health Grant, with the other component supporting infrastructure. The National Department of Health and National Treasury would monitor the effectiveness of the new in-kind method of allocation. R291 million has been allocated for the Grant for the 2013/14 financial year and R1.16 billion over the Medium Term Expenditure Framework (MTEF). The National Department of Health would spend the Grant on behalf of provinces focusing on the following:

- Developing innovative models for contracting General Practitioners for NHI sites;
- Strengthening patient information and developing and piloting alternative hospital reimbursement tools at ten central hospitals; and
- Supporting central hospitals to strengthen health information systems and revenue management.

During discussions National Treasury expressed the view that the historical neglect of administrative functions like finances and human resources would have a negative impact on the new programme. Treasury further indicated that more staff had been added to the health sector in provinces than any other sector. However, Treasury wasn't convinced that it had been in strategic places and has led to

improved service delivery. According to Treasury, specialist skills like logistics, supply chain, infrastructure and facilities management were critical to the success of the programme.

With regard to incentives for revenue collection by hospitals, National Treasury indicated that the best incentive for hospitals was revenue retention. However, this meant that there would be no potential to redistribute funds to where they could be needed more, and a balance would have to be found in this regard.

3.2 Report by National Department of Health

The National Department of Health (NDoH) reported that the purpose of the National Health Insurance Grant was to test innovations that were necessary for the implementation of National Health Insurance (NHI); to undertake health system strengthening initiatives in identified districts; and to provide strategic resources for supporting the pilot districts in implementing selected health service delivery interventions. The NDoH further reported that key output indicators were developed to measure the success of the NHI Grant. These outputs included enhancing managerial autonomy, delegation of functions and accountability in districts and health facilities; providing a scalable model including the required institutional arrangements for a district health authority as a contracting agency; testing the linkage between health service management and administration and how it relates to the function and responsibilities of district health authorities; providing a model for contracting private service providers that include innovative arrangements for harnessing private sector resources at a primary health care level; providing a referral system based on a re-engineered Primary Health Care (PHC) platform with a particular focus in rural and previously disadvantaged areas; providing a model for revenue collection and management for identified central hospitals.

The NDoH reported that the National Health Insurance (NHI) Grant allocation in the 2012/13 financial year was R150 million. Six provinces (Eastern Cape, Limpopo, Mpumalanga, Northern Cape, North West and Western Cape) received R11.5 million each. The Free State Province received R16.5 million; the Gauteng Province was allocated R31.5 million and KwaZulu-Natal received R33 million. The NDoH reported that in the third and fourth quarters of the 2012/13 financial year all provinces spent below their projections.

With respect to the expenditure report per province during the last two quarters in the 2012/13 financial year, the NDoH reported that the Eastern Cape spent only R8.088 million; the Free State spent R9.337 million; Gauteng spent R6.829 million; KwaZulu-Natal spent R14.319 million; Limpopo spent R4.118 million; Mpumalanga spent R4.998 million; the Northern Cape spent R7.861 million; the North West Province spent R8.796 million; and the Western Cape spent R7.945 million. The overall amount spent by provinces on the NHI grant was R78.019 million (52 percent) of the R150 million allocated in the 2012/13 financial year. Preliminary outcomes of the 2012/13 financial year indicated that the provinces had under-spent by R71.981 million (48 percent). The NDoH further reported that provinces had made commitments and therefore applied for roll-over funds which amount to R49.350 million. These commitments were due to unpaid invoices that were not submitted in time for processing.

With regard to the challenges experienced by provinces, the NDoH reported that the Eastern Cape Provincial Department of Health failed to notify the district office about the availability of conditional grant funds on time; the district office had capacity constraints, lacking key human resources in essential categories and experiencing inadequate technical support; and there were delays in supply chain management processes. In the Free State there was reprioritization of funds allocated for activities of the NHI Grant and there were supply chain management hurdles. In Gauteng there was no

support from relevant officials at the provincial office. There were significant hurdles in procurement processes and there were delays in getting information on budget codes which was caused by staff shortages in key areas. There was an inability to employ staff, like clinic staff and sessional doctors, on a long-term basis using the NHI Grant funds. In KwaZulu-Natal the bureaucratic processes hampered the innovative principle of the NHI project. The delegation of authority to district level was very limited. There were significant hurdles in supply chain management processes. In Limpopo budget codes were incorrectly captured, and there were significant delays in supply chain management processes. Relevant service providers were not available to perform certain activities due to the limited database. And there was inadequate provincial support on technical and administrative matters.

The Committee was further told that in Mpumalanga there were too many vacancies at the top management level. In addition, there was limited delegation of authority to allow for activities to be undertaken at district level and supply chain management hurdles impacted on key activities. Regarding the challenges experienced by the Northern Cape Province, the NDoH reported that the Provincial Treasury delayed to inform the Provincial Health Department about the availability of NHI Grant funds and there were supply chain management hurdles. Moreover there was lack of technical support in key areas which led to significant delays in getting necessary approvals; there were challenges in identifying relevant service providers to undertake some activities due to a limited database and the NHI programme was not fully supported because the majority of the key staff complement was based in Kimberley. In addition the top management team had limited delegation of authority.

With regard to challenges experienced by the North West Province, the NDoH reported that there was incorrect capturing of the budget at provincial level and the pilot district submitted an incorrect business plan to Provincial Treasury. In addition there was poor prioritization of allocated funds; the

provincial health department lacked technical support in key areas; there was no provincial NHI Coordinator and there were challenges in identifying relevant service providers to undertake some activities due to a limited database. The provincial department was also unable to spend infrastructure funds. The Committee was told that in the Western Cape the delay in finalising a business plan impacted on the implementation of NHI projects. The provincial department encountered some challenges in undertaking work around governance arrangements at community level - that is community health centers (CHCs) - there were delays in getting a legal opinion on the exact roles, responsibilities and functions of clinic committees.

The NDoH summarised the challenges experienced by provinces as follows:

- Weak human resource capacity in some districts;
- Weak provincial technical support;
- Delays in budgets being communicated to some pilot sites and incorrect budget capturing;
- Significant supply chain management challenges in many districts; and
- Lack of necessary delegations to perform outlined activities.

With respect to monitoring and evaluation of the Grant, the NDoH reported that it has established a NHI Grant Management Unit which employed a financial economist, a health economist and a Monitoring and Evaluation Skills specialist. All provinces submitted month-on-month financial data which is used to compile In-Year-Monitoring reports. The NDoH received quarterly reports and held meetings in all project sites, where shortfalls and challenges, as well as “quick win” activities and interventions were mutually identified and implemented. In addition, expenditure on commitments in line with approved business plans was expedited and progress on operational plans was assessed, including a prioritisation process. The focus of the NDoH was reported to be on quality spending and evidence gathering.

The NDoH reported that when the spending by provinces was too low in the first and second quarter of the 2012/13 financial year, the National Health Committee intervened and this resulted in some improvement in spending in the third and fourth quarter. The NDoH reported that the 2013 Division of Revenue Act framework has adjusted the purpose, focus activities, and funding allocations to provinces. The framework allows the NDoH a stronger and more interventionist approach and influences the scope of work to be undertaken at national and pilot site levels. The framework also provides for changes in allocations across districts - each district must be allocated the same amount of conditional grant funds. The Grant has been split into two components, that is, the direct grant for district pilot projects and an in-kind grant for contracting General Practitioners and for work at central hospitals.

Moreover, the NDoH reported that it would strengthen supply chain management; support the roll-out of Primary Health Care streams and their role within the district referral system and strengthen district level monitoring and evaluation capacity. The NDoH further assured the Committee that it would mobilize funding for the appointment of provincial NHI Coordinators and ensure that the majority of them are appointed. The provincial NHI Coordinators would also assist in coordination, project management and monitoring and evaluation functions.

The NDoH further reported that it had utilised development aid funds to test new innovations within the health sector before the implementation of NHI. Unemployed finance, human resources and information technology graduates were contracted to work in various hospitals, like Charlotte Maxeke, to look at a model for revenue collection. However, this work uncovered other problem areas which needed to be addressed. The NDoH reported that one example of this was that computers at Charlotte Maxeke were always out of order and people could not perform their work and revenue could not be collected. The NDoH bought 200 computers for this hospital from aid funds.

The Committee was further informed that overall systems are in place to implement the NHI project in all pilot districts and 360 General Practitioners were ready to be contracted and attached to NHI pilot projects. These projects were reported as follows:

Table 2: NHI Pilot districts

Province	NHI Pilot District
Eastern Cape	O.R. Tambo
Free State	Thabo Mofutsanyane
Gauteng	City of Tshwane
KwaZulu-Natal	Amajuba Umzinyathi uMgungundlovu
Limpopo	Vhembe
Mpumalanga	Gert Sibande
North West	Dr Kenneth Kaunda
Northern Cape	Pixley ka Seme
Western Cape	Eden

When the Committee enquired about the caliber of chief executive officers the Department intended to employ, the NDoH responded that they had commissioned the Development Bank of Southern Africa to assess CEOs in all hospitals and report identified gaps. The CEOs were categorised based on the size and capacity of the hospital (central, regional, tertiary or district hospital) they were working for. After receiving the report from DBSA, the NDoH resolved to establish an academy to train CEOs and health managers on-site. The Committee was told that the academy courses were offered by specialists

from Harvard, Italy and the United Kingdom. All posts of CEOs were advertised and most applicants had masters' degrees in different fields but some had been doing the same job for over 12 years. That is why on-site training in hospital management is so important.

The NDoH reported that it views central hospitals as centres of excellence, to be used for a higher kind of services, research and development. There are four central hospitals in Gauteng, two in Western Cape, two in KwaZulu-Natal, and one each in the Eastern Cape and Free State.

4. Findings

During interactions with the National Treasury and the National Department of Health, the Committee made the following findings:

- 4.1 Revenue collection is a major challenge in most hospitals.
- 4.2 Effective service delivery requires devolution of powers to districts.
- 4.3 All provincial expenditure only picked up in the last quarter of the financial year, leading to March spending spikes (especially in Eastern Cape where 70.4% was spent by March 2013 as compared to 2.4% in December 2012; Northern Cape 76.7% compared to 4.4%; North West 76.7% compared to 12.1% and Western Cape 86% compared to 17.5%).
- 4.4 There is a need for clarity on the roles of district councils and health authorities, health committees and hospital boards.

- 4.5 Business plans were amended between October and December 2012, following a decision by the National Health Council.
- 4.6 Slow progress on the finalisation of key policy documents, such as the delegations, led to delays in appointing staff and slow supply chain management processes.
- 4.7 The finalisation of contracts for General Practitioners, which is a national process, was delayed.
- 4.8 There is a lack of staff to deal with the National Health Insurance (NHI) deliverables at the district and institution level. This places a burden to ensure better and more frequent communication.
- 4.9 Change management is required, as there is apathy towards the NHI piloting among some district officials.
- 4.10 Some of the provincial expenditure figures from the National Department of Health (NDoH) differ from those of National Treasury (NDoH showed R6.829 million for Gauteng while Treasury showed R8.066 million; KwaZulu-Natal R14.319 million against R16.127 million; and Western Cape R7.945 million against R9.885 million).
- 4.11 There are some capacity constraints for both administrative and professional staff in most hospitals.

5. Recommendations

After the interactions with the National Treasury and the National Department of Health, the Committee recommends the following:

- 5.1 The National Department of Health should continue to provide support to hospitals to ensure that they are able to collect revenues due to them.
- 5.2 The National Department of Health should develop policy, norms and standards that will shape devolution of powers to districts for effective service delivery.
- 5.3 The National Department of Health and National Treasury should conduct regular monitoring of spending to avoid March spending spikes that might lead to fiscal dumping.
- 5.4 The National Department of Health should develop policy that will provide clarity on the roles of district councils and health authorities, health committees and hospital boards.
- 5.5 The National Department of Health should avoid *ad hoc* amendments of business plans since funds are released on such approved plans.
- 5.6 The National Department of Health should ensure speedy finalisation of key policy documents, such as the delegations, in order to unblock delays in appointing staff and slow supply chain management processes.
- 5.7 The National Department of Health should ensure the speedy finalisation of contracts for General Practitioners.

- 5.8 The National Department of Health should ensure that there is staff to deal with the National Health Insurance (NHI) deliverables at the district and institution level.
- 5.9 The National Department of Health should speedily take the lead in change management to avoid any further apathy towards the NHI piloting among district officials.
- 5.10 The National Department of Health should in future reconcile its figures before submission to the Committee to avoid inconsistency in reporting.

Report to be considered.

5. REPORT OF THE SELECT COMMITTEE ON APPROPRIATIONS ON THE FINANCIAL AND FISCAL COMMISSION'S REPORT ENTITLED "*SUSTAINING LOCAL GOVERNMENT FINANCES – FINAL REPORT ON THE FINANCIAL AND FISCAL COMMISSION'S PUBLIC HEARINGS ON THE REVIEW OF THE LOCAL GOVERNMENT FISCAL FRAMEWORK*", DATED 18 JUNE 2013

1. Background

The Financial and Fiscal Commission (the Commission) is a Chapter 9 institution established in terms of section 220 of the Constitution. Section 3(2)(b)(i) of the Financial and Fiscal Commission Act, 1997 mandates the Commission to undertake research and report to Parliament and provincial legislatures. On this basis the Commission undertook a study on the review of the local government fiscal framework. The Commission's report on its findings, entitled "*Sustaining Local Government Finances - Final Report on the Financial and Fiscal Commission's Public Hearings on the Review of the Local*

Government Fiscal Framework”, was tabled in Parliament on 22 April 2013. The Select Committee on Appropriations, in terms of the powers and functions conferred to it by the Constitution, Money Bills Amendment Procedure and Related Matters Act, 2009 and the standing rules, considered this report.

2. Terms of reference

The Committee invited the Commission to make a presentation on its report to the Committee. During a meeting at Parliament on 22 May 2013, the Committee met with a delegation from the Commission, led by its acting Chairperson, Mr B Khumalo. Various other stakeholders were invited to attend, including the Minister for Cooperative Governance and Traditional Affairs, Members of the Executive Council (MECs) for Cooperative Governance, chairpersons of provincial portfolio committees on cooperative governance, National Treasury, SALGA, the Select Committee on Cooperative Governance and Traditional Affairs and the Standing Committee on Appropriations.

3. Presentation by Financial and Fiscal Commission (FFC)

The report was divided into three chapters – Chapter 1 contained the problem statement and method of research, Chapter 2 contained an analysis of the problem statement and the research outcomes, and Chapter 3 contained the conclusions and recommendations.

3.1 Problem statement

The Local Government Fiscal Framework (LGFF) is broadly defined as the aggregate revenue arrangement or funding framework of local government relative to its aggregate expenditure mandates and responsibilities.

The Commission views the LGFF as the funding arrangement or framework required to ensure that local government and individual municipalities are sufficiently financially resourced to fulfil their constitutional mandates to render services to communities.

The main issue the Commission wanted to address in its study was: How can the current LGFF be configured to appropriately fund the various needs of different types of municipalities in the country, to ensure they are financially and fiscally well capacitated to fulfil their constitutional mandate?

The Commission indicated that the methodology it followed was discussion-driven or stakeholder-based research. In this study the general problem statement, specific problem areas and associated solutions were generated through intensive interactions with experts and stakeholders in the local government arena. The process included two public hearings.

3.2 Problem analysis

Based on the outcomes of both public hearings the Commission came to the conclusion that, in undertaking a review of the LGFF, the following should be the guiding principles:

- (a) A better understanding of the dynamic between fiscal capacity and fiscal effort needs to inform any revision of the fiscal framework. In balancing expenditure needs with revenue sources, a distinction needs to be made between a lack of fiscal effort and a lack of fiscal capacity – and the policy response needs to be appropriate to the underlying causes.
- (b) The LGFF should ensure that incentives created in the intergovernmental fiscal relations (IGFR) systems are compatible with policy intent.

- (c) Being mindful of the three re-demarcation stages by the Municipal Demarcation Board, the fiscal criteria for re-demarcation should be clarified when demarcating municipalities.
- (d) The design of a new LGFF must be predicted on a clear understanding of the redistributive and growth-enhancing roles of local government.
- (e) Local government is embedded within whole-of-government performance.
- (f) Instead of focussing on categorisation into urban and rural municipalities, the focus should be the linkages between urban and rural areas within functional economic regions.
- (g) All elements of the LGFF should be transparent to all stakeholders.

3.3 Financial and Fiscal Commission findings

- (a) Although the vertical division of revenue appears sufficient on the operating budget, the possible funding gap on the municipal capital expenditure budget is of concern.
- (b) The current data available at the local level is not sufficient to support the design of a responsive and accurate LGFF.
- (c) The continued introduction of new, and fragmentation of existing, grants increase the compliance and reporting burden on municipalities and create difficulties in managing and spending such grants.

- (d) While municipalities do not need incentives to perform their constitutional mandates, the fact is that the current system is not resulting in optimum performance.
- (e) Designing a fiscal system to be redistributive and focused towards municipalities with a limited revenue base cannot be appropriately achieved if the constraints on municipal own revenue sources are not remedied.
- (f) The Commission noted the legislative requirement for community consultation and participation in the affairs of local government, but showed that the poor implementation of this legislative requirement created tensions within communities that led to service delivery protests.
- (g) The dysfunction of local government is equally the result of the failure of national and provincial spheres of government to monitor, supervise and support municipalities effectively.
- (h) National driven policies, such as electricity demand-side management, are also having negative impacts on municipal revenues.

3.4 Financial and Fiscal Commission recommendations

- (a) The LGFF should account for the differences in the minimum efficient expenditure needs and fiscal capacities of municipalities in the country. This also includes the endogenous and exogenous factors that impact on these differences.

- (b) A review of the funding for capital expenditure in local government is needed; given the identified vertical gap on municipal capital budgets which is driven by increasing infrastructure needs and constraints on municipal capital revenues.
- (c) The role of the Local Government Data Forum should be strengthened to ensure that its mandate of rationalising data requests to local government is fulfilled. The Commission further recommended that Statistics South Africa conduct a census every five years, in accordance with the Statistics Act of 1999.
- (d) Government should generally refrain from introducing new or fragmenting existing grants unless they have clear objectives and value is added to the LGFF. The Commission further wished to be consulted when new grants are introduced.
- (e) There is a need for a formula-based grant that will encourage performance and reward good performance and not poor performance.
- (f) Municipalities should be given greater flexibility and autonomy in deciding increases to their tariffs and surcharges. Such flexibility applies to the MFMA budget circular guidelines and the imposition of norms and standards on surcharges as prescribed in the MFMA.

4. Findings and observations

During engagement with the Financial and Fiscal Commission and other stakeholders on the Commission's report entitled "*Sustaining Local Government Finances - Final Report on the Financial*

and Fiscal Commission's Public Hearings on the Review of the Local Government Fiscal Framework", the Select Committee on Appropriations observed the following:

- 4.1 There is a need for research on the tourism levy as a source of revenue for rural municipalities.
- 4.2 There is a need for further study on how rural municipalities can be made financially viable.
- 4.3 There is a need for further research to assess the extent to which smaller municipalities can benefit from the fuel levy.
- 4.4 There is a need for the Commission to engage the traditional leaders as stakeholders on the findings of this study.
- 4.5 Surcharges on electricity as a source of revenue is not yet fully utilised.
- 4.6 Capacity constraints are not only a problem within municipalities but even in departments that should be providing support to municipalities.
- 4.7 Proposed municipal incentives might have unintended consequences if they are not properly designed.
- 4.8 There is a need for a further study on economic linkages between urban and rural areas to ascertain to what extent they are exploitative or mutually beneficial.

5. Recommendations

After engaging with the Financial and Fiscal Commission and other stakeholders on the Commission's report entitled "*Sustaining Local Government Finances - Final Report on the Financial and Fiscal Commission's Public Hearings on the Review of the Local Government Fiscal Framework*", the Select Committee on Appropriations recommends the following:

- 5.1 The Financial and Fiscal Commission should engage other stakeholders (such as National Treasury and SALGA) on further research regarding the tourism levy as a source of revenue for rural municipalities.
- 5.2 The Commission should engage other stakeholders (such as SALGA and Municipal Demarcation Board) on how rural municipalities can be made financially viable.
- 5.3 The Commission should engage National Treasury regarding further research to assess the extent to which smaller municipalities can benefit from the fuel levy.
- 5.4 The Commission should engage traditional leaders as stakeholders on the findings of this study.
- 5.5 The Commission should engage SALGA and ESKOM with regard to surcharges on electricity as a source of revenue for municipalities.
- 5.6 The National Treasury and the Department of Cooperative Governance and Traditional Affairs should investigate capacity constraints of departments that are supposed to provide support to municipalities.
- 5.7 The proposed municipal incentives should be well designed to avoid unintended consequences.

5.8 The Commission should conduct further research on economic linkages between urban and rural areas to ascertain to what extent they are exploitative or mutually beneficial.

5.9 The National Treasury should consider the findings of the Commission and its recommendations.

Report to be considered.

6. REPORT OF THE SELECT COMMITTEE ON FINANCE ON THE FOLLOW-UP VISIT TO LIMPOPO IN TERMS OF SECTION 100 (2) (C) OF THE CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996, DATED 18 JUNE 2013

Background and introduction

On 5 December 2011, the South African Cabinet announced its intervention in the Limpopo Provincial Government according to section 100 (1) (b) of the Constitution of the Republic of South Africa, 1996.

This intervention effectively placed five provincial departments, namely the Provincial Treasury, Education, Roads and Transport, Health and Public Works under national executive administration.

The intervention required that the Heads of Department (HODs) of the departments under administration surrender their Accounting Officer (AO) operational functions in terms of section 36 of the Public Finance Management Act (PFMA). Section 100 (2) (c) of the Constitution of South Africa, 1996, provides for the National Council of Provinces (NCOP) to, whilst an intervention continues, review the intervention regularly and make recommendations to the National Executive.

Consequently, during March 2012, October 2012 and April 2013, the NCOP visited the Limpopo Province to review the intervention. The objective of follow-up visits was to ensure enforcements and implementation of the PFMA, sections 38 to 40 and 81 to 86. The review also aimed to measure

progress made regarding the development and implementation of the action plans; to determine whether Section 100 intervention is effective; and to determine whether the Administrators are transferring skills to avoid regression in terms of spending and performance.

The report focuses mainly on progress achieved in the six months ending March 2013. The report discusses the presentations made by the Office of the Premier, the Department of Public Service and Administration (DPSA), joint presentations made by the Administrators and HODs of the following five departments Provincial Treasury; Health; Education; Roads and Transport and Public Works. These presentations addressed progress made regarding the challenges that led to the intervention, implementation of the recovery and turnaround plans, challenges encountered and the way forward. The report then makes recommendations based on the observations of the Committee.

2. Feedback by the Office of the Premier

The Office of the Premier focused on unauthorised expenditure, lack of communication between the Province and Administration team and ensuring that sustainable capacity was built in the Province.

During the April 2013 visit, the Office of the Premier indicated that the Province is fully committed to the intervention. The Premier reported that constructive progress had been made and acknowledged that there are challenges. The Director General (DG) of the Province reported progress achieved as follows:

- The appointment of the HOD of the Provincial Treasury and reorganisation of the Department to enable it to provide support to provincial departments and municipalities on the implementation of the PFMA and Municipal Finance Management Act (MFMA);
- Additional capacity had been built in the offices of the Chief Financial Officers (CFOs) in the departments of Education, Health and Provincial Treasury;

- Administrators have built sufficient capacity in their various departments, worked together with the HODs and have developed processes and systems, recovery plans and turnaround strategies;
- The Province had reduced unauthorised expenditure by R1.3 billion i.e. from R2.7 billion in 2011. About R822 million had been funded from the Provincial Revenue Fund and the rest through various departmental budgets. The outstanding R1.5 billion expenditure would be financed over the Medium Term Expenditure Framework (MTEF), of which R640 million would be addressed in the 2012/13 financial year;
- A Human Resource Task Team had been established to ensure that the budget is available to fund posts. Compensation of employees was expected to account for 69 per cent of the total provincial expenditure in 2012/13;
- The roll out of the LOGIS system to replace BAS in the Provincial Treasury, Health and Education had started. Roll out in other departments was expected to follow in a phased approach;
- The Minister of Public Service and Administration (PSA) had developed draft legislation on Section 100 (1) (b) of the Constitution and had sent it to the Province for comments; and
- There had been drastic improvement in communication between the intervention team and the Executive Council (EXCO). Bilateral meetings were held between the Office of the Premier, Provincial Treasury and the departments to address specific challenges. The Administrators attended the last EXCO meeting and those that could not attend, sent apologies.

Key challenges

The Office of the Premier identified the major challenge as the management of 101 cases of misconduct in the Department of Health that needed to be resolved as a matter of urgency. There was a need to review the decision of referring the disciplinary cases to the DPSA in order to speed up the

process, not only in the Department of Health but in other departments that are under administration. According to the Office of the Premier, the Province had dismissed 112 officials on cases related to fraud and corruption, in instance where there was evidence.

3. Feedback by the Department of Public Service and Administration

The DPSA reported progress on disciplinary matters in the departments under administration. According to the DPSA, 303 cases were referred for investigation by the Special Investigations Unit (SIU). Of these, 41 cases had been completed and handed over to the DPSA. About 30 cases had been set down for hearings and were at an advanced stage, of which 16 and 14 are at the Provincial Treasury and the Department of Health, respectively. The remaining 11 cases in the departments of Education and Public Works had not commenced as the charge sheets for the affected employees had not been signed.

The DPSA was in a process of finalising a Memorandum of Understanding to define roles of Administrators and HODs in respect of these matters. The total number of cases under investigation was reported as 262. The DPSA had set up a centralised disciplinary panel of experts to assist with chairing and initiating cases. In addition to that, the services of labour law specialists had been secured to assist the SIU and the departments with the outstanding investigations.

The challenges experienced by the DPSA included non-completion of investigations by the SIU due to lack of resources; the *lacuna* relating to disciplinary processes i.e. the responsibility to sign the charge sheets and lack of clear roles between Administrators and HODs regarding the disciplinary matters.

4. Feedback by the National Treasury

The National Treasury had been implementing the following projects to address the gaps identified during the diagnostic phase. Progress made in this regard is also discussed.

4.1 Cash Position

In order to strengthen the cash flow management controls in the Province, the Provincial Treasury issued cash allocation letters to each department, indicating their cash allocation for each payment run date as well as the processes to be followed by the departments to enable Provincial Treasury to release payment tapes.

Schedule of payment run dates were also sent to departments to enable them to inform service providers of the dates on which payments will be effected. Currently, Provincial Treasury stringently monitors each department's cash flows and daily bank balances. In addition to that, all payment-runs are now certified and approved by the Accounting Officer and Chief Financial Officer of each department before they are released from the Basic Accounting System (BAS).

Personnel Salary System (PERSAL) payments are now processed four times a month while BAS payments are processed twice a month. The Province ended the year with a cash positive situation. An amount of R821 million had been paid and the Province is now left with R1.5 billion. As at 31 March 2013, the cash position was at R2.2 billion. During 2012/13 financial year, the positive cash balance earned an interest of R67 million.

4.2 Replacement of FINEST system

The Integrated Financial Management System (IFMS) asset module had been piloted in four Limpopo departments, namely Agriculture, Cooperative Governance Human Settlements and Traditional Affairs (CoGHSTA), Roads and Transport and Provincial Treasury.

Due to the slow progress made in developing the IFMS modules, the Province had identified the need to consider implementing an alternative national system, namely, the Logical Information System (LOGIS). LOGIS will assist the Province to record all procurement transactions in a single system which also integrates into the assets and inventory modules and interfaces seamlessly into BAS.

The Province had started the rollout of the LOGIS system in three departments, namely Provincial Treasury, Health and Education. The LOGIS system will be rolled out to all departments in a phased approach. The implementation team attended LOGIS training in the Western Cape and was expected to attend further required training at National Treasury during April 2013. Furthermore, the Province had also applied to National Treasury to implement a centralized supplier database system to manage all suppliers for all departments.

4.3 Thirty Days Payment Compliance

In the current financial year, only two departments have achieved full compliance in some months during the year. On average 71 per cent of all departments' invoices had been paid within 30 days. Eight departments achieved an average compliance rate of above 90 per cent. However, the departments of Education and Health compliance rates stood at 57 and 56 per cent, respectively.

The Provincial Treasury and the Office of the Premier have met with all non-complying departments to share best practices and to identify the root causes for non-compliance. Continuous monthly monitoring of these departments was expected to improve the payment turnaround times. The implementation of LOGIS would also assist in the management of outstanding orders and the payment timelines.

4.4 Cost Containment Measures

The Provincial Treasury issued an Instruction Note, 1 of 2012, which tightened controls and restricted expenditure on certain non-core expenditure items such as travel and subsistence, accommodation, catering, usage of external conference facilities, mobile phones and 3G cards, printing and overtime work.

A template was developed by Provincial Treasury to enable departments to report on compliance with the abovementioned cost containment measures. Due to the austerity measures, the Province had saved R199.2 million, which was re-allocated during the budget adjustment process to fund critical priority shortfalls in the Department of Education and the personnel costs in the Department of Health.

4.5 Provincial Own Revenue Enhancement Strategy

The Province had collected R680.1 million in March 2013, compared to an initial estimated budget of R509.9 million. The public entities surrendered a surplus amount of R32.9 million to the Provincial Revenue Fund in line with the Provincial Treasury Instruction Note 8 of 2012 and in terms of Section 53 (3) of the PFMA. The Province had budgeted a total of R48.4 billion in 2013/14, of which R629 million constitutes provincial own revenue.

In 2013/14 financial year, Provincial Treasury will continue to implement the Provincial Revenue Enhancement Strategy more intensively by embarking and financing sustainable revenue enhancement projects within departments and public entities.

4.6 Reduction of Compensation of Employees

The departments of Health and Education together accounted for 85 per cent of the total Compensation of Employees (CoE) in the Province. The preliminary provincial expenditure outcomes for 2012/13 showed that CoE will account for the 69 per cent as a proportion of total expenditure. The CoE budget of the Department of Education had stabilised and the Provincial Treasury put all efforts into stabilising the Department of Health's personnel and goods and services budget.

The Province had also established the Human Resource Task Team to consider the merits for filling posts in departments and ensure that the budget was available to fund such posts. Moreover, the Provincial Treasury had established a CoE Task Team that would analyse and monitor the CoE cost drivers in the Province.

4.7 Infrastructure Delivery Management System

The implementation of the Human Resource Capacitating Programme started in the departments of Roads and Transport, Education, Health, Treasury and Public Works. Provincial Treasury had provided R5 million to assist with this programme in Public Works to enable the Department to play an effective role in the delivery of infrastructure. The appointments thereof are underway.

The Provincial Treasury intended to provide additional support to the municipalities on the implementation of the Municipal Infrastructure Grant (MIG) and also continue to provide support to both the departments and the municipalities on Public Private Partnerships.

4.8 Organisational realignment and strengthening of the Provincial Treasury

The Provincial Treasury had been working with the DPSA to review and align its structure with the National Treasury generic structure for provincial treasuries. It was anticipated that the final structure and proposed posts will be submitted to the Minister of the DPSA for final approval by the end of May 2013.

The vacant Provincial Treasury HOD post had been filled with effect from mid December 2012. Five Senior General Manager posts had been advertised and were expected to be filled by 1 June 2013. The CFO position had been benchmarked with other treasuries through the Premier's Office. Candidates for the General Manager for the MFMA position had been shortlisted and the interviews were scheduled for 24 April 2013.

4.8 Financial Management Skills and capacity

A tender to conduct the capacity and skills audit assessment had been awarded in April 2013 and was expected to start first with the Provincial Treasury, Education and Health. As it was the case in October 2012, the Department had been embarking on a capacity building programme where service providers would provide project-based learning and work-based training for officials in all five

departments placed under Administration. National Treasury assisted in enhancing capacity of the offices of the Chief Risk Officers in the Province.

4.9 Procurement Management

The Province worked on the restoration of sound and legal procurement practices and establishing a centre to manage transversal contracts. As at April 2013, transversal contracts were being put in place primarily to leverage economies of scale and to limit space for possible corruption. This was happening in security and banking services. It was expected that the banking and the transversal security contracts would be in place by 01 May 2013. Other areas being earmarked for this initiative were travel and accommodation.

4.10 Audit Assistance

The Provincial audit outcome showed a regression in the provincial departments, public entities and municipalities. The professional services of the PricewaterhouseCoopers had been procured to provide technical support to the intervention department and two other departments to improve the audit outcomes and thereby contribute towards the 2014 clean audit drive.

During the financial year 2011/12, the Province's 14 municipalities had disclaimers, 12 had qualified audit reports and one with adverse audit opinions. The Provincial Treasury had noted this trend and had restructured the MFMA support team to improve support provided to the municipalities. Dedicated MFMA support teams have now been established to support a particular district and its local municipalities. There had been improved cooperation between CoGHSTA, the Provincial Treasury and the MFMA teams.

4.11 Expenditure trends

The preliminary year-end report indicated that the Province under spent by R2.1 billion in 2012/13. This includes the following:

- Compensation of employees (R331 million);
- Goods and services (R946.7 million);
- Transfers and subsidies (R291.8 million); and
- Payments for capital assets (R517.2 million).

Key challenges

Some of the major challenges identified were that key management positions were not filled with skilled employees; the long time frame to implement LOGIS system and achieving clean audit in 2014. There were about 112 disciplinary cases of dismissed individuals for fraud and corruption in the Provincial Treasury.

5. Feedback by the National Department of Health

During the diagnostic phase, the Department of Health took over the following functions, Financial Management and Budget Control; Procurement Management; Human Resource Management; Pharmaceutical supply Management; Infrastructure Management and Information Technology Management. Specific intervention projects that the Department was implementing are discussed below.

5.1 Learning and Organisational Re-alignment

The Department had deployed 57 unemployed graduate interns to work in various sections including finance and revenue, Supply Chain Management (SCM) and Human Resource. An acting CFO had been appointed mid-October 2012 following the suspension of the CFO in July 2012. The National Treasury assisted with increasing additional capacity in the CFO's office with two financial managers effective from the end of May 2013. The Department had prioritised a Finance General Manager and Senior Manager posts to be filled in the first quarter of the financial year.

The Department had identified training needs for capacity building and sustainability of the intervention in areas such as SCM, budget analysis and human resource management. Public Administration Leadership and Management Academy (PALAMA) was also being utilised for transversal training needs. Moreover, targeted training for pharmacists took place in order to address the current poor management of availability of drugs at health facilities.

5.2 Human Resources

Adequate funding for CoE remains a challenge for the Department. Provincial Treasury had partnered with Statistics South Africa (Stats-SA) to assist the departments with the verification of health professionals. An amount of R18.5 million had been provided for this purpose. The Census project was expected to commence in April 2013 and be finalised in June 2013. The Service Level Agreement between Stats-SA and the National Treasury was due to be signed before by 19 April 2013. The project is about personnel head count for all the existing staff for the Department of Health, from the clinics, hospitals, districts and sub districts as well as the provincial office.

The PERSAL clean-up process was largely complete. The staff establishment on PERSAL had decreased from 69 175 posts to 38 307 (30 868 unfunded posts were abolished). A process was underway to identify critical posts from the unfunded posts, for future planning in the MTEF process.

The process of reviewing the Occupation Specific Dispensation (OSD) had been delayed because of the resignation of key staff in the Remuneration Unit of the DPSA. A meeting had been arranged with the DPSA to discuss the way forward. The DPSA team was still processing the 101 cases handed over to them.

5.3 Pharmaceutical Depot Management

After the takeover from outsourced services in April 2012, the depot was now functional and managed internally. The process of refurbishing of the depot was underway. A decision from the National Health Council had been taken that a new depot would not be constructed as initially planned by the

Province. This decision is based on the policy decision to minimize stock levels at the depot and rather focus on building capacity for direct deliveries to hospitals. This model is still being tested, should it work the intention is to roll it out to other provinces.

The Department reported that due to funding challenges stock levels which had improved in 2012 from 51 per cent to 76 per cent, had decreased in the March 2013 to 49.5 per cent and improved slightly in April at 54 per cent. An attempt had been made to ensure adequate funding for medicine and medical supplies in the 2013/14 financial year. A training plan on drug SCM had been developed and was being implemented.

5.4 Infrastructure Management

The National Department of Health had funded and awarded a tender for 52 autoclaves amounting to R50 million and delivery is expected by the end of May 2013. The technical infrastructure team led by the engineers had been monitoring existing construction projects. Recruitment processes were underway to build in-house capacity for the management and monitoring of infrastructure projects, in an effort to move away from the outsourced Project Management Units (PMUs).

The project to repair 38 boilers in 19 hospitals costing R88 million was progressing well and the first phase was expected to be concluded by August 2013, including training of departmental staff for in-house operation of the boilers. To date, 18 boilers out of 38 had been repaired and handed over to the hospitals. The second phase of the project, which needs additional funding, relates to routine maintenance of the boilers. This would be addressed in the 2013/14 financial year from the maintenance budget allocated.

The project for the doctors' accommodation had been completed and the developer had handed over the property to the Department, with the involvement of Public Works.

5.5 Governance and Financial Management

The Department had been working to address the 2011/12 audit findings. Progress had not been at expected levels over the previous months, particularly, the main finding of the credibility of the Asset Register. The target for the Department was to move from the disclaimer opinion on the asset register to at least a qualified or unqualified opinion in the 2012/13 financial year. Additional capacity from PricewaterhouseCoopers had been put in place effective from March 2013, to assist with addressing the audit findings.

The Department was considering and reviewing the financial management decentralization model, with a view to reduce the number of the cost centers, currently 58. The proposal was to centralize and reinforce capacity at hospitals and districts only and therefore reduce the high risk of limited capacity and skills as well as non-compliance rate

Furthermore, a consultant from National Treasury performed an analysis of the SCM function. A report was available for perusal and implementation of the recommendations based on the findings. Assets had been verified in the districts and the process was underway to produce a credible asset register. The first draft of the asset register was expected to be produced in April 2013 for a preliminary audit by the AG.

The Department paid 57 per cent of invoices within the prescribed period. One of the major obstacles was the slowness and absence of BAS at times. The issue was being addressed with State Information Technology Agency (SITA). The Technical Assistance Unit at National Treasury was assisting with identifying appropriate individuals to address challenges with the Risk Management and Information Technology (IT) services of the Department.

Key challenges

The Department of Health reported the following challenges:

- Provincial management oversight capacity for all 506 health facilities;
- Financial Management capacity at provincial, district and hospital level;
- Procurement management mainly within catering, security and laundry services as well as procurement and management of medical equipment;
- There were 101 cases in the Department of Health, including five cases that involved SMS member although not all of these cases are related to financial misconduct;
- Budgeting processes and costing of activities and programmes including compensation of employees; and
- Delays in the finalisation of disciplinary cases.

Summary of key achievements

- Internal capacity had been built in the CFO branch;
- Competent hospital CEO's had been appointed to improve the management of hospitals;
- Costing of priority programmes referred to as "non negotiable" by the National Health CFO forum had been completed and had improved the budgeting and costing process for services such as medicine, security and laundry, catering, maintenance of infrastructure and equipment and the procurement of medical supplies for vaccines, TB and HIV and AIDS programmes;
- Major contracts such as security and catering services were reviewed; and
- Maintenance of hospital boilers and the procurement of autoclaves as well as facilitating the functionality of X-Ray machines at some hospitals occurred.

6. Feedback by the National Department of Education

The diagnosis analysis indicated that the Department of Education was not able to fund key strategic educational priorities, resulting in failure to meet essential national standards. The existing system of financial, supply chain, contracts, asset, records and cash flow management and controls was not effective and efficient. The compensation of employees' budget was found to be bloated. The following measures were being implemented under the guidance of the National Executive Intervention task team to address the issues identified above.

6.1 Financial Management

The Department had developed action plans as a corrective measure to address the audit reports and had managed to resolve 141 queries from the total 206. The appointment of PriceWaterhouseCoopers and Rakoma Consortium and the envisaged appointment in the CFO's branch were expected to ensure credibility and assist the Department with issues raised. Similar to the feedback given in October 2012, the Department indicated that strides are made to comply with the cost containment strategy of the Province and the 30 days prescripts for the payment of authenticated invoices. The process of the verification of invoices existed but was slow and payments were only effected with the recommendation of the CFO.

The Department indicated that some officials are currently being trained on BAS and FINEST through an arrangement by the Provincial Treasury. With respect to cash flow management, the Provincial Treasury reported a bank overdraft of R329 million at the end of 2012/13, which according to the report arises in the main from the 2011/12 accruals.

6.2 Supply Chain Management

The activities that the Administration team was expected to report back on included reviewing and strengthening of the personnel structure, policies and delegations of the supply chain management;

contract management and administration and processes and procedures in asset and stores management. In addition to that the Department had to establish and secure document and file management system and introduce, review and maintain a credible supplier database.

The progress reported with regards to the abovementioned activities was that the organisational redesign of the CFO's branch, which includes supply chain management, will bring the much desired stability and focus in this area. Also, the Department expected that the appointment of the PriceWaterhouseCoopers and Rakoma Consortium and envisaged appointments in the CFO's branch would solve all issues related to supply chain management processes as is the case with financial management problems.

6.3 Human Resource Planning and Management

The Department was expected to provide progress made with regards to establishing a focused organizational structure, populated with appropriately qualified and experienced personnel; ensure compliance with human resource implementation plans; clean up the PERSAL transversal system; drastically reduce compensation of employees budget; ensure declaration of interest and clearance of SMS members and identified support staff; conclusively and urgently handle disciplinary matters; apply provisioning norms effectively, timeously and correctly and manage normal, sick and incapacity leave.

The Administrator reported that organisational functionality assessment carried out by the DPSA to determine deficiencies in the current structure has been finalised. The organisational realignment with the assistance from DPSA had produced a draft structure that is currently being consulted with social partners.

The PERSAL clean-up had identified more than 8 000 unfunded posts and the Department was busy with consultations between DPSA and the human resources branch to finalise the exercise after which all those posts will be removed. Provincial Treasury had partnered with Stats-SA to assist the Departments with the verification of learners and educators in the Department. An amount of R18.5 million had been provided for this purpose. The Education Census was underway and was expected to be finalised in May 2013. The Service Level Agreement between Stats-SA and the National Treasury was due to be signed before by 19 April 2013.

It was also reported that all SMS had declared interest and that security clearance was progressing very slow. This process was expected to be extended to supply chain management and finance officials.

The Department indicated that 18 of the 52 fraud and corruption cases managed internally; 209 of 214 cases reported through the Presidential hotline and 92 of 111 cases reported through the Premiers hotline had been resolved.

Regarding the post provisioning norms, the Administrator reported that the 2012 post establishments declared for public schools had been retained for the 2013 school calendar year and that the small schools that have been declared as not economically and educationally viable to run were rationalised through mergers and closures.

6.5 Curriculum Implementation, Teacher Development, LTSM, Management and Governance

The Department reported 100 per cent coverage of Curriculum and Assessment Policy Statements (CAPS) aligned textbooks for the foundation phase for grades 1 to 3 and grade 10 for the 2012 school calendar year. In addition, 20 per cent top-up of textbooks for grades 11 and 12 were procured and delivered during the 2012 school calendar grades. In addition to that, 100 per cent of CAPS-aligned textbooks for the intermediate phase, grades 4 to 6 and grade 11 for the calendar year 2013 were

covered and 100 per cent coverage of stationery packs to all grades R to 12 for both 2012 and 2013 school calendar years.

National and Provincial Treasuries, through adjustment process made available an additional R510 million for the procurement and delivery of Learner Teacher Support Material (LTSM) for the 2013 school calendar year. The total cost for the 2013 textbook procurement of CAPS-aligned textbooks for grades 4, 5, 6, and 11 had been reduced from R382.9 million to R236.2 million. For the 2013/14 school calendar year, the Department had budgeted R1.2 billion for the norms funding and this money was supposed to be transferred to 3 947 ordinary public schools with 1 660 529 learner enrolment.

An amount of R142.7 million had been budgeted for scholar transport in the 2013/14 financial year and the Department intended to transport 26 540 learners.

The Department had appointed contractors to implement its water and sanitation programmes. Through this process, 222 schools would be provided with water supply and 144 schools would have sanitation facilities. Also, 510 additional classrooms would be built. Funds had been committed for school furniture, a total of R40 million.

With regards to CAPS, the Department had trained 25 750 educators on the subject content and methodology in General Education and Training (GET) phase. About 82 teachers completed training in Mathematics, Sciences and Accounting at the Continuing Professional Development Centre.

6.6 Compensation of Employees

The CoE budget stood at about 83 per cent of the total budget allocation for the Department of Education in 2012/13, constituting R18.3 billion, leaving R3.7 billion to implement programmes related to core functions of the Department. The CoE budget had been reduced by 1.8 per cent or

R327.8 million as recorded in March 2013 and a saving of R80 million was made from the attrition of public service posts. This was achieved by permanently appointing circuit managers, filling all promotional posts, and permanently absorbing temporary educators into profiled vacant substantive posts. For the financial year 2013/14, the CoE had been adequately budgeted for and had been stabilized by the Department of Education.

It was mentioned that a cost estimate for filling of the circuit managers and promotional posts average R377 million. The Department had a high number of temporary and *ad hoc* educators appointed in substantive vacant posts. These educators cost the Department more than R1.3 billion per annum.

Key Challenges

The Administrator identified the following challenges:

- The possibility of the Department to relapse after the intervention had been withdrawn;
- Reliable and replicable datasets for learners;
- Timeous procurement and delivery of LTMS;
- Timeous transfer of funds to schools in terms of the norms and standards;
- There were 52 cases of fraud in Education, 18 of which had been resolved;
- Timeous rehabilitation and maintenance of school buildings; and
- Credible and transparent financial, supply chain, contract and asset management.

7. Feedback by the National Department of Transport

The diagnostic analysis identified weak internal controls or inadequate SCM policies; no contract management, Auditor General audit opinions for 2010/11; poor financial management at Road Agency Limpopo (RAL) and Gateway Airports Authority Limited (GAAL), no proper verification of payments; irregular tender awards with regards to quality assurance checks, segregation of duties,

abuse of hand written cheques at GAAL and weak governance structures as issues that needed to be addressed.

7.1 Contract Management

The Department had completed a manual checklist of all infrastructure contracts and started with the collection of critical but missing information in the contracts files. The Department had been waiting for Provincial Treasury to provide a standardized and reliable contract management system. A team of experts had been referred to deal with the Auditor General issues.

7.2 Financial Management

The Department had identified internal control weaknesses and had been fixing the gaps identified and also developed new delegations. New procurement committees had been appointed to bring back legitimacy and reliance. Furthermore, a system of invoice verification had been introduced. It was also reported that the budget for projects had been reallocated in terms of the Annual Performance Plan (APP). The Department was at 99 per cent 30 day payment compliance rate. The cash situation had stabilized and the Department had not over spent on the current budget. The Department verified and processed over 6 500 invoices for payments.

7.3 Restructuring of Public Entities

The Department had mobilised legal support and roped in turnaround teams for RAL and GAAL. All financial management, particularly the SCM related policies for the two agencies had been reviewed. The SIU conducted a viability study for GAAL and a preliminary report suggested that the public entity should be disestablished and be managed by Airports Company South Africa (ACSA). The DPISA was assisting the Department with the review of RAL as an appropriate model to deliver roads infrastructure.

The deliverables that were needed to turnaround GAAL that related to SCM processes; financial management and controls; strategic alignment; the Auditor General's report and ongoing departmental support had largely been completed.

7.4 Organisational Realignment and Learning

The review of the department's organogram had been completed and being reviewed by the DPSA. The structure was at 7 223 on PERSAL, reduced by 2 916 and stood at 4 307, including 120 vacancies over the MTEF period. Service delivery model for roads infrastructure was being undertaken. The Minister had approved the secondment of officials for Chief Executive Officer and CFO positions at RAL. Efforts were being made to recall the suspended CEO of GAAL. Also, options to deal with the future of GAAL have been finalised and were expected to be submitted to the Minister for consideration.

7.5 Forensic and related investigations

The Intervention team had referred 33 suspicious invoices to the forensic investigators. The investigations were progressing satisfactorily and five cases had been registered with the police. More cases were at an investigation stage by the police. The SIU had indicated that 13 service providers and one official of the Department have been arrested in connection with the fixing of potholes or Expanded Public Works Programme (EPWP) contracts. Charges related to misrepresentation or fraud, irregular award of these contracts and charging for services not rendered were made. Two Board members and a former official of the GAAL have been arrested for fraud. There are also 30 cases of conflict of interest, financial non-disclosures, doing remunerative work outside without permission and doing business with own Department that are being investigated.

Key Challenges

The Administrator identified the following challenges:

- The budget for the Department was cut by R1.3 billion over MTEF period to fund the Provincial Overdraft. This led to postponement of certain projects including that of construction of new roads;
- The projects for 2012/13 could not be implemented as planned due to late appointments of Professional Service Providers (PSP). As a result, the Department under-spent by R400 million;
- There were 33 disciplinary cases at Roads and Transport, 5 of which were with the police;
- Funds transferred to the RAL may not be fully utilised by the end of the financial year due to challenges on governance matters in the Agency; and
- Vacancies at Board and Executive level at GAAL.

Exit Strategy

According to the Administrator, all issues sighted as the reasons for the intervention in the Department of Roads and Transport had largely been addressed. The GAAL was being supported financially with R50 million but generating a revenue of R6 million. Therefore, the Provincial EXCO and the Department are of the view that GAAL should be disestablished and be replaced with a management contract with ACSA, for instance.

The Administrator identified a need to closely monitor recipients of the transferred skills to ensure no regression on the gains made. It was further reported that the technical teams from the National Department had been withdrawn. However, there was a need to retain the legal support to finalise among others, overseeing the winding down of GAAL; legal advice on the Commission for Conciliation, Mediation and Arbitration (CCMA) case of the former CEO and other high profile labour relations matters; legal advice on litigation cases; finalization of amendments to the RAL Act to deal

with “responsible shareholder” issues; legal implications of the pending roads infrastructure delivery model and continued legal support to the intervention.

8. Feedback by the National Department of Public Works

The Limpopo Department of Public Works (LDPW) had to address poor management of property portfolio; spiralling unauthorised expenditure; inadequate capacity in the Public Financial Management and technical capacity; the fact that client departments have ignored LDPW mandate as they built their own PMUs; the districts were largely ignored as service delivery nodes; the Information Technology (IT) infrastructure of the LDPW had virtually collapsed due to poor maintenance, poor IT infrastructure planning and under budgeting.

8.1 Immovable Asset Registers

The Department had consolidated various asset registers into one master register. It was reported that a process of assigning appropriate title deed numbers commenced. The Department was reconciling the R2 billion that contributed to the disclaimer in the previous financial year. Moreover, a vesting factory had been established in order to speed up the process of vesting properties by 31 March 2014 in line with the National targets. The next phase was expected to concentrate on the population of the remaining columns of the asset register resulting in a Government Immovable Asset Management Act (GIAMA) compliant asset register by 31 March 2014.

8.2 Lease Management

The Administrator reported that the service provider commenced with the desk top review and the process was expected to be completed by 30 August 2013. The Department was working out the cost implications for options to purchase the top six leases in Limpopo so as to reduce the leasing cost over the medium term.

8.3 Building technical capacity of the department

It was reported that, between March and April 2013, 12 professional staff out of a total of 36 had been appointed from the professional services budget to support the Project Management Unit. As of 1 April 2013, the Department had appointed eight professionals. It was expected that at the beginning of June 2013, the professionals including the General Manager Infrastructure Planning, Chief Engineer, Design Management, Infrastructure Planning and two Architects would be appointed.

8.4 Reduction of overdraft caused by accumulated unauthorised expenditure

The Department surrendered R26 million from CoE to the Provincial Treasury and had raised R6 million from the auction of redundant stock and R3 million in savings from travel. A saving of R7 million had been made from a 27 per cent discount negotiated with a sole service provider for materials.

8.5 Building capacity in the office of the Chief Financial Officer

According to the Administrator, from the 1 June 2013, Senior Managers in accounting, budgeting and SCM were expected to be appointed. More officials at senior and junior management level had been identified for Project Based Learning. To alleviate pressure at SCM Unit, nine term contractors had been appointed. There were improvements in the SCM Unit resulting in increased spending on Capital Expenditure (CAPEX) from initial 17 per cent in December 2012 to fully committed CAPEX by 31 March 2013. Expenditure was estimated at 94 per cent including commitments and savings.

8.6 Rebuild Information Technology infrastructure in the Department

It was indicated that all Auditor General related issues had been adequately addressed for the 2013/14 financial year. To provide tools for the newly appointed and existing resources, an amount of R2.5 million had been set aside. A disaster recovery server had been procured for offsite locations, together

with the backup tapes enabling them to restore backup from an offsite location. The disaster recovery system was fully safeguarded.

8.7 Human Resource and Organisational Design

The Department had completed a Human Resource and organisational design review and management was engaging organised labour on the correction of improper appointments and the implementation of the recommendations made. The top structure of the Department had been completed by the DPSA. The new organisational structure under review included a Legal Unit headed by a Director. About 3 983 posts from a staff establishment of 7 000 had been abolished.

Key challenges

The Department identified the following top risks:

- Committed financial and other support to the plan;
- Finalization of outstanding criminal cases; and
- There were about 60 cases under investigation and 45 cases of irregular expenditure in the Department of Public Works.

Exit Strategy

The Department had drawn up an exit plan for the intervention in Limpopo. The summary of the plan includes; appointment of suitably qualified personnel in key positions, a process to be completed by 30 June 2013; approval of the newly revised organisational structure by 30 June 2013 and the implementation of the Infrastructure Capacitation Plan process to be completed on 30 April 2013.

9. Committee observations and findings

- 9.1 The Director General of the Province still does not see the need for the intervention. Communication and cooperation between the Administration Team and the Province had improved. However, there was a concerning conflict between the Director General of the Province and the Chief Administrator;
- 9.2 There was general consensus between the Premier, the Director General, the Chief Administrator and the Administrators of the five departments that there had been progress with respect to commitments previously made but there are challenges that still needed to be resolved;
- 9.3 Management of procurement processes, absence of guidelines, changing of Administrators and the fact that the intervention process was new, created challenges in as far as effective implementation was concerned;
- 9.4 Under spending on conditional grants occurred according to planned slow down in spending to contain costs. There were investigations in certain cases involving tenders/contracts by National Treasury and underperformance by the departments;
- 9.5 The Department of Public Service and Administration and the Office of the Premier had some challenges in dealing with the current disciplinary hearings for the 303 prioritised cases. As a result, the DPSA reported very little progress with respect to disciplinary cases;
- 9.6 The Committee was informed that the process of charging of some individuals was flawed and could lead to some cases being lost. The Department of Cooperative Governance and Traditional Affairs (CoGTA) was developing a draft legislation that would provide regulations on interventions in terms of section 100 (3) of the Constitution;
- 9.7 The officials of the Provincial Department of Health travelled to Centurion to access the BAS system and this cost the Department;

- 9.8 According to the Auditor General's findings, tenders amounting to a total of R27 million were awarded to 26 suppliers who failed to declare their interest in doing business and the Department of Health had spent R731 million in fruitless and wasteful expenditure (R8 million in expired medicine);
- 9.9 The Department of Health was moving in the right direction, unauthorised expenditure had been reduced but the Department still needed to stabilise compensation of employees;
- 9.10 Some of the challenges that led to the intervention in the Department of Health resurfaced from time to time. These included unavailability of medicine at the Depot, food crisis due to shortage of funds and payment of service providers on time (More than 15 service providers had not been paid at some point);
- 9.11 Some of the main responsibilities in the Department of Health had been handed over to the departmental officials already, with the Administrator just providing technical support;
- 9.12 National Treasury had withdrawn funds that the Provincial Department of Education had already committed to projects amounting to R235.5 million;
- 9.13 The Administrator of the Department of Education had good working relations with the MEC, the HOD and the provincial education officials, given that administrative support staff does not exist. According to the Administrator, the Province would sustain itself should the NCOP stop the intervention;
- 9.14 The Administrator of the Department of Education largely failed to substantiate and demonstrate progress achieved since October 2012 when reporting. Difficulty in reporting related to service delivery achieved; responses to recommendations made by the Committee and elaborating on the exit strategy presented;
- 9.15 The Administrator of the Department of Education also failed to respond to the Auditor General questions and issues raised that related to the findings on tender processes;

- 9.16 Education Infrastructure procurement was being done without the financial plan, leading to overrun of the budget;
- 9.17 The Provincial Department of Roads and Transport assisted the GAAL with R50 million funding but the agency generated only R6 million;
- 9.18 The GAAL CEO had been suspended, with pay, for the duration of the suspension due to irreparable differences. The CEO had since been recalled to resume work as of 29 April 2013;
- 9.19 The Administrator for the Department of Roads and Transport reported satisfaction on the basis that much of the ground had been covered and the majority of issues had been resolved. Concerns were expressed over infrastructure and winding down GAAL, to which the MEC and HOD concurred; and
- 9.20 The Provincial Department of Public Works and other provincial departments spent approximately R200 million per year on the buildings leased. These rental costs in Public Works were exorbitant at R2.5 million per month and the situation was not sustainable.

10. Committee recommendations

- 10.1 The Director General of the Province and the Chief Administrator should resolve the conflict that exists between them as this unnecessarily prolongs the intervention process. Working together and improved communication between them is highly encouraged;
- 10.2 Despite the financial turnaround in the Province, withdrawal of the intervention from the Province now is premature and therefore discouraged. All the Administrators should continue to assist the Province to sustain progress made and to successfully implement the turnaround strategies;
- 10.3 The Minister of Finance should support the Provincial Treasury Administrator to provide leadership in coordinating the intervention on behalf of the Inter-Ministerial Task Team. The

- Provincial Treasury Administrator should facilitate the management of procurement processes and effectively implement the guidelines to address the challenges identified;
- 10.4 The Administrator's team should table a plan to the Inter-Ministerial Task Team, three months after the adoption of this report, that would assist the five provincial departments placed under administration to exit the intervention;
- 10.5 The Office of the Premier and the DPSA should prioritise the 303 disciplinary cases and report to Parliament, three months after the adoption of the Committee report;
- 10.6 The Department of Cooperative Governance and Traditional Affairs should table to Parliament the draft legislation that would provide regulations on interventions in terms of section 100 (3) of the Constitution;
- 10.7 The National Treasury should as a matter of urgency, assist the Provincial Department of Health officials to install the BAS in the Province and report progress to the Committee;
- 10.8 The Administrator for the Department of Health should table a report to the House, three months after the adoption of this report that would ensure the following: effective management of information systems; provide credible reasons for poor performance and over-spending; address the Auditor General's findings particularly those related to fruitless and wasteful expenditure and tender fraud; eliminate unauthorised expenditure; address compensation of employees in line with the national average; effectively monitor the provincial Department of Health to ensure that there is sufficient budget for the availability of medicine at the Depot, food at the hospitals and timely payment of service providers; outline the Department's exit strategy, discuss plans to ensure a smooth handover and sustainability of the Department upon withdrawal of Section 100 intervention and highlight short term, medium term and long term timeframes and deliverables for projects underway;
- 10.9 The Administrator for the Department of Education should table a report to the House, three months after the adoption of this report, on service delivery achievements since the beginning

- of the intervention; and a plan to ensure that procurement of infrastructure follows due processes and stay within the budget;
- 10.10 The National Department of Education and the Provincial Treasury should assist the Provincial Department of Education in terms of resolving the issues related to funds that had been withdrawn by the National Treasury;
- 10.11 The Provincial Department of Roads and Transport should facilitate the winding down of the GAAL so that its future can be speedily established;
- 10.12 The Office of the Premier should submit a report to the House about the investigations that are being done, regarding the suspension of the GAAL CEO, as a matter of urgency;
- 10.13 The Administrator for the Department of Roads and Transport should submit a service delivery report to the House, three months after the adoption of this report, detailing the plans to resolve infrastructure issues;
- 10.14 The Province should table a report to the House detailing plans to minimise the costs of leasing of buildings;
- 10.15 The Committee noted progress achieved in turning around the financial status of the Province and improvements in communication between the Administration team, the officials of different departments and the Office of the Premier. There is a need for all stakeholders to meet frequently to address cross cutting issues as do HOD forums. It is also necessary to measure the impact made on the people of the Province. The Committee will conduct a follow-up visit to the Province during October 2013.

Report to be considered

7. Report of the Select Committee on Land and Environmental Affairs on the Spatial Planning and Land Use Management Bill [B 14B-2012] dated 18 June 2013.

The Department of Rural Development and Land Reform briefed the committee on 23 April 2013 on the *Spatial Planning and Land Use Management Bill*. The Bill was referred to the committee on 26 February 2013.

The Select Committee on Land and Environmental Affairs, having considered the subject of the *Spatial Planning and Land Use Management Bill [B 14B-2012]* (National Assembly – sec 76), referred to it and classified by the Joint Tagging Mechanism as a section 76 Bill), agrees to the Bill.

Report to be considered.