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**DEBATES AND PROCEEDINGS OF THE THIRD**

**KWAZULU-NATAL PROVINCIAL LEGISLATURE**

**FIFTH SESSION**

**THIRD LEGISLATURE**

**THURSDAY, 12 JUNE 2008**

**THE HOUSE MET AT 11:15 IN THE LEGISLATIVE CHAMBER,  
PIETERMARITZBURG.**

**1. SILENT PRAYER OR MEDITATION, OR READING OF THE PRAYER IN  
SCHEDULE 2.**

The Speaker, the hon T W Mchunu, took the Chair and read the prayer.

**2. OBITUARIES AND OTHER CEREMONIAL MATTERS**

**THE SPEAKER:** Hon members, there are no obituaries that have been brought to my attention.

**3. ANNOUNCEMENTS BY THE SPEAKER**

**THE SPEAKER:** Hon members, I wish to make the following announcements: I have received reports from hon members from different parties who are unwell. The hon Deputy Speaker, Prof L B G Ndabandaba, is reported to be unwell. The hon Mr S V Naicker and the hon W P Zondi are also reported to be unwell. I have medical certificates to that effect.

Today, 12 June, is the birthday of the hon Dr T D Buthelezi. May I take the opportunity to wish him well? May today and the future be all that you wish and want it to be.

**[isiZulu 11:20]**

I now come to apologies. The following MECs have tendered their apologies: Mrs C M Cronjé, Mrs N P Nkonyeni, Mr B H Cele and Mr M Mabuyakhulu. They are unable to attend today's sitting because of other official commitments.

I also wish to make an announcement regarding our interns. As part of the training and development process for employees and learners, the Legislature has accepted learners from various educational institutions in order for them to be exposed to various functions within the Legislature's components. This forms part of their educational programmes, as they will be receiving some practical training to their fields of study.

I now come to the youth celebrations. A provincial Youth Day celebration will be held on 16 June 2008 at kwaMsani [11:21] xxx Sports Ground at 10:00. It will culminate in the holding of the Youth Parliament on 17 and 18 June 2008 at Hluhluwe Primary School in the uMkhanyakhude ?? District. Hon members are cordially invited and encouraged to attend. Those hon members who will be attending the Youth Parliament will be accommodated at the Protea Hluhluwe Hotel and the iNyala Hotel, respectively. Hon members will receive a final notice, either today or tomorrow, regarding their actual place of their accommodation once the Administration has finalised all the processes.

#### **4. ANNOUNCEMENTS OR REPORTS BY THE PREMIER**

**THE SPEAKER:** In the absence of the Premier and in the presence of the Leader of the Government Business, I will request an indication from the Leader of Government Business.

**DR Z L MKHIZE (Leader of Government Business):** Mr Speaker, there are no announcements.

**THE SPEAKER:** Thank you, hon Dr Mkhize.

#### **5. TABLING OF REPORTS**

**MR M A TARR (ANC):** Mr Speaker, on behalf of the Chairperson of the Portfolio Committee on Finance, Mrs B F Scott, I would like to table the Report of the Portfolio Committee on Finance and Economic Development on the 2007/08 Preliminary Close-Out Budget Performance Report for KwaZulu-Natal.

**THE SPEAKER:** Thank you. I was informed that there is going to be a report on the resolutions from the Standing Committee on Public Accounts. However, in the absence of the Chairperson of the Standing Committee on Public Accounts, we can just inform the House that the report has been tabled to the Office of the Speaker. I will therefore

ensure that hon members receive this report. The report will therefore be regarded as having been tabled.

Similarly, I wish to take this opportunity to table the Report on the Revision of the Standing Rules of the KwaZulu-Natal Legislature and the Rules, as amended by the Policy and Rules Review Sub-Committee. These will form part of the debate today.

There are so many guests in our gallery because of the attendance by pupils from the following schools: uMkhati [11:25] Primary School and Brandville Private Primary School. It is not said where uMkhati is located, but I assume that the Brandville Private Primary School must be coming from Mooi River. Unless I am mistaken, there used to be a place called Brandville near Mooi River.

[Insert isiZulu – 11:25]

## **6. FORMAL MOTIONS AND NOTICES BY THE CHIEF WHIP**

**MR V C XABA (Chief Whip of the Legislature):** Mr Speaker, there are no motions and/or notices from the Office of the Chief Whip. Thank you very much.

## **7. NOTICES OF BILLS OR MOTIONS**

**THE SPEAKER:** Hon members, I believe I have captured all your names. Please be seated. There are hon members we will start with. They stood up last time, but could not get an opportunity to move their motions. I also wish to give an indication that we will stop with this item at 11:40 if we have not concluded it by then.

**MR P GOVENDER (IFP):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

### **This House noting:**

The remarks by the President of the Inkatha Freedom Party, His Excellency Prince Mangosuthu Buthelezi, during his address at the Party's Annual General Conference in 2007 concerning the crisis facing education in South Africa, and

That this concern is now also being voiced by the Chairperson of the Portfolio Committee on Education.

**Therefore resolves:**

To urge the MEC for Education to take note of the concerns raised by the IFP and its call for national intervention, and

To implore the Chairperson of the Portfolio Committee to act on his observations to remedy the crisis facing education in KwaZulu-Natal.

**MR N G KHAWULA (IFP):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**LeNdlu:**

Iyasinaka isihluku sikaHulumeni we-ANC sokugqugquzela abafundi baka Grade 12 ukuba bafunde incwadi ehlanekwezela umlando womholi we-IFP uMntwana wakwaPhindangene neQembu le-IFP.

**LeNdlu inquma:**

Ukuyala uNgqongqoshe wezeMfundo kuzwelonke ukuba asheshe alusukumele udaba lwalencwadi engcolisa igama lomholi we-IFP;

Ukumyala uNgqongqoshe ukuba akhiphe ngokushesha umyalelo wokuba lencwadi isuswe ezikoleni ngoba izosusa uthuthuva; futhi

Uxwayisa iQembu elibusayo le-ANC ukuba liyeke ukuba ngoqhathizwe ngokuzama ukufunza abantwana bethu imfundisoze.

**MR T M MTHEMBU (ANC):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**LeNdlu:**

Icela uNgqongqoshe ukuba enze uphenyo ngokusebenza kweZululand District, ukuthi loMasipala ngabe uvumelekile yini ukwenza izimbizo ngaphandle kweZululand District area, isibonelo eThekwini area.

**DR L P H M MTSHALI (IFP):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**This House noting:**

That the former Agriculture HOD, Dr Jabulani Mjwara, has been awarded a multi-million rand tender by Msunduzi Municipality;

That Mjwara's tenure at Agriculture resulted in a general state of lawlessness, maladministration, fraud and corruption which has cost the taxpayer R125 million, and

That Mjwara had been sheltered for years by the provincial government before the IFP triggered an investigation into his misconduct.

**Therefore resolves:**

To condemn the ANC, whose nominee and protégé Mjwara is, and which has not only institutionalised corruption through Mjwara's stint at Agriculture, but which has now also spread corruption to local government.

**MRS M H AMBLER-MOORE (DA):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**This House noting:**

The ongoing crisis of refugees still being housed in various centres and fed by volunteers;

That food supplies are running short in many instances, and

That this situation cannot be allowed to continue.

**Therefore resolves:**

To call on the hon Mabuyakhulu and the crisis committee to accept that there is a need for a long- term solution;

To take decisive action to relieve the suffering of the victims of xenophobia, and

To report back to the centres on what is happening now.

**PROF J S MAPHALALA (NADECO):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

iQembu leNADECO likhuthaza ubunye besizwe salesiFundazwe ukuze kuyo yonke imisebenzi yombuso kubonakale yonke inhlobo yemiphakathi yezakhamizi zalesiFundazwe.

Ukungazimbandakanyi kwezinhlanga zemiphakathi emincane emisebenzini yePhalamende noMbuso kungaba nemiphumela efanana nalena yeXenophobia ngomuso.

Akusoze kuphinde kube nombuso wedlanzana kulesiFundazwe.

**MR M E SITHEBE (ANC):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**This House noting:**

That rocketing commodity prices are a signal of a looming economic downswing which is a major challenge to all spheres of government, and

That the developmental and democratic state must provide decisive leadership in order to afford the poorest of the poor the dignity which they deserve.

**Therefore resolves:**

That all spheres of government must adhere to good governance, as well as transparent, accountable and democratic practices which must be closely monitored by State and civil organs, and

To embark on a vigorous “green revolution” in all spheres of government in order to clamp down on food shortages.

**Mr M B GWALA (IFP):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**LeNdlu:**

Iyakubhekisisa ukuthi uMose wabhekana nengwadla

Yokulamula abantu baseGibhithe ababelwa bodwa bengabesizwe esisodwa.

Nokuthi emveni kukazamcolo u-Noah wazala amadodana amathathu okungu Shem, Hamu no Japhet. Kwathi u-Hamu wazala u-Cush, Libya, Egypt kanye no-Canaan.

Iyakwamukela ukuthi abantu abampisholo bezwekazi lase-Afrika ngokomlando baphuma okhalweni luka-Canaan ka-Hamu.

Ngakho leNdlu iyakuchitha ukucwasana kwabantu ikakhulu abaphuma okhalweni lomuntu oyedwa nokugxeka ngokuphelele ukubandlulula ngobuzwe bama-Afrika ezweni lakithi.

LeNdlu incoma amagalelo abaholi phakathi kwabo okubalwa uMntwana uMangosuthu Buthelezi ngokugxeka abuye akhuze abantu abanomqondo wokuthi abantu bamanye amazwe ase-Afrika bayizihambi kulelizwe.

**MR G MARI (DA):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**This House noting:**

That representative organisations from the Indian community have called for the Durban Documentation Centre to remain at its current location, and

The indication by the MEC for Arts and Culture at the meeting of the Portfolio Committee -

That the Documentation Centre, following its refurbishment, will be converted to a music academy, and

That historic Indian artifacts would be housed in a section of the centre.

**Therefore resolves:**

To urge this House to reject any move by the Executive Council to find a new venue in which to house the artifacts, and

To congratulate the MEC for Arts and Culture for finding a way forward.

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**MS LF SHABALALA (ANC):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

Umkhankaso kaHulumeni oholwa nguKhongolose wokubuyisela emiphakathini abahlukunyezwe udlame lokubandlululwa nokwebelwa izimpahla zabo ezindaweni zabo.

**LeNdlu inquma kanje:**

Ukunxusa ihhovisi likaNdunankulu elibhekelele amalungelo oluntu ukuthi liqinise umkhankaso oqhubekayo wokuxhumanisa abavela ngaphandle nabangabalapha kwelakithi.

Ukuba uvule inkundla nabezindaba mayelana nokusetshenziswa kwamagama agqugquzela inzondo anjengo zifikanamthwalo ngoba e-Afrika asinalo igama elinjalo.

**DR M J MTHETHWA (IFP):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**LeNdlu:**

Incoma uPresident weNkatha uMntwana wakwaPhindangene ngokuvikela isikhundla sohlanga lomhlabathi ukuthi yilo kuphela oluyiNgonyama yamaZulu.

Lokhu kukhombise wonke umuntu nezizwe zonke ukuthi uMntwana uqotho akalona iphixiphixi, futhi kufakazelwe ngezenzo azithathayo uShenge ngankathi kubulawa izifiki uye owazikhalela kuqala, wathatha iduku lakhe esula izinyembezi omunye umama umhlaba wonke ubuka. Unwele olude Shenge!.

**MR D N KHUZWAYO (ANC):** Mr Speaker, I hereby give notice that I shall move on the next sitting day of the House as follows:

**LeNdlu:**

Iyakuncoma okwenziwe uHulumeni waKwaZulu-Natali oholwa inhlango kaKhongolose ngokuthatha isiShayamthetho isisekubantu.

Sesingalikhapha ngembaba elokuthi kusizakale imindeni eyevile ezinkulungwaneni kwisiFunda sasoThungulu.

LeNdlu iyabonga kubasebenzi besiShayamthetho nakubasebenzi beminyango yonke. Okukakhulu kuSomlomo waleNdlu ubaba uMacingwana noNdunankulu uMazalankosi nakubantu bakithi.

## 8. ORDERS OF THE DAY

### 8.1 Question Session commenced and Question No. 75/2008 ...

**THE SPEAKER:** Thank you, hon members, we have concluded that part of the debate and we now go to 8.1. Hon members, 8.1 is Questions. The questions standing over will be the first ones to be dealt with. Question to the Premier, question number 66. Question number 68 to the Premier as well. The Premier is not in the House and I am not aware of whether there is any member empowered to reply on behalf of the Premier. Hon Dr Mkhize?

**DR Z L MKHIZE:** I am sorry, Mr Speaker. I did not check that and I understood the Premier was held up on something pretty urgent and I think now that he has not been able to join us in the House, I will need to go out and check on that, but if there is a way, I ask that we deal with the other issues now. I am again not certain because I have not been in touch with my colleagues to know whether on the questions that exist, they actually have asked any of us. I am not aware of any question and two or three of my colleagues are here – I am not sure if they have got the answers to those questions, in which case we will just have to apologise for the miscommunication.

**THE SPEAKER:** Hon members, in the absence of the Premier, the three questions therefore, 66, 68 and 78, are shelved till the next sitting day, unless there is a different understanding from the Premier, but my recollection tells me that these two questions were extended at the request of the Premier's office because of the information that was being solicited, but let us just then wait and see, when the Premier is around I will consult him.

That goes for the new questions as well, question number 78, to be asked by hon Ms Mbuyazi in the absence of the Premier. That question cannot be answered as well, but we will talk to the Premier about it and arrange that it is answered at the next Question

day. Thank you, hon members, for your understanding.

Questions to MECs, new questions, question number 75, to the MEC for Education.  
Hon MEC Johnson?

**MRS L JOHNSON (MEC for Public Works):** Thank you, hon Speaker. MEC Cronjé asked me to communicate the response to the question from hon member P Govender, which reads as follows:

*“The National Department of Education developed the Morkel Model for the distribution of educators to schools in all provinces. This model is driven by learner numbers at schools, grade, subjects, poverty based on quintile and the budget, but there is a backlog of classrooms at schools in most provinces:-*

1. *Are there any processes that the KwaZulu-Natal Department of Education has put in place to address the situation where there are more educators than classrooms;*
2. *If not, why not;*
3. *Why is this not based on average learner attendance numbers;*
4. *How many educators are there at schools in excess of establishment requirements; and*
5. *How much is it costing the Department to pay educators who are not optimally utilised at their schools?”*

The response is quite a long response. I am not sure if the hon member would like to read the entire response or can the response be tabled for the hon member, but I would not mind reading it if he so wishes.

**THE SPEAKER:** The hon member who asked the question, Mr Govender, are you happy with the tabling of the response?

**MR P L GOVENDER (IFP):** Mr Speaker, I will accept that, thank you.

**THE SPEAKER:** Thank you, hon member. Hon MEC, you are permitted then to table

the response. Thank you very much, hon members, that concludes our Questions for the day. Then it also concludes that item, taking us further to item number 8.2 and that is going to be the Debate on the New Standing Rules of the KwaZulu-Natal Legislature.

END OF TAKE MM2

**THE CHAIRPERSON OF COMMITTEE CHAIRPERSONS (MR S N MTETWA):** Thank you very much, hon T W Mchunu. The next speaker to speak is hon G B Bhengu for six minutes.

**MR G B BHENGU (IFP):** Ngiyabonga Somlomo, ngibonge naleli thuba lokuba ngithathe le ndawo yokuba sikhulume ngomsebenzi omkhulu ekade sinawo siqale njenge-Sub-committee. Ngibonge kakhulu nosihlalo noma engekho u-Belinda, indlela awuphathe ngawo lo msebenzi ukuba singamaqembu simele aqembu ahlukene ukuba sibuke izinkinga ezidinga ukuba silungise imithetho yethu yokuqhuba lo msebenzi wale Ndlu. Ngokusempeleni nabuka nabona nebhayiskobho eyenzeka lapha eNdlini njengoba kukhona amalungu angakuthathisi ukuthi la sine-Constitution yezwe enalokho okuthiwa yi-Bill of Rights, enikeza onke amalungu ngaphambi komthetho ukuba avikelwe. Angiphathi-ke amalungu akule Ndlu, ukuba khona amandla uma wabele umuntu owayise ehlathini kwakumvumela kodwa hhayi ukuba awasebenze la, ukuba avese agxume nje athi nango-ke eseklebhula i-document yethu ekade siyikhipha. Amkhombe impela, amkhombe kuze kulamule yena u-Speaker obonile ukuthi bekuyi-programme le kodwa kube futhi akukho ngoba uma umuntu esebenzisa amandla akhe awasebenzisa kwakhe, abone ukuthi angawasebenzisa lapha, athi, ngeke sisekhona kuvunywe nje ukuthi kube khona abantu abenza kanje entweni yethu. Kube sengathi i-legislate lena eyakhe noma eyeqembu lakhe.

Uyabona nje sizama ukulungisa lezo zinto ukuba abantu bayifunde inhlonipho ngoba uma ufuna ukuhlonishwa uboqale uhloniphe wena. Uyokwazi-ke ukuhlonishwa. Yile mikhuba yemigilingwane esiyithola la. Kanti sike sahamba kahle sibambisene kusukela ngo-1994 sibambisene, sibekezala thina noma siphinde sithukwe kodwa sasincenga ngoba siyiqembu elafundiswa inhlonipho. Uyabona ngiyamhlonipha kabi uMongameli omdala uMandela ngoba ebazi ukuthi umuntu ababenaye bekhula becabangela ukwakha leli lizwe ngisho esejele, bebe bethintana bekhuluma izindaba zakobani. Ngisho esephumile kungakho wanikeza indawo. Uthe ukuba a-retire umuntu omdala,

sasukela leli bhayisikobho esilibukayo leli lokuthi kube khona abantu abakhohlwa nayi-Constitution. Avese amkhombe ukuthi wena ngizosebenzisa amandla ami ngikukhiphe kulokhu ngoba nginamandla, nginesikhundla.

Uyabona-ke le mithetho esiyishaya lapha, yiyo le ezosiza lokhu. Sinemithetho nje la esiyishaya lapha esilungisa ukuthi ngisho nalokhu okuthiwa asibabuze phela oNgqongqoshe. Sithi sesibabuzile bavesse bangabi bikho noma bavesse babhalele u-Speaker ukuthi ngisaphethwe yilokhu nalokhu. Ukuthi cha bo bo kukhona phela ukuhlonishwa ngoba ngeke ube wungqongqoshe ungaqala wayilungu lale Ndlu. Yilokhu esikhala ngakho ukuthi nanoma umuntu esekhunjwe wubani wamenza waba nesikhundla, azibone sekuyileli likayise eliphekeke kahle lakhukhumala lalikhulu bese kubukeka amanye amalungu kuyizinto nje ezinganakwa. Kanti wonke amalungu alapha angene ngokuthi yivoti labantu, amele abantu.

Lesi Sishayamthetho lesi esamalungu akusiso esabathize noma beqembu elithize. Uyabona yiyo le nto esiyiqondisayo Somlomo la. Sibuye senza into enhle sathi asiqondise la ukuthi njengoba u-Secretary elapha nje, ngalena kuhlezi abazi bomthetho sathi ababe isakhiwo esizodame sigada ngokomthetho ukuthi asilimali ngoba sizogcina silimale sihlezi lapha eNdlini. Sekuvese nje kwaqubuka nje into ayidlile umuntu nalawo mandla, umbone esewela nje mhlawumbe usefumbethe isibhakela. Basho bathi cha, umthetho so and so, awusho nje. Ayahloniphana amalungu ale Ndlu. Sithe-ke abamonithe bahlale njalo bemonitha lapho futhi bamsize no-Speaker ngoba kukhona nakho okuka-Speaker nabo abamncishele ukuthi akungahlali kungu-Speaker njalo ozothi uneqembu lethu.

Uma ungasasibuki kahle ushaywe ngalo lelo bese uma uqeda kungahle kube nje. Kodwa umthetho ubavikela bonke abantu baseNingizimu Afirka. Abawenze lo msebenzi wabo sibe sibabhekile nabo ngoba sibaqashele lokho ukuthi siyishaya nje le mithetho ezodinga ukuba ilandelwe kodwa yibona-ke phela namandla ka-Secretary okuba asebenzise laba ukuba bakugcine kahle ukuze kube nokuthula nenhlalakahle kuleli lizwe likaNkulunkulu.

**THE CHAIRPERSON OF COMMITTEE CHAIRPERSONS:** 30 Seconds to go.

**MR G B BHENGU (IFP):** Ngakho-ke njengoba ngiyaye ngisho Speaker ukuthi usiphathe kahle izolo kulama-Rules sikhuluma ngalokhu, kwagcina kuvunyelwana ukuthi kusheshe kulungiswe ukuze kubonakale ukuthi njengoba kukhona laba abafikayo kuze kusheshe kuqale, kusheshe nalokhu okunye. Sahlonipha-ke thina, sabathinta-ke lawa malungu seku-late ukuthi awabe lapha ngo-nine. Sibe yilona iqembu kuphela elibe lapha ngo-nine kanti amanye aseguqukile. Asebuye acelana okunye. Yilokhu esizodinga ukuba nikugade-ke ukuthi into ekhulunywe kuma-Rules, akungabe kusababikho abanye abathi uma bengahlangananga benze umsebenzi wabo bese bezothatha lo wesikhathi. Bese kuba khona amalungu elinye iqembu azohlala la kanti bangabantu abangenangqondo abangenamsebenzi. Ngizobuye ngibuye futhi.

**THE CHAIRPERSON OF COMMITTEE CHAIRPERSON (MR S N MTETWA):** Kulungile mhlonishwa ngoba seliphelile ithuba lakho. The next member to speak from the ANC, hon MA Tarr for eleven minutes.

END OF MM3-4

#### **MM5**

**MR M A TARR (ANC):** Thank you Mr Speaker. The debate and the Rules is hardly likely to be one that is going to fill the public gallery but nevertheless the Rules are absolutely necessary for the smooth functioning of this House and from time to time it becomes necessary to amend the Rules. These amendments come about for various reasons, for example, the Rules when they were first drafted cannot make provision for every eventuality that may arise and certain things come about where the Rules do not make a provision. They provide then that the Speaker can make a ruling until such a time as that ruling is referred to the Rules Committee for ratification and included in the Rules and then that ruling stays. Then of course, other things happen like changes in parties and party compositions. There are changes in chairpersonships etcetera which necessitate the changing of the Rules.

The Speaker himself mentioned a few of the changes that have taken place. He did refer to the changing of a procedure when the new Mandating of Provinces Bill comes through – so, I will not deal with that. Perhaps one or two other small things which will have some sort of change or impact in the lives of members, one which I believe is important Mr Speaker and which we have not done yet, is the whole question of video conferencing.

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To actually have made provision for video conferencing there are already short consequential amendments in our Rules that the impact for members could be considerable. For example, you will know that at the moment, when a new Bill comes through at National, we send members down there to get briefed by our permanent delegates in the NCOP and also by the departments. So, we put two members on the aeroplane and send them off to Cape Town for two days and those two members then come back and they then brief us here. Of course what happens now – instead of two members going to Cape Town, the whole committee can go and sit in our video conferencing room and they can be briefed by the permanent delegates in Cape Town and of course the national department. There is a great advantage in that we save costs of flying two people to Cape Town and back. The other thing is that the whole committee can be briefed and not simply the two members who need to come back.

So, I think Mr Speaker, your office and the Secretary should be complemented on setting up the facility which we have here, and I would recommend that members go and have a look because the venue is quite a state as the art facility which we can use to communicate now with all the other legislatures bar one I think, and obviously also with the National Assembly in Cape Town. I hope that members and committees and committee chairs take notes and make more use of the facility.

One of the other amendments in the Rules in fact makes provision for a ruling of the Speaker, and that is the participation of outsiders and enabling them to address this House which is now included in the Rules. The Rules now make it more clear as to enable other parties to participate where there have been executive statements and also then or the member of executive responsible for the statement with that person to reply after there will be party comments on the statement. One new inclusion in the rules which I think is important, is under questions Rule 109 has been amended and finally to answer the question standing over either orally or in terms of Rule 108 now constitutes contempt and contempt will then be dealt with as it is in that section in the Rules – that is important to change.

I am sorry that Mr Burrows and the DA are not happy with Rule 124. However, the reality is that – I am sure Mr Burrows will probably concede – is that in the day to day running of things the Rule is not really changed life much for anybody in the DA although I can understand what his problem is. We just could not reach agreement there, Chair. In

regards to substitutes, that is being tightened up in the sense that substitutes have had to be pointed now on ad hoc basis. If substitutes are appointed to a committee because of absence of a full member or an alternate, the appointment of such a person needs to be in writing to the Speaker and the chair of the Committee.

Perhaps the last thing I should comment on is the whole question of chairpersons. In the instance where a person from a minority party is appointed as chair of a committee this could affect the membership of another person who is also from a minority party and chairperson of a committee. So, Rule 128 is amended to take account of the situation where a chairperson of a committee comes from a minority party.

With those few words, I would like to support the amendments to Rules as they have been tabled on behalf of the ANC. Thank you Mr Speaker.

**MR R E KEYS (DA):** Thank you Mr Speaker, the Rules Committee and the sub committee have sat many hours and come up with amendments to those Rules that were either not working properly or were open to conflicting interpretation.

The amendments in the main have made improvements as to the way this House will operate and the DA is in support of those. Members will remember however, that there was great dissatisfaction when the ANC did not have the required number of their members in this House to successfully steam roll a decision in this House. So what did they do? They got the decision delayed by interpreting the Rules in their favour despite being advised that it was wrong. That Rule was retained as is, unfortunately, clearly to ensure that when the ANC does not have the majority they can abuse their position again. The DA's attempt to ensure that the Rule would benefit the whole House and not just one party was rejected by the ANC saying that they would never agree to a Rule that puts them on the same level as other parties. Talking about marching in the footsteps of Mugabe!

The DA has questioned the motivation behind changing the Rules within eight months of an election. Why at this late stage does the ANC push through the Rules review? We would have thought that the Rules should have been reviewed every six months by the committee to ensure they are kept up to date [inaudible] onto 2004 onwards. It seems like they presume that they will be returned to power in the province next year. Hon members of the ANC, you are counting your chickens before they hatch.

I turn now to the way the ANC has manipulated the representation in committees. They have removed the right of parties to representation in the committees. Here Mr Speaker, I refer to the right to vote and participate in committees as full members. Yes, each party has a right to attend and speak in each committee as per Rule 145 yet only two minority parties have the vote in any committee as full members. If this is not undermining the essence of democracy in this House then I do not know what is? Rule 136 (2) gives parties to have their opinions recorded, but the vote is determined by the full member. Mr Speaker, the minority parties do not have the right to be members of each committee. Thank you to the ANC besotted with absolute control. The DA actually recommended that 13 members is the ideal number per committee which would ensure the representivity in this House and the right of the party to be represented in the committee and to vote.

**MR R M BURROWS:** And vote!

**MR R E KEYS (DA):** Yes and to vote. Is it possible Mr Speaker, for the UDM with respect to represent the philosophy of the ACDP, the Minority Front and the NADECO or for the MF to represent the values of the DA – God forbid! The ACDP, the UDM and NADECO – it is impossible, it is completely – yet the Rules dictate that if it is a UDM representative in the committee that member represents four different parties. It is totally beyond me.... [Interjection] not likely Mr Speaker, but it seems like in the minds of the ANC led by the hon Scott, representation and voting must be by definition be schizophrenic. Clearly the ANC does not recognise the integrity and the rights of smaller parties to represent the voters that put them in office, and that is the essence of democracy.

Mr Speaker, we can only come to one conclusion that the ANC has begun its election campaign by attempting to emasculate the minority parties in their march to grab power next year. We see them using state resources at every turn to canvass and lure voters to vote for them and here hon members, you know what I am talking about – the abuse of office in the numerous events which can only be described as wasteful expenditure namely, the exorbitant sod turning ceremonies, izimbizo by the Premier, the MECs, national ministers and mayors which deny the reality that South Africans are going hungry and losing their possessions in the wake of severe economic situations faced by countries across the world. Our provincial government lives under the delusion that we

are awash with money and wealth and that they can be the great Father and Mother Christmases of that country.

**DEPUTY SPEAKER:** Just hold on

**MR V C XABA (Chief Whip of the Legislature):** Mr Tarr was on his feet requesting attention.

**MR M TARR (ANC):** Would the hon member please tell us what the sod turning ceremonies have got to do with the Rules.

**DEPUTY SPEAKER:** Mr Tarr, do not disturb the member. Please continue.

**MR R E KEYS (DA):** Thank you Mr Speaker. The DA calls on all levels of government to reign in their expenditure to the benefit of all the people.

Mr Speaker, with the exception of Rule 124 (2), the DA has indicated we will support a review of these rules but we cannot support the Rule that emasculate the right to vote in a committee. This House is making a grave mistake when it passes that particular Rule. I thank you.

**END OF TAKE MM6**

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Thank you very much for saving some time. The next member to speak [insert isiZulu \(12:13:20\)](#) Prof Maphalala

**PROF J S MAPHALALA (NADECO):** Ngiyabonga Somlomo. Iqembu le-Nadeco liyazemukela izichibiyelo ezenziwe emthethweni yeSishayamthetho. Siyazi ukuthi izichibiyelo zenzelwe ukuze lapho ekade imithetho engacacile kahle khona izwakale kahle, kube khona nokwengezwayo uma ngabe kade kunezikhala.

Ngiyafisa ukubonga uSihlalo, ilungu elihloniphekile uNkk Scott, ngendlela ngenkathi sise-Hillcrest kukhulunywa ngale ndaba umhlangano ayiwubambe ngayo. Okwesibili okubaluleke kakhulu, udaba lokuthi kunesidingo esikhulu, isidingongqangi, sokuba le mithetho yeSishayamthetho ihunyushelwe olwimini lwesiZulu. Akuzwalakali kahle ukuthi amaZulu, abantu abakhuluma ulwimi lwesiZulu, benamashumi ayishiyagalolunye ekhulwini la kulesi sifundazwe kodwa noMthethosisekelo kusigaba sesithupha,

kugcizelelwa ukuthi izilimi ziyalingana. Kodwa lapha kube khona kuphela obhalwe ngesiNgisi abe amaNgisi engafikile ngisho ekhulwini. Akuzwakali, siyaxakeka thina futhi sizwa ubuhlungu thina esikhuluma ulwimi lwesiZulu, isiNgisi esingakwazi ukusikhuluma nesingasikhulumi emakhaya.

Ngiyafisa ukuba Somlomo lolu daba luthathelwe izinyathelo. Ngesikhathi amabhunu esabusa kwakuphoqelekile isiBhunu nesiNgisi. Awuthandi awuthandi iphalamende ngeke liqhubeke liye phambili. Manje-ke lapha angisho ukuthi ngibuyela emuva obandlululweni kodwa lapha siyagcizelela ngempela ngoba sesifike entandweni yeningi yokugcina ngci ukuthi lezi zinto zihunyeshelwe olwimini lweningi, lwezigidigidi, lwethu thina amaZulu!

Ngiyabonga Sihlalo.

#### **END OF MM7**

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** The next member to speak from the MF, hon A Rajbansi, for five minutes.

**MR A RAJBANSI (MEC for Sports and Recreation):** Thank you, Mr Speaker. The Minority Front will support this package, but we have some very important reservations. When this particular Rule was debated the last time in this House, the utterances of the Chief Whip of the IFP still rings in my ears, and that is that the Rules are designed to punish the small parties, and the IFP could not have achieved it alone and I have said so, nobody can say it is wrong, because the hon Speaker referred in the report to minority political parties.

I read the National Assembly Rules – nowhere in the National Assembly Rules do you have in the definition column what is the definition of a Whip. They say that the Speaker determines the definition of a Whip, the number of Whips, from time to time. Go and learn from the hon Speaker of the National Assembly, the hon Baleka Mbete, of the respect they show to their allies, to their friends and the smaller parties and the smaller parties including the MF, are full members of important committees in the National Assembly, with voting rights.

Not only that, when they go overseas, not on Portfolio Committee visits, on other visits,

smaller parties are given the highest respect. I suggest that we review these Rules, although we will support it, because the fundamental principle that you are a member of a committee. We had a Rule that functioned well and the reason why we wanted to review this, is that the majority party in this House was having difficulty in the committees and then telephoned my colleague and said, "Can you please come and sit on this committee?" and she said, "But your Rules threw me out of your committee". Nadeco will say, "Your Rules which you drafted, kicked us out of the committee". The UDM will say, "The Rules which you drafted, kicked us out of the committee". I thought that the revision will deal with this. We have been kicked out, we have been trampled in these Rules and we remain trampled and I want to say this with frankness. [Interjections] You go and ask Matthews Phosa about a lecture on multiparty democracy, go and ask Jacob Zuma about the lecture on, you know, uniting friends.

Which party in this House has more than 41? Our Rules say the Speaker does not serve in committees, so you phone Nadeco, you phone MF, you phone the UDM and say, "Please we haven't got a quorum, we haven't got a vote, help us" and what you have done in these Rules, you have put handcuffs on us and tightened the screws so that we cannot help you.

However Radley Keys, do not bring election into this. You have about 45%, in Ward 73 you have 7%. [Interjections] And let me tell you this, this party is going to be returned to power because they have a double barrel gun – if the one cannot fire, the other will fire. [Laughter] Right, the other will fire and the MF is on a march, we will sweep the Indian vote, we will sweep it, anywhere, we will sweep it! [Interjections] No, no, no, we have allies, we have a coalition. [Interjections] No, no, we have a coalition.

Remember this, in 1999 they had 32, IFP had 34. [Laughter] Their definition does not refer to coalition. If Nadeco, the UDM and I form a coalition, what happens to the people of the DA, it is not provided for, but when we had 34:32, the MF formed a coalition and made it 34:34 and you had joint Chief Whips and today you have forgotten that and you want to trample us. Retaining, it does not deal with minority – go and learn from the National Assembly, go and learn from the ANC in the National Parliament, go and speak to Matthews Phosa, put this Rule to Matthews Phosa, Baleka, I worked with them, right, and today what you do, you not only put this right...

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**THE DEPUTY CHAIRPERSON OF COMMITTEES:** 30 seconds to go.

**MR A RAJBANSI (MEC for Sports and Recreation):** However, we will vote for it, because we know you are going to amend it and you have not got the voting power in the committees without one minor party. Thank you.

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Thank you very much, hon MEC Rajbansi. The next member to speak for four minutes, were to be ACDP, Jo-Anne Downs. In her absence we moved to the next member from the UDM.

**MR B J MSOMI (UDM):** Angibonge Somlomo, Ukube nami bengisesontweni bengizothi angisasukumi nalutho, usekhulumile ubaba uRajbansi. Angisho nami ukuthi ngiyi UDM ngizoyesekela le mithetho echibiyelwe, kodwa angisho ukuthi nginesikhalo nami ngoba sike sazama impela sathola ukuthi there is a lot of contention kwi representation yama smaller parties. But ngangibafisele-ke ozakwethu laba bamaqembu amakhulu kulowa nyaka, sikhuluma ngayo lento ngoba i-problem eyayikhona kwaba ukuthi ama small parties are over represented. So ngiyacela futhi ukuthi nakuba kuzanyiwe la ukuthi noma yiliphi iqembu, ngisho elingakanani libe nelungelo lokungena kodwa amalungelo okuthi sibe namavoti asinawo namanje. Akuselekeleli kangako ngona ngisho singayirejista i-concern yethu nge issue esine interest kuyona kodwa ayingilekeleli mina uma kungukuthi lo osimele njengewhip yethu ukhona. So kuyinkingake lokho. Nakuba kube khona ubungconywana kodwa akusisizi kangako.

Ngiyacelake Somlomo ukuthi abafowethu be ANC nabe IFP bangawesabi amaqembu amancane, ngoba inkinga kuba yileyo, yokuthi banovalo olokhulu kabi. Ngiyacela mina ukuthi bazi uma sisentandweni yeningi, wonke umuntu akanikwe ilungelo lokukhuluma anikwe futhi ilungelo elifanayo. Ngeke kuthi ngosuku bese sijika sibe namandla ngaphezu kwabo. Ngike ngabafisela impela inhlanhla, ukuthi ngiyafisa umshado wabo uhambe kahle, namanjenake Somlomo ngiyasho ukuthi ngizoyesekela lemitheshwana elungisiwe, ezosibusa la ukuthi sisebenze kanjani, kodwa nami nginesikhalo sokuthi kwakungcono

ngalesiya sikhathi sinelungelo elifanayo lokuthi sikwazi ukuvota as amaqembu uma kunama issues abalulekile.

Ngiyabonga.

**End of take MM09**

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** The next member to speak is hon V C Xaba from the ANC, for 10 minutes.

**MR V C XABA (Chief Whip of the Legislature):** Thank you very much, Mr Speaker. I think the debate is misplaced and we must put it in its rightful context, but I will do that later.

I want to say that we live in a democratic country, we have made democracy an integral part of our process and our lives, that our people have become too impatient with autocratic leaders, so we cannot be lectured by [insert isiZulu... \(12:24:44\)](#) like Mr Keys, on these matters. [Interjections] We improve democracy every day, that it has become an irreversible feature of our society. This cannot be said to have been achieved because of one political party. Indeed the ANC can be credited for having rejected the tyrannical regime and in its place installed a new order, laying a firm foundation for democracy. That we are able to speak today is because of our contribution, Mr Keys. [Interjection] Yes, we were not allowed to speak in this House and you were there, you never represented us. [Interjections] Yes, and the media and other organs of civil society have in fact contributed significantly to making this country an example of a thriving democracy. [Interjection] Yes, on the continent. The pace at which South Africa has transformed itself into a stable democracy, has basically surpassed all our expectations.

Yes, South Africa is still grappling with issues, but the issues we are grappling with are the issues that took other countries decades to grapple with, that today we are becoming the envy of other countries. This could not have been possible without established and clearly defined rules accepted and binding to all stakeholders.

Rules form the bedrock of any democratic order. Rules give you an idea of what to expect and we are proponents of this principle, Mr Speaker. The Speaker has tabled the

amendments to the Rules of this Legislature. The amendments are a product, I agree, of the collective effort of all the parties of this House. They are not everything the ANC wanted, Mr Rajbansi. They are not everything the ANC wanted, Mr Msomi. However, the ANC can live with them.

If, as Mr Keys put it, we wanted every single party to be represented in the committee, then, we must convert this House to be a committee of Local Government, convert this House to be a Committee of Finance, convert this House to be a committee... [Interjections] Yes, yes, because there is no way you can have every single party represented in the committee. How would you expect a one member party represented on 18 committees of this House? [Interjections] Yes, they are a compromise. Yes, you cannot, Mr Burrows. Yes, we agree with the principle that there must be some representation of all minority parties, but to expect you, a five member party, to be represented on 18 committees! [Interjection] Yes, yes, but you do not attend those committees. [Interjection] No, you do not, not all of them. [Interjection] No, it is never true, it is never true! We have been complaining about the quorum because of the smaller parties.

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Just hold on.

**MR R M BURROWS (DA):** Will the hon Chief Whip in his full flow take a question?

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Will you take a question?

**MR V C XABA (Chief Whip of the Legislature):** No, I am dealing with his question now in my speech.

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Carry on.

**MR V C XABA (Chief Whip of the Legislature):** So you cannot expect it and, Mr Msomi, it is a fact [umfwetu](#). You are a one member party, you know, and committees sometimes run parallel to each other and there is just no way you can split yourself into two, there is just no way you can split yourself into 18. The same thing applies to Mr Rajbansi. There is just no way, Mr Speaker, we have tested this and it was not possible.

Even in the past, Mr Keys, but this time in terms of these Rules, all parties can be represented, you can express your views, but when have you seen a committee voting –

when, when, when? When we arrive at decisions consensually. There is never a time when a matter was put to the vote... [Interjections] What Bill, when? [Interjection] What Bill? You do get an opportunity in the House to express your thing. What we said in these Rules, we are saying you will be represented you will be allowed to express yourselves. If you have was a dissenting opinion, that dissenting opinion will be written in the report and the report will be presented in this House. What else do you want? Because even if you had to vote, you would be outvoted. [Interjection] Yes, you would be outvoted.

In the past, to circumvent this problem, we said the parties in the committees will vote according to their proportional strength. Even if the ANC is represented by three, but it will go into that committee with its strength as it is represented in this House. [Interjections] Yes, yes, it was so, Mr Burrows, yes, it was so. [Interjection] Yes, I was right, but this time round again the problem we had was that once we allowed that, but those members, 13 of them, were counted for the purposes of quorum, but when the MF was not there, the UDM was not there, the ACDP was not there, then that robbed the committee of its quorum, Mr Speaker. [Interjections] Yes, yes... [Interjections] No, we are always there, we are always there... [Interjections]

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Order hon members, order!

**MR V C XABA (Chief Whip of the Legislature):** No, no, no, no, Mr Rajbansi... Let me tell you, from these Rules, Mr Chair, flow parliamentary procedure. Let me tell you what Nancy Sylvester, the author of "*The Guerrilla Guide to Roberts Rules*" submitted. She said, Mr Rajbansi, "*Parliamentary procedure exists for three purposes, to expedite business, to ensure legality, to protect the minorities.*" Yes, to honour the minorities. So, who is this Chief Whip who said these Rules would punish the minority parties? [Interjection] Ja, sure, but it is certainly not his Chief Whip, Mr Rajbansi. [Interjection] No, certainly not, at least it is not this Chief Whip – this Chief Whip allows that the cornerstone of these Rules is to ensure that there is legality, is to ensure that minority parties are protected. That is the reason why you are allowed to debate with the majority parties – otherwise we would just trample upon you and just push matters to a vote. [Interjections] Yes, because we know who will win the vote!

You asked a question, Mr Keys, why are we piloting these amendments ten months

before elections? We are doing it because you were distorting the interpretation of these Rules, you were basically robbing minority parties in broad daylight! [Interjections] Yes, yes, you should be in gaol. [Interjections] Yes, you should be in gaol, you are robbing them and you have to correct it. [Interjections] Yes, Yes. [Interjections] No, no, no, no, we are correcting that. If you want to know why we are piloting these Rules, just to clarify the point, but not a presumption that we are coming back as the ruling party, not a presumption, it is a fact! We will come back with numbers more than we have right now, Mr Rajbansi, there are no two ways about it. [Interjections] Yes, there are no two ways about it.

Mr Speaker, you are the custodian of these Rules, we are making you the custodian of our Rules and in that case we leave it to you and we know that you have been fair, but what Mr Bhengu was talking about has got nothing to do with these Rules, nothing, has nothing to do with these Rules. Instead he is going down the road of trying to snub other people in this House, Mr Bhengu, that is not how you should deal with the matter. If you want to be treated with respect, you must also treat other people with respect, do not snub them... [Interjections] Yes, do not snub them. If you have a point, raise it with the Speaker in black and white. The Speaker will investigate it and add on that issue.

So, lastly I want to say that these amendments further clarify a matter which was the subject of debate in this House and that matter related to the insertion of the amendment...

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Just hold on, hon member. I see hon Bhengu is up. Can we hear?

**MR G B BHENGU (IFP):** May I, through you Chair, remind the hon Chief Whip of Rule 63. He has been calling members by name, not taking cognisance of Rule 63. I do not know whether he has already rubbed it out. [Interjections]

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Okay, please follow the Rules, colleagues.

**MR V C XABA (Chief Whip of the Legislature):** Yes, hon Bhengu, and I am actually asking hon Bhengu to be honourable...

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** You have 30 seconds to go.

**MR V C XABA (Chief Whip of the Legislature):** We say these Rules now apply to the non-members as well and I assume that this therefore clarifies the question as to whether a non-member of this House can actually enter into a debate at the conclusion thereof, because the argument previously stemmed from the fact that the Rules were limited in that state, did not apply to non-members. Although we implemented the principles nonetheless, but I am sure it is a matter, Chair, that we will debate with the Whips, but my feeling is that now they can participate in a debate. Thank you very much.

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Thank you very much, hon member. The next member to speak, from the IFP, hon G B Bhengu, for seven minutes.

END OF TAKE MM10

**MR G B BHENGU (IFP):** Ngiyabonga Somlomo. Ilungu elihloniphekile, elingiNgqongqoshe laphana alinaye oseduze elizombhansa njengoba libhanse omunye nje. Cha okungiphatha kabuhlungu lapha Somlomo ukuthi uSomlomo wenze into enhle lapha izolo wathi iCommission for Remuneration of Office Bearers ayizobriefa onke ama members. Kulabo abake bayifunde le document selokhu yaprojuswa as early as 1998 yile Khomishana, abakade bezofuna ama amatrade issues and tools ama individual positions. Ngiyabona ukuthi senisebenze kangaka kukhona abantu abangakayi understandi ngoba yiyo enikeza ngisho ama duties, kwenzeka lokhu nalokhu, kepha ama duties as we are members, were clustered kubantu abawu 8 bese sinikezwa ibenefit. Ngengoba singu 80 nje kusho ukuthi sicluster into 10. kodwa manje ngoba yonke lento ayikhulumayo iya emalini, enkeceni ukuthi iphuma kanjani ngaleKhomishane eyakhiwa nguPresidenti wethu sonke, kodwa ongoweqembu lenu. Kodwa manje la uma sekukhulunywa Somlomo sekuthiwa hhayi, sekuthiwa u8 akavese angene kwikomidi nje, akhokhelwe nje ukuhamba njengo 8 wonke ekomidini hhayi lesiya scale esenziwe yikhomishana. Ukubone ukuthi hhayi sekuyidanger la abanye bangawuthatha no 10 years experience kodwa kufane no no years experience. Lo msebenzi owenze wamuhle kangaka Somlomo wathi wonke amalungu njengoba na-national nje, wonke umuntu

oyilungi une interest yama benefits. Akungabe-ke isikhishwake ngoba nakhu ngingedwa, ukuze ngikwazi ukungena napha kodwa bese kungilungelake, ngithi cha bobo Somlomo lama procedure alandelwa yikomidi lakho lama rules alandela amaregulations afika ku guide employment, manje akusikho ukuthi into ovese ekomidini lakho wakushintsha nje wakwehlisa ezulwini, kodwa kukalwa ngalo mthetho okhona, abasafuna okunye futhi ukuze barivayze amabenefits. Kumanje kuzothi lokhu abakuthola kuqala singakakwazi bezofuna okunye koku-eda khona, hhayi sengathi yinde lendlela Somlomo oyihambayo, ngiyakuzwela impela. Kodwake kuyakhomba ukuthi as iminyaka iqhubeka ukuthi ilungiswe imithetho futhi ibuye iworkshophwe, mababuye labantu abangafuni uku-athenda, njengoba ukhuluma nje Ngqongqoshe bengekho ozakweni, bazophinde bangafuni ukuzoyiphendula imibuzo ngesikhathi, uma sesithi sebenze icala bese ngiqalake nje ukuneka izandla nje. Ukhuluma ungakakhonjwa namanaje noma usunguNgqongqoshe.

Okwesibili yikhoke lapha kulomthetho sidumisa amandla kaSecretary, ukuze uSecretary umsebenzi wakhe singathi thina singama-politician sihambe sigxambukela. Kodwa kuthi thina as politicians sazi ukuthi i-administration, njengoba sesiwasetheklwe nje amarules, sazi ukuthi ihambai ngendlela okuyiyonayona, eyenza nawe Speaker ungalokhu uhlupheka, i-order ibe khona kulendlu yakho. Ngoba akusizi ukuthi uma ngizwa into ingithinta bese ngifuna ukubhongisa okwebhubesi kulendlu, ubone ukuthi umuntu umazi uyigentleman kodwa umbone impela ukuthi hhawu, nasi esinye isithombe siqhamuka. Kodwa akungisolisike ngoba sekusele izinyanga eziyishiyagalolunye siye okhethweni, sesiqalile lesi sifo esiqale le ePolokwane, sokuthi ngingaphi, ngizongena, ngizphuma, ngizoba yini? Uyabona manjeke yiso lesi esesiqala uzwa sekubhongwa lapha ngoba nalowo ufuna ukuzikhombisa ukuthi cha ngikhona. Mina ngithi hhayi ke, hlehla akukaphakwa, asihambe nje kahle ngoba lomsebenzi, yikho uzwa lapha sekuqhamuka amagama amasha ngoba sekune NEC entsha kwase kuthintwa oPhosa akehle abazosiza, sekuthintwa oPresident be ANC, akasakhulunywa ngoPresident okade ekhona,. Uyalubona nje lolulimi

ukuthi hheyi bo kulungiselwa ikusasa Somlomo, ukuthi ngize ngibonwe ngoba bengiboniwe kodwa abangibonayo nakhu bephuma abanye bazophuma nje ekuphelelni kwale nyanga. Izinkinga lezi ozibonayo ukuthi kuhlushekiwe lapha phandle abanye abantu bazoze baphathwe yisfo senhliziyo nkosiyami. Dokotela Buthelezi anolungisa imishanguzo yenu ngoba kuzothuthwa abantu lapha Somlomo sebethwalwa, sekwenzeka izinto ezingadingi ukwenzeka kumalungu ahloniphekile.

Sithi thina ngalokhu-ke njengeqembu siyakweskela lokhu kulungiswa koMthethosisekelo. Njengeqembu siya phambili ukuze indawo yaKwaZulu-Natal ibe yindawo ephatheke kahle, sisuke kwesasaziwa ngakho siye kulokhu okufanele saziwe njengesifundazwe esiya phambili.

Ngiyabonga.

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** I now call the mover to respond Hon T W Mchunu for 15 minutes.

**MR T W MCHUNU (ANC):** Mr Speaker I think it is important that I do thank members for participating in this debate constructively. Whatever negative things that have been said I regard them as just part of debate of the House which members of the House embark upon from time to time.

There are really not many issues that have been raised by members starting with ubaba uBhengu. Ubaba uBhengu I really don't think he debated the Rules or the amendments to the Rules at all. The main issue that I think he has raised is an issue that has been raised by another hon member during the debate and that is the issue of forthcoming elections, but I do want to say that the issue of forthcoming elections does not affect only one party. All parties are affected by it and if I could say Ngcolosi when I was listening to the motions this morning they were telling me exactly that story. Those motions that were moved this morning by other members were telling me a story that when they now speak, they speak in order to honour, in order to be seen I am saying therefore it could be said either way but its not an issue that we should really be getting into. It is obvious we are all going to be campaigning one way or the other so we cannot run away from

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that fact but that does not debate the Rules.

I want to comment on only one of the issues raised by Mr Tarr and that is on video-conferencing. Hon Tarr, you are right about video-conferencing. It will change the manner which we deal with matters that affect the Bills as well as the NCOP in particular but what I thought is important to say to echo your own words, I think we must thank the Secretary and the staff of this Legislature because this legislature was hailed as the first Legislature to be complete with all the implementation of making the video-conferencing room and it's facilities ready to be used. This Legislature was the first one therefore that is the efficiency that our Legislature requires and that is the reason why we thought we were picking upon one of the best amongst those who were capable of being Secretaries. Besides that, the main things that you have said, Mr Tarr, were in support of the Rules.

Bab'uMaphalala the issue is translating rules into IsiZulu. Baba siyabonga kakhulu umsebenzi uyaqhubeka at that level siqinisele masithi it has just been the setting up of our languages section but certainly sizoyi- satisfaya le need that you are pointing at. UBaba uMsomi, Baba uRajbansi, Mr Keys have raised in the main Rule 124. I do want to deal a little bit with Rule 124. UXaba I think as a member of that sub-committee that dealt with the Rules has led his own motivation for the Rules very well. Rule 124 should be accepted as a compromise I don't think all of us are saying it's the best and I think u-Chief whip said it very well that the rules as a whole are not the best that all of us would want. Now, I am therefore guided by the spirit that prevailed when this matter was being debated in the subcommittee. The spirit was to the effect that it changes slightly from what we have had before. It tries to address the worst situation that we had before but it does not entirely address the needs of all of the parties especially the smaller parties.

I think we should acknowledge that. I think we should acknowledge it but do say that in the spirit in which this sub-committee was proposing that let's go ahead but on the basis that we continually research on this matter and continually try to bring it inline with whatever is being done elsewhere which accommodates everybody. I think that is the spirit which we accepted in the Rules Committee and that I accepted as Speaker as well. So I will therefore appreciate the fact that especially the UDM and MF are saying this is a concern but it is not stopping them supporting the rules. When it comes to the DA, it's the right of the DA not to agree with that section. It's been properly recorded and I see

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nothing wrong with that happening. It is just a process matter where the right of the DA is properly recognised. Let's take it that way. The issue about Rules is similar to law and is also similar to principles of democracy. It's not a static process. It's dynamic it changes all the time therefore our Rules will be changing all the time. I am making mention of this Mr Keys because really it does not matter that we are eight months before elections or only eight months before elections but I don't think you expect us to not take our responsibility and change Rules where we think there are not suitable for the House. In the next eight months we will still be operating as the House. Therefore we need to operate in a better environment and it is not going to be perfect. We are clear on that one. It is not going to be perfect. It will accommodate the circumstances that we find ourselves under.

Therefore I think that is the manner in which we should be dealing with that issue. Let us just be dynamic and we can change the Rules as we go on. The others who will come after us will also change in accordance with what they think is best for their members for the members then.

The 13 that was being proposed by the DA I think there is forum in which I debated it seriously whether 13 is going to assist the legislature. If we look at it subjectively it's a correct number if you look at it subjectively but if you are objective and you look at the realities and I think these issues have been discussed with the Chief Whip. The issue of quorum is one of the major crises of this Legislature in the committees. Now, by all means we should be trying to address it. One of the ways that I thought the Chief Whip was beginning to address was to rationalised committees and that is the move he was taking when he was saying, although it was logically correct as well. I think it was proliferating the committees unnecessarily and then therefore making everybody to participate in too many committees. So all of those matters I think the Chief Whip and myself had discussed but the issue of quorum must be on an ongoing basis dealt with. I am therefore happier if in trying to address the issues of quorum we also manoeuvre to put things in a different way but what is good is that there is no party that have been deprived of the right to attend that committee and that there is no party that cannot have a say in that committee including the recording of the opposition to each issue because even a party that is not represented at that stage has that right and that right to me is equivalent to the vote and that is the only compromise that makes it logical to then say which is why I accept the MF and UDM's positions. It's only logical to say that can just

induce somebody to agree but with a view that it will eventually be changed in the future.

Hon members, I think the debate for me has been a very good debate and it's a debate that is suitable for us when we devise our own rules of procedure. I think it's good to debate in this manner obviously we cannot take away this thing that members do have of just pinching one which on an ongoing basis one another. It's not a problem but the rules as they have been debated, have been debated fairly in the issue of Rule 124 must be addressed on an ongoing basis.

Mr Speaker, with that understanding I therefore want to thank again the Chairperson of the sub-committee, members of the sub-committee, all those who participated in the sub-committee even if they were not members but they contributed to the formulation of these Rules. I also want to thank all of the staff members who participated in assisting that sub-committee to redesign our Rules for this House and I therefore on the basis of that move that the Rules be adopted by this House.

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Thank you very much, colleagues. I will now put the resolution as proposed by the Rules Committee, as follows:

1. To adopt the proposed Standing Rules;
2. The deletion of Rule 121(1)(b)(iv). An adoption of the proposed new Chapter 15 is suspended until the Mandating Procedures of Provinces Bill has been enacted and has become operational;
3. Upon the enactment of the above-mentioned Bill and the commencement of the Act, the Standing Committee on the National Council of Provinces matters is automatically established and the provision of the new Chapter 15 then becomes applicable.

I now put the resolution to the House. Those in support of the resolution, say "Aye" [Aye]. Those who are against the resolution, say "No". The "Ayes" have it. Mr Keys?

**MR R E KEYS (DA):** Mr Speaker, could you please let it be noted that the DA is opposing Rule amended as Rule 124(2) — let our objection to that Rule be noted.

**THE DEPUTY CHAIRPERSON OF COMMITTEES:** Okay, noted. Thank you very

much, the new Rules have been adopted. What is going to happen now, colleagues, we are going to go for lunch and come back for the next debate. The time is 12:55. We will return at 13:55. The House adjourns for lunch.

### ADJOURNS FOR LUNCH / RESUMES

#### **END OF MM13**

#### **8.3.**

**THE SPEAKER:** When we adjourned we were left with Item 8.3. to debate. We will now begin with that debate. Hon Z L Mkhize has 30 minutes to introduce the debate.

**MR R M BURROWS (DA):** Mr Speaker, I rise on a point of order, because I do not want to interrupt the hon MEC. I notice that the item on the Order Paper is that we will be debating the report, Debate on the End of the Year Provincial Budget and Performance Assessment Report. As far as I am aware that report has not been tabled in the House, It has been tabled to the committee. My question is will it be tabled to the House as a whole. If the answer is yes, I am perfectly satisfied.

**MR V C XABA (Chief Whip of the Majority Party):** The answer is yes.

**THE SPEAKER:** Mr Burrows you have indicated that you will be satisfied and I assumed that you are now satisfied that it is part of the process of delivery.

**MR R M BURROWS (DA):** Mr Speaker, I will await delivery.

**THE SPEAKER:** Thank you. Can delivery of that report please take place? Let us then proceed, hon Dr Mkhize?

#### **MM14**

**DR Z L MKHIZE (MEC for FINANCE and ECONOMIC DEVELOPMENT):** Mr Speaker, hon members, I wish to table the 2007/2008 preliminary close-out Budget Performance Report to the House. We have delayed the distribution pending the formal tabling and then leave it as it is now duly tabled. It is my honour once again to table before this House, this report.



The highest over-collection, in monetary terms, was recorded by the Office of the Premier in respect of the Casino Taxes amounting to R48 million. The over-collection is mainly attributed to the improved enforcement and surveillance of the operations of the casinos in the Province, as well as higher than expected growth in consumer demand. The over-collection on interest is due to increased interest rates and higher positive cash balances at the beginning of the year. For the first time in a number of years the actual revenue collected in respect of Patient Fees (which is the main category under *Sale of goods and services other than capital*) exceeded its budget, resulting in the over-collection of R15 million by the Department of Health.

The other significant over-collection was recorded by the Department of education at R20 million and is due to the concerted effort made by the Department to recover outstanding debts relating mainly to domestic accounts, stale cheques and the reconciliation of unallocated credits. The recovery of these monies is recorded against the item *Financial transactions in assets and liabilities*.

Mr Speaker, let me now turn to the analysis of the expenditure performance.

## **BUDGET PERFORMANCE**

### **Expenditure**

In aggregate, the Province spent R44 billion R757 million compared to the Adjusted Appropriation of R44 billion R538 million, resulting in an over-expenditure of R219.594 million or 0.5%. The above table however, includes the budget and expenditure of all conditional grants which in total, were under-spent by R327 million. In terms of the regulations, under-expenditure on conditional grants may not be utilised to offset over-expenditure in other areas. Therefore, the net over-expenditure of R219.594 million must be increased by the under-expenditure on conditional grants, resulting in a real over-expenditure or deficit against the budget of R553.9 million. It is important however to note that in cases where there are credible commitments against conditional grants, such funds are most likely to be rolled over. Therefore the amount of conditional grant under-expenditure remains fluid until the finalisation of the roll-over requests.

**Insert TABLE 3 XXX**

Overall, the provincial departments performed well, with nine departments recording

expenditure of between 95 and 100 per cent of their Adjusted Budget. Only two of the 16 provincial departments recorded significant over-expenditure of more than 1% of their allocated funds, namely Department of Health with an over-expenditure of R1.2 billion or 10.2%, The Royal Household who over-spent by R3 million or 8.2%, Two departments over-spent by less than 1%, being Housing (0.6%) and Transport (0.1%).

Apart from the under-expenditure of R205 million by Provincial Treasury relating mainly to Government Employee Medical Scheme (GEMS), the only other department with significant under-expenditure is Vote 3: Agriculture and Environmental Affairs. The under-expenditure of R202.8 million or 14.2% against this Vote is largely due to the impact of the comprehensive review of the budget and procurement processes during the first half of the financial year in line with the Standing Committee on Public Accounts and Finance and Economic Development Portfolio Committee resolutions.

Let me briefly discuss the over-expenditure in the Department of Health due to its negative net effect on the provincial position for the previous financial year. The department over-spent on compensation of employees by R730 million in 2007 and 08. According to the department, the implementation of the Occupation Specific Dispensation for nursing personnel amounted to R642 million compared to the budget allocation of R237 million, resulting in a shortfall of R405 million. Furthermore, the under-budgeting for the July 2007 wage agreement resulted in another shortfall of R75 million in the compensation of employees budget.

There was also over-expenditure against *Goods and Services* of R680 million. The department attributes this to high medical inflation rate as well as increased demand for health services. For example, the targeted number of patients receiving anti-retroviral treatment was 66 000 in the beginning of the financial year but the actual number of participants amounted to 146 000 by the end of the financial year.

We have discussed at length the issue Health over-expenditure both at the Minister's Committee on Budget (MinComBud) and at cabinet. As a result of these discussions, a recovery plan has been developed firstly to determine how to finance the 2007 and 08 over-expenditure and secondly to ensure that over-expenditure does not recur at all over the MTEF period and beyond. I will give details of the recovery plan in a short while.

Let me briefly present to the House the expenditure outcome of conditional grants in the

province.

## **CONDITIONAL GRANTS EXPENDITURE**

Table 4 below, shows the unaudited actual expenditure incurred in 2007 and 08 on national conditional grants by departments and grant type, against the 2007 and 08 Financial Appropriation.

On aggregate, the province spent 93.8% of the conditional grant allocation for the 2007 and 08 financial year, which is R4 billion R985 million against the R5 billion R314 million allocation. This expenditure performance is more or less the same as in the 2006/2007 financial year. The following grants show significant under-expenditure:

### ***Agriculture***

- The Land Care grant under-spent by 58%,
- Comprehensive agricultural support only spent 19% of the allocation,
- Agriculture Disaster Management did not spend a single cent of the allocation.

### ***Education***

- HIV and AIDS (Life Skills portion) spent 68.2% of the allocated amount,
- National School Nutrition Programme spent 79.2%.

### ***Health***

In Health, only one conditional grant showed significant under-spending – the Forensic Pathology Services Grant which spent 54.1% of the allocation. It seems as if there are still difficulties in resolving a number of issues between the Department of Health and the South African Police Services regarding the transfer of this function to the provincial Departments of Health across the country.

So, we remain very concerned at the continuous under-spending of the conditional grants particularly in Agriculture, but given the renewed strategic focus of the Department, it is our view that the trend of under-spending will not be repeated in the current MTEF period.

**Insert TABLE 4XX**

**INFRASTRUCTURE**

Table 5 gives a breakdown of infrastructure expenditure by department and category of project against the 2007 and 08 infrastructure budget.

In aggregate, the province spent R6 billion R600 million or 96.4% of its R6 billion 900 million infrastructure allocation for the 2007 and 08 financial year, with five departments recording a slight over-expenditure. This is down from 99.9% expenditure recorded in 2006 and 07. The largest under-expenditure was recorded by the Department of Agriculture and Environmental Affairs of R100.7 million mainly in respect of the construction of the mushroom base at Cedara with the full R44 million unspent, CASP infrastructure projects, as well as the construction and upgrading of office buildings in the districts, which did not commence as anticipated, due to unavoidable procurement delays. We have been assured by the department that most procurement difficulties have now been resolved and expenditure should pick up significantly in the current financial year.

**Insert TABLE 5XX**

**DONOR FUNDING**

Table 6 provides a summary of donor funding and agency receipts for the 2007 and 08 financial year, by department. More details of the donors are provided within the relevant departmental chapters in section 2 of the Preliminary Close-out Report we are tabling today.

**Insert TABLE 6XX**

On aggregate, the province has spent 96% of the funding that became available through donations and agency receipts and suggests that the province has performed well. In fact, this is a significant improvement when compared to the 84.5% expenditure recorded in 2006 and 07. However, when looking at individual departments it becomes clear that for example, Economic Development and Health have recorded significant under-expenditure while Education and Transport over-spent by 134.7% and 15.9%, respectively. Such significant variations need to be addressed and departments must

ensure that they implement effective systems and processes to ensure that on the one hand funds received from the respective donors are spent when received, and on the other, that expenditure is not incurred until the funds are received.

**HEALTH RECOVERY PLAN**

Then we focus on the Health Recovery Plan. Let me now turn to this issue of over-expenditure in the Department of Health. As mentioned earlier, the R1.2 billion over-spending by the Department of Health in 2007 and 08 resulted in a net deficit for the Province as whole as indicated in Table 7.

**Insert TABLE 7XX**

The deficit of R219.6 million increases to a net deficit of R706.2 million after giving consideration to unavoidable commitments as well as legitimate roll-over requests from various departments which have been approved by both MinComBud and Cabinet.

It is this R706.2 million that the Department of Health has agreed to finance from within its 2008 and 09 allocation. What this means effectively is that departments in the province have already financed partially the total R1.2 billion over-spending by Health.

As per the recovery plan, Cabinet has also instructed Provincial Treasury to negotiate with National Treasury for full compensation of the over-spending incurred as a result of the implementation of the Occupation Specific Dispensation (OSD) for professional nurses. According to the latest estimates, the funding shortfall for OSD is R404 million in 2007 and 08. If the Provincial Treasury is successful in the negotiations, the Department of Health will only need R302 million from their 2008 and 09 allocation to finance the 2007 and 08 over-expenditure.

Given the fact that almost all provinces have over-spent their personnel budgets as a result of OSD implementation, the indications are that National Treasury is likely to provide some relief.

Mr Speaker, I have briefly discussed the proposed financing of the 2007 and 08 provincial over-expenditure. Let me also inform this House of the other components of the Health recovery plan which in our view will result in controlled expenditure in the Department and thus minimize chances of possible over-expenditure going forward.

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As per Cabinet and MinComBud resolution, Provincial Treasury and Health have developed a recovery strategy (plan) that will ensure that there is no repeat of over-expenditure this financial year and throughout the MTEF period. This strategy includes direct support by Treasury. The support will be in the form of secondment of Treasury staff in key areas of financial management such as budgeting, cash-flow management and supply chain management.

The support strategy has three focus areas:

- (a) *Cost reduction* which will entail
  - i. Establishing priorities for the department in the short-term and costing these, and create a platform to reduce waste and eliminate fraud and corruption where it can be found
  - ii. Establishing expenditure control mechanisms and look out for outsourcing opportunities where it is cost-effective to do so
  - iii. Establishing cost containment measures and creating a structure to replicate this for similar services department-wide
- (b) *Budgetary improvements and expenditure monitoring* which will include:
  - i. A re-look at the spending priorities with a view to re-allocating funding based on priority spending areas. This may also entail a change in the baseline for individual programmes and sub-programmes of the Department
  - ii. Creation of cash flow management system with monthly reporting mechanism of actual cash outflows
- (c) *Supply chain management (SCM)*

SCM is another important tool to guide expenditure on goods and services. In the case of the Health Department, supply chain management has to anticipate the demand for goods and services that support the delivery of the healthcare system in the province. Therefore, the supply of medical sundries and equipment for example should mirror the plan for the delivery of healthcare at the appropriate level.

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Some of the steps that the intervention team will embark upon with respect to supply chain management include:

- i) Reviewing the SCM structure including capacity building in the department
- ii) Creating an SCM plan for the year with clear timelines for tenders going out, adjudication and implementation
- iii) Eliminate and reduce the use of quotations to emergency items only
- iv) Monitoring compliance with BEE targets as agreed at Cabinet and Legislature.

There are other expenditure control measures that will be implemented jointly by Treasury and Health, and these will target the following spending areas:

#### **Compensation of employees**

- Close monitoring of leave and S&T
- Moratorium on the filling of non-critical vacant posts
- Close monitoring of overtime

#### **Goods and Services**

- The introduction of least call routine will achieve an estimated R21 million in telecommunications costs
- A moratorium on the use of nursing urgencies which may yield up to about R18 million
- An estimated R15 million will be achieved by cutting back on the use of Consultants
- An estimated R28 million will be achieved through the restriction of the use of private hospitals

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- Enhanced fleet management to address motor vehicle running costs
  - Enhanced management of in sourced patient catering to ensure that savings are realized therein, to be followed by the immediate outsourcing thereof
  - Review of office and equipment leases
  - Delay in certain of the building maintenance projects will yield savings of some R50 million
  - Additional savings are expected from the outsourcing of security services which are currently on month to month contracts, and
  - Review of services provided by SITA.

Let me then conclude by emphasising the importance of proper planning and budgetary controls. In the main, over-expenditure is a direct result of poor planning and lack of expenditure control mechanisms. It is with this in mind therefore that we have developed a plan that will strengthen expenditure controls in the Department of Health. We are also appealing to other provincial departments to be vigilant in this regard so that they also remain on budget.

I invite the members of the House to note the following:

- i. The provincial net deficit for 2007 and 08 as a result of Health over-expenditure
- ii. The plan to finance the over-expenditure
- iii. Good performance in infrastructure spending, and
- iv. The persistent under-spending of conditional grants particularly by the Department of Agriculture.

Therefore Mr Speaker, allow me then to table for consideration once more this 2007/08 Budget Performance assessment report for KwaZulu-Natal.

Thank you very much.

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**END OF TAKE MM14****MM15**

**MRS BF SCOTT (CHAIRPERSON for FINANCE and ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE):** Mr Speaker, hon members, on 20 May 2008 the Finance and Economic Development Portfolio Committee received a briefing by Provincial Treasury on the 2007/08 Preliminary Close-out Budget Performance Report for KwaZulu-Natal. Due to significant over- or under-expenditure, the Committee selected the following departments for hearings on their 2007/08 close-out budget statements namely: Department of Education, Department of Health, Department of Agriculture and Environmental Affairs, the Legislature and the Department of Royal Household. These hearings were conducted from the 20 May to 11 June 2008.

In this regard the Committee wishes to extend its gratitude to Provincial Treasury for its assistance to the Committee during these close-out budget hearings and to all MECs, Heads of Departments, Chief Financial Officers and departmental officials who participated in these hearings. The co-operation of Departments is greatly appreciated.

Just a general overview which is very much of a summary of what the hon MEC has already stated.

The total provincial revenue for the 2007/08 financial year amounted to R1.54 billion compared to the budget of R1.423 billion, resulting in a net over-collection of R113.5 million or 8%.

The preliminary provincial expenditure for the financial year amounted to R44.758 billion or 100.5% of the final appropriation of R44.538 billion, resulting in a net over-expenditure of R209.2 million. Ten of the 16 provincial departments spent between 94.9% and 100% of the financial appropriation, with four departments ending the financial year with a net over-expenditure. Of these four departments, the Department of the Royal Household overspent its budget by more than 1% with over-expenditure of 8.2% or R3.1million, and the Department of Health with over-expenditure of R1.034 billion or 7.4%. The over-expenditure of the other two departments – Department of Housing and Department of Transport was 0.1%.

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The lowest spending departments were Provincial Treasury with a 65.7% spend or R198.4 million under-expenditure and the Department of agriculture and Environmental Affairs at 80.9% or R310.7 million under-expenditure. The under-expenditure in Provincial Treasury is mainly due to the provision of R114 million for the Government Employee Medical Scheme (GEMS) not being required in the 2007/2008 financial year.

The total provincial over-expenditure increased to R549.5 million from R219.6 million if the under-expenditure on conditional grants is taken into account. In this regard, three departments are affected. The under-expenditure of the Department of Agriculture and Environmental Affairs decreases to R199 million, the under-expenditure of the Department of Education decreases to R78.7 million and the over-expenditure of the Department of Health increases to R1.2 billion.

I am not going to read out all the Resolutions hon Speaker because they are there. I am just going to read the preface to three votes which I do think need to be mentioned – which is in the report. The one is Agriculture and Environmental Affairs report which is Vote 3.

Overall, the Department of Agriculture and Environmental Affairs under-spent its 2007/08 budget by R310.7 million on equitable share funding. The Department under-spent its Comprehensive Agriculture Support Programme and Land Care conditional grant funding by an amount of R71.3 million which demonstrates a significant deterioration in performance from the previous financial year. Whilst it was reported to the Committee that corrective measures are being instituted to tighten financial management controls and improve performance, the overall performance of this department remains extremely poor and is of great concern to the Committee. We passed a couple of Resolutions in this regard. The Department of Education – there was nothing major to comment on.

The Department of Health is obviously the greatest concern to the Committee. Overall, the Department of Health overspent its 2007/08 of R1.3 billion on equitable share funding which increased to R1.2 billion taking into account the under-expenditure on conditional grants. This over-expenditure will result in the net over-expenditure of the Province of KwaZulu-Natal to R549.5 million for the 2007/2008 financial year. This is not taking into account the information that we received by the MEC for Finance on the

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Recovery Plan and the savings that have been affected in this regard. We have requested and got the permission of the Chief Whip that we will be requesting a special request on the recovery plan when we see it in operation after the end of July 2008.

The only other Department that I need to comment on as the chair of the Committee is the Department of the Royal Household. The Committee notes with dismay that the Department of the Royal Household ended the 2007/08 financial year with a net over-expenditure of R3.1 million, an over-expenditure trend that has persisted for the past four financial years, despite numerous resolutions taken by the House for the Department of the Royal Household to implement the necessary administrative and financial management controls in terms of the Public Finance Management Act, Act 1 of 1999.

We took some pretty harsh Resolutions. I do not know whether we wasted our breath, the piece of paper it is written on, because up until now they have been ignored, but we can only hope. With that, I will table the report. Thank you.

#### **END OF TAKE MM15**

**THE SPEAKER:** Thank you, hon member, Mrs Scott. Hon member Mrs Mncwango?

**MRS L A MNCWANGO (IFP):** Hon Speaker and hon members, I wish to thank you for the opportunity afforded me to talk to the issue of the close-out report. Amongst the outstanding issues on the close-out budget performance report, I wish to draw the attention of the members on VOTE 10: Department of Royal Household.

Hon members, the IFP does not think it is fair to keep pointing fingers at the Royal Household Department for its inefficiency and forget that this Department resides with the Premier as head of government and the Executing Authority. This is according to the Public Finance Management Act (PFMA).

One wonders what the Premier has been doing to curb this practice within his own jurisdiction which has been going on for a very, very long time now. On financial misconduct alone, Section 81 and 83 of the PFMA states categorically and clearly that this is what is supposed to be done to remedy the situation. This is what has to be taken in order to ensure that such maladministration does not reoccur - instead of pointing fingers at His Majesty the King of the Zulus' office — labelling staff but forgetting to look

at other measures that had been flaunt, is not going to help us. *Uma si-serious ngokuthi sifuna ukuyaphi, ake kushintshe ukukhuluma.*

If we are serious about this issue:

- 1) The Resolution that was given by this Finance Portfolio Committee should have been replied to by the Premier's Department. What is stopping the Premier from respecting the directives of the Portfolio Committee? Is it because he is too big and better than all of us – *thina esihlala la silalele lokho?* Is it because he is a law unto himself? It is a pity he is not even here. We are talking amongst ourselves. Why is he not exemplary as the first citizen of KZN? Or, is he just blatantly failing to carry out his duties? Tell us, *noma yingoba yiqembu eliphetheyo elibusayo ngobuningi balo elenza ukuthi abantu bangafuni ukwenza umsebenzi ngesikhathi?* Ok!
- 2) According to the PFMA again, Dr Shongwe who is supposedly, the Acting Head of the Royal Household should have been charged long time ago. Why has that not happened as yet? Who is failing the Province here? *UShongwe? Isilo? I-Household, noma uPremier uqobo lwakhe? Hhayi [guys], abantu bayakhohlwa!*
- 3) During the era of all other past premiers, such matters were unheard of. The ANC propagated that where the King was badly treated by the IFP and that they would do a much better job when given the opportunity. The opportunity is here now. Now that the ball is in their court, the Royal Household is treated like trash. Who said the king was driven in a jalopy car? *Ubani owasho njalo?* Talk is indeed cheap! *Kulula kabi ukukhuluma – usho noma yini nje oyithandayo, uyisho noma yikanjani. Uma sekuthiwa nakhu sekuphambi kwakho, uyehluleka.*

*Bafowethu, siyakwazi ukusebenza la endlini, iningi lethu. Ngiyazi nokuthi abanye abasafuni nokuthi kuphathwe ukuthi bangamaZulu. Abanye sebesho khona ukuthi kwalona ihawu leli alisuswe. Kwayona le ndaba yokuthi i-Zulu Kingdom lena akusafanele ikhulunywe leyo nto. Ngeke ize yenzeke leyo nto – into enzima kabi ukuyenza. Angathi umuntu ngoba efuna uku-satisfy izidingo zakhe bese esho kanjalo.*

*Kade kukhulunywa la abantu bakhulume kwadabuka imilomo kuthiwa iSilo siyahlushwa. Ngelinye ilanga nje kwakumiwe phambi kweLegislature kuhutshwa nje amahubo*

*kwathiwa the king was detained, evinjelwe uButhelezingoba nje amabutho ayehuba. Kushiwo zonke izinto ezithandwa ukushiwo kodwa manje uma sekufanele abantu benze okufanele bakwenze, sebeyehluleka. Akuyekwe indaba yokuthi kuthiwe iRoyal Household iyahluleka, iyahluleka. Ihlala kwaPremier. Inemithetho ebekiwe, ake yenziwe phela sibone abantu beyenza, bayeke lokhu ababekhala ngako ukuthi akwenziwa, akwenziwa, akwenziwa. Siyafisa-ke manje ukubona zenzeka lezi zinto.*

*Siphatheka kabi thina njengamaZulu. Ngingumuntu wesifazane wakwaZulu impela – ukuthi njalo sonke isikhathi noma ubani nje uma ezwa esuthi akusuthiyo bese kuthiwa i-Royal Household yethu yenze ukuthi, iSilo sesenze ukuthi. Sesithenge isudu enjeyana. Ubani wenze ukuthi nokuthi nokuthi. Ukuthathaphi wena lokhuyana? Nokungenadosi nje sekuyatinyela lapha eSilweni. Nikuthathaphi lokho. Abantu ake bahloniphe, baziphathe kahle. Akudingi ukuthi uze ube umZulu ukuze ukwazi ukuthi uhloniphe. Umuntu uvele akhulume, ubone ukuthi uyajuluka uma kuke kwaphathwa nje indaba ye-Royal Household. Asho nanokusho ukuthi ayikho into engingabe ngisaqhubeka ngiyenze. Nasemaphepheni yini nehla niyenyuka phansi phezulu.*

*Mina ngifuna ukwazi ukuthi uShongwe akashajiwa ngani? Akashajiwa ngani uShongwe? Uyasatshwa ngoba kwenzenjani? It is a pity ukuthi ngikhuluma ngomuntu ongekho ngoba ukube kuthiwa u-Premier wethu ohloniphekileyo uhlezi lapha endaweni yakhe, mhlawumbe ubezokwazi ukuthi angiphendule namhlanje asho ukuthi kwenzenjani? Wesatshwani uShongwe ngoba ngesikhathi iSilo sikhona nje sisebenza njengeSilo kwakuthiwa hhayi, kukhona abasifake ephaketheni labo. Hhayi, asisebenzi kahle ngoba asikho neutral. Hhayi, kuyilokhuyana nalokhuyana kodwa namhlanje sibona iSilo sehla senyuka nje phakathi kwesizwe. Akusashiwo lutho manje. Kusuka noma ubani, nongazi ukuthi uzothini, uma engazi ukuthi uzobheda athini – avele athi iSilo sesenze ukuthi nokuthi nokuthi. Bakwethu asibe-fair. Asizile lapha ngoba sincengiwe. Uke washo kahle kabi laphayana uMEC uNdosi ethi, “bahambe bequmba la bequmba la” – abakhumbule ukuthi babekwe ngabantu lana for five years i-term of office, baphuze baphume wethu kungene abanye abantu bazosebenza uma bengasafuni bona ukusebenza.*

*Ngiyabonga Sihlalo.*

**END OF TAKE MM16**

**THE SPEAKER:** [insert isiZulu \(2:36:30 – 2:37:20\)](#) Shall we then proceed to hon P N

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Ngcobo.

**MR P N NGCOBO (ANC):** Mangibonge uSomlomo, Khabazela noMnyango wakho kanye nobaba uShabalala, sithi masinibonge nge-support enisnikeze yona siyikomidi. I must special thank our chairperson of this committee, umama u-Scott and all other members and together with departments who were called upon to appear before the committee as the process did not apply across the board.

Mangisho ukuthi we only dealt with those departments who were involved in contravening the act. I want to start my input by congratulating the Premier's Department for its over-collection of which was attributed to the improved enforcement and surveillance of the operation of the casinos in the province, as they collected R284 million, whilst their budget was R233 million.

We must congratulate nine departments who recorded the expenditure of between 95 and 100% of their adjusted budgets. However, we have two departments namely at Mama Ludidi and the Royal Household, who recorded significant over-expenditure of more than 1%. It is now in the public domain that Health is sitting with the deficit of R 1.2 billion or 10.2%. The Royal Household which has been spoken about is sitting with a deficit of R3 million or 8.2%.

I can imagine if we were to say to Health, your closing balance will be an opening balance. What will happen to hospitals, ambulances and the people who are HIV positive. However, all of us are subjected to the previous financial disciplines as in the Constitution and the PFMA. Over-expenditure is over-expenditure. We can not spend funds we do not have which has brought us to a situation where in other departments are expected to chip in through various means. Just now we will be dealing with the budget adjustment estimates.

We are hopeful that the turnaround strategy which has been tabled before our committee will resolve the dilemma that we find ourselves in. We can not find ourselves in the same situation during this time next year. Whether it will be us or the new MPLs can not rely to such situations. Ngisakuleli phuzu, ngiyathemba ukuthi abafowethu

nodadewethu abangaphesheya bayalungisa ama-cvs abo njengoba bezofesa, umsebenzi uphela siya okhethweni.

The intervention of the Treasurer must be seen in that context. I am worried about the effect of the occupation specific dispensation which today is not known about its exact cost as we have two implementation strategies. The bottom line is whether the persal system or the BAS is a reliable tool to give us the exact figure of who is the provisional mass or not. We understand the position of the department of Education which took a cautious decision and said let us establish whether we have the funding for those.

Whilst we were still addressing the issue the national Treasurer came up with the matter which was saying to the government, in particular the Department of Health. We cannot afford this funding. Mama uLudidi inkinga lena ngoba uma ningatoyitoyi lapho ko-Treasurer koMshengu nekomidi labo nithi abanizamele lo R404 million, kuzoba mnyama kunina.

The fundamental issue for me and the committee is around the question of the budget, devolution to regions which makes it too difficult to monitor the expenditure. We support the notion of empowerment of managers at lower level because sometimes the red table can...[Interjection].

**THE SPEAKER:** Lungu elihloniphekile, awume kancane kukhona ilungu elisukumile.

**MR M B GWALA (IFP):** Somlomo bengisukuma ngo-Rule 60 ongumthetho wale Ndlu. U-Rule 60 ululeka ngokuthi kufanele ilungu uma likhuluma lisukume kule Ndlu, manje ngibona ukuthi ilungu elikhulumayo likhuluma lihlezi phansi.

**THE SPEAKER:** Asisale sesiwuqedela u-Rule 60 sithi, unless unable to do so. Qhubeka-ke.

**MR P N NGCOBO (CONTINUES):** Cha uMphephethwa uyijwayele le nto yakhe. Uma kukhuluma Inkosi kaNgubane, uye athi imile noGcabashe noMnguni la ngaphambi kwami. Njalo nje uyathanda ukuthi bamile nenduna kodwa-ke asikho lapho.

For the Royal Household, it is unfortunate that all our resolutions have been neglected year after year. We are told that the R3.1 million over expenditure is as the result of six new Mercedes Benz bought for the Queens which was budgeted for in 2007/08, but the Department thought they would arrive in 2008/09 budget. However, they came in earlier than the time envisaged by the department. The committee has already expressed its views about which costs do we carry as the government in terms of the PFMA. Kufanele sikugweme ukuthi sifune ukwazi... wake washo uMphethwa wathi nina nifuna ukwazi ukuthi oNdlunkulu bagqokeni. Ngicabanga ukuthi akuyona inhloso yethu uma ngabe si-debate leli phuzu kodwa inkinga ye-PFMA ethi i-Accounting Officer who is employed, ayikhulumi ngo-Premier and that is why sayincoma i-resolution esayithatha last week ukuthi we have to do something to the Accounting Officer and the resolution is very clear ukuthi who is the person that we are referring to in terms of the PFMA. Samqasha, wawufuna wafaka i-cv and now we are dealing with the person who did that.

Regarding the Department of Agriculture and Environmental Affairs, the under-expenditure of equitable share funding of R310 million which relates to Comprehensive Agriculture Support Programme and the Land Care Conditional Grant is a matter of great concern to us because year after year, this grant is hardly spent. Bhungane, between me and you, we have to attend to this issue. Ngiyazi ukuthi umusha kodwa you have got to do it.

Mr Speaker, the information given to us by eThekweni Metro that they are owed by other departments almost R700 million for various services is a matter of concern to us together with the unfunded mandate, e.g the question of clinics, museums, libraries. We need clear time frames about who does what. Failing which we need a clear service level agreement which must be in place based on the urgent bases.

We need to sing from one hymn book about the exact cost of the Moses Mabhida Stadium and the maintenance thereof, as well as the infrastructure cost for the King Shaka Airport.

Mr Speaker, we can exploit eThekweni Metro because of their strong financial muscle, but if we had to do the same thing eNdaka Mnguni nase-Ezingolweni, where we are told yabo i-generate R12 000 a year, koba mnyama kulowo masipala. So my appeal goes to

other departments. I am happy that some of the MECs are here ukuthi abakhokhele omasipala izimali zabo.

Ngiyabonga Somlomo.

**THE SPEAKER:** Thank you, hon Ngcobo. Hon member, Mr Burrows, you have seven minutes.

**END OF MM17**

**THE SPEAKER:** Thank you, hon Ngcobo. Hon member Mr Burrows, you have seven minutes.

**MR R M BURROWS (DA):** Thank you, Mr Speaker. At the outset I would like to thank the hon MEC for the tabling of the report and my apologies to him and to the Chief Whip for doubting that there was such a tabling that might take place, but thank him in any case.

I would also like to extend my thanks and those of our party, to the Chairperson of the Portfolio Committee for the way that she has run the Committee. I think it has been a very effective one and particularly the exercises that have taken place during the course of this year have been very fruitful. However, Mr Speaker, I must draw your attention to the fact that the Rules that you have just passed, that are in your hands, will now preclude me from being a member or an alternate of this Committee. So thank you for serving on the Committee, I am sure you enjoyed me being there, because he is our member on the Committee. Now that is my very point, but be that as it may, I am sure you will find that I will pop up in the best of times because the Rules allow me to be there even when I am not a member or an alternate and I think you will find that I will be in attendance, which is more than, as I pointed out to the Chief Whip, can be said for all the members of the ANC. [Hear hear]

Mr Speaker, what we are dealing with today I think has much wider implications than just this closeout report. To my certain knowledge – and there are a number of other members of this House who have been here since 1994 – this is the third occasion on which we have reached the end of a financial year in which a department has overspent by more than a billion rand. The one case was under the MEC, Dr Vincent Zulu, in

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Education, where Dr Zulu hired more teachers than the budget actually provided for and there was in fact then an overrun that took place that caused us to run into some problems with National Treasury.

The second one was in the Welfare Department, as it was called then, and there was an overrun of grants that had to be paid out and on which we had not received sufficient funds from National and on which we had to make provision.

This is the third one, Mr Speaker, and the problem that I have got is that we are picking it up so late. This is a close-out report, so we have ended the year R1.2 billion over and in nearly all of the cases, Education and Welfare and Health, the spending has by and large been for good purposes, so we are not critical of spending more money on ARVs or on teachers or on welfare grants. What we are saying is that this legislature that votes the funds, needs to know early on and I know that the Chairperson of the Portfolio Committee, when we looked at the Department of Health at half-year, we were told they were expecting a projected overrun of about R300 million, if I am not mistaken. Now it has ballooned to R700 million more than that and it has happened in the last six months of year.

Now, all I can say, and I raised this in the Finance Committee, is that we are actually going to have to insist that departments, MECs, Head of Departments, report to this legislature on a monthly basis in terms of their overall spending patterns, because it is the only way we are able to get goods to it as the spending progresses, rather than now having to have a recovery plan which in fact drains the resources of every single department in this province.

You know the Occupational Specific Dispensation occurred in two departments – it occurred in Education particularly and it occurred in Health. Health have an overspending on their OSD of R404 million over what had been budgeted. Now, you know, that is two-thirds more than the original figure which was something like R237 million, and the problem that we have got is somebody got the sums wrong. Now we are not saying it is in Health, we are not even saying it is provincially, but the reality is, somebody needed to have known before you implemented the Occupational Specific Dispensation, that that was going to be your final bill, and it was not the case, it simply was not the case in Health.

The other one was an expenditure on goods and services at R689 million and we have got a long spread of areas on which there was overexpenditure and they spread across all of the expenditures in goods and services within Health and the query that that then leads to is whether this was not financial management supply chain control really being one of the areas that needs to be exercised and I will touch more on that in a moment. The recovery plan, the intention of the recovery plan we will debate in greater detail at the end of July, the beginning of August, is to reduce the overexpenditure from R1.2 billion to R706 million and that could then further be reduced if National Treasury came on board with the R404 million for the OSD that was required for the last financial year and that would take us down to R302 million, as the hon MEC has spelt out.

However the reality is, Mr Speaker, that it is clear – and I am reading the conclusions to a recovery plan document – it is quite clear that the significant overexpenditure in the Department of Health has negatively affected the financial position of the entire province. Financing this shortfall means that all possible savings have to be mobilised from all provincial departments - Agriculture, Works, Arts and Culture, Education, Treasury will all have to pay for the overexpenditure in Health. We need to take that on board and the significance of it is important, and so we are pleased that the hon MEC has applied Section 18(2) of the PFMA in which there will be Treasury intervention to take financial measures within the Department of Health and that is a very good thing indeed.

However you know, there are still things that we must indicate are problems. For example ...

**THE SPEAKER:** Can you say them in 30 seconds?

**MR R M BURROWS (DA):** I can and then I will come back for another bite a little later. With goods and services – I am reading again from page 13 of the recovery plan document – as with goods and services, there is a trend of reducing expenditure in the last quarter of 2007/2008, which may also be as a result of the withholding of invoices. Now that is another dynamite issue and Education has been through it, they have been through it, they know all about opening a cupboard and finding it full of bills that have got to be paid. Please, for heaven's sake, let us not let it happen in Health again.

**THE SPEAKER:** Thank you, hon Mr Burrows. The hon A H Mbatha for 10 minutes?

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END OF TAKE MM18

**THE SPEAKER:** Thank you hon Mr. Burrows. Hon A H Mbatha in this amended list here, for ten minutes.

**REV A H MBATHA (NADECO):** Ngiyabonga Somlomo. Ngiyabonga futhi ukuthi usheshe ulungise ukuthi ngingabizwa ngegama lomhlonishwa ozakungilandela. Hon Speaker the challenge is still on our ability to project accurately. What one hears at the Finance Committee usually indicates that we are not able to be accurate when we are doing our budgeting, especially at the beginning because what now happens is that you will find other line items being under-spend while others are over-spent.

That shows you that when people are doing their submissions for budgeting they are not that good on projections. I think one also finds that the MECs could assist a great in this area to enable the departments to stick to their cash flow projections. This will help a great deal. I am hurrying what I want to say because I want to answer quickly to the hon member on Royal Household but before that, I want to deal with the issue of Agriculture. I think this is a very difficult department. It is difficult from the financial side, from the output side and difficult from human resources side.

I think that of all departments of this House, Agriculture is a very difficult one. However, it is amazing that a department that is as crucial as this one is in this province is the one that has under-spending. At a time when the whole world is clamouring about food prices, food shortages, malnutrition and hunger, about xenophobia; people fighting and even wanting to kill each other because of the scarcity of food resources, you have a province like ours in KwaZulu-Natal having the Department of Agriculture under-spent.

Mhlonishwa, I would have wanted to say just the opposite but one has to say these things. You know, my request Mhlonishwa is that please have a look at Land Care and Disaster Management budgets. The threat out there is that we will not have as good a soil as we used to have because of the soil being drained by the floods into the dongas and so on. The threat out there is that Land Care is falling behind with all that is there. There is almost no land care. If you were to ask me, I would say it is land care and alien species. These two are about to annihilate agriculture in this province.

My request is let your people who are tasked with the responsibility of these areas

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account to you as to what they are going to do as to whether they are doing it according to the book so that you can monitor this closely.

No hon member Mncwango, no it is not His Majesty the King who is a problem in the Royal Household, no. the problem in Royal Household is the fact that we have got a situation where controlling mechanisms are not being applied and the controlling mechanisms are not being applied because there are no sufficient people who are supposed to do that. We were told recently that even separation of duties does not exist in the Royal Household one staff member will initiate and approve and finally it will be done. Always in this department people have tended to hide behind the image of His Majesty the King and they have tended to take people for a ride and say you can talk that easily because you do not know.

The uniqueness of the King in a province is being punted as an excuse to over spend or to fail to control as you are supposed to. My argument is that it is not so. You would not apply and get a job unless you have offered as to which department you are going to control and what capacity do you have to manage the demands of His Majesty the King. Are you in a position to say no to His Majesty the King and say I am unable to perform that particular request because we did not accommodate it in our books last year? This is the issue. It is not His Majesty the King. We would not be his half subject and be successful in our businesses if we were not taught by him to do so.

The problem arises where people are trying to take up ... we are also his subject in as much as anybody is. So nobody can say the moment you become an employee in the Royal Household all of a sudden you are not able to say to the King no Your Majesty this cannot be done. We can say no to him because we can give good reasons to him why it cannot be done. But let us get closer.

The Premier of this province, he does not even grace this meeting where we are going to debate this issue. He actually is accounting number one in this House. I have heard other names being used here, why so and so is not being taken to task and so on, my question is why has the Premier of this province not been addressed directly on the issue of the Royal household? Why is he not accountable to this House why did he not staff the Royal Household as all departments are supposed to? What was his response to the request from the Acting HOD when the HOD informed him he did have enough

people to do financial controls? Why are we now bypassing the Premier and attacking the softer target, the HOD or the Acting HOD for that matter? Why is there no permanent HOD in the Royal Household? Why do not we take our responsibility as Parliament, as this House and talk to those we have authority to talk to? I want to complete what I am saying hon Speaker. My point is the Royal Household can budget correctly and stick to its budget and the Royal Household staffed adequately and correctly according to the PFMA can function and function properly.

Hon Speaker on Health I just want to say, I have said this to the Portfolio Committee as well. When we want to enable the nation to have decent living we must at the same time make sure that the controls are adequate so that we can make a distinction between the over-spending that is caused by the imperatives in our province that we know. However, what we do not want is that in a province like ours that has got HIV/AIDS and so on, that we do not have adequate controls, you do not want your plastic with which you carry your water to leak on the other side when you need water on the other side desperately. I however say, in a province where if you are a male you celebrate if you become forty-five. I think this is the situation. They say our life expectancy as males we should be happy if we reach forty-five. Mnguni , you should have died by now according to the Department of Health.

I am saying let us tighten our controls and fight the issue that Health is not funded adequately in our province.

Thank you.

END OF TAKE MM19

**THE SPEAKER:** Your time has gone, thank you. Hon member Mrs Thakur-Rajbansi, it is now your turn officially and you have eight minutes.

**MRS S THAKUR-RAJBANSI (MF):** Thank you, Mr Speaker. Hon members, I could hear in the voice of the hon MEC of Finance, Dr Mkhize, the deep concern with respect to the overexpenditure of among the five departments, the Department of Health.

At the outset I want to say that I believe it is only natural that when you have departments with huge budgets, like over a billion, and you can see many of the departments here are departments that fall on that level of budget, you find that control

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does become an issue. It is a real problem so I am convinced that the hon MEC has laboured most of his report on a counter measure like control measures, because this is the right approach. The fact that it has been identified, I am quite convinced that we can now be on track.

Hon members, with respect to the Royal Household, and many people have argued this, I do believe in the monarch and I do believe in preserving his dignity in the province and that is why it is quite saddening that even if you have a Head of Department, and I do not think that there is any Head of Department that can come to this legislature and can be brave enough even if they are Acting HODs, to tell a committee as important as Finance, that even if you brought a Harvard graduate here, then this Department of Royal Household will not function and that graduate will not be able to correct it.

I believe that such an HOD should be relieved of his duties because if we allow HODs to come and tell us that, then you know we will lose control in this province and that is one thing that I could not believe because any HOD, Acting or not, has a fiduciary duty to be a caretaker of a department. If the person does not understand and does not believe that is his responsibility and that is what he is being paid for, then I am sorry but I do not think that he deserves the taxpayers' money.

Of course, firstly, if we can correct this, we do two things. One thing is we preserve the dignity of the monarch in the province and the other thing is that as a legislature we prevent ourselves from setting a bad precedent that everybody else is going to follow. Those are the two most important things, if we can be decisive enough to do this. But now with respect to the Department of Agriculture, it has always been said that underexpenditure, hon MEC, is just as bad as overexpenditure and this we must agree on, but what I believe is that when it comes to poor performance, poor performance needs actionable measures, it needs actionable performance, and there is a big difference between your normal run of the mill performance management and actionable performance because actionable performance is a different field, it has other metrics that are used, it has other measures that are used and they are generally used to manage crisis situations and the Department of Agriculture, where key result areas are very easily identifiable, just like in Health, just like in Education, are the perfect examples of departments where actionable performance measures should be implemented.

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So with these departments here, the other issue is that they are huge departments, so they have huge complements of employees and this becomes a problem because you need to deal with performance management, especially the high-ranking officials, so that you can keep those departments on track and you can actually manage those huge, huge budgets that we are dealing with here.

However that then brings me to training, because training is not all, it has to be ongoing, but the training has to be specific and it can be across other departments because these officials that are in responsible positions, they have to plan, they have to carry out and action, the targets that are given to them have to be realistic, because if they are not realistic, we must also look at that, it can become very frustrating not only for the department and for the Heads of Departments, but also for all of us.

The one thing that I do agree with, the hon Rev Mbatha, and that is the land care, the land care I am very passionate about. If we have ring-fenced money for a thing like land care, knowing what the global problems are, knowing that the world wants us to take care of our land that we have, I mean there is no excuse that such a budget is not spent, because if you know the importance of global warming and you know the duty you have been given to preserve the land we have and you know the problems that are just going to envelope us anyway if we do not put the key people there, whether we have to pay experts to come in to help us to look after our land, I mean that does not make sense to me. You were saying, you know, donor funding got from the Flemish government, that is disgraceful and I think we have worked so hard to get money from the Flemish government and we have been so passionate, we have gone to all the meetings, all the conferences organised with them, because we really wanted their money, but this looks terrible if we could not use the money and we definitely will not get it again maybe.

With the OSD mismanagement - and I call it mismanagement because OSD was an issue, it was a specific issue – when you have a specific issue that you have a timeframe to, you have to treat it like you were treating a project, it would have become a departmental project. If it was treated as a departmental project, it would have had that plan set up from the beginning to the end, the plan that was started with: “What resources do I have? Key resource: money. This is my budget, this is how I have to use it from the beginning to the end, no overexpenditure, no problem”, and I think that if the hon Siphoshe Shabalala, he is the Head of Treasury, he always is telling us that we

need business plans even for the smallest bit of money. Now imagine if you had a huge budget for OSD which was so important because we have to look after our human resources, I mean why not worry about the implementation plan? I mean a plan is good, but implementing that plan needs strategy. If you do not have that, that money is gone, you have got no direction and...

**THE SPEAKER:** One minute left.

**MRS S THAKUR-RAJBANSI (MF):** And you cannot accomplish anything that you need to. Sorry, do I have a minute?

**THE SPEAKER:** One minute.

**MRS S THAKUR-RAJBANSI (MF):** One minute, thank you. Okay, I will round up, Mr Speaker. I want to say, hon MEC, that this close-out report was a very honest report and that is what I appreciate, because in today's environment if you are just standing still, you are obviously going to be falling behind and I can see that by you stressing that we have to make the right decisions, you are making us progressive leaders and leaders of the people and that is what is important.

You know, when we have to make a decision, a lot of the problems occur because people are indecisive, they do not make the correct decision that is required for a particular issue, so making that decision is one thing, but carrying that decision out is another challenging task. So, I want to thank the hon Belinda Scott for her vigilance, for always wanting to be decisive on issues so that our resolutions can get some action and that is very important.

I want to also thank the hon MEC for his sheer honesty in this report because he is making reality of what our perception is as community and public leaders, because this is the only way in which we can treat the financial record of this province properly. [Time expired]

**THE SPEAKER:** Thank you, hon member. Hon Mrs JM Downs? She is not in the House, forfeits her minutes. Hon Mr Tarr, you have 10 minutes.

**MR M A TARR (ANC):** Thank you, Mr Speaker. The main issue that confronts us here today in the House, has already been discussed at some length and obviously the

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recovery plan has been outlined by the hon Minister. Just to put it in a nutshell, Mr Speaker, overexpenditure of R1.2 billion, by taking savings which are already underexpenditure in other departments, we were able to reduce that to R706 million. Now in one sense we are lucky that there are those savings, Mr Speaker, but in another sense it is not a good thing that those other departments have underspent, but nevertheless it certainly does assist in resolving the present problem.

Then of course there is money which we can still claim from National in terms of OSD, of R404 million, which leaves a deficit of R302 million which is the Department's opening balance for the year.

While we are talking about the OSD and the quantum involved, Mr Speaker, I sometimes wonder which figures get interrogated by Province and which figures get interrogated by National to determine the quantum of the amount, because quite clearly the amount which National had budgeted and the amount that actually eventually came to fruition, were totally different. Now I assume they both interpret PERSAL, but something has gone wrong in the way they are looking at and interpreting PERSAL, they cannot be interpreting two separate PERSALS, so there is something that went wrong when someone was doing the number crunching, to say what is this going to cost us?

I think the House is grateful to the hon Minister for the intervention measures which he has announced, for example, intervention from Treasury in terms of Section 18 of the PFMA. Amongst the various things that he looked at is the supply chain management and I am not sure whether the decentralised budgeting system was mentioned at all, but this has also been a cause of concern, not decentralised budgeting, that is good, but we were told in the committee that decentralised budgeting was a concept in theory but it was not actually happening in practice. For example, you can go to a hospital and say, "What's your budgets?" and they do not actually know. So as far as the decentralised budgeting is concerned, I think it is important that if it is done, it should be done properly and then hospitals should be actually held to their budgets.

The other point in terms of the recovery plan which I think we should perhaps consider, Mr Speaker, we already are three months into the current financial year. Now if the patterns which existed at the end of 2007/2008 have continued into the three months which are already behind us, then we are in theory already running behind or running

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way ahead of our budget and I would be interested to hear from the hon Minister whether there are any indications of what the situation is after the first three months of this year.

Here I must say I agree with the hon Mr Burrows that our early warning system for these types of problems is not working. We should have an early warning system where we can pick up our overexpenditure patterns earlier on, because at the half year we thought things were more or less okay in Health, with the potential overexpenditure of R300 million. So we need to look at that, Mr Speaker.

However having said that, we have heard from the hon Minister of Health the causes of the problems – OSD, extra expenses relating to drugs, equipment, heavier patient loads than expected – and it makes one wonder whether the baseline for Health should not be revisited. This is not a firm opinion of the committee, so I am just quoting a personal view, but I think many members of the committee would agree that we need to look at that baseline again, because you know when everything is said and done, the two most important things must be the health of our people and the other one must be the education and if we get those two right, everything else will follow, I have got no doubts about that at all, history shows us that and I am really seriously questioning whether we got our baseline right for Health.

Mr Speaker, the Rev Mbatha raised the issue of Agriculture. Now, the resolutions in Agriculture, they are there, we know what they are, the committee will be monitoring those, I do not think we need to go into detail on them, except to say I am aware of the fact that the hon Minister is at present looking at a revamp of the Department, he is looking, as he has told us, at the restructuring of the whole Department. I have faith the hon Minister is going to get it right. It is not one of those things you turn around overnight, you know, it is like turning a tanker out at sea, Mr Speaker, it takes you quite a long time before you can turn this thing around and I have faith that the hon Minister is going to do it and I have faith that when we are talking in this House in six month's time, we will have a different picture on Agriculture.

So yes, he is wiping the slate clean and I think that in order for him to wipe the slate clean, he also needs to get this forensic audit off his back at some stage, but we will wait and see what actually happens there.

Mr Speaker, then finally just a few comments on the Royal Household and again just listening to hon Rev Mbatha there, the Royal Household quite clearly at some stage the financial officer should have written a letter to his executing officer and said, "I cannot authorise this payment" or "There is no more money. If you are going to spend more then you instruct me to do it". That never happened. The CFO was the person at the rock-face who knew what was happening, there must have come a time where if he had followed what the dictates of the PFMA are, there must have come a time where he should have actually said, "That is it, I am not writing to my executing authority because I will not carry the responsibility for what is actually happening". That did not happen so unfortunately the CFO sits with the can as far as that is concerned.

The one thing that would make the CFO's job much easier is revising the handbook that relates to what expenditure can be incurred by his Majesty and what cannot and there was a handbook, we have spoken about revising that handbook, it has not happened. Now, there is a handbook for MECs, there is a handbook for Ministers, so Ministers clearly know what they can spend, what they cannot spend on a whole range of issues. Now surely it is only reasonable that the CFO and his Majesty should also know that so he is not put in an embarrassing situation when he is asked to pay for something and he is not quite sure whether yes, it is legitimate to pay for that or not, and I would hope then, Mr Speaker, again I have got faith in the recovery plan that has been put in place, it has been in place for some seven months now and it is taking time to show results in this House and I certainly hope that the Acting CFO will be able to present us with something in the near future which will make us a lot happier than we are right now.

Having said that, Mr Speaker, I think the general position of the province, as the hon MEC has pointed out in his speech, I think is very good, things do not look bad at all if you take the whole picture and perhaps it is the nature of things where you concentrate on what is wrong rather than actually having a look at the other things that are right. So the picture as a whole for the province is very good and I would just say...

**THE SPEAKER:** One minute.

**MR M A TARR (ANC):** These items which you have raised and discussed today, I have got confidence that we are going to be able to put them right in the balance of this year. Thank you very much, Mr Speaker.

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**THE SPEAKER:** Thank you, hon Mr Tarr. Mr Msomi, you have six minutes.

END OF TAKES MM20-MM21

**THE SPEAKER:** Thank you, hon member Mr Msomi. Mr Burrows, again, four minutes.

**MR R M BURROWS (DA):** Thank you, Mr Speaker. Let me turn to other departments that I want to make comments on. First of all, Agriculture and Environmental Affairs, and the hon MEC is here and I am pleased he is here, unlike some others who are not, but he will have read this report from the Finance Committee and if I may read the four lines that are appropriate on Vote 3:

*“Whilst it was reported to the committee that corrective measures have been instituted to tighten financial management controls, but improve performance, the overall performance of this Department remains extremely poor and is of great concern to the committee.”*

Then we passed two resolutions, particularly focusing on the underspending and looking at the Department as a whole. Now the hon MEC does not want me to remind him that he is holding a letter and that letter is his letter of appointment and his letter of resignation and he is on borrowed time. Yes, he has been through two HODs that did not work. Maybe he knows something about Dr Mjwara digging canals that we do not, but so be it, but the MEC is on borrowed time because we have got to see Agriculture work and the hon Rev Mbatha is 100% correct, we have got to screen every cent, in Agriculture we have got to make the crops grow and really if he is going to deliver on that, then it will not be his letter of resignation.

Let me turn, Mr Speaker, also to another matter in Agriculture and it is related to the Public Accounts report which you yourself indicated was tabled today, and I want to quote from a paragraph and we will debating this hopefully next week, at a hearing held on 22 May, the committee expressed its concern at the fact that the forensic audit report in the Department of Agriculture and Environmental Affairs had not yet been made available to the Legislature by the Provincial Treasury. The committee noted that it was become increasingly important for the Legislature and its relevant committees to have sight of this report as it would possibly answer many outstanding matters of this Department.

Now, I want to address the MEC for Finance, that is the reality, we actually cannot carry out our work as SCOPA or as Finance unless we get that forensic report. Now the hon MEC, I believe, now owes it to the two committees to whom he made a commitment earlier this year regarding that forensic report, to come and tell us in this House or to the committees, when we are going to get that report, and I must tell you the story about Dr Mjwara, on the front page of *The Witness* regarding this Camps Drift canal work, it may be true, it may not be true, I do not know, but certainly the fact that the forensic report probably deals with Dr Mjwara, either clears him or dams him or indicates something about him, has major implications for us in this House and for outside this House. [Hear hear]

The Royal Household: You know, I am not certain that the hon Laretta Ngcobo is not 100% correct. The problem, I do not believe, is simply to do with Dr Shongwe. It has got to do with the political control relating to his Majesty the King and the Royal Household and if somebody has got to say "No" and I have made that point in Finance and SCOPA previously, it cannot be Dr Shongwe or whoever is the Head of the Department, on their own, it has got to be with a political background and the interesting thing, Mr Speaker, is we have Dr Shongwe as the Acting Head of Department but he is not the accounting officer, we have now got Roger(?) Govender as the accounting officer. Now this schizophrenia I think is going to drive this Department totally mad and somewhere very soon we have actually got to have a plan to get this Department out of the mess it is in and relieve both SCOPA and Finance of the terrible responsibility of doing the finger-pointing which is what is happening at the moment. Thank you, Mr Speaker.

**THE SPEAKER:** Thank you, Mr Burrows. Hon Mrs Scott, you have 10 minutes.

**MRS B F SCOTT (Chairperson of Portfolio Committee on Finance and Economic Development):** Mr Speaker, hon members. I want to talk hard financing and hard Treasury rather than actually looking at the issues that were raised by other members.

I know that we need more money for Health and Education. Health over the last three years have received an increase of R3.683 billion from this province. They are receiving over R1 billion increase on their mainline budget per annum. Education has received a R6 billion increase over the last three years. It is not enough, but the one thing that we

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have got to do and we have got to understand the role of Provincial Treasury, if we say, "Okay, let us relook at the base line", where is the money going to come from? We are already looking at, over the last 10 years this province under the ANC have given R10 billion more to Education and Health, R10 billion more over their current budget. I know that it is not enough, but it is not that Provincial Treasury in this province has done nothing.

I think that what we are asking accounting officers to be, is to actually exercise fiscal control and I want to look at Health. There are two areas of really main concerns and I have every respect for the MEC for Health and she knows it. She is a close colleague of mine and I respect her greatly, but there was a R680 million overexpenditure in goods and services for the 2007/2008 financial year. At what point do the alarm bells ring to reach the level of overexpenditure in district hospitals by R680 million? Do they ring at R50 million or R100 million? Because Treasury only really got to know about it in about January and that is a problem!

OSD: OSD is a big problem that it is facing Education and it is faced in Health. You know that it is going to cost the province a lot of money, surely you devise a plan and you cost it before you spend the money – why was it not done? And these are questions that we cannot walk away from when we look at the overexpenditure.

Yes, I feel sorry for Health and, yes, we need more money for hospitals, but at the same time we need fiscal control, because we are not going to get the sympathy of the National Minister of Finance on this issue if we do not exercise these controls.

The Royal Household: I agree with the hon Burrows on the Royal Household. I serve on both SCOPA and I chair Finance and I feel like the Royal Household is being dumped in my lap, it has sort of been handed over to us to deal with because nobody else wants to deal with it.

Mr Speaker, we have spoken to you before about the fact that resolutions of this House are violated. The violations of the resolutions on the Royal Household over the past four years beg a belief. We have passed no less than about three resolutions in this House, asking for an investigation into the then accounting officer – nothing has happened. Treasury has had to intervene – once again I commend Treasury – Treasury has intervened by using Section 36(3) of the PFMA and it is an exceptional circumstance

where they instruct a person who is not the Head of Department, to be the accounting officer, so they have intervened and that intervention took place at the end of October, the beginning of November last year, seven months ago, we have a new Acting accounting officer. The former accounting officer is still in the position as Head of Department and is being paid as such. No action has been taken against him despite four years worth of resolutions on his consistent and persistent violation of the PFMA. Now that is a problem.

However, let us get to the current situation, the last seven months. We had the Royal Household here in the close-out. We were told and so was Provincial Treasury – Provincial Treasury was actually blamed, I have to tell you – that there was R1.35 million projected overexpenditure for the Department of Royal Household in November 2007. Now we said all sorts of things, we passed yet other really unbelievable resolutions, totally ignored. In the next two months what did they do, Mr Speaker? They overspent their budget by a further R1.75 million and can I tell you what R1.445 million of that was for? A car that was purchased in January!

Now, please tell me to be sympathetic. I am not talking about the King here, I am not talking about Shongwe – I am talking about finances. How is that allowed to happen? How? They overexpend by R1.35 million and I know that does not sound like a lot of money, but it is a lot of money when you look at their budget – the percentage over-expenditure is over 80% and they buy another car for R1.4 million in January. We get to find out about it in the close-out, that the over-expenditure has doubled, we get told in the committee a couple of weeks ago. All that has happened for the last seven months is there has been an attempt to do itemised billing. That is all. That is all. We asked whether certain hotels and major service delivery agents were given notice, that expenditure had to be preauthorised, has that happened – the answer, “No”. We asked if there was a monthly budget for S & T, the answer was “No”.

We get told nobody wants to take ownership of the policy document. I do not care if there is a policy document or not, quite frankly, I have the PFMA, I do not need a policy document. The PFMA regulates expenditure – if you do not have the money, you do not spend it. If you want me to read the PFMA, I will do it for the hundredth time in this House on Vote 10. I am not going to do it again, I am sure everybody knows these clauses off by heart.

I am begging the Executive to take the issue of the Royal Household in hand - it is not the responsibility of this Legislature to sort out the Royal Household. It is an embarrassment to this province and it is an embarrassment in financial terms and it is just on those financial control matters, Mr Speaker - and I am sorry I have had to say the things that I have had to - but it is on those matters that I would like to end. Thank you.

**THE SPEAKER:** Thank you, hon Mrs Scott. Mr Hamilton, you have 10 minutes.

**MR A J HAMILTON (IFP):** Thank you, Mr Speaker. I will confine my comments to the Departments of Health and Agriculture in this close-out debate, commencing with Health, with this R1.2 billion overspend. There is a great deal to be concerned about in the running of the Department. We find that R800 million of the overspend is as a result of supply chain management's system defects or lack of it. In this regard we are left wondering, is anyone in charge of monitoring expenditure for this area? How could they be? No alarm bells were rung until it was too late! There needs to be an official enquiry to find out how the over-expenditure was not picked up early and who was derelict in their duty to keep adequate controls in place, and we need to make sure that someone's head is chopped off. [Hear! Hear! Hear! Hear!] I am a great believer in execution at dawn, in certain instances. [Laughter]

Whilst a strong case can be made for decentralised procurement – nobody can argue with that – by individual hospitals, we were stunned to hear from a Treasury official that not a single hospital superintendent was in possession of his budget. In other words, Mr Speaker, it was a free-for-all, everyone just ordering what they thought they needed, never mind if they did or they did not and when they took, then to pick up the phone.

Mr Speaker, another matter of grave concern to us is that much of the overspend in the SCM may be the result of using the “quotation” system to procure goods. This system is meant to be used in place of the normal tender procedures in cases of dire emergency. It seems there must have been many, many dire emergencies in the Department. Incidentally, too many dire emergencies just simply say “incompetent management and planning”.

The very worrying thing about this system is that the opportunity for fraud and corruption using the quotation system, is very high. I am not sure if all members are familiar, but the quotation system is when you just have to get three quotes for R10 million ampoules

of Augmentin and you just go to your friend round the corner who has got a medical supply shop and you generate a couple of letterheads on your computer and you make two other quotes which are no more quotes than “fly to the moon”. [Laughter / Interjections] Yes, it does, it is so easy to do, so it is a very serious concern. [Interjection] Ja, ja. [Interjection] Yes, it is very high. I hope as far as possible that the Auditor-General will investigate fully the explanations given as to why all these “emergencies” occur and look very hard for fraud.

In regard to the overspend of R700 million, largely as a result of OSD being an unfunded mandate, it is scandalous that Ministers should pass legislation or regulation for which there is no budget. I am not talking about the Ministers here, I am talking about where it originates – in Cape Town. It is nothing short of criminal negligence and in fact it takes me right back to the poor Ronnie Green-Thompson when he faced with a similar problem, with a cholera outbreak, and what did he do? He just took money from another Vote to sort out the cholera problem and got worked out here like you cannot believe. The fact remains, it is disgraceful and highly irresponsible that such unfunded mandates should be dropped on us, the same as it is disgraceful that unfunded mandates are dropped by us onto the Durban Metropolitan Council.

Anyway, we will be lucky if we recover the R400 million we are told might be forthcoming and we must pursue it very vigorously.

Then, Mr Speaker, you know something that absolutely takes my breath away, the Department overspent its rent on the building formerly known as Capital Towers, by R30 million, [Interjections] R30 million. It just leaves one speechless, Mr Speaker, and I now understand that the very Department that moved itself to Capital Towers – I am not sure what it is called now – is now moving back into Natalia where there is plenty of space, I am told. In my view, this House must insist that the Department of Works conducts a full investigation into all buildings leased in Pietermaritzburg by the province and also prepare a separate schedule of all vacant buildings owned by us. We must also know what rate per square metre the Department of Health was charged at the Capital Towers building. I, for one, will be looking to receive that information. [Interjection] Was it market related? That is a burning question as well.

We also need to be informed by Works, Mr Speaker, who owns these buildings?

[Interjection] We are leasing. And whether there is a conflict of interest which has occurred anywhere. Who gave approval to the leasing of these buildings? Who actually said "Do it" and signed it? I will be looking for an answer on that too.

There is talk going around - and it is very concerning and not fair – there is talk going around that I have heard, that the Department of Health may have to close its doors. We know that that will not happen, but apparently it is being spoken of within the Department. I think it is demoralising for the staff, very demoralising for all of us here, it does not reflect well and is not true and I will suggest that the Premier deals with the matter before the rumours start appearing in the media, as soon as possible.

Then, Mr Speaker, I want to talk about the Department of Agriculture. We have had two HODs, okay, we have an Acting one now who has inherited an unbelievable mess. We know there is massive fraud, corruption, nepotism, jobs for pals that have been going on in that Department for years. We are also in this House and particularly in the committees involved, Finance and SCOPA, really frustrated and ashamed that a forensic report is not being released to us. In terms of the House Rules we have the right of access to that report, we need to know some answers, we need to know who the pals are, what the nepotism was about.

**THE SPEAKER:** One minute more.

**MR A J HAMILTON (IFP):** Then, Mr Speaker, we also have a Department which is – let us take mushrooms, if ever there was a waste of money, in my mind... [Interjection] It is for food security. I have yet to hear anyone with any knowledge of nutrition, to claim that there is a single grain of nutrition in a mushroom – they taste wrong. [Laughter] Then also there are the beans and there is the dry rice.

The thing here, Mr Speaker, that makes me so sad, Agriculture is the biggest generator of jobs, along with Tourism, there is and if I was a Minister – and I would request the Minister to listen to me and I have been talking about it since I came here – we have a fuel crisis in the world, we were the ethanol producing province for 45 years, with ethanol, and we have the sugar, we can produce small scale farming, 60/70 hectare farms, we can set up an ethanol plant...

**THE SPEAKER:** Your time is up, Mr Hamilton.

**MR A J HAMILTON (IFP):** You tell those buggers down there to mix our ethanol with their petrol and we produce jobs and small businessmen – not like they are doing here, using maize as... [time expired]

**THE SPEAKER:** Mr Hamilton, your time is up.

**MR A J HAMILTON (IFP):** Thank you.

**THE SPEAKER:** Mrs Scott, you have five minutes.

END OF TAKES MM23 to MM25

#### **MM26**

**MRS B F SCOTT (ANC):** Mr Speaker, hon members, I will not use my time. I just want to thank very much the members of the Committee because we went straight into the Budget Hearings into the Close-out, and now we are going into the Municipal Hearings so our job is never over. I also want to say thank you very much to Provincial Treasury. They have been with us the whole way through. We have worked very well with them. I think you have got a big task, hon MEC, to sort out the current problems that we do have before us and you certainly have the support of our Committee in finding resolutions.

**END OF TAKE MM26**

#### **MM27**

**DR Z L MKHIZE (MEC for FINANCE and ECONOMIC DEVELOPMENT):** Thank you Mr Speaker. I trust the Speaker will also consider carrying over my units I saved in the previous input. I did not think I finished all the thirty (minutes) Mr Speaker, so I am pleading for mercy in case ...

Thank you very much to the hon members for the debate. Firstly, I would like to apologise and ask the members to help me correct one Gremlin that we just picked up as we were checking subsequently the figures. There is a miscalculation that occurred - which I now wish to correct. On page 9, the total that you have on that Table is actually R579.602 and not R706 164, and that goes also for the second paragraph below which says: it is this **XXX 03:53:31** point 602 million that the Department of Health has agreed to finance. When rechecking, we found that something was wrong with the figures and

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so, I would like to apologise to the members for that.

Secondly, I want to thank the members of the Portfolio committee for all the support and the cooperation. Certainly, I have noted the point that you would like to debate the Recovery Plan from Health. I want to confirm that the Department of Treasury will assist in ensuring that we provide Progress Reports on a regular basis so that you could see how things are going. The issue that I just want to touch upon a little briefly is the concern that is running right across the debate from the members and that surrounds the Royal Household. In deed I think we are all worried about the financial management in that Department but I do want to say that the Premier has done something to try and deal with this matter. Partly why we have had a delay in the filling of a number of these posts has got more to do with the fact that from last year up till this year there was a debate about the Trust and it seemed it would be a bit difficult to actually increase the staff on the one side when in fact there was a Trust coming until we had a proper balance between the two particularly because what was originally envisaged as the possible approach. (This approach) was amended as we were going on and therefore it created a degree of doubt in terms of the weak side needing more members and that was why we ran into that kind of difficulty.

The second aspect is that since the members have raised this issue, the Premier has been seized with the matter to the extent that there was this appointment of the CFO in the office of the Premier as the Accounting Officer to try and assist in the financial controls at this particular Department. Beyond that point, I must say that the matter is rather a very complex terrain and I hope that at some point we will be able to get this expenditure managed properly. But I think that what I would want to caution this House on is **not** to use the issue of this Royal Household as a political ping-pong. We need to avoid a situation where this matter is politicized to whatever extent so that we can then deal with the issues objectively and also make sure that we offer the necessary dignity to the monarch and also make sure that we ultimately achieve the necessary compliance with the PMFA. No one in this House, including the Premier, would be proud of any deviations in so far as the issue of the expenditure and things are controlled in the Royal Household. However, as I said, it is a rather complex institution that now and again we find that some of the problems that arise create a sense of discomfort amongst the members. We understand that issue. That also would even include the aspect of the Parliamentary Councillors to His Majesty as I have said, it is indeed a complex matter

that I think we must **upfront XXX03:57:45** indicate that part of the challenges arise from that. It is not so much because of the unwillingness of the political greed of this institution to allow the expenditure a pattern into what could be expected from the point of view of the PFMA. Maybe let me leave it at that and see that generally that would be the **plea/plane XXX03:58:18** worried me.

The next aspect that I would want to deal with relates to the issue of the warning signals - why this matter of over expenditure was picked up late. I want to say that it was actually not picked up late. I do not know what the communication was between the Department and the Portfolio Committees. As far as Treasury was concerned over around July/August, they started feeling that there was a problem interacted with the department and they were seized with that debate with them but it did become an issue around November when the OSD issue arose. The issue of OSD arose immediately and therefore at that point of course we did point the matter out. We have had several meetings last year with the MEC to try and manage this particular matter. I pointed out a number of issues here; firstly the interpretation of the Department in terms of what needed to be done and also how this has affected other provincial Departments almost in the same way. But secondly, we did criticise the CFO for instituting payments that he had clearly noticed that they would be beyond the budget which was available. That is the duty of the CFO. We have pointed that out and we have, in the process, identified a lot of witnesses within the Department and therefore in the last meeting with the MEC we came to an agreement that the Treasury will go into the Department of Health and send a team to support them. In the process of supporting them, we will also further identify other weaknesses and take the necessary corrective measures be they of a mentorship nature, training nature, systems or anything whatsoever. So, we believe that those issues will be given the necessary attention. We will make sure that those matters are reported so that the Portfolio committee is able to see the progress on this matter as we go along.

The issues that are involved in the over expenditure will be twofold. In my case I think there are issues of capacity - that is what I have just alluded to. But there is a question around the baseline on the Health issue; indeed I would that there is a matter to be followed up in that regard. We have actually tasked a team that is going to work with Health to work very much on the issues of forward planning, and on budgeting through the MTEF and looking at the current challenges that the Department is facing so that we

do not have surprises when we get to the next year. However, the expenditure that was incurred by increasing the numbers from 66 better than 46 000 of people with Anti-Retroviral treatment - we should say that is more of an achievement in the Department. However, we would like to be more ready. We must anticipate so that we know for a fact that this is what we are going to be going through. That would be the issue.

The matter of the decentralization – I would say that the team will also be looking into that matter. I know that the system of decentralization decentralised fiscal financial management systems were in place. What must have happened is something that you will also find out as we interact closely with the Department so that when the issue was raised at the Portfolio Committee the Department might have indicated that there is no such a structure. We want to find out how that arose because there were those systems including what was called the cash flow committees which were a system to ensure that there is no expenditure incurred unless it is budgeted for so that we avoid getting again into an over expenditure. So, the brief of this team that is going to help with the Department of Health is to ensure that at the end of the day all of these matters are given attention.

So, insofar as the comments that came from Mrs Mncwango, I would say my attitude on the matter of His Majesty is for us to try and avoid getting it politicised across the parties – and I have made that as a point across all of us – it has been raised many times and I think it is an important point to deal with. What hon Ngcobo said in relation to **XXX04:04:24** opening balance – **XXX** use the closing balance as opening balance. The real challenge is that if there was somewhere else that we could get the money from, we would do so. In the absence thereof, the only possible magic you can apply would only just caution against instigating hon Ludidi to *toyi-toyi*. I heard that there was some encouragement to that effect. I think that the team that we are sending to the Treasury to be attending to the Department of Health should be able to come back and give us proper sense of how we can deal with that particular issue.

Similarly, I think this covers my comments to cover what hon Burrows said particularly on the question of the warning signals. As far as I am concerned, I think the warning signals are in order. The question really is **XXX04:05:29** the problem is gone very big. What they report in the House here, I have no control over but however if I had been made aware that Treasury would have said that there were no warning systems, I would

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have acted on that matter fairly quickly because it might not have been necessary to act either than just to correct it here. I am not too sure who actually gave that impression that there were no warning systems – we certainly do have them. Whether the Department, in the case of this being pointed out, is able to act on it is a separate matter.

The hon Mbatha, your comments in relation to the Royal Household, I would say that again it is a complex matter. But, insofar as the area of Agriculture – I can only say that from the interaction I have had with the Minister I am quite satisfied that he is doing his very best to bring us to a point where we will be able to see the expenditure in making an impact on the ground we will realise. Also, what has been good is the extent to which we have been able to strengthen the inter-departmental co-operation, particularly with a community development department and some of the departments that get associated including some of the national government departments such as the Commissioner for Land Affairs and so on. So, we should look forward to a lot more activity from the Department of Agriculture. Of course when he gets the opportunity I am sure he will be at liberty – my colleague will be at liberty to go ahead to explain some of the details of this matter.

The hon Thakur-Rajbansi, we note your comments and in deed as I said, at some point we had a challenge and we criticized the CFO for using interpretation of how to deal with the OSD but of cause that is now history.

Hon Tarr, I think that does cover you as well in relation to the issues of decentralization as well as the warning signals. The issue of the baseline again I think is the matter that I would generally agree with you on. The area of the handbook – the revision of the handbook – in theory that should work; I think it is useful however, I think the complexity of this matter is more at a level of interaction and communication. I think some of the members have put their fingers where the challenge is, however as I say, this is a bit of a complex matter, I would not want to dwell on the issue either than to say that the Premier is as worried about the matter as all of us are. That again would also cover the hon Msomi on those issues.

Then, I would want to deal briefly with this issue of the report. This issue of the report ... the situation really does not change until we can agree that you have no problem if a matter that has been investigated and people who are investigating the particular cases

in that particular report are able to say; well listen, go ahead debate the matter. What maybe we should really look at, just to deal with this concept because I am aware the same concern we had to discuss with the hon MEC of the Department is to look at a few possibilities. One of those is a particular report in terms of how the MEC has dealt with these particular issues that are raised there. But maybe if we can agree on a closed kind of session wherein we can share this report but then retrieve it because our main worry is to how this information gets leaked to newspapers when in fact there is some work that is being done. Maybe we might just have to look at some of those. I am going to consult the Minister and then we can see how we could assist. It is not our intention to compromise the investigations of a criminal nature that are underway.

On the other hand, we do not accept the accusation that we are rocking the oversight function of the Legislature. I think that there is enough that the Department is able to do and report around the issue that would have been a part of the Forensic Investigation Report without the Committee's work being undermined. As far as I would be concerned, we will try these measures and see if they can take us forward. I do not think it is correct to make a statement that the lack of that report does scuffle the work of the Committee. There is adequate information in this regard so that it is not necessary for members to make that kind of accusation. However, we will look at how we can try and meet the Committee more in creating a confidential environment in which we can share the information as colleagues and not get the problems out of matters being reported in the media. It did arise mainly also because there has been some kind of irresponsible handling of some of the very confidential material which in the first instance is supposed to be for the benefit of the executive to be able to manage issues effectively. Now, when some of the officials in some places start sharing information that is not yet due and sometimes we feel that the reports have been unduly given to the media at the time when they were supposed to be kept within a degree of confidentiality - then of course it becomes very difficult to actually think that we can just very easily release the report because we know that it is going to compromise the one other arm of government; that is, the investigation of those particular offences that are reported in there.

Well, the hon Hamilton ... I do not know some of the criticism about national Treasury. I can only say part of the challenge here does arise when based on the information on the PESA national Treasury takes a calculation and makes projections on what will be the requirements of a particular dispensation and then finding that there is no clear

alignment with the provincial report, then you end up with some under funding and so on. But, seeing that most of these comments were directed to National Ministers, I can only leave it at that. Maybe you can have a discussion over tea with him. We **XXX04:13:34** Capital Towers, we have discussed the matter with the Department of Health and we have asked them to review that in the light of all the queries that we have raised with them but also of course we have now a serious challenge about the over expenditure and all what appears to be unnecessary and what we think could have been avoided/ which could have been cancelled some of such contracts, we hope that they will be able to act appropriately at that level.

The other hysteria which I do not quite understand is that of hon Hamilton where he is referring to the issue of the closing down of the Department of Health. That is what I call typical rumour mongering which I do not expect from members. Members should not pick up rumours and come and throw them into the House and then of course the media now will report it as something that was spoken of in Parliament. How do you close down a department? I do not know what he is talking about. How do you close down a department? It is just a pity. How do you close down a department? 66 thousand posts and over 65 you know, 70 hospitals – all of them filled with people with about 450 clinics and everyday people walk up to them. How do you close a hospital? How do you close a department? I just do not understand what he is talking about and I just think it is an irresponsible statement because we have just said here we are raising the over expenditure, the shortfall we are raising from all the other departments. It is not good that they under spent but now that they have under spent, we have got money to fund the over expenditure. We might have been forced in any case if there was need to revise some of the departments and say well let us re-organise. But then you cannot say to anybody when you are going to circulate a story that they are closing down the Department of Health – and where do people who are coughing and who are sick with diarrhoea and everything go to? I just think that is a very irresponsible... I do not know what it means. But I just want to take serious exception to that because it is beginning like this as a simple basic one I have heard but outside there it is going to be a story that people might call the **XXX04:15:57** preparing for the elections, I do not know.

The reality is that there is a challenge in the Department of Health. That challenge is based on the matters that we have explained. We have a solution. With that solution the Department is going to continue running and we will find ways of making sure that it

runs. We have said that we concede XXX04:16:22 a need to review the baseline but the review of the baseline is not going to be a political story. It is going to be based on proper work and planning and proper budgeting and then you can sit down and make a case. We will make that case because there are issues that we are very uncomfortable about on the point of view of the executive in terms of how much we need to be doing. Even the over expenditure in the Anti-retroviral treatment is an indication of an area that requires urgent attention. Indeed as I have said that we will be doing so, so when we send a team to go and investigate what is going on in the Department, that team will come back with a response. But, do not talk about closure – closure of a Department.

I really hope I did not hear the member properly. But I really do not like this thing of creating boogiemans and then go around and making people scared and send all sorts of funny rumours and then everybody is going to be phoning around saying we heard in Parliament that the Department is closing down. This is not a factory...that can close down. So I hope I know what this thing is all about. I hope he knows what he is talking about because I do want to take him on this thing and tell me what it is that he is talking about. And I do not think members must actually come here and scare people for no reason. I really find it very funny. Mr Speaker, I am very sorry. I just find it a completely unacceptable kind of allegation to be made by a senior member of this House to stand up there and say something like that. This thing is being recorded. Somebody is going to say well I heard in Parliament that the Department is going to close down. How do you close the Department down? This government is running and it is going to run until the next election. This Department will run until the next election. This Department is not having any problem either than the issues we have isolated and we said how we are going to deal with those. The OSD were approaching national Department. We will deal with that matter at that level. We will be coming to the adjustment estimates. If there is need we will actually find ways of dealing with it. There is no way we can close a single clinic because we have an over expenditure. There is no way you can close one bed in a hospital because of it and, it is a very sad sensitive matter as far as I am concerned. You cannot create a sense of panic and so on. Yes indeed, I am very unhappy with the way the CFO behaved. I said to the MEC that I think he should have done better. But then we agreed we are going to put capacity there. We will get a report and all of us are going to see what is happening. But why come around here and scare people and talk about the closing down of the Department. I do not understand. So, I hope that you do not talk

about it in the process because I really think that it is an irresponsible statement to make and I am grateful that the man is here – the hon member is here – then we can all hear about it.

Well. I suppose it means now tea time for us. We are going to chat about it. But we cannot really send around irresponsible statements like this and create boogiemans out of every corner and then get people scared for nothing.

Thank you very much.

#### **END OF TAKE MM27**

#### **MM28**

**THE SPEAKER:** Thank you hon MEC. For the record I do want to say MEC, yes part of your minutes from this morning were used in this session – but only part.

Colleagues we have concluded this debate with a tricky conclusion. Now we close it clear by adopting the report of the Finance Committee because they constitute the resolutions of the House at the end of the day. I now there put the Finance Portfolio Committee report to the House. May those who support it say “I” [I], and those who oppose it say “No” [No]. The “I’s” have it, therefore the report is now the report of the House.

I now need to go towards closure. First one very interesting matter here which has been brought to me – I just thought that it is a matter that should be shared by the House, especially the chairpersons of Committees and members of committees who go overseas. There is a letter from the South African High Commission in Australia. It is in respect of the Transport Portfolio Committee study tour to Australia from 9-24 May. I am just going to read parts of it, not all of it.

The Mission expresses to you and the members of the Committee its profound appreciation for their standing and sound corporation during their recent visit to Australia. It goes on to say the Mission’s interlocutors in the three states visited have all heaped praises on the delegation and we hope that the programme fulfilled the Committee’s mandate.

Lastly, may we impress on the Committee members. Lastly, we sincerely hope the visit to Australia served to enhance the bilateral political profile between Australia and KZN in particular, and South Africa in general. The Mission waits ready and willing to assist further in ensuring that the profile is nurtured in its growth through considered and well researched visits like yours. I thought it is important that when a committee has been overseas and it is appreciated by those it went to, we must say to this House, and that is because we may have to say some of the nasty things that we may be getting that come from some of the overseas countries if they are there. So, I am saying both these positions must be reflected. But, I do want to say hon members that there was a discussion amongst ourselves as the leadership of this legislature and in the discussions we were saying that Foreign Affairs, amongst other things, is worried about us sending delegation after delegation on the same matter to the same country, year after year. The question they are asking is: what happens to the information that the first delegation goes to that country and come back with? It is a pertinent question which we are going to have to address because of that concern that Foreign Affairs has raised.

That concludes therefore, that one announcement. Hon leader of government business, after this announcement I am sure you are ready if there is any announcement on behalf of the Premier? [A big noise from the background].

*Mphephethe, manje angazi ngoba angiphule mthetho ukuthi XXX04:24:44?*

**XXX:** *Somlomo, ukuba kuyavumeleka ukuba sithathe ezethu zibe mbili sihlangane la emnyango?*

**THE SPEAKER:** *Akuvumelekile, cha, yikho nje nginibuza ukuthi ngizomenzenjani ngoba akaphule mthetho?*

**XXX:** *Ngiyabonga. Kuyofuneka sithi ukushintsha imithetho kuthiwe uchuku aluvumelekile Somlomo. Somlomo, there are no announcements.*

**THE SPEAKER:** Thank you hon members. We just hope that members are reminded about the events starting from June 16 at KwaMsani and then 17 and 18 at Hluhluwe. This House is now therefore adjourned. I have made several consultations with the Chief Whip at the recommendation of the Chief Whip in consultation with all the parties. The House will be adjourned till the 26<sup>th</sup> of June 2008.

The House therefore is adjourned.

**END OF TAKE MM28**