



provincial treasury

Department:
Provincial Treasury
North West Provincial Government
Republic of South Africa

PROVINCIAL BUDGET SPEECH



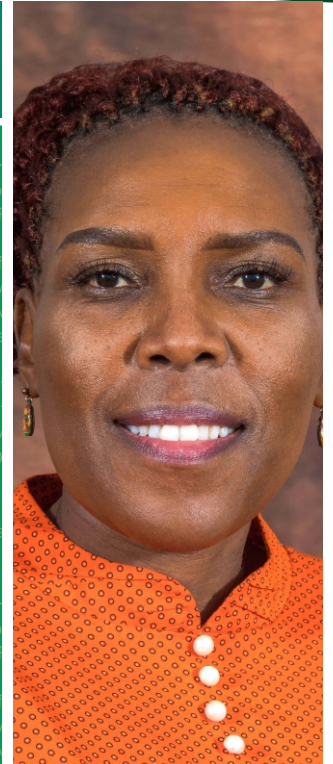
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2022 SPECIAL EDITION

2022

BUDGET SPEECH

2022/23 PROVINCIAL BUDGET



MEC Rosho tables the budget in March 2022 for Economic cluster

MEC Motlalepula Rosho tabled the 2022/23 budget speech in March and has indicated that the budget total budget for the province amounts to R49.712 billion in 2022/23 financial year and R97.880 billion in the last 2 years of the MTEF.

The economic cluster focuses on stimulating economic growth, job

creation, providing sustainable food security, provision of quality provincial infrastructure, development of new roads, reconstruction, upgrading, rehabilitation and maintenance of roads infrastructure.

This cluster consists of the Department of Economic Development, Environment,

Conservation and Tourism, Department of Agriculture and Rural Development and Department of Public Works and Roads. The cluster receives R16.766 billion over the MTEF period

The budget on the economic cluster , which includes the Department of Economic

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Development, Environment, Conversation and Tourism has been allocated an amount of R958 million this will be used to support SMME's and cooperatives for increased participation in the mainstream economy, promote tourism and to provide for sustainable environmental services. In 2023/24 will amount to R969 970 million and in 2024/25 will be R 1001035 billion

MEC Rosho in her speech quoted Cyril Ramaphosa state of Nation

Address said “small businesses, micro businesses and informal businesses can create most jobs and provide the most opportunities for poor people to earn a living”. To this end, included in the departmental budget is an amount of R37.3 million which is directed towards supporting small business and enterprise development.

The Department of Agriculture and Rural Development, this department received R1.2 billion in 2022/2023 financial year

growing to R1.3 billion in the last year of the MTEF.

Included in this allocation is an amount of R224 million over the MTEF for Ilima/Letsema Projects Grant and R185 million is allocated in 2022/23 for Comprehensive Agricultural Support Programme Grant. This is given to ensure sustainable development and management of agricultural resources through provision of agricultural support services to farmers.

Social Sector Departments continue to serve and expand services



MEC Motlalepule Rosho tabled the 2022/23 Provincial Budget Speech this week and has indicated that the total budget for the province amounts to R49.712 billion in 2022/23 financial year and R97.880 billion in the last two years of the MTEF. The 2022/23 budget allocation is made up of Provincial Equitable Share amounting to R39.540 billion, R8.568 billion for the Conditional Grants and R1.6 billion from Own Provincial funding.

The Social Cluster, which includes Education, Health, Human settlement, and arts, Culture, sports and Recreation, has collectively received a lion's share of the provincial budget estimated at 80%.

Department of Education budget is allocated R20.346 billion in 2022/23 and R39.834 billion for the outer years of the MTEF period to ensure that effective teaching and learning takes place in schools. Other key programmes to be funded, include Early Childhood Development

(ECD) at the Grade R and Pre-Grade R levels, the sanitary project and the National Nutrition Programme Grant.

The function for Early Childhood Development has been transferred from Social Development to Education resulting in an amount of R90.453 million being shifted in 2022/23 and R179.361 million in the outer years of the MTEF. Education will continue to implement the Presidential Youth Empowerment Initiative which will benefit more than 800 unemployed youth.

Department of health received the second largest budget allocation which amounts for 30.5% of the total provincial budget. Health was allocated an amount of R15.186 billion which accumulates to R28.987 billion in the last two years of the MTEF. The programmes funded within this budget are for Community Health Workers, Emergency Transport and planned Patient Transport. R1.525 billion

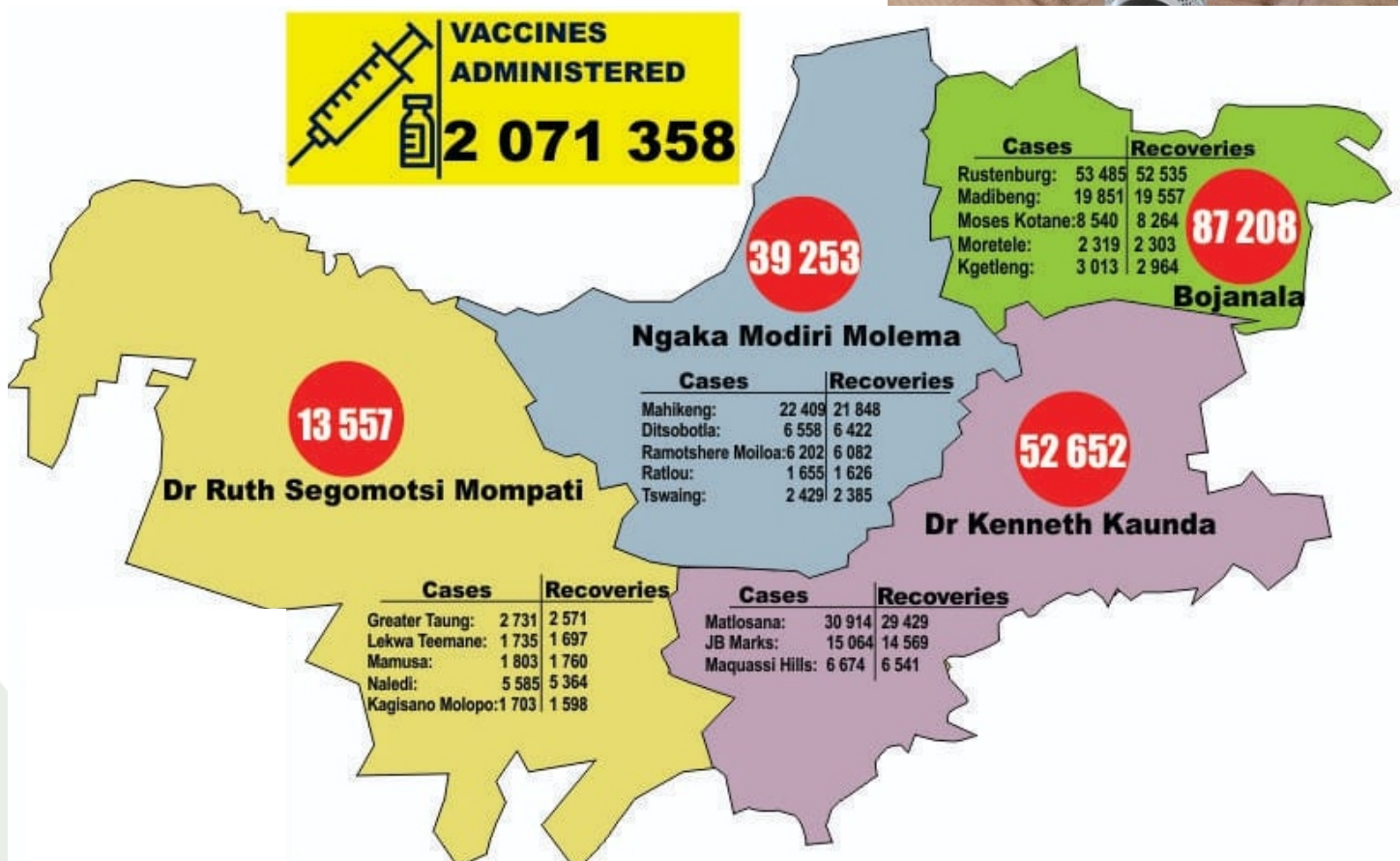
was set aside for the fight against HIV and AIDS and R522.847 million for the COVID-19 pandemic and essential medical supplies in the department.

The amount of R79 million was added to Health and allocated to the statutory Human Resource Grant in 2022/23 financial year accumulating to R152 million in the two outer years of the MTEF. In addition, the department reprioritised R150 million from the baseline towards accruals. Resultantly, an amount of R350 million is set aside for Health accruals in the 2022/23 financial year.

Department of Social Development received an amount of R1.654 billion that is meant for the provision of the comprehensive social welfare services to vulnerable groups. Department of Human Settlement was allocated R1.921 billion in 2022/23 and an additional R4.077 billion for the two outer years of the MTEF.

This allocation includes R4 billion for the Human Settlements Development Grant (HSDG) over the MTEF. With this funding, the department will be able to provide housing opportunities for the population of the province, revitalize mining towns, as well as attend to the issuing of title deeds. Department of Arts, Culture, Sports and Recreation has been allocated an amount of R744 million in the 2022/23 financial year.

COVID 19 IMPACTS PROVINCIAL REVENUE COLLECTION.



The MEC for Provincial Treasury : Ms Motlalepula Rosho tabled the Provincial Budget Speech on Tuesday, 8th March 2022 and deliberated on the impact of Covid 19 pandemic on the economy of the province. The MEC highlighted and said that we need to be mindful that our economy has been reeling from the negative impact that the Covid 19 pandemic unleashed over the past two years of lockdown

restrictions.

She said that the IHS market released the North West GDP data estimates which show that the provincial economy declined by 6% in 2020. Most of the economic sectors were affected with only Agriculture registering a 10.9% growth whilst the rest declined for the same period. Since the outbreak of this pandemic, we have had to

intermittently close some of our economic sectors including exports and imports to mitigate against the spread of the virus.

These closures contributed immensely to the decline in economic activity and negatively impacted our growth trajectory. Poverty, inequality and unemployment remains a challenge in our province. The North West

COVID-19

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Province recorded an unemployment rate of 35,7% in the third quarter of 2021 which was higher than the national figure of 34,9% for the same period. MEC reiterated that compared to other provinces, North West Province registered the fifth highest unemployment rate for that quarter.

In trying to limit the spread of Covid 19, policy makers have the difficult task of balancing the positive health effect of lockdown against their economic costs and the burden lockdowns imposed on low income and food insecure households. The lockdown meant that many people could not engage in their daily survival strategies. The government assisted by providing food parcels to the needy during lockdown, R350.00 grant to the unemployed as well as the Unemployment Insurance Fund (UIF) to help cope with the effects of this pandemic.

A series of recovery scenarios have to be implemented in order to amend the gaps left by the Covid 19

pandemic. Government should strategize and amend laws and policies that will facilitate the implementation of interventions to mitigate the negative impacts of Covid 19 as follows ;-

- **Family** in terms of Food Security and Gender Based Violence.
- **Health Sector** – Hospitalization and no beds for patients during lockdown which means we have to re-visit our hospital facilities in terms of renovation and spacing.
- **Education Sector** – Food Security of children from poor backgrounds and curriculum not finished which affects the brain of the child later in higher education.
- **Social Sector** – No physical activities which also affects our mental health, refurbishment of Welfare centres.
- **Economic & Financial Impact on families** – Families depend on the hand to mouth feed

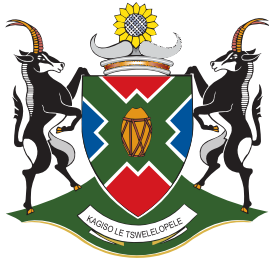
(handouts), increase on the unemployment rate.

- **Community** in terms of Sports facilities and gyms, churches for religious groups etc. Community Forums can be used as an avenue to teach parents about online learning.

MEC Rosho also highlighted that the province needs a much faster growing economy that will create more job opportunities.

Recently the economy has gradually started showing signs of recovery since all sectors have been reopened. GDP growth for the country is projected at 2,1% for 2022 by National Treasury and is expected average 1,8% over the next three years.

The 2022 MTEF proposal that we will be presenting are geared towards stimulating the economy and our hope is that working with various stakeholders, we will be able to inject life back into our economy.



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