

**BUDGET SPEECH OF THE OFFICE OF THE PREMIER
DELIVERED BY THE PREMIER OF LIMPOPO MR CHUPU
MATHABATHA AT THE LIMPOPO PROVINCIAL
LEGISLATURE, LEBOWAKGOMO (VOTE 1)**

08 April 2021

Honourable Speaker and Deputy Speaker;

Members of the Executive Council;

Chief Whip of the Ruling Party;

Chairpersons of various Portfolio Committees;

Esteemed Members of the House;

Members of the media;

Distinguished ladies and gentlemen:

Our provincial economy, the national economy and indeed the world economy is struggling to recover from the grip of the global coronavirus pandemic.

When the first case of coronavirus infection was reported and recorded in our country just over a year ago, little did we know

that, that, was the beginning of the long, difficult and sustained battle with a new yet invisible enemy.

At that time, we would not have imagined that the virus would force us to shutdown places of worship, close factories, shut the doors of education and culture and effectively bring our economy to a standstill.

Nothing would have prepared us for such a radical change in our way of doing things.

Indeed as I have said before, from now, henceforth, the history of the world will be divided into two chapters; that is before and after the corona virus.

Nothing will ever be the same again. This include how we do business as government and as this legislature.

All these changes have impacted significantly on our economy.

With factories and other businesses having to shutdown, this meant that there was very little revenue into our tax basket while expected to do more with little resources.

Our social relief programs had to be financed from a shrinking basket of national income.

This is a tough balancing act by the government.

As a country, we owe so much to the judicious leadership and wisdom of President Cyril Ramaphosa during this tough period.

Through the leadership of President Ramaphosa, a National Economic Recovery Plan was introduced to ignite economic activity, restore investor confidence; prevent further job losses and to provide a protective net for the vulnerable groups in our society.

In essence, this stimulus and recovery plan is based on the following broad pillars:

- Implementation of growth enhancing economic reforms.
- Reprioritisation of public spending to support job creation.
- Establishment of an Infrastructure Fund.
- Addressing urgent and pressing matters in education and health, and
- Investing in municipal infrastructure improvement.

Honourable Speaker

The work of the Office of the Premier is facilitated through three functional Programmes. These programmes are; **Administration Support Services, Institutional Development and Policy and Governance.**

The main function of **Programme 1**, which is Administration Support Services, is to provide the necessary administrative support to the Premier, the Executive Council and the Director General in fulfilling their legislative mandate as well as the promotion of good corporate governance.

Accordingly, we have finalised the review of the Organisational Structure for the Office of the Premier in line with this legislative and policy mandate of the Office.

The reviewed organisational structure positions the Office of the Premier as a leader that provides direction and support to the rest of the Provincial Administration.

This adopted structure has empowered the Office of the Premier to function as a well-oiled machine, with the ability to coordinate and provide necessary leadership to the rest of the Provincial Government.

This structure is also designed to be biased towards the Office's overall strategy, especially as it relates to the mandate to provide transversal services and support, Intergovernmental relations and support to departments.

At the core of this adopted structure is the strengthening of the policy development and policy coordination capacity in the Office of the Premier.

Honourable Speaker

As I always say, our ability to spend allocated resources is directly linked to our ability to take services to the people. I am happy to report that the Office of the Premier is doing very well when it comes to the area of expenditure management.

The Office experienced significant budget cuts during the financial year 2020/21 due to the Covid-19 pandemic. However, we did not allow these budget cuts to impede us from executing our operations and mandates – we had to do our work even under these difficult circumstances imposed by Covid-19.

In the past Financial Year, the Office had managed to spend over **97%** of its allocated budget. I am able to add that our Annual Financial Statements were prepared in a meticulous and professional manner.

I can also report to this House that the office of the Premier is doing exceptionally well when it comes to the mandate to pay our suppliers and service providers within the prescribed 30 days period.

As a matter of fact, during the period under review, 100% of our suppliers and service providers were paid within the prescribed period.

Members would agree that paying service providers on time is vital for the financial health of small and medium enterprises. The sustainability of our SMMEs is highly dependent on us paying their invoices as and when they become due and payable.

It is for this reason that we are concerned about a number of other departments which are not doing well with regard to this area of payment within 30 days. We will therefore be working with the Provincial Treasury to ensure that all of our Departments do pay invoices within a 30 days period.

Honourable Members

Clean governance restores the confidence of the people in public institutions. It is therefore significant for the Office of the Premier to lead from the front and lead by example in this regard.

I am therefore pleased to announce that, for the year under review, the Office of the Premier has received a Clean Audit Opinion from the AG.

My appreciation goes to all the men and women in the Office of the Premier who worked so hard to ensure this clean audit outcome. I want to commend our Senior Management Service for steering the ship in the right direction.

The Office will not be complacent and relax because of the clean audit outcome but will work even harder to sustain the momentum. I have since directed our Director General, Mr Nape Nchabeleng to ensure that this outcome is sustained.

Honourable Speaker

The one area where the Office was not doing well was with regard to our equity targets. We are particularly concerned about the representation of females at the Senior Management level.

At the beginning of the Financial Year, the representation was at 39% females and 61% males. The Leadership of the Office made a concerted effort such that appointments of SMS members were biased towards females.

As we are speaking, the Office is at 49% females and 51% males. A difference of almost 10% and we will continue to work towards the achievement of 50%. On the flip side of the coin, there are many women than men between levels, 1 to 12. This augur well with us and serve as a positive strategy for succession planning.

This issue received our undivided attention in the past Financial Year and we will continue to improve going forward. We will make it a point that the Employment Equity targets are met.

The Office of the Premier is, however, doing relatively well when it comes to the representation of people with disabilities. With a threshold of **7%**, the office is now at **3.4** percent. The office will work very hard to improve on this matter.

The Office is in the process of applying the ethical principles and frameworks to resolve multifaceted moral predicaments. In conjunction with the Department of Public Service and Administration, the Office has directed that all employees should complete e-learning programme on ethics by the end of 31 March 2021.

Madam Speaker and Honourable Members

The function of **Programme 2**, which is Institutional Development Support, is to provide efficient and effective institutional support services to the rest of the Provincial Government.

The Office of the Premier continues to coordinate the work of the Provincial AIDS Council. In this regard, I am happy to state that there is an improved functionality of our District AIDS

Councils, particularly as it relates to the implementation of the Multi-sectoral District Plan.

The Office of the Premier has led the processes for the development of the Provincial e-Government Strategy Implementation Plan. At the heart of this Plan, is to ensure that the Provincial Administration realize the digitization of its services.

It is thanks to this Plan, that even during the hard lockdown and other difficulties imposed by Covid-19, our government services did not shut down.

We were able to coordinate the implementation of the virtual platform for virtual meetings. We hope to sustain this new way of doing things, which also proves to be cost effective and time saving.

The Office of the Premier has accordingly, allocated a budget of R58 million to support e-Government for the Financial Year 2021/2022.

Part of these budget will help the Office to secure Digital Signature and Electronic Content Management System, e-Recruitment Management System, e-Leave Management System and the Email Amalgamation processes.

The Office has also started on the implementation of the Provincial Knowledge Management Portal and the Virtual Private Network to increase the network capacity and host some of the transversal system within the Province.

Madam Speaker

The focus of **Programme 3**, which is Policy and Governance, is to enable the Office of the Premier, to implement the mandate of integrated planning and coordination of the provincial government.

The Executive Council has adopted the reviewed Limpopo Development Plan. The process to review the LDP was meant to ensure that the revised Plan is aligned to the NDP's 5-year Implementation Plan, and the 2019-2024 Medium Term Strategic Framework priorities.

The reviewed LDP focuses on the mandate to place our province on a higher trajectory of economic development. This socio-economic development blueprint we are presenting to the people of the Province has an entrenched focus on mining, the agricultural sector, the tourism sector, the manufacturing and a biased focus on the support for SMMEs and Cooperatives.

It is our considered view that this focused approach to economic development, will indeed become a game-changer in

redefining the economic landscape of the Province. This will certainly help us to the productive capacity of our economy.

Honourable Speaker

Members would remember that during his 2019 Budget Speech, President Cyril Ramaphosa identified the “pattern of operating in silos” as a challenge for government. To use the words of the President, this has led to ***lack of coherence in planning and implementation and has made monitoring and oversight of government's programme difficult.***

In response to this unpleasant reality, the District Development Model initiative was launched for implementation in all the districts and metropolitan municipalities across the country.

The Waterberg District was thus adopted as part of the national pilot project.

Since then, we have moved swiftly to launch the District Development Model in all the districts across our province. I am therefore able to report that all our districts have functional District Coordinating Councils, all our districts have completed their socio-economic profiles and that district hubs have been established and are functional.

We believe that a district-by-district approach to development is exactly what our country has been yearning for. This is

because each district has its own competitive advantages and its own unique challenges.

We believe that this is the approach which will assist us to develop our country, grow the economy and create the much-needed jobs.

Honourable Members

The Office of the Premier is particularly seized with the task of supporting the rollout of socio-economic infrastructure across the Province. In this regard, I am pleased to mention that we have had constructive engagements with Infrastructure South Africa with a view to solidify a partnership for infrastructure delivery in the province.

Going forward, we will be working with Infrastructure South Africa in the implementation of various projects, including, water infrastructure projects, healthcare infrastructure projects, Human settlements and road infrastructure.

As I have committed during the State of the Province Address, I will be having a meeting with the Minister of Water and Sanitation so that we resolve blockages on some of the following projects:

- The Giyani Water Services;
- Mametja Sekororo Bulk Water Supply;
- Kutama Sinthumule Bulk Water Augmentation;
- Mogalakwena Bulk Water Scheme;
- Moutse Bulk Water Scheme;
- Mooihoek/Tubatse Bulk Water Scheme;
- Polokwane Bulk Water Supply; and
- Bambanani pipeline.

Honourable Speaker

I earlier spoke of the clean audit received by the Office of the Premier, but that's not all. As I said, the Office of the Premier is concerned the overall governance of the entire Provincial Administration.

In this regard, I am pleased again to announce that the Provincial Government has registered significant audit improvements for the year under review. These improvements are a product of the ongoing oversight work by Executive Council. The Provincial Administration registered the following Audit outcomes:

We have registered Five Clean Audits in the following Departments or entities, the Office of the Premier, the Provincial Legislature, the Department of Transport and Community Safety, Provincial Treasury and the Gambling Board.

I am also pleased to announce that the Departments of Health, Social Development, Sport, Arts and Culture, Public Works, Roads and Infrastructure as well as LEDA have moved from qualified to unqualified audit opinions.

In addition to these improvements, departments of Agriculture and Rural Development, LEDET, CoGHSTA, Public Works Roads and Infrastructure, Limpopo Tourism Agency and RAL have maintained their unqualified audit opinions.

Madam Speaker

I have made a commitment in this House that we shall continue to prioritise the filling of strategic leadership position across the Provincial Administration.

In this regard, I am able to report to this House that out of the 11 HOD positions, 09 have been permanently filled. Of the remaining two, recruitment processes are at an advanced stage. Of this 09 HODs, five of them are occupied by female persons.

All Provincial departments have appointed CFOs.

As another measure to strengthen the performance of government, I have since finalised and signed Performance Agreements with all our MECs.

Part of the deliverables contained in these Agreements is about improving service delivery, ensuring good governance and ensuring sound financial management.

These Agreements will also help us to hold MECs accountable in relation to the work we have mandated them to do.

The process to reconfigure government department and entities is almost complete. The Legislature will be provided with a detailed update in the foreseeable future on this matter.

In the same spirit, we should prioritise improving our relationship with Chapter 9 institutions, particularly our relationship with the Public Service Commission in order to make our government more sensitive and better responsive to the needs of our people in the 2021/2022 Financial Year.

Madam Speaker

During the 2019/2020 State of the Province Address, I indicated that we will be launching new Premier's Economic Growth Advisory Council in line with the priorities of 6th Administration.

I can confirm that the new PEGAC team has been established. This team is composed of men and women with expertise from the field of academia, civil society and the private sector.

We continue to strengthen relations with our neighbouring countries and other progressive nations of the world in order to service our socio-economic needs.

We continue to engage with our counterparts in the Matebeleland Province of Zimbabwe through the Trans-Limpopo Spatial Development Initiatives (TLSDI). Through this initiative, we aim to unlock the water challenges faced by the Musina-Makhado Special Development Zone.

Limpopo enjoys strong and cordial relations with the People's Republic of China, particularly with the provinces of Shanxi, Anhui, Henan and Hubei.

We are working on concluding an MOU with Shanxi Province which is the host of the Taiyuan Iron & Steel Company which is the major investor on the Musina-Makhado SEZ. Furthermore, the Province will be working with the Provinces of Henan, Anhui and Hubei to deal with matters of skills development and training.

Henan and Shanxi provinces have donated more than 50 000 surgical masks to Limpopo Province to fight Covid-19 as part of the long existing relations between the two provinces.

Through our existing MOU with the Gaza Province of Mozambique, we are working on consolidating and strengthen bilateral relations between Limpopo and Gaza province.

In this regard, we will be convening a joint meeting to take stock of the progress registered since the last joint political sitting held in Bileni Town of Gaza Province.

We will also be implementing an Action Plan in line with the MOU between Limpopo and 4 northern regions of Namibia. This Action Plan is focussed on the areas of; Agriculture, Tourism, SMME development, Trade and Investment, Education and Culture, Health, Urban and regional Planning.

The visit by the Ambassador of Mexico in October 2020 presented an opportunity for twinning between Tule and Big Tree for Local economic development.

The National Government of Mexico made a proposal of sending a team of researchers in the field of Botany to the province to conduct a research pertaining to the Baobab tree

and many other opportunities around the area. The University of Venda will play an important role in the process.

Furthermore, the proposal for cooperation between Limpopo and Oaxaca Provinces will serve to strengthen the relations between two countries whilst benefiting the local communities in both provinces.

Our relationship with Cuba is long and enduring. We are grateful to the support of the Cuban doctors in our ongoing fight against the coronavirus pandemic.

Madam Speaker and Honourable Members

I want to conclude by reiterating our government's message against the pandemic of Gender Based Violence. On Sunday, the country celebrated Human Rights Day, however, we cannot fully celebrate human rights while the rights of women are ignored and trembled upon.

Gender Based Violence is a phenomenon that has neither regard nor respect for women's rights. As Limpopo government we say that women's rights are human rights.

A violation of women's rights is a violation of human rights.

Let us expose abusers, report them and let the law deal with them in the harshest way possible.

Honourable Speaker

For this 2021/2022 Financial Year, the Office is allocated a budget of R405 049 million.

Of this amount, Programme 1, which is Administration is allocated an amount of **R130 660 million**;

Programme 2, which is Institutional Development, is allocated an amount of **R186 874 million**;

Programme 3, which is Policy and Governance, is allocated an amount **R87 515 million**.

It is therefore, my honour and privilege to table before this esteemed House, the 2021/2022 budget vote for the Office of the Premier for appropriation:

I thank you!

BUDGET SPEECH 2021/22

Table 1.2 (a) and 1.2(b) below provides summary of programme and economic classification

Table 1.2(a): Summary of payments and estimates: Office of the Premier

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23
Programme 1: Administration	155 236	163 430	167 926	175 388	152 563	152 563	130 660	146 563	165 908
Programme 2: Institutional Development	148 923	155 870	151 891	154 443	146 952	146 952	186 874	172 800	188 282
Programme 3: Policy and Governance	97 555	99 099	106 689	120 374	94 770	94 770	87 515	105 348	110 686
Total payments and estimates	401 714	418 399	426 506	450 205	394 285	394 285	405 049	424 711	464 876
Less: Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Baseline Available for Spending	401 714	418 399	426 506	450 205	394 285	394 285	405 049	424 711	464 876

Table 1.2(b): Summary of payments and estimates by economic classification: Office of the Premier

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23
Current payments	391 056	410 979	418 745	440 051	384 721	384 721	400 241	418 756	455 755
Compensation of employees	280 808	301 263	312 615	331 134	307 791	307 791	289 533	289 533	289 533
Goods and services	110 248	109 716	106 130	108 917	76 930	76 930	110 708	129 223	166 222
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	4 861	1 450	3 547	5 645	5 793	5 793	2 429	2 101	1 409
Provinces and municipalities	20	20	24	49	49	49	49	49	49
Departmental agencies and accounts	9	10	12	29	29	29	30	30	30
Households	4 832	1 420	3 511	5 567	5 715	5 715	2 350	2 022	1 330
Payments for capital assets	5 724	5 613	4 214	4 509	3 771	3 771	2 379	3 854	7 712
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 229	5 613	4 214	4 509	3 771	3 771	2 379	3 854	7 712
Software and other intangible assets	495	-	-	-	-	-	-	-	-
Payments for financial assets	73	357	-	-	-	-	-	-	-
Total economic classification	401 714	418 399	426 506	450 205	394 285	394 285	405 049	424 711	464 876
Less: Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Baseline available for spending	401 714	418 399	426 506	450 205	394 285	394 285	405 049	424 711	464 876