

OPENING ADDRESS TO THE LIMPOPO BUDGET LEKGOTLA BY THE APREMIER OF LIMPOPO HONOURABLE CHUPU MATHABATHA HELD AT BOLIVIA LODGE, POLOKWANE.

13 NOVEMBER 2019.

Program director;

Members of the Executive Council;
Mayors and Executive Mayors of our municipalities;
Chairperson of the House of Traditional Leaders;
Director General, Ntate Nape Nchabeleng;
Heads of State-Owned Enterprises;
Heads of Provincial Departments;
Municipal Managers
Chief Executive Officers;
Ladies and Gentlemen:

Good morning!

Perhaps we should start by appreciating the gentle rains that have blessed us over the past two days or so.

I think that we will all agree that the situation was indeed dire for most of our Province.

The Department of Water and Sanitation had already warned that water restrictions could be applied as part of the efforts to assist in conserving the little water that remain in our dams.

The reality is that we are heading towards the direction of water wars. This means that we will begin to experience increased competition over our limited water resources.

This reality is a direct product of both the phenomenon of climate change and the reality of increasing populations.

We are already beginning to see tensions between communities and businesses over the privatization of water services.

In reality, we cannot afford to choose between water for human consumption and water for commercial use.

The usage of water by farmers is as important as household water consumption.

What we need is two things, first is more rain – this is unfortunately something which is not within our control.

The second thing is to use our limited water resources sparingly. This is within our control.

We need to stop wastage of water – we need to encourage responsible usage of water – we also need to promote alternative usage of water such as gray water.

I am saying all of these things in a budget meeting because the issue of water is fast becoming a national emergency.

Secondly, those who studied economics will attest to the intimate relationship between limited access to water and the poor performance of the economy.

If the economy does not perform well, there would be very little to share or distribute in a form of a budget.

So let us take this issue of water conservation very seriously. We must learn the practice of using water efficiently to reduce unnecessary water usage. We urge our municipalities to provide leadership in this regard.

Programme Director;

Let me join our Programme Director, MEC Makamu in welcoming all of you to this important Provincial Government Budget Lekgotla.

I also want to thank you for taking time from your busy schedules to honour our invitation to be part of this Budget Lekgotla.

This Budget Lekgotla is an important assembly of all Provincial Government Departments, Municipalities and our Provincial Entities.

I take it that we have all followed Minister Mboweni's Mid Term Budget Statement last month.

Minister Mboweni's speech painted an unattractive picture for our national finances.

Part of what made the picture to be so unattractive was the reality of a growing budget deficit, lower GDP growth and the serious challenges facing our State Owned Companies.

This is a picture which does not inspire confidence, particularly the confidence of the markets and international investor community.

We were therefore not surprised two weeks ago when Moody's Rating Agency changed our investment outlook from stable to negative. We were actually lucky that we were able to keep a notch above investment grade.

All these say to us that we need a urgent change of direction.

We need to renew our efforts towards the growth and sustainability of our economy.

The current path is a slippery slope to peril.

It is for this reason that I think that the organisers of this Lekgotla have chosen the theme that says; **Growth, Sustainability and Renewal.**

It is clear to everyone that we need to urgently growth this economy. For us to do this we need to adopt a sustainable fiscal path.

I know that there is a no need to motivate to anyone in this hall about the reason why we need a sustainable fiscal path as a Province.

I also assume that we are all aware as to what does a sustainable fiscal path entail.

We also know that it is only a sustainable fiscal path with will assist to drive us to a destination of a developmental state. Our developmental objectives are to a much greater extent dependent on the fiscal choices we make.

Every single one of you in this meeting forms part of our Province's Brain Trust. We rely on your intellectual resources, your knowledge and experiences to guide the fiscal path we are talking about.

You should be the first to embrace and champion the urgency of a prudent fiscal policy that is able to respond to our developmental objectives.

Such a fiscal policy that is able to assist in ending poverty, addressing the question of unemployment and bridging the ballooning gap of inequality.

Since 1994, there has never been a question about quality of fiscal policies; the issue has always been about our fidelity to this policies.

The second facet of our theme speaks of the importance of the relationship between proper planning and resource allocation.

As politicians, we always warn that your strategic planning meetings should never be reduced to talk-shows – this is because resource allocation always follows the work that you would have done in those strategic planning meetings.

If your planning is not up to scratch, it would mean that resource allocation will be misdirected.

Our collective task is to ensure that our prudent fiscal policy is supplemented by planning based resource allocation.

We are called upon to ensure that our budgetary processes are aligned and are able to speak to the urgency of ensuring better delivery of services to our people.

We should do this in the spirit of excellence and nothing else.

This is the overall importance of our meeting today.

Programme Director;

We are called upon to help the Provincial Administration to navigate out of the hostilities of the current national economic outlook.

As we have said last year, we must perfect the art of doing more with little.

We know that there will not be any additional income for us from the fiscus.

Our budgetary processes should assist us to expand the productive capacity of the economy and to create of jobs for our people,

We should use the limited resources at our disposal to ensure that we expand our health care infrastructure and provide primary health care services to all our people,

The legitimate expectation from our people is that we should use these resources prudently to ensure the provision of adequate human settlement to the needy,

With these limited resources, we should prioritize the provision of water to our communities; expand education and training opportunities to our youth and fighting crime and corruption.

This is obviously not a simple task; hence none of us can afford to take the business of this Lekgotla for granted.

The mandate from the electorate is that we must use our budgetary resources to focus more on the delivery of quality roads and water to our communities.

Every cent spent, should assist us to realise these objectives.

Programme Director;

When resources are finally allocated, the immediate subsequent duty is to ensure that such resources are utilized only for intended purpose.

This is not a very difficult thing to do. In this country we have sufficient legislative and policy framework to guide public expenditure.

You would agree with me that the PFMA is one of the finest pieces of financial management legislation ever enacted.

The PFMA promotes the objective of good financial management in order to maximize service delivery through the effective and efficient use of our limited resources.

It is clear from these objectives that there is simply no room for wasteful expenditure, unauthorized expenditure, fraud and related financial irregularities when dealing with public resources.

The law requires that we act in a prudent, cost effective and efficient manner. This must be visible even in our budgeting process.

We should not be seen allocating more resources in areas that are remotely connected to the urgency of taking services to our people.

When resources are finally allocated we must not abdicate our monitoring responsibility to ensure that these resources, limited as they are, are used for an intended purpose.

We must, and will definitely act very swiftly and harshly against those who divert these resources for ulterior purposes or self benefit.

Every single cent must be spent as allocated and in a cost effective manner.

We can only succeed in pushing back the frontiers of poverty if we utilize public resources in a prudent manner.

In conclusion, I wish to take this opportunity to wish this important Provincial Budget Lekgotla great success.

I thank you!