

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)

23 July 2019

Madam 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 guests;
Ladies and gentlemen;

Two days ago, the country and the SADC region descended on our Province to bid a final farewell to a freedom fighter, a revered member of the Luthuli Detachment, a former Member of this House, and a worthy recipient of the National Order of Luthuli.

It was indeed a deserved final farewell to General Ike Maphoto, a man who sacrificed his own freedom for our freedom.

General Ike Maphoto endured the indignity of being an outlaw in his own country of birth; he endured the pain of life in exile; the bleakness of being jailed in a foreign country and the shattering pain almost being hanged and the prospect of being separated from his loved ones for over 30 years.

The death of Bra Ike once again reminded us that our freedom was not free –the road to our freedom was paved with so much blood of innocent men and women whose only crime was to call for equal rights.

Apartheid was indeed an antithesis of the religious injunction

that we are all made in the image of one God. We once again wish to thank President Cyril Ramaphosa for according Bra Ike a Special Official Funeral –this was indeed a deserved send off to this hero of heroes, ***mogale wa bagale - sebata sa marumo.***

Madam Speaker;

This presentation of the **Budge Vote** also takes place during the month dedicated to the celebration of the Life and Times of yet another giant of our liberation struggle, President Nelson Mandela.

Contextualizing the struggle of the African people, President Nelson Mandela said the following words during the infamous Rivonia treason trial:

In my youth in the Transkei I listened to the elders of my tribe telling stories of the old days. Amongst the tales they related to me were those of wars fought by our ancestors in defence of the fatherland. The names of Dingane and Bambatha, Hintsa and Makana, Moshoeshoe and Sekhukhune, were praised as the pride and the glory of the entire African nation. I hoped then that life might offer me the opportunity to serve my people and make my own humble contribution to their freedom struggle. This is what has motivated me in all that I have done in relation to the charges made against me in this case.

President Mandela went further to say that, *this then is what the ANC is fighting (for). Their struggle is a truly national one. It is a struggle of the African people, inspired by their own suffering and their own experience. It is a struggle for the right to live.*

This is the struggle that earned President Mandela 27 years

in prison, and years of solitude and hardship on the Robin Island –it is the same struggle that earned General Ike Maphoto over 30 years in exile.

Madam Speaker –today we stand in this august House, which has the power to make and amend laws - the all-important power to allocate and pass budget. The question is whether we are using this power to breathe life to the ideals which Mandela, Maphoto and so many others have struggled for.

We can only truly earn our decorations and titles as Honourable Members of this House, if we use the power given to us by the people to change their conditions of living for the better.

The power that is in our hands as lawmakers is not for self-decoration; it is an instrument to pursue fundamental social change.

We need to use this power to ward off the frontiers of poverty, to create jobs and to narrow the gap between the rich and the poor. This is what a revolution is about –a revolution is not about cosmetics, it is about fundamental social change.

It is for this reason that we will be ensuring that every single cent allocated to the Office of the Premier is utilized in an efficient and effective manner.

We will not tolerate any wastage of public resources.

We will fight wastage and corruption with the tenacity with which President Mandela and General Maphoto fought against the evil system of apartheid. Wastage of resources and corruption undermines the rights of our people just as apartheid did.

In the same vein, we will also take necessary action against those who fail to spend the allocated resources. It is simple logic that we cannot tolerate under-expenditure when so many of our people are still without basic services such as water, sanitation, electricity and proper road infrastructure.

We therefore believe **Madam Speaker**, that the budget we are presenting today will assist us to coordinate and drive this process of fundamental change.

Honourable Members;

In order to carry out its constitutional mandate, the Office of the Premier has 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 governance.

We have recently finalized and adopted a reviewed organizational structure for the Office of the Premier. The new organizational structure is aligned with our overall strategy.

The adopted structure is designed to empower 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 has amongst others done away with redundant posts which did not add any value to the urgency of service delivery. This will also allow us to direct some of the monies attached to these posts towards service delivery imperatives.

At the core of this adopted structure is the strengthening of the policy development and policy coordination capacity in the Office of the Premier. In this regard, we have combined the Planning unit with Monitoring and Evaluation unit to ensure integrated approach and efficiency.

Madam Speaker –as I said in my introduction, 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.

In the past Financial Year, the Office had managed to spend over **99%** of its allocated budget. We want to see all Departments and entities following in this direction.

We are also doing very well when it comes to the obligation of ensuring that we pay our suppliers and service providers within the prescribed 30 day period.

Paying service providers on time is vital for the financial health of small and emerging business. 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 Departments to ensure that all of our Departments do pay invoices within a 30 days period.

While the Office of the Premier has received an unqualified audit opinion from the Auditor General, we have noted a few management issues which require our urgent attention and action.

The Administration has been directed to ensure a sustained solution to all the issues which have been highlighted by the Auditor General.

The one area where the Office is not doing well is with regard to our equity targets. We are particularly concerned about the representation of females at the Senior Management level. The situation is that we have many more women between the levels of 1 to 12 and fewer women from level 13 upwards.

This issue will receive our undivided attention during the course of this Financial Year and going forward.

The Office of the Premier is however doing relatively well when it comes to the representation of people with disabilities. With a threshold of **2%**, the office is now at **3.4** percent. We are assisting the entire Provincial Administration

to adopt this and even go beyond.

Madam Speaker;

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.

It is for this reason that we have finalized an **Integrated Support** Strategy which is aimed at supporting Departments in the areas of Skills development, ICT Governance and Economic Development; the support on improvement of audit outcomes.

As part of the program to ensure that government has the necessary capacity to deliver on its mandate, we have taken a decision to merge the **Departments of Community Safety** and the **Departments of Transport**. This means that from now on we will only have one HOD and one CFO for this Department.

We will also be undertaking an extensive overhaul of various entities under the Provincial Government. This is aimed at ensuring that these entities function in a more effective, targeted and cost effective manner.

In this regard, we have already taken a decision, as announced during SOPA, to re-establish the **Limpopo Business Support Agency** as an independent agency from LEDA.

We will also be looking at re-organization of the **Road Agency Limpopo** with a view to strengthen its capacity to deliver roads for the people of Limpopo.

Madam Speaker,

I therefore invite and encourage organized labour to participate actively in this reconfiguration. Ours is a participatory democracy, and we are committed in consultations to make sure that government meet the needs of our people.

As part of our consultative strategy, i will soon be meeting

with the Senior Management Services (SMS) to outline the vision and mission of the 6th Administration . This meeting at the end of August, will cascade down to the lowest level of government through these SMS so that no single civil servant is left out in pulling towards one direction; that of serving the people of Limpopo with determination.

As I reported during SOPA, we have thus far adopted the first-ever comprehensive **Youth Development Strategy**.

The Strategy focuses on areas such as, youth participation in the economy and job market, youth education and skills development, youth health, nation-building and social cohesion.

We will therefore be putting resources aside to drive the implementation of this Strategy.

We are equally committed to breathe life to the directives of the White Paper on the **Rights of Persons with Disabilities**. The White Paper urges us to assist people with disabilities in accessing higher education, and capacitating departments with the necessary training in sign language.

We are also establishing capacity within the Office of the Premier to coordinate issues of interest to our military veterans.

Through the Provincial AIDS Council we will continue the partnership between the government, civil society and the private sector to create a collective response to **HIV, TB and STIs** in the Province.

Madam Speaker;

In order to coordinate the support of the private sector for our Province's economic development and growth, we will be re-establishing **Premier's Economic Growth Advisory Council**. The mandate of this Advisory Council would be to focus on the growth priorities of the current 6th term of administration, and am glad to announce here that we would be launching this process by the end of next month (**August 2019**).

In line with our established tradition, PEGAC will be composed of representatives from our academic institutions, economists, civil society and the private sector.

In the past, this partnership has proven to be effective and successful.

Through this partnership, we have been able to implement projects such as the **Africa Pipe Industries North**, which manufactures pipes for water infrastructure in Mogalakwena, the development of a **R2.5 million Sulphur Dioxide Abatement** project by Anglo America Platinum at the Polokwane Smelters, and construction of the Twickenham road in Sekhukhune in partnership with Anglo American.

We have also established a Regional Socio-Economic Development Platform, which is a partnership between Anglo American, EXXARO, CSIR, World Vision, and our Provincial Government. The partnership is based on the understanding of the need to sustain opportunities beyond the lifespan of mining activities in the Province.

I am also happy to announce that we will be hosting the **Provincial Economic Development Workshop** from Thursday to Friday this week.

This workshop will focus on the development of a framework to inform the review of the **Limpopo Industrialization** and priorities of economic cluster. The workshop will also adopt a workable program to ensure that we build a strong social contract between public, businesses, labour and civil society in Limpopo province.

Madam Speaker;

The **Limpopo Development Plan** (LDP) is our socio-economic blueprint whose lifespan expires at the end of the current Financial Year. We can say without any fear of contradiction that through the LDP, the 5th Administration did manage to cover significant ground with regard to the creation of jobs, improving life expectancy and improving

access to basic services.

We will therefore be commencing with processes to review the current LDP with a view to bring it in line with the priorities of this 6th term of administration. Central to these priorities include the issues of industrialization, process of delivery of basic services such as, water, sanitation and roads.

I must say Madam Speaker that given the serious challenge of water in this Province; I have decided to handle this issue of water delivery in my Office.

I will be working closely with our Water Boards, municipalities which are water service authorities and the Department of Water Affairs to ensure that we unblock whatever bottlenecks which are preventing water to go to our communities.

Madam Speaker,

As a means of improving the local government sector which has been in the news off lately, I have instructed the Member of the Executive Council and the Director General that issues of Local government should be a standing item at every EXCO sitting from now on.

Furthermore, we will also review the role of the Premiers **IGR** with a sole intention of transforming it into a nerve center of integrated planning and service delivery.

Part of this process will be to implement an integrated service delivery model, emphasizing the relations between the

Office of the Premier and District Municipalities in the implementation of developmental priorities.

On the International front, the Office continues to strengthen our relations with countries like China, and SADC neighbours. This is mainly to ensure that our trade relations continue to bear much fruit to the benefit of our people especially in the transfer of skills, training and investment.

Madam Speaker and Honourable Members;

By the end of February 2019, the Office of the Premier had spent **99.5%** of its allocated budget of **R 420 680 million**.

For this **2019/20** Financial year, the Office is allocated a budget of **R443 476 million**.

It is therefore, my honor and privilege to table before this esteemed House, the **2019/20** budget vote for the Office of the Premier for appropriation:

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
R thousand	2015/16	2016/17	2017/18				2018/19		
1. Administration	129 208	145 093	155 236	164 530	164 912	164 912	174 943	186 393	196 164
2. Institutional Support	127 791	136 053	148 923	156 319	154 517	154 517	161 818	170 880	180 171
3. Policy & Governance	83 675	89 885	97 555	99 831	101 251	101 251	106 715	110 594	116 797
Total payments and estimates	340 674	371 031	401 714	420 680	420 680	420 680	443 476	467 867	493 132

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2018/19		
R thousand	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	359 842	380 887	391 056	413 357	413 645	413 645	436 096	460 373	485 412
Compensation of employees	241 994	265 739	280 809	300 576	300 576	300 576	318 611	337 728	357 992
Goods and services	87 858	95 149	110 243	112 781	113 069	113 069	117 395	122 645	127 420
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7 170	3 899	4 861	1 832	719	719	732	742	753
Provinces and municipalities	20	15	20	42	42	42	47	48	50
Departmental agencies and accounts	16	18	9	34	23	23	25	26	27
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7 134	3 898	4 802	1 758	654	654	680	693	706
Payments for capital assets	2 555	5 271	5 724	5 491	6 316	6 316	6 738	6 752	6 967
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 555	5 271	5 229	5 491	6 316	6 316	6 738	6 752	6 967
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-sell assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	496	-	-	-	-	-	-
Payments for financial assets	1 107	974	73	-	-	-	-	-	-
Total economic classification	340 674	371 031	401 714	420 680	420 680	420 680	443 476	467 867	493 132

Programme	Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation
				2017/18	2018/19	
R thousand						
1. Administration	156 432	155 236	99.2%	164 056	163 430	99.6%
2. Institutional Support	149 412	148 923	99.7%	157 328	155 870	99.1%
3. Policy & Governance	99 216	97 555	98.3%	99 296	99 099	99.8%
TOTAL	405 060	401 714	99.2%	420 680	418 399	99.5%

	Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	Expenditure as % of final appropriation
R thousand			2017/18			2018/19
Current payments	393 665	391 056	99.3%	412 051	410 979	99.7%
Compensation of employees	281 227	280 808	99.9%	301 476	301 263	99.9%
Goods and services	112 438	110 248	98.1%	110 575	109 716	99.2%
Interest and rent on land	-	-	0.0%	-	-	0.0%
Transfers and subsidies to:	4 875	4 861	99.7%	1 456	1 450	99.6%
Provinces and municipalities	19	20	105.3%	21	20	95.2%
Departmental agencies and accounts	9	9	100.0%	10	10	100.0%
Higher education institutions	-	-	0.0%	-	-	0.0%
Foreign governments and international organisations	-	-	0.0%	-	-	0.0%
Public corporations and private enterprises	-	-	0.0%	-	-	0.0%
Non-profit institutions	-	-	0.0%	-	-	0.0%
Households	4 847	4 832	99.7%	1 425	1 420	99.6%
Payments for capital assets	6 447	5 724	88.8%	6 816	5 613	82.4%
Buildings and other fixed structures	-	-	0.0%	-	-	0.0%
Machinery and equipment	5 947	5 229	87.9%	6 816	5 613	82.4%
Heritage Assets	-	-	0.0%	-	-	0.0%
Specialised military assets	-	-	0.0%	-	-	0.0%
Biological assets	-	-	0.0%	-	-	0.0%
Land and sub-soil assets	-	-	0.0%	-	-	0.0%
Software and other intangible assets	500	495	99.0%	-	-	0.0%
Payments for financial assets	73	73	100.0%	357	357	100.0%
TOTAL	405 060	401 714	99.2%	420 680	418 399	99.5%