



SPEECH BY MR. MANDLA NKOMFE, GAUTENG MEC FOR FINANCE, ON THE OCCASION TO PRESENT THE 2014/15 PROVINCIAL BUDGET, GAUTENG PROVINCIAL LEGISLATURE, 04 MARCH 2014.

Honourable Speaker;

Honourable Premier;

Colleagues in the Executive Council;

Honourable Members of this House;

Heads of Departments present here today;

Leaders from various sectors of our society;

Fellow citizens of this great province;

Madam Speaker, once more we are gathered in this esteemed House to give account of how we have fared in realising our obligations of providing a better life to all South Africans, and to jot out our plans of a continuous journey of moving South Africa forward.

Through this important exercise, we bear witness to the enduring strength of our democratic system based on our founding document – the Constitution.

We are reminded of the fact that what unites us as a nation is much more than our languages, skin colour, culture, customs or tenets of our

faith. What binds us as a people is our unshakable allegiance to an ideal embodied in our Constitution.

Madam Speaker exactly five years ago, mandated by the Honourable Premier, we outlined the objectives of the 2009-2014 Medium Term Policy Framework, which were all about improving the lives of the People of Gauteng for the better. We committed ourselves, by borrowing from Amartya Sen to “remove various types of un-freedoms that leave people with little choices and little opportunities of exercising their reasoned agency”.

Five years later, working on the gains of the 1994 democratic breakthrough, we are able to stand tall in the knowledge that our people’s freedoms have been maximised and they are better placed to exercise their reasoned agency.

It is in this context Madam Speaker that in a book titled "*No time like the present*", South African born Nobel Laureate Nadine Gordimer, has to this to say: “It seemed an Age was over. Surely nothing less than a New Age when the law is not promulgated on pigment, anyone may live and move and work anywhere in a country commonly theirs. Something with the conventional title 'Constitution' flung this open wide. Only a grandiose vocabulary can contain the meaning for the millions who had none recognised of the rights that go by the word freedom”.

The Nobel Laureate goes on to say: "The consequences are many among aspects of human relationships that used to be restricted by decree. Amongst tenants of a matchboxee there are some African

names: a doctor, a lecturer at a university and a woman making a career for herself in the opportunity of business. Jabulile and Steve could go to the cinema, eat in restaurants, stay in hotels together. When she gave birth to their daughter this was in a clinic where she would not have been admitted - before. It's normal life, not a miracle. It was made by human struggle".

Madam Speaker and Honourable Members, the human relationships and life conditions of Jabulile and Steve, and countless other South Africans are a clear indication that, indeed, we have good story to tell!

This is a story "only a grandiose vocabulary can contain the meaning, for the millions who had none recognised of the rights that go by the word freedom. And to countless South Africans this story is "a normal life, not a miracle. It was made by human struggle".

Honourable Speaker, this good story of a lived experience of South Africans has been recorded by countless research institutions around the globe. To name but a few, Freedom House which is one the oldest independent watchdog organisation in the US focusing on the expansion of freedom around the world has concluded as part of its main findings that, amongst other things: "Improvements (in our society) are tangible... even in impoverished communities, black South Africans feel vindicated and empowered. People believe that the ANC government is sympathetic to their needs." Our view, Madam Speaker, is that this assessment will indeed assist us to build on the gains of our freedom as we move South Africa forward.

These findings are consistent with a report by The Goldman Sachs Group, one of the leading global securities and investment management firms. It essentially found that significant progress has been made amid challenges that still remain. As government we fully agree with Goldman Sachs' report titled *"Two Decades of Freedom: What South Africa is doing with it, and what now needs to be done"*. The report provides a balanced perspective and assists us in identifying in factual relief the challenges which remain so that all South Africans will be in a position to chart the way forward in realising Nelson Mandela's vision.

Honourable Speaker, the Gauteng of 2014 is much different than that of the period before 1994. There is also no doubt that significant progress has been made since 2009 to transform society and improve the living conditions of our people.

This view is backed by statistics. The research conducted by the Gauteng City Region Observatory, has found that the majority of people in the province are satisfied with efforts made to improve their living conditions.

These citizens are full of hope about this province, acknowledging that there are still challenges, but noting also that today is better than yesterday and prospects for the future are looking brighter each day.

Honourable Speaker, when delivering the State of the Province Address last week, Gauteng Premier Nomvula Mokonyane spoke in detail about milestones recorded in the first two decades of our democracy. She also

provided a comprehensive feedback on what has been done over the past five years to implement the province's *Programme of Action*.

It is important to acknowledge that these achievements were recorded within a constraint environment of economic downturn.

That situation, coupled with poor financial management in some of our departments at the time led to over-commitments and unauthorised expenditure. Driven by the desire to ensure that our operations continue to run as planned and service delivery is not impacted, we took hard but necessary decisions under the guidance of Premier Mokonyane to improve the financial position of the province and accelerate public service delivery to our people.

In line with this, we committed to implement cost containment measures in an effort to stabilise provincial finances. As a result there was a downward trend in unauthorised expenditure in the province from R2.1 billion in 2009, R1.4 billion in 2010, R1 billion in 2011 and the figure was only **R393 000 in 2012/13**. These achievements were made possible through the following:

- Ring-fencing of Conditional Grants funds and earmarked funds for infrastructure projects;
- Constant monitoring on any areas that may result in unauthorised spending and forewarn departments;
- Cash flow management (monitoring of cash disbursements with the payment runs);
- Ring-fencing of Compensation of Employees funds.

Today as Gauteng turns 20, we are able to stand tall knowing that we have worked to ensure that departmental expenditure is aligned to provincial priorities and happens in a prudent way to meet the service delivery needs of our People.

Madam speaker since 2009, we have walked together, we toiled together, one step at a time. We walked together with hope, with confidence, with humility and perseverance. We walked together because we had a shared vision; that we must continue day by day to translate the resources at our disposal and opportunities before us into ensuring that we improve the living conditions of our people. Our commitment remains that in everything we do; we will walk together with our people.

In this political term of office, the ever increasing demand for resources to fund the delivery of public services in the province placed the spotlight on Gauteng's Own Revenue Generated. In response, we worked tirelessly to vigorously implement our revenue enhancement strategy. As a result of these measures we have surpassed our revenue collection targets since the 2010/2011 financial year.

Today, as this province like the rest of our country turns 20; we are able to say the management of our finances has significantly improved. As a result, we have drastically reduced adverse audit findings and strengthened capacity to implement robust accounting practices to move towards clean government. The following has been achieved:

- In the previous financial year, the provincial audit outcome for both departments and entities shows a gradual improvement wherein we achieved 8 clean audits; 18 unqualified audits and 3 qualified audits.
- The audit outcomes of municipalities also show an encouraging trend because in the previous financial year we achieved 4 clean audits, 31 unqualified audits and only 2 municipalities were qualified.

As we celebrate the 20th anniversary of our democratic system we are working to enhance the capacity of municipalities by strategically deploying qualified officials to properly manage the finances of local government in the province, and impart the necessary skills to ensure sustainability beyond their stay.

As we said when we delivered the Medium Term Budget Policy Statement in this House four months ago, debt owed to municipalities is still a challenge. Therefore we must accelerate our interventions to assist municipalities to collect debt from households that do not fall under the indigent groups and businesses which are in operation.

In addition we are working on assisting municipalities to find creative and innovative ways of ensuring that services are delivered optimally, in a sustainable and equitable manner.

FISCAL FRAMEWORK

Madam Speaker since 2009, we have appropriated over R345 billion in this House that was earmarked for spending.

The Gauteng Provincial Government's (GPG) estimated revenue is made up of three components i.e. equitable share and conditional grants from national government and own revenue to be collected by the province.

In 2014/15, total transfers from national government amount to R85.6 billion which constitutes 95.4 per cent of the total revenue available to the province, while 4.5 per cent relates to own revenue.

The total cumulative revenue over three years amounts to R272.7 billion after taking into account the remuneration of Public Office Bearers, which is a direct charge against the Provincial Revenue Fund as per requirements of the law.

Therefore, the allocated budget to be spent by all provincial departments in 2014/15 financial year is R86.9 billion. Over the MTEF, the departmental budget grows to R94.7 billion in 2015/16 and increases to R98.9 billion in 2016/17 financial year.

PROVINCIAL BUDGET 2014/15

Madam Speaker, the budget that we are presenting today serves as a continuation of what government has attained in the past 20 years. This

is a budget that indeed moves Gauteng forward. We are fully aware that the challenges ahead of us are immense; however we remain confident that these will be address through our comprehensive service delivery mechanism. In an effort to move Gauteng forward, both Gauteng Vision 2055 and the National Development Plan are key strategic documents to resource allocation.

The budget is but one step in meeting society's challenges, our historic journey has taught us that it takes bold strides to walk a mile. With this budget we commit to continue our relentless march towards eradicating poverty, dealing with unemployment and inequality.

Madam Speaker, this is in line with the common theme that comes from the people of Gauteng. In yesterday's *Sowetan* newspaper, the Gauteng citizenry spoke about what they would like to see in this budget, their aspiration centres around job creation; support to SMMEs, road infrastructure and school infrastructure. It will therefore be an injustice if this budget does not deal with these important matters that have been raised by our people.

Madam Speaker, we are tabling the 2014 MTEF budget at a time when the global economy remains fragile, still hampered by the after-effects of the financial crisis. The International Monetary Fund (IMF) has forecast global economic growth for 2014, 2015 and 2016 at 3.6 per cent, 4.0 per cent and 4.1 per cent, respectively.

The fragility of the global economy is also expected to impact on the domestic economy. The South African Reserve Bank (SARB) projects

that economic growth will reach 2.8 per cent and 3.3 per cent in 2014 and 2015, respectively, lower than its previous forecasts of 3.0 per cent and 3.4 per cent. Evidently, the implications of this subdued economic outlook will affect the outer years of the MTEF. The growth rate is anticipated to be impacted by the extent of protracted labour unrest in the mining sector.

The Minister of Finance last week reminded us that the world economy is still in difficulty, and global institutions are struggling to find their way. Therefore in an uncertain global economic environment, the most important contribution that government can make to bolster confidence and growth is to maintain a sound fiscal position, and this budget seeks to do exactly that. To this end, the province remains committed to the delivery of economic infrastructure in order to grow the economy and create job opportunities for our people. Government has made concerted effort to mitigate the impact of global economic slowdown through direct interventions especially in the automotive industry.

As alluded to by the Premier in this house, we are indeed mindful of the challenges that our people are facing especially around the cost of living on both food and transportation costs. As government we will work with our people and different role players towards finding a sustainable way of alleviating the pressures faced by individuals and households.

Given the continued tight fiscal constraints; the province will have to make the difficult trade-offs between competing priorities. In an environment where we have limited resources against a myriad of needs, it becomes imperative for departments to prioritize core

functions and continue to assess how to improve both the method and vehicle of delivery, ensuring that services are provided in the most effective and efficient manner.

Madam Speaker in the framing of this Budget, therefore, we have been guided by five enduring principles:

- Everyone is required to be prudent in the manner in which they deploy resources;
- Everyone is still expected to do more with less;
- Reprioritisation away from consumption towards investment;
- Sustaining employment growth and expanding training opportunities;
- Our budget which expresses our actions today does not constrain our development tomorrow.

Honourable Speaker, Gauteng is a growing province; this is the reality that we are facing. In 2012, there were 12.4 million people living in Gauteng. Since then the total number of people living in Gauteng has increased to an approximately 12.7 million in 2013, accounting for 24 per cent of the total population of South Africa. The new group of individuals moving into the province will need access to services along with those currently living in the province.

Madam Speaker in 2009, we began with a pilot of allocating our resources in the outcomes based approach. Recently the province adopted the outcomes in line with both the G2055 and NDP that government has to implement. The outcomes based approach continues

to inform the planning and successful allocation of resources to these adopted provincial outcomes and outputs. This approach ensures that thorough planning informs allocations in line with core objectives of the department.

Quality basic education

As reminded by the Isitwalandwe, the late former President Nelson Mandela; “Education is the most powerful weapon which you can use to change the world.” As government we remain committed to affording all people in the province with an opportunity through education to change their world. Since 2009, we have invested over R 127 billion towards education. Over the 2014 MTEF the objectives and goals articulated in the NDP and Action Plan 2014 have been adopted to strengthen the departments’ endeavor to deliver quality basic education.

The 2014/15 financial year will focus on mainstreaming the intervention programmes put in place to improve learner performance. The Gauteng Department of Education will continue to equip schools with the essential learner and teacher support material on time. Over the MTEF an allocation of R5.2 billion has been set aside primarily to top-up existing textbooks and provide workbooks and lesson plans for priority schools.

Additional focus will be placed on the assistance and support to upscale learner performance in Mathematics and Science in the Intermediate and Senior Phases through the Gauteng Primary Mathematics and Science Strategy with R121.8 million allocated towards this focused

intervention in 2014/15 and R383.2 million over the MTEF. The Strategy will also encompass multi-grade support, classroom management training and support and micro- targeting coaching for schools with low ANA results

The Information Communication and Technology infrastructure in schools will be upgraded to improve the digital literacy of all school leavers and achieve the goals of the overarching ICT strategy which is to improve curriculum delivery in schools; school management and teacher capacity. As we announced during the presentation of the Medium Term Budget Policy Statement, the “e-Learning Solution” is being rolled out in the province.

Madam Speaker the Secondary School Intervention Programme will continue as we have seen the benefit of this in the short to medium term. However over the long term we will endeavour to streamline this into the normal schooling system. To this extent R369.4 million is allocated over the 2014 MTEF.

Madam Speaker, Ms Shiella Siwela of Rosebank is one of many people around the province who spoke publicly about what she wishes to see in this Budget, she said “our school kids are turning into a beasts and this creates a need for the government to budget for more programmes to protect our kids”. Improving school safety remains a priority for Gauteng and as such R120.6 million is allocated to address the challenges of school safety which involves capacitating and training patrollers, investigating incidents of crime and violence in schools, taking corrective

action and monitoring the schools safety levels to ensure that our learners are able to freely enjoy a full day of learning.

Over 6000 school safety patrollers and school safety committees have been appointed to date to perform this important function.

Our endeavour to ensure that every child is afforded with a quality education, after-care services to school children in the form of homework assistants will be provided by caring and supportive individuals. In 2014/15 an amount of R120.9 million is allocated and a total of R259.7 million in the outer years of the 2014 MTEF is made available.

Gauteng is a unique province, as I alluded earlier, the province is experiencing the highest in-migration of learners; as government we have set aside R694.1 million towards the planning and construction of new schools in 2014/15 to address classroom needs in various communities. This is a choice that as government we have to make to afford the people of Gauteng with the education weapon to change their destiny. In the coming few months, the Magaliesburg boarding facility will open its doors to new learners from the needy community to be housed in this facility. Work will continue towards the completion of Foschville boarding facility.

A total budget of R540.3 million is being set aside towards the rehabilitation of schools in the province.

Madam speaker we understand our unique situation as Gauteng, the province has undertaken to provide nutritious meals beyond what is

determined by the framework and we will therefore continue to provide for this going forward. To date, more than 1 million learners are benefiting in 1334 no-fee schools.

Madam Speaker over R80 billion is allocated towards education over the next coming three years.

Provision of Quality Health Care to all

Madam Speaker the provision of health care to all is paramount for government. Over the past 5 years, the baseline for the Department of Health increased from R 17.2 billion in 2009/10 to R 32 billion in 2014/15. The Honourable Premier has already indicated that our investments in Health have resulted in an increase in life expectancy; a decrease in maternal and child deaths. Positive results have been achieved as far as the HIV/AIDS pandemic is concerned with the reduction of HIV transmission from mother to child having dropped significantly and improvement in the Tuberculosis cure rate has increased from 79% in 2009 to 83.4 % in 2013. In 2013/14; as government we have introduced the Fixed Dose Combination therapy (FDC) and it is proving to be an efficient way of managing HIV/AIDS.

The department continues to provide support to TB patients through Community Health Workers (CHWs). This is to ensure that patients take treatment appropriately and that those who default are traced. The support by CHWs has enabled the Department to keep the defaulter rate below 5 per cent.

The department provided a comprehensive Primary Health Care services in all its Community Health Centres. The 24 hour services at CHC's are provided as per district needs. Focus will continue to be on improving the quality of services being provided at these facilities.

In the previous year I announced to this house that we intervened in the department of health, I am pleased to announce that gradually our interventions in the department are bearing positive fruits.

Madam speaker in the coming financial year and beyond, the department will continue to strengthen the three streams of primary health which include inter alia re-engineering, implementing interventions to address non-communicable diseases and ensuring health system effectiveness through the Health Turnaround Strategy. To this end, R641 million is set aside in 2014/15 towards strengthening of PHC. These funds will be used towards ensuring that the public will have an increased accessibility by extending the hours and services at community health centres and for the training and placement of Community Health Workers in new wards. Our intention is to reach 80 per cent of municipal wards by end of 2014/15.

Provision of services to learners will also be enhanced through the establishment of new School Health Teams, comprising of Community Health Workers and health professionals. The province aims to reach out to more than 50 per cent of deserving schools. These teams will provide comprehensive Primary Health Care services including eye care, hearing, dental services and treatment of minor illnesses. Both these programmes will contribute to reducing delays at Primary Health

Care facilities, as more people will be seen and treated at community level.

An amount of R553 million has been reprioritized to both central and tertiary hospitals bringing the total budget for the two to R10.6 billion. The funds will supplement the budget for non-negotiable items such as the removal of medical waste, infection control and security services at the institutions. The increase in allocation is due to the severe pressure Gauteng hospitals are under as a result of increased in-migration as well as to accommodate the reclassification of general hospitals to tertiary hospitals.

Government will continue to implement key interventions in relation to increasing life expectancy which includes HIV/AIDS treatment and care. A total budget of R2.8 billion is made available for this purpose.

Madam Speaker, last week this government unveiled new ambulances that will be used by emergency services to improve our response time in emergency cases. Emergency Medical Services have been allocated a total amount of R1 billion in the 2014/15 financial year. These funds include money that will be utilized to buy additional ambulance and to appoint more personnel to deliver additional emergency services to the public in an attempt to improve response times from 52% to 65% in 2014/15.

We understand the importance of providing essential healthcare to all people of South Africa regardless of their employment status. We will continue with work at the Tshwane pilot side for the preparation of the

NHI implementation. In the 2014/15 financial year, the NHI project will focus on strengthening district capacity for monitoring and evaluation, including research/impact assessment reports of selected interventions.

An amount of R299.8 million is being set aside for the new construction of health facilities in Gauteng. We will continue with the rehabilitation and refurbishment of health facilities in the coming year, a budget of R146.7 million is set aside.

The maintenance of infrastructure i.e. scheduled maintenance; routine maintenance; day-to-day maintenance and emergency maintenance is still a top priority of government, to that extent we are setting aside R 1.1 billion to ensure that the occupational health and safety standards are met and that the lives of both patients and staff are not put at risk by dilapidated buildings and structures.

Madam Speaker and Honourable Members, a large portion of the Hospital Revitalization Grant will be used for the implementation of the refurbishment of the Sebokeng Hospital and Ga-Rankuwa Nursing College as well as for the completion of projects which are currently in progress. A total amount to be used towards this is R671 million. In the coming financial year, construction will commence to convert both Lenasia South and Discoverers Community Health Centres into district hospitals.

Social protection

Madam Speaker we are a nation that cares for the vulnerable groups in society. Children are the future of any society in the world, and should therefore be treated with the highest level of care and protection, and their development should form the cornerstone of each and every society.

We are saddened by all the horror stories and news as they pertain to the vulnerable in our society. We still have a high number of orphans and child headed households, a situation that is not desirable. Government is always the last hope for the society that has lost hope.

In response to the sad reality of a high number of orphans and vulnerable children, an amount of R274 million is set aside for Community Based Care and R146.3 million for Child and Youth Care Centres for the 2014/15 financial year.

Early Childhood Development (ECD) remains one of the most important preventative intervention programmes implemented to mitigate the risks of children being vulnerable during their development. It encompasses all the processes that enable emotional, cognitive, sensory, spiritual, moral, physical, and social and communication development of children from birth to school-going age. Access to ECD centres will be provided to over 77 000 children age between 0 – 5 years in the 2014/15 financial year, with a budget allocation of R321.9 million.

The HIV and AIDS pandemic has undoubtedly compromised the capacity of individuals, families and communities to provide care and support to those infected and affected by the disease. Children and women bear the brunt of the epidemic. In mitigating the risks and resultant depressive conditions associated with this disease, an amount of R794.2 million is set aside over the medium term to implement psychosocial care and support programmes, particularly for children and affected families.

Government will continue to provide dignity packs to a girl child in school. Since the launch of the programme in 2011, about 294 000 girl learners have benefited from the programme. The provision of dignity packs will help to keep many girls in school but also provide a living for the cooperatives that are responsible for packaging. The budget set aside for the Dignity Packs Programme is R30 million for 2014/15, R35 million for 2015/16 and R37 million in 2016/17 financial year.

Through the Bana Pele programme the department will continue to provide school uniforms to children in quintile 1 and 2 schools, and schools located in previously disadvantaged communities. Since 2009, government has allocated R342 million to this programme which has benefited over 470 00 of learners.

In 2014/15, an amount of R95 million is being set aside towards the Bana Pele programme which grows to R100 million and R105.3 million for 2015/16 and 2016/17 respectively.

Tackling societal challenges require partnerships at various levels. In 2014/15, the department will fund 24 NPOs to assist victims of crimes. Furthermore the department will work towards the prevention and early intervention services through the rendering of psycho- social services and the establishment of “Green Doors”(safe houses) in communities.

Madam Speaker in 2014/15 financial year, the department will continue to improve the effectiveness of the diversion programmes. An amount of R112.5 million is set aside towards the diversion programme to assist both children and adults who are in conflict of the law.

All people in South Africa are and feel safe

The Department of Community Safety will intensify its efforts with respect to its responsibility to oversee the law enforcement agencies as part of its constitutional mandate. The Co-Created Policing Strategy and Detective 10 Point Plan will be monitored along with the implementation of the Civilian Secretariat for Police Service Act. A total of R58 million is made available to assist the department to realign its mandate in line with the Civilian Secretariat for Police Service Act.

Madam Speaker the department will continue to implement and monitor the implementation of the Violence against Women and Children (VAWAC).

The department will continue to monitor the implementation of the Domestic Violence Act by SAPS. In addition, the investigation into poor police service delivery will continue and the capacity of SAPS to

investigate such complaints will also be monitored. It is envisaged that the department will continue to ensure a dedicated focus on the implementation of the Anti-Corruption strategies as adopted by the provincial government as part of its arsenal in the battle against fraud and corruption relating to the province's law enforcement agencies.

Inclusive growth, youth unemployment and investment opportunities

Madam Speaker, government remains committed towards making targeted investment that will have a direct impact on growth. The Gauteng Government will strengthen its assistance to SMMEs, as we understand the role that SMMEs have towards job creation. In 2014/15 we intend to provide financial support to 150 SMMEs and non-financial support to 1800 SMMEs through the Gauteng Enterprise Propeller. Government will intensify its support programme towards Cooperatives. An amount of R84.6 million is set aside for 2014/15 and R267.5 million over the 2014 MTEF.

In line with the NDP, the provincial government is implementing targeted interventions towards skills development. Therefore the Gauteng Master Skills plan will ensure that there is an increased access to post-secondary education by providing bursaries and directing resources towards the transition from school to tertiary institutions. This is done to provide the province with a sustainable pool of economically relevant skills. Furthermore the plan will continue with management and leadership initiatives for top, middle and junior managers across the province to improve management and leadership capacity.

Priority will be given towards youth employment opportunities through the following:

- Public employment schemes which include EPWP, CWPs, Youth Brigades, Zivuseni reloaded
- Expand youth employment through Implementation of National Youth Employment Accord; youth enterprise development; internships and learnerships.

In 2014/15, government will set aside over R180 million towards EPWP, CWPs and Zivuseni reloaded.

The following sectors that have high labour absorption rate will be prioritized:

- Agriculture & agro-processing
- Green Economy
- Social sector
- Creative industries (music, craft, design, performing arts)
- Hospitality/ tourism
- Inclusive knowledge and technology sectors
- Manufacturing, incl. auto sector

Since 2009, R4.6 billion was made available through the Department of Economic Development. The 2014 MTEF will see the department receiving R 3. 4 billion.

Madam Speaker road networks play an important role in the economic development space. Government will continue to invest towards the upgrade and rehabilitation of our roads network. Since 2009 R12 billion had been invested towards the construction and the upgrade of our roads. In 2014, the department of Roads and Transport is allocated R2 billion to continue with work towards upgrading and rehabilitation of the road networks. Furthermore the department of Roads and Transport is allocated R198 million over the MTEF for construction and the refurbishment of the DLTCs in order to bring access of the services to residents. The Provincial Treasury and the department of Roads and Transport will continue to work together towards the optimal financing of the DLTCs in the province. The West Rand bus subsidy is currently being looked at, both Treasury and the Department working together on the finer details.

Human Settlement

Madam Speaker the province has come a long way in dismantling the spatial development of apartheid. A lot has been achieved in this area as already stated by the Premier during the State of the Province Address.

In the coming financial year, Human Settlement will provide differentiated quality housing solutions through the implementation of the various national housing programmes and utilising the Human Settlements Development Grant to further eradicate informal settlement.

During the 2014/15 financial year, the department plans to service 10 407 stands, to build 24 187 houses and complete 1 333 community

residential units. The Department aims to make available housing opportunities in line with approved empowerment policies and allocate 30 984 houses.

Over the MTEF a grant amount of R15.1 billion will be transferred to the Department for delivery of housing projects. In addition, an amount of R550.2 million will be set aside for all urban renewal projects in the province.

An amount of R39.8 million is set aside for inner city regeneration in Krugersdorp, Vereeniging and Germinston.

Madam speaker the department will continue to focus on the financial intervention program that facilitates immediate access to housing goods and services. The budget for this program will increase from R369.6 million in 2014/15 to R466 million in 2016/17. This is intended for the Financed Linked Individual Subsidy programme; mixed housing development in Heartherly East; top structures in Westonaria and Savannah City amongst the others.

A total of R 2.8 billion is budgeted for the Incremental Housing Programme in 2014. The purchase of well-located land for development will be prioritized.

Vibrant, equitable, sustainable rural communities contributing to food security for all

The Department of Agriculture directly interacts with farmers through its extension advisory officers who provide them with hands-on support and advice. As part of the capacity building, emerging farmers will be provided with training in the coming financial year.

The department also contributes to the Maize Triangle project and has set aside R16.5 million over the 2014 MTEF for this project. In addition, the allocation for the eradication of alien vegetation is R10.9 million in 2014/15 and equals R36 million over the 2014 MTEF.

Madam speaker, the department will continue to support farmers by reducing the input cost to farming process thus assisting them in becoming more economically viable and sustainable. The allocation for farmer support amounts to R44.5 million in 2014/15 and R148 million over the 2014 MTEF.

Food security is one of our important functions that are aimed at alleviating poverty and contributing to job creation. The department continues to drive the implementation of the 20 year food security plan and one of the outputs is to provide support to community food gardens. The allocation for the implementation of food security projects amounts to R22.5 million in 2014/15 and R73 million over the 2014 MTEF.

An efficient, effective and development oriented public service

Honourable Speaker, departments at the administrative centre of government are required to improve the efficiency and effectiveness of public service because this impacts on service delivery to the citizenry. The Office of the Premier as the nerve centre is at the forefront of these efforts and has also made strides in long term planning, including the development of the Gauteng Vision 2055. Therefore an amount of R150 million is set aside over the MTEF for the implementation of Gauteng Vision 2055.

It is a priority of government to improve financial management and to achieve clean audits in the province. Through the implementation of the provincial initiative, Operation Clean Audit, an increase in the number of departments and entities with unqualified audits was achieved in 2012/13. The province will implement interventions including the reviews of interim financial statements to improve progress towards clean audit.

The province tackles corruption in government using interventions that target service delivery monitoring, procurement processes and human resource management. In 2013/14 the Case Management System was developed and implemented to address recurring backlogs and to improve turnaround times in resolving matters reported through the National Anti-Corruption Hotline. An amount of R25 million is set aside towards the anti-fraud interventions over the MTEF.

The Provincial Supply Chain Management unit has been established and capacitated in line with the requirements of the Chief Procurement

Office. The unit has conducted SCM compliance assessments to determine the level of support plans that can assist municipalities in improving their status.

This assessment will contribute to efforts to ensure that proper SCM structures are put in place and properly qualified staff is recruited. The procurement plans of departments in the province will also be monitored to ensure that they are credible and are adhered to.

Gauteng Broadband Network

Madam Speaker, the provincial government has finalized the Gauteng Broadband Network. The successful bidder will design, build, operate and transfer to the Province a wide fibre-optic broadband network. A total of R510 million is allocated over two years starting from 2014/15 to fund a rollout of the Gauteng Broadband Network (GBN). From year 3, the Broadband Network should be self-funding. During the first phase of seeking to “bridge the digital divide”, this network will invariably connect all Gauteng Provincial Government buildings, community service centres, identified economic zones, and the Top 20 priority townships.

The design and rollout of the core and access network is scheduled to commence on 1 April 2014, and will take 18-months to complete. GBN will introduce high-speed fibre optic transmission speeds, allowing each GPG building to access the network at the speed of at least 1-Gbps which is about 500 times faster than the current network speeds at these facilities, and 10-Gbps. These faster speeds are projected to allow the

Provincial Government to implement its smart Provincial initiatives, and thus facilitate the realisation of telemedicine, rich e-Learning content, and similar services.

Importantly Madam Speaker, the job creation prospects of this initiative are immense, as the GBN is expected to create new job opportunities for small businesses in network building activities, and in network support and management services.

Madam Speaker, we are 20 years into democracy. As a province we are joining forces with other spheres of government to celebrate our 20 years of democracy. Resources will be earmarked from all departments towards this direction.

To give effect to the Archive's Bill as introduced in this House, we begin with the construction of the Provincial Archives Centre in the City of Johannesburg. The construction is expected to last for two years. The province has allocated R132 million in 2014/15 and R162 million in 2015/16 for the project.

In the *Sowetan* yesterday, Ms Khosi Mbatha of Featherbrooke said, "There are lots of things that call for serious consideration in Gauteng. Take our schools for example, many of them do not have proper infrastructure. You will still find a school without a library." Madam Speaker to give effect to this and also ensure that we inculcate the spirit and the culture of reading and learning, the province intends to build eight libraries over the next three years. Funds set aside for the

construction amounts to R83 million in 2014/15; R96.8 million in 2015/16 and R101.9 million in 2016/17.

Madam Speaker, the province is moving towards the metropolitan system of governance. Both the Provincial Treasury and the CoGTA will work together to provide the necessary support to deal with the merger process of both Westonaria and Randfontein; the incorporation of the Lesedi into Ekurhuleni and the transformation of Sedibeng into the metropolitan system of governance which will include both Midvaal and Emfuleni.

Madam Speaker, we have made our choice and we are choosing a better Gauteng today. The provincial budget increases from R75.9 billion in 2013/14 to R87 billion in 2014/15.

The 2014 budget is prepared with a view of maintaining the spirit of hard work, fiscal discipline, efficiency, and quality of service. Departmental baseline has been maintained.

ADDITIONAL FUNDING

Honourable Speaker, I now turn to additional resources that we are proposing for departments.

Office of the Premier

The Office of the Premier receives an additional R5 million in 2014/15 to kick start the province wide disaster management plan.

Gauteng Provincial Legislature

The Legislature receives a total of R70 million over the MTEF period. This amount comprises R10 million that is allocated in 2014/15; R30 million allocated in 2015/16; and R40 million in 2016/17. These funds are allocated for the personnel requirements, projects relating to the national elections such as the preparations to end the fourth term of Legislature and start the fifth term, celebration of 20 years of democracy and freedom as well completion of capital projects.

Health

The Department of Health receives an additional allocation of R1.6 billion over MTEF; R500 million in 2014/15; R551 million in 2015/16; R525 million in 2016/17. This additional funding is allocated to goods and services towards the strengthening of PHC.

Education

Understanding the business of education, we are adding to the baseline of education a total of R1.4 billion over the MTEF. These additional resources are geared towards relieving pressure in the personnel of the department.

Roads and Transport

A total of R540 million in 2014/15 is allocated towards the department of Roads and Transport.

Community Safety

The department receives an additional R40 million for the full implementation of the Civilian Secretariat in terms of the Civilian Secretariat Act. This involves funding personnel requirements and operational requirements of the Secretariat. This amount increases to R42 million in 2015/16 and to R44 million 2016/17.

Sport, Arts, Culture and Recreation

The department receives R314 million over the MTEF implement the archive project and the final phase of the renovation of the Bob van Reenen Stadium in Krugersdorp. This stadium will serve as a multi-purpose sport hub and a high-performance training centre.

Finance

A total of R388.6 million is allocated to the department in 2014/15 and R331.3 million is allocated in 2015/16. The majority of the funds are towards the implementation of Gauteng Broadband Network project.

Treasury

The Treasury receives R40 million in 2014/15 to fund the Health Intervention Programme as introduced in the previous year.

Infrastructure Development

Madam Speaker, we are cognisant in the province that the delivery of infrastructure is dependent on the technical skills we have in department. In 2012/13, the Provincial Executive approved the IDMS approach for infrastructure delivery in the province. To give expression to the IDMS, the department of infrastructure is allocated R150 million in 2014/15 and R200 million; R250 million in 2015/16 and 2016/17 respectively. Furthermore the department receives an amount of R180 million to complete Phase 2 of the Women's Monuments Project.

Madam Speaker the balancing act that we have taken today it is in line with the direction of where the province is going.

CONCLUSION

Going forward the province will continue to prioritise cost containment given the anticipated increases in goods and services and other inflationary pressures. Lower priority areas will continuously be reviewed and revaluated. The reprioritization exercise will continue to assist the province to achieve sustainable public finances in terms of recovering from the high levels of accruals and its continued impact on the budget. The cost saving measures introduced will be mainstreamed to ensure that the province does not revert to poor levels of fiscal discipline.

Madam Speaker since the President and Honourable Premier made their State of the Nation and State of the Province addresses,

respectively emphasizing the narrative that as South Africans, we have a good story to tell, we have seen some amongst us trying to convince us otherwise.

Therefore, in the face of those who will stop at nothing to trivialise our experience of the past 20 years for short term gains, we must borrow the words of a Kenyan novelist Ngungi wa Thiongo, in his book *Devil on the cross* when he says: “Certain people in Illmorog, our Illmorog, told me that this story was disgraceful, too shameful, that it should be concealed in the depth of everlasting darkness”.

Madam Speaker, some amongst us would have us believe that here in South Africa, our story of the past 20 years is disgraceful, too shameful that it should be concealed in the depth of everlasting darkness. As the ANC government we are saying only the grandiose vocabulary will try to convince us that ours is not a good story to tell. The lived experience of South Africans gives a testimony of the wonderful story that we are narrating.

ACKNOWLEDGEMENTS

Madam Speaker, allow me to take this opportunity to thank the Premier for providing leadership and support during the preparation of this budget. I am indebted to the members of the Premier Budget Committee who set time aside to review and engage on departmental submissions that contributed to the spending proposals. A special thanks to my colleagues in the Executive who share with me the collective responsibility for the overall integrity and coherence of the Budget.

My sincere gratitude and appreciation goes to the Finance Committee under the leadership of Honourable Sakhiwe Khumalo.

I thank the Head of Treasury Mrs Nomfundo Tshabalala, the Deputy Director General responsible for Sustainable Resource Management Mr Jeff Mashele and the entire team for the sterling work they do. I want to commend to the House the constructive role that the Provincial Treasury plays in absorbing and synthesizing a vast pieces of economic and financial information; policy documents and programme information, as part of the process of preparing the provincial budget proposals.

Lastly but not least, I thank my family especially my wife for her support and inspiration.

Honourable Speaker, allow me to present the following documents for consideration by the House:

- 2014 Estimate of Provincial Revenue and Expenditure
- 2014 Estimates of Capital Expenditure
- The Appropriation bill
- Gazette of transfers to municipalities
- 2014 SERO
- A copy of my speech

All of these documents are collectively weighing 12.8 kg on the scale.

Thank you