

**ADDRESS BY MR. O.P DIKGETSI MEC FOR FINANCE TO THE PROVINCIAL
LEGISLATURE ON THE OCCASION OF TABLING THE NORTHERN CAPE
APPROPRIATION BILL OF 2008
27 FEBRUARY 2008**

Madame Speaker

Honourable Premier Me. Dipuo Peters

Members of the Executive Council

Honourable Members of the Provincial Legislature

Mayors and Councilors

Distinguished Guests

Ladies and Gentlemen

Comrades and Friends

The greatest task of this people's legislative assembly and government accounting to it is to consciously restore power to the people and proclaim that there is light at end of the tunnel. As Frantz Fanon said in his seminary work *Wretched of the Earth* and I quote:

Come, then, comrades; it would be as well to decide at once to change our ways. We must shake off the heavy darkness in which we were plunged, and leave it behind. The new day which is already at hand must find us firm, prudent and resolute.

Indeed Madame Speaker there is light at the end of the tunnel! Literally, figuratively, politically speaking..., our people are the power that knows no load-shedding, that knows no bounds.

The whole essence of our governance system is the 1955 Declaration by the pre-eminent fore-fathers and mothers of our liberation movement at a People's Congress in Kliptown, that "The People Shall Govern". That is why in 2004 we concluded the People's Contract to create work and fight poverty.

The act of entering into the people's contract was not a political ploy, as our nemesis would have people believe, but it was an act of returning power to the people who were, just 14 years ago, "not just slaves but pariahs in the land of their birth" as we were reminded by the Honourable Premier, Me. Dipuo Peters during the State of the Province address. Returning power to the people who were treated as the Wretched of the Earth is the noblest thing we can do in the current trajectory.

In this context restoring power to the people means fighting poverty, miserable conditions of existence, conditions of squalor, illiteracy, shortage of skills and unemployment. These socio-economic ills are not accidents of history - but were designed to deprive people of their power. We are still reaping the whirlwind of that Verwoedian philosophy of black people being taught to be "hewers of wood and drawers of water". As we engage in the politics of service delivery and load-shedding, we must not forget why we are where we are today, politics aside, lest we forget.

This being a penultimate Budget for the Province, we need to take stock and account to the people about the work done. We are convinced that we have met our part of the bargain. This budget is a covenant of common purpose and understanding. It is the meeting of minds between government and the people. This is a record of understanding. The people understand that this government cares and delivers. Fourteen years on the people still believe that we are on the right course, that there is light at the end of the tunnel.

Since the first sitting of this 3rd democratically elected provincial legislature in 2004, tremendous progress has been made with regard to the commitments enshrined in the people's contract. Our mandate was unequivocally to 'fight poverty and create work'. That we lived up to the expectations is evident in the findings of the 2007 public opinion survey conducted by TNS Research Survey

which found that “81 percent of the people of the Northern Cape are very or fairly satisfied with provincial government’s service delivery”.

During this period government allocated an amount close to **R15 billion** to finance and deliver on the contract entered into with the people of the Northern Cape to wage a battle against deprivation and to bring the marginalized to the mainstream of the economy through job creation and business opportunities. An amount of no less than **R10, 5 billion** or over 70 percent of the **R15 billion** was allocated to the social sector (Health, Education and Social Development) indicative of the commitment of our government in prioritizing the social sector. During the same period over **R1, 7 billion** was invested in infrastructure development that includes building schools, clinics, and roads.

It is needless to say, our commitment and progress cannot only be measured by money spent but the quality of services provided and the number of people such services reached. In this respect, 58 percent of schools in the Northern Cape are no fee schools, all schools in the urban node Galeshewe and Kgalagadi rural node, have been provided with an additional allocation of no less than R581 per learner. The Northern Cape, at R7701 is one of the provinces with the highest levels of per learner expenditure in 2008/09. This defines and characterizes the relentless efforts of the ANC-led government to improve access to quality education, expand the skills and by extension improve the quality of life for individuals and households.

In the current phase of governance, over 226 400 beneficiaries with a rand value of R1, 4 billion have been recorded in our provincial social security system. This includes the 43 000 beneficiaries from Kgalagadi District and Pampierstad, inherited from the North West province during the abolition of cross-boundary municipalities. In the ensuing financial year the South African Social Security Agency has set itself the target of increasing the total number of beneficiaries to 290 000.

In terms of expenditure per person without medical aid in 2007/08 the province is the highest at R829. In the Northern Cape, the average number of years a person could expect to live if current mortality trends were to continue for the rest of that person's life stood at 57 in 2006 higher than the national average of 50. This needs to be mentioned because it speaks to the level of human development in the province relative to elsewhere in the country.

These achievements and many more evident elsewhere are a direct result of the policy interventions of our government. At the heart of such interventions lies the commitment to build a better life for all and to build a country that is truly democratic, non-racial, non-sexist, united and prosperous. They reflect our common purpose to intensify the fight against poverty and to use the benefits of a robust macroeconomic and sound financial management framework to allocate more resources to build infrastructure, tackle poverty and develop the skills base.

Economic Outlook

Madam Speaker, apart from addressing the social delivery issues the people of the Northern Cape entrusted us to develop programs that would unlock economic growth and create work. The provincial economy faces constraints and challenges that include unfavourable weather conditions, the strong rand, the subsequent sharp price increase in oil and other imported commodities.

Despite expected economic slowdown internationally the national economic outlook is still optimistic. Economic growth has been impressive, rising from 3 percent in the first decade after 1994 to 5.4 percent in 2006. This level of growth is expected to keep employment and income gains in positive territory. Markets should be favourably impressed with South Africa's continued strong financial position, a credible fiscal plan, well managed monetary policy, a growing

economy, improved macroeconomic policies, demand for commodities, increased capital flows and debt relief.

At the provincial level on average the economy grew by over 3 percent during the period 2004-2006. I have no doubt that members would agree that, although 3 percent is below the national average, it represents a significantly better picture when compared to an average 1.1 percent growth during the 2001-2003 period. The gains during the period 2004-2006 are partly due to the interventions embedded in the Provincial Growth and Development Strategy.

The major contributors to our GDP are Mining and Quarrying at 23.5 percent followed by finance, real estate and business services at 13 percent; wholesale, retail trade, hotels and restaurants 11.3 percent; General Government Services at 10.7 percent; and agriculture, forestry and fishing 7 percent. The manufacturing industry is holding up, tracking at an annual 3.2 percent while construction weaknesses remains the sore point for the province at 1.3 percent.

Apart from economic growth, our major concern is around the creation of job opportunities and reducing unemployment. Unemployment although high at 26.5 percent in 2007 it improved significantly from 29.4 percent in 2005. Indeed there is light at the end of the tunnel. Mahube a naka tsa kgomo a tswelletse go bonala, mme puso ya Kapa Bokone e tla tswelela go lwantshana le bohumanegi le botlhoka tiro ka katlego.

Fiscal Management

Undoubtedly, the task of fighting poverty, creating work and championing human development requires prudent utilization of resources. It requires us to ensure that principles of allocative efficiency are achieved and the administration is generally in a position to fund such programmes. In this respect, we dare not forget the financial position and challenges of financial management encountered

during the 2004/05. These issues posed a serious threat to the commitment we made with the people of the Northern Cape to fight poverty and create work.

Be it as it may, the leadership and collective effort of our Executive Council must be commended. In 2007 we reported that the total cumulative debt of **R845, 6 million** as at the end of 2003/04 was reduced to only **R430, 7 million**. We further reported that an amount of **R168, 5 million** from our cash reserves was set aside during the 2005/06 to further reduce the debt to **R262, 2 million**. It can be reported that SCOPA is currently in a process of authorizing this particular amount of unauthorized expenditure.

We also indicated that a further **R95 million** each in 2006/07 and 2007/08 had been set aside to further reduce the old debt to its minimal. Our commitment to fiscal discipline and prudent financial management allows us to proudly announce that as at the end of 2007/08 the accumulated **R238, 2 million** of cash reserves once approved will reduce our original debt to only **R24 million**. The challenge moving forward lies in ensuring that we deal with the emergence of new debt.

One of the areas that remain of concern to us is the need to ensure that government receives value for money. In this respect we refer to limitations related to the linkage of strategic plans of departments to the PGDS and efficient utilization of resources. This year marks the third year of the PGDS since its launch in 2005 and therefore preliminary review processes have begun. PGDS must live in the departmental strategic plans and Integrated Development Plans of municipalities including expansion plans of local business. This means review processes must be well coordinated and involve all stakeholders if we are to make PGDS a living plan.

In 2007 we reported that government has moved towards performance budgeting giving us the advantage of assessing and evaluating the impact of the budget on

the lives of our people. A crucial component of the assessment of performance is the auditing of performance information to evaluate its quality. In the 2006/07 financial year the Auditor General started auditing performance information although he was not expected to express an opinion.

Concomitant to receiving value for money is the need to improve the quality of spending to achieve efficiency. Most departments improved their spending patterns thereby ensuring that we address under- and over-spending in most departments. By the end of the third quarter in December 2007 the province had spent about 72.1 percent of its adjusted budget which is slightly higher than the national average of 71.6 percent. Spending efficiently and effectively ensures that government achieves its objectives in a given financial year. Thus, it is needless to say that in departments where challenges of over- or under-expenditure exist we need to double our efforts to address them.

Madame Speaker, the audit outcomes for respective departments have had mixed fortunes since 2005/06. A pressing challenge in this respect lies in the introduction of assets in the scope of audit in the 2005/06 and 2006/07 financial years. Departments were qualified on amongst others assets, irregular expenditure and disclosure notes. Matters raised as emphasis by the Auditor General were mainly on lack of documented approved policies and non-compliance to certain sections of the regulations.

We are however heartened by the recent announcement by the Public Service Commission of the financial misconduct figures which indicate that the Northern Cape government has the lowest rate of such cases at 2 percent or 14 cases in proportion to the national figure. However, it is worrying to note that most of the reported cases are committed by employees on post levels 1 – 8. This says a lot about our succession planning in the public service. We must leave no stone unturned to cleanse the government system of such elements.

To address these and other financial management challenges, this year we will roll-out the implementation of the Logistical Information System (LOGIS) intended to improve asset and logistics management. This measure is expected to improve the provincial audit outcomes. The system is already being piloted within the Provincial Treasury and was launched early this year. Intensive training is currently underway to prepare us for the full implementation of LOGIS.

In order to mitigate this situation the Financial Governance division within Provincial Treasury has been re-established and capacitated with skilled personnel who will be focusing on ensuring good financial management in the province. Planned strategic intervention will address concerns raised by the Auditor General and to improve provincial audit outcomes. Continued support and assistance will be provided to provincial departments, public entities and municipalities through targeted training on public finance management to existing financial practitioners. The risk management component will also be capacitated to ensure that we build risk management capacity at both provincial and local level to manage all types of financial management risks that may be faced by our province.

Local Government

Key to transformation of our local government system in the period since the election of the current term of government is the introduction of the Municipal Finance Management Act and The Five Year Strategic Plan for local government. Both these legislative and policy developments requires hands-on support to our municipalities to ensure that indeed they remain central and effective in growing the local economy, creating job opportunities and improving quality of life of our people.

In this respect the province was given delegations to monitor financial performance of 31 of the 32 municipalities. Some of the key issues in this respect include ensuring that municipalities table credible and timeous budgets and that

such budget speak to the broader and comprehensive developmental agenda of the country. It is inspiring indeed that the efforts invested are starting to bear fruits. Amongst other things the number of municipalities that tabled their budgets as required by legislation has improved over the last few years. Eight (8) municipalities were assisted with drafting their Service Delivery and Budget Implementation Plans; and there are improvements in both revenue collection and projection of some of our municipalities.

These modest achievements risk reversal due to high vacancy rates of strategic managers at municipal level, a point that the Honourable Premier has already alluded to.

Infrastructure

Honourable Members, It can be argued without fear of contradiction that there is a direct link between provision of infrastructure, income growth and human development. Through infrastructure provision income generation for households can be supported, productivity enhanced, access to health care and education can be promoted. Premised on this understanding, the resources channeled towards infrastructure in our province seek to create work opportunities as well as recruit the poor and marginalized into the mainstream of the economy.

Lack of forward planning, poor alignment of planning and budgeting cycle for infrastructure projects, inadequate assessment of infrastructure plans and budgets by departments and the commitment of large multi-year projects to one financial year were the main challenges that beset delivery of infrastructure in the province.

Armed and inspired by our commitment to improve the quality of life and grow the economy government developed and implemented key strategies aimed at improving provision of infrastructure. Today, our pride lies in the fact that interventions such as Infrastructure Delivery Improvement Plan (IDIP) and

alignment of infrastructure delivery cycles with the MTEF budget cycle brought remarkable improvement in terms of planning, implementation and better cash flow management of infrastructure projects.

Furthermore in 2006 National Infrastructure Management System was approved in recognition of the importance of infrastructure maintenance. Maintenance is used as a generic term to include planned maintenance, repair, refurbishment and renewal and provision for replacement of infrastructure. Accordingly, it has become imperative that any budget submission that includes infrastructure budgets make provision for maintenance. This intervention is expected to ensure that government receives value for money and efficient utilization and management of infrastructure.

Moving forward, the province is to embark on a process of developing a Minimum Requirement Asset register in terms of Government Immovable Asset Management Act (GIAMA); which will also entail a process of capacitating department to conduct condition assessments and determine the backlog maintenance to be done to get the infrastructure to an acceptable standard.

The total infrastructure budget for the province amounts to **R3, 4 billion** over the MTEF. Included in the total infrastructure budget is the Infrastructure Grant to Provinces (IGP) which amounts to **R1, 3 billion** over the Medium Term Expenditure period.

These resources require better management and coordination to achieve desired results. Hence, we are beefing up our capacity in the form of Public Private Partnerships in order to deliver infrastructure projects that would benefit economic growth and development.

Supply Chain

As part of financial management reforms the provincial government developed programmes aimed at transforming supply chain management processes. The rationale for this was to ensure that supply chain processes promotes accountability by allowing managers to manage, stimulate local economic development and contribute to the promotion and development of Small Micro and Medium Enterprises in the province.

Since the abolition of the Northern Cape Tender Board the Supply Chain Management units were established in the departments. Provincial Treasury conducted training and established database for suppliers of goods and services as part of a capacity building for supply chain management.

The developments around new approaches to supply chain management are also meant to give impetus to economic transformation policy frameworks such as preferential procurement framework. In this respect our supply chain processes must support development of Small Micro and Medium Enterprises through local sourcing and commitment to pay suppliers within regulated 30 days. There is indeed a need to better coordinate SCM processes to achieve economies of scale and maximize government buying power in such a way that it stimulates economic growth.

One of the areas that we need to pay attention to this financial year in terms of achieving economies of scale and development is to take advantage of Public Private Partnerships. In this regard we have made a feasibility study with a view to improve our capacity in terms of PPP's. A detailed plan in this respect will be elaborated on during the tabling of the Provincial Treasury Budget Vote.

Fiscal Framework

The provincial fiscal framework further seeks to consolidate education, health, social welfare services as well as social and economic infrastructure programmes prioritized during the tabling of the 2006 Budget. In particular, the additions to the provincial equitable share are to strengthen the ability of the province to improve access to public services; address vulnerability and inequality through proper targeting of services; increase investment in communities to ensure sustainable livelihoods; and develop the skills needed for the economy through enhanced further education and training.

Madame Speaker today we table a Provincial Budget amounting to **R6, 7 billion** for the 2008/09 financial year. This represents an increase of **R1 billion** on last year's main appropriation of **R5, 7 billion**. New national transfers additional to the baseline amounting to **R158, 2 million** and conditional grants that total **R116, 7 million** are included in the budget we table for 2008/09. Furthermore an amount of **R97, 7 million** is sourced from provincial-own resources for purposes of financing provincial policy priorities.

The main appropriation include additional allocations to the social sector of **R34,8 million**, **R88,6 million** and **R218 million** in each of the respective 2008 MTEF years while **R40 million** is added in the outer years of the MTEF for the economic sector. Additional allocations to the provincial equitable share also provide for carry-through effects of personnel salary agreement to the amount of **R384 million** over the next three financial years. **R216 million** and **R100 million** are allocated to education and health departments respectively for Occupation Specific Dispensation for Teachers and Nurses.

The proportion of expenditure for the province during the next three years is projected at 74 percent towards social sector while other sectors are projected to account for 26 percent of total expenditure over the MTEF.

ALLOCATIONS

Madame Speaker, let me take this opportunity to elaborate on departmental allocations for the 2008/09-2010/11 MTEF period. It should be noted henceforth that our budget priorities continue to be characterized and informed by a pro-poor spending pattern to broaden access to basic services such as Education, Health and Housing for the poor.

In this current framework (2008/09 MTEF), consideration has also been given to the economic sector departments to deal with the economic challenges in the province and give credibility to our provincial budget process insofar as the provincial priorities are concerned. Madame Speaker, obviously not all provincial priorities could be funded as a result of limited resources and the debt redemption obligations.

Our funded provincial priorities emanate from a rigorous process of consultation and engagement in the Provincial Medium-Term and Expenditure Committee (PMTEC) and the MEC's bilateral that took place subsequent to the process of the PMTEC meetings, and as such we can conclusively attest to each individual priority that has been funded.

GOVERNANCE

The proposed allocation for the Provincial Legislatures amounts to **R86, 2 million** for 2008/09 financial year. This includes a proposed additional allocation amounting to **R8, 6 million** over the MTEF. In addition provision is made for the

Improvement of Conditions of Services (ICS) amounting to **R3, 8 million** over the MTEF.

The earmarked allocations in this respect includes an amount of **R1, 2 million** over the MTEF to deal with the Leasing of National and Provincial Offices, an amount of **R4, 5 million** over the MTEF to ensure that the opening of the legislatures promotes participatory democracy as enshrined in the constitution.

The total budget for the Office of the Premier amounts to **R133 million** for the 2008/09 financial year. Additional allocations amounting to **R18 million** in 2008/09 are proposed for Office of the Premier to address amongst other things issues pertaining to Upgrading of Traditional Leaders' Building, Premier's Bursary Fund and Five Year Review and Communication. An amount of **R2 million** has been earmarked to further strengthen the Northern Cape Youth Commission as a public entity.

The Provincial Government recognizes that realization of a safe, secure and crime free society is one of the pre-conditions for economic growth and development as envisaged in the Provincial Growth and Development strategy. Indeed as alluded to by the Premier during the State of the Province address, as a result of government and community interventions the number of reported contact crime cases decreased over the past few years.

In order to further consolidate and intensify our battle for a safe, secure and crime free society, the Department of Safety and Liaison is allocated a total budget of **R87 million** for the 2008/09 financial year. This amount includes an addition to the baseline of **R9 million**. Allocations in the 2008/09 financial year include an amount of **R0, 5 million** which is a transfer from the National Department of Transport for the upgrade of Weighbridges. These allocations are over and above the Improvement of Conditions of Service (ICS) allocation of **R5, 4 million** over the MTEF period.

The earmarked funds in this regard include a proposed allocation amounting to **R15, 8 million** over the MTEF period for the procurement of Traffic Law Enforcement Vehicles. It must be noted that in the 2007/08 financial **R2, 6 million** was appropriated for the same purpose. This investment will go a long way in enhancing law enforcement and will have positive spin-offs in revenue collection in the province. In addition, an amount of **R6, 1 million** has been made available over the MTEF for the establishment of new traffic stations across the province. This will alleviate the problem of people having to travel long distances for their licenses.

ECONOMIC SECTOR

Madame Speaker, we are still challenged to develop programmes and interventions aimed at economic growth and development of our province. There is a need to ensure that the provincial economy grows in such a manner that it creates employment opportunities and alleviates poverty. The dilemma of social democracy is that government must strike a balance between expenditure for social delivery and expenditure for economic development. In our case we remain resolute that our spending priorities remain pro-poor while simultaneously using the limited resources to stimulate and grow the provincial economy.

Central to this approach is building and maintaining infrastructure as a means to stimulate economic growth and fight poverty. Additional allocations to the Department of Transport, Roads and Public Works department result in a total budget amounting to **R649 million**.

One of the key infrastructure development projects in this respect is the Big Hole Conference and Exhibition Centre, which is currently under construction. This project is allocated an amount of **R37, 1 million** and **R40 million** in 2008/09 and 2009/10 respectively. In addition an amount of **R18, 8 million** has been allocated

in 2010/11 to deal with Provincial Specific Economic Interventions in terms of road infrastructure in the province.

The change to the Conditional Grant Framework resulted in a new conditional grant called the Devolution of Property Rates and will be administered by the Department Transport, Roads and Public Works. The purpose of this grant is to enable the province to take over the responsibility of paying the property rates and municipal charges. In this respect **R81 million** over the next three has been allocated.

The Department of Economic Affairs is allocated a total budget of **R112, 2 million** in the current financial year to promote, support and facilitate integrated economic development, acceleration of economic growth, together with economic diversification and industrial expansion. Earmarked funds in this respect include **R9, 8 million** in 2008/09 financial year for Business Process Outsourcing and Offshoring (BPO&O), Diamond Strategy and the Information Society Programme in the Republic of South Africa (INSPIRE).

Development of the agriculture sector; improvement of livelihoods in the province by ensuring equitable access and participation in the agricultural value chain; improving global competitiveness as well as ensuring food security; remains central to the developmental agenda of the province. In this respect the Department of Agriculture and Land Reform is allocated **R199 million** for the 2008/09 financial year. Additional allocations to this Department are intended to expand support for the agricultural sector especially the extension and advisory services to emerging farmers to boost and stimulate rural and economic development in the province.

Earmarked allocations in this regard include additional allocation of **R35, 9 million** over the MTEF for mobile clinics and Laboratory services as well as the

Commercialization of Goats in the province. It is worth noting that funding for Commercialisation of Goats is over and above provision made in 2007/08 MTEF. A further amount of **R8 million** is made available in 2010/11 for provincial specific economic interventions in terms of Agricultural Support in the province.

Proposed allocations to the Department of Tourism, Environment and Conservation amounts to **R95, 5 million** aimed at enhancing programmes that boost tourism activities in the province. Additional allocations of **R4, 5 million** in 2008/09 are for Tourism and Investment Strategy as well as the Revitalization of Provincial Nature Reserves.

An amount of **R340 million** is allocated to the Department of Housing and Local government to amongst other things give impetus to the objects of the Five Year Strategic Agenda for Local Government. This allocation includes **R161, 3 million** in the form of Integrated Housing and Human Settlement Development Conditional Grant. Furthermore in order to improve the operational conditions for Community Development Workers an amount of **R19 million** over the next three years.

SOCIAL SERVICES

Honourable Members, I believe it is now common cause that our government, using the budget as a tool and supported by the masses of the Northern Cape, unashamedly and unapologetically prioritizes social services. Indeed as correctly noted by the Minister of Finance during the Budget Speech, our spending on social services is not just part of our war on poverty, it must be matched by investment in capabilities and opportunities through skills, economic expansion and development of social infrastructure. Accordingly, in the current budget cycle we seek to expand and improve quality of health and education services through various national and provincial policy interventions.

Development and maintenance of high quality and efficient education system that contributes to expansion of the skills base is not only critical to fighting poverty but also for growth and development of the economy. Our commitment in this respect finds expression in the proposed allocation of **R2, 6 billion** for the 2008/09 financial year to the Department of Education. The earmarked allocations includes an amount of **R2, 7 million** for Early Childhood Development (0-4) and an amount of **R3, 8 million** allocated for Textbooks for Grades 10-12 to support the National Curriculum Statement (NCS).

Education's share in respect of the Infrastructure Grant to Provinces (IGP) is revised upwards to **R227 million** over the MTEF in order to address school infrastructure needs including the replacement of unsafe and inappropriate school infrastructure. The FET College Sector Recapitalization Grant is phased into the provincial equitable with effect from 1st April 2009.

Quality healthcare services that promote healthy society are central to productivity and human development. In order to effectively pursue targets related to the health sector as set out in the PGDS the Department of Health is allocated a total budget amounting to **R1, 8 billion**. The budget of the department of Health has been adjusted upward increasing with **R40, 6 million**, **R75 million** and **R134, 2 million** over the MTEF. This represents a total increase of **R249, 8 million** over a three year period. It is important to note that these increases exclude conditional grants and Improvement of Conditions of Services (ICS) and relate to the increase in the equitable share only.

An amount of **R31, 7 million** is earmarked to increase the baseline of the department of Health. Other earmarked allocations includes an amount of **R8, 2 million** for Co-funding of the Hospital Revitalization Programme (Maintenance) and additional allocations of **R4 million** and **R13, 4 million** in the two outer years of the MTEF do address Health personnel pressures. Furthermore an amount of

R44 million over the next three financial years is allocated to fight Tuberculosis Crisis Plan to deal with XDR and MDR strains.

The baseline for the National Tertiary Services Grant is revised upwards over the MTEF to help the department plan and modernize as well as transform tertiary services in the province in line with national policy objectives. The revised allocation amounts to **R549 million** over the MTEF. The Comprehensive HIV and AIDS Grant has also been revised upwards to fund the roll-out of the Comprehensive HIV and AIDS plan. Furthermore the Forensic Pathology Services Grant has been increased to **R62 million** over the Medium Term Expenditure period to assist the department with capital costs relating to building and upgrading of mortuaries. In order to step up maintenance in hospitals the Hospital Revitalization Grant is increased to **R981 Million** over the next three years.

At this point Madame Speaker I wish to emphasize the point that contrary to perceptions of our detractors, the provincial government remains committed to deliver on the question of Gordonia Hospital in the Siyanda District. As the Honourable Premier has alluded to in the State of the Province Address we wish to assure the people of Siyanda that come rain or shine adequate resources and expertise have been provided to ensure that the project is implemented in the 2008/09 financial year.

Madame Speaker, additional allocation to the Department of Social Services and Population Development provides for strengthening of Social Services programmes, especially those likely to have a high impact on human development and the quality of life. These allocations will further give impetus to the enhancement of social welfare to the citizens of this province to ensure the greatest impact on poverty alleviation. The total budget for this department amounts to **R357 million** for the 2008/09 financial year.

Additional allocations amounting to **R13, 5 million**, **R21, 1 million** and **R45, 7 million** are proposed for this department respectively over the MTEF. Earmarked funds in this respect consist of **R4 million** allocated for the Expansion of Early Childhood Development; **R5 million** for the Implementation of Occupation Specific Dispensation for Welfare Services; **R2, 7 million** has been earmarked for the Expansion of Home and Community Based Care as well as an amount of **R1, 3 million** for the expansion of services to “Children in Conflict with the Law”.

Madame Speaker, with these allocations we demonstrate our commitment to restore power to the people and send a message of hope that there is light at end of the tunnel. Let us therefore roll our sleeves and work for the empowerment of our people. Our determination to better the quality of life for our people will not be derailed by those bent on defeating our revolution. Therefore we need to heed the advice of Martin Luther King Jnr. who said and I quote “the greatness of this moment is that we should straighten our backs up, no man shall ride on your back unless it is bent”.

I furthermore say; Even if we can walk in the shadow of darkness, the power of the people shall light the way. This is affirmation that we serve at the pleasure of the people and we must deliver according to their wishes.

My sincerest and heartfelt appreciation goes to the Honourable Premier Me. Dipuo Peters for her immeasurable support. Any achievement made in this term of government was due to her wisdom and uncompromising leadership. The collective support and dedication of the Members of the Executive Council is hereby commended and appreciated.

I must also thank the Heads of Department and Chief Financial Officers for ensuring that the Provincial Treasury receives the necessary information and documentation thereby assisting to table a credible budget. Recognition must also go to officials of the Provincial Treasury who labored diligently and meticulously to ensure that the budget is tabled correctly.

Madame Speaker and Honourable Members I commend to you:

- The Northern Cape Appropriation Bill 2008
- The Budget Statement for the 2008/2009, MTEF including the two outer years which takes into account Estimates of Revenue and Expenditure

I want to conclude by saying,

And the people spoke...

Nobody listened

And the people screamed ...

Nobody feared

And the people yelled ...

Nobody was moved

That's how the seed of revolution was planted

People are gonna rise up and take up their power!

Indeed the people shall govern!

I thank you