

# **2012 Provincial Budget Speech Free State**

## **MEC for Finance**

**Seiso Mohai**

06 March 2012

**Honourable Speaker;**

**Honourable Premier Magashule;**

**Members of the Provincial Executive Council;**

**Members of the Free State Legislature and Chairperson of the Portfolio Committee for Finance;**

**Executive Mayors and Mayors;**

**Members of the House Traditional Leaders;**

**Office of the Auditor General;**

**DG and Chairpersons of our Public Entities;**

**Heads of Departments and CEOs of Public Entities;**

**Business leaders and entrepreneurs of Free State;**

**Leaders of labour;**

**Distinguished guests;**

**People of the Free State;**

**Baeti ba rona ba hlahang sekolong se phahameng sa Kgauho, Botshabelo:**

**Bo-Mme le Bo-Ntate:**

E re ke qale pele ka ho lebisa tlhompho ho Tonakgolo ya rona ya mehleng Mme Winkie Direko eo ya sa tswa re siya haufinyane. Ntshetsopele ya setjhaba le phano ya ditshebeletso e ne e se lerato la hae feela, empa e ne e le tsela le mokgwa wa hae wa bophelo. Tlhompho e loketseng eo re lokelang ho e fa Mme Winkie ke ho potlakisa phumantsho ya ditshebeletso ho batho ba rona le tlhabollo ya baahi.

**Re tla dula re mo hopola kamehla.**

**Dibekeng tse pedi tse fetileng Tonakgolo, Monghadi Magashule o ile a fana ka Puo ya hae ya Pulo lekgotleng la Ketsamelao la Freistata moo a ileng a hlwaya dintlhakgolo tsa tshebetso ya Mmuso wa Freistata. Puo ya Tonakgolo e bontshitse tsela le mosebetsi o entsweng haesale ho tloha ka selemo sa 2009 le ho bontsha tshebetso le diphepetso tse re tobileng tsa ho netefatsa ditabatabelo tsa baahi ho ya ka lenane la dikgetho la 2009. Diphepetso le ditabatabelo tsena di akaretsa tse latelang:**

**Phumantsho ya mesebetsi**

**Katoloso ya metheo ya thuto le ditshebeletso tsa bophelo**

**Tlhabollo le ntshetsopele ya dibaka tsa mahae le twantsho le thibelo ya bonokwane.**

**Ho tswa puong ya Tonakgolo, ho totobetse hore re kgathile tema makaleng a puso a Thuto; Bophelo bo Botle; le Ntshetsopele ya Setjhaba.**

**Diphepetso tse kgolo di makaleng a kang tlhabollo ya marangrang a ditshebeletso; tlhabollo ya moruo le phumantsho e kgolo ya menyetla ya mesebetsi.**

**Tonakgolo o ile a boela a toboketsa ntlha ya ho potlakisa tlhabollo le phumantsho ya ditshebeletso tsa mmuso ke mafapha ohle le metheo ya mmuso.**

Speaker, this Budget will therefore seek to build on the successes our Free State Province has achieved so far and pay more attention to our daunting challenges of building the capacity of the state for improved service delivery and tackling the major challenges of poverty, underdevelopment and unemployment. The present phase of our social transformation will succeed or fail based on how we fare on the economic front, particularly in addressing the triple challenges of poverty, unemployment and inequality as President Zuma pointed out in the State of the Nation Address.

Bram Fischer, one of the icons of our liberation struggle who hailed from our shores, right from here in Bloemfontein, had an inspiring perspective for tackling daunting tasks and challenges of social transformation. In a paper he wrote in the difficult period of the early 1960's, entitled *Time for Reassessment*, he said: *"This will require hard work, clear thinking, and courage. It can and will be achieved through the application of our scientific methods that teach us to learn from the past; to know that we live in ever-changing, not static circumstances; to understand the forces at work; to make use of those that are emerging and to destroy those that are dying."* These words remain relevant and compelling even today.

We have achieved freedom and the real foundations for development, yet the stark legacy of apartheid which manifest in poverty, inequality, unemployment and underdevelopment remains. Our challenge therefore is how fast we use the new forces of freedom and development to destroy the legacy of underdevelopment that represents old and dying forces, to borrow from Bram Fischer's proposition!

The occasion of the centenary of the ANC presents yet another platform to learn from the past as we derive inspiration to surge ahead with today's struggles. That Mangaung is the founding place of the ANC should not to be taken lightly, particularly by the residents of Mangaung and all the people of the Province of Free State. It means we are the immediate heirs of the great heritage of the liberation struggle. Speaker, I invite this house to join me in congratulating the people of the Free State for successfully hosting the ANC Centenary. A survey conducted by the Provincial Treasury confirmed that guests to this unique celebration were indeed overwhelmed by the hospitality of the Free State and its people.

If the past 100 years have seen profound changes in the political power relations, then we say the time is now to bring about a radical rupture in the economic power relations and transform South Africa's economy in order to change patterns of ownership and of production, to create jobs, eliminate poverty and reduce inequalities, and redistribute national income and wealth for all. Struggles on the economic terrain are already dominating the consolidation of our democracy at this moment of the Centenary. The Free State must therefore never be left behind in this economic struggle.

## **The Provincial Growth and Development Strategy: Our Road Map**

Mister Speaker, as the Premier announced in the State of the Province Address, the process of formulating a Provincial Growth and Development Strategy is nearing finalisation. The last round of stakeholder and public consultation will unfold in the next two months and then culminate in the adoption of the strategy by the Executive Council. The strategy will outline the 2030 Development Vision for the Free State province and then map-out strategic interventions and measures to realise the vision. The strategy will outline social development programmes, economic development measures as well as the building of the capacity of the state to lead a developmental project in the

province. The role of the private sector shall also receive great prominence particularly in expanding and developing the productive base of the provincial economy.

The economy of the province must be built and transformed in ways that develop viable industries whose production expansion shall absorb the large numbers of the unemployed, develop skills and employ technologies for efficiencies and higher productivity. Our industrial development and expansion should boost local demand and enhance competitiveness in far afield markets. While these industries shall be in the existing sectors of the provincial economy; that is: agricultural value chain, the mining value chain, the manufacturing sectors, and tourism-, a great deal of effort must be made to break with the historical mode of production.

For instance, in mining, productive investment for deep mining shall be encouraged. We expect our higher learning institutions to pioneer new technologies for deep mining. We will encourage beneficiation here in the province so that upstream and downstream opportunities in the value chain are created. That way we will expand the value chain of mining production and thus break away from the historical mining production in which multinational corporations dig out raw minerals here in South Africa and beneficiate or process them into finished products elsewhere in Europe, leaving only holes back here in South Africa such as the ones in the Lejweleputswa district. The announcement made by the Minerals Resource Minister about a Beneficiation Strategy for creating downstream manufacturing opportunities for beneficiation and processing should be welcomed. The newly created state owned mining company is also expected to stimulate mining production in expansive ways.

Agriculture remains key to our province for employment and food security. We must continue to support our big commercial farmers to produce more food for the local demand and for export markets. New entrants into commercial farming should be supported with skills and access to capital markets. The larger the pool of commercial farmers we have, the more our commercial farming will be competitive, and consumers will thus reap benefits such as low food prices. Subsistence farming and small scale farming should be supported so as to build sustainable livelihoods in rural areas and for ensuring food security given the volatility of the market both locally and globally. A viable rural development strategy will complement our industrial development strategy because a considerably large number of our people in the province reside in rural areas. This will be complemented by the initiation of Provincial Agricultural Master Plan.

Tourism has a huge potential in the province, the challenge, it seems, we are yet to sufficiently develop our tourism products and marketing tools and mechanisms so as to maximise the value of tourism in our provincial economy. The inability to take full advantage of the large events we host bears testimony to this assertion.

Honourable speaker, inadequate infrastructure has been partly responsible for lack of productive investment in our provincial economy. The President has elaborated a policy trajectory in which infrastructure development is going to be key in driving industrial development. Our very own provincial flagship project of the Harrismith Logistical Hub was therefore announced as part of the Durban-Free State- Gauteng Corridor. Infrastructure development has a multiplier effect in growing and developing an economy. It brings about modernisation and efficiencies, crowds-in productive investment, increases economic output and creates the much needed jobs. Since the benefits of infrastructure can be so huge, the challenge is to improve planning, execution and project management of large infrastructure projects. We must spend the allocated infrastructure budgets. We must deliver quality infrastructure within the set time lines.

Technology, in terms of both skills and ICT infrastructure, is also one area we need to pay serious attention in order to improve efficiencies in the provincial economy and attract investment, and create jobs. Free State will never be able to benefit from its strategic geographic location unless there are dramatic improvements to its infrastructure, including roads, rail and ICT.

## **Economic Outlook**

Mister Speaker, the world economy continues to perform with difficulties marked by persistent financial crisis in the Euro Zone and slow growth in the US. Even the developing economies, which have been the engine for global recovery, are now being affected as well. Two American Professors, John Bellamy Foster and Robert W. McChesney characterise the raging crisis so eloquently. They say: *“Five years after the Great Financial Crisis of 2007–09 began there is still no sign of a full recovery of the world economy. Consequently, concern has increasingly shifted from financial crisis and recession to slow growth or stagnation, causing some to dub the current era the Great Stagnation. Stagnation and financial crisis are now seen as feeding into one another.”*

I must add that most economists and business publications agree that the current crisis is largely structural and will probably last longer, and its end will culminate in a new world economic formation with shifts in hegemony from the West to the East.

Growth in the South African economy is showing signs of improvement, with the fourth quarter GDP results registering a growth of 3.2 per cent. What is noteworthy is that manufacturing was one of the industries of most notable performances. This is encouraging because of the productive nature of the manufacturing industries and their labour absorption potential. Unofficial growth forecasts suggest that the provincial economy will grow by 2.8 per cent in 2012, 3.1 per cent in 2013 and 3.3 per cent in 2014.

Unemployment in South Africa has recorded a slight decrease of 1.1 per cent to 23.9 per cent in the fourth quarter of 2011. It is important to note that the newly created jobs were in the formal sector. However the unemployment rate in the Free State province increased by 3.9 percentage points, from 25.5 per cent in the third quarter to 29.4 per cent in the fourth quarter.

An important point must be made however that the high rate of unemployment in the South African economy is more structural than cyclical. It emanates from a historical growth path that was dominated by the mineral energy complex (MEC) mainly in the primary sectors with a limited value-add production. This historical growth path was reliant on cheap unskilled labour, thus leading to a high and growing unemployment as changes in the structures of production occurred in the late 70s, through the 80s and 90s into the 2000s. This period was marked by a decline in mineral export earnings and the slowdown in primary sector production and shifts in the economic structure from primary to tertiary sectors.

That is why Government is now pursuing a New Growth Path that places large scale employment at the centre of all economic policy.

## **2012 MTEF Fiscal Framework**

Speaker, as I turn my focus towards the equitable distribution of our provincial fiscal purse I must again re-emphasize to the house that we are sailing in turbulent sea waves; therefore there is still a

very relevant need for us all to exercise prudence in the use of such limited resources—the needs of our people are competing against such scarcity of resources. We must strive to provide tangible services that are clearly addressing the needs of the masses. We cannot afford to fail them. For this reason, the clarion call for effective, efficient and economical use of the limited resources must be a guiding principle for us all.

We must equally emphasise a point about the need to progressively change the composition of the budget for a strong bias towards infrastructure investment and economic development. In the absence of additional funding this means we must reprioritise and do the rigorous exercise of trade-offs. And accept that we will have to give up or do without certain things in order to make strategic choices that will have the most impact for the realisation of our economic goals. This would also mean cutting costs in certain administrative functions for core and service delivery functions. This means doing without certain administrative posts for having core functionary positions. This means making savings and reprioritisation for infrastructure and economic development. The Provincial Budget will be the single greatest tool at the disposal of Government to drive the Provincial Growth and Development Strategy.

We reiterate our firm stance of combating fraud and corruption. And we will continue to strengthen our financial controls in this regard. The measures announced by Finance Minister Pravin Gordhan to strengthen controls, transparency and accountability in the performance of the supply chain function will be energetically implemented in the province.

### **Revenue Envelope—How are we funding our priorities?**

Speaker, the province will fund the proposed expenditure through three sources of income. These are transfers from National Government in the form of the Provincial Equitable Share and Conditional Grants as well as the Provincial Own Revenue which is money generated from within the province. The bulk of our revenue envelope comes from the Equitable Share which accounts for approximately 74.5 per cent of the total budget; followed by Conditional Grants which constitute about 22.2 per cent and last but not least our own revenue at 3.3 per cent of the budget.

Honourable members will remember that last year as we presented the budget we indicated that the changes in the equitable share formula have impacted the province negatively in terms of allocation. Our provincial portion of the equitable share increases from an adjusted R17.722 billion

in 2011/12 to R18.531 billion in 2012/13—thus representing a growth of 4.56 per cent. Simultaneously conditional grants increases from an adjusted R5.277 billion in 2011/12 to R5.519 billion in 2012/13—indicating an increase of 4.96 per cent. This amount includes the allocation for infrastructure development in the province.

We have taken bold initiatives to bolster our own provincial revenue. We have developed and inaugurated a Provincial Revenue Enhancement Strategy that aims to improve the competency and efficiency of the current revenue process. Furthermore the strategy introduces different approaches that are intended to stimulate the growth rate of collecting revenue. It is important to note that this is the only source of revenue where we have complete leverage as provincial government to fund our own priorities; therefore we need to strengthen our efforts in this regard. Provincial Own Receipts are projected to increase from R771.619 million in 2011/12 to R819.360 million in 2012/13—thus signifying a growth of 6.18 per cent. We have set ourselves a target of R1 billion for 2014/15.

## **Allocations to Departments**

Mr. Speaker, this government is very aware of the socio-economic challenges faced by our people, we are very aware about the devastating effects of unemployment, poverty, the need for housing and so forth. We have consciously allocated our budget specifically to address these challenges-- this government has moved swiftly to ensure that the available resources speak directly to the identified priorities as expressed earlier on. In this regard we are still firmly guided by the Outcome-based approach that we adopted in 2010.

We therefore re-emphasize our resolve and commitment to cautiously ensure that our budget is informed and addresses government priorities as reflected in the New Growth Path, the 2009 MTSF and the twelve Outcomes. Mr. Speaker, before I turn my focus to the proposed 2012 MTEF allocations, let me pause to acknowledge the overwhelming tips from Free State residents (too many mention by name) that were received through online social media ,Facebook, covering issues such as roads, sanitation, youth unemployment, fruitless and wasteful expenditure, film industry, education, housing, teenage pregnancy and HIV/Aids. I want to assure you that your tips enhanced the drafting of this budget.



Mr. Speaker, the total projected expenditure for the next three years (2012 MTEF period) amounts to R78.767 billion and this amount is disaggregated as follows:

- R24.870 billion in 2012/13,
- R26.290 billion in 2013/14 and
- R27.607 billion in the outer year of 2014/15

## **Proposed Departmental Allocations**

### **Quality Basic Education**

Speaker, any nation that neglects its education will never extricate itself from the socio-economic ills of this world. As we strive to grow our economy, we must ensure that we develop the skills that are required to sustain such growth.

Education takes up the largest share of our provincial government spending; almost 40per cent of the total allocation is allocated to this priority.

The 2012 MTEF allocation to education amounts to **R10.044 billion** in 2012/13, **R10.538 billion** in 2013/14 and **R11.061 billion** in 2014/15. Cumulatively, the department is allocated an amount of **R31.643 billion** over the MTEF. Funding to this department also addresses the following priorities over the 2012 MTEF:

- Continuation of No-Fee Policy;
- Learner Teacher Support Materials, including CAPS;
- Employment of additional teachers to reduce the teacher to learner ratio in quintile 1 schools;
- Provision of inclusive education to accommodate learners with disabilities in mainstream and special schools;
- Promotion of school sport;
- Tertiary bursaries;
- Schools Infrastructure; and
- Universalization of Grade R.

The department will be supported by other departments in its pursuit to ensure universal access to quality education. This government will ensure that all school children have access to health services in their respective schools.

## **A Long Healthy Life for all**

The health of our people remains at the centre of socio-economic development. The increasing burden of diseases such as HIV/AIDS, TB and other infectious diseases is stubbornly reversing the gains we have made. We need to pull together our resources to fight back these scourges of diseases. In the past years we have succeeded in opening the doors of health for our people, however, there still exists a need to ensure that the health system of the country also caters for the majority of our population. In this regard, government is moving ahead with the introduction of National Health Insurance and amount of R110 million has been set aside for the piloting of NHI in the province during the 2012 MTEF. In the coming years we will see the introduction of ward-based health care teams, district health specialists as well as school based health care. This clearly indicates the absolute commitment of our government to the principle of “ACCESS TO HEALTH FOR ALL.”

To improve the health profile of our province we have to focus our attention on the following:

- Reduction of Maternal, Child and Infant Mortality;
- Improvement in the Life Expectancy; and
- Reduction of incidence of TB and HIV by half by 2015.

The Department of Health is allocated an amount of **R7.383 billion** in 2012/13, **R7.856 billion** in 2013/14 and **R8.354 billion** in the outer year of 2014/15. Cumulatively, the department will spend well above **R23.5 billion** over the next years. This allocation makes provision for the following priorities:

- Continuation of Primary Health Care re-engineering;
- Expansion of Medical Male Circumcision;
- Finalization of Public Hospitals norms and standards; and
- Continuing improvement of Health infrastructure.

## **Social Development**

Honourable members, social security remains very critical in addressing the challenges of poverty and the need to advance social development. In this regard, the plight of the vulnerable groups remains key. The department's effort in mobilizing the vulnerable groups into an active citizenry is important. To ensure that there is social cohesion in the province, the Department of Social Development is allocated an amount of **R865.450 million** in 2012/13, **R922.393 million** in 2013/14 and **R960.164 million** in 2014/15. Thus over the 2012 MTEF the department will spend **R2.747 billion** to address, amongst others, the following priorities:

- Recruitment and Retention of Social Workers;
- Home-based care
- Continuation of Infrastructure projects; and
- Further expansion of Early Childhood Development.

## **Sport, Arts, Culture and Recreation**

Honourable Speaker, there is an increasing awareness of the need for sport in its different codes. There is no doubt that sport remains at the centre of our nation building. As we toil tirelessly to ensure that our future generation benefits from our sweat, we also need to work hard in preserving our diverse history. The next generation must understand the good and the bad of our history. There is no department which is better placed to do this than the department of Sport, Arts, Culture and Recreation. The collaboration between this department and the Department of Education is key in order to confront challenges of ill-health that face our society. We must intervene to correct this problem-- lest we set ourselves for bigger health challenges in the near future.

Over the 2012 MTEF the department will be spending a total budget of **R1.317 billion**; which is allocated as follows—**R435.621 million** in 2012/13, **R428.646 million** in 2013/14 and **R452.876 million** in 2014/15.

## **Economic Development, Tourism and Environmental Affairs**

Speaker, economic growth is at the centre of all that we plan to achieve. We have identified poverty, unemployment and inequality as the biggest enemies facing us. We must create a conducive environment for private investment, we must as government and in partnership with private businesses invest in high impact projects that yield or create jobs for our people.

The contribution of provincial public entities and state owned enterprises in general is key in unlocking the economic potential of the province. This can be achieved through repositioning of these entities in order to maximize the return on investment. We understand the critical role played by Small, Medium and Micro enterprises in creating much needed jobs. In this regard, our provincial public entities must ensure that SMMEs are afforded equal opportunities and fair space to grow their businesses.

To stimulate economic growth and job creation, the Department of Economic Development, Tourism and Environmental Affairs is allocated an amount of **R436.894 million** in 2012/13, **R441.801 million** in 2013/14 and **R457.694 million** in 2014/15. In total the department will spend more than **R1.336 billion** over the 2012 MTEF. Part of this allocation will be directed towards:

- resuscitation of the textile industries in Botshabelo, Thaba Nnchu and Qwa-qwa;
- development of an ICT-Hub;
- ongoing revitalization of resorts; and
- fencing of reserves;

## **Infrastructure Development**

Speaker, since the 2008 global financial recession, the importance of infrastructure development as a catalyst to economic growth and job creation has been widely acknowledged. In order to deal with the capacity constraints regarding infrastructure delivery in the province, an assessment of the capacity and ability of key departments to deliver infrastructure will be undertaken.

Furthermore, we will strengthen implementation and monitoring of Expanded Public Works Programme (EPWP) with a view to create much needed work opportunities.

An amount of **R1.269 billion** is allocated to the Department of Public Works in 2012/13, **R1.362 billion** in 2013/14 and **R1.423 billion** in 2014/15. The following priorities are funded in this department's allocation:

- Payment of Property rates to municipalities
- Payment of Leases
- Ongoing maintenance of Government buildings
- Continuation of Expanded Public Works Programme (EPWP)

Honourable members, a continued improvement of our road conditions remains a critical priority of the province, hence we continue to re-direct savings towards roads infrastructure.

The allocation to the Department of Police, Roads and Transport amounts to **R1.755 billion** in 2012/13, **R1.910 billion** in 2013/14 and grows to **R2.011 billion** in 2014/15. The allocation for this department will mainly cover provincial roads infrastructure. Cumulatively the department will spend more than **R5.677 billion** over the MTEF, which will also cover the following:

- Provincial Road Maintenance;
- Transport infrastructure; and
- Weigh bridges.

## **Budgeting for Vibrant, Equitable and Sustainable Rural Communities**

Honourable Members, as earlier stated, agriculture and rural development remain important for economic integration, and for reducing unemployment and inequality. This government has noted the importance of reviving agriculture in the province, hence we have allocated the Department of Agriculture **R579.482 million** in 2012/13, **R595.033 million** in 2013/14 and **R597.165 million** in 2014/15. The department of Rural Development is allocated **R40.6 million** for 2012/13, **R42.9 million** for 2013/14 and **R44.4 million** for the outer year. In this regard, we have prioritized amongst others, the following:

- Mohoma-Mobung;
- Development of an agriculture master plan; and
- Refurbishment of veterinary laboratories.

It is our firm belief that the success of agriculture in the province will bode well for the development of rural communities.

## **Sustainable Human Settlements**

Speaker, despite the enormous progress made in building houses for our people, the historical backlog remains and continues to obscure the progress made in this regard. Our resolve as government to ensure that our people have proper and sustainable human settlement remains steadfast.

Over the coming 2012 MTEF the Department of Human Settlements will spend **R3.3 billion** to cater for the housing needs of our communities. In 2012/13 the department is allocated **R1.058 billion**, **R1.135 billion** in 2013/14 and **R1.135 billion** in 2014/15.

## **Funding for Responsive, Accountable, Effective and Efficient Governance**

Speaker, we remain fundamentally committed to the notion of clean governance. Our vision is crystal clear; we want to create clean, responsive, accountable, effective and efficient government at all levels. We have noted the audit outcomes both at the provincial and local government level. We are not pleased and certainly we are not resting, in the coming year we will intensify our programme of clean audits by 2014. A number of departments play a key role in this regard.

The Department of Cooperative Governance and Traditional Affairs receives **R1.006 billion** over the 2012 MTEF. The budget allocation is disaggregated as follows: **R323.042 million** in 2012/13, **R335.052 million** in 2013/14 and **R347.982 million** in 2014/15.

The Department of Premier receives an amount of **R253.113 million** in 2012/13, **R263.795 million** in 2013/14 and **R275.094 million** in 2014/15. Cumulatively the Premier will spend well above **R792 million** over the next three years 2012 MTEF.

Provincial Treasury, in this regard, will continue in its role of ensuring that public resources are managed responsibly and with unquestionable integrity. This department is allocated **R212.111 million** in 2012/13, which grows to **R222.784 million** in 2013/14 and **R232.141 million** in the outer year.

The Free State Legislature is allocated an amount of **R212.422 million** in 2012/13, **R204.062 million** in 2013/14 and **R210.957 million** in 2014/15. Cumulatively the Legislature is allocated **R627.441 million** over the MTEF ahead.

The 2012/13 budget makes funding available for the following priorities, amongst others:

- Capacity building to provincial departments and municipalities;
- Optimization of provincial and municipal revenue;
- Intensification and improvement of effectiveness of our monitoring and oversight;
- Promoting planning, socio-economic development and fiscal discipline;

Speaker, we have toiled very hard to ensure that our people are free from hunger, homelessness, illiteracy, diseases and all other forms of social ills. We have laboured so hard to ensure that every government institution has plans that are geared towards socio-economic development of our citizenry. The success of these plans is solely reliant on the foundation of a clean, efficient, effective, economic and accountable public service. We are all aware that every department in this regard is responsible to ensure that these noble principles guide us as public institutions and servants.

In this regard, I am pleased to inform this house that the implementation of the directives of Section 100 (1)(a) of the Constitution to the Provincial Treasury and the Department of Police, Roads and Transport is unfolding well so far. The process will restore stability and compliance to the financial management regulations in the province. We need to take this opportunity to conscientise and deepen our understanding of all legislation that underpin principles of good financial management and governance, including but not limited to the PFMA.

## **Conclusion**

Accelerating service delivery remains our driving force, in this regard Operation Hlasela remains the hallmark underlying our outreach campaign. Whilst this campaign has on the one hand exposed us to the hardships that our people endure, it has also guided and enhanced our planning process in responding to these challenges. Since we are half way the 2009 term of political office it is indeed time to reassess our performance and conduct with regard to our set priorities of education, health, jobs creation, rural development and crime combating. The Premier has already shown the way in this regard. When the new annual cycle of planning begin, all Government Departments and Entities will have to do an in-depth midterm assessment. We will all evaluate whether our plans are adequate enough for our challenges that arise from the mentioned priorities. We should check whether our budgets are always consistent enough with the spirit of these priorities. We should also check whether we do have the discipline of action in the implementation process.

Lastly, let me take this opportunity to thank the Premier for his astute political skills and energy in putting together this budget. I also thank my colleagues in the Executive Council for their support and contribution, and members of the Portfolio Committee for Finance under the leadership of the Chairperson, Honourable Neels Van Rooyen, for keeping us on our toes. I thank the CEO of Provincial Treasury, Mr Humphrey Kgomongwe and the Treasury Team for their consistent and exemplary workmanship and professionalism. I also thank my wife and family for the unflinching support.

Mr Speaker the 2012/13 Provincial Budget is hereby tabled.

I thank you.