



SPEECH BY GAUTENG MEC FOR FINANCE, BARBARA CREECY, ON THE OCCASION TO PRESENT THE 2015/16 PROVINCIAL BUDGET, GAUTENG PROVINCIAL LEGISLATURE, 03 MARCH 2015.

Madam Speaker and Deputy Speaker

Premier David Makhura and Fellow Members of the Executive Council

Chief Whip: Member Brian Hlongwa

Leaders of Political Parties

Executive Mayors

Members of the Provincial Legislature

MMCs of Finance and Councillors

Distinguished guests

Comrades and Friends

INTRODUCTION

Madam Speaker, I am honoured to present to this esteemed House, an important symbol of our democratic system, the first Budget of our Administration under the leadership of Premier David Makhura.

Madam Speaker 60 years ago on 26 June 1955, the Congress of the People met in Kliptown to adopt the Freedom Charter. In his world-renowned book *Long Walk to Freedom*, the late former President Nelson Mandela described the Freedom Charter as “a mixture of practical goals and poetic language...” It captured, he said, the hopes and dreams of the people and acted as a blueprint for the liberation struggle and the future of the nation.

It was, he argued, a revolutionary document precisely because the changes it envisioned could not be achieved without radically altering the economic and political structure of South Africa.

Honourable Members it is common cause in this House that poverty, inequality and unemployment remain enduring problems. Over the past 21 years of democratic transition, they have been ameliorated but not solved. In the ANC-led Gauteng City Region, we are convinced that further progress requires a programme of radical economic, social, and spatial transformation as well as the re-industrialisation and modernisation of our Province.

Madam Speaker last Monday, our Premier once again asserted his vision “to transform, modernise and re-industrialise Gauteng in order to build a seamlessly integrated, socially cohesive, economically inclusive City Region; a leading economy on the African continent; with smart, innovation-driven, knowledge-based and sustainable industries; an accountable, responsive, transparent and clean government as well as an active citizenry”.

Our understanding is that through implementing this Ten Pillar Programme, we will achieve the objectives of the National Development Plan by 2030.

Last Tuesday evening, my colleagues in the Executive Council and I attended izimbizo across Gauteng to share the Premier’s 2015 message.

In Kagiso Community Hall, where I was deployed, one person after another stood to offer their support for the plans outlined in the SOPA address as well as implementing the programme.

Their impatience was exemplified by Mr Snega Konyana who expressed his excitement at the planned development in the Western Corridor and said: “I have a few solutions up my sleeve and I want to challenge our government to pilot them and realise the ‘real’ radical economic transformation. I am not saying the government is off the mark at all, all I am saying is “working together we can achieve more”.

Honourable Members, Mr Konyana is here with us today and I want to say to him with certainty that the ANC-led Government I represent shares his impatience to begin concrete work on Premier’s bold and exciting vision.

The budget we table today is a public demonstration of our commitment to resource concrete plans. It represents more than just the formulation of numbers.

Taken as a whole, the 2015/16 Provincial Budget is an index of this Administration’s values and the high priority we place on serving our people and building our province.

Strategic priorities for growth and development of the City Region

Honourable Members, during his speech last Monday, Premier David Makhura, shared with this House the structural challenges facing our City Region’s economy that include:

- the exclusion of the majority of black people, women and youth from key sectors of the economy;
- the subdued role of the SMME and cooperative sector;
- the serious decline in the role of manufacturing sector;
- the continued dominance of unskilled and semi-skilled labour over the skilled labour force; and,

- the continuation of apartheid economic geography and spatial inequalities;

This budget directly confronts the triple burden of poverty, inequality and unemployment by explaining how we intend to fund the Ten Pillar Programme this year and over the medium term, thereby giving concrete expression to our programme to:

- invest in economic infrastructure as the key stimulator of growth
- transform the apartheid spatial economy and human settlement patterns by integrating economic opportunities, transport corridors and human settlements
- strengthen the capacity of the state to direct economic development and enhance the competitiveness of strategic economic sectors
- develop new modern, innovation-driven industries in the areas of high-tech; biotechnology, the green economy and the blue economy
- grow the SMME sector, and
- invest in education and skills development to change the skills profile of the people of Gauteng

Economic outlook

Honourable Members, the global economy is slowly but surely emerging from the deepest recession in more than 40 years. But recovery remains mixed and growth rates are stabilising at levels lower than before the crisis.

Global growth is expected to receive a boost from the lower oil price and provide short term relief to consumers. However, there are still some offsetting effects, resulting in a downward revision in the global growth forecast.

The oil price (in US dollar terms) has declined by about 55 per cent since the third quarter of 2014, partly due to supply factors. The impact is expected to be stronger in the oil importing countries, but

less so in the oil-exporting countries (which are mostly in Africa) as low prices will affect fiscal revenues. The International Monetary Fund (IMF) expects global growth to reach 3.5 per cent in 2015 and 3.7 per cent in 2016.

Global growth prospects, both in advanced and emerging economies, have implications for the South African economy and Sub Saharan Africa as a whole. The Euro Area and China remain the main trading partners for our region, and subdued growth in these regions will certainly affect demand in both South Africa and sub-Saharan Africa.

The Minister of Finance has noted that we will benefit from the lower oil price although major mining exports have been adversely affected by the global slowdown. However, deepening trade and investment links with sub-Saharan Africa will continue to offer the country, favourable growth prospects. He indicated that exports to Africa grew by 19 per cent in 2013 and 11 per cent in 2014.

Minister Nene also noted last week, that electricity constraints hold back growth in manufacturing and mining and raise costs for business and households.

Accordingly, he predicted that in 2015, the economy would grow at 2 per cent before reaching 3 per cent in 2017.

Madam Speaker between 2003 and 2014, Gauteng's economy consistently grew above the national average, reaching 1.7% in 2014. Premier Makhura notes that the National Development Plan Vision 2030 sets an annual national growth target of 5% meaning that Gauteng will need to grow at a higher rate to support the national economy.

Currently, Gauteng's R1-trillion provincial economy contributes 34% to the country's GDP and accounts for almost 10% of Africa's GDP. According to Ernest and Young, since 2010 we have been the most popular foreign investment destination in Africa resulting

in Gross Domestic Fixed Investment rising from R118 billion in 2010 to R135 billion in 2013.

Having said this, Honourable Members, we must be aware that we are in a world characterised by ever increasing complexity, competition and change. Accordingly, we cannot rest on our laurels or take for granted that we will forever remain the largest provincial economy in South Africa with a significant share of Africa's GDP.

The Premier spoke at length last Monday on the need for us to confront both the broader structural problems in our economy and help ensure we improve our energy and water reliability and security.

We must also recognise and build on our current strategic advantages we already have in Gauteng including:

- Our world-class financial and business services sector that already accounts for 26% of our GDP and provides a home to the headquarters of globally competitive companies.
- Significant transport, freight and other economic infrastructure which enables the province to meaningfully claim to be a gateway to Africa.
- Strong co-operative governance with a renewed commitment to integrated planning, cutting developmental approval processes and other forms of red tape.
- Ever-improving education outcomes with around 60% of our work force having post school qualifications. We are also home to three world class universities and a number of tertiary colleges.
- Our track record of steady improvement in the socio economic conditions and quality of life of our citizens even in tough times as evidenced by the fact that the Human Development Index in the province has risen from 0, 67 in 2010 to 0, 71 in 2013.
- The success of our social welfare system in reducing income inequality from 0.66 to 0.63.

The fiscal climate

Madam Speaker, challenging economic times have reduced government's collection rate from our revenue sources. This has had a negative effect on our fiscal space at a time when we are experiencing pressing demand for public services from an ever increasing population.

As shared in this House during the Medium-Term Budget Policy Statement, the contribution from Gauteng to fiscal cuts as announced by Minister Nene is a reduction of R500m from our equitable share in this financial year. He has stressed that the aim is to ensure that the fiscus remains sustainable, and rooted on the principles of both counter-cyclical intervention and long-term debt sustainability.

Honourable Members in the MTBPS presented in November last year, I indicated that there were tough times ahead of us, especially as our needs have not changed a bit. The Gauteng population is rising faster than the national average due to immigration from other provinces and we need to be prudent with the financial resources at our disposal.

Once again let me make it quite clear that while we are talking about improving discipline in government spending, we are absolutely not talking about austerity measures. Over the past 10 years, per capita spending on Gauteng's residents has increased from R1 960 in 2004/5 to R7 364 in 2015/16. It is our intention over the 2015 Medium-Term Expenditure Framework to expand access to basic services to all our citizens.

During the MTBPS I said that there would be four aspects to our financing approach:

- firstly we will work hard to reduce spending on non-core goods and services and to fight corruption;
- secondly we will look for ways to increase our own revenue and alternate funding sources;

- thirdly we will maintain spending on quality social services for our people; and
- finally we will increase spending on infrastructure to give expression to the TMR and create work.

Honourable Members in tackling this difficult task I have been guided at all times by a principle borrowed from former Finance Minister Trevor Manuel who noted in 2008 that government departments are accountable for taxpayers' money which "is not our money".

This means that at all times we must actively strive for "value for money" by promoting the three E's of economy, efficiency and effective provision of public services while ensuring quality and accessibility.

Firstly, reprioritisation remains crucial in directing resources to the radical transformation, modernisation and re-industrialisation (TMR) programme of the Gauteng City Region. To this extent all departments have aligned their budgets to the TMR. To date, R7.3 billion has been re-directed to the City Region priorities.

Our second tool in the fight for value for money is cost reductions in non-core areas. Today, I can report that in the 2015/16 budget the cost reductions on those non-core programmes are as follows:

- Venues and facilities – 21%
- Travel and subsistence – 1.5%
- Communication – 7%
- Catering – 9%
- Advertising – 0.5%
- Administration Fees – 25%

Our third tool for ensuring value for money is a well-performing Supply Chain Management (SCM) function that is critical to achieving the strategic objectives and goals of any government institution.

The Open Tender process was launched last year to improve transparency in GPG procurement processes and the two pilot projects are currently used to test the process.

Before the end of March we will conduct a public adjudication for the Cedar Road tender at the Germiston Council chambers. It is my intention Honourable Members to invite everyone who is interested on this day.

Once we have concluded the two pilot projects, we will agree in the Executive Council on how to implement this process across the provincial government, starting with the big spenders, namely Transport, Health, Education and Infrastructure Development.

Independent qualified auditors are currently working on the Cedar Road Tender to enhance transparency, raise the level of compliance and improve the integrity of the system for all future tenders.

We are also supporting National Treasury in its quest to introduce some transversal contracts in order to benefit from the economies of scale in the procurement process. Mobile phone and travel agent services will be two such services we will introduce this year.

Madam Speaker, this government remains intolerant towards corruption. Our anti-corruption hotline remains an important conduit for members of the public to report corruption in a safe and protected manner. In 2014/15, the Forensic Services Unit within the Gauteng Department of Finance received 37 requests for forensic investigations from GPG Departments. Of these requests, 34 have been finalised and reports issued to relevant Accounting Officers for implementation of recommendations.

We share concerns that it takes too long to implement recommendations. Accordingly we will be looking at ways our forensic services can work with the Integrity Unit in the Premier's

office to speed up implementation in departments once matters have been referred.

In 2015/16, we will be introducing a Revenue Generation Strategy as part of our effort to augment the current revenue base. Some of the pillars that will form part of the revenue generation strategy include incentive schemes; driving efficiency in the manner in which we collect our revenue and exploring new sources of revenue.

Over the 2015 MTEF, we expect own revenue to increase by an annual average of 10 per cent. I am happy to announce today that we expect to exceed our 2014/15 revenue target by R400 million, a welcome boost in these tough times!

Honourable Members as Premier emphasised repeatedly last Monday, Gauteng will achieve its development objectives with the active support of private sector investment and partnerships.

Our key vehicle for sourcing alternative funding for strategic investment is the Gauteng Infrastructure Financing Agency (GIFA). GIFA has been hard at work in assisting the GCR to develop bankable proposals to take to the market.

In the coming financial year, GIFA will be engaging the private sector and development funding agencies for investment in some of our game changer projects.

We have already issued out the request for proposals for the rooftop solar panels project and the same will follow suit for the Tri-generation project.

The following projects will be included in our Investment memorandum for potential investment:

- Sedibeng/West Rand Waste to Energy and City of Johannesburg Waste Technology Project.

- The freight and logistics hubs targeting the Vaal, West Rand and Rosslyn areas.
- The Gauteng ICT Smart City project in NASREC.
- The Jewellery Manufacturing Precinct in Ekurhuleni; and
- The Kopanong Precinct & Gauteng Planning House.

The Premier announced the establishment of the Gauteng Infrastructure Coordination Commission which will be responsible for the coordination of infrastructure development and investment programmes across the City Region.

Funding our priorities

Honourable Members this year the Gauteng Provincial Government is tabling a budget of R95.3 billion. Our fiscal envelope grows from R89.8 billion in the 2014/15 financial year to just over R109 billion in the outer year of the 2015 MTEF.

National transfers in the form of the Provincial Equitable Share and Conditional Grants amount to R73.5 billion and R17.1 billion respectively. Provincial own revenue amounts to R4.5 billion and represents 5 per cent of our budget.

Funding of developmental corridors

Madam Speaker, the reconfiguration of the City Region is built around the understanding that regions within Gauteng are different, with distinctive comparative advantage. Their success is dependent on each other.

Our collective efforts weigh more than when we act as individuals. This year we will be working with COGTA and the Gauteng Planning Division to ensure that we synergise government plans and budgets to achieve the greatest benefit from every rand we spend.

Madam Speaker; Premier Makhura took time to share with Honourable Members the new type of economy that the Gauteng City region is built on which is characterised by the five developmental corridors summarised as follows:

- The Central Development Corridor with a focus on the financial sector, ICT and pharmaceutical industries.
- The Eastern Development Corridor with a focus on manufacturing, logistics and transport industries.
- The Northern Development Corridor anchored around our capital City, the automotive sector and the knowledge-based economy.
- The Western Corridor focusing on new blue and green economic initiatives, tourism, agro-processing and logistics.
- The Southern Corridor anchored around river tourism and agro processing.

To ensure that these developments become a reality our provincial contribution is summarised as follows:

Central Development Corridor

In this financial year, a total of R3.1 billion has been allocated for infrastructure funding in the Central Development corridor.

Of the allocated budget, R979.9 million is set aside for Human Settlement that includes provision of housing in Diepsloot, Fleurhof, Lion Park, Malibongwe Drive, Goud Rand and Luhereng; hostel upgrades in Alexandra, Meadowlands, Orlando West, Rethabile and Sephiwe; as well as the rectification of houses in Kiptown.

R789.9 million has been allocated for new schools and refurbishment of existing classrooms. R453.4 million has been allocated for rehabilitating and building new roads and R263.4 million for renovating and constructing new health facilities.

Sports, Arts, Culture and Recreation is allocated R195.7 million for the construction of the Gauteng Provincial Archives and completion of the construction work for Drieziek and Naturena community libraries and R2 million to commence the Operation Mabaleng facility in Westbury.

We are setting aside R10 million towards the development of the Eikenhof Agri-Park whereby 35 co-operatives will be afforded an opportunity to enter into commercial agriculture.

Eastern Development Corridor

Our provincial spend in the Eastern Corridor amounts to R2 billion. Human Settlement has set aside R983.9 towards the provision of housing units in Chief Albert Luthuli, John Dube Extension 2, Tsakane Extension 22, Germiston South, Leeuwpoort, Rietfontein and Claysville Extension 45 and the redevelopment of hostels in Springs and Tembisa.

To improve access to quality education R563 million will be spent towards the construction of new primary and secondary schools, including within the Tokoza area, Chief Albert Luthuli, and Langaville.

The Department of Roads and Transport has set aside R112.9 million for road upgrades.

The Department of Health will spend R254 million on equipment and construction of staff residences at Thele Mogwerane hospital; and the rehabilitation and maintenance of health facilities in this region.

A budget of R12.8 million has been set aside to complete both the Kingsway and Palm Ridge community libraries.

R18.2 million is allocated to Social Development for the construction at Mary Moodley Child Care Youth Centre in Benoni;

upgrading of all Social Development facilities to adhere to the Occupational Health and Safety Act requirements, and planning for the construction of early childhood development centres (ECD).

Working together with Ekurhuleni metropolitan municipality; we will expand the Wattville Agri-Park to ensure that it reaches its maximum potential. R28 million is made available towards the bulk infrastructure investment for the realisation of the Jewellery Manufacturing Precinct within the Industrial Development Zone.

Northern Development Corridor

We will be spend R2 billion in the Northern Development Corridor.

Human Settlements has been allocated R964.2 million of which over R400 million has been set aside towards the servicing of stands, construction of houses through urban renewal, infill and remedial work in Soshanguve and servicing and construction of houses in Hammanskraal. The Department will also prioritise the inner city regeneration projects in Winterveldt and Vermuelen.

Education allocated R464.2 million towards the construction of schools and provision of Grade R classrooms.

In this financial year, the department of Roads and Transport has allocated R220.6 million in the Northern corridor of which R119.5 million is set aside towards rehabilitation of roads.

As part of maximising revenue from the motor vehicle licenses and bringing government services closer to the people; the department has allocated R18.5 million towards upgrading of Temba and Mabopane driver license testing centre (DLTC).

R330.5 million has been set aside for the construction, upgrading and maintenance of health facilities for the National Health Insurance pilot project.

We have allocated R94 million towards the completion of phase 1 and 2 of the Women's Living Monument, and R6.4 million is allocated for completing construction work at Sokhulumu Heritage Centre.

Social Development has set aside R63.1 million for social facilities in Hammanskraal, Winterveldt and Mabopane. In collaboration with the City of Tshwane, we will expand and maintain Soshanguve and Rooiwal Agri-park and use R2.1 million for the upgrading and rehabilitation work at Roodeplaat nature reserve.

To further ensure that the innovation and knowledge-based economy is supported in the Northern Development corridor, 26 companies will be recruited for pre-incubation through the Maxum programme at The Innovation Hub (TIH) while 16 will be enrolled for incubation. A further, 100 individuals will also be trained through the CoachLab programme at the hub. R22.7m is allocated for Nissan Incubator and Simulation project.

Western Development Corridor

In the coming financial year we will spend R1.4 billion towards the Western Development corridor.

The Department of Human Settlements has allocated R956.3 million in this region. R250 million for planning and design of Syferfontein phases 1 and 2, a development with the potential to deliver over 60 000 units. We will continue construction at Kagiso Extension 13, Chief Mogale, Leratong, Khutsong South Extension 1, 2 and 3, Kokosi and bulk water reservoir in Droogenheuveld,

Over R200 million is set aside towards planning and construction of houses in Mohlakeng, Khutsong, Bekkersdal and Krugersdorp.

R22.4 million will be spent on school rehabilitation in Fochville, Westonaria and Khutsong.

Health has allocated R164.1 million towards construction work at Randgate Clinic, maintenance of existing clinics and planning for the construction of four new clinics. R48.4 million has been set aside for the revitalisation of Dr. Yusuf Dadoo hospital.

The Department Roads and Transport allocated R197.6 million towards the construction and rehabilitation of roads in the corridor. R14.5 million is set aside towards the construction of a Driving License Testing Centre in Kagiso.

GDARD has set aside R10 million for two new Agri-Parks and the expansion of the Tarlton Agri-park. The department has also budgeted for a new milling plant in Randfontein this year.

The Department of Sport, Recreation, Arts and Culture will complete the Kokosi, Randfontein and Kagiso community libraries this year. To support tourism in the western corridors, the Gauteng Tourism Agency has budgeted R47 million for upgrades to Maropeng and the Cradle of humankind this year.

Southern Development Corridor

Just over R1.5 billion has been set aside for the Southern corridor to provide houses, services, new schools, rehabilitation and upgrade of roads in particular R82 Phase 2 between Walkerville; and Vereeniging and maintenance and rehabilitation of health facilities.

The Department of Human Settlement has set aside R892 million. R689.9 million will go towards the provision of houses and installation of services in Boikhutsong, Golden Highway, Evaton, Vereeniging, Ratanda and Savanah City.

The Department of Agriculture will establish an Agri-Park linked to township revitalisation near Sebokeng Zone 10 Industrial Area.

Madam Speaker, over the next three years, both Provincial and Local spheres of governments combined will spend just over R100 billion on physical assets and capital transfers in the City Region.

The province itself has allocated R38.2 billion for the delivery of infrastructure over the 2015 Medium Term.

It is for this reason Honourable Members that we must all remain concerned to increase the pace of infrastructure spending. I am happy, therefore, to announce today a new focus on infrastructure capacity.

The Gauteng Provincial Treasury has just concluded the recruitment of engineers and quantity surveyors who will be working with departments on the infrastructure programme.

Also we are happy to announce that the Department of Infrastructure Development's structure has been approved by the Department of Public Service and Administration (DPSA). We are confident that these two initiatives will help ensure we clear all bottlenecks related to infrastructure delivery in this province.

We do this, Madam Speaker, because infrastructure investment is a priority for this government as a determinant of economic development and growth. It allows us to expand the provision of basic services, contributes towards economic growth and strongly supports job creation.

Transformation and modernisation of the state

Madam Speaker, the Office of the Premier plays a leading role in transforming and modernising the state and governance. The ambitious TMR programme requires governments to work in an integrated manner which eschews the traditional silo approach.

This necessitates better research, planning, monitoring and evaluation from the centre. R7 million is set aside to kickstart this.

Last year, the Premier launched the Ntirhisano Service Delivery Rapid Response System. This is now being rolled out in all municipalities across the province. The War Room as it is known, seeks to institutionalise rapid response and proactive engagement with communities on local transformation, community development and service delivery on an ongoing basis.

It has already intervened and resolved many complaints and disputes over the past six months. Over R2.3 million has been reprioritised to fund the programme this year.

As an activist government, we also understand that our people do not want to be passive recipients of services. They also want to be active in implementing solutions.

Accordingly the Gauteng Legislature is increasing both the committee and public participation activities under the theme “Reengineered Public Participation beyond Slogan”. An additional R45 million is added to the baseline of the Legislature which increases the budget from R537 million in 2014/15 to R673.7 million in 2017/18. This represents an increase of 7.8 per cent over the MTEF.

Honourable Members, in a smart modern province, there is no reason why residents should not in future access government services including learning and health through online and transact with government by electronic means.

It is for this reason that the Gauteng Government is planning to connect all government buildings, hospitals, schools, clinics and Thusong centres and economic hubs to high speed broad band over the next five years.

The programme will involve digitising public services to improve the frontline experience of users and modernise the back-end systems and processes of government.

Information Communication Technology is no longer ancillary to government work and is essential to enhance popular democracy, accelerate service delivery and maintain the public's trust and confidence in government.

Government has invested just over R1 billion for the full realisation of the Gauteng Broadband Network over the next four years.

Support for township enterprises

Madam Speaker, Government is determined to ensure that townships become liveable and vibrant economic centres for residents. An additional amount of R137 million is added into the Department of Economic Development's baseline to kickstart this programme.

At present the Provincial Government spends about 5 per cent of its R10 billion procurement budget for goods and services on township enterprises. We are committed to increasing this spend to 30 per cent over the next four years.

To make this a reality, we are currently doing a detailed assessment of our Goods and Services procurement to find ways to grow our township enterprise spend. Over the next three months we will be joining MEC Lebogang Maile in his quest to register township enterprises both in terms of the broader regulatory environment and on the GPG supplier data base. We are also looking at localising procurement and supplier rotation for purchases below R500 000.

In line with the initiatives announced by Minister Nene in his Budget Speech, the Gauteng Province already has a centralised supplier database, which will make it easy to migrate to the national database. Gauteng is also ready to work closely with national government to ensure that interface with SARS, the Companies and Intellectual Property Commission and the payroll system is a success.

Honourable Members, a long standing complaint by small enterprises is late payment. In the coming financial year, we will roll out the Procurement Card to all departments and regional offices to ensure timeous payments to SMME's, township entrepreneurs and cooperatives.

The Department, through Gauteng Enterprise Propeller will establish five enterprise hubs as catalysts for job creation, with emphasis on economically depressed areas of Gauteng. It is envisaged that businesses based at the Hubs will be provided with enterprise development support and incubation programmes.

As part of the banking tender process which is still underway, all banks have been requested to provide a clear strategy on how they intend to support the development of township enterprises.

Health and social development

Honourable Members a healthy population is a fundamental requirement for a smart, socially inclusive city region. We are all acutely aware that our health services have faced almost insurmountable challenges from what Minister Motsoaledi calls the quadruple burden of disease.

Over the past two years, Honourable Members, a great deal of work has gone into ensuring that the Department of Health enhances service delivery to our people. In the past two years, Treasury was mandated, in line with Section 18 of the Public Finance Management Act, to work together with Health on various interventions, with an emphasis on stabilising the finances of the Health Department. Significant progress has been made to this effect, with a reduction in prior year accruals to approximately 15 per cent.

The Department of Health has committed that in the next financial year, all prior year accruals will be eliminated and will continue to prioritise improvement of payment of suppliers on time.

Concerted effort is being undertaken by the Department of Health in collaboration with Gauteng Provincial Treasury to address all recommendations from the 2013/14 audit opinion. I have agreed with my counterpart, the MEC for Health, that appointment of key critical leadership positions is crucial for the success of the delivery of health services.

We are confident that our efforts towards strengthening the health systems effectiveness will result in acceleration of social transformation for the benefit of Gauteng residents.

Accordingly Honourable Members, we have increased the health budget by R496 million for, amongst other things, medical supplies and medicine.

In total, the Department has an allocation of R34 billion in this year which grows to R39 billion in the outer year of the MTEF.

The Department of Health will prioritise the strengthening of primary health care, the prevention and reduction of the burden of disease, transforming the health economy through localised production and procurement of goods and services, and modernisation of the public service with a focus on the development and implementation of an e-health programme.

The expansion and re-engineering of primary health care through the three streams is allocated a total budget of R1.2bn and R3.8bn over the MTEF to enhance community transformation using the community-based model.

The HIV/AIDS programme has a budget allocation of R10.6 billion over the MTEF. The programme is aimed at, amongst others, expanding the ART programme, providing male circumcision, and reducing mother-to-child transmission of HIV to increase life expectancy.

Over the MTEF we have set aside R34 million towards the EMS Fleet Recapitalisation to ensure that the emergency medical services are provided for in an effective and efficient manner.

Social Development

Honourable members, high in-migration and rapid urbanisation in the city region leads to high unemployment, poverty, household food insecurity, family breakdown and substance abuse. This means that many of our most vulnerable citizens are totally dependent on the state for support and daily survival.

Over the past 20 years we have made steady progress in raising the proportion of spending on social services. The budget jumped from R2.14 billion in 2011/12 to R4 billion in 2015/16.

The department contributes to social transformation through programmes such as reforming the welfare sector, integrated community-based care, emergency needs identified in communities affected by disasters, alternative care and support to vulnerable children, and Early Childhood Development and partial care services.

This year, the department will strengthen substance abuse interventions across the province and expand mobile ECD facilities to cover previously disadvantaged areas.

Madam Speaker, as part of in-house capacity building to address challenges around the backlog on foster care and other related matters, the department will continue to absorb additional Social Work graduates over the MTEF. The department has allocated R773.4 million to fund this.

Investment in Education

Honourable Members, investment in quality education is key to accelerating and achieving Social Transformation. Over the last 10 years we have improved the matric pass rate from 73.9 per cent to 84.7 per cent in 2014.

Gauteng province has over the years seen learner enrolment grow significantly, increasing by 57 per cent from 1.3 million learners in 1995 to 2.1 million in 2014. This translates to an increase of over 780 000 learners in the schooling system.

The department has also managed to improve flow through rates with nearly 75 per cent of school-going children reaching matric level. The province has witnessed a 27 per cent increase in the numbers of learners reaching Grade 12 since 1994.

The Department of Education continues to receive the largest share of the provincial budget and is allocated R36 billion in 2015/16 which grows to R39.8 billion in the outer year of the MTEF.

Honourable Members, the case study of the National School Nutrition Programme (NSNP) in South Africa 2013 found that school nutrition contributed positively to increasing school attendance, concentration levels, and social and physical participation of learners in school related activities. Learner absenteeism has dropped among participating schools.

In an effort to ensure that access to learning is indeed opened to all and to ensure that no child is unable to attend school as a result of hunger, particularly in some quintile 4 schools, R100 million is added to the Department's baseline for school nutrition.

Modernisation of classroom practice is critical to achieve quality education. The Department is focusing on bringing education into the 21st century by ensuring all teachers and learners have progressive access to broadband and smart learning and teaching tools. Six schools were connected to the GBN network in December 2014, with a further 80 schools being connected by March 2015. In 2015/16 we will connect a further 150 schools.

Madam Speaker, we all know that successes in Gauteng's Education outcomes, in turn, will result in ever more learners migrating to the province each year. To deal with the increased demand, the infrastructure budget for education has been increased by R403 million from R1.9 billion to R2.6 billion this year.

Youth Skilling and employment

Honourable Members, high levels of youth unemployment remain a deep concern for all of us. In December last year, the Premier launched the Tshepo 500 000 initiative. This programme aims to reduce the high levels of unemployment and poverty through skills development; transition and placement mechanisms for new graduates; direct employment; and Youth Entrepreneurship development. In this financial year, the province has set aside R55 million to kickstart this programme.

Mindful of the difficulties that many young people find in breaking into the job market, the Department of Economic Development has set aside R20 million to facilitate Youth Placement in formal work settings.

Safety and Security

Honourable Members, a safe environment is essential for the social and economic development of the City Region. To strengthen Civilian Oversight over SAPS the Department of Community Safety has allocated an amount of R189.6m in 2015/16. These resources will be used for visiting police stations, auditing dockets and facilitating the improvement of police conduct in order to ensure the police are more accountable in their crime fighting role.

The Department will continue to strengthen its efforts with regard to traffic law enforcement with R201 million allocated in 2015/16 and R601 million over the MTEF to radically reduce road fatalities through improving police visibility and conducting road safety campaigns.

e-Tolls

Honourable Members, as we all know the Gauteng Provincial Government is part of the current consultation process led by Deputy President Mr Cyril Ramaphosa to find a better dispensation of e-Tolls for the people of Gauteng, especially the middle- and lower- income groups. Our Premier shared with us last week his confidence that the new dispensation should provide major financial relief to motorists while simplifying the payment system to make it easy for road users to pay.

We note that the Advisory Panel recommended a hybrid funding model that affirms the user-pay principle and suggests contributions by national and provincial government to ease the financial burden on motorists.

Once the intergovernmental team has completed its work we will include a provincial contribution towards meeting the costs in the Provincial Adjustment Appropriation later this year.

CONCLUSION

Madam Speaker, as I conclude, I would like us to pause and ponder on what Amartya Sen said: “What a person has the actual capability to achieve is influenced by economic opportunities, political liberties, social facilities, and the enabling conditions of good health, basic education, and the encouragement and cultivation of initiatives.” Today we say without fear of contradiction that our budget will provide our people with these precious opportunities.

Madam Speaker, allow me to express my profound appreciation to:

- Premier David Makhura for his leadership, support and the manner in which he challenges all of us to look beyond the here and now, and be bold in ensuring our democracy delivers the freedoms we have fought for.

- My colleagues and comrades in the Executive Council who, together with their Accounting Officers, have faced the tough task of developing the budget and concrete plans to implement the TMR
- The Premier's Budget Committee for their its commitment and support during the preparation of this Budget;
- The Finance Committee, under the leadership of Comrade Sakhiwe Khumalo, for its consistent insight and oversight on all budget matters;
- Mrs Nomfundo Tshabalala, and the entire Treasury team for their sterling work in ensuring that today we are able to table the Budget;
- And, last but not least, my son and daughters whose never-failing love and sense of humour keep me sane and happy through all the tough times.

I now table the following documents for consideration by this House:

- The Appropriation Bill for 2015
- The Explanatory Memorandum to the Bill
- Estimates of Provincial Revenue and Expenditure
- Estimates of Capital Expenditure
- The Socio-Economic Review Outlook and
- A copy of my speech