



Member of the Executive Council
for Finance
FREE STATE PROVINCE

2017 FREE STATE PROVINCIAL BUDGET SPEECH

**Hon. Elzabe Rockman
MEC for Finance**

7 MARCH 2017

Honourable Speaker

Honourable Premier

Members of the Executive Council

Members of the FS Legislature

Executive Mayors and Mayoral Committee Members

Director-General, Heads of Departments and Chairpersons of our Public Entities

The Provincial Business Executive of the Office of the Auditor General

Our Traditional Leaders

The top 5 learners of the Grade 12 Budget Essay Competition and their educators from the following schools: Kananelo Senior Secondary School from Kroonstad, Cedar Secondary School from Sasolburg, Matlwantlwang Senior Secondary from Steynsrus, Lekhulong Senior Secondary in Bloemfontein and Thahameso Senior Secondary from QwaQwa

Learners, parents and educators who join us from Springfontein High School, Trompsburg High School, Phillipolis High School and the Wongalethu High School in Bethulie

Distinguished guests,

Let me appreciate the opportunity to present the Free State Provincial Budget during the year that we declared as; "The Year of Oliver Reginald Tambo." We echo the befitting tributes that have been paid to Cde Oliver Tambo's leadership, principles and vision. It will serve us well to emulate the humanity, compassion and incorruptible integrity of this modest revolutionary.

We also take a moment to reflect on some of the historical events that contributed in crafting the historical context of our South African landscape and appreciate the impact it has had on achieving our current reality. These include;

- The 100-year anniversary of the greatest wartime maritime disaster ever suffered in South Africa, namely the sinking of the SS Mendi carrying the Fifth Battalion of the South African Native Labour Contingent.
- The 40-year anniversary of the death of Steve Biko in police custody on 12 September 1977 and

- The 35-year anniversary of the killing of 24 and injuring of more than 150 people who participated in an ANC march to the border of Ciskei to demand an end to the military government and the re-absorption of that so-called black “homeland” into South Africa on 7 September 1992 and
- The 20th anniversary of the adoption of the Constitution of the Republic of South Africa

This is the first time that we present the Provincial Budget Speech outside of Bloemfontein. We took a very conscious decision to come to the Xhariep district. Allow me to acknowledge the phenomenal achievement of the broader Xhariep education community for producing the 2016 Matric Results that saw this district become the leading district in the Free State with a 92 % pass rate and the second best performing district in the country.

It is truly an outstanding achievement that embraces the philosophy that education is the path out of poverty. In fact, research has shown that in South Africa, education has become the sole predictor of income and access to the mainstream labour market.

The Gariepdam is the largest single construction work ever undertaken in South Africa and was opened 45 years ago, on the 4th of March 1972. Despite this incredible asset, it is inexplicable that there are many towns in the Xhariep district that are water-scarce areas. This contradiction not only impacts on the economic potential of the district but is indicative of the extent of the challenges faced when addressing rural development.

We are acutely aware of the painful levels of poverty, inequality and unemployment that characterizes the economic profile of the Xhariep district. The Free State provincial government’s efforts to invest and invigorate the Xhariep economy are evident from the implementation of the Xhariep Fish Hatchery (in partnership with the People’s Republic of China) and the Bethulie Solar Park as well as investment in various infrastructure projects related to schools and libraries throughout the district.

We wish to express our appreciation to the Free State Legislature, the Kopanong Local Municipality and the community of Gariepdam for enabling us to participate in a meaningful way in achieving our vision of a participatory democracy.

THE ROAD TO RADICAL ECONOMIC TRANSFORMATION

Hon. Speaker, the founding principles of the road to radical economic transformation was captured in the Freedom Charter in 1955 when the People’s Congress declared that; “The People Shall Share in the Country’s Wealth”.

This principle was consistently articulated throughout the struggle for liberation. Addressing the Plenary Meeting of the United Nations General Assembly, in New York on 26 October 1976, then ANC President Tambo stated;

“We fight also for a South Africa whose wealth will be shared by its people equitably. We fight to abolish the system which obtains in our country today and which concentrates almost all productive wealth in the hands of a few, while the vast majority exists and toils to enlarge that wealth.”

The Reconstruction and Development Programme was the first democratically elected government’s socio-economic policy framework aimed at placing development firmly on post-apartheid South Africa’s agenda and served as a starting point for transformation. It reflected that; “No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government.”

Subsequent to the RDP, the economic policy framework of government has evolved through various stages, including the Growth, Employment and Redistribution (GEAR), the Accelerated and Shared Growth Initiative for South Africa (AsgiSA), the New Growth Path and the National Development Plan. More recently, the Nine Point Plan announced in the 2015 State of the Nation Address, outlined specific focus areas to boost economic growth and create employment.

These developments recognize that the transition to a democratic state remains a dynamic process. We welcome the introduction of the national minimum wage as a starting point to address income inequality. The minimum wage – which does not equate to a living wage - will be implemented no later than the 1st of May 2018.

Both hon. President Zuma and the hon. Minister of Finance outlined in the State of the Nation Address and the National Budget Speech respectively the current South African realities pertaining to income, wealth, employment, poverty and inequality.

These realities give birth to a programme of radical economic transformation defined by the President as meaning; “... fundamental change in the structure, systems, institutions and patterns of ownership, management and control of the economy in favour of all South Africans, especially the poor, the majority of whom are African and female...”.

The Minister of Finance further elaborated that; “President Zuma has rightly emphasized that the requirements for transformation and change in South Africa are wide-ranging. Laws and regulations, policies and their implementation, initiatives of national, provincial and local government, our black economic empowerment charters and the engagement of business, organised labour and civil society partners are all

critical levers of change. So is our budget.” In addition, the Minister of Finance elaborated on the principles that should guide the transformation agenda.

ECONOMIC OUTLOOK

Hon. Speaker, allow me to briefly reflect on the global, regional and national economic outlook before turning towards our provincial economic outlook.

Global Economic Outlook

Global growth in 2016 was the weakest since 2008-09, growing by 3.1 percent with divergent developments in different country groups. There has been a stronger-than-expected pickup in growth in advanced economies contrasted by an unexpected slowdown in some emerging market economies.

The International Monetary Fund (IMF) updated its World Economic Outlook during January this year. Economic activity is projected to pick up pace in 2017 and 2018, especially in emerging market and developing economies with global growth projected to rise to a rate of 3.4 percent in 2017 and 3.6 percent in 2018.

The outlook for advanced economies has improved for 2017 and 2018, reflecting somewhat stronger activity in the second half of 2016, a projected fiscal stimulus in the United States as well as improved prospects in Europe (specifically Germany, Spain and the United Kingdom) and Japan. Advanced economies are now projected to grow by 1.9 percent in 2017 and 2.0 percent in 2018.

Growth prospects have marginally worsened for emerging market and developing economies, where financial conditions have generally tightened. Near-term growth prospects were revised down for a number of other large economies—most notably India, Brazil, and Mexico whilst it was revised up for China.

Regional Economic Outlook

The economy of Sub-Sahara Africa is set to have recorded its worst economic performance in over two decades in 2016 with economic growth falling from 3.1 percent in 2015 to 1.5 percent in 2016 whilst GDP per capita is also anticipated to contract for the first time in 22 years.

Whilst growth in agricultural exporters and commodity importers remained solid, the sharp decline reflects the challenging economic conditions in the region’s largest economies and commodity exporters - Angola, Nigeria, and South Africa. This is largely the result of lower commodity prices, tighter financing conditions and severe droughts in southern and eastern Africa.

In over a quarter of countries in the region, economic growth is showing signs of resilience. There is variation across countries, particularly between resource and non-resource rich countries. Slower growth deepens the challenge of reducing poverty. The incidence of extreme poverty has fallen - from 57% in 1990 to 43% in 2012-- but remains high. Overall, growth is less poverty reducing in Africa than elsewhere.

The Global Economics Prospects Report of the World Bank, released in January this year, forecasts that growth in the region will rebound to 2.9 percent in 2017, and rise above 3.5 percent by 2018. Risks to the outlook include heightened policy uncertainty in the United States and Europe, slower improvements in commodity prices, and tighter global financing conditions.

Hon. Speaker, we must reiterate in the strongest possible terms that the xenophobic attacks that have erupted in some areas in our country during the last few weeks have no place in our society. We belong to this continent and stand with our brothers and sisters of all African countries seeking solutions that will bring about an improvement in the living conditions of the people of Africa. The people of Rwanda rightly points out that; "Nobody hates himself more than he who hates others".

National Economic Conditions

The South African economy faced many downside risks in 2016. Further projections about the South African economy this year reflects that;

- According to National Treasury, GDP growth is projected to increase from 0.5 per cent last year to 1.3 per cent in 2017.
- During January 2017, KPMG projected that the consumer price inflation is expected to moderate from an average of 6.3% in 2016 to 5.9%.
- Positive trends in the economy include improved rainfall, optimism in the manufacturing sector, wage agreements with limited strikes, electricity grid stability, stronger economic growth in Africa and higher commodity prices.
- South Africa still faces downside risks such as global uncertainty, sovereign ratings downgrade, inflation remaining above the upper target band, high interest rates suppressing consumer and business confidence as well as low levels of private investment.

Provincial Economic Conditions

Socio-Economic Profile of the Free State

One of the research initiatives undertaken by the FS Provincial Treasury during 2016 was a study focusing on the socio-economic profiles of the Mangaung Metro and each of the districts of the Province. Some of the findings of this study highlight the following;

- The population statics indicate fluctuating patterns in the percentage share of the total provincial population of almost all districts, except that of Xhariep. The Xhariep district's percentage share of the total provincial population remained at 5 % during the period 1996 to 2014.
- The percentage shares of both the Thabo Mofutsanyane and Lejweleputswa districts decreased over the same period. The percentage share of the Thabo Mofutsanyane district decreased from 28 % to 26 % and that of Lejweleputswa declined from 27 to 22 %.
- The percentage share of the Fezile Dabi district increased by 1 % from 17 to 18 % whilst the percentage share of Mangaung increased significantly from 23 to 28 %
- Only the Mangaung and Fezile Dabi districts recorded a positive growth rate in population between 2005 and 2014.
- The Gross Domestic Product (GDP) share of the Lejweleputswa district decreased from 21 % in 2005 to 17 % in 2014 and that of Mangaung decreased marginally from 33 to 31 % over the same period. The GDP share of the Xhariep and Thabo Mofutsanyane districts remained steady at 3 and 14 % respectively whilst the GDP share of the Fezile Dabi district increased from 29 to 35 % from 2005 to 2014.
- The potential for the tourism industry to accelerate economic growth is reflected in our tourism statistics. Tourist numbers increased from 2.1 million in 2010 to 6.4 million in 2014. The Xhariep district attracted the most international tourists to the Province during the last three years of the study, from 2012 to 2014. On the adverse side, there has been a decline in domestic tourism numbers across all regions of the Free State.
- Though more tourists are spending their money in Mangaung and Thabo Mofutsanyane, Xhariep benefits the most from tourism spending as a percentage of GDP.

- The labour market dynamics of the Free State reflect that the Mangaung Metro remains the biggest employer in the province growing from 29 to 33 % over the period 2005 to 2014.
- The Lejweleputswa district declined in employment numbers from 24 to 23 % whilst the Fezile Dabi district showed marginal growth in employment from 17 % to 18 %. A decline in employment percentages was experienced in the districts of Xhariep (from 6 to 5 %) and Thabo Mofutsanyane (from 24 to 21 %).
- The highest employment share by sector in the Free State remained dominated by the trade and community services sectors at 21 and 26 % respectively. The smallest sectors in the province are construction, electricity and water as well as agriculture.
- By 2014, Lejweleputswa had the highest unemployment rate in the Free State at 40 % with women being the most affected, following by Thabo Mofutsanyane at 32.1 %.

These research findings will be particularly useful to improve our understanding of our regional and local socio-economic landscapes and to assist in the development of appropriate, accurate and responsive economic development strategies at provincial and local government level.

Economic Growth Rate

The Free State economy is estimated to have contracted by 0.7 percent in 2016, after growing by 0.4 percent in 2015. The negative growth rate of the provincial economy is primarily informed by the following factors:

- The slowdown in the agriculture sector mainly as a result of drought;
- Declining output and low prices for commodities coming from our province;
- Stagnated manufacturing; as well as
- Marginal growth in the government and community services sector.

The provincial economy is projected to grow by 1.1 percent on average over the next four years, reaching a high of 1.8 percent in 2020.

Provincial economic interventions

In order to accelerate inclusive economic growth in the Free State, various major economic interventions are being pursued. To counter some of these observations, as also articulated in the 2016 Provincial MTBS, the provincial government has implemented policies that seek to accelerate inclusive growth. This includes the following;

- Significant investments in the green economy, including the development of the Xhariep Solar Park in Bethulie and a solar park in the Matjhabeng municipality. The formalization of the agreement with the investment partner for the Xhariep Solar Park is nearing completion. When developed to its full capacity, it will become one of the largest in the world and the largest in Africa.
- The Special Economic Zone Operating Company, a Free State Development Corporation subsidiary, that operates the Maluti-A-Phofung Special Economic Zone (MAP-SEZ) has completed infrastructure work to date of R212m with more being planned with Department of Trade and Industry's initial funding commitment in excess of R800 million. Applications have been submitted to DTI for top-structure work for 5 investors amounting to over R500 million. The total investment from these companies is estimated R1.5 billion.
- One of our stated priorities is the development of infrastructure in the most remote and underdeveloped rural areas. Significant underdeveloped areas are most often found in the former homeland areas of QwaQwa and Bophuthatswana as a result of the apartheid philosophy towards spatial development.

The combined investment of the Departments of Health, Education, Police, Roads and Transport, Public Works and Infrastructure and Human Settlements in infrastructure development and maintenance through continuation of existing as well as new projects in QwaQwa, Thaba Nchu and Botshabelo will amount to approximately R1.5 billion over the 2017 Medium Term Expenditure Framework.

2017 FISCAL FRAMEWORK

Hon. Speaker, our emphasis in the 2017 MTEF will be on the continuation of efficient, effective and economic utilization of limited financial resources towards radical transformation of our provincial socio-economic landscape. Our view is to have a more inclusive economy that prides itself through creation of employment opportunities, promotion of ownership and full participation in the economic activities of the province.

We reported last year that we have agreed a Joint Action Plan for fiscal consolidation with the Minister of Finance. We are able to report on our progress against the commitments we made as follows;

Provincial Public Entities

We have concluded the review of our provincial public entities that will result in the merger of the Free State Gambling Board and Liquor Authority (FSGLA) and the Free State Tourism Authority (FSTA) and anticipate that the Legislature will have dealt with the enabling legislation before the end of the current financial year. From the 1st of

April 2017, these two entities will operate as the Free State Gambling, Liquor and Tourism Authority.

Cost Containment Measures and personnel costs

The Minister of Finance alluded to the progress made by provinces in reducing spending on non-core goods and services as well as measures implemented to contain personnel costs. We are currently conducting a further review to determine additional efficiencies that can be derived from these measures.

The containment of personnel costs remains one of our top priorities as we have to avoid the crowding out of service delivery by an increase in compensation related expenditure.

The Provincial Treasury initiated headcounts throughout the provincial government to physically verify the existence of all public officials appointed on the PERSAL system. To put it bluntly, hon. Speaker, we are chasing ghost employees. Five Headcounts have been concluded, namely in the Office of the Premier as well as the Departments of Health, Education, COGTA, and Human Settlements. The findings are as follows;

- The Department of Education had 31 172 employees at the time the headcount was conducted. At the conclusion of the headcount, only 7 officials could not be physically verified. The payment of salaries to these 7 officials have been frozen and further investigations have been instituted.
- The Department of Health had 20 662 employees in service at the time of the headcount. After an extensive process, only 1 official could not be verified. It was subsequently established that the official had suffered a severe stroke and the relevant processes relating to ill-health retirement was consequently initiated.
- All 628 officials in the Office of the Premier, the 724 officials in COGTA and 340 officials in Human Settlements were physically verified. Provincial Treasury has also concluded its headcount and all officials on its payroll have been verified.

Two headcounts are currently in process to physically verify the 1012 employees in the Department of Agriculture and Rural Development and the 693 officials in DESTEA. Headcounts will also be conducted in the Departments of Police, Roads and Transport, Sport, Arts, Culture & Recreation and Public Works and Infrastructure during the forthcoming year.

Hon. Speaker, there are a few further observations to make regarding the headcounts;

- The headcounts are conducted by Provincial Treasury in collaboration with the relevant Department in which a headcount is conducted. We did not take the easy road to simply outsource and pay external consultants to perform this service. We express our appreciation to the teams of Provincial Treasury and the relevant Departments for executing this challenging task.
- The findings of the conducted headcounts essentially illustrates that the integrity of our public payroll is intact when placed under the scrutiny of the headcount process.
- There are a number of administrative and process efficiencies that can be improved on the PERSAL system such as the management of leave, transfers and terminations.
- We also wish to express our appreciation to the men and women in the public service of our provincial government who are responsible for the management and administration of the PERSAL system and ensuring the reliability and accuracy thereof.

Public Procurement

Hon Speaker, it is generally accepted that public procurement is one of the most effective tools that will be used to achieve radical economic transformation. The procurement environment of the public sector has undergone significant changes over the last few years, including modernization with the introduction of the Central Supplier Database.

Further anticipated changes include the draft Public Procurement Bill that is expected to be completed at the end of this month. The Minister of Finance has indicated that the new legislation will establish a single procurement authority and will consolidate the currently fragmented regulatory environment.

We are particularly pleased that the revised Preferential Procurement Regulations were gazetted during January 2017. This revision was largely influenced by the need to provide for a mechanism to empower certain categories –Small, Medium and Micro Enterprises (SMMEs), co-operatives, township and rural enterprises - through procurement. Specific set-asides for youth and women will be accommodated through these measures.

Provincial Treasury and the Department of Economic and Small Business Development, Tourism and Environmental Affairs (DESTEA) will be conducting public roadshows and awareness campaigns on the 2017 Preferential Procurement Regulations from the 14th to the 20th of March 2017 throughout the Province.

We will furthermore prioritize the provincial procurement policy in accordance with the amended regulations as announced by the hon. Premier in the State of the Province Address.

Fiscal Framework

Hon. Speaker, the Minister of Finance set out the constraints of the national fiscal environment in the national budget speech, indicating amongst others;

- Planned expenditure for the 2017/18 amounts to R1.56 trillion, whilst the estimated revenue totals R1.41 trillion.
- The projected deficit of R150 billion or 3.1 percent of GDP will have to be financed through borrowings and government debt is expected to reach 50.7% of GDP in 2017/18.
- There is a reduction of R26 billion in spending over the next two years

The effects of the national fiscal position inevitably affect all spheres of government. The budget cuts as announced in the National Budget Speech impacts on the Free State with our equitable share allocation reduced over the 2017 MTEF by R150.675 million.

Let us remember the African proverb that says; “The frown on the face of the goat will not stop it from being taken to the market”. These budget cuts are painful and require of us to respond by seeking new innovative approaches to service delivery, underpinned by fiscal discipline, maximizing efficiencies in spending and clean governance. More than ever, it is time to determine and fund the key priorities that will yield better economic growth prospects, increase employment opportunities as well as improving the living conditions of our citizens.

The challenges before us may seem difficult to surmount; but through bold, constructive and sustained leadership and collaboration in all sectors, between government and private sector and within and between government institutions we will emerge victorious.

Hon. Speaker, the Free State is allocated just over R105 billion over the 2017 Medium Term Expenditure Framework as follows:

- R32.901 billion in 2017/18
- R35.104 billion in 2018/19 and
- R37.615 billion in 2019/20

Our fiscal framework grows by 5.8 percent in 2017/18; 6.7 percent in 2018/19 and 7.2 percent in the outer year. This represent an average growth of 6.6 percent over the MTEF.

The Free State budget for the 2017/18 financial year amounts to R32.901 billion. This amount is constituted as follows;

- R24.522 billion relates to equitable share
- R7.267 billion relates to conditional grants and
- R1.112 billion is our own provincial revenue

I will briefly reflect on the dynamics of each revenue stream of the Province.

Equitable Share

On average over the MTEF period, our equitable share still accounts for 75 percent of our provincial total allocations. Provincial equitable share increases by 6.6 percent - that is from R23.003 billion to R24.521 billion in 2017/18. In 2018/19 our equitable share increases to R26.284 billion and this signifies a growth of 7.2 percent. The estimated allocation for 2019/20 totals R28.165 billion.

Conditional Grants

Conditional grants are mainly transfers from National departments and come with strict conditions governing their utilization and implementation. These grants accounts for 19 percent of our total allocations over the MTEF period. The purpose of these grants are primarily two-fold, namely to implement national priorities and to supplement our own provincial initiatives.

The conditional grants' allocations over the MTEF amount to R23.126 billion as follows;

- R7.267 billion in 2017/18,
- R7.647 billion in 2018/19 and
- R8.212 billion in 2019/20.

Our provincial allocations in this regard is estimated to increase by 5.4 percent, on average over the MTEF.

There are a few reforms with regard to conditional grants allocations over the MTEF that we can summarize as follows;

- The province is allocated an amount of R71.647 million over the MTEF for Early Childhood Development. The grant's objective is to enhance children's' access to early childhood education and provision of appropriate infrastructure.
- An amount of R10.574 million is allocated for social worker employment over the 2017 MTEF. This will enable us to address the request from Katleho Mosa who submitted through our "Budget Tips" campaign that; "I would like to see social work graduates being absorbed by the Department of Social Development in the next financial year."
- Our 2017/18 Comprehensive Agricultural Support Programme allocation is reduced by an amount of R5.697 million due to re-allocation of disaster funds to the Northern Cape province. Consequently the Province receives R168.592 million for 2017/18.
- The allocation for implementation of the human papilloma vaccination totals R23.866 million but the budget is allocated for 2018/19 and 2019/20.
- Lastly, the province will receive an amount of R221.693 million over the MTEF earmarked for mining towns (Matjhabeng).

Provincial Own Revenue

Hon. Speaker, our projected own revenue is estimated to grow at 4.9 % over the forthcoming 2017 MTEF, generating a projected R3.522 billion as follows;

- R1.112 billion in 2017/18,
- R1.173 billion in 2018/19 and
- R1.237 billion in the outer financial year.

The Department of Police, Roads and Transport is our main contributing department towards our provincial own revenue, specifically through motor vehicle licenses. We remain appreciative of the Department's proven reliability and consistency in meeting our revenue targets. We are confident that MEC Mashinini and his team will achieve the challenging revenue targets determined for the forthcoming financial year.

The Department of Health is our second biggest contributor to provincial own revenue. Whilst subdued socio-economic conditions continue to be reflected in the collection rate of patients' fees, our revised method of work with the Road Accident Fund is beginning to yield positive returns. We also continue to pursue our engagements with the Ministry of Health in Lesotho to resolve matters pertaining to outstanding patient fees.

Provincial own revenue will also still be affected by the consequences of the severe drought conditions we have experienced.

THE 2017/18 MTEF ALLOCATIONS

The 2017 MTEF budget reflects the province's resolve to reprioritize spending towards addressing the needs of our people in the province and the priority outcomes of government. As a result, 74 percent of our budget is allocated towards Education, Health, Social Development and Sport, Arts, Culture and Recreation. This allocation clearly indicates our resolve to protect social services.

I now turn my focus to the 2017 MTEF proposed allocations to provincial departments. The details of the allocations are set out for each vote in the 2017/18 Estimates of Provincial Revenue and Expenditure as well as the 2017/18 Appropriation Bill.

SOCIAL SECTOR

Hon. Speaker, the provincial government has restructured its cluster system and combined the Social Sector cluster with that of the Governance and Administration Cluster. For the purposes of this presentation, we are separating out the Departments that traditionally constituted the Social Sector cluster from those that are at the centre of government.

The Departments of Education, Health, Social Development and Sport, Arts, Culture and Recreation are allocated a combined amount of R24.370 billion or 74 % of our total provincial budget over the 2017 MTEF.

EDUCATION

Let us talk about the Department that produced the ground-breaking achievement of making the Free State the first province in South Africa to break the 90 % pass rate barrier with its outstanding 2016 matric pass rate! It is safe to say that our 2016 Matric Results sent shockwaves right through the country.

MEC Tate Makgoe and your team, the broader education community and our private and public sector partners who helped to make this possible, you have demonstrated the truth of the African proverb that says; "An ant on his feet can do more than an elephant lying down". This achievement in the face of the challenging financial, human resource and infrastructure environment in the education sector has inspired and motivated all of us to work with renewed vigour to attain the objectives of Vision 2030 as set out in the National Development Plan.

The National Development Plan (NDP) envisions that by the year 2030, South Africans should have access to education and training of the highest quality, leading to

significantly improved learning outcomes. It further stipulates that the performance of South African learners in international standardized tests should be comparable to the performance of learners from countries at a similar level of development with similar level of access.

The Department is allocated an amount of R12.739 billion in 2017/18, R13.614 billion in 2018/19 and R14.587 billion in 2019/20. The budget of the department grows by an average of 6.5 percent over the 2017 MTEF.

The allocation to this department will address amongst others the following:

- Norms and Standards Funding to Schools,
- Learner Teacher Support Materials,
- Increase Grade R classes by 80 in public schools as well as up-skilling of 200 Grade R educators towards Diploma in Grade R teaching.
- Establish centres for training and development of Artisans and Apprenticeship (in line with “former Ambag” schools
- The provision and maintenance of school infrastructure

Hon. Speaker, as part of our ongoing reviews to improve the efficiencies of our government processes, we are planning to restructure the Provincial Bursary Programme by addressing some of the following;

- The transfer of the budget and the responsibility for the administration of the Cuban doctor programme to the Department of Health as it is a national sector-specific programme and
- The creation of a trading account that will bring together the Free State Training Institute and the Provincial Bursary Programme under the Office of the Premier as the central coordinating Department in the Free State. The effect of this will be that the total budget of the provincial bursary programme will ultimately be transferred out of the Department of Education.

Provincial Treasury and the Department of Education will continue to work together to address structural budget matters and the strengthening of financial management in the Department. Some of the progress that we have made to date include;

- Eliminated over-expenditure of the prior financial year and subsequently recorded an under expenditure of R29.9 million in the 2015/16 financial year through stringent measures imposed on expenditure.
- A reduction in unauthorized expenditure of R432 million against the 2014/15 financial year.

HEALTH

Hon Speaker, the transformation of our socio-economic landscape requires continued improvements in our health outcomes. We need a robust health system that prides itself on improved access to quality health services, adequate and innovative staff, proper infrastructure and IT systems as well as effective management at all levels.

We continue to be challenged to find innovative solutions as we deploy our very limited resources to achieve bigger and more tangible outcomes. Hon. MEC Komphela, let us emulate the wisdom of Ghana which says; "If you go through the high grass where the elephant has already gone through, you do not get soaked with the dew." We are confident that we have embarked on a more sustainable road towards improved health care in the Free State and are clear about the remaining issues that need to be addressed.

The Department of Health will spend more than R31.530 billion over the next MTEF period. This amount is allocated as follows:

- R9.775 billion in 2017/18;
- R10.487 billion in 2018/19; and
- R11.268 billion in the last year.

Included in the allocations over the 2017 MTEF is an amount of R9.257 billion towards the implementation of key priorities such as;

- Infrastructure development and maintenance
- Modernizing of health facilities
- Extended hours for the provision of services at identified clinics throughout the Free State and the mobile clinic programme
- Operationalization of the Albert Nzula Hospital and other key completed infrastructure projects
- Provision of medicine through the Medical Depot
- Fighting the scourge of HIV/AIDS and TB
- Implementation of Human Papilloma Vaccine
- Training of medical personnel
- Cuban bursary programme

Provincial Treasury will continue to work with the Department of Health to consider alternative methodologies to improve the efficiencies of the collection rate of patient fees to reverse the current trend of under-collection and the consequent impact it has on provincial own revenue.

SOCIAL DEVELOPMENT

Hon MEC Mahasa, the Bayaka people of the Central African Republic holds true to the proverb that says; “An abundance of food at your neighbour’s will not satisfy your hunger.” The Department of Social Development is our frontline defense against the unbearable burden of poverty that remains a daily challenge to a significant portion of our Free State population.

The Department of Social Development is allocated an amount of R1.172 billion in 2017/18, R1.230 billion in 2018/19 and R1.298 billion in 2019/20. Embedded in the allocation of the department is the new grant for social worker employment that will be introduced in the 2017/18 financial year.

Our provincial department benefits as follows from the social worker employment grant;

- R3.252 million in 2017/18,
- R3.519 million in 2018/19 and
- R3.803 million in 2019/20

The provision of sanitary towels to poor schools throughout the province will continue in the 2017/18 financial year with the allocation of R18 million towards this programme. The Departments of Social Development, DESTEA and Education will be collaborating on this project. Notwithstanding the provincial allocation, we must continue to advocate vocally and tirelessly for national funding to be made available for the provision of free sanitary towels to poor women and the zero-rating of value-added tax on unavoidable sanitary products.

Whilst the one aspect is a decidedly pro-poor measure, the other advances the agenda of gender equality by raising fundamental questions as to whether the VAT on sanitary products does not constitute a discriminatory tax on a product used exclusively by a targeted consumer group, namely women.

During the forthcoming year, we anticipate progress with regard to the following key priorities of the Department, including;

- Rendering of social development services for all vulnerable sectors of society, including women, children, youth and the disabled. Hon. Mahasa, the “Budget Tip” campaign received a passionate plea for assistance from a non-profit organisation, the Lemohang Maokeng Organisation in Kroonstad, for support of their Girl Child Empowerment Programmes.

- Leading the provincial government's response in addressing the needs and requirements of the disability sector as articulated in the 2016 Disability Summit, with specific attention to be paid to the inclusion of people with disabilities in our employment and procurement processes.
- Construction of Early Childhood Development Centres (ECDs) in Vogelfontein and Botshabelo and the continuation of the construction of the Substance Abuse In-Patient Treatment Centre in Botshabelo.
- Optimization of current NPO management and transfer payment processes as well as the phasing-in of the funding model for statutory and non-statutory non-profit organisations.

SPORT, ARTS, CULTURE AND RECREATION

Hon. Speaker, Department of Sport, Arts, Culture and Recreation leads the provincial government's programmes aimed at promoting social cohesion and multilingualism, the provision of library and archive services, the advancement of sport and recreation and the promotion of cultural industries. Indeed, Hon. Leeto, we support the wisdom of the proverb that says; "A man without culture is like a zebra without stripes."

In order to realize the above-mentioned roles, the Department of Sport, Arts, Culture and Recreation is allocated a total amount of R2.015 billion over the 2017 MTEF. This amount is divided as follows:

- R687.295 million in 2017/18;
- R660.435 million in 2018/19; and
- R667.107 million in 2019/20.

Some of the key priorities funded in the next financial year include;

- Provincial library and archives services as well as the provision of library related infrastructure
- Sport and recreation development as well as support to provincial sport codes
- Arts and culture programmes, including the 20 year celebration of MACUFE
- Support to community media
- Social sector EPWP projects

ECONOMIC AND INFRASTRUCTURE CLUSTER

Hon Speaker, our National Development Plan identifies expansion of infrastructure as an essential component to secure economic growth. Achievement of prosperity and equity hinges on an inclusive economic growth. The Departments that form part of this Cluster are allocated R22.464 billion over the 2017 MTEF.

For the 2017/18 financial year, this cluster is allocated a total amount of R7.007 billion and the budget is divided as follow:

HUMAN SETTLEMENTS

The budget allocation of the Department provides for the implementation of comprehensive human settlements in the Free State and is allocated R1.443 billion for 2017/18. This includes the allocation of R83.135 million earmarked for the mining towns located in the Matjhabeng Local Municipality. Hon. Speaker, in the outer two years the department will receive R1.535 billion and R1.624 billion respectively.

These allocations will assist in the implementation of our stated human settlement related priorities, including;

- The delivery of incremental housing, social and rental housing, mixed housing developments and land acquisition.
- The provision of decent housing to our military veterans
- Replacement of two-roomed and inappropriate housing structures
- Support of our partnership programme with Cuba relating to engineers

Hon. MEC Ntombela, whilst the Department has taken the necessary appropriate action to address past challenges, take heart from the people of Rwanda who asks; “If you are building a house and a nail breaks, do you stop building or do you change the nail?” The Department’s process of changing the nails has been unfolding as required and will continue to do so in the interests of the appropriate governance frameworks.

PUBLIC WORKS AND INFRASTRUCTURE

Hon. Speaker, the Department of Public Works and Infrastructure stands at the core of our provincial government’s infrastructure development and implementation programme. Hon. MEC Kotzee, from Nigeria comes this wisdom; “In the moment of crisis, the wise build bridges and the foolish build dams”. This is a reminder that we must keep our minds open to new opportunities and pathways for growth. At a more literal level, let us ensure that we plan and implement our infrastructure appropriate to the actual needs and requirements of our communities.

This Department will spend a total amount of R4.921 billion over the 2017 MTEF. The allocation for 2017/18 amounts to R1.522 billion, including an amount of R345 million earmarked for property rates and taxes as well as R127 million ring-fenced for township revitalization projects. Other priorities that will be implemented by the Department include;

- Coordination and implementation of the Expanded Public Works Programme. It is worth noting that youth employment is specifically encouraged through our EPWP programme.
- Payment of municipal services, noting the challenges experienced by the local government sector in this regard. Our Provincial Inter-Governmental Debt Steering Committee will continue to seek sustainable solutions in this regard.
- Continued focus will be placed on the transfer of completed infrastructure projects from all relevant provincial departments to the Department of Public Works and Infrastructure to ensure that the provincial immovable asset register provides accurate and reliable information about the details, location and value of our provincial assets.
- An analysis of the provincial immovable asset register has been initiated to determine redundant and/or uneconomical assets that may be disposed of in future.

POLICE, ROADS AND TRANSPORT

The Department of Police, Roads and Transport is allocated R2.720 billion in 2017/18; R2.878 billion in 2018/19 and R3.117 billion in 2019/20. The department will spend well over R8.715 billion over the forthcoming MTEF. As mentioned earlier, the Department is the biggest contributor to our provincial own revenue and has challenging targets to meet during the forthcoming year.

The budget makes provision for;

- Radical socio-economic transformation through roads infrastructure, transport regulation and operations and our Fleet Management Trading Entity
- Right to Equality before the Law campaigns and oversight over policing, including matters relating to community policing, substance abuse and gangsterism
- Good Governance, including development in IT, security management and training and development
- The responsibility for the maintenance of the Phakisa Race Track in Welkom will be assigned to the Department of Police, Roads and Transport during the 2017/18 financial year.

We have taken note of the latest crime statistics released by the Minister of Police and the Acting Police Commissioner in Parliament last week Friday. The Free State province recorded, amongst others a 7.2 % reduction in murders but a 4 % increase in stock theft during the first three quarters of the 2016/17 financial years, i.e. up to December 2016.

The national statistics indicate that much work is to be done in bringing down contact crime as well as the trio-crimes of carjacking, house robbery and business robbery. One of the “Budget Tips” that we received via Facebook also requested that funding be allocated for non-profit organizations working in the field of community safety.

Hon. Mashinini, let me share with you some wisdom from Malawi. They say; “Don’t think there are no crocodiles just because the water is calm.” The reduction in crime rates that the Free State experienced in prior years will only be sustained through the concerted and conscious collaboration of our provincial department with the South African Police Services and other stakeholders in the security and justice environments.

AGRICULTURE AND RURAL DEVELOPMENT

Hon. Speaker, whilst the Hon. MEC Khoabane is celebrating the recent rains with the farming community of the Free State. We have indeed seen an increase in many of the dams that have been at critically low levels, including the Gariepdam which last week was at 96.41 % and was expected to reach 100 % over the weekend. The Saulspoort and Sterkfontein dam levels were at 98.04 % and 88.77 % respectively. The dam levels at Tierpoort, Kalkfontein and Groothoek have, however, not shown great improvements. It has been cautioned that we should not presume that the drought is over and we must remain particularly cautious with the utilization of our water resources.

Hon. MEC Khoabane, the people of Zimbabwe believes that; “You cannot tell a hungry child that you gave him food yesterday.” The Department of Agriculture and Rural Development has as one of its main priorities the protection and promotion of food security through agriculture and rural development. In addition, we anticipate that the Free State will make significant strides over the forthcoming MTEF with our agro-processing and beneficiation initiatives.

The Department of Agriculture and Rural Development will spend R2.431 billion over the MTEF ahead. This includes the following allocations—R758.809 million for 2017/18; R808.457 million and R864.185 million for 2018/19 and 2019/20 respectively.

Budget provision has been made to address some of the following priorities in the forthcoming financial year;

- Agricultural support programme, land care programme and Ilima/Letsema projects.
- Continued support for drought relief in 2017/18 as well as support to address the outbreak of army worms.
- Support of the Xhariep Fish Hatchery, Mohoma Mobung and Veterinary Labs

ECONOMIC AND SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

Hon. Speaker, the Department finds itself at the heart of coordinating and monitoring the provincial government's advancement of radical socio-economic transformation. Its mandate extends to the development, regulation and support of economic and small business development, tourism and the protection and management the environment.

A significant number of "Budget Tips" we received this year addressed the need to improve economic growth and support for the SMME sector, the potential of the black industrialist programme, the potential of converting waste treatment management into recycling enterprises as well as the economic potential of sport and tourism promotion.

Hon. Speaker, the department is allocated R1.782 billion over the MTEF period. The amount is disaggregated as follows over the MTEF:

- R558.780 million in 2017/18;
- R602.361 million in 2018/19; and
- R621.180 million in 2019/20.

Budget priorities that are funded include;

- Economic and Small Business Development
- Strategy, regulation and development of the tourism industry, including the annual Flower Festival in partnership with the government of Madeira
- Environmental Management and Conservation

Hon. Malakoane, the people of Benin say; "You must attend to your business with the vendor in the market, and not to the noise of the market." This wisdom encourages us to remain focused on our priority to achieve radical socio-economic transformation amidst the extensive mandate of the Department.

Hon. Speaker, allow me to briefly touch on the transfers to Public Entities. The department will be transferring a total amount of R132.685 million in 2017/18 to our Provincial Public Entities as follows;

- The **Free State Gambling, Liquor and Tourism Authority** will receive R105.425 million in 2017/18 and a total budget of R111.827 million and R117.775 million respectively in the outer years of the MTEF.
- The **Free State Development Corporation** is allocated R27.260 million in 2017/18 and R25.833 million and R27.924 million in the outer two years. The increase in the funding allocation towards the FDC is motivated by two primary factors; the first relates to the requirement of provinces to provide a financial contribution towards the Special Economic Zone.

The second is a conscious decision to allocate additional funding earmarked for the FDC as it will be participating in a partnership agreement with the Small Enterprise Finance Agency (SEFA) whose mandate is to foster the establishment, survival and growth of SMMEs and contribute towards poverty alleviation and job creation. Our provincial funding allocation will be matched on a two-thirds principle by SEFA therefore enabling us to increase the availability of funding towards SMMEs.

DEPARTMENTS AT THE CENTRE OF GOVERNMENT

The Departments at the centre of our provincial government are the Office of the Premier, the Department of Cooperative Governance and Traditional Affairs as well as the Provincial Treasury. The Free State Legislature is an institution established by the Constitution in 1996 and constitutes our legislative branch of the provincial sphere of government.

Over the 2017 MTEF, these three Departments and the Free State Legislature will spend an estimated R4.855 billion.

OFFICE OF THE PREMIER

Hon. Premier, the Ashanti people of Ghana tells us; “When a king has good counselors, his reign is peaceful.” It is the responsibility of each Member of the Executive Council to ensure that our respective Departments deliver on our mandates and implement the relevant injunctions arising from the State of the Province Address and respective budget votes.

In addition, our local government leadership participated in our extended PCF lekgotla and the road for the year ahead has been mapped out in detail. The efficiency and effectiveness of our implementation processes will be regularly reviewed and monitored by the Premier.

The Office of the Premier is allocated R564.980 million in 2017/18; R606.258 million in 2018/19 and R645.447 million in 2019/20. Over the MTEF the Office of the Premier will spend R1.817 billion.

This budget makes provision for the following priorities, amongst others:

- Provincial Planning, including the function of transport economists
- The Provincial Monitoring Unit, including the Community Development Workers (CDWs) and the Intervention Unit dealing with the Presidential Hotline
- Free State Training Institute, noting the potential impact of the creation of a trading entity bringing together budget provisions of the Free State Training Institute and the Free State Provincial Bursary programme
- Provincial Communication Strategy and Information Technology, noting that various initiatives are under consideration to modernize and transform the information technology environment of the Free State provincial government

The Management Performance Assessment Tool [MPAT] for the Public Service assesses management practices within the Public Service and provides an indication of good governance. Four key performance areas as assessed, namely Strategic Management, Governance and Accountability, Human Resource Management and Financial Management.

It is only by improving our management practices and leadership within the Public Service that we will be able to improve the capability of the State in order for the Free State Province to fully address the triple burden of poverty, inequality and unemployment. The MPAT 2015/2016 final moderated results placed the Free State for the second consecutive year in the position of the second best performing province in the country.

In total the Free State Provincial Government had 173 good management practices during 2015/2016, this is 55 more than during the 2014/2015 assessment cycle. Provincial Treasury contributed 25 best practices to this total and DESTEA 23.

The Office of the Premier will be engaging with all provincial departments to ensure that we continue to build on the good foundations that we have established in the MPAT process and that we address the identified areas that require further improvement.

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Hon Speaker, this Department leads the provincial government's engagement with and support of our local government sector, whilst also executing its responsibilities in respect of our institutions of traditional leadership and disaster management. It also plays a significant coordinating and monitoring role in the funding of infrastructure development in local municipalities.

Hon. Ntombela, some of the "Budget Tips" we received advocated for the review of the equitable share formula for local government and proposed various initiatives for revenue enhancement by local municipalities as well as the implementation of by-laws. Over the 2017 MTEF, only small adjustments have been made by National Treasury to the fiscal framework for local government. This results from an update of statistics from the 2016 Community Survey and an adjustment to the RSC Levy Replacement Grant to district municipalities intended to alleviate funding pressures among the poorest district municipalities. In the Free State, only the Xhariep district stands to benefit marginally from this adjustment.

Allow me to briefly reflect on the revised equitable share formula implemented for local government in 2013. Local government is entitled to an equitable share of nationally raised revenue in terms of Section 227 of the Constitution. The formula was reviewed during 2012 by National Treasury, the Department of Cooperative Governance and SALGA with assistance from the Financial and Fiscal Commission and Statistics South Africa.

The objectives of the formula are to;

- Enable municipalities to provide basic services to poor households and
- Enable municipalities with limited own resources to afford basic administrative and governance capacity and perform core municipal functions

The new formula provided for essentially five components, namely Basic Services, Institutional, Community Services, a revenue adjustment factor and a correction and stability component. When we look at the impact of the implementation of the new formula on provinces, the following should be noted;

- The provinces of KwaZulu-Natal, Western Cape, North West, the Northern Cape and Limpopo saw an increase in its percentage of the local government equitable share.
- Mpumalanga was unaffected and retained its 8 % share

- Gauteng's share decreased from 20 to 19 %, that of the Eastern Cape from 16 to 15 % and the Free State share decreased the most of all provinces from 9 to 6 %.

The Free State local government sector has therefore been experiencing the same painful adjustments necessitated by its decreasing revenue envelope and must make appropriate adjustments to its revenue base as well as its expenditure priorities. It can well be argued that at local government level - the coalface of service delivery – this has impacted even more so than at provincial government level.

The budget allocations to the Department of Cooperative Governance and Traditional Affairs over the MTEF are as follows;

- R407.187 million for 2017/18
- R444.331 million for 2018/19.
- In the outer year the allocation increases to R473.897 million.

The following priorities are funded over the MTEF;

- Municipal Support Programme and the implementation of the Back to Basics approach through the municipal support programme, including our pursuit of improved audit outcomes in municipalities
- House of Traditional Leaders and its operations
- Disaster management, specifically an investment in fire-fighting equipment
- Water and sanitation interventions, including support for the establishment of water laboratories in municipalities

The Office of the Premier has led our team comprising of Provincial Treasury and COGTA in its engagements with Eskom. Municipalities affected by challenges relating to Eskom debt must now adhere to payment plans that have been negotiated and approved by the relevant Councils whilst our team continues to engage with Eskom on finding financially sustainable solutions in the long-term. Now more than before, we must promote a culture of civic responsibility and payment for services throughout all communities in our province. Those who can afford to pay, must pay. We will continue to assist municipalities with the clean-up of their indigent registers.

The potential of the tourism industry to accelerate economic growth and strengthen the revenue base of municipalities motivated the Provincial Treasury to conduct a feasibility study on three municipal resorts, namely the Kroonpark Resort in Kroonstad, Mimosa Gardens in Parys and the Water Park in Frankfort. The report concluded that the 2 resorts of Kroonpark and Mimosa Gardens have the potential of generating additional income to the two municipalities but require estimated capital injections of between R43.1 million and R75.8 million.

Provincial Treasury, COGTA and the relevant municipalities will further consider the findings and recommendations of the reports.

PROVINCIAL TREASURY

Hon. Speaker, Provincial Treasury will spend R968.852 million over the MTEF period to strengthen and implement its oversight and coordination functions within the Province. This allocation can be detailed as follows;

- R315.314 million in 2017/18
- increases to R326.414 million and
- R327.124 million in 2018/19 and 2019/20 respectively.

Our oversight role as Provincial Treasury continues to be strengthened by our established partnerships with the Association of Certified Fraud Examiners (ACFE), the South African Institute of Chartered Accountants (SAICA), the South African Institute of Internal Auditors (SAIIA), the South African Revenue Service, the National Prosecuting Authority, Eskom and NERSA.

We will continue working closely with our provincial and national departments in our efforts to promote and enforce compliance to regulatory frameworks. Provincial Treasury's funding priorities remain;

- Responsible and responsive sustainable resource management, including economic analysis, budgets and monitoring of expenditure as well as revenue performance.
- Strengthening of financial governance, including the sustained improvement in provincial and local government audit outcomes as well as fraud risk prevention and response plans
- Asset and liability management
- Strengthening of municipal financial management

Provincial Treasury and DESTEA will continue to work together on a number of projects, including conducting economic research but with the added new focus of ensuring and enforcing compliance with the implementation of the revised 2017 Preferential Procurement Regulations.

We will also continue working together with our friends in COGTA to support and strengthen the financial management and administration environment of our municipalities. The improvement in the audit outcomes of our municipalities over the last two years have strengthened our resolve to continue the direct support and assistance we provide through our district-based approach.

Satisfactory progress has not been made to resolve any of the disputes lodged following the 2015/16 regularity audit process of some of our provincial departments. We are still awaiting directives to be issued by the Office of the Accountant General at National Treasury that will seek to clarify and give direction to the interpretation of certain fundamental accounting principles and concepts that are at the heart of some of these disputes. We remain adamant in our resolve that consistency in audit practices and processes must be maintained whilst reconfirming our commitment to ensure that we facilitate an environment within which a fair and objective audit process can unfold.

In his State of the Nation address during February this year, hon. President Zuma emphasized the fact that the fight against corruption continues. This theme was further supported by the Minister of Finance in the national budget speech.

We will not detail the various focus areas that will constitute our work to promote clean governance and a culture of ethics to ensure that we push back the creeping tendencies of fraud and corruption in the public sector. We do, however, confirm that our annual participation in the Fraud Awareness Week and our quarterly Fraud Awareness Sessions will continue during the forthcoming year.

The first group of public servants successfully completed the Certified Fraud Examiners course in 2016 with the Business School of the University of the Free State and the Association of Certified Fraud Examiners. Through this process, we have to date added 10 qualified certified fraud examiners within our provincial and local government sector, thereby almost doubling the existing capacity in the broader public sector environment. We will further invest in this programme during the forthcoming year.

FREE STATE LEGISLATURE

Hon. Speaker, the Provincial Legislature remains key in ensuring that the executive branch of government is held accountable for the utilization of resources as well as compliance with laws and regulations. The Free State Legislature has initiated various campaigns and processes that pursue the evolvment and entrenchment of participatory democracy in our province and we commend the Legislature for these initiatives.

Over the MTEF, our Provincial Legislature will spend R744.170 million. This amount is allocated as follows;

- R234.044 million in 2017/18,
- R247.483 million in 2018/19 and
- R262.643 million in 2019/20.

These allocations will assist the Provincial Legislature in executing the following mandates, inter alia:

- Oversight through the committee system
- Support and funding to political parties
- Public participation, awareness and education campaigns
- Participation in the NCOP processes

CONCLUSION

Hon. Speaker, Provincial Treasury and our Department of Education again collaborated to encourage our young people to participate in our budget process through the Budget Essay Competition. We took the advice of the hon. MEC Makgoe and extended the scope of the competition this year to include all five districts in the province.

As a result, all Grade 12 learners in Quintiles 1, 2 and 3 schools had the opportunity to input into the 2017/18 Provincial Budget. All in all, 37 high schools from all the 5 education districts of the province participated in the competition and 91 essays were submitted. Allow me to congratulate the best 5 essays for the 2017 edition of the competition. They are - in no particular order - the following;

- Nthinya Lebohang – Matlwangtlwang Secondary, Steynsrus (Fezile Dabi District)
- Molakeng Mojalefa – Lekhulong Secondary, Bloemfontein (Motheo District)
- Mayekiso Mosele – Cedar Secondary, Sasolburg (Fezile Dabi)
- Lephoi Mokopu – Thahameso Secondary, Bolata Village, Qwa-qwa, (Thabo Mofutsanyane District)
- Matlabe Mpho – Kananelo Secondary, Kroonstad (Fezile Dabi District)

We challenged learners this year to draft the budget for the province and to prioritise the budget to provide primarily for service delivery whilst balancing the budget to stimulate job creation and economic growth. The top three learners will be announced at a ceremony after we conclude the sitting.

The success of the competition is largely dependent on the efforts of our officials from Provincial Treasury and the Education Department and we wish to acknowledge our sponsors – Vodacom and Standard Bank - for their continued support of this initiative.

Hon. Speaker, we have engaged in a very extensive consultation process to formulate and refine this budget. Allow me to express my appreciation to:

- The hon. Premier and my colleagues in the Executive Council for their commitment to ensure that we produce a credible budget that balances our

priorities informed by the imperatives of achieving radical socio-economic transformation

- The Accounting Officers and Chief Financial Officers whom we continue to challenge to find ways and means to translate the seemingly impossible into concrete reality
- Yourself, hon. Speaker, and the management team of the Legislature both with regard to the formulation of the Legislature's own budget as well as the logistical arrangements that enabled us to host the sitting here today
- The Public Accounts and Finance Committee, under the leadership of Comrade Neels van Rooyen, who will now be taking the consideration of the Appropriation Bill forward and
- The Chief Executive Officer and the officials of Provincial Treasury for delivering and maintaining the highest standards of excellence and professionalism throughout the budget process

Hon. Speaker, the people of Guinea says;

“When a needle falls into a deep well, many people will look into the well, but few will be ready to go down after it”.

In this year that we commemorate the legacy of OR Tambo, we cannot hesitate or falter. We must be motivated and energized to go down the well and find the needle that will achieve the imperatives of radical socio-economic transformation.

I hereby table the 2017 Appropriation Bill and the accompanying documents.

I thank you.