



SPEECH BY GAUTENG MEC FOR FINANCE, BARBARA CREECY, ON THE OCCASION OF THE 2017/18 BUDGET PRESENTATION, GAUTENG PROVINCIAL LEGISLATURE, 7 MARCH 2017

Madam Speaker and Deputy Speaker
Premier David Makhura and fellow members of the Executive Council
Chief Whip Member Brian Hlongwa
Leaders of Political Parties
Members of the Provincial Legislature
MMCs of Finance and Councillors
Distinguished Members of the Diplomatic Community
Representatives from the Auditor General's Office and Senior Officials of
Government and Municipalities
Representatives of Business, Organised Labour, and Civil Society
Distinguished guests
Comrades and Friends

INTRODUCTION

I am honoured to present to this esteemed House, the third budget of our Administration, under the leadership of Premier David Makhura.

Tomorrow is International Woman's Day. By way of paying tribute to Gauteng's Women, I thought I would begin with a quote from well known Nigerian activist and writer Chimamanda Ngozi Adichie who in 2009, gave a talk entitled "The Danger of the Single Story" She said:

"It is impossible to talk about the single story without talking about power.Power is the ability not just to tell the story of another person, but to make it the definitive story of that person.....Start the story with the arrows of the Native Americans, and not with the arrival of the British, and you have an entirely different story.

Start the story with the failure of the African state, and not with the colonial creation of the African state, and you have an entirely different story.”

Adichie says that when you create a single story, when you show a people as one thing, as only one thing, over and over again, that is what they become.

Honourable Members in our debates in this house, in our day to day work, we too struggle against a single story. A story that often belittles the complexities of our past; simplifies present challenges and denies evidence of progress.

When Premier Makhura delivered the State of the Province Address, two weeks ago he made the point that:

“Transformative politics must be about utilising our budgets to radically transform lives and build sustainable livelihoods. It must be about the values of service and loyalty to citizens. ”

The Budget I have the honour to table before this house today, will document how we use our resources to meet the needs of the many who rely on government to educate children, heal the sick and house the homeless.

We will also use this opportunity to explain how public spending in Gauteng is transforming our economic landscape and including many who have been historically marginalised.

Our programme to transform, modernize and re-industrilise Gauteng is based on our thorough analysis of the structural problems we face including:

- An economic history of dependent growth and monopolization;
- The exclusion of the majority of black people, women and youth from meaningful participation, ownership and control of dominant sectors of the economy;
- The concentration of wealth and distribution of income captured by a minority of the population resulting in widespread poverty and an

unequal society;

- The serious decline of the manufacturing sector;
- A subdued small business and co-operative sector which intensifies economic;
- The marginalisation of many young people from further education, training and entry into the labour force or any other form of economic inclusion.

ECONOMIC CLIMATE

At an international level, after many years of weak growth, there are signs of a more sustainable recovery:

- Growth in Europe and the United States is low but stable;
- India and China continue to grow at a steady pace and Brazil and Russia are recovering from recession;
- In sub-Saharan African economies are benefiting from a rebound in commodity prices; and consequently
- The International Monetary Fund projects that the world economy will grow by 3.4 percent in 2017 and 3.6 percent in 2018.

Across the world unequal patterns of ownership and distribution, conflict and dislocation have caused hardship, suffering and uncertainty. In response, many societies are choosing economic nationalism, protectionist policies and populism.

The consequence is a renewed focus by responsible political and business leaders on policies and programmes that strengthen economic inclusion. It is not by chance that the World Economic Forum on Africa, to be hosted in Durban in May this year, will focus on achieving inclusive growth on the continent.

In 2017, Minister Gordhan predicts that South Africa's economy will gradually recover due to improvements in commodity prices; recovery of the exchange rate; better rainfall for the agricultural sector; improved electricity supply and fewer industrial disputes. GDP growth is estimated to reach 1.3% this year.

GAUTENG'S ECONOMIC OUTLOOK

Gauteng remains the biggest contributor to the South African Economy, with the province currently contributing 35 % to the National Gross Domestic Product.

Our provincial economy continues to grow at above national levels. Overall economic growth for 2016 is expected at 1 per cent. The finance, real estate and business sectors grew at double the rate of the provincial economy as a whole, at 2.2%. In 2017 we expect the provincial economy to grow at 1.8% and at 2.3% in 2018.

The Gauteng 2030 Economic Development Plan, which we finalized in June 2016, seeks to transform the Province's Economy in the following manner:

- To reverse the decline in manufacturing with a conscious strategy to re-industrialise the province;
- To proactively develop black industrialists and entrepreneurs by facilitating access to research, development finance and markets;
- To actively modernize Gauteng's economy through government investment in a broadband network, stimulation of an ICT industry, and investment in new green technologies;
- To consciously use government procurement to promote the development of small enterprises and co-operatives in townships and rural communities;
- To focus on education, up-skilling and training in areas of potential demand such as ICT, BPO and the services sector, with the aim of improving economic participation of young people;
- To use government's infrastructure spend to transform the apartheid spatial economy and settlement patterns by integrating economic opportunities, transport corridors and human settlements; and
- To build a new social partnership between government, business, civil society, organized labour and tertiary and research institutions that balances interests, and releases potential for co-operation, problem solving and innovation.

In his State of the Province Address two weeks ago, Premier Makhura gave a balanced overview of how the Provincial Government he leads is implementing the ten pillar programme of Transformation, Modernisation and re-Industrialisation. He reported that over the past two and a half years we have:

- Created three hundred and seventeen thousand net jobs;
- Attracted R66billion in Foreign Direct Investment into the province;
- Received 41% of all foreign tourists, ensuring we generate the highest number of bed nights and tourism related revenue in the country;
- Ensured that 7 out of every ten learners who start grade one in a Gauteng school pass matric; and
- Placed 350 000 young people through the Tshepo 500 000 into formal jobs; entrepreneurship; training and skills development, or transitional employment.

The Provincial government has worked in partnership with the private sector to grow employment and economic activity. We have also, through our infrastructure and goods and services spend directly contributed to job creation, household income and economic inclusion.

FISCAL CLIMATE

Last month Minister Gordhan said “the 2017 Budget reflects a balance between maintaining our spending commitments and ensuring long-term health of public finances.”

Honourable Members government expenditure is dependent on the availability of revenue and the level of borrowings government can afford. The Gauteng Provincial Government receives 95% of its revenue as direct transfers from national government.

We understand slower economic growth means less revenue for collection and by implication a decrease in what the national fiscus has available for transfer to the provinces.

The Gauteng Provincial Government understands the imperatives facing National Treasury and continues to endorse Minister Gordhan’s call to manage our finances in a prudent and sustainable way.

Accordingly, Honourable Members the Budget I table for your consideration today is anchored around the following principles:

- Improving own revenue collection so we can maintain and enhance provincial spending first and foremost on education, health care, and social services;
- Sustaining improvements in public finance management to further cut waste, eliminate corruption and strengthen public accountability;
- Using public procurement to transform the economic landscape and build a more inclusive and sustainable growth path; and,
- Growing our infrastructure spend through on and off budget initiatives so we improve public facilities and create jobs.

OWN REVENUE

During the tabling of the budget, the Minister of Finance announced that Revenue will slow down by R30 billion as compared to the budget estimate of the previous year.

Spending pressure and shortfall on revenue collection has led to a reduction on our provincial equitable share. Since 2014, our equitable share has been reduced by R1.9 billion.

In response, we developed a Revenue Strategy to enhance and supplement of our revenue to implement provincial government priorities and ensure we maintain quality service delivery to our people.

Most of our own revenue, is collected from:

- Motor vehicle licences
- Gambling taxes
- Patient fees, and
- Interest earned on treasury investments.

Over the past two and half years, we have managed to raise R15, 6 billion for the Provincial Revenue Fund.

As at the end of January we have collected R4.74 billion which represent 89 percent of the adjusted appropriation of R5.32 billion. We are

confident that we will be able to reach 100% of adjusted revenue budget. We are currently working with Health and RAF to ensure that we collect all revenue that is due to us. A committee consisting of officials from health; treasury and RAF meet on a monthly basis to reconcile figures to ensure timeous payment.

Over the Medium Term our target is to raise R17.4 billion in own revenue.

SUSTAINING IMPROVEMENTS IN PUBLIC FINANCE MANAGEMENT

It's important at this point to reflect on the improvements we have made over the past two and a half years in terms of the management of public sector finances in Gauteng. The 2015/2016 Audit outcomes were the best the province has achieved in the past ten years with all departments and entities achieving unqualified audit outcomes and sixty percent achieving clean audit status with no matters of emphasis.

Equally pleasing is the municipal audit outcomes for the same financial year where all municipalities and entities also achieved unqualified audits for the first time. This was achieved, through a sustained partnership between provincial and municipal government to turn around the financial outcomes particularly in Westonaria and Randfontein.

The Debt Management Committee within Treasury has ensured that debt to municipalities is paid on time, and where there are disputes, this gets resolved soon. In the last two years, we have ensured that over R2 billion is paid to our municipalities for rates and services. We are committed to ensuring we do not owe our municipalities. We are setting aside a budget of R2.4 billion over the 2017 MTEF which will comprehensively address the outstanding backlog on property rates and ensure we are up to date going forward.

COST CUTTING

Honourable Members over the past two and a half years all Provincial Departments have been guided by National Treasury circulars to cut costs on non-core expenses.

By non-core expenses we mean those expenses which are primarily targeted at government itself rather than spending targeted at our

citizens. Examples include catering, corporate branding, accommodation and travel expenses.

These circulars were tabled in the Executive Council and formed the basis for our own provincial guidelines which were adopted by the Executive Council in 2015 and included measures to ensure that personnel spending remained below 60% of the budget.

It has never been Provincial Government Policy to save costs by cutting back on services to our citizens. In fact Honourable Members, every effort has been made protect the budgets of Health, Education and Social Development. A simple study of where additional resources have been allocated over the last two and half years will support this argument.

We have saved R414 million by cutting back on catering, accommodation, corporate branding, and redirecting these resources to core business of government. Last year we saved R386 million in fruitless and wasteful expenditure by reducing interest paid on overdue accounts.

We are currently exploring further measures to contain costs in the following areas:

- Telecommunications as a result of the implementing Voice over IP
- Introducing common GPG wide standards for the purchase, maintenance and scrapping of ICT devices
- The implementation of the Standard Infrastructure Procurement Infrastructure Procurement and Delivery Management (SIPDM) to enforce cost norms that have been agreed upon at sector level in all our infrastructure projects.

THE OPEN TENDER

In 2014 we introduced the open tender system to promote transparency, and public scrutiny over our tender process. We have strengthened our open tender system through probity auditing to ensure our processes comply with laws and regulations.

Since 2014, 38 projects from all departments were processed through

the open tender process. The cumulative value of these projects is R9.3 billion. A further 34 projects worth R2.7 billion are still in process.

Over the next two financial years, we plan to issue open tenders for a further 280 projects to the value of R6 billion. By 2018/19; 100% of procurement spend will be processed through the open tender.

FIGHTING CORRUPTION

Honourable Members, I am reaffirming our commitment to root out fraud and corruption in all our government programs.

Over the past year, Treasury has re-engineered our Forensic Services which has enabled us to:

- Reduce the case backlog by two thirds;
- Improve in the implementation of recommendations which has resulted in 125 employees facing disciplinary action;
- implement a centralised case management system;
- Build a forensic laboratory with digital forensic tools to assist our investigations; and
- Recruit forensic investigators and train existing staff with the support of the Association of Certified Fraud Examiners.

USING PUBLIC PROCUREMENT TO TRANSFORM OUR ECONOMIC LANDSCAPE

Our approach to public procurement has been an important instrument for this government to bring about greater economic inclusion and participation. Over the past three years we have spent R46 billion procuring goods and services from 12 000 registered companies.

Ten thousand of these companies belong to historically disadvantaged individuals including firms owned by black entrepreneurs, women, youth and the disabled. In all over R42.8 billion has been spent on procurement from the historically disadvantaged.

To date provincial government has done business with 2813 township enterprises to the value of over five billion rand. Supplier development initiatives with FNB and the SA Supplier Diversity Council are assisting us to develop suppliers we can work with across all five development corridors.

In his address in February, Premier Makhura argued that “the key question we must now begin to confront is how many of these businesses will be sustainable outside government tenders. This is the question we must confront as we give content and character to radical economic transformation”.

In this regard we welcome two regulatory changes to the Preferential Procurement policy that will take effect from 1 April this year. The first is the introduction of compulsory 30% subcontracting for all contracts above R30 million.

The second is the introduction of pre-qualification criteria based on B-BBEE levels of contribution so that certain tenders can be aimed at procurement from designated groups.

Our view is that these reforms will allow us to:

- bring township suppliers into joint ventures with our larger suppliers;
- encourage our existing black owned suppliers large and small to get involved in local and manufacturing initiatives to produce goods to sell on domestic and foreign markets; and
- support co-operatives and social entrepreneurs to implement the Gauteng@work programme.

In the course of this financial year we will set targets for our provincial procurement spend on goods and services manufactured locally especially in township communities.

We believe this will allow us to make Premier Makhura’s vision of a “second wave” of empowerment a reality. One in which the black-owned businesses and township enterprises we are currently empowering help us to re-industrialise and modernise our provincial economy.

PAYMENT OF SERVICE PROVIDERS

Madam Speaker eleven of our fourteen departments are now paying 93% of their invoices within 30 day. 79% of their invoices are paid within 15 days.

Mr Jabulani Ntuli who participated in our public outreach around budget tips wrote: “Pay suppliers on time to grow our economy: The Health Department is still the worst performing when it comes to supplier payments. This affects service delivery to poor communities. Small businesses are closed down due to non payment.”

The Premier in his State of the Province Address instructed Treasury to work with the Departments of Health, Education and Infrastructure to ensure that 90% of their invoices are paid within 30 days.

I have said before in this house that we will only achieve this target when the Departments concerned have a sustained strategy to manage down their accruals. We have already met with MEC Ramogopa and her team to get this process back on track. In addition we will:

- Introduce a first in, first out, method to pay invoices;
- Improve the electronic submission of invoices for suppliers of the three departments;
- Train officials to acknowledge goods and services receipts timeously.

OFF BUDGET FINANCING OF INFRASTRUCTURE

The Gauteng Planning Division has developed an Infrastructure Master Plan 2030. With current fiscal constraints it is unlikely that all of these facilities will be funded from government sources.

The Gauteng Infrastructure Financing Agency is one vehicle that is assisting the province to tap into alternative sources of funding.

To date GIFA has a pipeline of 20 projects, which have been through feasibility studies and collectively, have the potential to raise an additional R40 billion for infrastructure financing over the MTEF period. Progress is as follows:

- The Innovation Hub Enterprise buildings 2 and 3; the Tri-generation project for 7 of our hospitals and the Solar Roof Top Panel projects have reached the stage where preferred bidders who will finance and implement the projects have been identified. We are awaiting National Treasury approvals to conclude contractual agreements;

- The Jewelry Manufacturing Precinct and the Kopanong Precinct Projects will reach financial close in the first and second quarter of the new financial year;
- In March we will release 6 new projects to the market to be followed by another 6 later in the year.

In the coming year the GIFA will work with the Gauteng Planning Division to develop a financing model for the Master Plan. The model will identify fiscal gaps to be financed off-balance sheet, through PPP's.

This year sees the start of our long awaited construction of 31 mega human settlements. A Human Settlement Funding Summit aimed at attracting investors for Mega Projects is scheduled for early April. We anticipate that this will unlock new private sector investments in housing and social amenities.

We are also working together with the Gautrain Management Agency and National Treasury on a new model to fund future expansion of the Gautrain. This will be on a public-private partnership basis over the next two decades. Premier Makhura announced two weeks ago that the feasibility study for the expansion of the Gautrain has been completed and future plans are now fully integrated into the broader modern transport system of our province.

Let me also restate that Gauteng Provincial Treasury is committed to funding all future road infrastructure from the fiscus, or as in the case of the William Nicol upgrade, through private-public partnerships, and not through tolling.

FUNDING OUR PRIORITIES

Honourable Members, we remain committed to implement the Ten Pillar programme of Transformation, Modernisation and Re-industrialisation. The prudent financial management of provincial resources over the past few years continues to assist us in this task.

Over the MTEF, the province will receive R340 billion from both the Equitable Share and Conditional Grants;

Provincial Own Revenue will grow from the R5.4 billion in 2017/18 to just over R6.2 billion in 2019/20.

In this financial year, we table a budget of R108billion rand and we have added R10 billion to the baseline of Departments to meet increased demand.

At this time I want to take the opportunity to thank the many Gauteng residents who influenced the allocations in this budget either through their inputs during the Ntirhisano Roadshow or through their comments on our social media platform #GPBudget2017.

In particular I want to make mention of:

- Ms Joyce Mbatsani who suggested we allocate more money to building clinics and hospitals due to rising patient demand;
- Kolosani Maphondla and Lubango Majiza highlight the need for more investment in sports facilities and sports activities;
- Mbuti Legae asked for greater focus on agricultural projects that could stimulate youth opportunities; and
- Alan Fuchs said the Budget must stimulate economic growth and create opportunities for private/public partnerships.

INFRASTRUCTURE SPENDING

Over the 2017 MTEF we have reserved R44.4 billion for our infrastructure spend. This year, we are doing something new: we have split this figure into R31.9 billion which is in the baseline of departments and R12.5 billion ring fenced in the 'Asset Financing Reserve'.

Our purpose in doing this Honourable members, is to incentivise sound infrastructure planning practices. All projects that are "shovel ready" now, are in departmental baselines.

Departments that present additional projects that are ready to roll, in the course of the financial year, or in future financial years, will be allocated more money.

During the tabling of the adjustment budget I shared with this house our commitment to eliminating wasteful expenditure in infrastructure which

generally emanates from poor planning and management, namely, project scope changes and consequent cost escalation. Our new approach to funding infrastructure projects is intended to make this commitment a reality.

It is also an opportunity MEC Mamabolo to introduce the concept of completion of “Legacy Infrastructure Projects”. In other words one is suggesting you compile a list of projects that have been outstanding for many years and use the Asset Financing Reserve to complete them once and for all.

Our infrastructure spend for this year is allocated as follows:

R2.8 billion will be spent in the Central Development Corridor

- Human Settlements will build houses in Lufhereng Mixed Housing Development, Diepsloot East, Goudrand Ext. 4, M2 Nobuhle Hostel and upgrading the following informal settlements: Princess Plot, Drieziek Extensions 4 & 5, Elias Motsoaledi Phase 1, and Finetown East Phase 2.
- The Department of Health will build the new Finetown Clinic, renovate of staff residences at Charlotte Maxeke and continue with the construction of new Lillian Ngoyi Hospital; upgrade Helen Joseph Hospital and convert of Discoverers and Lenasia South CHC’s into District hospitals.
- Education will complete seven new schools which include Braamfisherville Primary; Everest Primary, Julius Sebolai Primary, Moses Kotane Primary; Nkone Maruping Primary etc. Five schools will be converted into full ICT, this includes Alexandra Secondary School, Bovet Primary and Lyndhurst Primary.
- Transport will complete the upgrade of the K46 Road from Erling interchange in Steyn City to N14 and the rehabilitation of Cedar Road.

R1.5 billion will be spent in the Eastern Development Corridor on:

- Human settlement will continue implementation of Palm Ridge Ext.9, Chief Albert Luthuli, McKenzieville, and Vosloorus Ext. 28 and start MEGA projects at Helderwyk; Daggafontein; Chief Luthuli Extension 6 and Tsakane Extension 22.

- Education will spend R174.6 million for the construction of new schools and R39.9 million allocated for rehabilitation and refurbishment of existing schools.
- Health will be spending R265.1 million towards key projects to be implemented within in the Eastern Corridor. This will include the demolition of the Kempton Park Hospital.

R1.9 billion will be spent in the Northern Corridor on

- Human Settlement: will continue with the implementation of MEGA projects which includes: Park City; Cullinan Extension 2; Heatherly East Extension 22; Lady Selbourne – Phase 2. Other projects in corridor are: Rethabiseng Ext. 5, Soshanguve Ext. 19, Steve Bikoville Phase 2 Nellmapius Extension 4/The Willows, Hammanskraal 4 and 10.
- Roads and Transport: Upgrading of D1944 from a gravel road to a tarred road and the rehabilitation of road D670 from Bronkhorstspuit to Ekangala.
- The Department of Health: Will complete the New Kekana Gardens Clinic in April 2017, and the Dewagensdrift clinic by end of June 2017,
- Sports, Arts, Culture and Recreation: will complete the Women's Living Monument and 4 community libraries which include Olievenhoutbosch; Atteridgeville; Akasia and Sokhulumi.
- Education will continue with the construction of new primary schools in Centurion and Refiloe Manor and the rehabilitation of about seven schools.

R 1.3 billion will be spent in the Western Corridor

- Human Settlement is will continue implementation of Westonaria Borwa, Kagiso/Azadville, Khutsong South Ext. 5 & 6, Kokosi Ext. 6, Mohlakeng Extension 11, and Chief Mogale, Phase III
- Education will complete two smart schools namely Kagiso Secondary School and Thuto Pele Secondary School
- Health will work towards the completion of Greenspark and Khutsong South clinic ;
- COGTA: will complete the repair of the water pipeline to Khutsong Extentions 5 and 6 and Welverdiend
- Sports, Arts, Culture and Recreation complete the Provincial

Archive Centre and 5 Multi-purpose sports courts and the Kagiso monument.

R1.3 billion will be spent in the Southern Corridor

- Human Settlements will continue with the implementation of the MEGA Projects which include amongst others Vaal River City and Leeuwkuil the Evaton Mega Project. We will continue to build houses at Mamello, Sebokeng Ext. 28, Sonderwater Phase 1, Westside Park, and KwaZenzele Park etc.
- Roads and Transport will build the Sebokeng Driving Centre, upgrade Sebe road and rehabilitation of roads P46/1 and road D904.
- Health plans to complete the upgrading work at Sebokeng hospital by end of March 2017 and continue with the construction of Bophelong CHC.
- Social Development will continue with the implementation of Early Childhood Development Centre (ECD) in Devon and Evaton. The shelter for vulnerable and women in Ratanda will prioritized for implementation in 2017/18.
- Sports, Recreation, Arts and Culture will complete the Boipatong monument and five combi courts.

To support the provinces modernization drive and ensure all government institutions are connected to the Broadband network by 2019, the Department of e-Government is allocated R459 million this year.

Economists are generally agreed that infrastructure investment contributes to lower transaction costs, creation of jobs, concentration of economic activity, and improvement of productive capacities of firms and households as well as creating economic linkages. New research indicates that we have indeed achieved these objectives.

A preliminary independent analysis of Gauteng's Infrastructure spend by KPMG for the period 2013-2016 found that our spend of R30 billion:

- Created 92 000 direct jobs and sustained 69 000 indirect jobs
- Added R15 billion to household income;
- Raised R6 billion in government revenue; and
- Created economic activity worth R26 billion with an average of 92c

being added to Gauteng's economy for every R1 spent by this government on infrastructure.

Treasury's own research shows that our infrastructure spend significantly contributed to the empowerment of disadvantaged individuals and black firms with 91% of our spend in construction and professional services going to HDIs.

If we spend the R44.4 billion over the next three years KPMG, anticipates we can:

- Achieve the largest provincial infrastructure investment in the country with an annual escalation of six percent;
- Create approximately 190 000 direct and sustain 140 000 indirect or jobs; and
- Generate R55 billion worth of activity to contribute to our provincial economy.

SUPPORTING ECONOMIC GROWTH AND DEVELOPMENT

Honorable Members, the department of Economic Development is in the forefront of our drive for sustainable and inclusive growth. The budget for the department rises from R1.38 billion in 2016/17 to R1.41 billion in 2017/18, before it reaches R1.58 billion towards the end of the MTEF. R56.2million of this is new money.

The key programmes in this Department are:

- R16,5 million for the expansion of the Automotive Supplier Park
- R52 million for the upgrading of township hubs/industrial parks
- R20 million for the BioScience Park

The Gauteng Enterprise Propeller leads our programme of Township Economic Revitalisation. In this financial year GEP is allocated R219 million. Over the last two years considerable effort has gone into encouraging township enterprises to register and legalise their businesses as well as invite those who are interested in doing business with the Gauteng Government to register on our central data base. To date over 7000 have taken up this opportunity.

During this year we are targeting to provide support to 1385 SMMEs and non-financial support to 2 410 SMMEs.

To support the growth of the knowledge economy and promote innovation in the City Region, the Tshwane Innovation Hub will this year receive an R110.9 million.

This money will allow the Innovation Hub to extend its support to young innovators as well as extend the Ekasi Lab programme around Gauteng in particular in Sharpeville; Katlehong and Carletonville.

Agriculture and Rural Development is also one of our key economic enabler departments.

The department is allocated an additional R141.7 million over the 2017 MTEF.

This amount includes:

- R39.7 million allocated for urban agriculture;
- R23 million allocated for agro-processing to enhance investment in food and beverage sector; and
- R71 million allocated for Agri-parks and Agrotropolis project. In the coming financial year, we will be developing three new agri-parks in Springs, Tembisa and Lesedi.

SECURING A FUTURE FOR OUR YOUTH

Honourable Members, in this Centenary year of the late Oliver Reginald Tambo it is important to remember his famous words of advice: “A nation that doesn’t take care of its youth does not deserve its future”.

Accordingly, our allocation to the Department of Education remains the single largest budget item in the Province and in this financial year it has increased from R39.5 billion to R40.8 billion in this financial year.

Key allocations in this financial year include:

- R3.37 billion for direct transfers to Public Ordinary Schools, Early Childhood Development sites and Special Schools.
- R2.3 billion for the special school sector which caters for learners with intellectual and other disabilities which includes R12. 6 million for new conditional grant for severely disabled learners;
- R1.07 billion to provide 1,15 million learners with a hot meal at school every day;

- R779 million to transport learners who live more than 5 kilometers from the nearest school;
- R724 million to support the continued roll out of e-Learning strategy
- R810 million for textbooks, stationery, school furniture and other learner support material
- R362.7 million to pay municipal bills
- R587million towards the Teacher development and support initiatives
- R476.3 million to improve the Grade-12 performance and to increase the bachelor pass rates.

In his State of the Province Address Premier Makhura described youth unemployment as “the most acute and primary economic problem of our time”. He indicated that the Tshepo 500 000 project launched two years ago, has already reached more than 350 000 young people. The Gauteng Provincial Government, is now confident that in partnership with Harambee Youth Employment Accelerator and various private sector companies we will reach out to a further 650 000 young people before the end of our term.

In this financial year we will contribute over half a billion rand for youth development made up as follows:

- R110.9 million for Tshepo 500 000 project to build partnerships with the private sector to provide excluded youth with entry into Gauteng’s economy;
- R19.1 million to the Expanded Public Works Programme to create 110 096 work opportunities.
- R295 million to provide 4121 bursaries and scholarships to universities and Tvet colleges;
- R76 million on government internships;
- R20 million for the accelerated youth placement programme hosted by the Department of Economic Development
- R27 million for the welfare to work programme which will help 11000 single mothers to move from dependence on child care grants to sustainable self supporting economic activity.

RESTORING PUBLIC CONFIDENCE IN OUR PUBLIC HEALTH SYSTEM

Improving the health of our citizens and restoring public confidence in our public health system is a major priority for this year. To assist the Department in this difficult task, the budget increases from R37.6 billion in 2016/17 to R40.2 billion in 2017/18.

Key allocations are as follows:

- R9 billion to enhance service delivery outcomes in district hospitals, community health clinics and community based centres;
- R7.3 billion for our central hospitals;
- R3,7 billion to support the treatment and prevention of HIV/Aids and Tuberculosis;
- R990 for Emergency Medical Services (EMS); and
- R924 million in new money for medicine, medical supplies for the appointment of key personnel in the department.

Honourable Members, over the medium term, R893.8 million rand has been allocated to support patients with mental health conditions. As Provincial Treasury we are committed to supporting the Health Department in implementing the recommendations of the Health Ombud Report.

When the alternative dispute resolution process is complete, we will appropriate any necessary resources for the families of the victims of the Life Esidimeni Tragedy from the provincial revenue fund.

FIGHTING POVERTY AND PROMOTING SOCIAL COHESION

The war on poverty remains a priority in these trying times. Accordingly we have allocated R4.2 billion to the Department of Social Development to spear head this struggle on behalf of provincial government. This allocation includes:

- R275 million for services for Gauteng's aged which includes resourcing 264 Community based care facilities that provide support to 23 404 older persons;
- R2 billion for services for children, R1 billion of which is to support Early Childhood Development Centers with toy libraries and play groups, minor renovations including ablution facilities,

standardized meals for children in the poorest wards, and capacity building;

- R99.6 million is allocated for services to people with disabilities which includes implementation of independent living programmes, and increasing income earning opportunities in protective workshops services;
- R106 million is made available over the MTEF to provide the poorest households with food parcels;
- R144 million is allocated for the school uniform project and priority will be given to those companies belonging to the people with disabilities and community-based cooperatives;
- R160 million over the MTEF for the provision of dignity packs so that young women are able to attend school regularly;
- R547 million is allocated over the MTEF to fight substance abuse through both prevention and treatment. New Centres of Excellence will be rolled out in Johannesburg, Sedibeng and Ekurhuleni.

The promotion of nation building and social cohesion remains a key focus area of the Department of Sports Arts, Culture and Recreation.

The department receives an additional R134 million over the medium term to implement the following programmes:

- The Social Cohesion Games;
- The construction of community-based combi courts;
- The Annual Nelson Mandela Remembrance Walk which will include a running race as from 2017;
- Learn to Swim programme; and also
- The conversion of Liliesleaf Farm into a Centre of Remembrance and heritage site.

We have set aside R15.7 million for the commemoration of heroes and heroines of the liberation struggles, which includes the centenary celebration of the late Oliver Reginald Tambo.

The department will continue to bid for and host national and international sporting events. A total amount of R53.1 million is allocated over the MTEF for supporting sporting events in our province.

Honourable Members fighting crime at community level remains an important aspect of our programme to promote safe and cohesive communities in our province. Accordingly in the Department of Community Safety receives:

- R45 million to improve community-centred policing which includes community policing forums (CPFs); the Community Safety Forums (CSFs) and street committees;
- R158 million over three years to fight crimes against women and children. This includes monitoring forensic social workers within the Criminal Justice System and legal experts to strengthen services at Ikhaya Lethemba; monitoring the Family Justice Support; and expansion of Regional Victim Offices to support the victims of gender-based violence.

Road safety remains a priority for all of us. Accordingly we are allocating R374 million in 2017/18 to reduce road fatalities through targeted law enforcement operations.

Honourable Members as I move towards conclusion I would like to express my heartfelt thanks to:

- Premier David Makhura who continues to inspire our respect and confidence by his humble example of public accountability;
- My Colleagues in the Executive Council, for their determination to succeed and their commitment to use public resources for the benefit of our citizens;
- The Honourable Members of this house and in particular the Finance Portfolio Committee under the able leadership of Honourable Sakhile Khumalo for their rigorous oversight;
- Team Treasury under the inspired leadership of Ms Nomfundo Tshabalala who have been gratified and humbled by the confidence shown in their integrity, innovation and hard work through the awards and recognition they have won this past year nationally and at the Premier's Service Excellence awards last week;
- The citizens of Gauteng who give us a mandate to govern and have offered me so many useful tips on social media and during the Ntirhisano programme to guide this budget; and
- My family whose lively and critical interest in governance and

transformation inspires me each and every day.

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

- The Appropriation Bill for 2017
- 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

I want to return to Chimamanda Adichie who ends her talk on “The Danger of the Single Story” with this thought: “that when we reject the single story, when we realise that there is never a single story about any place we regain a kind of paradise”. Honorable Members I trust our budget gives a more balanced story of our present challenges and our progress in meeting them.

I thank you.