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Finance, Economy & Enterprise Development
North West Provincial Government
Republic of South Africa



PROVINCIAL

BUDGET SPEECH

2019/20

Provincial Budget Speech 2019/20



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05 March 2019

**2019/2020 PROVINCIAL BUDGET SPEECH PRESENTED BY
MS. MMAPHEFO MATSEMELA, MEC FOR FINANCE, ECONOMY AND
ENTERPRISE DEVELOPMENT,
AT THE NORTH WEST PROVINCIAL LEGISLATURE
ON 05 MARCH 2019**

Honourable Speaker

Honourable Premier of North West, Prof. Job Mokgoro

Honourable Members of the Executive Council

Honourable Members of the Provincial Legislature

Executive Mayors, Mayors and Speakers of Municipalities

Modulasetilo wa Ntlo ya Dikgosi,

Dikgosi tsa rona tse di tlotlegang

Chairpersons and Board Members of Public Entities

Administrators, Heads of Departments and CEOs of State Owned Entities

Leaders and Members of Labour Movements, Civil Society and Faith
Based Organisations

Distinguished Guests

Bagaetsho

Dumelang,

Honourable Speaker, It is my honour to present the last budget of the current administration which sets out the detailed funding proposals for service delivery programmes that will be implemented by the next Administration pursuant to the objectives of the National Development Plan.

The detailed funding proposals for implementation of programmes and priorities of government over the next three years are captured in the following documents which I have the honour to present to this August House:

- North West Appropriation Bill, 2019
- Estimates of Provincial and Revenue Expenditure
- A copy of the Provincial Budget Speech 2019

Our current socio-economic challenges which are largely characterized by poverty, unemployment and inequality requires us to redouble our efforts in attaining our long term vision as espoused in the National Development Plan. The tabling of this budget is a reminder of our resolve to materially improve the living conditions of the citizens of the Province through the implementation of programmes that seek to grow the economy and create jobs, strengthen good governance, improving education, training and innovation, promotion of health and social protection, building of safer communities, fighting greed and corruption, transforming society and uniting the country.

Honourable Speaker, in recognition of the progress we have made, the challenges we have encountered, the setbacks we have suffered as a Country and the mistakes we have committed in the past, His Excellency, President Cyril Matamela Ramaphosa, during his State of the Nation Address, directed us to realise that “emerging from a period of uncertainty and a loss of confidence and trust, we resolved to break all that divides us, to embrace all that unites us”.

This profound statement by the President reaffirms our collective responsibility, irrespective of our political allegiances, race, religion or culture to transform and unite our Country.

Growing the Economy and Creation of Jobs

The 2019/20 Provincial Budget is tabled under extremely difficult socio-economic conditions where government is expected to sustain the delivery of quality services to the people of North West Province with limited resources at our disposal. The people of our Province expect, and rightfully so, a constant improvement in the quality, the accessibility and the level of the services we deliver.

Bagaetsho, boammaruri ke gore le fa ledi le re ntseng re le abelwa ke Puso ya Bogareng mo dingwageng tse di fitileng le se kalo, puso ya rona e kgonne go rebola ditirelo tse di farologaneng tse di neng di lebisitse mo go tokafatseng matshelo a baagi ba rona. Re amogela jaaka puso gore mo nakong e e fitileng, go na le mafapha a a dirisitseng matlole kwa ntle ga go latela dithulaganyo le melao. Jaaka Tonakgolo Prof Mokgoro a setse a buile, dikgato tse di masisi kgatlhanong le badiredipuso ba ba amegang mo tirisong e e botlhaswa ya matlole a sechaba, di tlaa tsewa.

Honourable Speaker, over the past twenty-five years the North West Provincial Government has contributed significantly in the dismantling of apartheid divisions by providing houses, delivering water, electricity and improving access to quality education and health care services. Nevertheless, there are still fault lines across the social landscape.

The Socio-economic Infrastructure which has been created over the last five years is in excess of R24 billion and below are some of the projects that have been delivered to date:

- An amount of R108 million was invested in the replacement of clinics at Lekgophung, Buxton, Madiba a Makgabana, Mosweu, Tweelingspan, Moshana and Weltevrede;
- In improving the status of our Traditional leadership we managed to complete 3 state of the art offices and in addressing the literacy of our community we completed eleven new libraries at an amount of R158 million;
- An amount of R382 million has been spent in the Expansion of Legislature building which addresses the acute shortage of office space and we pride ourselves that the building was completed earlier than expected;
- R60 million was spent in Upgrading of our three Vehicle Testing Station, one Registering Office as well as one Weigh bridge in Lichtenburg as part of our effort to contribute to the desired revenue required;
- In contributing to the housing backlog the province completed 562 Community Residential Units to strategic areas in the province at an estimated cost of R300 million in Moses Kotane (110), Matlosana (100), Mahikeng (100) and Marikana 252 units;
- An amount of R82 million invested in the establishment of hotel school in Taung of which the fencing, gatehouse and renovation of staff houses have been completed;

- An investment of R143 million has been made to deliver the first of its type old age home in Taung as well as two substance abuse centres in the province since the dawn of democracy;
- Improvement to our Agri-Parks and the notable infrastructure creation to the Taung Heritage Site estimated at R 123 million which is still ongoing.

Re tlhoka gore re le puso re lemosa baagi ka dikgwetlho tse di re lebaganeng mabapi le matlole. Re netefaletsa baagi gore bonnyane bo re nang le bone, re tlaa bo kgaoganya ka keletlhoko. Tekanyetso kabo e, ga se kgetsi ya puo fela, mme ke tshedimosetso ya kwa re tswang, mo re leng teng le kwa re yang mabapi le thebolelo ya ditirelo go baagi ba rona.

Today's budget consolidates limited resources to address the scarcity problem against unlimited wants from our communities. It is universal problem that people acting in common, or individually, will try all means possible to avoid to pay for public goods and services if such can be obtained with the minimum price possible. As such, there is a need to intensify efforts to address economic constraints, improve growth performance, create work opportunities and broaden economic participation.

Honourable Speaker, The Premier of North West Province, Honourable Professor Job Mokgoro during his State of the Province Address assured the people of this Province that "this government is committed to serving them as well as delivering services, while cleansing itself of all corrupt elements that might still be within our midst .

Having noticed an increase in number of unnecessary deviations requested on existing tenders which poses a risk of tender corruption, the Provincial Treasury is currently reviewing all the contracts to ensure compliance to regulatory prescripts. Where inconsistencies have been identified, such contracts will be subjected to investigations and where necessary, consequence management will be applied.

Honourable Speaker, the national economy, which is our main source of income was projected to have grown by 0.7 per cent in 2018 whilst our provincial economy was projected to grow by 0.3 per cent during the same period.

The projected low growth rate is exacerbated by the unproductive trade dispute between China and the USA which has resulted in a decline of the Chinese economic growth. China is the leading trade partner for South Africa and accounts for 9.2 per cent of South Africa's total exports to the rest of the world. Most of the exports to China are mineral products, a significant portion of which originates from our Province.

The North West 2019 MTEF budget caters for a population of about 3.8 million which contribute 6.8 per cent to the population of South Africa. According to the Mid-Year Population Estimates released by Stats SA, North West had the third largest net migration after Gauteng and Western Cape between 2011 and 2016 with 96 475 migrants and is projected to expand to 107 733 in the next two years. The Provincial unemployment rate declined from 28 per cent in quarter 3 of 2018 to 26.6 per cent in quarter 4 of the same year as a result of job creation. Importantly, 77 per cent of the employed workers are in the formal sector.

In presenting the 2019 National Budget Speech, Honourable Minister Tito Mboweni informed South Africans that the planned budget deficit of 4.3 per cent is becoming unsustainable as South Africa will need to borrow about R1.2 billion every working day in order to provide public goods and services during 2019. Debt to GDP ratio has been on an increase from 41.1 per cent in 2013 to 55 per cent in 2018 and it is projected to reach 60 per cent by 2024 before starting to decline.

South Africa experienced technical recession in quarter 2 of 2018 due to low output within the primary sector. There was however recovery in quarter 3 of 2018 when we recorded positive growth of 2.2 per cent. As a Provincial Government we are quite aware of the socio-economic challenges faced by our people. In responding to these challenges, through 2019/20 budget, we will direct resources towards poverty alleviation initiatives in the remote and rural parts of the Province including our townships, creation of jobs and promotion of economic growth.

Honourable Speaker, given the unfavorable economic outlook, today's address will largely be focusing on programmes that are geared towards growing the economy and creation of jobs. The details of such programmes are as follows:

We encourage investment and continue to support the roll out of Agri-Parks in all municipalities to address challenges of unemployment and poverty. To this end, we have allocated an amount of R91 million over the MTEF period which has been earmarked for the Agri-Parks programme.

Furthermore, the Province will be providing necessary support and policy interventions to ensure the sustainability of all types of businesses investing in the Province. Investors in rural areas and townships will be provided with affordable land and the necessary infrastructure by the Provincial and Local Government as part of the support.

Our peoples concerns about the limited opportunities in the Province which result in skilled economically active people migrating to other Provinces have been noted. Moleko Montshosi, Thuso Monnagaratsoe and Ramosimane Kalaote submitted budget tips around SMME development. In response to their concerns, the 2019 MTEF budget makes provision for SMMEs development and support funding from various departments, and public entities.

The 2019 MTEF budget makes provision for more than R200 million towards Small, Medium and Micro Enterprise development and support. This amount is made up of R90 million for contractor development and R110 million for SMME support over the MTEF through Economy and Enterprise Development. This allocation will assist emerging entrepreneurs with business support and will also be used for incubation programmes for at least three years to ensure sustainability of their business.

Minimum of 50 per cent of both R90 million of contractor development in the Department of Public Works and Roads and the R110 million for SMMEs in Economy and Enterprise Development must be directed towards youth, women and people with disabilities. The 2019 MTEF budget also makes provision for a dedicated amount of R39 million over the MTEF specifically for Youth Enterprise Services (YES).

National government under the leadership of President Cyril Ramaphosa is underway with an investment drive intending to position the economy in the new pathway of inclusive growth. The Province is also embarking on the same mission. To this end, on the 14th March 2019 we will be hosting the North West Investment Conference which envisages attracting local and foreign investors from different economic sectors to ignite growth in the Province and create job opportunities.

The establishment of African Continental Free Trade Area (ACFTA) of which South Africa is a signatory, present a great trade investment opportunity to North West by working with other African countries. Given our strategic location as a gateway to Africa through Botswana, our Province stands to gain from this agreement as goods will travel through our Province to SADC and other African countries.

The Province welcomes the National Minimum Wage Bill signed by the President. The bill protects low income workers and it will somewhat decrease income inequalities. As a result, the R20 an hour wage rate is going to make sure that no worker earns a salary that is below the poverty line of 1 Dollar a day. The introduction of the National Minimum Wage Bill is the beginning of government to tackle wage inequality in South Africa.

In recognising the importance of investment promotion, the Honourable Premier of the North West, Professor Job Mokgoro has also mentioned in his State of the Province Address that the Province through the North West Development Corporation (NWDC), has begun implementing Platinum Valley Special Economic Zone (SEZ) which will also house some of the enterprises in the Province.

The Province has established this zone in Bojanala Platinum District Municipality in collaboration with NWDC and Department of Trade and Industry (DTI). It is estimated that the SEZ will yield an investment opportunity in excess of R5 billion over the MTEF period and will create an estimated 7000 jobs of which 1000 are direct and 6000 indirect through agro-processing, general manufacturing, mining, mineral beneficiation, tourism, green economy and ICT. To achieve this, this budget makes an allocation of R31.525 million over the MTEF.

Honourable Speaker, availability of frequent and reliable flights in the Province is crucial for facilitation of investment which leads to sustained economic growth. It is within the interests of the Province that Mahikeng Airport and Pilanesberg Airports are upgraded from their current status so as to encourage service providers to invest on these routes.

An allocation of R30 million is earmarked for repairs to the terminal building and the replacement of the fencing around the Pilanesberg Airport in the coming financial year to mitigate on risk exposure and compliance to the Aviation Authority whereas R15 million is allocated over the MTEF to address the current infrastructure challenges at Mahikeng Airport. The Provincial Treasury will work with the Department in preparation for Viable Business Case for alternative funding options.

An amount of R4.668 billion has been invested in Provincial Roads Infrastructure since 2014/15. About 124km of roads have been upgraded from gravel to paving. This investment included rehabilitation and maintenance of the provincial road network through the Conditional Grants and the Equitable Share to ensure accessible and drivable roads to our needy rural communities.

Considering the limitation imposed on the Provincial Road Maintenance Grant, the focus for the 2019 MTEF infrastructure allocation estimated at R4 billion, is to complete all delayed roads projects, ensure sustainability of the existing road network through maintenance and rehabilitation to ensure optimization and compliance to the Grant Framework. This allocation is earmarked to contribute to job creation and contractor development initiatives.

The target for the province over the 2019 MTEF in relation to job creation is in excess of 40 000. Through this allocation the province will be able to create an estimated 64 direct and 200 indirect subcontracting opportunities for our small contractors.

Honourable Speaker, in the current financial year 7 road projects to the value of R820 million, with the length of 1 426 km, were implemented by SANRAL, and resulted in creation of 4 777 jobs. We encourage the Department of Public Works and Roads to strengthen their collaboration with SANRAL to ensure efficiency and effectiveness in integrated planning and delivery of our road network.

Honourable Speaker, North West Province is generally rural in nature with most of its population living in rural villages and semi-urban area. This pattern of settlement calls for implementation of the Provincial Comprehensive Rural Development Strategy (CRDS).

The Comprehensive Rural Development Strategy does not only seek to improve the standards of living and welfare of our people, but also to rectify past injustices and address skewed patterns of distribution, ownership of wealth and assets in rural areas.

The strategy requires an integrated approach for development and social cohesion through partnership with all sectors of society. The budget of this programme excluding Agri-Parks funding, is R70 million over the MTEF.

Re gwetla jalo babeeletsi go tswa mo maphateng a e seng a puso go beeletsa ko metse magae. Re kopa dikgosi tsa rona gore ba dirisane le babeeletsi le go tsaya karolo ka go tlhagisa mafatshe a a ka dirisediwang dikgwebo, go ya ka lenaneo la go tlhabolola metse magae. Tirisano mmogo ya dikgosi le babeeletsi e tla thusa gore go nne le ditlhabololo, tokafatso ya ditsela, tokafalo ya moruo le go tlhola ditiro le go fokotsa lehuma mo metse magae.

Honourable Speaker, we are currently experiencing an unsustainable situation where in excess of 60 per cent of our procurable budget has benefitted service providers outside the Province. To facilitate local economic development through procurement, the Province commits to create local procurement opportunities by spending R2.5 billion of the R4.5 billion allocated for procurable items. Further details on the departmental contributions to this target will be provided through the departmental vote speeches.

Honourable Speaker, having noted the socio-economic challenges of our province, the 2019 MTEF budget is intended to bring hope and trust that government cares for its citizens. Having dedicated substantial time to matters of economy, I would now like to deal with initiatives geared towards improving education, promotion of health and social protection, building a safe environment for our communities and our relentless fight to rid greed and corruption in our Province.

The Provincial Fiscal Framework

Honourable Speaker, the main source of funding for the provincial budget remains the equitable share amounting to R112.992 billion over the MTEF period. The 2019/20 equitable share allocation shows a healthy growth of 8 per cent compared with the 2018/19 allocation. This allocation creates an opportunity for expansion and sustainability of critical services to the community of North West province.

The equitable share constitutes 80 per cent of the provincial fiscal envelope. Conditional grants allocation contributes 17 per cent with the total budget of R23.825 billion and Provincial Own Revenue contributes 3 per cent or R3.944 billion over the MTEF. The 2019 MTEF budget amounts to R141.016 billion of which R44 billion will be spend in the first year of the MTEF.

As part of our continuous effort as improving our contribution to the Provincial sources of income through own revenue, the Provincial Treasury has finalized a revised generic Provincial Revenue Enhancement Strategy for adoption by Provincial Departments and Entities. Departments and Entities are expected to finalise their Specific Revenue Enhancement Strategies for implementation in 2019/20.

The following 2019/20 budget proposal incorporates funding of the aforementioned initiatives.

Funding proposals in support of improving education, promotion of health and social protection:

Honourable Speaker, our integrated initiatives towards improving education, promotion of health and social protection is implemented through the Departments of Education and Sports Development, Health and Social Development. The three Social Sector Departments receive a combined allocation of R31.139 billion in 2019/20 and remains the biggest beneficiary of the Provincial budget at 71.2 per cent. The Education and Sport Development receives R17.254 billion, R12.274 billion is for Health and R1.762 billion is for Social Development. The total allocation for the social sector departments over the MTEF amounts to R101.184 billion.

An amount of R1.333 billion will be transferred to schools with public ordinary schools receiving a bigger share of R981.097 million. Included in Department of Education and Sports Development budget is an amount of R481.859 million for school nutrition programme. This allocation will benefit 717 700 learners and this programme ensures that all learners have equal access to quality education.

Honourable Speaker, to bring dignity to our “girl child”, government will be spending in excess of R 14 million in the first year of the MTEF through the implementation of the Sanitary Dignity Project. This programme will be targeting learners in quintiles 1 to 3, who are on grade 4 and upwards.

The Education and Sports Development allocation makes provision of R548.276 million for learner teacher support material (LTSM) to facilitate effective learning and teaching.

Honourable Speaker, in his State of the Province Address, the Honourable Premier, Professor Job Mokgoro, boldly said that there will be no more pit latrines by the end of the 2019/20 financial year. In responding to the Premier's call, an amount of R253 million has been allocated to eradicate pit toilets in all 154 schools across the province, so that incidents of school children drowning and dying after falling into those pit toilets is addressed.

The balance of the allocation will be focusing on completion of delayed projects as well as schools damaged by natural disasters and riots. Considering the performance of the department of Education and Sports Development in the current year a focused attention should be given to their planning, reporting as well as capacitation to ensure that they do not lose future Conditional Grants allocations including Performance Incentive Grants.

Honourable Speaker, having adequate medicine and medical supplies at hospitals and clinics is not only our priority but remains a non-negotiable imperative. The Department of Health receives additional R154 million in 2019/20 and maintained over the MTEF to improve the availability of medicine and medical supplies as well as for laboratory services.

In order to address challenges relating to shortages of medical doctors, especially at rural areas we have previously awarded bursaries for students to study medicine in Cuba. To facilitate the employment of Health Professionals and improve our health services, an amount of R69.663 million has been made available in 2021/22 financial year. This is in line with our efforts to prepare our health system for the introduction of the National Health Insurance (NHI).

The Department of Health will procure additional 40 ambulances; 20 patient transports as well as mortuary vehicles during 2019/20 financial year at a cost of R21 million. We remain encouraged that with the procurement of this critical vehicles, that the emergency medical response turnaround times for our patients will be radically improved.

Honourable Speaker, violence against women and children remains a concern within our society. Government has put programmes in place to counter the scourge of this societal ill and an amount of R19.6 million has been set aside in 2019/20 for the Department of Social Development deal with this matter.

In addition to the above, Substance Abuse Treatment Grant as well as Social Worker Grant have been incorporated into equitable share so as to improve the capacity of the Department to deliver social services by appointing additional social workers and operationalise the treatment centres.

To facilitate the support of the culture and creative industry including the strengthening of traditional leadership, the department of Culture, Arts and Traditional Affairs receives R782.336 million in 2019/20 financial year, R814.825 million in 2020/21 and R860.069 million in 2021/22 financial year. Included in the 2019/20 allocation is R103 million for Mmabana and R144 million as a conditional grant for construction of libraries.

To further strengthen our initiatives for inclusive growth and job creation, the following Departmental allocations have been made:

Economy and Enterprise Development receives R475.283 million in 2019/20 financial year, R868.830 million in 2020/21 and R493.857 million in 2021/22 financial year. Included in this allocation for the Department, is an amount of R50 million in 2019/20 for unemployment and poverty alleviation programme and mining beneficiation, to be implemented by the North West Development Corporation. The allocation increases to R68.510 million in 2021/22 financial year.

Agriculture in our Province contributed 3 per cent to the Provincial GDP in 2017. An allocation of R1.473 billion has been made to the Department of ***Rural, Environment and Agricultural Development*** for 2019/20 financial year, which increases to R1.668 billion in the outer year of this MTEF period. Included in this allocation is R217.071 million for comprehensive farmer support. This comprehensive farmer support largely responds to the many budget tips that we have received related to emerging farmer support.

The stimulation of economic growth will not be complete without the contribution of tourism. To the extent that tourism is a direct contributor to other broad economic sectors, it is important to for us to sustain our efforts to grow the sector and ensure that the Province becomes a tourism destination of choice. The ***Department of Tourism*** has been allocated an amount of R276.878 million for 2019/20 financial year, which translates to a cumulative total of R901.894 million over the 2019 MTEF period.

Department of **Public Works and Roads** receives R3.248 billion in 2019/20 financial year, R3.3 billion in 2020/21 and R3.5 billion in 2021/22 financial year. Included in this allocation for the Department, is an amount of R90 million allocated over the MTEF as an addition to the Rates and Taxes budget, to assist municipalities.

Key to the attainment of our developmental agenda is the capacity of the state to manage, monitor, intervene and report on its performance and this largely depends on sound good governance, strong oversight structures and a safe environment.

In our efforts to strengthen good governance and oversight structures, build safer communities, fight greed and corruption, the Provincial allocations caters for the following Departments which supports the realisation of the above.

The **Provincial Legislature** receives R486.864 million in 2019/20 financial year and increases to R511.745 million in 2021/22 financial year. Included in this allocation for the Provincial Legislature budget is amount of R99 million over the MTEF for party political funding. Moreover R15.3 million allocated over the MTEF relates to maintenance of the Legislature building.

The **Office of the Premier** receives R656.6 million in 2019/20, R705.850 million and 748.087 million in outer two years of the MTEF. ICT programme, which is one of key priorities of government, is funded with R127.8 million in 2019/20.

Honourable Speaker, consistent with its mandate of management of public resources for efficient, effective and economic delivery of services through spending agencies, the **Finance** receives R528.722 million in 2019/20 financial year increasing to R652.471 million in the outer year of the MTEF. In order to ensure consistent strengthening of capacity and capability in municipalities, the Department has finalised deployment of municipal support staff to districts. This will be in effect from the beginning of April.

The intervention will ensure direct and uninterrupted support and capacity building to municipalities thereby improving competency of municipal finance officials. To make this a reality, amounts of R9.643 million, R9.889 million and R10.334 million were included in the allocation of this Department over the MTEF. In addition, R34.165 million for MFMA Human Resource capacity building has also been maintained in the 2019/20 financial year. Given the challenges in supply chain and contract management, Department of Finance will be rolling out contract management, Generally Recognised Accounting Practice (GRAP) and Municipal Standard Chart of Accounts (MSCOA) training as part of capacity building initiatives in municipalities. I am hopeful that the municipalities will embrace this good gesture and assistance from the Department of Finance.

Department of **Community Safety and Transport Management** receives an allocation of R2.265 billion in 2019/20, R2.388 billion for 2020/21 and R2.518 billion for 2021/22. Of this amount, an amount of R412.162 million has been set aside in 2019/20 for learner transport, that accumulate to R1.375 billion over the MTEF period.

The Provincial Treasury will be working with the Department on a process to determine the credibility of the budget for this programme for correctness. This process will include the validation of routes and development of a sound funding proposal over the MTEF.

This ***Department of Local Government and Human Settlements*** has been allocated R7.730 billion over the MTEF, largely funded by the Human Settlement Development Grant. In order to ensure that our people become rightful owners of their houses, an amount of R50.388 million and R53.160 million were added in the first two years of the MTEF to deal with title deeds. To improve the capacity of the Department in particular the Local Government Branch, the Departmental budget has been adjusted upwards by an amount of R95 million over the MTEF for the filling of key critical posts which would lead to improved intervention within municipalities.

Moreover, amounts of R277.541 million and R397.808 million were added in 2020/21 and 2021/22 financial years respectively from the Informal Settlement Upgrading Partnership Grant to facilitate the programmatic and inclusive approach to upgrade the informal settlement.

Water is a scarce commodity in the Province and the country at large. A number of projects have been funded through the Departmental allocation as well as indirect grant to the tune of R115 million in 2019/20. Over and above the National allocation through the Department of Water and Sanitation, the Department has been allocated R227 million over the MTEF to intervene in water and sanitation challenges throughout the Province.

Compensation of Employees

Honourable Speaker, the compensation of employees budget constitutes 58-59 per cent as a proportion of our provincial budget. Given the unsustainable growth in COE, the Honourable Minister of Finance, Mr Tito Mboweni has directed that spending on compensation of employees needs to be managed downward. Resultantly, members of the Provincial Legislature and the Executives will not be receiving salary increases this year.

In compliance to the Ministers directive, remuneration on overtime will be monitored on a quarterly basis. The Provincial Treasury will issue a directive to departments to submit comprehensive motivations for any upwards adjustment of compensation of employees above the inflation rate. Furthermore, consistent with National directive, the salary of the executives in our entities will also be subjected to “no salary increases” in 2019/20 financial year.

Interventions in Infrastructure Delivery

Honourable Speaker, the National Treasury in collaboration with Provincial Treasuries and other stakeholders in the infrastructure delivery space has completed the review of the Infrastructure Delivery Management System (IDMS) and the Standard for Infrastructure Procurement and Delivery Management (SIPDM) which will be published for implementation in the next financial year by the whole of Government including departments, municipalities and their Entities.

To this end the Provincial Government will review and adopt the Provincial IDMS protocol before the end of the second quarter that will guide infrastructure planning and delivery which will be enforced through a Control Framework for Infrastructure Procurement and Delivery Management.

Considering the current infrastructure delivery challenges in the Province ranging from underspending, ballooning accruals, huge project cost and time overruns we remain resolute that we will implement the “**No Plan No Budget**” approach and only projects that are ready for implementation will be funded moving forward.

Provincial Public Entities

Honourable Speaker, as announced by the Premier and in line with the current National reconfiguration process, Finance is currently working on the rationalization of public entities and such process will be finalised in due course. The current assessment indicates that there is a need to merge Parks and Tourism Boards into one entity. The merger will be finalised once all legislative and regulatory requirements have been concluded. This process also entails the relocation of Dirapeng from NWDC to the envisaged merged entity. The Legislature will be updated about all the developments relating to the rationalisation of public entities.

Conclusion

Honourable Speaker, before I conclude, I wish to acknowledge the contribution that has been made by South African through the budget tips.

The concerns raised by the people who submitted the budget tips ranges from issues around water and sanitation, roads infrastructure, health services, electricity, non responsiveness of municipalities, fraud and corruption, SMMEs development, education challenges, safety, culture and arts, and many other things that concerns our citizens. The many that we have received can be summarised by a tip received from Ms K Rangwaga, who is a graduate from the University of Pretoria, with a bachelor of education FET, and currently a teacher at Evander High School who said: North West province is full of rural areas which come with their own unique issues which need to be addressed specifically:

- Water, sanitation, electricity and proper roads needs to be looked at;
- Unemployment rate amongst our youth and women need to be reduced;
- To assist the unemployed families, a project of vegetable garden should be looked at;
- Schools should be a key focus area and primary schools need libraries and functional labs;
- Environmental projects should be prevalent to schools and lastly health care and social grants should be looked at.

In preparation of the budget, I will be the first one to acknowledge that not all concerns will be covered by the 2019/20 budget and I remain hopeful that with the little we have over the MTEF many of the concerns will be covered.

I have directed the HOD for Finance to put together a report which categorises the issues in terms of functional responsibilities and come up with a systematic process in order to respond to all issues.

All who have made contribution will receive responses through our social media platforms and email by the end of March 2019. We appreciate the contributions of our community members in response to the budget tips. We are pleased to learn that we have common desires on developments and services that our province and our people need.

Through this budget, we recommit to improve service delivery and we will enforce accountability, good governance and ensure that the delivery of quality services is consistent with the principles of value for money. We further recommit for optimal utilization of available resources to uplift the economic landscape of our province.

Mo kgwethong e e re lebaganeng e, re boa re ikana e bile re netefaletsa baagi gore ga re na maikaelelo a go latlhela seditse mme re tlhoka tshepo le tshegetso ya sechaba ka gonne setswana sa re “kgomo mogala tshwara thata e se re go utlwa sebody wa kgaoga”.

Fa re nopola mafoko a tsholofelo mo bukeng e e boitshepo, Bagalata 6:9 ya re “Jalo a re se leseng go dira se se molemo, gonne re tla roba mo pakeng e e leng yone fa re sa lape.”

I wish to reassure the people of North West that despite the budget limitations, the budget presented today is anchored on interventions to address shortcomings in service delivery. Our intervention focuses on:

- Inclusive economic growth and job creation;
- Improving education, training and innovation;
- Promotion of health and social protection;
- Strengthening good governance and building of safer communities;

- Promotion of culture and creative industries;
- Strengthening of Traditional Leadership;

These priorities are key in addressing of job creation, poverty alleviation, support to enterprise development as well as growing the economy of our Province.

Honourable Speaker, I wish to express my sincere gratitude, guidance and support received during the compilation of the 2019/20 budget to:

- Honourable Premier Prof. Job Mokgoro;
- Honourable Members of the Legislature;
- My colleagues in the Executive Council;
- Chairperson of Provincial Public Accounts Committee and the Committee Members;
- Chairperson of the Premier, Finance ,Economy and Enterprise Development Committee and Committee members;
- The Head of Department and Departmental Staff;
- Support staff in my Office and my family.

Ke a leboga! I thank you.

PROPOSED ALLOCATION OVER THE 2019 MTEF

Summary of 2019 Final Provincial Allocation to Departments

| Departments | R'000 | Medium Term Allocation | | |
|--|-------------------|------------------------|-------------------|---------|
| | | 2019/20 | 2020/21 | 2020/21 |
| Office of the Premier | 656 601 | 705 850 | 748 087 | |
| Provincial Legislature | 486 864 | 485 486 | 511 745 | |
| Health | 12 273 741 | 13 136 030 | 14 437 264 | |
| Culture, Arts and Traditional Affairs | 782 336 | 814 825 | 860 069 | |
| Community Safety and Transport Management | 2 265 151 | 2 388 476 | 2 517 578 | |
| Economy and Enterprise Development | 475 263 | 468 830 | 493 857 | |
| Finance | 528 722 | 589 473 | 652 471 | |
| Education and Sports Development | 17 253 879 | 18 609 269 | 19 782 000 | |
| Local Government and Human Settlements | 2 546 779 | 2 561 376 | 2 622 304 | |
| Tourism | 276 878 | 304 292 | 320 724 | |
| Public Works and Roads | 3 247 573 | 3 300 497 | 3 500 229 | |
| Social Development | 1 761 803 | 1 906 121 | 2 023 846 | |
| Rural, Enviroment and Agricultural Development | 1 472 957 | 1 578 211 | 1 669 025 | |
| Total Allocation | 44 028 547 | 46 848 737 | 50 139 200 | |



Together we move Bokone Bophirima forward.



WE BELONG



WE CARE



WE SERVE