

provincial treasury

Department:
Provincial Treasury
North West Provincial Government
Republic of South Africa

PROVINCIAL BUDGET SPEECH 2021/22

Let's grow North West Together.

PROVINCIAL BUDGET SPEECH 2021/22



MS. MOTLALEPULA ROSHO
MEC for Finance

16 MARCH 2021

2021 PROVINCIAL BUDGET SPEECH PRESENTED BY MEC FOR FINANCE, MOTLALEPULA ROSHO AT THE NORTH WEST PROVINCIAL LEGISLATURE ON 16TH MARCH 2021

Honourable Speaker, Ms. Susan Dantjie
Honourable Deputy Speaker, Ms. Viola Motsumi
Honourable Premier, Prof Job Mokgoro
Honourable Members of the Executive Council
Honourable Members of the Provincial Legislature
Executive Mayors and Mayors of Municipalities
Modulasetilo wa Ntlo ya Dikgosi, Kgosi Moshe Mabe
Dikgosi tsa rona
Chairpersons and Board Members of Public Entities
Administrators, Heads of Departments and
CEO's of State-Owned Entities
Distinguished Guests
Ladies and Gentlemen
Bagaetsho, Dumelang.

Honourable Speaker, in honour of the past leaders who fought tirelessly in shaping the democracy that we enjoy today, the African National Congress (ANC) has declared 2021 the year of Charlotte Maxeke. Let me remind this august house who Charlotte Maxeke was. She was a pioneering anti-colonialist feminist and an astute thinker who at the turn of the twentieth century spoke without fear on issues affecting black South African women and girls.

As we celebrate this stalwart throughout the year, we must remember that she was an extraordinary individual who rewrote the rules when they were flawed. In her activism and rebuke for the repressive system of apartheid, subjugation, and discrimination against women, she was conscious of what women had to contend with at that time, which was the triple burden of patriarchy, an oppressive regime, and an exploitative economic system.

Honourable Speaker, upon recognising the appalling employment conditions women were subjected to, this revolutionary matriarch opened an employment agency that aimed to structure labour and usher in a new era as women were typically not allowed to work.

This courageous leader fought tirelessly to bring about social change through agitation and protest. One wonders if she would be pleased with the socio-economic make-up of our society today, where women and children are relegated to the peripheral strata of the economy and exposed to gender-based violence and femicide (GBVF).

We draw strength from the values she has instilled in us and remember that in her interface with people, especially women, she always urged them to uphold values and behaviour that influence unity rather than focus on issues that cause division. Though Mama Maxeke is not with us anymore, her work will always steer us towards the right direction as she encouraged us to internalize the true fundamentals of selfless leadership and Ubuntu.

Honourable Speaker, COVID-19, gender-based violence and femicide (GBVF) have laid bare the exploitative social conditions women find themselves in, irrespective of the measures that have been put in place to fight the triple challenges of unemployment, poverty and inequality.

In our fight against the COVID-19 pandemic and gender-based violence and femicide (GBVF) her work and teachings remind us that unity must prevail amongst us even during the most trying times. Through her commitment, sacrifice, loyalty, respect, selflessness and patriotism, we are reminded that we must be like good timber.

An inspirational poem by Douglas Malloch states that “Good timber does not grow with ease, the stronger the wind, the stronger the trees, the further the sky, the greater the length, the more the storm, the more the strength”.

Honourable Speaker, for us to discover our true potential, we need to stand firm and be like the baobab tree as it grows and reaches its true potential by overcoming adversity as relayed by the State President, His Excellency, Mr. Cyril Ramaphosa in his January 8 statement earlier this year.

The baobab tree is a prehistoric species which fights through the harshest of terrains to grow to its full potential. Once it has reached its potential, it becomes a source of life to organisms in its ecosystem including animals and humans as it provides water, food and shelter to them hence it has been termed as “The Tree of Life.”

Re tshwanetse go tsaya malebela mo mofuteng ono wa setlhare sa mowana. Ga re kitla re ineela, re tshwanetse go lwa ntwaga katlanong le tlala, bothokatiro, kgatelelo ya bomme le mogare wa COVID-19 mme re sale re tsepame jaaka setlhare se. Se kgona go emelelena le maemo a a makgwakgwa mme se tswelele go tlhoga le go gola mo gare ga maemo ao. Se fenyakomelelo, lefifi mme se itlhagise go bona tlhabo ya letsatsi mo gare ga sekgwa.

Economic Outlook

The tabling of the current budget comes amidst tough economic times where for the past twelve months, most economic activities were halted at one point or another due to a national lockdown that had to be imposed under the National Disaster Management Act, No. 57 of 2002.

The COVID-19 pandemic has triggered the deepest economic recession in decades, threatening health, disrupting economic activity, and hurting people's well-being and jobs. The impact of the pandemic has ravaged through every layer of our social fabric as we know it. While the pandemic continues to turn the world upside down, new realisations are beginning to dawn on us and we have slowly begun to adjust to the '*New Normal*' way of conducting our lives.

Honourable Speaker, Minister Mboweni in the 2021 Budget Speech indicated that the global economic growth is expected to bounce back from the contraction of 4.9 per cent in 2020 to 5.5 per cent in 2021 before moderating slightly to 4.2 per cent in 2022.

The positive outlook comes on the back of expected rollout of COVID-19 vaccines and other additional policy measures that have been implemented by countries across the globe. The national economy registered a 7 per cent contraction in 2020. The expectation according to National Treasury is that we will see the economy rebound through a 3.3 per cent growth for 2021.

We expect the economy of the province to follow a similar trend to that of the country with regards to expected economic growth. According to forecasts made by IHS Markit, the North West economy is expected to tank by about 10 per cent in 2020 which will be the largest decline since 1997. The provincial economy is expected to bounce back with a positive growth of just below 5 per cent in 2021.

The effects of the pandemic have been calamitous on the employment levels at both the national and provincial levels. The unemployment rate for the North West Province according to Stats SA 2020 fourth Quarterly Labour Force Survey (QLFS) recorded 33.3 per cent which was an increase of 5 percentage points from the 28.3 per cent which was recorded in the third quarter of the same year. Statistics South Africa (StatsSA) reported last week Tuesday that, the South Africa.

This increase in unemployment could be attributed to the impact of the pandemic and its resultant lockdown. Many sectors of our economy are expected to recover with the current easing of the Risk Adjusted Strategy to move the country back to level 1 as was announced by the State President Mr. Cyril Ramaphosa on the 28th February 2021.

Provincial Own Revenue

Honourable Speaker, the performance of the provincial economy is guided by the national policy framework, therefore the underperformance of the national economy negatively affected provincial growth which resulted in declining own revenue collection. As a result, the 2020/21 provincial own revenue forecast had to be revised from R1.3 billion to R1.1 billion, a substantial drift away from the 5 per cent proportion of own revenue target.

Honourable Speaker, despite the revision of own revenue target, the province still experienced own revenue collection challenges especially the main revenue generating departments including Health, Public Works and Roads, Community Safety and Transport Management as well as Economic Development, Environment, Conservation and Tourism. As a result, casino revenue target has been reduced from R105 to R54 million through adjustment budget because of reduced tourism activities as patrons are understandably risk averse.

The revenue shortfall which was caused by COVID-19 forced lockdown has a minimum carryover effects on the 2021 revenue proposals. Latest forecasts indicate that the provincial economy will partially recover in 2021 and contribute to improved revenue performance.

COVID–19 in the Province

Honourable Speaker, as at 14th March 2021, the total number of confirmed COVID-19 cases in the North West Province stood at 62 158 with 58 376 recoveries which translates to a 94 per cent recovery rate. Even though the recovery rate is encouraging, it is important that we continue to observe all the non-pharmaceutical health protocols of wearing a mask, maintaining social distancing, and washing of hands. Sadly, 1 291 people in our province have succumbed to the virus. As at the 14th March 2021, the province had 2 491 active cases of COVID-19.

The pandemic has set back the gains we had made in the 27 years since the dawn of democracy. It also came at a time when our economy was greatly challenged with pedestrian growth and limited wealth redistribution, thus making the country one of the most unequal nations in the world. The consequences borne out of the COVID-19 outbreak are likely to further exacerbate poverty and inequality as the marginalized people in our communities are the ones that remain at the coalface of the devastating effects of the pandemic.

Record of performance in 2020/21

Honourable Speaker, during the State of the Province Address, Premier Mokgoro made a few announcements in relation to the record of performance for 2020/21. Over and above the announcements by the Premier, we are happy to mention some achievements registered through an expenditure of R38.482 billion which translates to 84.8 per cent of the R45.397 billion adjusted budget and this includes the following:

- Provincial COVID-19 spending on Personal Protective Equipment (PPE), Compensation of Employees and infrastructure projects amounts to R834.916 million as at 28 February 2021;
- Social welfare services provided through NGO's were supported with regular transfers amounting to R250.604 million;
- Department of Education, despite the challenges of COVID-19 provided the required teaching and learning programmes with Matric pass rate of 76.2% and spent R15.155 billion;
- School Nutrition Programme was implemented to ensure that nearly 730 000 vulnerable learners continue to benefit from this programme to this effect an amount of R385.443 million was funded by the National School Nutrition Programme Grant;
- Medicine and medical consumables amounting to R1.048 billion and R624.745 million respectively were procured for health facilities;

- Public Works and Roads implemented the road re-gravelling programme throughout the four districts, an amount of R100 million was spent through Provincial Road Maintenance Grant (PRMG); and
- Rehabilitation and refurbishment of roads funded at R315 million through the PRMG;
- Learner transport covered nearly 65 000 less privilege learners at the cost of R195.298 million;
- An amount of R14.430 million has been spent on paying 3 390 beneficiaries as a Relief fund as at 17 Feb 2021 to SMMEs impacted by COVID-19.

Honourable Speaker, I am pleased to announce to this august house that out of 12 provincial departments and Provincial Legislature, 5 registered unqualified audit opinion during 2018/19 while 8 were unqualified during 2019/20, which translates to an improvement of 24 per cent.

The audit outcomes for the Public Entities remained the same for the two consecutive years. To ensure business continuity of the North West Province, our financial systems support team continued to operate and process payments to service providers throughout the COVID-19 lockdown period.

Honourable Speaker, the Provincial Treasury made commitments regarding the professionalization of supply chain management in the province. Thirty-four (34) officials were registered with the Chartered Institute of Purchasing and Supply (CIPS) and 20 will be graduating in 2021/22 financial year with NQF level 6 and 8. Furthermore, we will continue to capacitate the supply chain management discipline in the province through the intake of 24 SCM practitioners.

2021 MTEF Fiscal Framework and Proposed Allocations

In the State of the Province address, the Honourable Premier TJ Mokgoro indicated that the Bojanala Platinum Valley Special Economic Zone is at an advanced stage. Funding has been set aside over the MTEF period to ensure successful implementation of this catalytic project.

When Minister Tito Mboweni delivered the Budget Speech on the 24th February 2021, he indicated that an amount of R10 billion for the purchase and delivery of the vaccines will be provided over the next two years. Vaccines will play a pivotal role in saving lives and livelihoods and supporting economic recovery. It is our belief that these funds will address the challenges of COVID-19 and will assist to stimulate economic growth.

Our province has commenced with the roll-out of the vaccination programme and as at 14th March 2021, 11 769 were inoculated. It is important to focus on debunking the myths, misinformation, and disinformation in circulation about the vaccine. The Province will cover the costs in excess of R106.475 million associated with the administration of the vaccine programme and related costs.

Furthermore, to enable the health sector to fight the COVID-19 pandemic and sustain the activities of expanding the prevention, screening, testing, hospital capacity and response to possible future waves of infections, an amount of R562 million is allocated in 2021/22 financial year.

Honourable Speaker, the revisions were made to the 2021 fiscal framework as a response to the budget pressures faced by government and to contribute to the fiscal consolidation measures. This year, we are allocating R46.240 billion to the Provincial Departments and Legislature, which grows to R92.923 billion for the last two outer years of the MTEF. This represents annualised growth of 3 per cent of the provincial budget.

The provincial budget is mainly funded from national transfers in the form of provincial equitable share and conditional grants which amounts to R36.792 billion and R8.221 billion respectively. This budget is composed of 79.4 per cent provincial equitable share, 17.7 per cent conditional grant and 2.8 per cent own revenue.

The Provincial Equitable Share reflects a drastic reduction of 2 per cent in 2021/22 when compared to the initial 2020/21 allocation and is expected to grow by 0.5 per cent in the last two outer years of the MTEF.

Social Cluster

Honourable Speaker, in addressing unemployment, poverty and inequality, the consolidated budget continues to prioritise the social cluster, with 78.8 per cent or R36.457 billion allocated to the education, culture, health care, social care services and provision of housing.

The **Department of Education** receives the largest share of the provincial budget over the MTEF period, increasing from R17.689 billion in 2020/21 to R18.011 billion in 2021/22 and to R18.427 billion in 2023/24. Key allocations include:

- Compensation of employees at R 13.824 billion mainly attributed to salaries for educators;
- R690 million to provide Early Childhood Development (ECD) at the Grade R and Pre-Grade R levels;
- R17.1 million is allocated for the Sanitary Dignity Project to ensure that young girls access sanitary dignity products in all public schools and remain in school;
- R546 million to provide nearly 740 000 learners with hot meals at school every day through National School Nutrition Programme Grant and
- R1.158 billion will be used to roll out new school infrastructure and maintain existing infrastructure, through the Education Infrastructure Grant;

Over the MTEF, the **Department of Health's** allocation is the second largest in the province, accounting for 30.5 per cent of the total provincial budget. In this allocation, R14.119 billion is reserved in 2021/22 and R27.436 billion for two outer years of the MTEF. The allocation for 2021/22 includes a once-off budget of R562 million in support of the Covid-19 vaccination programme.

This will enable the department to provide universal health care services to our people. This allocation makes provision for the following key priorities:

- R9.492 billion is allocated to fund the personnel budget and R434.4 million and R33.9 million respectively for Emergency Transport and Planned Patient Transport;
- Health Laboratory Services receive R546 million in the 2021/22 financial year and R660 million over the MTEF for blood testing, to detect illnesses that are associated with diabetes, high blood pressure and cancer amongst others;
- An amount of R1.436 billion is allocated for medicine and medical supplies and R66.9 million is allocated for the Cuban Doctors Programme.

Honourable Speaker, amongst others, the Department of Health is directed to consider the following key issues;

- Effectively and efficiently manage, monitor and report on the Compensation of Employee (CoE) allocations to prevent any overspending.
- The department must also manage down accruals to an acceptable level of not more than R400 million at the end of 2021/22 financial year;
- The department will continue to provide progress on the COVID-19 vaccination programme to our communities.

For the 2021/22 financial year, the allocation for the **Department of Social Development** amounts to R1.772 billion and it increases to R1.814 billion in the last outer year of the MTEF. Included in this allocation are the following:

- R566 million to provide comprehensive social welfare services to vulnerable groups through social protection, social investment and social cohesion.

- This above allocation will also cater for 6 224 of older persons accessing community-based care and support services across the Province;
- R54.9 million for family care and support services provided to individuals and families, R15.3 million is allocated for Gender Based Violence and Sexually Transmitted Infections and R22.2 million over the MTEF for Food Relief Shift.

Honourable Speaker, Social Relief of Distress remains one of the priorities of government and considering the fiscal constraints and the need to reach many, it is fundamental to ensure adequate planning for the acquisition and distribution of food parcels to our communities.

Furthermore, the department is required to strengthen the NPO's support and provide guidance to these institutions with business plans so as to prevent the delay with the provision of critical social welfare services.

In ensuring that the **Department of Human Settlements** provides adequate and sustainable integrated human settlements that promote improved quality of lives, R1.845 billion is allocated in 2021/22 financial year.

Included in this allocation is an amount of R1.235 billion for Human Settlements Development Grant which will be used amongst others for the upgrading of Informal Settlements Programme and the provision of basic services; increasing affordable housing and for transfer of title deeds to the new owners.

The **Department of Human Settlements** is advised to conclude on all outstanding matters relating to the reconfiguration and such matters must not put any financial and non-financial strain on the operations of the department in achieving its constitutional mandate. It is expected that all outstanding matters must be concluded before end of March 2021.

Honourable Speaker, to support social cohesion, promotion of human rights, arts, reconciliation, cultural diversity, provision of community library services, job creation, school sport and indigenous games, the **Department of Arts, Culture, Sports and Recreation** is allocated R710 million in 2021/22 financial year.

This includes R141 million for Community Library Services Grant and R46 million for Mass Participation and Sport Development Grant.

Economic and Infrastructure Development Cluster (EID) – Economic Growth and Job Creation

Honourable Speaker, the Economic and Infrastructure Development Cluster is positioned to implement the Economic Reconstruction and Recovery Plan to address unemployment, poverty, and inequality. The allocation for this cluster will increase from R5.452 billion in 2021/22 to R5.556 billion in 2023/24.

In 2021/22 financial year, the **Department of Economic Development, Environment, Conservation and Tourism** receives R938.096 million to ensure that the department can stimulate economic growth in the Province which will lead to an increase in job opportunities, especially for young people through an increased support mechanism for Small, Medium, and Micro Enterprises (SMMEs) mainly in rural areas and townships. The department's allocation includes funds for the following programmes and projects:

- R31.1 million for Bojanala Platinum Valley Special Economic Zone. This allocation is earmarked to finalise the establishment of the operating company and to fund the operations thereof. The MEC for DEDECT will elaborate more on this key priority during the tabling of the departmental budget vote speech.
- R8 million for the establishment of a Trade Market and permanent Flea Market; and R12 million for the two incubation hubs that will be established in Mafikeng and Moses Kotane Local Municipalities.

The department is expected to assist and facilitate the process of ensuring that provincial SMME's benefit from Nationally funded programmes. Such programmes include the Blended Finance Model to support SMME's and the Township and Rural Entrepreneurship Fund which have been allocated R885.3 million and R2.9 billion respectively. Both programmes are administered by the Small Enterprise Finance Agency (SEFA).

Honourable Speaker, in line with the objective of supporting emerging farmers and key provincial developmental initiatives in the agricultural sector, the budget for the ***Department of Agriculture and Rural Development*** is allocated R1.2 billion in 2021/22 and R2.4 billion for the two-outer years of the MTEF.

The budget amongst others, provides for the following programmes or projects:

- R26.8 million over the MTEF for Land Care Programme Grant: Poverty Relief and Infrastructure Development;
- R180 million is allocated in 2021/22 for Comprehensive Agricultural Support Programme Grant to transform and promote previously disadvantaged producers and ensure their inclusion in the agricultural mainstream economy in particular to achieve food security;
- R216 million earmarked for Farmer support programmes targeting to support 2 500 small holder farmers. This programme includes fencing of farms and drilling of boreholes. Through this programme farmers are also assisted with broilers, layers, fertilizers, pesticides, implements and seeds.

The ***Department of Public Works and Roads*** is allocated R3.350 billion budget in 2021/22 and R6.692 billion for the two outer years of MTEF for development and maintenance of provincial infrastructure which support service delivery and economic recovery initiatives.

This allocation includes R390 million for rates and taxes and R365 million for rural roads in the 2021/22 financial year. An amount of R31 million over the MTEF is also allocated for procurement and maintenance of Immovable Assets Management System.

Honourable Speaker, the disposal of non-core immovable assets is critical to realise a saving on the higher than anticipated Rates and Taxes. In addition, a quarterly progress report on the creation of jobs in line with Presidential initiatives, EPWP and projects implemented through Vuk'uphile mandate will be shared with EXCO and such reports must include amongst others contractor development initiatives.

Governance Cluster – Improved leadership, governance, and accountability

Honourable Speaker, the Governance Cluster's total budget amounts to R3.9 billion in 2021/22, which constitutes 8.4 per cent of the provincial budget. This sector is mainly responsible for providing oversight and monitoring government's programmes and priorities in the provincial and local spheres.

To ensure that the ***Department of Cooperative Governance and Traditional Affairs*** effectively monitors, supports and promotes local government and institutions of Traditional Leadership through the cooperative governance system, the department receives R674 million in 2021/22 and it is allocated R1.2 billion for the last two years of the MTEF. This allocation includes R97 million for Community Development Workers Programme and R116 million to complete the current water projects in the first year of the MTEF.

Furthermore, the department must coordinate and strengthen oversight on the implementation and funding for water projects from the available funding sources at national and municipal level.

Honourable Speaker, to support the mandate of promoting community and road safety, traffic law enforcement, oversight of the police and coordination of public transport services, the **Department of Community Safety and Transport Management** receives R2.198 billion in 2021/22. This includes R131 million in 2021/22 for the Public Transport Operations Grant and R300 million for Learner Transport. Over the MTEF period, an amount of R60 million is earmarked for renovation of Pilanesberg Airport.

An amount of R482 million is allocated in the 2021/22 financial year and R978 million over the two outer years of the MTEF to the **Office of the Premier** to marshal the Provincial Administration forces towards facilitation of integrated governance, planning and accelerated service delivery that is people-centered for improved economic growth in the North West Province.

Furthermore, this allocation will enable the Office of the Premier to strengthen the capacity and improve the efficient use of human capital. The budget includes R106 million earmarked for ICT programme.

In ensuring that the **Provincial Treasury** provides leadership in the management of public resources for efficient, effective and improved service delivery in the Province, an amount of R509 million has been allocated in the first year of the MTEF.

Included in this allocation is R32 million over the MTEF for municipal support which will focus on supporting municipalities to resolve their financial management challenges and R4.7 million in 2021/22 to ensure improved audit outcomes and manage the transition from modified cash to GRAP accounting in line with the PFMA.

Provincial Legislature

Honourable Speaker, the **Provincial Legislature** receives an amount of R467 million in 2021/22 to ensure effective and efficient oversight over the executive and all organs of state and to enhance public awareness and effective public participation in the Province.

This allocation includes an amount of R20 million in 2021/22 financial year for modernization of the Legislature Chamber with specific reference to ICT infrastructure.

Infrastructure

Honourable Speaker, to ensure credibility of the infrastructure allocations of both the Equitable Share and the Conditional Grants over the 2021 MTEF as well as aligned reporting and spending on approved projects across all government systems, the National Treasury introduced the use of a Web-based Infrastructure Reporting Model (IRM).

The IRM is the only infrastructure planning tool where the Table B5 Project List for implementation as well as the in-year performance and reporting of infrastructure will be extracted from.

Through improved integrated planning and delivery of infrastructure, the Province will be spending in excess of R15 billion over the MTEF on socio-economic infrastructure and such funds will be used for the development of sustainable houses, safe and drivable roads, functional health and educational facilities to mention but a few.

Honourable Speaker, the lack of integrated approach in planning and implementation of programmes remains one of the fundamental developmental challenges in our province. The Office of the Premier and Provincial Treasury will strengthen the planning and monitoring capacity of departments and enforce the elements of value for money given the tight fiscal envelop.

Furthermore, we will explore the utilization of alternative building technologies and government is in the process of evaluating proposals on these methods for implementation in the new financial year.

Key interventions for 2021/22

Honourable Speaker, before I articulate the strategy to respond to financial management challenges that have resulted in the crisis in our municipalities, please allow me to first quote my principals on their assessment of the state of municipal financial management.

His Excellency, President Ramaphosa has, in his State of the Nation Address, stated that: “Working with both public and private sector partners, government is implementing a range of measures to support municipalities to address inadequate and inconsistent service delivery in areas such as water provision, infrastructure built and maintenance. We are focusing on the appointment of properly qualified officials at a local level to ensure effective management and provision of services.”

The Honourable Premier, Prof. Tebogo Job Mokgoro has reiterated the call of the State President for the need to support and strengthen the local government sphere when he emphasised in his State of the Province Address that; “as a Province we remain concerned about the state of financial management in our municipalities. This situation impacts negatively on our municipalities' ability to deliver critical services of water, sanitation, electricity, roads and refuse removal”.

We will be intensifying our support to these municipalities through a coordinated process of the District Development Model (DDM) as well as building capacity in terms of Section 154 of the Constitution. A multifaceted panel constituting of legal, engineering and organisational development experts will be established to address challenges faced by municipalities in service delivery and organisational capacity. To this end, this panel will solely be used to support municipalities with the implementation of the financial recovery plans.

Honourable Speaker, the Provincial Treasury will be rolling out financial recovery plans to the 14 targeted municipalities with serious financial management and capacity challenges. Capacity building intervention to improve the financial management and reporting capacity of the municipal officials will include budget management, contract management, municipal standard charts of accounts (mSCOA) and GRAP standards.

The Provincial Treasury will be developing and implementing a Provincial Preferential Procurement Policy Framework as required by the Constitution. The objective of the framework is to use the North West Provincial Government procurement spend as a lever to promote and stimulate local economic development.

As we develop this framework, we need to ensure that it articulates clearly how women in business will be empowered to ensure that we bring about equity in line with the teachings of Mama Maxeke. To this end, the policy framework will make provision for 30 per cent of procurement spent on goods and services to be earmarked for designated groups. Of the 30 per cent, 15 per cent will benefit women, 10 per cent targeting youth and 5 percent for people living with disabilities.

Furthermore, due to lack of significant progress on 30% sub-contracting (where feasible) and pre-qualification criteria targeting designated groups by departments and entities, the Provincial Treasury will be introducing a standard bid specification committee agenda, as a provincial instruction note, to ensure these are considered in every bid issued.

The departmental quarterly reports will be used to track progress registered by all departments and entities regarding these important priorities of government and non-compliance may lead to suspension of quarterly cash flows of departments and entities.

The Provincial Treasury has established a panel of experts to assist departments and entities in investigating identified cases of irregular expenditure. All suspected cases of irregularities with possible fraud and corruption will be forwarded to SAPS and other law enforcement agencies for further investigation. Accounting Officers will be expected to implement disciplinary measures based on the recommendations of the reports.

Honourable Speaker, in response to the Premier's pronouncement in the State of the Province Address, Provincial Treasury is in the process of establishing a forensic unit to deal with allegations of identified fraud, maladministration and corruption in provincial departments, public entities, municipalities and traditional authorities. Furthermore, processes are underway to appoint a service provider for a period of 1 year to perform lifestyle audits as pronounced in the SOPA by the Premier.

Conclusion

Honourable Speaker, we must appreciate the government for participating and collaborating with other nations in securing vaccines that will bring massive relief in the fight against COVID-19. As we present the provincial budget today, we remind our people that we are under severe economic pressure, but the lives and health of our people matter!

The foundation has been laid by Mama Charlotte Maxeke. It is upon us that are left behind to determine whether the health and economic turmoil we find ourselves in, consumes us or we fight with our being and emerge victorious. As we continue to fight the COVID-19 pandemic that compounds the triple challenges of unemployment, poverty and inequality, collectively we must cherish these values in our daily struggles towards creating a better future for the people of this country.

Honourable Speaker, before I conclude, let me share this stanza from the beautiful poem by Edgar Guest titled “See it Through” which gives us assurance that as much as each one of us will face hard times at some point in life, our bravery, determination and hard work will make us victors.

"When you're up against a trouble,
Meet it squarely, face to face;
Lift your chin and set your shoulders,
Plant your feet and take a brace.
When it's vain to try to dodge it,
Do the best that you can do;
You may fail, but you may conquer,
See it through!"

Honourable Speaker, the poet reminds us that even though we feel like the hurdles before us are going to break us, we each have incredible strength that can push us forward.

Though we cannot control the COVID-19 pandemic, we can control the way we react to it, and we can help shape the direction society takes after it has run its course. Together, we can make this crisis the beginning of a fairer, more compassionate chapter in our history.

Honourable Speaker, I wish to express my sincere gratitude for the guidance and support received during the compilation of the 2021/22 Budget to the following:

- Honourable Premier Prof. Job Mokgoro and my colleagues in EXCO;
- Honourable Chairpersons and Members of Public Accounts and Finance, Premier and Cooperative Governance and Human Settlements Committees;
- The Head of Department and Team Provincial Treasury; and
- Support staff in my Office and my family.

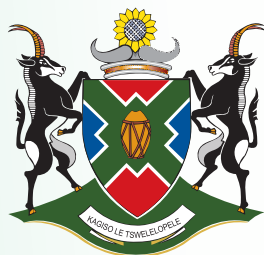
Honourable Speaker, I am convinced that working as a collective under these precarious circumstances we will emerge victorious and “**see it through**” with regards to the successful implementation of these budget proposals for the benefit of the people of the North West.

It is my honour to table the following documents to this august house for consideration and processing:

- The Appropriation Bill, 2021
- The 2021 Budget Speech
- The Estimates of Provincial Revenue and Expenditure (EPRE)
- The Socio-Economic Review and Outlook (SERO)

I thank you.

Departments	R'000	Medium Term Allocation		
		2021/22	2022/23	2023/24
Office of the Premier		481 533	487 511	490 392
Provincial Legislature		467 255	487 588	490 520
Health		14 119 217	13 712 388	13 723 867
Arts ,Culture, Sports & Recreation		709 693	728 720	731 788
Community Safety and Transport Management		2 197 973	2 246 437	2 298 563
Economic Development, Environment, Conservation & Tourism		938 096	955 866	969 970
Provincial Treasury		509 299	546 754	557 529
Education		18 011 179	18 260 887	18 426 928
Cooperative Governance & Traditional Affairs		674 228	572 787	589 818
Public Works and Roads		3 349 539	3 321 705	3 370 434
Social Development		1 772 382	1 800 037	1 814 417
Agriculture and Rural Development		1 164 657	1 205 718	1 216 099
Human Settlements		1 845 374	1 920 206	1 996 445
Total Allocation		46 240 425	46 246 603	46 676 769



provincial treasury

**Department:
Provincial Treasury
North West Provincial Government
Republic of South Africa**



Let's grow North West Together



WE BELONG



WE CARE



WE SERVE

