



## Office of the Premier

North West Provincial Government  
REPUBLIC OF SOUTH AFRICA



Premier SOR Mahumapelo

# Budget Speech

2018/19 financial year

**Date:** Tuesday, 08 May 2018

**Venue:** North West Provincial Legislature

**Time:** 08:30

**NB:** Please note that all guests are to be seated by 08h30 and registration will be done at the Legislature



The Budget Speech will be broadcast live on all Community Radio Stations and North West FM



North West Office of the Premier



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**BUDGET SPEECH OF THE OFFICE OF THE PREMIER DELIVERED BY THE HON.  
PREMIER HON. SUPRA OBAKENG RAMOELETSI MAHUMAPELO AT THE  
NORTH WEST PROVINCIAL LEGISLATURE IN MAHIKENG**

Hon Speaker of the Provincial Legislature,

Hon Members of the Executive Council,

Hon Members of the Provincial Legislature,

Leaders of Political Parties Represented in this House,

Our Esteemed Traditional Leaders,

Your Worship Executive Mayors and Mayors of our Municipalities,

Speakers of our Councils,

The Director General Dr Lydia Sebege and Heads of Provincial Departments

Leadership of Chapter Nine Institutions,

Chairpersons and Chief Executive Officers of State-Owned Enterprises,

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

The South African Local Government Association Chairperson,

Comrades and Friends,

People of the North West,

**Hon Speaker,** I stand here before your august house today, humbled by the unique privilege and opportunity accorded to us by the people of Bokone-Bophirima. Today we declare that even in the midst of despair when the fragility of our democracy was tested to its very ultimate limit, we remained confident that the edifice upon which our democracy is anchored will survive the test. It is therefore no miracle that the events of the past weeks reignited in us the spirit of resilience that kept our longing for liberation alive during the struggle for apartheid and guided our march to democracy in April 1994.

**Hon Members,** it is opportune that we invite the people of Bokone-Bophirima to remember the words of President Nelson Mandela during his inaugural speech on 10<sup>th</sup> May 1994, when he said:

**“The time for the healing of the wounds has come;**

**The moment to bridge the chasms that divide us has come;**

**The time to build is upon us”**

**Hon Speaker,** we call on our people to allow ourselves to be conquered by the powerful spirit of reconciliation, healing and renewal. As we seek guidance to restore our strained peace and shared humanity and patriotism, we also remember the words of Dr Martin Luther King, Jr:

**“Let us not seek to satisfy our thirst for freedom by drinking from the cup of bitterness and hatred. We must forever conduct our struggle on the high plane of dignity and discipline. We must not allow our creative protest to degenerate into physical violence. Again and again we must rise to the majestic heights of meeting physical force with soul force.”**

**Hon Speaker**, Bokone-Bophirima belongs to all who live in it, black and white united in our diversity. The soul that connects us, is the unbreakable yearning for the development and progress of our Province. In everything we do, good or bad, we share one objective to rebrand, reposition and renew our Province so that we can reach the majestic heights of what we are all collectively capable of.

**Hon members**, we thank all people of our Province for the restoration of conditions of peace and normality across all communities. Peace is an important precursor to development and prosperity. Working together with all structures and community bodies, traditional leaders and church leaders we are committed to address all issues raised by the people in resetting the Province on a path commonly shared by all the people.

**Honourable Speaker**, in order for the Premier to successfully execute the mandate as provided for under Section 125 of the Constitution of the Republic, we appeal to your house to approve the following budget as an abler for the implementation of programmes for the Office of the Premier for 2018/2019 Financial Year:

<b>DISCRIPTION</b>	<b>2018/19 ALLOCATION</b>
<b>Programme</b>	<b>R'000</b>
Administration	124 488
Institutional Development	404 717
Policy and Governance	246 176
<b>Total</b>	<b>775 381</b>

This budget is inclusive of Public Entities reporting to the office of the Premier; North West Development Corporation (NWDC) **R 79 801m**, and Youth Entrepreneurial Services (YES) **R 11 750m**.

## Programme 1 – Administration

The programme is responsible for the provision of efficient and effective administrative support services to the Office of the Premier. This programme is responsible for Corporate Management and Financial Management. Corporate Management is focussed on the provision of Human Resource Management, Strategic planning, monitoring and reporting as well as Office Support and Auxiliary services.

Hon Members, let me take this opportunity to outline some of the performance highlights by the Office under Programme 1 for the 2017/18 financial year:

- The office managed to deliver a leaner, fully funded organisational structure. In line with our decision to reduce the wage bill, the Office of the Premier has reduced the number of post in the approved structure from 960 to 817. We are happy to report that we have already received concurrence from the Minister of Public Service and Administration on the new structure.
- The managed to investigate all cases of irregular expenditure identified during the year under review and consequence management is implemented within the office where officials have transgressed the law and prescripts. Of the total reported irregular expenditure of R423,794 million as at the end of the 2017/18 financial year:
  - A total amount of R23, 042 million was de-recognised during 2017/2018;
  - An amount of R8,462 million has been submitted to Provincial Treasury through the Provincial Advisory Committee on irregular, fruitless and wasteful expenditure for condonation. The Office is still awaiting an outcome.

- An amount of R231,540 million has been submitted to National Treasury through Provincial Treasury for condonation and the Office is still awaiting an outcome.
  - Fruitless and Wasteful expenditure has improved by 82%, it was R27, 588 million in 15/16, and R4, 987 million in 16/17 financial year.
  - Accruals declined from R25, 470 million in 15/16 financial year, to R11, 967 in 16/17 financial year, which is an improvement of 53% in total.
  - No unauthorized expenditure has been incurred for the financial year 2017/18
- The Office achieved an improved turn-around time on payments of suppliers within 30 days. Of the total number of 3 714 invoice processed during 2017/2018, 95% of them were paid within 30 days, of which 91% of that was within less than 21 days.

**Hon Speaker**, we committed to continue with the same vigour to turn the financial management challenges in the office and improve on the audit outcomes for the current financial year. In the 2018/19 financial year, the office of the Premier will implement the following to improve efficiency and governance:

- Strengthen the financial management capacity
- Strengthen the corporate capacity and improve performance information outcomes
- Implement Post Audit Action Plan recommendations
- Revise our Risk Management Strategy to ensure effective controls
- Continue to manage the downward trend in the compensation of employees budget in order to release required resources for service delivery.
- We will strengthen our efforts to professionalize the public service by utilising R 3.2m of our budget to train staff in the office of the Premier and

recruit 41 interns particularly from villages, 22, townships, 16 and small dorpias 3.

**Hon Members**, the Office of the Premier is committed to maintain high levels of ethics, efficiency and good governance. We have therefore directed the Office of the Premier all outstanding disciplinary cases by the end of December 2018. This is in order to demonstrate our commitment to deal with corruption, fraud and any unethical behavior.

### **Programme 2 – Institutional Development**

Mmusa-Kgotla this programme is primarily mandated to provide strategic leadership and support to all provincial Departments through co-ordination, monitoring, evaluation and intervention in the implementation of policy frameworks, strategies and programmes related to Human Resource Strategy and Planning, Employee Wellness and Relations, Provincial Legal Advisory Services, Government Information Technology Office Communication, capacity and skills development through Ikatisong School of Governance as well as Integrity Management.

Honourable Members, during the financial year 2017/18, the Office of the Premier's performance under Programme 2 is briefly as follows:

- We have concluded that broadband business case and feasibility study
- We have conclude our software and hardware assessment project
- Through the Youth Entrepreneurship Services program, many youth across the province have been linked and assisted through skills, entrepreneurship and job creating opportunities, i.e. 1000 youth on general security practices learnership and 100 youth are now Retail Store Owners supported by the VTSD retail economy. Going forward the entity will receive funding through the Office of the Premier to carry out its mandate in terms of the North West Youth

Entrepreneurship Services Fund Act that was passed by the Provincial Legislature.

- During the 17/18 the Office of the Premier spent R48m to fund 403 students, from Villages, Townships and Small Dorpies to pursue studies in public universities.
- An additional R12m was spent to fund the enrolment of 43 Students with the Denel Technical Academy (11 as Electricians, 12 Aircraft Mechanics, 10 Fitter & Turner and 10 Welders). In the new financial year 18/19 additional 115 bursaries will be allocated to support youth from poor and working class families in our Villages, Townships and Small Dorpies.
- The Province hosted a successful VTSD Skills Development Lekgotla attended by 300 participants from all over the country including National Government Departments.
- Our efforts to establish a special economic zone in the Bojanala District received a massive boost when the NWDC secured R 110 million worth of investments for the Special Economic Zone (SEZ). The project is estimated to attract investment to the value of R 4bn. The project has potential of creating 6 045 jobs over a 5 year period.
- Through the NWDC a warehouse has been established and launched at Dr Kenneth Kaunda District, in Potchefstroom (JB Marks Municipality). In addition to the warehouse, a mini shopping complex, comprised of butchery; tuck-shop; hardware store and a hair salon has also been launched in Ventersdorp. 100 beneficiaries have been identified and have undergone training. It is our intention honourable members to further roll out the VTSD Tuck Shop economy to the rest of the districts.



**Hon Members**, activities of this programme have a direct impact on the lives of our people and we are encouraged by the key achievements registered for 2017/18 financial year. The focus for programme 2 in the 2018/19 performance period will include the following:

- Finalizing the Data Centre Modernisation project. This project is intended to host all North West Provincial Government Data and centralise all applications and systems. The Datacentre is providing a platform for an integrated management of government information.
- Finalizing the Enterprise Architecture. This project provides an ICT blueprint for the digitisation of the provincial government. This assists in prioritizing transformational initiatives that are service delivery focused.
- The transformation broadband connectivity. Key to this project will be the WIFI Connectivity in the following VTSD areas, Mofufutso, Manonyane, Gopane and Mocoseng. The service provider is appointed and on site.
- Through the NWDC facilitate the setting up of a Digital Platform which will enhance business intelligence for executive effective decision-making.
- The Office will launch a joint study with the Human Sciences Research Council (HSRC) on the Skills Supply and Demand in the North West. This study will assist establish an informed basis for future skills planning and resources allocation in the Province.
- The Province will later this year host the National Public Sector Trainers Forum Conference, bringing together just over 500 public sector HRD practitioners, international experts and academia to discuss important topics related to how efficiencies could be improved in the public sector through learning and development. The hosting of this conference reaffirms the correctness of the Makgotla approach in finding lasting solutions to challenges confronting human capital development challenges in the workplace.

**Honourable Speaker** the Office of the Premier will continuously strive to provide effective and efficient Institutional Development Support to the province; in ensuring good governance and dealing with Greed, Crime and Corruption. In the 2018/19 financial year we will implement a much more strengthened minimum security standards programme that will eradicate fraud, corruption and acts of misconducts in order to promote ethics and integrity in the discharge of our responsibilities.

### **NORTH WEST DEVELOPMENT CORPORATION**

Mmusakgotla, we will ensure that we support the economic growth of the province through ACT (**agriculture, culture & tourism**), and mining as a strategic tributary to these sectors. The NWDC will be central to drive the Provincial Mining Agenda which amongst its key activities by expanding small scale mining, Mining Beneficiation, Mining Procurement, and New Venture Mining.

**Honourable members**, NWDC is currently in the process of interacting with companies with mining rights in the North West Province, to complete the assignment during this financial year 2018/19.

**Honourable members**, we have recently embarked on reforming our public entities in line with initiatives at national level, by consolidating five public entities to establish the People's Economic Growth agency - PEGA. The reforms are aimed at enhancing the implementation of the NDP by creating an institutional critical mass needed to accelerate economic growth and development in the province, thus giving impetus to the attainment of a provincial developmental state, consistent with radical economic transformation.

The establishment of PEGA is guided by the 21 recommendations of the Presidential Review Commission (PRC) on State Owned Enterprises (SOE). When releasing the PRC report on 12 February 2016, said: “For the state owned companies to contribute to the successful implementation of the National Development Plan, they must be financially sound, be properly governed and managed,” The President went further on to argue that: “..., without strong vision and committed leadership; an enabling legal environment; effective performance evaluation; and appropriate competencies and capacities, effective and sustainable change will not occur in the SOE environment and, accordingly, the objectives of the Developmental State will not be realised. “The state must have the requisite capacities to implement these reforms including visioning and strategy-setting, appropriate human capital and structures, as well as efficient and electronic oversight systems to enabling monitoring and evaluation of SOEs.

The consolidation and strengthening of SOEs in the North West Province is no different to developments in other provinces such as Limpopo and Mpumalanga

The transfer of NTI and NWHC should be effected as soon as the necessary legislative processes are completed

## **YOUTH ENTREPRENEURSHIP SERVICES**

**Mmusa-kgotla**, the North West Youth Entrepreneurship Services is now listed as a Schedule 3 C Public Entity in terms of the PFMA. Plans are at an advanced stage to appoint the Board and resource the entity accordingly. YES will continue to identify and support cooperatives and amongst these initiatives, the entity will facilitate the Sefalana Poverty Eradication initiative to grow the basic ten food items to sustain food security in VTSD.

The approach will ensure and require:-

- Development of Sustainable Youth Owned Enterprises
- Business Incubation and Support
- Job Creation
- Municipal Support
- Provision of tailor-made public sector services on a youth set-aside basis
- Phase 1 of the project has since been launched on 22 November 2017

**Honourable Speaker**, the implementation of these strategic projects will address the three key challenges, namely poverty, inequality and unemployment.

### PROGRAMME 3

**Honorable Members**, Programme 3 is a very strategic unit in the Office of the Premier responsible for policy coordination, service delivery monitoring and intervention. Through programme 3, the office is able to focus 80% of our responsibilities on performance monitoring and interventions as part our effort to provide support to the Executive Council to make informed collective decisions. On a monthly basis the Executive Council is favoured with performance reports and this has intensified accountability and early detection of poor performance by Departments. We committed to improve on the implementation of remedial actions to act and stamp out poor performance by departments and municipalities.

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**Hon Members,** Let me share with you some of the successes registered by the Office under Programme 3 during the 2017/18 financial year:

- The Executive Council has approved the Provincial Development Plan (PDP) for the Province. This plan is aligned to the National Development Plan and serves as a blueprint for planning within the Provincial Government.
  - , We have also managed to finalise and approve the Provincial Spatial Development Framework (PSDF). The SPDF is a strategic document intended to guide investment choices inter and intra municipal boundaries.
  - We established 382 ward operation centres across the province from the 366 ward operation centres we had in the previous financial year. During the 2018/19 financial year and beyond, we will focus our efforts on consolidating and strengthening the functionality of these Ward Operation Centres across the province.
  - Through the Setsokotsane Operations Centre, we have managed to resolve approximately 80% of the service delivery complaints on a monthly basis throughout the Province. Similarly, we have registered a phenomenal 95% success rate in the resolution of all Presidential Hotline issues raised by our communities.
  - During 2017/18 Office of the Premier assisted the Department of Local Government and Human Settlement to automate the Back to Basics (B2B) reporting tool to ensure seamless reporting in municipalities during this financial year.
  - The Office of the Premier has completed Phase 1 of an integrated and holistic Provincial Monitoring and Evaluation system which will serve as a single source for reporting encompassing all Departments, Annual Performance Plans (APPs), projects and five concretes. Communities will access these monthly and quarterly reports through the web application using mobile-phones. Phase 2 of this Project will be implemented during 2018/19.
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- The Office has developed a Provincial Research and Evaluation Plan aimed at assisting in evaluating the effectiveness and efficiency of programmes and contribute to evidence decision making. Further, During 2018/19 the OOP is planning to carry out household surveys at ward level using the latest mobile GIS technology. This data will be used to determine the service delivery needs of communities.

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**Hon Speaker**, in the 2018/19 financial year, the office of the Premier will continue on the delivery of its mandate under Programme 3 through the following activities:

- Finalise the PDP implementation plan in the form of the Provincial Economic Growth and Development Strategy.
- Through the Planning Commission, profile all the Townships and Small Dorpies in the Province during the 2018/2019 Financial Year. This will help the province to critically analyse communities' situations and forge sustainable socio-economic development in the Townships and Small Dorpies.
- Continue to offer support to our youth 2016/17 through Innovation Awards in partnership with other stakeholders like the University of the North West and National Department of Science and Technology.
- We will embark on a project to review the twenty-four (24) years of government performance towards the end of the 2018/19 financial year. This comprehensive report will outline milestones and interventions which Departments, SOE's and municipalities put in place to deal with triple challenges of poverty, unemployment and inequality since 1994.

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**Madam Speaker**, we are proud to announce that we have successfully launched the Roma-Nna Setsokotsane 10 x 10 campaigns across all municipalities in the Province. The campaign is implemented from the 11<sup>th</sup> to the 20<sup>th</sup> of every month across the province. We intend to escalate these campaigns to improve service delivery in the Province.

**Honourable Members**, Bokone Bophirima communities are happy with what we are doing as testified by “Motlalepule Leepile (Instagram) from Rustenburg as follows: **“We really thank our government for the Roma-Nna Setsokotsane 10 by 10 campaigns in our municipalities, wish that more emphasis can be put in cleaning our towns which are dirty.”**

Dadee Letsholo (Facebook) from Brits also stated the following: **“Thanks to Setsokotsane I'm now a second year student nurse under da north west department of health. I really thank you very much for the bursary assistance. #bringing\_service\_to\_da\_people.”**

**In conclusion**, the Office of the Premier will continue to strengthen the Performance, Monitoring, Evaluation and Interventions. We shall continue with our efforts to effectively promote and implement the Roma-Nna Setsokotsane 10 x 10 campaigns.

As we conclude the last phase of the Medium Term Strategic Framework for 2014-2019, we are satisfied with the progress we have registered since 2014 as our contribution to the ANC’s electoral mandate to achieve:

🏠 **Radical economic transformation, rapid economic growth and job creation**

🏡 **Rural development, land and agrarian reform and food security**

🏠 **Ensuring access to adequate human settlements and quality basic services**

🎓 **Improving the quality of and expanding access to education and training**

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■ **Ensuring quality health care and social security for all citizens**

■ **Fighting corruption and crime**

■ **Contributing to a better Africa and a better world**

■ **Social cohesion and nation building.**

**Hon Speaker**, the final appraisal of our performance as Government and public representatives will be done by the people in 2019 through the only mechanism provided for in our constitution to effect change in Government, elections. The discord of our partisan criticism and accusations as members of the legislature does not always represent public sentiment.

We owe our presence in this house, to the humbling confidence bestowed on us by the people of Bokone-Bophirima whose commitment to democracy and its often unpalatable outcomes has been demonstrated through the last five successive free and fair elections.

**I thank You,**

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