



**provincial treasury**

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

# PROVINCIAL BUDGET SPEECH 2020/21

*Let's grow North West Province Together.*

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**MS. MOTLALEPULA ROSHO**  
**MEC for Finance**

**05 MARCH 2020**

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**2020/21 PROVINCIAL BUDGET SPEECH PRESENTED BY MEC FOR FINANCE, MS MOTLALEPULA ROSHO AT THE NORTH WEST PROVINCIAL LEGISLATURE ON 05 MARCH 2020**

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 le Dikgosi tsa rona

Chairpersons and Board Members of Public Entities

Administrators, Heads of Departments and CEO's of State-Owned Entities

Dean of Faculty of Economics and Management Science, Prof. Swanepoel

Educators and Learners of Tshidi Barolong Secondary School

Distinguished Guests, ladies and gentlemen

Comrades, friends and fellow citizens

Bagaetsho, Dumelang.

**Honourable Speaker**, the year 2020 marks the 90th anniversary of Mhudi, a novel published by the founding Secretary General of the ANC, Solomon Thekiso Plaatjie. The novel chronicles events of the Difeqane period which centered on the inequitable distribution of resources. The current land debates demonstrate how the skewed distribution of land had impacted negatively on allocation of resources resulting in poor economic growth and under-development.

In recognizing that our people still find themselves as pariahs in the land of their birth, we draw inspiration from this novel's narrative by being resolute in tackling the current triple challenges of inequality, poverty and unemployment. This requires bold decisions and discipline in the management of scarce resources.

**Honourable Speaker**, the current socio-economic condition expects of us to emulate Mhudi's character of being a strong and resilient woman, often rebelling against many things which were considered to be the norm and custom during her time. President Ramaphosa, during the State of the Nation Address, called on us to emulate the character of Mhudi when he said: "We can succumb to the many and difficult and protracted problems that confront us, or we can confront them, with resolve and determination and with action." The President was making a clarion call to all of us to be resilient and to rally behind government in tackling the challenges that confront us.

Mmusakgotla, Tonakgolo Prof. Job Mokgoro fa a ne a neelana ka seemo sa porofense mo dibekeng di le pedi tse di fetileng, o re gopoditse ka bagaka ba ba lwetseng kgololosego mme a gwetlha gore rona ba re setseng, re dire ka natla re le ngata e le nngwe ka gone **"tiro e tshaba diatla."** Tekanyetsokabo eno e diragala malatsi a le mmalwa morago ga go keteka kgwedi e neng e beetswe thoko go rotloetsa ma Afrika Borwa go ipela ka puo ya maleme a bone. Porofense e dirile se ka go keteka botshelo jwa ga Jabulani Tsambo yo o isitseng puo ya loleme lwa Setswana kwa setlhoeng ka mmimo wa Hip-Hop.

**Honourable Speaker**, Minister Tito Mboweni, in delivering the 2020 National Budget Speech highlighted seven fundamental pillars that have been identified to bring about structural changes that will grow the economy. These budget proposals reaffirm government's commitment towards the realization of these fundamental pillars with specific emphasis on the following:

- Focusing spending on Education, Health and Social Development;
- Restructuring State Owned Enterprises;
- Focusing on job creating sectors such as Agriculture and Tourism.

## **Economic Outlook**

**Honourable Speaker**, we are confronted by the stark reality that our economy has not grown at any meaningful rate for over a decade. The South African economy is projected to grow by 0.9 per cent in 2020. The GDP figures released on Tuesday, 3<sup>rd</sup> March 2020, indicates that for 2019, the South African economy grew by only 0.2 per cent and this implies that our economy is in a technical recession. Government debt as a proportion of GDP has been growing unsustainably at an alarming rate and is fast approaching the 70 per cent mark. The rising rate of unemployment, despite jobs being created through various sectors, has also remained unchanged.

Electricity supply constraints will likely keep economic activity subdued over the next couple of quarters. Our people are encouraged by the new progressive initiatives to rapidly and significantly increase the energy generation capacity in the country as pronounced by President Ramaphosa.

**Honourable Speaker,** South Africa's trading partners including the USA and China, are affected by slow growth which may have a negative impact on our economy. China, which is South Africa's biggest trading partner is currently experiencing a declining GDP growth rate whilst the outbreak of Coronavirus in that country may exacerbate our fragile economy. The outbreak has already started to negatively affect the busy tourism route from the East to South Africa.

Our provincial primary sectors especially the platinum mining industry continue to make a significant contribution to the South African economy. In 2018, the mining industry contributed R84 billion of the R259 billion provincial economy and the sector currently employs 134 000 people within the total workforce. The community services sector remains the largest employer with 267 000 people.

The Province continues to be faced with the socio-economic challenges of high inequality, poverty and unemployment especially in the rural and peri-urban areas. In the last quarter of 2019, the unemployment rate of the Province was recorded at 28.8 per cent while 46 per cent of the population continue to live in abject poverty. We remain determined to confront the status quo with the limited resources available to match the expectations of our people and will not succumb to these negative economic conditions that seem untenable.

**Honourable Speaker,** the province has exceeded its revenue targets during the last three years. Overall revenue collection has increased from R1 billion to R1.2 billion during the last three years. During the same period, the Provincial Treasury has successfully guided departments to revise and consolidate revenue baselines. This will allow the provincial own revenue base to grow to R1.4 billion over the MTEF.

**Honourable Speaker**, the following reflects progress registered since the tabling of the 2019/20 Provincial Budget.

### **Transfer of Functions**

With regard to the transfer of functions, the alignment of the Provincial Budget, changes to the provincial financial systems as well as the banking arrangements have been finalised. The Office of the Premier is currently working with all affected departments to finalise the placement of officials.

### **Clean Audit Strategy**

**Honourable Speaker**, one of the interventions we committed to in 2019 was the Clean Audit Strategy. The Provincial Treasury has rolled out the “Clean Audit Strategy” in four (4) departments as well as the North West Provincial Legislature which was included in the third quarter of 2019/20 financial year.

The progress to date is as follows:

- Secured commitments from the accounting officers and the executive authorities through the signing of MoU;
- Commenced with monitoring of procurement processes to ensure compliance with legislation;
- Assessed and validated the implementation of Audit action plans.

It must be noted that the clean audit programme is not a one year event as it requires continuous dedication and commitment over a period of time. The work that has been started by Provincial Treasury together with identified departments and Provincial Legislature around the implementation of the clean audit strategy will only come to fruition over the MTEF period.

## **Dealing with Irregular, Fruitless and Wasteful Expenditure**

**Honourable Speaker**, in the previous Provincial Budget speech, Provincial Treasury committed to put in place measures that will deal with irregular expenditure in the Province. The following progress has been registered to date:

- A process to build investigative capacity that will assist Departments and Entities to deal with extensive and long outstanding cases has commenced;
- An irregular condoning expenditure committee that will preside over Departments and Public Entities submissions in order to make recommendations for condonation has been appointed;

The introduction of the new Irregular Expenditure Framework changed the manner in which irregular expenditure is determined. Departments and entities have been trained on the new framework that will allow them to review the prior irregular expenditure.

## **Audit of Bids above R10 Million**

**Honourable Speaker**, in line with the Premier's pronouncements and provincial budget speech for 2019/20 financial year, the Provincial Treasury has commenced with the pre-audit exercise of bids/tenders in excess of R10 million. This will provide compliance assurance to limit potential irregular expenditure and improve accountability in the bidding processes. Fifty one (51) bids have been reviewed by Internal Audit and feedback provided to the departments.



## **Professionalising SCM**

In our quest to professionalize Supply Chain Management (SCM) in the province, Provincial Treasury registered thirty-four (34) officials with the Chartered Institute of Procurement and Supplies (CIPS). This programme will run for a maximum period of 18 months and the progress to date is satisfactory.

**Honourable Speaker**, in the recent past, a number of tender briefing sessions of municipalities and departments have been disrupted by unruly elements disguised as prospective service providers. These disruptions have led to the cancellation of tenders worth billions of rands that impacted negatively on service delivery, job opportunities and local economic development. These illegal activities have left us with no option but to activate criminal proceedings.

Government will create procurement opportunities for SMMEs in line with applicable legislation and will only transact with law abiding and compliant entrepreneurs. We reiterate our sentiment that citizens including the business sector have the right to raise issues of concern in a responsible manner without impeding on the constitutional rights of others. Citizens are encouraged to report incidents of maladministration and corruption through appropriate law enforcement channels.

**Honourable Speaker,** in our effort to capacitate and develop our entrepreneurs, the Provincial Treasury will be undertaking District Entrepreneurial Dialogues (DED) with the aim of empowering service providers on tendering processes, local content and sub-contracting. This will allow service providers to participate in the procurement opportunities of Government.

In our quest to empower local SMMEs, the Provincial Treasury, in collaboration with Department of Economic Development, Environment, Conservation and Tourism and North West University, have embarked on a process of developing a sourcing strategy which will be concluded in the 2020/21 financial year. This strategy will dedicate major goods and services and capital budgets to the local service providers especially designated groups.

To fast-track empowerment of people living with disabilities, the Provincial Treasury will enforce the implementation of Preferential Procurement Regulations 2017 with biasness towards this designated group.

## **Infrastructure**

**Honourable Speaker,** infrastructure delivery in the province remains a challenge with issues ranging from underspending, increased accruals, huge project cost and time overruns. A common thread with the lack of infrastructure delivery is the glaring absence of sound, credible and integrated planning in contravention with Infrastructure Delivery Management System (IDMS).

The Provincial Treasury during the 2019 adjustment budget reduced the infrastructure budgets of departments with an amount of R80 million due to lack of proper planning in line with the “**No Plan, No Budget**” principle. I wish to remind this august house that we will not relent in reducing the infrastructure budgets in view of poor departmental spending performance.

### **Rationalisation of Public Entities**

**Honourable Speaker**, the merger of Mmabana and Provincial Arts Council has been concluded as part of the rationalization of entities. With regard to the merger of Parks Board and Tourism Board, the Parks and Tourism Board Bill has been published for public comments. The MEC responsible for Economic Development, Environment, Conservation and Tourism will provide further details on the matter.

### **Support to Municipalities**

**Honourable Speaker**, the President in His State of the Nation Address (SONA) communicated the following critical message pertaining to Municipalities when he said “Provincial and National Government will re-double their support and strengthen the capacity of municipalities as required by Section 154 of the Constitution and provide for the monitoring and support of municipalities.” Despite intervention efforts by Provincial Treasury on financial management, municipalities continue to adopt unfunded budgets and contravene Supply Chain Management regulations which leads to financial crisis and poor audit outcomes.

In response to municipal failures, the following interventions have been implemented:

- Ensured that 15 municipalities revised their 2019/20 budgets to a funded position;
- Conducted Mid-Year budget and Performance assessments of Municipalities

Government calls on councilors and municipal administration to embrace and support these critical interventions that would lead to sound financial management and effective service delivery in our municipalities.

### **Budget and Expenditure**

**Honourable Speaker**, the Provincial Equitable Share has been reduced by R873 million over the MTEF. The 2020 MTEF Budget will direct spending towards programmes that seeks to stimulate economic growth and achieve greater value for money.

This has been achieved through top-slicing for provincial priorities such as water, roads and Special Economic Zone, and the reprioritisation of funds from non-essential items to priority items, in particular infrastructure projects.

In aggregate, for the period ending January 2020, provincial spending is recorded at R34.4 billion or 77.25 per cent of the total budget. The spending has been slower than the corresponding period of the previous year where spending was at 79 per cent.

**Honourable Speaker,** of great concern is the poor spending on conditional grants and infrastructure. The majority of departments do not prioritize spending of conditional grants and infrastructure. As at January 2020, departments recorded on aggregate a mere 54.8 per cent spending on infrastructure. This is a clear indication of poor planning, lack of commitment and poor management of infrastructure delivery which should trigger enforcement of consequence management.

## **2020 MTEF Fiscal Framework and Proposed Allocations**

**Honourable Speaker,** as announced by the Premier when delivering the SOPA, the current Administration has identified provision of water, roads, and job creation targeting women, youth and people living with disabilities as key provincial priorities. In addition to these priorities, the Provincial Government further identified 24 hours operating clinics, provision of housing, fighting crime and corruption. The Provincial Government has ensured that the budget allocations to departments respond to the identified priorities.

## **District Development Model**

**Honourable Speaker,** these priorities will be implemented in support of the District Development Model (DDM) as resolved by the 6<sup>th</sup> Administration. This model focuses on accelerating, aligning and integrating service delivery under a single development plan at district level. This will be implemented through National, Provincial and Local Government as well as business, labour and communities.

## **2020 MTEF Allocations to Departments**

The provincial equitable share allocation reflects a growth of 7.4 per cent, 7 per cent and 6.2 per cent over the three years of the MTEF respectively. On aggregate, the total Provincial Fiscal Framework amounts to R148.5 billion over the 2020 MTEF period. The provincial budget serves to confirm the commitment of the 6<sup>th</sup> Administration towards economic growth and job creation.

This year, the Province is appropriating R46.6 billion which grows to R52.4 billion in the outer years of the MTEF. This represents a 6 per cent annualized growth rate over the MTEF. Conditional grant allocations recorded a reduction over the 2020 MTEF. Health receives the highest increase of R121.4 million whilst Human Settlements recorded the highest reduction of R142.6 million over the MTEF period in respect of conditional grants.

The provincial own revenue reflects a growth rate of 5 per cent in 2020/21 and 5.4 per cent and 4.8 per cent in the two outer years respectively. The annual growth rate needs to be improved as own revenue should be used to cushion the departmental baseline allocations in the event of equitable share reductions. The details of the allocations are set out in the 2020 MTEF Estimates of Provincial Revenue and Expenditure (EPRE) as well as the Appropriation Bill, 2020.

In order to promote participatory democracy, Provincial Treasury involved the citizens of the Province in the budget process by inviting suggestions in the form of Budget Tips from ordinary members of the community. Ordinary members of the community responded positively with very useful tips which were considered during the development of this budget.

### **Funding for Strategic Provincial Priorities**

**Honourable Speaker,** the top-slicing, reassessment of the departmental baselines and reprioritization of the 2020 MTEF budget, presented government with an opportunity to fund the following strategic provincial priorities of the 6<sup>th</sup> Administration:

#### **Rural Roads**

Tumi aKa Boitumelo reminded “We have been voicing our concerns over and over regarding allocation budget for tarred roads in Ba-GaMaidi villages in Taung but dololo”. Tumi re lebogela kgakololo ya gago ebile re e sekegetse tsebe. Ke boammaaruri gore ditsela tsa metsemagae di tlhoka go tllhabololwa.

**Honourable Speaker,** the Province has been allocated an amount of R3 billion over the 2020 MTEF for the Provincial Road Maintenance Grant (PRMG). In addition to the national grant, an amount of R1.4 billion from the provincial equitable share has been made available over the MTEF for the upgrading of critical roads such as “Austry and Mmadinonyane” in Dr. RSM District.

Further details regarding the upgrade and rehabilitation of other roads, in particular rural roads, will be outlined during the budget vote speech of the relevant department.

### **Bojanala Special Economic Zone (SEZ)**

**Honourable Speaker**, an amount of R40 million in 2020/21 or R106 million over the MTEF is allocated for the establishment of the Bojanala Special Economic Zone (SEZ). This allocation is meant to strengthen the capacity of the Project Management Unit (PMU) and for the refurbishment of the park in preparation for designation. The SEZ is a catalyst for investment promotion which requires close co-operation with all stakeholders for success of the project.

### **Water and Sanitation**

The challenges of water, sanitation and severe drought conditions require coordinated and collaborated efforts by all sectors. Over and above, the provision of bulk water infrastructure by the National Department of Water and Sanitation through the Regional Bulk Infrastructure Grant (RBIG) in excess of R794 million over the MTEF, the Province is contributing an additional R100 million in 2020/21 or R300 million over the MTEF to fast track implementation of water projects aimed at addressing the water challenges in the province.

### **Allocations for Social Cluster**

**Honourable Speaker**, an amount of R115 billion over 2020 MTEF which is in excess of 75 percent of the provincial budget is directed towards social cluster for improving access to quality education, health care, social welfare services, provision of houses and promotion of arts and culture.



The **Department of Education** remains the biggest beneficiary of our provincial budget with an amount of R58.3 billion over the MTEF of which R18.4 billion will be spent in the 2020/21 financial year.

**Honourable Speaker**, our National Senior Certificate pass rate has shown good progress in the past three years. I wish to applaud the matric class of 2019 which recorded a tremendous improvement and achieved 86.8 per cent pass rate. In order to sustain and improve the gains that have been achieved with regard to access to basic education the following critical programmes that support education have been catered for:

- To create a conducive environment for teaching and learning an amount of R560 million in 2020/21 is allocated to resource 1 524 public schools with Learner Teacher Support Materials (LTSM), school furniture and other daily essentials;
- To provide Early Childhood Development (ECD) at the Grade R and Pre-Grade R, an amount of R713 million is allocated in 2020/21 and R1.505 billion in the last two outer years of the MTEF;
- An amount of R16.4 million is allocated in 2020/21 and R34.8 million in the outer years of the MTEF for Sanitary Dignity Project;
- For building of new schools including maintenance of school infrastructure, an amount of R3.3 billion has been allocated over the MTEF as our commitment towards effective teaching and learning under conducive environment for our teachers and learners;
- This allocation takes into account the planned rationalisation of the curriculum of schools into three streams model, namely Academic, Vocational/Occupational and Technical.

In our endeavor to improve the provision of Health Services in the Province, the **Department of Health** is allocated an amount of R13.2 billion in 2020/21 or R42.6 billion over the MTEF period. This is the second largest budget in the province representing 29 per cent of the total provincial budget. The infrastructure equitable share has also been reprioritized to address the Compensation of employees (CoE) pressures. The following critical expenditure items have been included in the 2020 MTEF allocation of the department:

- Over the MTEF, an amount of R2.6 billion is allocated to ensure availability of essential drugs and medical supplies in all medical facilities at all time;
- R136 million is added in the two outer years of the MTEF to increase the number of health professional with specific focus to absorption of beneficiaries of the Cuban Doctors programme;
- R1 billion in 2020/21 is allocated for Community Health Clinics as part of the Primary Health Care programme;
- The response time for Emergency Medical Services (EMS) in both rural and urban areas needs to improve. To facilitate the attainment of the national response standards, an R1.3 billion is allocated over the MTEF for the Emergency Medical Services.

**Honourable Speaker**, our resolve to improve the quality of life for all citizens of this province remain unshaken despite the current rate of violence against vulnerable groups in particular women and children. An amount of R106 million has been earmarked for Gender Based Violence and support to vulnerable groups within the baseline allocation. The Department of Social Development receives R6 billion over the MTEF period of which R1.9 billion will be used in the first year of the MTEF. Included in the allocation of this department is funding for the following key priorities:

- R18.7 million over the MTEF is availed to ensure that older persons have access to community-based care services and in old age homes;
- R5 million is allocated in 2020/21 and R10.8 million in the two outer years of the MTEF for Social Relief of Distress (SRD) services provided to individuals and households;
- The provision of Early Childhood Development (ECD) is of utmost importance and an amount of R266 million is allocated over the MTEF for the rollout of Early Child Development in the province.
- An amount of R1.4 billion over the MTEF allocated to NGO's for the provision of social welfare services with R436 million allocated in 2020/21 financial year.

The **Department of Human Settlements** is allocated an amount of R1.8 billion in 2020/21, R1.9 billion in 2021/22 and R2 billion in 2022/23. This allocation includes R4 billion over the MTEF for Human Settlements Development Grant and will be used to deliver 3,895 serviced sites, 7,567 housing units delivered, 10,295 number of title deeds transferred to new homeowners.

**Honourable Speaker**, in order for the **Department of Arts, Culture, Sports and Recreation** to provide an enabling environment that will empower and unify the people of the Province through arts, culture, sports, recreation programmes and information services, an amount of R789 million is allocated in 2020/21 financial year. This includes R139 million in 2020/21 for Community Library Services Grant and R42 million for Mass Participation and Sport Development Grant. This allocation includes funding for Mmabana Arts, Culture and Sport Foundation of R113.9 million.

## **Inclusive and sustainable economic growth leading to job creation (Economic Cluster)**

Malebogo Hengero, a young business salon owner in Mahikeng said “how will government assist young people to start their businesses and create jobs”. Malebogo, puso e beile tirisong mananeo a a farologaneng a go thusa dikgwebopotlana, maitlhommo magolo e le go fedisa botlhokatiro le lehuma. Ke kopa gore fa mokuhuduthamaga wa lefapha la tlihabololo ya ikonomi a neelana ka tekanyetsokabo ya lefapha, o tlhwae tsebe mme o etele lefapha.

The Department of ***Economic Development, Environment, Conservation and Tourism*** continues to lead our drive for economic transformation and recovery. The budget for the department in 2020/21 is R1 billion. With this allocation, the department aims to stimulate economic growth, which will lead to an increase in job opportunities, focusing on support and development of new and existing women, youth and people with disabilities’ SMMEs and cooperatives, stimulate tourism development and growth as well as to facilitate tourism sector transformation. The department’s allocation includes the following earmarked funds:

- An amount of R106 million over the MTEF for the Special Economic Zone;
- R47 million for upgrading and refurbishment of Taung Hotel School and R86 million for Trade and Sector Development initiatives;
- In support of the Tourism pillar as announced by Minister Mboweni, an amount of R184 million is allocated in the 2020/21 financial year;
- Environmental Affairs services is allocated R342 million which include an amount of R40 million for upgrading the Taung Skull Heritage Site;

**Honourable Speaker**, the Department of Economic Development, Environment, Conservation and Tourism accounts for majority of public entities in the province. To support public entities in discharging their responsibilities, the following allocations have been made:

- North West Parks Board is allocated R135 million;
- North West Tourism Board is allocated R101 million;
- An amount of R74 million is earmarked for North West Development Cooperation and R83 million is allocated for Gambling Board.

Amounts of R559.1 million in 2020/21, R583.9 million in 2021/22 and R611.7 million in 2022/23 are allocated to public entities to support provincial priorities. We have noted with concern the poor state of governance and accountability in public entities which has resulted in negative audit outcomes and lack of service delivery. In this regard, the Provincial Treasury will intensify its monitoring initiatives and enforce the implementation of Section 38 (1) (j) of the PFMA. Transfers will be withheld from non-compliant entities until appropriate remedial actions are implemented.

**Honourable Speaker**, Agriculture remains critical in stimulating the provincial economy given the agricultural potential that the Province possesses. In order to refocus the ***Department of Agriculture and Rural Development*** to its primary role, the refurbishment of Kgora remains critical. An allocation of R90.4 million over the MTEF is made towards the realization of this initiative.

The ***Department of Agriculture and Rural Development*** as one of the key pillars to economic growth and transformation has been allocated R3.9 billion over the MTEF to accelerate job creation through the agricultural value chains.

The allocation provides for the production of bulk fodder which will enable our farmers access to affordable fodder during the drought.

The department's allocation for 2020/21 financial year is R1.2 billion. These allocations, amongst others, will ensure increased agricultural output, expansion of agro-processing and creation of job opportunities in the rural space. Key programmes receiving funding in this budget are:

- R174 million for Comprehensive Agricultural Support Programme;
- R67 million for Ilima/Letsema Projects Grant; and
- R257 million earmarked for Farmer support programmes including fences, boreholes, piggeries, broilers, layers, fertilizers, pesticides, implements and seeds.

The ***Department of Public Works and Roads*** receives an amount of R3.5 billion in 2020/21 financial year and R10.6 billion over the MTEF period. This allocation includes R1.1 billion for Provincial Roads Maintenance Grant (PRMG) and R416 million is earmarked for upgrades and additions to provincial roads with specific reference to rural roads.

**Honourable Speaker**, office accommodation remains critical to the functioning of departments and creation of conducive environment for a productive workforce. In order to address critical Occupational Health and Safety compliance issues, an amount of R48 million in 2020/21 has been allocated for maintenance and rehabilitation of office accommodation.

The Department of Public Works and Roads will soon embark on the process of disposing non-strategic assets. It is estimated that this process will generate in excess of R150 million. This amount will be ring-fenced solely for the purpose of acquiring office accommodation for government departments.

The details relating to the disposal of non-strategic assets will be announced by MEC responsible for Public Works and Roads during the departmental vote speech.

### **Sound governance and leadership (Governance Cluster)**

**Honourable Speaker**, to ensure sound governance, creation of safe environment for communities, to facilitate and monitor the implementation of the Provincial priorities, an amount of R13.3 billion is allocated to the governance cluster. **The Department of Community Safety and Transport Management** receives the biggest share of the cluster's funding at R7.3 billion over the MTEF and R2.4 billion for the 2020/21 year. This will ensure that the department fulfils its mandate of promoting community and road safety, traffic law enforcement, oversight of the police and coordination of public transport services. The 2020/21 financial year allocation include amongst others:

- R124 million in 2020/21 Public Transport Operations Grant;
- R451 million for Learner Transport which is also intended to address the challenge of accruals from the current financial year;
- An amount of R20 million earmarked for upgrade and renovation of airports infrastructure increasing to R60 million over the MTEF
- An amount of R54.5 million is allocated for Provincial Secretariat for Police Service and R1.2 million allocated for Community Policing Forum (CPFs)

**Office of the Premier** receives R691 million in 2020/21 or R2.2 billion over the MTEF. This will ensure that sound governance and leadership is provided in the Provincial Administration with a firm focus on poverty eradication, community empowerment, and implementation of socio-economic transformation programmes. The allocation includes an amount of R13 million for Youth Entrepreneurial Services (YES) as a programme and R12 million for Provincial Council on AIDS (PCA).

**Honourable Speaker**, to support a well-functioning intergovernmental system, the *Department of Cooperative Governance and Traditional Affairs* is allocated an amount of R648 million in 2020/21 or R2 billion over the MTEF to effectively monitor, support and promote Local Government and institutions of Traditional Leadership. Included in this allocation is R56.6 million to promote and facilitate viable and sustainable local governance. Furthermore, in response to the challenges of water, an additional amount of R300 million has been set aside in this department to augment the national and municipal allocations with the view to fast track implementation of intervention measures in this area.

**Honourable Speaker**, the **Provincial Treasury** receives an amount of R557.5 million in 2020/21 increasing to R640.3 million in the outer years of the MTEF. This allocation will ensure that the Provincial Treasury provides leadership in the management of public resources for efficient, effective and economic service delivery in the Province. The allocation includes R31 million for interventions aimed at improving financial management in municipalities including the implementation of Section 139 of MFMA.



## **Legislative Sector**

**Honourable Speaker**, for the **Provincial Legislature** to optimally perform its core function, an amount of R1.6 billion is allocated over the MTEF period of which R504.3 million will be used in the 2020/21 financial year. This allocation includes an amount of R40 million, R81.2 million and R97.2 million over the MTEF for the refurbishment of the Legislature Chamber. Legislature Operations is allocated R199 million in 2020/21 financial year and will cater for amongst others public participation and funding for legislature committees.

## **Infrastructure allocations**

**Honourable Speaker**, despite the declining fiscus, the Provincial Administration has proven its commitment on infrastructure investment through increasing the Infrastructure Equitable Share portion by an additional R900 million over the 2020 MTEF to fund identified strategic provincial priorities that has been a bone of contention to our communities.

Through this funding, all efforts should be made to ensure that the socio-economic profile of the local area is improved and sustained. The delivery model of infrastructure should as far as possible embrace the use of alternative building and roads construction material as a cost saving measure but not compromising quality and standards.

The Provincial Treasury has ensured that the allocations for infrastructure especially those of priority projects are earmarked for realization of intended purposes. To this end, departments are expected to comply with the following conditions to facilitate the release of funds in the 2020/21 financial year:

- All identified new projects to be endorsed by the Executive Council (EXCO);
- Resuscitation of Infrastructure Governance Structures will be activated from April 2020;
- All new projects identified for implementation must be supported with approved Concept Reports, Business Cases and Project Implementation Plans for consideration by the Provincial Treasury;
- Submission of procurement plans for all identified Strategic Projects/priorities is mandatory and must be lodged with Treasury before the beginning of April 2020;
- Approval of deviations and variations will henceforth be included in reports to EXCO and Audit Committees;  
Inconsistent payments to service providers will be subjected to an internal audit process;
- Joint monitoring of project planning and implementation with the Office of the Premier will commence henceforth;
- Implementation of withholding of funds will be implemented where spending is not in line and reporting is either inadequate or incorrect;
- No funding will flow for implementation of new projects without duly approved credible Business Plans as well as concept and feasibility reports that seeks to establish the necessity, fit for purpose, value for money and readiness to implement.

**Honourable Speaker,** Infrastructure by its nature has the potential to create jobs which are much needed by our Unemployed Youth. It remains our collective responsibility to ensure that each EPWP project in the province leads to the creation of jobs especially for the unemployed youth and women as well as people living with disabilities.

The total Provincial allocation for Infrastructure is in excess of R16 billion over the MTEF and is expected to create in excess of 126 000 job opportunities across various provincial departments. Further details will be provided by Members of the Executive Council during the Budget Vote Speeches of their respective departments.

## **Conclusion**

**Honourable Speaker,** our struggle icon, Rre Solomon Thekisho Plaatjie believed in working together irrespective of race, gender and class. This orientation is premised on what he wrote in his book, titled Native Life in South Africa, where he expressed his firm belief that South Africa belongs to all who live in it. Despondency has never defined us. We know the strength of working together to overcome any adversity. Let us reflect on Sol Plaatjie's life and show that despite the enormity of the task ahead, we remain resilient.

Mmusakgotla, re ikuela go baagi ba porofense ya rona gore re itome sesino jaaka Rre Plaatjie mme re nne digatlhamelamasisi re dirise dithoto tsa puso ka kelotlhoko le matshwanedi. Bagetsho, le fa go le thata jaana, tekanyetso kabo ya gompiano e re gwetlha gore re se ineele mme re tswelele go nna batswasetlhabelo ba thebolelo ya ditirelo ka gonne Motswana o rile kgomo mogala tshwara thata e se re go utlwa sebody wa kgaoga.

**Honourable Speaker**, a clarion call is made to Members of the Legislature, entire public service, and citizens of the province to stand firm in ensuring that the implementation of the budget tabled today is geared towards fighting poverty, unemployment, and inequality whilst growing the economy.

I wish to express my sincere gratitude, guidance and support received during the compilation of the 2020/21 budget to:

- Honourable Premier Prof. Job Mokgoro and my Colleagues in EXCO;
- Honourable Members of the Legislature and the Portfolio Committees;
- The Provincial Treasury staff and Head of Department;
- Support staff in my Office and my family.

**Honourable Speaker**, it is my honour to present the following to the August House:

- North West Appropriation Bill, 2020;
- Estimates of Provincial Revenue and Expenditure;
- The Socio-Economic Review and Outlook;
- A copy of the Provincial Budget Speech 2020

**Ke a leboga.**

## 2020 Departmental Allocations

Departments	R'000	Medium Term Allocation		
		2020/21	2021/22	2022/23
Office of the Premier		691 205	717 717	745 457
Provincial Legislature		504 294	544 645	583 365
Health		13 197 187	14 261 615	15 145 117
Arts ,Culture, Sports & Recreation		789 188	837 382	896 690
Community Safety and Transport Management		2 368 808	2 510 947	2 624 637
Economic Development, Environment, Conservation & Tourism		1 015 811	1 048 178	1 101 870
Provincial Treasury		557 499	607 809	640 341
Education		18 379 620	19 389 251	20 529 706
Cooperative Governance & Traditional Affairs		648 046	671 564	699 007
Human Settlements		1 803 986	1 862 594	1 939 161
Public Works and Roads		3 456 839	3 465 224	3 694 558
Social Development		1 943 410	1 991 719	2 111 575
Agriculture and Rural Development		1 222 601	1 293 936	1 388 805
<b>Total Allocation</b>		<b>46 578 494</b>	<b>49 202 581</b>	<b>52 100 28</b>







***Let's grow North West Together.***



WE BELONG



WE CARE



WE SERVE