



SPEECH BY GAUTENG MEC FOR FINANCE, NOMANTU NKOMO-RALEHOKO, ON THE OCCASION TO PRESENT THE 2020/21 PROVINCIAL BUDGET, GAUTENG PROVINCIAL LEGISLATURE, 05 MARCH 2020.

Madam Speaker and Deputy Speaker

Premier David Makhura

Fellow members of the Executive Council

Chief Whip

Leaders of Political Parties

Members of the Provincial Legislature

MMCs of Finance and Councillors

Representatives from the Auditor General's Office

Senior Officials of Government and Municipalities

Representatives of Business, Organised Labour, Faith Based Organisations and Civil Society

Distinguished Guests

Comrades and Friends

INTRODUCTION

Madam Speaker, it was on this day, 05 March 1960 in Cuba that a Cuban photographer, Alberto Korda took an iconic photograph of Marxist revolutionary, Ernesto “Che” Guevara.

The photograph, when it was taken, it represented stoic and firm character of an ageless quality, devoured from specifics of time and place, therefore cannot be contained in the time warp.

This budget therefore, is a very strategic and important instrument to give concrete meaning as well as required calmness in this constraint socio economic environment, in order to remain focused on our plan for the next decade.

It is a budget whose fundamental proposition and validity must or cannot be confined to specific time and period like Ernesto “Che” Guevara’s photograph.

Rather it must be a North Star which becomes a constant reminder of our collectively chosen and determined direction that reflects relevance at each interval or legislated reviews.

The contours of a Gauteng of our dreams were eloquently painted by Premier David Makhura during his State of the Province Address. He identified a grand vision that is anchored on solid growth pathways that are leading us to 2030.

A substantive and mobilising appeal to this determined future, require of us in this magnificent House to embrace and adopt the Growing Gauteng Together 2030 with its clear roadmap.

This plan must come to represent a shared destiny upon which today, we can boldly commit ourselves to its staying power and the ability to hold us together to the fullness of time.

Madam Speaker,

This Budget Speech aims to outline the extent to which the GGT has been resourced, with a view to crystallise the ideals and the vision as outlined in the GGT 2030.

Let me hasten to indicate from the onset that the content of GGT 2030 does not constitute any departure nor a diversion from the overarching framework of National Development Plan 2030.

But instead, it is the best representation a Gauteng province's own context and a Gauteng "fit" blueprint, taken from the overall plan itself.

The GGT is predicated upon the following priorities, each with its key projects and programmes:

- Economy, Jobs and Infrastructure
- Education, Skills and Healthcare
- Sustainable Human Settlements, New Cities and land Release
- Safety, Social Cohesion and Food Security
- Sustainable Future For All
- Building a Capable, Ethical and Developmental State
- Building a Better Africa and Better World

The basic action needed from us across parties in order to realise this Gauteng of our dreams, is a sense of **urgency, consistency** in application, and **discipline** in the implementation of this plan.

We can still rise again from the difficulties of our current situation as the province, and this can be achieved through re-focusing our budget to the priorities of the 6th administration and the ten identified high-growth sectors, in order to grow this economy and create much needed jobs.

In the words of Vitruvius, a Roman author, architect and engineer, and I quote:

“Consistency is found in that work whose whole and detail are suitable to the occasion. It arises from circumstances, customs and nature”.

It underlines the point that, context and relevance are important and central in order to gaining or cultivate maximum clarity about or the end game.

The very real resource constraints we face, however, introduce a harsh reality check that, the needs will always outstrip the resources to fulfil them. This budget therefore outlines the very hard choices and trade-offs that have to be made as we move to grow Gauteng together.

Honourable Members,

How then do we achieve this vision, while at the same time being mindful that resources remain constrained in the short-to-medium term?

The centrality and mobilisation of partnerships and stakeholders behind this vision, becomes critical around those key and strategic sectors for high growth.

Therefore, the resources of this province and the mobilisation of others partners must be geared towards unpacking the value chain across a range of areas in the economy.

We are looking with interest at the emerging opportunities, legislative and policy development of “green gold” in order to **industrialise cannabis** for the growth of pharmaceutical as well as related industries.

These outlined 10 high-growth sectors are key strategic levers for provincial economic growth, to create job opportunities in order to achieve higher employment levels in Gauteng province.

Madam Speaker,

Our commitment to ongoing social transformation goals are best represented by the strides we have achieved towards alleviating poverty levels and increased asset base for the poor.

We remain unshaken in our common resolve to continue to spend about 80 per cent of our budget on Education, Health and Social Development in order to improve human development indicators.

Honourable members,

This excellent plan for economic growth and social transformation cannot implement itself. To this end, we need to invest in the skills, capabilities and the innovation required for such a modern economy.

The public service cadre in our province is very critical in the success of this plan. Mr Joel Netshitenzhe once posited how black professionals in particular could reshape South Africa's economic tone and social timbre. He said:

“Most black professionals nowadays belong, at once, in the binary settings of opulence and wretchedness. The sense of “arrival” is daily tempered by the realisation that we are only at the beginning of another episode in the never ending journey.

To ensure the gold at the end of the rainbow does not turn into mirage, professionals need to relate their narrow interests to the broader aspirations of society”

He eloquently argued that in pursuit of a new society, we cannot have the ultimate ambition of black professionals to be mimicking white elite lifestyles, believing that being accepted in the colonial courtyard of privilege constitutes the essence of economic transformation.

He concludes...“Otherwise, empowerment will merely complement white entitlement to historical privilege with black elite entitlement to larger crumbs that serve to purchase co-optive silence”.

Madam Speaker, for this plan to work, black professionals are at the centre of innovation, capability and organising skills required to ensure the success of building this Gauteng we dream about.

The call and expectation is for the mandarins and professionals in both the public and private sectors, especially black professionals who should, both in outlook and aspiration, present a destination that is liberating of the erstwhile oppressor and the oppressed, to define the new terms of its broader transformative value.

Building this capable State and its institutions, relies on the ability to rise to this occasion and the value system we are being called upon to realise by Mr Joel Netshitenzhe.

ECONOMIC OUTLOOK AND FISCAL CLIMATE

Honourable Members, as I cautioned during the tabling of the Medium-Term Budget Policy Statement in November 2019, our country is facing deteriorating economic and fiscal conditions.

Therefore, we need to collectively respond to create much-needed jobs, world class infrastructure, and key skills for a modernised economy, whilst improving the living conditions of our people, ensuring safe communities, as well as an integrated social cohesion and human settlements.

Madam Speaker

Last week Wednesday, the Minister of Finance confirmed that the global economy is expected to slightly recover as per recent estimates; it is estimated to pick up to 3.3 per cent in 2020, improving from 2.9 per cent in 2019.

For 2021, the International Monetary Fund (IMF) estimates the global economy to stabilize at 3.4 per cent growth. The slower growth in 2019 and slower recovery in 2020 are due to trade policy uncertainty, geopolitical problems, and inherent factors that continue to trouble the emerging-market economies.

Moreover, social unrest in several countries, and environmental challenges such as; drought in Southern Africa, floods in Eastern Africa, drought combined with bushfires in Australia, and hurricanes in the Caribbean, have also impacted the global growth prospects. The continuing decline in the world trade volumes is also negatively affecting the global economy.

Growth prospects have weakened in most Emerging Markets and Developing Economies (EMDEs). Productivity growth has slowed, slowing down the narrowing of the gap in living standards with the developed world. The broad-based slowdown of economic growth and policy stance in most major economies, is giving limited room for both monetary and fiscal policy makers, which is concerning.

The South African economy is faced with an equally challenging economic landscape. GDP figures released this past Tuesday confirmed that the domestic economy has declined by 1.4 per cent quarter-on-quarter in the fourth quarter of 2019; the economy has entered into a technical recession.

This indicates that there are tough times ahead of us. For several years now, the economy has been gripped by low economic growth, which has lagged the global economic one.

These factors, together with domestic constraints, have resulted in weak GDP growth for the South African economy.

Economic growth has failed to return to the pre-global financial crisis levels, while the population growth rate in the country has outpaced it. This has resulted in declining GDP per capita ratio since 2015.

The South African economy is expected to show positive growth, though minimal, despite the challenges in the global economy and after the sharp growth declines in 2019. The forecast of South Africa's GDP growth for 2020 is 0.9 per cent, 1.3 per cent in 2021 and 1.6 per cent in 2022.

Gauteng province continues to be the substantial contributor to the South African economic output, at about 35 per cent. As such, economic challenges at the national level will affect the performance of the province's economy. This negative trajectory at national level has also affected the economic activity of Gauteng.

The provincial economy also experienced a contraction in GDP growth in 2019. In the past few years, the economy of Gauteng has grown far slower than its population, subsequently creating a disproportionate weight, not only on the economic infrastructure and basic services, but also on the ability of the economy to absorb many people who migrate into the province hoping to gain economic opportunities.

GDP growth is expected to have a modest recovery in 2020 of 0.7 per cent, 1.5 per cent in 2021 and hover around 1.7 in 2022. Indeed, government spending is depended on availability of resources.

As the Gauteng Provincial Government, we receive 95 per cent of our revenue from direct transfers from national government. The low economic activity has had a great impact on the province's own revenue streams as well as on what the province receives

from the national government in the form of the equitable share and conditional grants.

We are therefore committed to manage our finances prudently to ensure fiscal sustainability. We have to track where every Rand is being spent. In line with this, the Budget that I table today for your consideration, Honourable Members, is anchored on our enduring principles, which are:

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

ENHANCING OWN REVENUE

Honourable Members, the Gauteng Provincial Government Own Revenue Enhancement Strategy and High-Level Implementation Plan for the period 2019 - 2024, which has been developed as a consequence of slow economic performance is currently being processed through the EXCO system for consideration, adoption and approval. This strategy has been developed to enhance and supplement resources available to implement provincial government priorities and ensure that we maintain quality service delivery to our people.

The strategy focuses on optimisation of current revenue sources and new initiatives. Implementation of the strategy depends on the administrative and political commitment of all Accounting Officers

and Executive Authorities. Thus, the strategy needs to be embraced by each leader, manager and staff member towards serving our people who deserve the ‘best’ services delivered on time and within the affordability of our limited financial resources.

Each of us should make a concerted and dedicated effort to get maximum value for money when implementing the different interventions to enhance and expand our revenue baseline.

SUSTAINING IMPROVEMENTS IN PUBLIC FINANCE MANAGEMENT

Honourable Members, our commitment to promoting integrity, good governance and ethical conduct in our public service is, indeed, unwavering.

Gauteng has been consistent in increasing clean and unqualified audit opinions over the past few years. We must continue on this trajectory and lead by example in championing transparency, accountability and the effective management of public finances.

As Gauteng, we continue to ensure we spend within sustainable levels. In fact Gauteng has been leading the way for the past few years, by ensuring that the provincial wage bill does not exceed 60 per cent of the total budget. Our view in this regard has always been driven by the realisation that unless we continuously take strong measures to manage the wage bill, government might not be able to maintain the level of public expenditure on service delivery priorities in future.

Amongst other things, we intensified measures to ensure that only critical posts are filled particularly in labour intensive departments such as Health and Education. We implemented the Identity Verification Solution to eliminate “ghost employees” and ensured that all salaries are paid to authentic employees whose positions exist in the approved organisational structures of departments.

In addition, we took measures to ensure that the head of every section in each department signs off on the payroll, every month to certify that these officials work for this section and so that salaries can be processed to verified employees. We will continue with these and other additional measures, in this 6th Administration to ensure that we tightly manage the Wage Bill in the province.

Corruption and fraud will not be tolerated in the provincial government.

The Open Tender system has been a major reform of public procurement process in the province. Tenders valued at more than R18 billion were adjudicated through this process and the province has been able to save more than R1 billion in potential irregular expenditure through it.

Since its inception, the Open Tender function has been overseen by the Gauteng Provincial Treasury. This included the procurement and management of independent auditors to probity audit, tenders processed through open tender.

Madam Speaker,

In the new financial year, we will begin with the process of decentralisation of the Open Tender System which will include the following departments: Infrastructure Development, Roads and Transport, Education, Cooperative Governance, Traditional Affairs and Human Settlements.

The Accounting Officers of these departments will be expected to take full responsibility and accountability for implementation and management in line with legislative requirements.

The Gauteng Provincial Treasury will continue to provide support to departments as and when required to ensure a smooth transition. As Premier Makhura stated during the State of the Province Address last week, it is clear that the system on its own is

not enough to fight corruption in the province. This is why we welcome the introduction of lifestyle audits for supply chain and human resources officials. It shows that when it comes to fighting fraud and corruption and promoting a clean public service, this province is taking bold steps beyond the financial disclosures.

We are accelerating the process to move the Forensic Unit currently located in the Gauteng Provincial Treasury to form part of the Integrity Management Unit in the Office of the Premier. This will better coordinate efforts of the Provincial government, South African Police Service and the Special Investigative Units, in order to fast track the finalisation of fraud and corruption cases.

In line with the Public Audit Act, we will support the work of the Auditor General in implementing consequence management for repeat and adverts findings taking disciplinary action and laying criminal and civil cases. We must root out fraud, corruption and maladministration in provincial government to protect public resources.

LEVERAGING PUBLIC PROCUREMENT TO TRANSFORM OUR ECONOMIC LANDSCAPE

In his State of the Province Address, Premier Makhura directed us to use “the lever of public procurement policy decisively to promote youth employment, women empowerment and the growth of black businesses and township-based enterprises.”

To support this vision, we will ensure that 30 per cent of our budget for goods and services is spent on township based suppliers. To further broaden participation of small and medium particularly township suppliers in the economy, the provincial government will continue with its drive to register suppliers on the Central Supplier Database and formalise informal businesses through the “***Qondis’ ishishini lakho***” campaign.

Two weeks ago, during the pre-SOPA programme I visited areas in Tshwane, including Soshanguve to rollout the supplier registration and other related programmes. In our interaction with the community, we discovered that our people are paying an amount of R2 500.00 to register a company on the Central Supplier Database. Let me make it clear, CSD registration is free.

To confirm this, Ms. Flora Motileng and Mr. Solly Matjeke both from Soshanguve, including Ms. Lebogang Tladi and Mr. Mzwandile Mafafo from Ga-Rankuwa, were able to register on CSD for free. **This is just one highlight of our success.**

Madam Speaker, we firmly believe that these are other practical steps that we are taking in order to contribute significantly in our efforts to transform the economy.

In this regard, we also welcome National Treasury's publication of the Draft Public Procurement Bill for public comment two weeks ago. We view it as one of the most important pieces of legislation that will enable us to further use the provincial budget to drive economic transformation while at the same time ensuring value for money and quality in services delivered. Public comments must be submitted to National Treasury on 31 May 2020. I have also written to the Chairperson of the Finance Portfolio Committee asking the Legislature to conduct public hearings on this critical bill.

PAYMENT OF SUPPLIERS ON TIME

Honourable Members, we are committed to ensuring that suppliers are paid on time. In this financial year, the provincial government is paying 92 per cent of its suppliers within 30 days and just over 60% within 15 days. However I continue to receive complaints about some invoices not getting paid on time. When this happens, the Gauteng Provincial Treasury intervenes and assists to ensure valid invoices are paid.

This government is fully committed to promoting the development of small and medium businesses particularly those located in townships. If we do not pay them on time for services rendered, it negatively affects their cash flow; service delivery to poor communities stops because work on projects cannot continue and people lose jobs. Payment of suppliers for services rendered is not a favour!

THE 2020 MTEF BUDGET

Honourable Members, Andile Mthombeni who lives in Johannesburg urged me *“to think broadly in terms of allocation of the budget and not only concentrate on building fully subsidised top structures. Government needs to maintain its infrastructure; when it rains, roads get flooded and property is destroyed”*.

Ms Mthombeni, in my Medium-Term Budget Policy Statement Speech in November last year, indicated that future budgets would be prepared from the basis of diminished receipts from the National Treasury, and that in the 2020 Gauteng Budget, I would be announcing the outcome of the process to implement baseline reductions, while minimally impacting on service delivery.

This Budget is the culmination of tough decisions that have had to be made, as well as concerted efforts to synchronise better with other spheres of government. This includes State-Owned Enterprises and the private sector, in terms of investments made in the Gauteng City Region space, in order to avoid duplication of resources and to leverage on each other’s strengths.

Alignment of Existing Baselines to fund Gauteng Government Government Priorities

Over the 2020 MTEF, the Gauteng Provincial Government (GPG) budget will amount to R457.7 billion, of which R142.4 billion is appropriated for 2020/21, R153.2 billion in 2021/22 and R162.1 billion in 2022/23. This budget not only has to address the

statutory requirements of GPG departments, but also begin to drive in earnest, the implementation of the GGT 2030.

National transfers in the form of the Provincial Equitable Share and Conditional Grants amount to R363.1 billion and R75.2 billion respectively over the 2020 MTEF. Provincial own revenue amounts to R21.2 billion and represents 5 per cent of our budget.

Economy, Jobs, and Infrastructure

The GGT 2030 describes Gauteng as the economic heartland not just of South Africa, but the African continent. With the past decade characterised by de-industrialisation and job losses that have worsened the already high levels of poverty and inequality, the thrust of the intervention will focus on bringing about an enabling environment for jobs to be created in the province through interventions in the key economic sectors, particularly:

- The introduction of Special Economic Zones to boost manufacturing, increase exports and jobs;
- Stimulating the provision of economic infrastructure investment, attraction and facilitation incentives with an allocation of R144.8 million over the MTEF
- Implement a cumulative incubation programme to provide skills and jobs in various sectors including furniture, artisans, chemical, pharmaceuticals, and mining.

Infrastructure

The GGT 2030 outlines the pressure facing Gauteng's infrastructure resulting from high levels of in-migration and increasing maintenance and refurbishment needs.

Infrastructure is a fundamental enabler towards the delivery of services, creation of sustainable job opportunities and economic development & growth. In line with the provincial priorities as outlined by our Premier in the State of the Province Address and

Growing Gauteng Together plan, the infrastructure budget tabled today directly supports the economy, the creation of sustainable jobs and the delivery of infrastructure. Through this infrastructure budget, we are also contributing to other provincial priorities such as Education, Healthcare and Human Settlements.

In the 2020 MTEF we are setting aside R36.7 billion for infrastructure. This represents an increase of 9 per cent from the 2019 allocation. We are going to be more rigorous in ensuring that we improve our planning on job creation targets and monitor the achievement of these targets. The Gauteng Provincial Treasury intends to not only legislate the Estimates of Capital Expenditure per project and per corridor, but also include job creation targets and achievements per project.

Our infrastructure delivery is based on the premise of implementing projects in such a manner that they provide value for money, thus achieving the best results and deriving maximum benefit from the very scarce financial resources that are available. We have learnt that sound infrastructure planning is the key success factor in effective and efficient delivery of infrastructure.

We are therefore going to continue to ensure and assess that departments prepare credible business cases for projects coupled with longer term infrastructure plans. Issues such as alignment with the Gauteng Provincial Spatial Development Framework, Municipal Spatial Framework and Plans are being mainstreamed when business cases and longer-term infrastructure plans are finalised. As a Treasury, we are implementing this work in close collaboration with the Office of the Premier.

In line with the Framework for Infrastructure Delivery and Procurement Management issued by National Treasury in 2019, we are also increasing our focus on the maintenance of existing infrastructure. It includes the development and implementation of maintenance management plans.

We have a property portfolio of 4 201 government buildings and if we adequately maintain these buildings we will:

- Reduce the need to allocate additional funding for refurbishments.
- Improve the life span of the buildings.
- Improve service delivery and;
- Create job opportunities for Artisans and related built environment skills from our townships.

Our infrastructure budget therefore places more focus on maintenance, especially in terms of schools, healthcare facilities and road infrastructure. Honourable Members, we will continue to lead performance reviews with our sister departments with a view to ensuring that projects are completed on time, within budget and meeting reasonable quality standards.

Infrastructure plays a major role in the perceived value of service delivery; thus we need to find the right balance between costs, performance and risk management. In addition, the increased national debt makes it extremely important that the province achieves maximum value for money with each Rand spent on infrastructure. Through our infrastructure budget, we will continue to focus on 'doing the right thing in the right manner' to get optimum results following good governance principles.

We all agree about the strategic importance of infrastructure investment for both service delivery and job creation, and it cannot be acceptable that capacity challenges in departments continue to result in underspending and stopping of funds by national government particularly conditional grants. This has been prevalent in recent years, and exposes the capacity of the state to deliver on its mandate. It is uncontested that the ability of line departments to deliver on their mandates in general, and infrastructure in particular, needs a radical revamp if the scarce resources that are allocated for capital projects and maintenance are to be spent correctly.

Education, Skills Development and Health

Education accounts for the second-largest share of individual GPG departmental budgets. This is an indication of its pivotal role in developing learners by providing quality schooling in a safe environment. Over the 2020 MTEF, GPG will be investing in the following:

- Ensuring that all learners entering the schooling system have gone through ECD, regardless of their socio-economic status. We have allocated R2.5 billion over the MTEF to complete the Universalisation of Grade R and preparing and piloting the introduction of Grade RR in public schools
- Improvement of literacy and numeracy across grades, for which R155 million is allocated over the MTEF.
- Schools of specialisation, in order to produce skills required by the economy; R954 million has been allocated over the medium term.
- Technical and Vocational Education and Training (TVET) and Community College Sector, in order to respond to the skills needs and high levels of unemployment; R184.7 million has been allocated for this over the MTEF.

Healthcare in Gauteng is under pressure due to the increase in the population as a result of in-migration, with 71 per cent of the population now relying on public health facilities. Gauteng Provincial Government continues to spend in improving efficiencies in the existing health platform by amongst other things, investing in the physical improvement of health facilities, as well as training and supporting health professionals to maintain the improvement in life expectancy and overall experience of patients utilising these facilities. Over the 2020 MTEF, there will be continued focus on:

- Improving the performance of facilities to meet the National Health Standards (staff attitudes and morale,

waiting times, and minimised litigation), for which an amount of R24.4 billion is directed

- Ensuring that community health care centres provide 24-hour services to the public, and R3.4 billion is set aside for this intervention over the MTEF
- The fight against HIV and AIDS and the attainment of the 90-90-90 targets - 90 per cent of people know their HIV status, 90 per cent of those who are infected are on treatment and 90 per cent of those who are on treatment have improved to the point where their viral load is suppressed. A total of R8.7 billion has been allocated over the MTEF.

Integrated Human Settlements and Land Release

Gauteng is still blighted by urban sprawl, with the majority of settlements located in the periphery, with poor access to social amenities and economic opportunities. This is further compounded by in-migration and the mushrooming of informal settlements, which further perpetuate poverty and inequality.

In order to reverse this picture, over the 2020 MTEF, the Gauteng Provincial Government will continue striving to:

- Building integrated high density and smart human settlements that ensure access to economic, transport and social amenities, by allocating R11.9 billion over the MTEF
- Improve planning and acquisition of suitable and well-located land for developing human settlements; R527.5 million has been allocated over the MTEF;
- Integrate planning with municipalities, upgrade of informal settlements and conversion of hostels to fully subsidised top structures, with a combined allocation of R2.8 billion over the MTEF.

Safety, Social Cohesion and Food Security

Safety is not something that can be taken for granted. Gauteng's population desires to live in a safe province, free from crime and violence, particularly against women. Children want to be safe in school, and motorists want to be safe on the roads. Majority of Gauteng residents are law-abiding, and only desire to enjoy the fundamental rights enshrined in the Constitution. In order to realise this, over the 2020 MTEF, resources will be allocated towards:

- Combating gender-based violence and upscale crime prevention through the provision of prevention programmes to vulnerable groups, psycho-social support to victims of crime, women and children and diversion programmes to children in conflict with the law; R349 million has been allocated for this purpose.
- Increasing police visibility across the province, and strengthening police oversight in all 142 stations and Community Policing Forums, for which R8.8 million is allocated over the MTEF
- Increasing proactive joint operations by Law Enforcement Agencies;
- Promoting agricultural development for food security and job creation and expanding the agriculture and agro-processing with an allocation of R106.8 million in 2020/21 and R280.9 million over the MTEF;
- Promoting agricultural development for food security and job creation with an allocation of R60 million in 2020/21 and R164.2 million over the MTEF;
- Focusing on reducing poverty, inequality and unemployment, through the allocation R216.5 million towards poverty alleviation initiatives such as food relief issued through food banks, food parcels and centre-based feeding programmes; and R822.1 million for delivering HIV/AIDS services through funded NPOs.

Building a Capable, Ethical and Developmental State

All these aspirations that I have outlined will not be realised in a meaningful way if the state, which is the key institution in the management of social relations, is dysfunctional.

The GGT 2030 recognises that for the state to fulfil its responsibilities, it should not only have the requisite capacity, it must be popular, accountable, ethical, efficient, transparent, activist and people-driven. To this end, over the 2020 MTEF, we will be spending resources in pursuit of:

- Programmes that monitor the use of government finances and enforce financial accountability in provincial departments; R129.9 million has been allocated over the MTEF;
- Support to local government on skills, financial management, service provision, infrastructure building and maintenance, with the aim of enabling effective service provision; R19.5 million has been allocated for this over the MTEF and;
- Building sustainable municipalities and effective delivery by allocating R100.3 million.

A capable state also has to harness advances in technology that enable quicker and more efficient delivery of services, given that we are in the Fourth Industrial Revolution, where ICT reigns supreme. Over the 2020 MTEF, some of the modernisation initiatives that we will be undertaking include:

- The roll out of a high-speed broadband access to deprived areas over the next three years, for which allocating R1.4bn is allocated over the MTEF;
- Providing R301.6 million over the MTEF to fund the operations of the Fully Managed Data Centre and the Gauteng Security Operations Centre to manage and secure the government resources relating to information technology;

- Digitising 100 per cent of government services, by allocating R782.9 million over the MTEF to provide transversal electronic systems used for financial and personnel management, communication services and other government services in Gauteng Province.

Towards A Better Africa and a Better World

In 2020, South Africa will be at the helm of the African Union, coinciding with the implementation of the Africa Continental Free Trade Area, which will provide further opportunities for cementing formal economic links and informal cross-border trade, at a time when the continent needs to scale up its integration into the global economy. The sheer size of Gauteng's economy would rank it as the seventh-largest country in Africa.

To this end, R18.2 million has been allocated over the MTEF, which will also go towards building networks and showcasing partnerships that lead to trade opportunities in the region and in the continent.

Sustainable Development for Future Generations

While Sustainable Development has been a fashionable catchphrase in recent decades, we can no longer ignore the reality of climate change, and its devastating impact on our lives. Gauteng, being highly urbanised and industrialised, yet boasting incredible biodiversity, needs to be mindful of poor environmental management and resultant degradation of our green spaces, air and water.

Given these challenges, GPG will be forging ahead with the promotion of the green agenda by focusing on renewable energy initiatives, such as converting coal-fired boilers to gas-fired boilers in health facilities, installation of water-harvesting tanks and rooftop solar panels, with nearly R209.9 million has been allocated over the MTEF to resource the Climate change and Sustainability

Strategy, ambient air quality monitoring, and the promotion and support of recycling facilities and buy-back centres with recycling equipment.

2020 MTEF NEW FUNDING FOR PRIORITIES

As the financial resources shrink, Gauteng Provincial Government remains committed to improve the quality of health and education services. Priority programmes and projects have been cushioned and protected despite the dwindling tax revenues. Every effort has been made to ensure that departments are able to meet their statutory and contractual obligations, despite having less resources at their disposal.

I now turn to the additional funding injected into the 2020 MTEF Baseline. These additional resources have been informed by the need to start putting into action what the Premier described in his SOPA as “Taking specific actions towards the realisation of the Gauteng of our dreams”.

We are all acutely aware that the apex priority in the 6th Administration is the Economy, Jobs and Infrastructure. The Premier dwelt at length on this priority during the SOPA, reiterating that there has to be an igniting of the high-growth sectors and new industries that will underpin the increase in jobs and retention of existing ones, without which Gauteng will not realise the ideals of the GGT 2030.

In terms of the **Economy, Jobs and Infrastructure**, an additional R417 million is allocated over the next three years. Of this amount, R200 million goes towards the Tshwane Automotive Zone, SEZ, augmenting what the City of Tshwane will be contributing and investing to this project, which is not only set to be a significant catalyst to the region, but also achieve the vision of Tshwane as the heart of the automotive industry in Gauteng.

In addition to this, the Tourism and Hospitality Sector, which is one of the ten high-growth sectors identified in the GGT 2030, will be receiving a cumulative R40 million over the 2020 MTEF, in order to invest in tourism infrastructure, and support new investment

opportunities relating to tourism, all of which are important as we strive to create jobs for the citizens of the province.

In order to give effect to the Premier's pronouncement on the Gauteng Transport Authority and its immediate focus on implementing all the plans developed in the past decade, as well as support to the Taxi Industry, a total of R157 million will be allocated over the 2020 MTEF. This will go a long way in bringing affordable, reliable and integrated public transport closer to residential and industrial areas, and introducing a single-ticketing system between buses, taxis and trains and improving intermodal facilities. A once-off amount of R20 million will also be allocated to the implementation of online renewal of vehicle licences.

The GGT 2030 priority of Education, Skills Revolution and Health is premised on the importance of a skilled and healthy workforce that can contribute positively to economic growth. As the Premier pointed out, it is no mistake that over 80 per cent of the provincial budget focuses on Education and Health, and the additional resources injected into this priority bear further testimony to this.

Over the 2020 MTEF, R3.1 billion is allocated towards the broadening of access towards quality healthcare. Of this amount, R1.6 billion will be directed towards strengthening of District Health Services, in particular the extension of 24-hour services in all 32 Community Health Centres in the five corridors of the Gauteng City Region. This will also go a long way in alleviating the pressure at various hospitals, and contribute to a better patient experience for the users of the public health system. A further R1.5 billion is allocated to the growing need for mental health services to be addressed effectively within public hospitals.

The R2.8 billion allocated to the prioritisation of quality Early Childhood Development (ECD) and primary education give effect to the quest for more impactful and transformative outcomes, by ensuring that a solid foundation is built that can overcome the current problems of poor performance in the Science Technology

Engineering and Mathematics (STEM) subjects, as well as Accounting and Economics. Only then can today's learners develop the specialist skills aligned to existing and future economic opportunities and new frontiers in science, technology and innovation. These are key to the Gauteng of the future, one in which future generations will prosper.

Safety, Social Cohesion and Food Security are a central focus of the GGT 2030. With Gauteng residents identifying safety and the fight against crime as the second most important thing after jobs, the 2020 MTEF has responded accordingly, and a total of R625 million in new money has been injected to bolster the various elements of the Safety Strategy. Of this amount, R280 million will go towards recruiting and equipping 400 traffic officers, in an effort to increase visibility and enhance road safety.

Other aspects for which additional funding of R108 million has been allocated include the implementation of integrated command centre, particularly harnessing of technology to enhance the Provincial Operations Centre and procurement of patrol cars.

Gender-Based Violence (GBV) remains a shameful aspect of our society, and must be confronted in whichever form it manifests. Over the 2020 MTEF, a total of R189 million is directed to the actualisation of the GBV Response Plan, some of the elements of which include gender training for law enforcement officers, providing shelters and victim empowerment centres in all five corridors, and skills training and placement for survivors.

The GGT 2030 priority Integrated Human Settlements and Rapid Land Release recognises in order to realise the promise of providing economic and social opportunities for all Gauteng citizens, then the spatial fragmentation and spatial inequality that are so prevalent in the province, must be tackled decisively. In this respect, the Rapid Land Release programme will see unused government buildings and land freed up for development, economic growth and job creation. Over the 2020 MTEF, a total of

R205 million has been set aside to provide 10 000 service stands to qualifying Gauteng residents who want to and are able to build their own homes.

During the same period, R157 million has been allocated towards the completion of all incomplete human settlements projects, including the Urban Renewal Projects in Alexandra, Evaton, Kliptown, Bekkersdal and Winterveldt. A further R139 million will go towards the issuance of title deeds in order to provide security of tenure, as well as assist in unlocking the economic value of these properties.

In the 2020/21 financial year, R65 million has been allocated to address the upgrading of hostels. Over and above the existing resources for hostel re-development, additional resources have been allocated to develop a medium to long term Infrastructure Maintenance Plan for the Gauteng City Region hostels. This exercise will inform the maintenance plan and total project costs over the period of five to ten years.

All in all, a total of R566 million has been set aside over the 2020 MTEF for Integrated Human Settlements and Rapid Land Release.

All these aspirations will, however, fall flat if there is no disciplined execution of priorities and programmes that are espoused in the GGT 2030, which recognises the importance of Building a Capable, Ethical and Developmental State. The R295 million allocated over the 2020 MTEF specifically focuses on promoting a responsive, accountable, effective and efficient provincial public service, for which R82 million is channelled towards various capacitation initiatives.

More importantly, an amount of R114 million has been earmarked over the 2020 MTEF towards support to struggling municipalities, specifically to improve service delivery outputs and build efficiencies. R99 million is also allocated for the purpose of civic awareness and voter education campaigns.

CONCLUSION

It goes without saying that the vast resources allocated over the 2020 MTEF budget require that we embrace wholly the concept of good governance through the provision of good fiscal stewardship, ensuring that we spend in line with the policy priorities we are pursuing, and transparently and accountably.

We must strive to improve audit outcomes at provincial and local government level, and ensure that these improvements also translate into tangible improvements in the lives of Gauteng citizens.

We must ensure that we improve spending of infrastructure and conditional grant allocations and realise value for money as we do so, as well as ramp up own revenue collection, particularly in light of the pressing resource constraints facing Gauteng, and South Africa as a whole.

In order to give meaning to the GGT 2030 within the existing resource envelope, the composition of the budget and expenditure must be reoriented from consumption and administration towards investment and service delivery items.

Fiscal discipline has to be tightened up so that we learn to live within our means, and the incidence of accruals and payables not recognised is greatly reduced. The challenges caused by contingent liabilities cannot escape mention. We welcome the initiatives by the department of health in their current process of managing contingent liabilities.

While improving the composition of spending would require a focus on areas that have grown sharply over the past 10 years, particularly 'Compensation of Employees', the reality is that these numbers are concentrated in fields that are the core mandate of the province – education, healthcare and social services. With in-

migration putting ever-increasing pressure on the provision of these services, it would be important that focus begins to be on the productivity of the work force, since compensation accounts for approximately 55 per cent of the GPG budget and expenditure.

Departments will also be encouraged to strengthen partnerships with the private sector and civil society, given the prevailing fiscal constraints. Closer integrated planning with other spheres of government, particularly municipalities in line with the District Development Model.

Madam Speaker, as I conclude, allow me to express my profound appreciation to:

- Premier David Makhura for his leadership, support and ensuring that limited resources of the province are allocated to priorities in a rational way;
- My colleagues and comrades in the Executive Council who, together with their Accounting Officers, have actively participated in extensive consultations that started in July last year;
- The Premier's Budget Committee for ensuring that key programmes of the 6th Administration are prioritized for resource allocation in the 2020 MTEF;
- The Finance Portfolio Committee, under the capable leadership of Honorable Joe Mpisi, for its consistent insight and oversight on all budget matters;
- Ms Nomfundo Tshabalala, and the entire Treasury team for being good stewards of public resources. Last Thursday, Treasury team was recognised as the Best Performing department in the Governance and Planning Cluster at 2020 Gauteng Premier's Service Excellence Awards;

- To the staff in the Office of the MEC, I thank you very much for your unwavering support;
- And, last but not most critical I wish to thank my family especially my children (Andile and Tumelo) who are dear and close to my heart for, consistently supporting me in this journey of serving the people of Gauteng. I may not be there most of the time, but you remain a source of great strength to me.

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

- The Appropriation Bill for 2020/21
- The Explanatory Memorandum to the Bill
- Estimates of Provincial Revenue and Expenditure
- Estimates of Capital Expenditure
- The Socio-Economic Review Outlook and
- A copy of my speech