



**SPEECH BY GAUTENG MEC FOR FINANCE, NOMANTU NKOMO-  
RALEHOKO, AT THE TABLING OF THE MEDIUM-TERM BUDGET  
POLICY STATEMENT AND THE PROVINCIAL ADJUSTMENT  
APPROPRIATION BILL, GAUTENG LEGISLATURE, 26 NOVEMBER  
2019.**

Honourable Speaker and Deputy Speaker;

Honourable Premier;

Colleagues in the Executive Council;

Honourable Members of this House;

Director General and Heads of Departments present here today;

CEOs of our public entities present here;

Leaders from various sectors of our society;

Fellow Residents of Gauteng;

## **INTRODUCTION**

Honourable Speaker, this is the first Medium Term Budget Policy Statement of the 6<sup>th</sup> Administration, and it takes place at time when our country is facing deteriorating economic and fiscal conditions. We have not escaped scrutiny by international players in respect of the state as well as the trajectory we need to embark upon. We have noted last week Friday's Standard & Poor's Global Ratings revised our outlook to negative.

Honourable members, we must collectively be able to respond adequately on how to create much needed jobs, world class infrastructure, skills for modernised economy, improve conditions of living; regarding safety; the land question; social cohesion and integrated human settlement.

We must be convincing to our people, the investor community and other stakeholders about our determination as well as measures we are taking regarding building capacity of the State, the fight against crime and corruption, infrastructure development and technology.

Let us have the courage to walk away from policies, programmes and projects which deliver no value nor relevance to what we want to achieve.

The implementation of the entire Gauteng plan will be incremental, measurable, highly prioritised politically and from the resources' point of view, to maximise impact and results. It essentially means, as President Cyril Ramaphosa said during his State of the Nation Address, that “we need to prioritise, focus on those actions that will deliver the greatest impact, catalyses faster movement forward both in the immediate term and over the next 10 years”.

The question as to why growth has been so elusive is an important one and academics, researchers and economists, have referred to structural problems of the economy, policy consistency and certainty, as well as reliability of energy and water supply.

Honourable members

The 6<sup>th</sup> Administration has put forward an ambitious plan to get Gauteng moving towards the attainment of Vision 2030, and to address the challenges of unemployment, poverty and inequality, by an activist, caring and ethical government that works with and within communities.

In his State of the Province Address following the elections, Premier David Makhura enjoined us into a binding collective vision of “Growing Gauteng Together” which will allow us to meet the goals of the 2030 National Development Plan (NDP).

The “Growing Gauteng Together” (GGT) plan is built upon the Transformation, Modernisation and Re-industrialisation (TMR) presented during the fifth Administration was characterized by social cohesion and economic inclusion.

The GGT plan is guided, anchored and underpinned by TMR, the UN Sustainable Development Goals (SDGs, 2030), African Union Agenda 2063 and South Africa’s National Development Plan (NDP, 2030).

This is an all-encompassing vision to ensure that no one goes to bed hungry, that we build the Gauteng economy that reflects the full diversity of our population and where small and big businesses thrive and prosper.

A vision whereby everyone has access to quality of healthcare, all residents have access to basic services and quality infrastructure, and women enjoy their rights from all forms of patriarchy.

A vision where the environment is protected and cared for. All human settlements promote social cohesion and integration, there is affordable and reliable high-speed internet connectivity. There is efficient, reliable, safe and affordable public transport, science, technology and innovation support expansion of frontiers of human fulfilment and freedom.

A vision where there is no racism, sexism, xenophobia, homophobia and other related intolerances and a province where there would be no fraud, corruption and waste of public money.

To achieve this vision, Premier Makhura announced five priorities, which will guide the implementation of programmes, projects and targets we have set for ourselves in the medium-term strategic framework.

These priorities are as follows:

- Economy, Jobs and Infrastructure;
- Education, Skills Revolution and Health;
- Integrated Human Settlements and Land Release;
- Safety, Social Cohesion and Food Security; and
- Building a Capable, Ethical and Developmental State

## **ECONOMIC OUTLOOK**

Madam Speaker, the global economic outlook for 2019 by the International Monetary Fund projects growth of only 3.2 per cent. The weakness in the global economy exists amidst weak manufacturing production and trade, and the escalation of economic policy uncertainty,

which includes the trade warfare between the US-China and the ongoing debate around Brexit.

South Africa is part of the global economy, and we are vulnerable to these global economic trends. The 6<sup>th</sup> Administration started its term at a time when the economic outlook was also not looking good, with a continuing low growth trap and the rise in unemployment. The fiscal envelope is shrinking as public finances experience serious pressures.

Delivering his Medium-Term Budget Policy Statement to Parliament last month, Finance Minister Tito Mboweni underscored this point when he painted a sobering and difficult picture indicating that our economy is, indeed, not performing well and our national debt is increasing at an unsustainable pace.

Minister Mboweni went on to announce a downward revision to South Africa's economic growth rate. The economy is now forecast to grow at 0.5 per cent compared to the 1.5 per cent projected at the beginning of the year due to the uncertainty of power supply, service delivery protest, and tight fiscal policy among other key constraints to economic growth. Importantly, however, the Policy Statement also provided leadership, direction, and concrete proposals which will continue to guide us over the 2020 Medium Term Expenditure Framework (MTEF).

Honourable Members, Gauteng remains the economic engine of South Africa and powerhouse of Sub-Saharan Africa, with the highest population and the most urbanised. According to the most recent data by Statistics South Africa, our province has approximately 15.2 million people which is 25.8 per cent of the national population.

The largest share of the country's population resides in our province because of its reputation as a place of economic opportunity which attracts migrants from other provinces and other countries.

The economy of Gauteng accounts for 35.1 per cent of the country's Gross Domestic Product and key to trade and other connections between the continent's economies. In fact, we are the seventh largest economy in Africa.

In the first quarter of 2019, the provincial economy contracted by 2.5 per cent, in tandem with South Africa as a whole. Growth for Gauteng province is projected to slowly rise to 1.8 per cent in 2022, which is expected to be above the national average of 1.7 per cent for the same period. The sectors that will propel this growth are finance, transport, construction and trade.

Despite the significant contribution to the country's output, Gauteng's economy is growing far more slowly than the population. This creates a disproportionate burden on the social and economic infrastructure and provision of basic services, and critically on the capacity of the economy to absorb higher numbers of our people into gainful economic opportunities.

This low economic growth has a direct negative bearing for the fiscal envelope at a time when government is grappling with a crisis of unemployment and a host of other challenges that not only threaten the social fabric of society, but also threaten to lock the country in a vicious cycle of poverty and deprivation.

Honourable Speaker

Honourable President Cyril Ramaphosa's investment drive has already made noticeable progress, attracting R300 billion in investment commitments during the 2018 inaugural Investment Conference. It is very encouraging to note that R250 billion of these investment commitments are already in the implementation stage.

The investment appetite for South Africa continues to grow, and that is why President Ramaphosa's 2019 Investment Conference held at the beginning of this month attracted R363 billion investment commitments, and this excludes R8 billion worth of investment commitments that are currently undergoing regulatory or board approvals.

As Gauteng, we are better placed to increase the rate of economic growth, create jobs and fight poverty because we are a leading destination for Foreign Direct Investment in Africa. Almost 80% of the economy of Gauteng is mainly in the private sector, this includes a compact to invest in the growth and development of the Gauteng economy.

Madam Speaker, in the run up to this Medium-Term Budget Policy Statement, I interacted with many Gauteng residents through various media platforms about the things that they think we should do to address the challenges that we are facing.

Johanna Mahlangu who stays in Pretoria and travels to her place of work in Johannesburg daily, told me that government must build factories to create more employment opportunities for people”.

Queen Baker, a resident of Boksburg agreed with this view and added that “many young people are on drugs as they are jobless”.

Ms Mahlangu and Ms Baker, we remain deeply concerned about the high rate of unemployment, which disproportionately affect young people, leading to societal problems like crime, drug abuse and despondency. Indeed, the face of poverty and unemployment even in Gauteng remains black and African in particular women and youth. This is one of the biggest tragedies facing South Africa, and Gauteng today.

## **SUPPORTING ECONOMIC GROWTH AND JOB CREATION**

For this reason, our vision of *Growing Gauteng Together* is about resolving the problems of poverty, unemployment and inequality in the short-term while addressing cyclical barriers; and implementing a long-term plan to deal with structural impediments to the growth of the Gauteng City Region.

Madam Speaker

To enhance the ease of doing business Gauteng is working through InvestSA Gauteng, which is a division of the Department of Trade and Industry to provide a One-Stop Shop service to investors with the goal of establishing Gauteng as the preferred location for investment.



Over the past five years, InvestSA Gauteng facilitated investments worth about R10 billion in the Gauteng City Region. A total of R6.9 billion of these were foreign direct investments and the balance were domestic direct investments.

Partnerships between the public and private sectors are also expanding through the Public-Private Growth Initiative. It has been stated that the private sector has committed investments of R840 billion in 43 projects, estimated to create 155 000 jobs over the next five years.

This will be supported by regulatory reforms to improve the ease of doing business, through the consolidation and streamlining of regulatory processes, automating permit and other applications, and reducing the cost of compliance.

There is a special focus on infrastructure investment with an Infrastructure Fund to be managed by the Development Bank of Southern Africa. Water infrastructure, roads and student accommodation will be prioritised. The President committed to rigorous feasibility and preparatory work, improved strategic management, impeccable execution and better governance of infrastructure projects.

The Department of Trade and Industry and the World Bank have signed an agreement that aims to improve the domestic business environment and attract more foreign direct investment. Business regulation, investment policy and promotion, and market regulation and competition policy are the focus areas of the partnership.

Honourable Members, this 6<sup>th</sup> Administration is actively participating in all these initiatives as part of our efforts to aggressively facilitate investment and promote economic growth and development our province. Our targeted commitment is on enhancing inclusivity of the economy, whilst improving its competitiveness for the net benefit of our people.

## **FUNDING INFRASTRUCTURE SERVICE DELIVERY**

Honourable Members, investment in infrastructure lies at the heart of stimulating economic growth in the province - necessary for dealing with poverty, unemployment and inequality.

Infrastructure development also brings much needed stimulus and support to the economy through the vast number of positive spinoffs. These include, growth stimulus through direct and indirect economic activity, increased employment opportunities, and an enabling business environment.

To respond to the bleak economic outlook that is not looking good, an Executive Council Lekgotla was convened under the leadership of Premier Makhura to explore ways of financing catalytic projects through various sources of funding in order to unlock the full potential of the Gauteng economy.

In line with this, the Department of Infrastructure Development (DID) is currently finalising Gauteng's five-year infrastructure project pipeline.

In preparation for the 2020 MTEF, GPT has commenced with an assessment of the five-year project pipeline to assess the readiness of projects against the required portfolio of evidence.

The intention is to publish the pipeline annually in order to affirm the priority projects for each year including information from Municipalities, State Owned Entities (SOEs) and National Government and provide progress on delivery of pipeline projects.

Honourable Members, infrastructure departments are dealing with complex and large-scale infrastructure delivery requirements. Without the appropriate systems for pipelining projects, spending in infrastructure will continue to be a challenge for departments.

We will continue to improve the capacity of infrastructure departments to ensure that their planning, pipelining and delivery systems need are up to scale to achieve our objectives.

As Gauteng, we continue to acknowledge that government alone does not have all required resources to meet our infrastructure needs. Therefore, our focus is on establishing partnerships, particularly leveraging on private sector financing for implementation of large infrastructure programmes and projects in the province.

## **GAUTENG FISCAL ENVIRONMENT**

Madam Speaker, insignificant economic growth coupled with stubbornly high unemployment, and the rising cost of borrowings indicates that the

forthcoming budgets will be prepared from the perspective of resource constraints in terms of receipts from the national fiscus.

Tough decisions must therefore be made in light of every-increasing needs and extremely limited resources. The 2020 MTEF resource envelope must begin to confront this challenge, through reorienting from administrative and consumption expenditure to service delivery items and productive assets.

One of the key deliverables of Gauteng Provincial Treasury (GPT) is to contain the provincial wage bill at a maximum of 60% of the total budget of the province. A concerted effort must be made by all departments to ensure that the wage bill does not exceed this threshold in 2019/20 and beyond.

The rationale for keeping the wage bill below 60% is to ensure that there is no crowding out of resources – once salaries have been paid, there needs to be money left for operational programmes.

We expect that the crafting of the 2020 MTEF budget will be informed by leaner baselines. Departments will be required to utilize or spend within existing allocations to reflect the extent to which they respond urgently to tackle widespread unemployment, poverty and pervasive inequality.

Honorable Members, Provincial Treasury has been hard at work with all departments to realign the 2020 indicative baselines, starting with the 2019/20 Adjustment Budget. In this adjustment budget we have managed to realign an estimated amount of R47 billion within the existing fiscal envelope to the GGT priorities.

Working together with departments, we will identify programmes that are currently funded, but have run their course, and reorient these resources towards the 5 priorities adopted by the 6<sup>th</sup> Administration. I will announce the outcome of this process in the 2020 Gauteng Budget, which I will present to this House in March next year.

Departments must implement baseline reductions with the least implications for service delivery. Departments will be expected to demonstrate practically how there is integration of related programmes such as food security, scholar transport and so on.

We encourage strengthening of partnerships with the private sector and civil society, given the prevailing fiscal constraints. Closer integrated planning with other spheres of government, particularly municipalities is also essential.

At a time when Gauteng's population is steadily on the increase owing to in-migration, we have to contend with the ability to roll out and resource the construction of new schools and classrooms in existing facilities and provide teachers and learning material.

We also need to deal with increased numbers accessing already-strained health facilities and continue to provide social services to the most vulnerable members of society.

Madam Speaker, we are also expected to work with limited resources to create an enabling environment for economic growth and employment and support programmes for poverty alleviation such as food banks and

feeding programmes, as well as school and homestead gardens – which are important in enhancing food security.

## **MEDIUM-TERM SPENDING AGGREGATES**

As things stand, over the 2020 medium-term, consolidated GPG spending is estimated at R441 billion, considering that the fiscal envelope highlighted above is not cast in stone.

The 2020 MTEF budget will strive to change the composition of spending towards the stimulation of economic growth and attainment of value for money in the realisation of service delivery priorities.

## **SOUND FISCAL STEWARDSHIP**

We want a Gauteng that continues to promote good governance through the provision of sound fiscal stewardship. This work includes efforts to ensure prudent financial management, expenditure in line with policy priorities, and with public accountability and transparency.

It also includes investing in improved audit outcomes for both provincial departments and municipalities, enhanced infrastructure spending, improved spending on conditional grants, increasing the collection of revenue for both spheres of government, and reduction of accruals.

Honourable Members, we need get the basics right at institutional level. I have taken strong guidance from the Auditor-General's results for municipalities and departments. We will be seeking regular inputs from the Finance Portfolio Committee on where they believe we must place

our focus in assisting and supporting municipalities and departments. We will be mindful that it be within the ambit of the legislative framework that guides the Gauteng Provincial Treasury.

Provincial Treasury in collaboration with COGTA have embarked on a serious drive with all designated municipalities that adopted unfunded budgets for the 2019/20 Financial year and are assisting with support to move them towards the funded budget. Our drive is to assist municipalities' over the current term of office to get them to a funded budget status through instituting fiscal plans.

I remain relentless and resolute in my pursuance in this drive although for some it will be difficult in the next year or 2 but we must get all municipalities to be sustainable financially.

Unfunded budgets are a sign that the municipality has a risk of a financial problem that would affect the sustainability of their operations. Engagements with the Mayors on their budgeting strategy and plans have already taken place. Municipalities were allowed a special adjustment budget process in order undertake the necessary adjustments to achieve a funded state of budget.

One hundred and twenty-seven municipalities country wide were placed on notice by National Treasury that their December tranche of the Equitable Share transfer will be withheld due to municipal councils having adopted unfunded budgets.

I am pleased to announce that due to our exerted efforts, our affected municipalities adopted special adjustments budgets and National

Treasury will not be withholding the December tranche of the Equitable Share from any of the Gauteng municipalities.

As members of the House maybe aware that the province has now instituted a formal intervention at Emfuleni Local Municipality and West Rand District Municipalities' respectively, after their financial status and service delivery capability deteriorated. Continued service delivery challenges and a declining financial liquidity state continues to affect the operations of these two municipalities.

It must be noted that these interventions are not aimed at putting the municipality under administration but only to implement a financial recovery plan to improve the functionality of these municipalities.

Madam Speaker, we presented in this house two months ago that a total of 15 departments and entities of the Gauteng Government maintained their clean audit status in 2018/19 financial year.

It is of serious concern that some departments and entities regressed from the audit opinions achieved in the previous year. All departments should commit themselves to a culture of transparency and public accountability by implementing credible internal financial controls.

In the 6th Administration, the Gauteng Department of Health remains in particular focus, given the immense pressures and challenges in the resourcing of healthcare services to the citizens of the province.

Despite the improvement in indicators such as increased life expectancy and reduced mother and child mortality, the financial wellbeing of the



department continues to be of concern, given the persistence of accruals and the risk posed by medico-legal claims.

Provincial Treasury continues to work with the department towards finding lasting solutions to these challenges, despite the difficult prevailing economic situation we are in.

Honourable Members, there is general agreement that infrastructure is a fundamental enabler towards the delivery of services. 25 years into our democracy we still face major challenges in ensuring that infrastructure projects are implemented in such a manner that provides value for money, achieves the best results from the money spent and derives maximum benefit from the very scarce financial resources at our disposal.

A budget of R11.4 billion was allocated in the main appropriation for the GPG infrastructure programme for 2019/20 to maintain and improve the condition of the existing stock and to provide additional infrastructure assets.

This budget has been adjusted upwards by R199.37 million to R11.55 billion mainly based on the performance of projects during the first two quarters.

Too many of our projects are characterised by numerous cost and scope changes from the start of the construction processes due to poor planning and designs as well as poor contract management.

Consequence management is necessary when service providers fail to perform and deliver in line with contractual obligations. In addition, the impact of how sub-contracting and local employment are managed, also contributes to further delays and poor performance.

We initiated several interventions aimed towards improving infrastructure delivery. These require the full support and commitment of all provincial departments and include among others:

- Assessing the relevant portfolio of evidence for readiness before allowing a project to proceed from one stage to the next;
- Development of credible business cases before projects proceed towards procurement;
- Development of longer-term infrastructure plans (10-year time horizon) and specific implementation plans (3-year time horizon) to ensure alignment and proper planning;
- Measures to improve the credibility and accuracy of infrastructure budgets;
- Placing more focus on the capability of provincial departments to deliver on projects before budgets are allocated; and
- Undertaking regular performance reviews of projects to timeously guide Accounting Officers on interventions required;

More recently the Provincial Treasury embarked on a process to link payment schedules of Professional Service Providers to their deliverables with clear milestones, financial value and work scope of work.

It is therefore imperative that all infrastructure departments manage the payment of invoices against these criteria and pay invoices through the Electronic Invoice System.

Each of us should make a concerted and dedicated effort to get maximum value for money when we use the private sector to design and construct our infrastructure projects.

The cost of delivery of infrastructure remains too high and given our fiscal constraints, the province will have to work towards reducing the costs associated infrastructure delivery management.

It is crucial that we join hands in ensuring that the institutional environments in which our various infrastructure units work within departments remain committed towards good governance.

Our infrastructure deliverables should be focusing on 'doing the right thing in the right manner' to get optimum results within an open, transparent, honest and respectful manner.

With regards to payment of suppliers within 30 days, GPG has implemented initiatives that has resulted in the improvement of payment of suppliers within the prescribed timeframe. To date 7 departments are paying 100% of their invoices within 30 days whilst 5 are paying 95% of these invoices within 30 days.

Suppliers play a vital role in contributing the Gauteng Provincial Government ability to honour its supplier payment obligations within the prescribed timeframe.

Suppliers are therefore requested to assist GPG by ensuring that the following issues, that could lead to delayed payments, are addressed:

- Delivery of goods and services should be in accordance with the specifications and quantities as per official (SAP) purchase orders. Verbal or telephonic orders must not be accepted.
- Invoices must be accurate in terms of quantities and values, meet SARS legal prescripts and may not be submitted prior to delivery of goods or services; and
- Suppliers' banking details and tax compliance statuses must be up to date and accurate.

All suppliers are also encouraged to register for the Electronic Invoice Submission (EIS) system and online invoice tracking portal. This cost effective, efficient system allows for electronic submission and tracking of invoices at any time at no cost to suppliers.

The impact of lower revenue projections and government's policy of fiscal consolidation would require us to exercise a great deal in enhancement of own revenue and subsequent expenditure in the years ahead.

Provincial own revenue plays a significant role in augmenting national transfers and providing resources for provincially determined priorities. Over the current 2020 MTEF we expect to collect R21.2 billion in own revenue.

Revenue estimates are expected to increase by 11 per cent which is above the normal baseline, specifically, for motor vehicle licenses,

casino licenses, whilst the other revenue sources remain at their baseline levels, over the medium-term period.

The Department of Roads and Transport contributes through license fees, followed by the Gauteng Department of Economic Development (GDED) with casino and horse racing taxes, the Department of Health with patient fees, and Treasury through interest earned.

We are currently working on a revenue enhancement strategy and will share with Honourable Members after it has been finalised. Key initiatives include new casino regulations (moving from flat to flexible tariff structures), reviving and upscaling impounding facilities, weighbridge operations, automation of visitor parking at health facilities, licensing of private hospital facilities and roadside advertising revenue.

## **ADJUSTMENT BUDGET**

Madam Speaker, I now turn to the Adjustment Budget, which revises the Appropriation Act 2019, tabled at the Legislature on 05 March this year. Adjustments budget affords Provincial Treasury an opportunity to present information that has changed significantly since the current budget was tabled to the Legislature.

The proposed Adjusted Appropriation considers rollovers of unspent 2018/19 funds, shifting of funds within and between votes and allocation from unallocated ring-fenced infrastructure resources.

In total, expenditure will be revised upwards by R443,9 million and this increases the 2019/20 provincial budget to R132.9 billion.

## ROLLOVERS

The details of equitable share rolled over from the 2018-19 financial year to the 2019-20 financial year are stated below:

- **Economic Development** receives a total rollover of R23.7 million of which R14.7 million is for payment of outstanding invoices related to the procurement of ICT equipment as well as the maintenance of metal detectors and the payment of rental expenses. R7.1 million is for accruals.

The remaining balance is made up of R917 000 for the payment of intergovernmental debt and R944 000 for commitments emanating from the Consumer Buzz Project.

- **Education** is granted a total rollover of R46.2 million in order to settle unpaid invoices of which R20.7 million is for municipal services and R25.5 million is for school furniture.
- **Human Settlements** has been given a roll over amounting to R26.3 million. This money includes R12 million for the payment of invoices in respect of the procurement of tools of trade for employees, R8.9 million for property rates and taxes and R5.4 million for data migration and testing, application development, system administrative services and database administration.
- **Community Safety** receives a rollover of R11.7 million of which R7.9 million is for the procurement of safety kiosks, R2.4 million is for the procurement of firearms and R1.4 million is for the procurement of and installation of lifts at the Ikhaya Lethemba building.

- **Agriculture and Rural Development** is granted a rollover amounting to R3.2 million for transfers to the Agriculture Research Council to fund a research project. Additional commitments that will be funded through these resources include the Plant Pest Identification and Sebokeng Zone 10 Agri-Park, Eikenhoff Irrigation Project, Hydroponic Tunnel Repairs, Production Service Video and Biotechnology programme.
- **Sport, Arts, Culture and Recreation** receives a total rollover of R8 million for commitments associated with the completion of infrastructure projects and other operational costs.

Conditional grants adjusted upwards as a result of the rollover of unspent funds from the 2018/19 financial year are as follows:

- **Comprehensive HIV, Aids Grant and TB Grant:** R9 million is approved as a rollover for the payment of invoices for the procurement of medicine.
- **Health Professions Training and Development Grant:** R33.2 million is approved as a rollover to pay for the procurement of medical and allied equipment dedicated towards the training of registrars.
- **National Tertiary Services Grant:** R252.2 million is approved as a rollover of unspent funding from the 2018/19 financial year to enable the department to pay invoices related to the procurement of medical equipment for various institutions.
- **Human Papillomavirus Vaccine (HPV) Grant:** R5.4 million is rolled over for the payment of invoices in relation to training, material, travel claims and medicine for the provision of vaccines

aimed at reducing the incidence of cervical cancer amongst the target group.

- **Human Settlements Development Grant:** the department is allocated a rollover of R49.4 million to honour certain contractual commitments in respect of various projects pertaining to the creation of sustainable and integrated human settlements.
- **Title Deeds Restoration Grant:** a rollover of R4.3 million is approved to enable the department to fund contractual commitments.
- **Comprehensive Agricultural Support Programme Grant:** R1.6 million is rolled over to allow the department to pay invoices which could not be settled before year-end.

#### **ADDITIONAL RESOURCES ARE ALLOCATED TO THE FOLLOWING DEPARTMENTS:**

- **Economic Development** receives an additional amount of R33.4 million for the Gauteng Gambling Board business automation project which will enhance revenue maximisation in the gambling environment.
- **Social Development's** budget is adjusted upwards by R60.7 million primarily to accommodate repairs and maintenance of existing facilities.
- **Health** is allocated additional resources of R320.2 million primarily for the planning and procurement of the Occupational Health and Safety, Repairs and Refurbishment maintenance programme and for projects that are currently at construction stage.

The department also receives a total of R59 million for the Health Revenue Incentive Scheme of which R56 million is for the payment



of revenue collecting agencies, and R3 million is for the procurement of 3 to 4 computers and a network printer to be used by revenue assigned officials in the top 15 institutions.

- **Roads and Transport** receives an additional allocation of R91.4 million for the maintenance and repairs of existing roads in the province.
- **Community Safety** is allocated an additional R5.5 million in order to settle accruals on the G-fleet account plus an additional R1.6 million is made available to reimburse the department for expenditure incurred on behalf of the Road Traffic Management Corporation (RTMC).
- **Gauteng Department of Agriculture and Rural Development:** The department received an additional allocation of R5.6 million for the implementation and operationalisation of Isigayo Milling plant in Randfontein as part of its focus on value-add through agro-processing.

## **CONCLUSION**

Honourable Speaker, this is my maiden adjustment budget speech and the first Medium Term Budget Policy Statement of the 6<sup>th</sup> Administration. Accordingly, it is my singular honour and privilege to be assigned a dedicated team I have been working with throughout the compilation of this adjustment budget.

The delivery of this Adjustment Appropriation Bill is the collective work from all Gauteng Provincial Government departments, and it is so assuring to be standing on the shoulders of a formidable team.

In the midst of a lot of bad news that have been coming our way as a country (downgrades, drought, all kind of strikes happening, racial tensions, problems in political parties and so on) – the triumph of the Springboks at the beginning of this month lifted up the spirit of the nation.

The triumph of the rugby national team demonstrated what winning teams are made off. As the Gauteng Province we need the mentality of a winner as we tackle the difficult challenges that will be confronted with in the period ahead.

I would like to thank the Premier for his leadership and my colleagues in EXCO, the Finance Portfolio Committee, SCOPA, HODs and all our stakeholders for their continued support in ensuring the prudent fiscal position of this province remain stable.

A special thank you to all Finance MMCs from Municipalities for facilitating required reports quick enough in preparation for the Adjustment Budget.

Thank you to my family for their patience and support during extended hours of work and missing out on family engagements and events.

Lastly, let me express my appreciation to the officials of Gauteng Provincial Treasury led by Ms Nomfundo Tshabalala for their hard work and ensuring that the department delivers on its mandate.

Madam Speaker, I present this MTBPS for consideration by the House and by all the people of Gauteng, as it outlines the context within which

we must fund the ambitious plan of Premier David Makhura of ensuring that we all work together to grow Gauteng.

I therefore table the following documents:

- The 2019 Medium Term Budget Policy Statement (MTBPS)
- The Gauteng Provincial Adjustments Appropriation Bill, 2019
- The 2019 Adjustment Estimates of Provincial Revenue and Expenditure (EPRE)
- The 2019 Adjustment Estimates of Capital Expenditure (ECE)
- The copy of my speech

Thank You.