



Office of the Premier
NORTHERN CAPE PROVINCE

2022/23 VOTE 1

BUDGET SPEECH

DR. ZAMANI SAUL
PREMIER OF THE NORTHERN CAPE

BUDGET VOTE 1 2022 (OFFICE OF THE PREMIER)

Delivered by the Premier of the Northern Cape Province, Dr. Zamani Saul, at a House Sitting held at the Carnarvon Primary School, on 28 June 2022.

Honourable Speaker and Deputy Speaker.

Members of the Northern Cape Provincial Legislature, Colleagues in the Executive Council

The leader of the opposition Honourable MacGluwa

Our Honourable Chief Whip Neo Maneng

The leader of the Freedom Front Plus Honourable Member Danie Coetzee

Chairperson of the South African Local Government Association – SALGA

Our Traditional Leadership

Executive Mayors, Mayors and Councillors

Leaders of different Political Parties

The Director General, Senior Government Officials and Staff

Members of the Media

Distinguished Guests

Ladies and Gentlemen

Madam Speaker we are in a beautiful town of Carnarvon, I was here few weeks back together with the MEC of Finance, Economic Development and Tourism to handover R10 000 cheques to 44 small businesses. This was in addition to the equipments that the Department of Small Business Development gave to these SMMEs. We pray that they will put that little injection to good use to sustain and grow their businesses. The Department of Economic Development and SEDA have also issued business support to these SMMEs.

There are few other projects that are coming to this area; the renovation of the Carnarvon Community Health Centre, the contractor will be on site next week. The

Department of Human Settlements is currently working on a housing development project here in Carnarvon and the full details will be communicated to the municipality before the end of the year. Another big project that is directly related to the SKA is the construction of the Visitor's Centre costing about R63 Million. The Consulting Engineers have been appointed, designs finalised and construction is expected to start in 2023. The Department of Roads and Public Works will implement routine Road Maintenance projects in Kareeberg Municipality on DR 2996 and MR 768 between Carnarvon and Vosburg.

Madam Speaker; we are delivering this budget vote in the month of June as we celebrate the 46th anniversary of the Soweto Uprisings, which was declared as Youth Month by our democratic government. The 1976 generation of young people have set this country on a revolutionary course of no return. As they fought boldly and uncompromisingly against the brutal system of Apartheid. They braved the gun to make sure that generations after them inherit and enjoy freedom.

This year we also commemorate the 30th Anniversary of the Boipathong Massacre. On that fateful night on 17 June 1992, 45 people were massacred by the Apartheid regime. These barbaric acts of brutality must never be repeated against an unarmed and vulnerable community in a democratic South Africa. On the 26th of June, this past Sunday we also commemorated the 67th anniversary of the Freedom Charter. The Freedom Charter was adopted in 1955 at Kliptown and contains ten cardinal principles of the country that we are building.

Madam Speaker and Honourable Members; recently Chief Justice Zondo handed over the final two volumes of the Judicial Commission of Enquiry into Sate Capture report to the President, Honourable Cyril Ramaphosa, this report revealed the extent to which our public sector is marred with rampant fraud, corruption and lack of ethics. The scourge of fraud and corruption impedes government's capacity to render quality public services. Corruption steals and robs from the poor.

Madam Speaker and Honourable Members; the report clearly reflects multiple challenges that confront our government, which relate to amongst others, lack of transparency, accountability, and efficiency. Corruption and maladministration have flourished in government public procurement processes, despite extensive

government training and development attempts in this area. This can be linked to a failure to adhere to sound ethical conduct in the execution of public tasks.

The Sixth Administration, faces the monumental task of overhauling the functioning of public institutions, implementing effective whistle-blowing mechanisms to combat corruption, and encouraging public managers and representatives to follow ethical guidelines. Transparency, accountability, and ethics, which are crucial factors for effective public service delivery, should form the foundation of good governance principles.

Those who have been found to be involved in the massive syphoning and looting of state resources, must face the full might of the law and be frowned upon by the people. We must deal with the corrosive effects of corruption, where the pace of service delivery is seriously hampered and the trust of our communities is diminishing by the day. The onus therefore rests on us to build a capable developmental state that is ethical, efficient, effective and is geared towards people centred development.

Notwithstanding these challenges, we have made significant progress in improving the lives of our people in the last 28 years since the advent of our democracy and we will not be deterred in our commitment to continue of this path.

Madam Speaker; the COVID-19 pandemic still remains and continues to impact on the provincial socio-economic environment. Despite the various challenges it brought, the pandemic has forced us to sharpen our oversight and strategic leadership roles and provide the necessary support to the Provincial Administration.

Madam Speaker; in supporting the Provincial Administration, the Office of the Premier is required to provide strategic leadership and ensure policy co-ordination and development, planning priorities, driving government performance through monitoring and evaluation and ensuring alignment of priorities between the various spheres of government to ensure integrated governance and eliminate fragmentation.

Madam Speaker and Honourable Members, according to the StatsSA Quarterly Labour Force Survey of the first quarter of 2022 the Northern Cape had lower unemployment rates in comparison to the national average. The total number of

employed individuals increased from 264,000 in 2021 Q4 to 321,000 in 2022 Q1, representing an increase of 57,196 or 21.6 in percentage terms. The year-on-year increase was 8,131 jobs translating to 2.6 percent increase. There has also been improvements in the labour force participation rate to 52 percent year-on-year from 50.2 percent.

These figures represent a decline in the unemployment rate quarter-on-quarter to 24.9 percent from 25 percent in the previous quarter. Madam Speaker; discouraged decreased from 136,000 quarter-on-quarter to 122,000. As the Provincial Government we welcome this 5.7% decrease in expanded unemployment. This decrease in unemployment speaks directly to the GDP growth that we experienced in the past three years from R98 Billion to R122 Billion

The formal non-agricultural sector increased employment the most quarter-on-quarter by almost 48 400 jobs and the agriculture sector by over 8 300. The informal sector on the other hand expanded employment by just under 6 000 jobs; the sector has been consistent in adding to jobs over the recent period and shows great potential having also contributed the greatest share year-on-year at 11 410 jobs.

Government services continue to be the largest employer with over 105,000 employees constituting roughly one-third of provincial employees. The mining sector's strong recovery has added a substantial number of jobs quarter-on-quarter at 19,760 with still positive job creation year-on-year of over 1,200. We anticipate that the announcement of the new bid windows in terms of the renewable energy programmes and some critical high impact projects in the province will further add to the creation of quality jobs in our province.

Madam Speaker and Honourable Members; we continue to work tirelessly to position the Northern Cape as an investment destination in the country. Earlier this year we witnessed a massive investment by the Vedanta Zinc International Gamsberg Mine in Aggeneys situated in the Khai Ma! Municipality in the Namakwa District. This investment is worth R7 Billion for the development of the second phase of mining in the area. This project will create more than 2000 jobs for our people.

Honourable Speaker; in our efforts for socio-economic growth we must seriously look at addressing Youth Unemployment. We can do that by ensuring proper coordination and integration of all our efforts both in the public and private sector.

We are looking at various ways to strengthen this coordination and integration as there is an urgent need to direct opportunities to youth development and empowerment.

Madam Speaker; efforts are underway to position the Northern Cape as the Green Hydrogen (groen waterstof) Hub in South Africa. We have recently returned from two successful outbound missions to solidify our investment for two Green Hydrogen projects in the Province namely the Boegoebaai Green Hydrogen and the Prieska Power Reserve Green Hydrogen Project.

We visited the plants in Germany and had fruitful engagements with companies like the ThyssenKrupp Group in Essen and Siemens Energy for an investment valued at R9,7 billion. This investment will further contribute towards job creation in the province, particularly in the Siyathemba Municipal area. Furthermore; the province took part in the Green Hydrogen Global Assembly and Exhibition in Barcelona and Berlin, where we participated on a panel of Ministers of Energy and Mining from African countries presenting the opportunities in the province that makes us one of the leaders in the Green Hydrogen space in South Africa.

Madam Speaker, youth development is at the core of our developmental agenda and our focus will remain to drive innovation and skills development in growing our economic sectors. As part of our skills development programme in collaboration with our SETA's and business we have 10 000 youth in various skills and employment programmes. The programmes are targeting both employed and unemployed youth in the Province and we are working in partnership with strategic stakeholders including the TVET Colleges, Community Colleges and Higher Education Institutions. We are convinced that this will go a long way in capacitating and empowering our youth to participate in the main stream and informal economy.

Madam Speaker and Honourable Members; as part of our objective to ensure that all departments obtain unqualified audit opinions with no findings, the Province has established an Operation Clean Audit Committee chaired by the Director General. For the audit cycle of 2020/21, the province achieved 3 clean audits (Office of The Premier, Department of Social Development & Provincial Treasury), 6 Unqualified with findings and 3 qualifications with no adverse findings nor disclaimers. We

targeted 5 additional departments for improved outcomes for the 2021/22 audit cycle.

In the same breath, Madam Speaker and Honourable Members, we wish to applaud the Audit Outcomes of 5 of our municipalities that have shown a turn-around and consistency with the MFMA Audit Outcomes for 2021.

The Northern Cape is the second best performing province after the Western Cape with five (5) Clean Audits for MFMA Audit 2020/21 Financial Year in the following municipalities: Frances Baard District Municipality, John Taolo Gaetsewe District Municipality, Namakwa District Municipality, ZF Mgcawu District Municipality and the Hantam Local Municipality.

This is a clear indication that the work of the Operation Clean Audit is bearing fruit, moving forward we will intensify our efforts to further improve on our PFMA and MFMA Audits. This undoubtedly shows the improvement in the levels of ethical leadership and sound financial management that our Government subscribes to. These outcomes place us in good stead to advance priority 7 of the MTSF 2019-2024 which is building “A Capable, Ethical and Developmental State” at Provincial level.

Madam Speaker, the Office of the Premier in partnership with the Department of COGHSTA, continue to work closely with municipalities and our national Champions to ensure the implementation of the District Development Model. Progress regarding the institutionalization of the District Development Model is coordinated through the Provincial Intergovernmental Relations Forum in order to ensure that we deliver faster and smarter services in an integrated manner as mandated by our communities. We are happy with the active role played by the District Champions in coordinating the work in the different districts.

All five (5) Districts have submitted credible ‘One Plan – One Budget’ Business Plans in line with the guidelines of the District Development Model. The launch of the District Development Model in the Province will take place during this financial year.

Madam Speaker; in our efforts to enhance the developmental capacity of the state, we can report that plans to remodel the Department of Roads and Public Works, establish a Northern Cape State-owned construction company, State-owned mining

company and phased-insourcing of security and cleaning services is starting to take shape and are at various stages of implementation. We remain committed and positive to see this come to fruition. The operational plan to implement the recommendations of the feasibility study for the remodelling of the Department of Roads and Public Works and the establishment of the State-owned construction company was extensively consulted upon and approved. We are convinced that the implementation of these initiatives will improve service delivery in our Province.

Madam Speaker and Honourable Members; we have successfully merged the Department of Agriculture and the Department of Environment and Nature Conservation into one department now called, the 'Department of Agriculture, Environmental Affairs, Rural Development and Land Reform'. Similarly, we have smoothly shifted the function of Early Childhood Development from the Department of Social Development to the Department of Education without any major hurdles.

The rationalisation of public entities is at an advanced stage and will be concluded as soon as all legal processes have been followed. The registration of the state owned Construction Company will be finalised by end of July this year.

Madam Speaker, we continue to coordinate the HIV/ AIDS and tuberculosis programme through the Provincial Council on Aids. The Council also promotes intergovernmental relations and stakeholder management between the three spheres of government in the province. We successfully hosted the World TB Day 2022 programme in Barkly West on 23 & 24 March 2022, which was addressed by the Honourable Deputy President Mr. D.D. Mabuza who is also the Chairperson of SANAC.

Madam Speaker and Honourable Members; Gender-based Violence and Femicide has been identified as the second pandemic ravaging the South African society. We This has called for government, civil society and the business sector to work together in a coordinated manner to eradicate this scourge. Gender Based Violence transcends social and economic boundaries and affects women and girls of all socio-economic backgrounds. Failure to address this issue will bear a significant cost for the future, not only economically but also in the cohesion of society.

Madam Speaker; We have developed a Provincial GBVF Implementation Plan in order to address this multi-faceted phenomenon plaguing our communities. The

objective of this plan is to provide a multi-sectoral, coherent strategic policy and programming framework to ensure a coordinated Provincial and local response to the crisis of Gender-based Violence and Femicide.

Madam Speaker, As part of our program to build institutional capacity we have appointed Heads of Departments with effect 1st July 2022 at the following Departments; Roads and Public Works, Sport, Arts & Culture, Transport, Safety & Liaison and Provincial Treasury. Processes are currently underway for the filling of the other vacant HOD posts.

Madam Speaker and Honourable Members; The Provincial Programme of Action is aligned to the Provincial Growth and Development Plan and the Medium Term Strategic Framework 2019-2024. This alignment ensures that there is a deliberate effort to adhere and give expression to the 7 priorities of government's overarching policy framework which is derived from the Electoral Mandate of 2019 and the National Development Plan – vision 2030.

These plans are coordinated and driven from the Office of the Premier to ensure that we fulfil our constitutional mandate in guiding the programme of action of the Northern Cape Provincial Administration.

Madam Speaker, despite persistent budgetary challenges, especially in the past 2 years due to the devastating impact of Covid-19 on the economy and our fiscus, we managed to achieve the following :

- A. Consistent financially unqualified Audit Opinions with no findings and a record surplus presenting a positive bank balance in the previous financial year.
- B. Strong and Functional co-ordinating structures in the provincial administration such as the Executive Council, HOD Forums, Clusters with the necessary Technical Forums. These structures are guided by a well crafted Governance Model that seeks to coordinate and align the programmes of government in the province.
- C. The performance of the Provincial Administration is further bolstered by the establishment of well functional Monitoring and Evaluation approach through its Performance Monitoring System, to ensure the departments are held accountable for service delivery commitments made to the people.

D. We were able to finalize and approve the Provincial Growth and Development Plan – vision 2040, which serves as a blueprint for spatial integration and ensuring that we realize the vision of building “A Modern, Growing & Successful Province.

E. We managed to successfully launch the Provincial Growth and Investment Council and took the Council members through an Induction workshop that clearly articulated our developmental trajectory as a province. The council will drive the facilitation of our social compacting between government, business, labour, academia and civil society to commit, prioritise and implement measures required to support our socio-economic development trajectory.

F. Similarly, we have developed and adopted the Provincial Spatial Development Framework as required by the Spatial Planning, Land-Use Management Act (SPLUMA), which is further cascaded down to municipalities to guide with their development projects.

G. The Northern Cape Province has an approved HRD strategy, which is aimed at growing our skills base in the Province, especially as it relates to youth empowerment. To effect its implementation, the department unpacked the strategy’s implementation plan to identify all key role players. Implementation is unfolding through the Provincial Skills Development Forum.

H. We have updated our Institutional Policies and Strategies by developing the following:

Integrated Governance, Coordination and Service Delivery Model (IGCSDM),

Provincial Gender-Based Violence & Femicide Implementation Plan,

Provincial Plan of Action for Children and a

Provincial Sanitary Dignity Implementation Plan.

I. The Provincial Web Based Performance Information Management System (PIMS) was successfully implemented in the 2021/22 financial year.

J. The centralization of all bursaries to the Office of the Premier in order to build capacity in the Province to respond to the vision of Government in a coordinated and integrated manner has been finalised. We have concluded the process of converting

the loans to full bursaries and we have finalized the process of writing-off of all the loans worth of R150 million.

Madam Speaker: The Provincial Information Technology Shared Service Centre (ITSSC), will be productively utilized to enhance effective service delivery in our Province. The ITSSC serves as a vehicle to drive information technology, digitisation and the Fourth Industrial Revolution. These are amongst the projects that we are immensely proud to have delivered in accordance to the commitments that we made as the 6th Administration when we assumed office.

Honourable Members, the Office of the Premier (OTP) has successfully institutionalized Quarterly Performance Reviews to ensure continuous structured engagements with departments on their performance. The performance reviews have been executed within the administrative and political domains, thereby strengthening the political and administrative interface as it further supports and informs the Premier's Bilateral Engagements with Members of the Executive Council (MEC's).

Madam Speaker and Honourable Members; over the MTEF period, the Office of the Premier intends improving the coordination of government departments to ensure that policies are implemented in line with national (NDP) and provincial (PGDP Vision 2040) development agenda. This entails the institutionalization of planning through the Governance Model.

The Governance Model will also strengthen and enhance:

Planning Coherence

Alignment of Planning and Budget

Joint Planning and Budgeting

Integrated planning aligned to the District Development Model.

Madam Speaker; the OTP led the Evaluation on the War on Poverty Programme in conjunction with the Department of Social Development. The evaluation outcomes of this project will be finalized and be made available by August 2022.

Madam Speaker and Honourable Members; at a municipal level, the Province, through the Office of the Premier and CoGHSTA; has put in a tremendous effort to

ensure that our municipalities have a sound foundation for development in terms of adopting SPLUMA compliant Spatial Development Frameworks as well as municipal Land Use Schemes. The combined implementation of these two critical instruments enable municipalities to plan their space into the future, while also managing land and developments to ensure that the developmental vision and objectives are reached.

Madam Speaker; In terms of Land Use Schemes, fourteen (14) municipal Land Use Schemes were developed over the past year through a combined effort of the National Department of Agriculture, Land Reform and Rural Development and the Office of the Premier. With the adoption of these Land Use Schemes, the Province will meet the national legislative timeframe that requires municipalities to adopt Land Use Scheme by July 2022.

The completion of these projects should increase the Province's compliance in terms of Section 24 of SPLUMA from 35% in 2021 to 100% compliance in 2022. Madam Speaker and Honourable Members; the new Land Use Schemes will have a positive impact on increasing property values, stimulating business development and ultimately improve revenue in municipalities. Furthermore, in collaboration with the National Department of Agriculture, Land Reform and Rural Development as the Office of the Premier, we have managed to secure funding for the development of three (3) District Municipal Spatial Development Frameworks as well as an additional two (2) Local Municipal Spatial Development Frameworks.

Madam Speaker; the Office of the Premier has been given additional functions with no corresponding funding, this as a result of fiscal constraints and budget cuts. This has resulted in inadequate Human Resource capacity. The capacity constraints, in terms of human and financial resources, affect the overall performance of the OTP.

Madam Speaker and Honourable Members; the organisational structure review is in the process of being finalised in consultation with the DPSA, in the current financial year, 2022/2023.

Madam Speaker and Honourable Members; as I conclude, allow me to outline the Budget of Vote 1. The total 2022/23 budget allocation for the Office of the Premier is R 262.7 million. The work of the Office of the Premier is divided into three

programmes namely Administration, Institutional Development and Policy and Governance:

Programme 1: Administration, is allocated R 116.1 million

Programme 2: Institutional Development, is allocated R98.8 million

Programme 3: Policy & Governance, is allocated R 47.8 million,

Madam Speaker, part of the overall budget includes the following transfer payments;

- R8,049 million is transferred to the Mme Re Ka Thusa Trust Fund.
- R10 million is transferred for the Information Technology Shared Services Centre (ITSSC),
- R15,3 million towards the Northern Cape Premiers Education Trust Fund
- R5 million for the implementation of the a Comprehensive Communication Strategy

As I conclude Madam Speaker, let me pass to the residents of the Northern Cape a message I received last night from the Provincial Deputy Chairperson of SADTU, James Mabotsa that “protection and preservation of community facilities and infrastructure is very important to sustain our developmental trajectory”. This is an important call taking into cognisance the sheer scale of destruction of public infrastructure. Deputy Speaker let me also pass a word of gratitude to all my honourable colleagues in this house, both sides of the aisle, for your contribution and support to our work. People of the Northern Cape did not elect us to be friends, but to be colleagues working together to ensure growth in our province.

It is my honour and privilege to table before this august House, the 2022/23 budget vote for the Office of the Premier for appropriation

I thank you.