



North West Provincial Government



North West Premier

Hon. Prof Tebogo Job Mokgoro

Budget Speech

2019/2020

Date:

25 July 2019

Venue:

NWPL Chamber – Mmabatho

Time:

08h30



North West Office of the Premier



North West Provincial Government

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**OFFICE OF THE PREMIER 2019/2020 BUDGET VOTE SPEECH BY
NORTH WEST PREMIER, PROF TEBOGO JOB MOKGORO,
DELIVERED AT THE NORTH WEST PROVINCIAL LEGISLATURE ON
THURSDAY, 25 JULY 2019**

Speaker of the North West Provincial Legislature, Hon Suzan Dantjie

Deputy Speaker of the North West Provincial Legislature, Hon Viola Motsumi

Honourable Members of the Executive Council,

Honourable Members of the North West Provincial Legislature,

Executive Mayors, Mayors and Speakers of the various municipalities,

Kgosi Moshe Mabe and Members of the North West House of Traditional Leaders,

Administrator in the Office of the Premier, Administrators in other departments and Heads of Departments,

Representatives of the Labour movement and civil society structures,

Members of the media,

Comrades and friends,

People of the North West Province

Bagaetsho dumelang.

I stand before you to present and request this august House to endorse the Budget Vote for the Office of the Premier for the current financial year; a department which for the last few years had neglected its main responsibility to be a strong and competent nerve centre of policy co-ordination in the North West.

Honourable Speaker, the Office of the Premier had also abdicated its core function to lead in evidence-based policy formulation and implementation in a coherent and cohesive manner as well as take up its rightful role of oversight across government in the province.

However, I can say with confidence and without any fear of contradiction, that the work we have done since I assumed office on 22 June last year and continued after my election to lead the 6th Administration, will go a long way to ensure that the centre is indeed holding.

We are hard at work to ensure that we address some of the on-going challenges pertaining to our role in strengthening our ability to deliver quality services to the people of this province such as coordination between Office of the Premier and other Provincial Departments. The aim is to improve the support that we are supposed to provide to departments, enhance the visibility of the Office of the Premier across government and address the incoherent coordination of service delivery that we have witnessed across the province.

Honourable Members, as we move forward at the beginning of this five year electoral term, we are positioning ourselves to improve in resolving these challenges. As we do so the Office of the Premier must show leadership at the apex of the North West Administration.

Ladies and gentlemen, at the heart of our resolve to provide decisive leadership and coherent policy co-ordination, we are determined to address the following:

- Chronic poor service delivery in the North West Province.
- Poor governance, administration and political leadership in dysfunctional municipalities.

- Frequent and violent community protests as well as the accompanying vandalism,
- Poor communication across departments and to communities,
- Failure to implement commitments made to communities, and
- Failure to give feedback to communities on commitments made.

Some of the issues and concerns that our communities have been raising with us pertain to Water & Sanitation, Unemployment, Corruption, the appalling condition of our Rural Roads Infrastructure, 24 hour access to health facilities and services, the provision of decent and adequate housing and the scourge of crime.

We are going to incorporate the issues raised by communities in the Government identified priorities and monitor their implementation.

We will ensure that Departments pull their weight in improving the lives of our people as well as responding timeously and correctly to the needs that we find in various communities across the Province.

Honourable Speaker, the programme structure for the Office of the Premier is as follows:

- Administration,
- Institutional Development
- Planning, Performance, Monitoring Evaluation and Intervention.

Administration is responsible for the provision of efficient and effective administrative support within the Office of the Premier. Its 2019/2020 budget is focused on financing direct operational costs and overheads such as audit fees amounting to R9 million, skills development costs for officials within the Office at a cost of R3.6 million. Further, the provision of

Employee Health and Wellness for officials is allocated R1.8 million, fleet services costs are at R5.4 million and operating lease costs for office accommodation and labour saving devices are allocated R4.3 million.

Honourable Speaker, the Office of the Premier received a qualified audit opinion for the past four years. In the 2017/18 financial year, we were qualified in four areas. We developed the post-audit action plan to respond to the reported significant audit issues such as weakness in asset management, incorrect classification of expenditure, non-compliance to laws and regulations when procuring goods and services as well as failure to provide proof of receipt thereof.

Honourable Speaker, the Office of the Premier in its quest to be a lead example in the Province in so far as financial management is concerned, has in the 2018/19 financial year registered the following success stories:

- Cancellation of the main contractor which directly contributed to substantial irregularities in the Office. This decisive action yielded positive results whereby the cost of irregular expenditure incurred in the previous financial year was R 248,072 million which was reduced by 99 percent to R1,156 million in the current year under review.
- We have achieved 95 percent rate for payments to service providers within 21 days. In respect of 30 days payment we achieved 98 percent.

We are progressively achieving the provincial targets in so far as rapid processing of payments to service providers.

Honourable Members, we are proud to report back that for more than three years in succession, no unauthorised expenditure has been incurred in the Office.

Additionally, the management of accruals is maturing at a rapid pace with the reduction of accruals from R5,917 million in 2017/18 financial year to R3,202 million in the current year under audit review.

As we are heading towards the end of 2018/19 audit year, indications are that the Office of the Premier has reduced areas of qualification from four to one. The qualification is based on comparative amounts in line with the audit standard 500 which is unavoidable.

The Office of the Premier is committed to continue with utmost vigour to turnaround its financial management landscape and that of other departments in collaboration with Provincial Treasury.

Institutional Development

Ladies and gentlemen, Institutional Development is primarily mandated to provide strategic leadership and support to all provincial Departments through co-ordination, monitoring, evaluation of the implementation of policy frameworks, strategies and programmes related to strategic human resource management, Integrity Management, provincial legal advisory services, government information technology, communication, and skills development through Ikatisong School of Government.

The budget over the 2019 MTEF mainly provides for ICT Transformation programs at R116.43 million, Centralization of bursaries to non-employees at R42.25 million and Legal costs at R12 million. Denel Skills

Development Programme has been allocated R5 million. The allocation for Youth Entrepreneurship Support (YES) is R12.4 million, Provincial communication and advertisement is allocated R6.672 million while the Research Project in respect of demand and supply of skills in the Province has been allocated R2.5 million.

To elaborate further on ICT, we aim to optimise service delivery through the implementation of Information Technology IT governance capability level two. Sixteen departments will be provided with network authentication.

Thirty-two NWPG network sites' performance will be upgraded to access government services, while two Provincial Mainframes will be upgraded.

To provide a functional government communication system which enables citizen empowerment and involvement in their own development through the sixteen communication tools used to promote the North West Corporate Brand, 20 media platforms will be sourced to communicate Provincial Government's service delivery programmes and thirty-six government events will be promoted.

Honourable Members, to implement minimum security standards and strengthen programmes that will eradicate fraud, corruption and acts of misconducts and promote ethics and integrity, 24 interventions have been implemented towards achieving the National Anti-Corruption strategy and 16 minimum security standards.

We will intensify the provision of internal legal services to the Office of the Premier and transversal services to the Provincial Departments through the development of Bills and monitoring of litigation cases across the Departments.

Planning, Performance, Monitoring, Evaluation and Intervention

Honourable Speaker, Planning, Performance, Monitoring, Evaluation and Intervention is mandated to provide integrated planning, performance monitoring, evaluation and intervention in the Province. Lately another responsibility namely; Status for Woman, Children, Persons living with disabilities and older Persons has been incorporated in the Programme.

The main cost drivers within this Programme is compensation of employees which stands at R169.107 million, subsistence and traveling at R5.8 million which occurs as a result of monitoring, evaluation and intervention activities. R5.495 million has been allocated for activities relating to Moral Regeneration, and coordination of HIV and AIDS implementation plan.

Honourable Members, during the 2018/19 financial year we have profiled 115 Townships and small town, we believe that this information will become an essential input to our planning processes as you are aware that the process to develop to new 5 year strategic plans has commenced.

The Office of the Premier will during this financial year coordinate and provide support to departments with the implementation of the Revised Framework for Strategic Plans and Annual Performance Plans. Coordination and support will be achieved through regular engagement and training targeting the Planners and Programme Managers.

The training on the Revised Framework will be championed by Ikatisong School of Government. This Framework emphasises the Result Based

Approach to Planning where departments and SOEs will be expected to develop Strategic Plans that target Impacts, Outcomes and Outcome Indicators.

In responding to the President's 4th Priority on Spatial Integration, Land and Housing, the Office of the Premier in collaboration with Cooperative Governance, Traditional Affairs will also provide support to Municipalities with respect to the alignment of Municipal Spatial Development Framework to the Provincial Spatial Development Framework.

The Office will also provide support to Municipalities during the development of Municipal Integrated Development Plans to ensure that they respond to the needs and challenges of the communities.

There will be consultation with key Stakeholders, including organised business, departments, and municipalities, to collect data relevant to assist with the undertaking of provincial policy analysis during the process to finalise the Provincial Development Plan.

Honourable Members, departments will be engaged to assess the progress with regard to the implementation provincial priorities.

Service Delivery Interventions

Honourable Members, the Office of the Premier has during the 2018/19 financial year established a Provincial War Room to attend to, to mention a few:

- Facilitate solutions to key priority needs identified by communities.

- Attending to all Petitions and Memoranda from Communities.
- Ensuring that we promote Bankable Investment Packages (eg Mining, N12, N14 Development etc.) by NWDC.

Work is being done to improve government's response to community needs and complaints, but a lot still needs serious attention.

The Office will revamp the effectiveness of our Provincial Call Centre to ensure that it is more responsive to the complaints and queries from our communities. We therefore urge our communities to utilise this facility to record their complaints and concerns with government.

Further, to ensure that we close the gap between the community and government we have undertaken Imbizo programmes in places such as Itsoseng, Bloemhof, Kagisano Molopo and Taung. The Office also undertook district prayer sessions to promote unity and cohesion within our communities. These events were undertaken in places such as Mahikeng, Taung, Marikana and Moretele.

During the current financial year we will intensify these activities in particular to intervene in drug related matters, and safety in schools.

Performance Monitoring and Evaluation

Honourable Members, the Office of the Premier will continue to implement monthly performance reporting on provincial priorities such as Annual Performance Plans, State of the Province address (SOPA) pronouncements including compliance to 7 government Medium Term

Strategic Framework (MTSF) priorities to intensify accountability and early detection of poor performance by Departments and SOE's.

The Office of the Premier will strengthen and develop an integrated reporting, monitoring and accountability framework for the Province focusing on 7 priorities for the period 2019 - 2024 medium term strategic framework (MTSF) and Provincial Priorities.

The Office of the Premier will continue to use an integrated and holistic Provincial Monitoring and Evaluation system which will serve as a single source for reporting encompassing all Departments, Annual Performance Plans (APPs), projects and any other government priority.

Honourable Members, the Office of the Premier will produce a twenty-five (25) years review of government performance towards the end of the financial year. This comprehensive report will outline milestones and interventions which Departments and public entities put in place to deal with triple challenges of poverty, unemployment and inequality.

We have also developed a three year cycle Provincial Research and Evaluation Plan 2016/19 which will assist in evaluating effectiveness and efficiency of programmes and projects implemented by the North West Provincial Government.

Departments are in the process of developing new 3 year Research and Evaluation Plan for the new MTSF 2019 - 2024.

The office will consult with key Stakeholders (organised business, departments, and municipalities) to collect data relevant to assist with the

undertaking of provincial policy analysis to ascertain relevance and impact. Departments will be engaged to assess the progress with regard to the implementation of provincial priorities.

Job Creation

In the last budget speech we reported that during the 2017/18 financial year, we spent R48 million to fund 403 non-employee student bursaries from the Premier's Bursary Fund.

In 2018/19, we spent a further R41, 081 million for 200 existing beneficiaries.

For the 2019 academic year, we are estimating to fund the studies of 150 potential beneficiaries. With an estimated budget of R42.25 million has been budgeted to continue to fund students.

Honourable Speaker, 78 students completed their studies at the end of 2018 and all are to be released from the contractual obligation because Provincial Departments and Municipalities did not provide work placements as requested to do so by February 2019.

The preparation of graduates for the job market is a very important and deliberate intervention and contribution by the Office of the Premier. This is achieved through the opportunities offered through the Internship Programme.

For the previous year, the Office recruited 38 beneficiaries and we used the training budget available to put the beneficiaries through a skills programme. The beneficiaries also receive continuous on the job learning as well as mandatory training.

Honourable Members, the internship programme has now been extended to two years meaning the current beneficiaries will still be on the programme for the 2019/20 financial year.

North West Development Corporation

During the 2018/19 financial year, R 79,80 million was allocated to this Vote for activities of the North West Development Corporation.

A due diligence process was undertaken and during the budget adjustment period and in attainment of the proper mandate of the Office of the Premier, the NWDC was transferred to the then Department of Economic Enterprise Development and now the Department of Economic Development, Environment and Tourism.

North West Youth Entrepreneurship Services (YES)

The Youth Enterprise Service (YES) is listed as a Schedule 3 C Public Entity in terms with the Public Finance Management Act.

Honourable Members, regrettably during the 2018/19 financial year the Youth Entrepreneurship Programme was not active. However, following the pronouncement by President Cyril Ramaphosa to rationalise public entities, the GTAC unit located at National Treasury conducted an assessment of YES. Their recommendation is that the entity should be abolished.

We have carefully considered this recommendation and concluded that due to for example the rural nature of the province making it difficult for youth to access opportunities, the escalating youth unemployment rate

and many more other factors, that YES was a critical intervention programme.

To make YES functional, we have managed to place adverts for the appointment of the Board and the Chief Executive Officer.

For the 2019/20 financial year R12.408 million, has been allocated for YES.

In addition to continuing to identify and support cooperatives, the mandate of YES will be broadened to include other youth developmental activities.

ICT

Honourable Speaker, it is common knowledge that in June last year, the Office of the Premier was placed under administration when national Cabinet took a decision to invoke Section 100 (1) (b) of the Constitution of the Republic of South Africa.

This necessitated the Office of the Premier to assess several of the planned initiatives for implementation and specifically the ICT Transformation Program as implemented by NEPO Data Dynamics; as an ICT service provider.

The assessment of all the ICT Transformation projects highlighted several shortcomings in their execution – this was across all the projects being implemented by NEPO data Dynamics. To this end, the Office terminated the contract of NEPO Data Dynamics in October 2018.

During the assessment, several weaknesses within the ICT Operations unit were identified; the ICT budget was therefore re-prioritized to address these challenges.

Several of the new initiatives identified, were to address, especially, matters that were raised by the Auditor General of South Africa during the 2017-18 audit.

Honourable Members, I must also indicate that during the adjustment budget in November 2018, the ICT budget allocation was reduced by R58 million – this further impacted on the acquisition of the much-needed Goods and Services required within ICT.

The ICT plan for the 2019/2020 financial year was revised with two major investments in ICT infrastructure; that, firstly, we will refresh the Mainframe – this infrastructure deals with the Financial and Personnel systems for the province; and secondly, we will acquire a backup solution that will complete the data center modernization project started in the 2017/2018 financial year.

As departments require ICT infrastructure, we are able to provide this within a space of 2 to 3 hours.

Ladies and gentlemen, we are in a period of rapid technological change and with the Fourth Industrial Revolution (4IR) upon us, we must ensure that we secure our data and information.

To this end, we are coordinating the roll out of a central authentication mechanism across all Provincial Government Departments and its successful implementation will allow us to have visibility of users and devices that access resources on the NWPG network.

It is, therefore, imperative that as we prepare the five (5) year Strategic Plans for the 6th Administration, infused into those plans must be a digital transformation road map of key business processes to ensure that the technologies that come with the Fourth Industrial Revolution are used to provide a more effective and efficient government service to the citizens of the North West Province.

We will, with the assistance of Digital Advisory Services, be conducting several working sessions with Senior Managers from all departments to develop a Digital Transformation road map for their respective departments.

In our attempt to build a capable and developmental state, characterized by Quality Institutions, the Ikatisong School of Governance will ensure its contribution by training and developing skills and competent workforce.

We are looking forward to the accreditation of ISOG, so that the North West Province Administration can offer training and development in a much bigger scale.

The Programme aims to enhance skills development and build competent workforce through training and development by Ikatisong School of Governance.

For the 2018/19 financial year, eighteen Provincial learning and development programmes facilitated.

Previously we have committed to conduct a Skills Supply and Demand study. We wish to report that we could not complete this task as originally planned.

Due to its importance of determining the future skills planning and resource allocation in the province for the 2019/20 financial year we have allocated seed funding to complete the project.

This study is important such that our training interventions target at growing our economy and contributes to the human resources development of our communities.

We will continue to monitor and report on the training progress or and lack of it.

Honourable Speaker, as implemented by all Provincial Departments as guided by their Work Place Skills Plans, ISOG will in this financial year, strengthen its partnerships with the SETA's and Institutions of higher learning in the Province.

This will enable rallying of already limited government resources towards a common goal of Human Development.

Following an engagement between the National School of Governance, the Department of Cooperative Governance, Human Settlement and Traditional Affairs and the Ikatisong School of Governance, a joint training/learning and development plan has been developed to assist our distressed province in the implementation of Mandatory Training Programmes across provincial departments and the municipalities.

This will go a long way in addressing the training gaps identified by the Auditor General, Public Service Commission, and the Legislature's Portfolio Committees.

The planned training programmes will cover among others; Citizen-Centred Service Delivery (front-line service employees); Supply Chain Management for Practitioners; Programme and Project Management; Avoiding Irregular, Fruitless and Wasteful Expenditure; Art of Facilitation for progressive realization of socio economic rights; Coaching for Leadership Development as well as Evidence-based policy making and implementation.

Honourable Speaker, an amount of R 10 million has been set aside by the National Treasury allocated to the National School of Government to implement the training programmes in collaboration with the Ikatisong School of Governance.

We will also be reviewing the current positioning and operating model for the Ikatisong School of Governance to ensure that is capacitated to drive the developmental agenda as well as enter into a Memorandum of Understanding with the North West University in due course which is aimed at delivering programmes tailored to capacitate public servants at provincial and local government level in the Province.

Honourable Speaker, we are ready to steer the ship in the right direction and reposition ourselves to guide and lead service delivery as well as eradicate corruption, maladministration and malfeasance in the entire North West Provincial Government

ALLOCATION FOR THE OFFICE

Honourable Speaker, allow me to table to August House the 2019/20 budget for the Office of the Premier, for the consideration of the House, in line with the approved final allocation letter issued.

The allocation per program is tabulated as follows:

DESCRIPTION	2019/20 ALLOCATION
Programme	R'000
Administration	131 974
Institutional Development	340 847
Policy and Governance	198 550
Total	671 371

Total allocation for the Office of the Premier is R671 371 million

ENDS



Office of the Premier

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