

INTRODUCTION

Honourable Speaker,
 Honourable Premier,
 Members of the Executive Council,
 Honourable Members of the Provincial Legislature,
 Distinguished Guests,
 Leaders of the Opposition Parties,
 Comrades,
 Members of the media present here
 The people of Limpopo,
 Ladies and Gentlemen

It is indeed a singular honor and privilege for me to present to this house the first Adjustment Estimates of Premier Cassel Mathale's Provincial Government. It is also the first Adjustment of the new provincial administration and for many honourable members of this August house it is the first time an adjustment budget is tabled for your consideration.

Honourable Speaker, in the last two years no discussion or conversation on finance or economics anywhere in the world could be held without mentioning the words economic recession, economic meltdown or world economic crisis.

South Africa has not been exempted from this crisis and the misery, slow down; job losses that go with a recession have and continue to be felt in Limpopo. In the words of the Minister Gordhan:

"Economic distress is not a statistical trajectory, but a very human, very real, often painful, series of shocks. Men and women have lost their jobs. Households cannot pay the rent or food bills. Companies face the threat of liquidation."

However, in true South Africa fashion we have faced this crisis head on, and turned it into an opportunity, remaining steadfast in our resolve to create a better life for all our people. Working together we are unwavering in our commitment to do more. We have no choice but to deliver on the five priorities of our government and meet the five shared national, social and development goals;

1. Creating jobs
2. Enhancing the quality of education
3. Improving health outcomes
4. Rural development, and
5. Fighting crime and corruption

In pursuit of these priorities and in the face of economic adversity the plans programmes and actions we have set for ourselves must remain on track. Like the Minister of Finance indicated in his Medium Term Budget Policy Statement on the 27th October 2009 we have five clear assurances for all South Africans;

- We will sustain our delivery of services and developmental programmes;
- We will carefully priorities and focus our efforts;
- We will be diligent in the management of the public finances – and not burden future generations unduly;
- We will vigorously pursue savings within all spheres of government; and
- We will ensure consistency in policy, while creating room for engagement and review

With the necessary strong leadership we cannot but succeed in our endeavor. The outstanding stewardship of President Zuma and our national leadership has steered us through rough seas and the wisdom in following a path of financial and fiscal discipline through exquisite policy choices have shown us more than light at the end of the tunnel. It is therefore no surprise when we are told that we have now recorded a positive growth

in the third quarter, our GDP having advanced by 0.9%. Technically we have now exited the recession. However our recovery and growth will be gradual but we are most certainly headed in the right direction.

As a province, we have thus far risen to the challenges bedeviling us. In spite of the R372 million budget cut to our baseline in this financial year, we have shown we can achieve what we want to with less; we must continue to do this. This financial year has seen us continuing to accelerate the pace of our infrastructure programme; houses are being built; roads are being constructed, maintained and upgraded. The school building programme is well on track. Building of clinics and the hospital revitalization programme are well underway. A multi-pronged approach to speed up the provision of staff accommodation for medical doctors and health professionals is being phased in with immediate effect. The challenges posed by water, sanitation and electricity are being tackled vigorously and more of our people are being brought into the circle of delivery. Peter Mokaba Stadium is ready for the action the 2010 FIFA World Cup brings to the province. The EPWP is on course and support for our emerging farmers as well as established farmers is progressing steadily. Limpopo is secure and remains a safe province of peace.

To achieve what we have set for ourselves in terms of our priority areas and the MTSF, we have realized the need to do things differently. The new Provincial Economic Growth and Development Plan posits a new and fresh approach aimed at strengthening and accelerating the pace of transforming the economy of Limpopo. We have identified our spending priorities over the longer term development path putting much emphasis on:

- Promoting sustainable economic development and labour-intensive creation of decent jobs by way of competitive industrial cluster promotion incorporating infrastructure construction, rural development (including food production) and the expanded public works programme.

- Improving the quality of life of citizens through effective education, reliable health care, alert policing, comfortable housing, essential municipal services, social grants and sport, with specific emphasis on their own participation in these processes.
- Designing and implementing a targeted skills development strategy aimed at job creation by way of competitive industrial cluster promotion and at raising the quality of life of citizens through improved service delivery.
- Raising the effectiveness and efficiency of governance by way of effective organisation structuring and recruiting; targeted training and the building of a culture of service and responsibility; integrated development management; and co-operation between all organisations in the development process.
- Giving specific attention to and allocating sufficient resources to the high-priority challenges of:
 - *HIV/Aids,*
 - *Sustainable Development and Climate Change,*
 - *Black Economic Empowerment,*
 - *The Informal Economy, and*
 - *Land Reform.*

Honourable Speaker, let me now turn to the Adjustment Estimates for the financial year 2009/10. The overall provincial budget has been adjusted upward from R34, 475,750 to R35, 954,506. The full detail of the adjustment per vote are set out and explained in the Adjustment Appropriation Bill. I will merely touch on the main features of the Adjustment.

At the end of the 2008/09 fiscal year, Limpopo Province had spent R30.662 billion, an overspending of R99.037 million. This was as a result of overspending on the compensation of employees, in particular the OSD for educators and nurses. For the first half of the 2009/10 financial year, the province has spent 46.8 per cent of its budget and projects to overspend its allocation by about 3.6 per cent by the end of the 2009/10

financial year. This projected overspending once again is on compensation of employees and payment of capital assets.

Due to the overall projected overspending by the province, it is proposed in the 2009/10 Adjusted Appropriation Bill that an amount of R1.47 billion is added to the main appropriation. Therefore overspending ought not to occur.

The total adjustment upwards of R1, 478,756 billion comprises of;

▪ ICS	:	R590 617
▪ OSD	:	R615, 723
▪ Equitable Share roll over	:	R 74,771
▪ Conditional grant roll over	:	R 74,514
▪ New Allocations	:	R123,131

The R1, 478,756 billion is distributed across the votes in the following manner;

Vote 1 (Office of the Premier)

The original budget appropriation for the Office of the Premier was R559.18m for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R574.78m. The adjustment is based on:

▪ Improvement of Conditions of Service	:	R13,023
▪ 2010 – World Cup Unit	:	R2.85m
▪ Surrenders for 2010 from projected savings	:	R2 m

Vote 2 (Provincial Legislature)

The original budget appropriation for the Limpopo Legislature was R123.87m for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R155.33m. The adjustment is made up as follows:

▪ Improvement of Conditions of Service	:	R12.24m
▪ Adjustment on personnel (Once-off)	:	R16m

- Funding for outgoing MPLs : R3.22m

Vote 3 (Education)

The original budget appropriation for the department of Education was R16.36bn for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R17.32bn. The adjustment is made up as follows:

- Improvement of Conditions of Service : R356.75m
- OSD for Educators : R542.60m
- National Schools Nutrition programme : R46.81m
- HIV and AIDS life skills education : R3.91m
- Infrastructure : R10.18m

Vote 4 (Agriculture)

The original budget appropriation for the department of Agriculture was R1.19bn for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R1.20bn. The adjustment is made up as follows:

- Improvement of Conditions of Service : R13.72m
- Disaster Management : R5.00m

Vote 5 (Treasury)

The original budget appropriation for the Provincial Treasury was R329.54m for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R345.59m. The adjustment is made up as follows:

- Improvement of Conditions of Service : R7.48m
- Payment of Capital Assets & services : R6.3m
- Shared Audit Committee Fees : R2.27m

Vote 6 (Economic development, environment & tourism)

The original budget appropriation for the department of Economic Development, Environment & Tourism was R743, 905m for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R752, 969m. The adjustment is made up as follows:

- Implementation of conditions of service : R7.26m
- Theta ABET Grant : R1.80m

Vote 7 (Health)

The original budget appropriation for department of Health was R9.02bn for the 2009/10 financial year. During the year, the department receives an additional allocation which adjusts the budget to R9.36bn. The adjustment is made up as follows:

- OSD for Professionals : R73.12m
- Improvement of Conditions of Service : R148.63m
- Comprehensive HIV and AIDS : R110.66m
- Hospital Revitalisation : R5.43m
- 2010 World Cup Health Preparation Strategy: 4.35m

Vote 8 (Roads and Transport)

The original budget appropriation for the department of Roads and transport was R2.99bn for the 2009/10 financial year. During the year, the department receives an additional allocation which adjusts the budget to 3.02bn. The adjustment is made up as follows:

- Improvement of Conditions of Service : R20.29m
- Infrastructure : R7.73m

Vote 9 (Public Works)

The original budget appropriation for the department of Public Works was R723.67m for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R737, 352. The adjustment is made up as follows:

- Cabling of network points across building: R8.24m
- Devolution of Property Rates : R5.44m

Vote 10 (Safety, Security and Liaison)

The original budget appropriation for the department of Safety, Security and Liaison was R47.13m for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R49.13m. The adjustment is made up as follows:

- Improvement of Conditions of Service : R0.76m
- Compensation of Employees : R1.24m

Vote 11 (Local Government and Housing)

The original budget appropriation for the department of Local Government and Housing was R1.40m for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R1.41b. The adjustment is made up as follows:

- Improvement of Conditions of Service : R7.39m
- Cabling of network points across building : R1.87m

Vote 12 (Social Development)

The original budget appropriation for Social Development was R761.60m for the 2009/10 financial year. During the year, the department receives an additional allocation which adjusts the budget to R782.84m. The adjustment is made up as follows:

- OSD : R21.24m

Vote 13 (Sport, Arts and Culture)

The original budget appropriation for Sport, Arts and Culture was R231.04m for the 2009/10 financial year. The department receives an additional allocation which adjusts the budget to R244.26m. The adjustment is made up as follows:

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| ▪ Improvement of Conditions of Service | : | R1.81m |
| ▪ Mass Sports and Recreation programme | : | R6.00m |
| ▪ Community Library Services | : | R5.40m |

Unlike in previous years the additional allocations deal mainly with personnel costs. The bulk of the new allocations on programmes have been given to the social sector confirming government's expenditure on the priority areas of Health, Education and Social Development. We have to do more with less. It is in tough times like these that our resilience and remarkableness will have to show itself. We have it in us to do what we have set out to do. It is only with the necessary commitment, dedication and discipline that we will convince our people to share in our vision for a better life for all, to eradicate poverty and ensure a fair and equitable distribution of the country's wealth amongst all our people. Together we can and must do more.

In conclusion, I take this opportunity to thank the Premier, my colleagues in the legislature and executive council for their support and input. Members of the Finance committee headed by comrade Rosema Semanya and members of various legislature committees. A word of gratitude to the HOD, RobTooley, the Director-General, HODs of provincial departments and staff of Provincial Treasury for their input, guidance and support.

I thank you