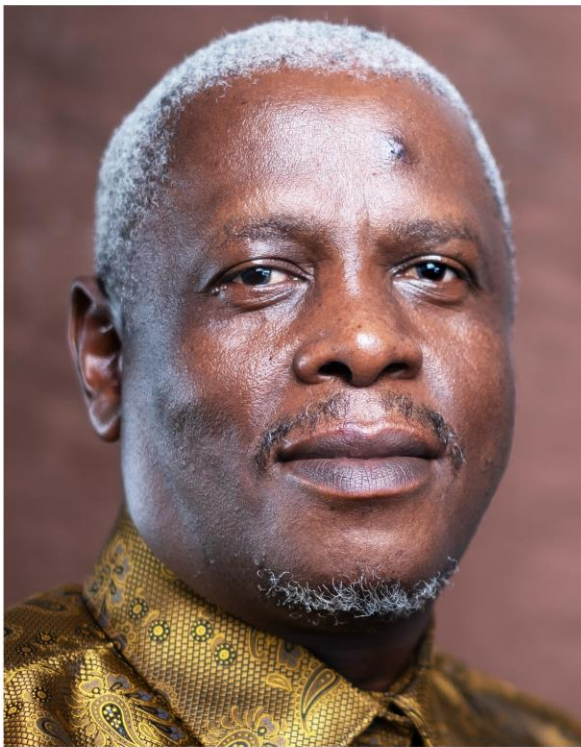


# Budget VOTE

**2023/2024**



**Hon. M.A Dukwana**

**Premier of the  
Free State**

**Friday, 05 May 2023**

**TETO SECONDARY SCHOOL, WELKOM**

#FSbudgetVotes2023 ● #LeaveNoOneBehind ● #MakingYourFutureWorkBetter



VACCINATE TO SAVE SOUTH AFRICA

TOGETHER WE CAN BEAT CORONAVIRUS



**the premier**

Office of the Premier

FREE STATE PROVINCE



Honourable Speaker of the Legislature

Honourable Deputy Speaker

Honourable Members of the Legislature and the Executive Council

Executive Mayors, Mayors and Speakers of Municipalities Boetapele ba

Ntlo ya Marena le Ma-Khoisan

The Director-General and Heads of Departments

Chairpersons of our Public Entities and Chief Executive Officers Leaders

of the African National Congress and the Alliance Leaders of Faith

Based Organizations

Leaders of Civil Society Organizations Leaders

of the Business Community Ladies and

gentlemen

## **Honourable Speaker**

It is my singular honour that I have been granted this opportunity to present my first Budget Vote Speech as Free State Premier. I present this budget vote awed by the confidence our people have demonstrated that we can serve them at this level of government.



This year marks exactly 33 years since the release of Nelson Mandela, the founding father of our democracy. Nelson Mandela emerged from prison, after 27 years in jail to remind us of the African spirit of Ubuntu.

The 27<sup>th</sup> of April this year, marked the 29th anniversary of South Africa's first democratic elections. We are inspired by the mandate given to us by our voters to transform an unjust society, overcome all obstacles and achieve the vision of a united, free, non-racial, non-sexist and prosperous Free State, in which the human of every citizens is upheld.

## **Honourable Speaker**

This Budget Vote is an important event after the State of the Province Address (SOPA), where we take the people of our province into confidence about how we plan to utilize public resources pursuant to our mandate of building a better life for all.

It gives us an opportunity to outline our planned priorities for the year ahead and solicit the blessings of the Free State community in whose interests our government is enjoined to act.

The Book of Proverbs *chapter 11 verse 14* says:

*“Where there is no guidance, a people falls, but in an abundance of counsellors there is safety.”*



This Biblical injunction reminds us all that we must always seek counsel from the people whose electoral support put us into these positions of responsibility we hold in government. By far, this injunction coincides exactly with the old Sotho adage “*ntja pedi ha e hlolwe ke sebata*”.

### **Honourable Speaker**

With your permission, I would like to dedicate this budget vote to the memory of the late Sipho Mutsi from Kutlwanong (Odendaalsrus). Mr Mutsi was brutally assaulted by the apartheid police at the age of seventeen years as a result of which he suffered brain damage which took his life later on 5 May 1985.

He belonged to the courageous, selfless and bullet-biting generation who made the ultimate sacrifice for us to enjoy the freedoms that made it possible for this gathering to be possible.

The African National Congress (ANC) and indeed the people of our province appreciate the role he played towards the realisation of a free South Africa wherein all forms of oppression are a distant memory

I would also like to summon the undying spirits of the former Premier Beatrice Marshoff and former Education MEC Tate Makgoe, who passed on in March and April 2023 respectively.



# BUDGET VOTE

**2023/2024**

We have no doubt that their love for the people of our province will guide our efforts towards realizing a truly prosperous province.

The birth of democracy signalled the end of one era and the beginning of another. The ravages of racism and exclusion were fading. This was the moment of reawakening and the tide of history was turning.

As the evil that was apartheid was crumbling, our story of courage was unfolding. We set ourselves on a path of democracy based on constitutionalism and equality. Nearly three decades later, these daring commitments still remain dear to our democratic journey. Today we are a democracy founded on the values and principles of equality, human rights, non-racialism and non-sexism.

These are the values we ought to live by and tirelessly defend.

Today is better than yesterday and tomorrow will certainly be better than today. Our people have access to running water, electricity, dignified housing, free education and access to professional jobs which were previously a preserve of the few.

Despite these successes, the road ahead is still filled with challenges – unemployment, poverty and inequality continue to mar our achievements.

Like episodes in our historical memory, we will never allow challenges to define our circumstances or extinguish our ability to dream. Instead, they should inspire us to imagine our province anew.

From the banks of the Orange and Vaal rivers, the majestic Drakensburg mountain range and the silence of the Xhariep plains; ours is a mandate to deliver and deliver now.

### **Honourable Speaker**

Focusing on what we need to deliver, when we deliver and how we deliver is the strategic leadership function of the Office of the Premier. This Office is the nerve centre of the Free State Provincial Government. And without the centre, things will fall apart.

### **So, the centre must and will hold.**

The Office of the Premier has a mandate of directing the integrated planning, coordination, governance, implementation, monitoring and evaluation for the Free State Provincial Government. The performance of these functions locates service delivery in the Office of the Premier.

It is only when the centre is unwavering, purposeful, value-driven and visionary that it will lead the province towards good governance and improved service delivery.



In this regard, we are required us to reinvent the future. We need to challenge the status quo, embrace novelty and promote experimentation.

We need to throw away the box that impedes our thinking and dwarfs our march towards innovation. This is how we will move mountains and circumvent conformity with old ways.

We need to reimagine the Free State as the artery and spine of the South African economy. For far too long we have been preoccupied with competing with the other provinces. This ignores our role to harness the specific locational benefits as well as the economic opportunities in various spheres of the economy. As we re-imagine the Free State, we are bound to deliver shared and inclusive growth across districts which are poised for growth and development because of our strategic location.

The Free State offers South Africa a unique selling value proposition

- The Free State shares borders with six other provinces and the Mountain Kingdom of Lesotho. Five major national highways intersect the centrally located province which is also well served by rail and air links.
- The Orange and Vaal rivers define the southern, western and northern borders of the Free State.



- The N3 is South Africa's busiest road and the Highway Junction truck stop at the entrance to Harrismith claims to be Africa's biggest. More than 1 500 vehicles pass through every day.
- The country's two great highways pass through the province. The N3 links the ports of Richards Bay and Durban with the industrial heartland and the N1 provides north-south connectivity.
- Three other national highways intersect the province which is also well served by rail and air links
- The Free State produces significant proportions of South Africa's wheat (30%), sunflowers (45%) and maize (45%).
- Links to the west (Kimberley and Namibia) and east (Lesotho) underpin the planning behind the N8 Corridor concept which covers Bloemfontein, Botshabelo and Thaba Nchu.

Our Districts are not only diverse but each boast a veritable host of unique economic opportunities:

- Fezile Dabi District is an important agricultural production area
- Lejweleputswa District boasts goldfields and agricultural potential
- Mangaung Metropolitan Municipality is the trade and administrative hub of the Free State.
- Thabo Mofutsanyana District is an unrivalled tourism destination
- Xhariep District boasts farming



Most districts now offer exceptional possibilities for mining with different mineral deposits being discovered daily. Another area that must never escape our psyche is opportunities that could flow from revitalisation of old mining towns in the province.

## **Programme 1: Administration**

### **Honourable Speaker**

Democracy can only thrive when we are effective, transparent and accountable to the people. After all, we serve at the behest of the people. We are guardians of their dreams and messengers of their voices.

Ensuring effective and efficient government, seamless government and resource allocation and management is the function of Programme 1.

In overseeing the performance of the Provincial Government, the Director- General will drive integrated planning, coordination, implementation and monitoring of government projects and programmes.

Beyond ensuring functional and coherent government delivery machinery, this role includes serving as Secretary to the Executive Council.

This responsibility appreciates the value of mutually reinforcing policy objectives and desired outcomes, between the three spheres of government, as a precondition for successful integrated service delivery.



Moving forward, we will improve efforts to enhance institutional relationships to create synergy built on integration, coordination and partnerships. This will lessen policy incompatibilities and fragmentation.

Engagements with structures such as the President's Coordinating Council, Premier's Coordinating Forum and Forum of South African Directors-General as mediums for policy dialogue, knowledge sharing and collaboration in support of our priorities will be regularised.

External structures will also be engaged to serve as a bridge between government and the public, in enhancing a common vision and actions. This requires the provision of effective technical, administrative and advisory support to the Premier and the Executive Council.

To effectively execute this function, more attention will be given to measures that ensure increased flexibility, are results orientated and improve service quality through the use of new technologies.

The Medium Term Strategic Framework priorities and Executive Council makgotla resolutions will continue to shape every aspect of the work of our clusters to drive integrated alignment and implementation. This year, our clusters will be revisited to mirror government structural arrangements and priorities. Focus will be on their functionality to foster integrated planning and accountability between the three spheres.



## Honourable Speaker

The corruption that characterised many years of state capture sought to reverse the gains we have made as a province. It overshadowed our capacity to do good and created a spiritual, moral and ethical dilemma for our people. These are challenges that all of us are called to confront and defeat, we draw courage and lessons from uTata Madiba that the human spirit always triumphs over evil.

These are the trying times of austerity measures. Doing more with less will now be the new normal. Not only this year, but year-after-year. Every rand we spend will count. Reallocation of funds to more pressing needs will be prioritised. Sound financial management will be the norm.

We reiterate our intention to obtain an unqualified audit opinion as our commitment to sound financial management.

## **Days of financial wastage, excess and transgressions are over.**

We remain thankful for the support of the Auditor-General in assisting the department to achieve this. We are now implementing the Audit Action Plans in our quest for an unqualified audit opinion.

The centre will lead by example... Our people deserve no less than this.



Besides accountability, financial management is also about the fight against malfeasance and corruption in government. Corruption is not a victimless crime, it defers hopes and dreams of our people. It erodes trust and confidence in the Provincial Government.

Here and now, we pledge that there shall be zero tolerance for acts of malfeasance and corruption. Neither shall cover-ups be permitted. No one will be spared in this fight.

The vetting of all senior managers and officials responsible for financial management by the South African Security Agency is underway. This will instil professionalism, trust and integrity in those entrusted with the responsibilities of managing public funds in government.

We also know that if left unchecked, conflict of interest is another enabler of corruption. The department is working closely with the Public Service Commission to ensure that there is maximum compliance with financial disclosures framework.

Most importantly, lifestyle audits are now compulsory for public servants and government officials are barred from doing business with the state. We will maintain the highest standards of ethical conduct and integrity.

Some of the reported cases of corruption and maladministration are now serving before the courts and others are under investigation.





## Honourable Speaker

This year, we will bolster the Provincial Government's security measures through implementation of innovative ways. Access Control Systems will be installed, CCTV Cameras upgraded and expanded, X-Ray Technology used, Custom Software developed, and Drone Technology piloted to improve physical and cyber security.

Institutional risks that may hamper the attainment of our priorities, are mitigated as part of our early warning risk management processes. Every year, risks are identified and Risk Management Plan and Strategy are implemented, with the assistance of the Risk Management Committee.

Oversight of financial reporting, internal control, audits, risk management, ethics, disclosures and fraud prevention will continue to remain the responsibility of our independent Shared Audit Committee.

To successfully fulfil these responsibilities, **Programme 1** has been allocated a total budget of **R108 472 million** for the 2023/24 financial year.

## Programme 2: Institutional Development

### Honourable Speaker

A developmental state will remain a distant dream without the necessary capacity. In fact, unending service delivery protests, maladministration, and socio-economic maladies are the end products of lack of capacity.

The role of Programme 2 is to build the necessary institutional capacity to ensure effective, efficient, responsive, trustworthy and accountable government. This is about creating and supporting the environment, institutions and processes which are important for the growth and development of our province.

It is only through skills development that we will be able to address challenges of unemployment, poverty and inequity. And our investment in education is our commitment to break down the barriers to growth, development and opportunities.

To show how serious we are about education, the Free State Training and Development Institute have provided training to **2 035** officials on **119** courses and 37 part-time bursaries were awarded to officials.

Partnerships are also an important source of our education investment. Of the 50 officials enrolled for the National Diploma in Public Administration, 29 officials have obtained their qualifications through the Recognition of Prior Learning Programme (RPL) funded by PSETA.

We worked with the National School of Government to provide training to 165 Interns and 350 officials on various financial and leadership programmes that include Citizen-Centred Service Delivery, Supply Chain Management and Programme and Project Management.

Currently, 115 officials have been enrolled for the National Diploma in Public Administration NQF Level 6. Further 20 officials will be registered for the Advanced Diploma in Public Administration NQF Level 7.

### **Honourable Speaker**

Our Bursary Programme continues to unlock the doors of learning for many young people to learn, grow and thrive. This is what we are about.

Internationally, we have 20 bursaries holders in universities in Portugal and, 2 in universities in Turkey. Locally, we are supporting 576 bursary holders in Institutions of Higher Learning.



We also mobilised over R76 million from the manufacturing, engineering and related services SETA (merSETA) to settle the debt of 1500 students at local TVET colleges and universities.

All these initiatives form part of our contribution to the National Skills Development Plan that seeks to ensure availability of adequate and appropriate skills that contribute to our growth and development.

Embedded in the National Skills Development Plan is our Human Resource Development Strategy meant to develop institutional synergies and ignite a culture of lifelong learning in government.

In our last financial year, the 50-50 gender parity outcomes at senior management level and the overall 53% of women employment in the department were achieved. This is a demonstration of our resolve to protect and empower women – indeed no walls of gender inequality will endure under our watch.

### **Honourable Speaker**

Knowing that the future belongs to the youth, efforts to make the public service an employer of choice for young people continues. As of March 2023, 17% of the total workforce in the department is youth.





Last year we undertook an extensive review of our organisational structure to reposition the department as the effective, efficient and excellent centre of government. Necessary consultation processes are underway to finalise and implement the reconfigured structure.

Functions and skills will be aligned. Professionalism and ethical conduct will be instilled. Officials will be motivated and a fulfilling organisational culture created. All this will be done in consultation with all involved.

We are assisting all departments to repurpose their structures to ensure that we are a service delivery purpose-led Provincial Government.

### **Honourable Speaker**

We fully embrace the new technologies and innovations as part of the enduring 4<sup>th</sup> Industrial Revolution wave sweeping across the globe. We will explore the creation of a shared ICT services and infrastructure to maximise the use of technologies to improve efficiency and effectiveness.

Alongside this, we will roll-out the Virtual Private Network, Cloud Services and Telephony System to optimise resources, processes, operations and approaches using the transversal projects initiative.



Our legal service provision will entail rendering legal services and advice to the entire Free State Provincial Government. We have embarked on a three-year process to review provincial legislations to ensure alignment with policy mandates, and relevant norms and standards.

We will still support the management of litigations against the Provincial Government which includes curbing of opportunistic legal claims.

Equally, we will strengthen participatory democracy through communication. People deserve to know what their government is doing and government needs to listen to people's experiences of democracy.

That is why we are servants of the people and merchants of their hopes.

Information content in various platforms such as newsletters, radios, television and social media will be driven by the needs of the communities.

Therefore, a total budget of **R293 413 million** has been allocated to Programme 2 to meet its institutional development obligations.

## Programme 3: Policy and Planning

### 1 Honourable Speaker

Integrated planning, alignment and coordination is an appreciation of the fact that common problems require a common approach.



Not only is this a prerequisite for the whole of government service delivery planning, budgeting and implementation, but also for desired growth and development. Programme 3 will align, integrate and coordinate the activities of the three spheres of government to ensure compatible and complementary development priorities setting, coordination and implementation.

Long-term planning and its inherent benefits to reorder the development landscape of the Free State, continues to be our utmost priority. We are reviewing the Free State Growth and Development Strategy which is embedded in the National Development Plan.

This Strategy articulates the province's economic, social and political landscape, knitted together in an integrated development web. Given that the Strategy is a representation of the convergence of views about the current and future development of the province, the review process will include widespread consultations with various social partners.

### **Honourable Speaker**

Successful realisation of the objectives of the Free State Growth and Development Strategy, which entails alignment with the Economic Reconstruction and Recovery Plan and National Infrastructure Plan is predicated on the implementation of major infrastructure projects.



# BUDGET VOTE

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Our roads, railways, bridges, hospitals and schools will breathe life into our economy, development, growth and wellbeing. We will turn the Free State into construction site.

**Real work has begun in this regard and a brighter future awaits.**

The Provincial Government has now registered 25 major infrastructure projects, with an estimated value of over **R173 billion** with Infrastructure South Africa, as part of the process to develop a viable project pipeline. We will not rest until this pipeline delivers desired outcomes.

We eagerly await the implementation of these roads, healthcare, human settlements, water and renewable energy infrastructure projects. Considering our location and the great potential it holds, we are serious when we say we want to centre the Free State, as the bustling hub of economic activity, growth and development for the country.

We have set in motion processes with entities that include the Central Energy Fund and PetroSA, to explore how the Free State can be used as the country's energy generation, logistics and beneficiation hub. We will also host an Energy Security Indaba to explore how we can contribute to the country's energy security, affordability, and stimulate economic growth and create desired jobs.





We are strengthening our project and programme management lifecycle technical capacity in the department to oversee integrated provincial coordination of major infrastructure projects. Having multiple expertise in project planning, management, coordination and reporting; this will propel our infrastructure investment to new heights.

### **Honourable Speaker**

Implementation of the District Development Model (DDM) to enhance planning across the three spheres continues. We have appointed political champions for each district to focus on this space as a critical area for intergovernmental planning, coordination and monitoring.

Using the DDM approach, we will widely consult with social partners to conclude the Free State Social Compact for Improved Service Delivery, Economic Growth and Development. The Social Compact is our way of saying that we are, because of the people. We put their needs and interests first, in a framework that deepens the Provincial Government's cooperation and collaboration with them.

Institutions of Higher Learning are an integral part of the Free State landscape. We will therefore continue to work with these centres of knowledge production and drivers of growth and development.



In solidifying our relations, we will engage in conversations with students and management in these Institutions to share knowledge on how we can respond to growth and development priorities of the province.

## **Honourable Speaker**

In times like these, intergovernmental relations to drive integrated coordination and implementation shaped by common policy thrusts, shared commitments and mutual responsibilities is important.

We will forge policy inter-linkages across the three spheres through platforms such as the President's Co-ordinating Council, Premier's Co-ordinating Forum and Intergovernmental Relations Forums.

As we begin to reconstruct, develop and accelerate economic growth; we will cement economic relations with like-minded provinces in other countries. The necessary development assistance will be sought for critical sectors of the economy.

We will similarly consider how we can benefit from the African Continental Free Trade Area Agreement ((AfCFTA)) as part of our initiatives to build regional and continental trade partnership, networks and collaborations.



Our special programmes initiatives, are meant to support women, persons with disabilities and the youth. We continue to implement the National Strategic Plan on Gender Based Violence and Femicide.

Youth activities this year will include strengthening drug and substance abuse sensitization programmes; initiating youth business skills training and development workshops, and hosting a Youth Economic Summit

As a means to build a disability inclusive Provincial Government, the department is currently having departmental engagement sessions to device measures to create a disability inclusive environment.

From these engagements, the Free State Provincial Government Plan of Action on Employees with Disabilities will be compiled and presented at the provincial session to be convened this year.

Given these responsibilities, Programme 3 has been allocated **R76 653 million** for the 2023/24 financial year to perform its functions.

## Programme 4: Monitoring and Evaluation

### Honourable Speaker

It is true that we cannot achieve what we cannot measure. We learn from results.

This is about value creation, integrated alignment, interactive

learning, responsiveness and constant service delivery improvements.



It is for these reasons that performance monitoring and evaluation is crucial for us as the Free State Provincial Government.

The function of Programme 4 is performance monitoring and evaluation of the implementation and impact of government service delivery interventions. It identifies the linkages between government priorities and desired outcomes through outputs, outcomes and impact.

As the need for accountability and tangible results mounts, work of Community Development Workers has become essential in attending to community service delivery concerns and, referring these to relevant government departments and institutions for prompt response.

This work is carried through the Presidential Hotline and Thusong Service Centres that place people at the centre of service delivery. These are complemented by the Letsema Service Delivery campaigns, that entail the provision of cleaning services, water leaks repair, drainage unblocking, and potholes and roads repairs.

### **Honourable Speaker**

As our commitment to resolve service delivery challenges, we have so far received **4 389** calls on our Presidential Hotline. Of these calls, **4 315** were resolved. We are hard at work to resolve the remaining cases.





We have commenced work towards establishing Integrated Service Delivery Centres to bring government essential services to communities. We are fulfilling our pledge to establish a Service Delivery Technical Team in the Office of the Premier, comprised of civil and electrical engineers, quantity surveyors, town planners and ICT specialists.

Processes to appoint and deploy these specialists to strengthen the capacity of municipalities to operate and maintain critical infrastructure essential for service delivery will be concluded in this financial year. This is part of our work to get the basics right and do right by communities.

Frontline Service Delivery Monitoring will be intensified to change the way services are offered and to facilitate learning and accountability.

In the previous financial year, focus was on compliance with the SAFE Schools project, meant to determine the appropriateness of sanitation in schools. This initiative will be expanded to other service delivery points.

### **Honourable Speaker**

As the end of the five-year electoral cycle draws to a close, we will still report on the implementation of the **2019/2024** Medium Term Strategic Framework priorities. We need to know how far we have come, how close we are in achieving our priorities and how far we still need to go...



# BUDGET VOTE

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We will also continue to monitor progress in the implementation of the injunctions which are encapsulated State of the Province Address and all Budget Votes to ensure that we fulfil our commitments as government.

The department will ensure that there is a coherent provincial Communication Strategy in terms of which the people of our province will be informed timeously and accurately about the business and programmes of government.

Support will also be provided, to the Portfolio Committees of the Legislature responsible for oversight of the non-financial performance of provincial departments, and state-owned entities.

Citizen-Based Monitoring provides an opportunity for people to redefine their everyday government service delivery experiences. In strengthening the reach and impact of this initiative, we will establish a Citizen-Based Monitoring Forum to support and enhance citizens' involvement in monitoring service delivery.

Seeing the challenges that impair the effective functioning of our municipalities, we will provide support with the implementation of the Local Government Management Improvement Model.

We will establish an instrument to drive and deliver on all priority infrastructure projects in our province in partnership with various other institutions of government. This instrument will focus on catalytic and path breaking infrastructure programmes.

The primary role of this instrument shall be the following amongst others:

- Identify and guide the planning and execution of all major infrastructure interventions
- Build capacity to enhance implementation of infrastructure projects
- Work towards the establishment of the Free State Growth and Investment Agency that will mobilise and direct new investments.
- Coordination of skills development which facilitates economic growth areas, increasing access to economic activities, innovation capacity required by a competitive global economy

A total budget allocation of **R157 269 million** has been made available for Programme 4 to fulfil its responsibilities, in the 2023/24 financial year.

## Conclusion

Honourable Speaker

We believe in the great potential that the Free State offers. And it is through our collective wisdom that we can benefit from this potential.

This budget calls for real and decisive action to make a real difference in the lives of our people. It offers hope for a better and brighter future of this province. It is an invitation to work together, to do our part in ensuring the successful realization of our growth and development imperatives.

For us to guarantee the future of our children, we must collectively drive a new Free State agenda which includes building:

- A province that cares
- A province that puts People First
- A province that prides itself in excellent service delivery
- A province that is free of corruption
- A Free State that is led by moral and ethical leaders

I wish to take this opportunity to thank all staff in the Department of the Premier for their hard work and dedication. We are indebted to those whose dedication never diminishes despite challenges they face. We are grateful to those who always sound alarm bells when unscrupulous elements engage in unethical acts that destroy our province.

Work begins today... tomorrow is only for us to win. Let us give our all today, for a better tomorrow.

**I Thank You!**