

**BUDGET VOTE OF THE OFFICE OF THE PREMIER DELIVERED BY
THE HONOURABLE DR. ZWELI MKHIZE
PREMIER OF THE PROVINCE OF KWAZULU-NATAL
24 MARCH 2011**

Chairperson
Madame Speaker
Deputy Speaker
Honourable Members
Mayors and councillors
Amakhosi present
Acting Director-General and Heads of Department
Excellencies, Members of the Diplomatic Corps
Distinguished guests
Ladies and gentlemen

The purpose of this presentation is to focus on the Premier's Vote, in particular the programmes that are funded inside the Office of the Premier for both the internal working of the Office of the Premier and the over-arching function of oversight over the entire government structure.

The total budget for the Office of the Premier for the 2011/12 financial year is **R471,105-million**, spread among the following programmes.

- **Administration**
- **Institutional Development**
- **Policy and Governance**

PROGRAMME 1: ADMINISTRATION (R121,888-million)

The purpose of this Programme is to provide administrative support to the Premier, Executive Council (Cabinet) and the Director-General in fulfilling their executive functions and promoting co-operative governance through the co-ordination and integration of services. It also ensures sound financial management support and advisory services within the Office of the Premier. There are four sub-programmes supporting this programme, namely Premier Support, Executive Council Support, Director-General Support and Financial Management.

Premier's Support Sub-Programme provides technical, administrative and advisory support to the Premier in executing his Constitutional mandate, and has an allocation of **R24,620-million**.

A pillar of our governance system is the Executive Council. Its Support Sub-Programme in the Office of the Premier renders secretariat support and facilitates the proper running of Cabinet *izindaba*, Clusters and key provincial committees. It has been allocated **R8,838-million**.

Director-General Support Sub-programme provides administrative support to the Director-General in strategically managing the Province and has an allocation of **R21,743-million**.

Our Financial Management Sub-Programme, which provides sound financial management support and advisory services for the entire department, has an allocation of **R66,687-million**.

Ombudsman Services: Integrity Management (R8,768-million)

The Integrity Management sub-programme is responsible for the processing of service delivery complaints, the facilitation of investigations and the recommendation of prosecutions in fraud and corruption matters. It also processes Presidential Hotline referrals while embarking on various initiatives aimed at enhancing the level of integrity among all our employees. This section co-ordinates similar functions performed and budgeted for by various departments.

Service Delivery Complaints

In the six-month period Sept 2010 to Feb 2011, 34 serious written complaints have been received, 14 of which have been finalized. There have been 15 walk-in cases, 12 of which have been finalized.

The complaints cover a broad range of issues – from disputed land claims, diplomatic incidents as well as unresolved labour and pension matters. Many relate to what happened more than five years ago, making resolution more complex. A report of finalized cases will be tabled to the House.

Fraud and Corruption

I must state that allegations, forensic and other reports suggesting criminal offences get routinely referred to the Special Investigation Unit (SIU) of the South African Police Service.

Taking these matters into account, as well as other reports referred to our office by Treasury Internal Audit, as indicated in the State of the Province Address, there have been 85 forensic investigations conducted into misconduct, of which 53 have been completed.

Related to these are 44 criminal cases which have been referred to various special units of the South African Police Service, mainly the “Hawks” and the more recently established national Anti-Corruption Task Team. Detailed forensic reports have been handed over to the police and we anxiously await arrests and prosecutions.

We have an undertaking from the Head of the Anti-Corruption task team that our investigations will be prioritized and acted upon as quickly as possible. We continue to follow up with senior police and SIU investigators on a monthly basis.

We reiterate our concern that matters referred for criminal investigations, if prematurely publicized, have a risk of prejudicing the investigation process.

We have correspondence from the SIU appealing for our support in safeguarding the integrity of the investigations on these matters.

Related to these forensic reports are internal disciplinary enquiries. On this front, 65 were recommended, 41 of which are in progress. At least four dismissals have followed. Honourable Members would be interested to know that the disciplinary cases involve at least 10 senior management service members.

As we reported in the State of the Province Address, we have arranged through the Minister of Justice and Constitutional Development for retired Judge President Vuka Tshabalala to be available to preside over the most serious fraud and corruption cases. So far, three matters involving senior managers have been referred to him. We have another five serious matters involving senior managers being handled by members of the legal profession.

While we finalise the consolidation of a Provincial Hotline, we encourage the public to utilize the existing toll-free numbers of various government departments to file their concerns and complaints.

Besides that process, the details provided below must be used to communicate with government.

E-mail Address:- kznonline@premier.kzntl.gov.za

Toll-free number: 0800 11 78 67

Postal Address:- Private Bag X9037, Pietermaritzburg, 3200

PROGRAMME 2: INSTITUTIONAL DEVELOPMENT (R111, 943- million)

The purpose of this programme is to improve service delivery through institutional capacity-building and transformation management in the Province.

This programme comprises of the following sub-programmes: Strategic Human Resources, Legal Services, Information Communication Technology and Communication Services.

Strategic Human Resources (R63,199-million)

This section focuses on the human resource work inside the Office of the Premier as well as the over-arching responsibility over all government departments.

Vacant posts

As the Honourable President JG Zuma directed in the State of the Nation Address, we have directed that this year departments must fill all 21 873 vacant funded posts in the Province. The vacancy rate was 19% as at 1 April 2010 and this had been reduced to 15% as at 28 February 2011. Most of the vacancies are in the Departments of Health (15 362) and Education (3 389).

I have the assurance that the Members of the Executive Council have prioritised this matter. **(See Annexure A - Vacant posts per department).**

Labour Relations

The number of employees on precautionary suspension as at April 2009 was 104. The annual cost in salaries was R11 109 241. The number of cases has been reduced to 46 as at December 2010, and it is envisaged that all these matters will be finalised by 31 May 2011. Members of the KwaZulu-Natal Public Sector Lawyers Association have been tasked to expedite this work.

The Labour Relations Directorate monitored the implementation of “No Work No Pay” for the 2010 Public Service Strike. As at February 2011, departments had deducted R158 848 960 from employees.

To further improve our capacity to deliver services to the people of KwaZulu-Natal, the Office of the Premier will be hosting the 6th Annual Provincial Public Sector Human Resources Convention where 350 human resource managers and practitioners will be capacitated in professionalism, ethical conduct and accountability.

Bursaries

Government is funding under 5000 students at a cost of R193-million. In addition to R65-million budgeted by all departments this year, the Office of the Premier also received additional funding of R2-million per year, over the MTEF, to augment the funding needs for students from disadvantaged communities who present at short notice after passing Matric. We have dealt with almost 200 of such students this year. These funds are reflected under Transfers and Subsidies to universities and technikons, within Programme 2: Institutional Development.

Legal Services (R9,423-million)

The role and responsibility and the strategic objective of State Law Advisory Services in the Office of the Premier is to provide a comprehensive and professional internal legal advisory service to the Office of the Premier; and also to provide a comprehensive, professional, inter-departmental, transversal State law advisory service to other departments to protect the interests of the entire Province. The Province of KwaZulu-Natal currently follows a decentralised model in respect of the provision of legal services.

In the last financial year we certified six Bills which we list in ANNEXURE B. We also list 13 Bills in the proposed Legislative Programme for the new year. (ANNEXURE C).

Information Communication Technology (R23,263-million)

For 2011/12 the focus is on developing a provincial information technology security policy to secure provincial information systems. In addition, the draft provincial E-government strategy will be revised to take into account the broadband baseline study which shows that only a very small percentage of the population will be able to access government information and services via the internet.

We plan to have a multi-channel approach to ensure that citizens will be able to transact with government via cellular phones, faxes, walk-in centres and the internet.

Communication Services (R16,058-million)

Chairperson, in our inaugural State of the Province Address we announced that we would move towards an integrated, coherent and consistent approach in rendering Provincial Government Communication Services. We said all our marketing and communications initiatives would be geared towards projecting an image of a Government that speaks with one voice.

Towards this end, we now publish a single monthly Provincial Government newspaper, **SIMAMA KZN**, having done away with various publications for different departments. We plan to publish weekly before the end of this financial year.

Through the Government Communicators Forum, we now negotiate bulk deals for airtime on electronic and print media, resulting in huge savings for the Province.

The media monitoring and analysis service is now in place, and this year we will enter into longer-term arrangements with service providers. We have also developed a branding manual for the Provincial Government which will be implemented fully this year.

PROGRAMME 3: POLICY AND GOVERNANCE (R237, 274-million)

The purpose of this Programme is to initiate provincial-wide development and implementation of strategies and policies to achieve a co-ordinated approach towards sustainable provincial growth and development. There are five sub-programmes supporting this programme, namely Special Programmes, Inter-Governmental Relations, Provincial Policy Management, Premier's Priority Programmes and Heritage.

The Flagship Project which we launched in 2009 has been rebranded "Operation Sukuma Sakhe", with a view to accelerate service delivery. It will be supported under this programme.

SUB-PROGRAMMES

Special Programmes (R60,628-million)

This Sub-programme's function is to inculcate a culture of human rights, and promotion and protection of human and legal rights of the vulnerable namely women, children, older persons, youth and people with disabilities. HIV and Aids as well as Gaming and Betting fall under this sub-programme.

Human Rights (R26,169-million)

With focus on domestic violence, abuse of women and children, this component focuses on:

- Deepening the culture of human rights in the society.

- Mobilising senior citizens and supporting programmes for elderly and frail, and providing care for them.
- Championing the rights for the children and overseeing the effectiveness of services destined for their welfare.
- Mobilising support for programmes of the people with disabilities and ensuring that their issues are addressed by different departments.
- Supporting anti-hunger programmes in communities, for instance by promotion of “One Home One Garden”. Community leaders such as traditional leaders and the religious sector are targeted for training on these matters.

Gaming and Betting (R21,390-million)

The new KwaZulu-Natal Gaming and Betting Act, No. 08 of 2010 will come into effect on 1 April 2011. The KwaZulu-Natal Gaming and Betting Tax Act, No 09 of 2010 will come into operation simultaneously.

The promulgation of this legislation will hopefully usher in a new era of prosperity for the KwaZulu-Natal gambling industry, which should enable the industry to step up its own efforts in bringing about socio-economic development, both through revenue generation and directly, through its own projects, to the benefit of the people of the Province.

It is expected that a new Gaming and Betting Board will be appointed within the next two months. The total budget for Gaming and Betting for 2011/2012 is **R21.390-million**, of which **R17.337-million** is grant-in-aid to the KwaZulu-Natal Gambling Board.

HIV & Aids (R11,592-million)

This section is focused on co-ordinating all the activities and programmes of government departments in the fight against HIV and AIDS. It offers work as secretariat of the Provincial AIDS Council in conjunction with the Department of Health.

In the past financial year, the Provincial Council on AIDS co-ordinated the multi-sectoral response in all 10 Districts and the Metro. This year the focus is on developing the new Provincial Strategic Plan for HIV and AIDS and TB for 2012- 2016.

The fight against HIV and AIDS and TB will be driven at the ward level with all wards mobilised to have active Ward AIDS Support Committees which will be trained in partnership with civil society sectors. This will be driven by District AIDS Councils which will have their Millennium Development Goal targets.

Priority areas for all wards will include prevention of TB and HIV; access to treatment and decrease in defaulter rates; orphan and vulnerable children care; fighting stigma in the wards and elimination of hunger and poverty.

Inter-Governmental Relations (R4,745-million)

This unit focuses on supporting the Premier’s Co-ordinating Forum which interfaces between the provincial government and mayors representing municipalities.

It will also focus on International Relations, Good Cooperative Governance, Official Donor Assistance and Provincial Protocol Services.

Twinning and work on international relations has been on basis of the following countries:

- In Africa: Mozambique, Angola, Uganda, Namibia, the Democratic Republic of Congo, Swaziland and Equatorial Guinea;
- In Asia - China, Shanghai and Guangxi.
- We plan exchange visits to Europe and the United States of America.

Provincial Policy Management (R57,405-million)

The purpose of this sub-programme is to improve governance, planning, policy management, monitoring and evaluation of the provincial government's integrated service delivery performance.

Macro Policy Development and Coordination (R4,583-million)

This sub-programme provides policy management as well as strategic planning training and development to senior public officials to improve competency. It also conducts policy research and analysis of policy proposals to add value to policy-making processes and enhance co-ordination.

Monitoring and Evaluation (R43,822-million)

This unit ensures effective implementation of a government-wide monitoring and evaluation system that contributes to improved governance and effectiveness of public sector programmes in KwaZulu-Natal.

A Monitoring and Evaluation Regulatory Plan was adopted by Cabinet in September 2010. Further, a Project Management System application is being finalised to support "Operation Sukuma Sakhe" in household tracking.

The Provincial Nerve Centre will go on live by end of April. It aims to provide a complete and comprehensive view of performance and effectiveness of public services across the Province, as Provincial Government seeks to fulfill its mandate towards achieving a better life for all. Phases One and Two have been completed and they include a Project Management System. This solution provides household data and analysis of intervention.

The Nerve Centre Roadmap includes for this financial year a fully functional Information Management System. It will enable service delivery information to be captured from ward to provincial level, thus further enabling Government to be more informed and effective in its actions.

Provincial Planning Commission (R9,000-million)

As previously announced, the Commission is fully operational, having hosted several meetings already.

There is going to be a strong emphasis on planning and coordination within the provincial government and across all three spheres of government. We are providing a platform for co-ordinated planning and getting the departments to work around a common plan.

It will assist municipalities in delivering on bulk infrastructure such as water, sanitation and electricity and link that with housing development.

Coordination will assume a new thrust as we move the province along a growth trajectory. This will underpin the mandate of this Department as we take a medium and long-term perspective of development in the Province.

I reported in this House that the KwaZulu-Natal Provincial Planning Commission had been tasked to develop a Master Development Plan for the Province and align the Provincial Growth and Development Strategy (PGDS) with the 12 National Outcomes and the New Growth Path.

It is anticipated that the consultation process will start in April. The first draft of the reviewed strategy should be available by August this year. The Master Plan must answer how the rural towns are going to be rehabilitated and small towns revived. In this regard, strategies will be developed to attract investments to these areas that will have a catalytic effect for growth.

It will take particular interest in the areas of green economy as part of our contribution to carbon gas reduction and creation of a sustainable source of energy. At the heart of both the PGDS and the Master Plan will be the creation of new job opportunities.

Premier's Priority Programmes (R52,670-million)

Stakeholder Co-ordination (R1,436-million)

This component promotes participatory democracy through effective stakeholder engagement. Channels include strategic partnerships, youth development and strategic outreach and projects. Stakeholders include non-governmental organizations, business, religious and traditional leadership sectors as well as the sporting fraternity.

Youth (R33,370-million)

The department will continue with the roll-out of the Youth Ambassadors programme which commenced in 2010/11, whereby the youth will continue to conduct provincial household surveys to profile the needs of the communities. An allocation of R22m has been provided for the Youth Ambassadors Programme for the 2011/12 financial year. The Programme has been started in the uMgungundlovu District.

The next intake will be conducted at uThungulu (460) and uMkhanyakude (300). The province-wide plan will be finalized, costed and partly funded during the adjustment budget later this year. Engagement with the National Youth Development Agency is being finalized to strengthen implementation of the programme at grassroots levels.

These will be supported by all departments and community structures, especially sporting bodies through the Siyadlala Programme of the Department of Sports and Recreation and religious leaders through the chaplaincy programme. Moral regeneration initiatives will include campaigns against teenage pregnancy, anti-substance abuse and economic empowerment programmes.

Heritage (R61,826-million)

The mandate of our Heritage Unit, working together with the Provincial Heritage Authority, Amafa aKwaZulu-Natali, is to identify and profile previously marginalized heritage resources by highlighting, conserving, managing and promoting awareness of the cultural resources of the Province.

Through this component, the Office of the Premier will adopt a strategy to fulfill its mandate of transforming the heritage industry in the province. This will be done by creating monuments and profiling heritage resources, among them attractions such as Isandlwana and the Heroes' Acre.

The unit will also conduct research on heritage policy planning and development on the liberation heritage route and include the history of our pre-colonial and colonial eras, as well as the role and impact of the missionaries. Interesting research is being done on genealogy and encouraging recreation of family trees.

Heritage regulations for the Province will also be developed, while advanced work has been performed to turn some of the heritage resources into tourist attractions. This will be done by hosting properly planned heritage events. We will promote nation-building during our heritage celebrations whereby different communities showcase our diversity in music, attire and other cultural activities.

Amafa aKwaZulu-Natali, whose brief is the identification, conservation, protection and administration of both tangible and living heritage resources of the province, has an allocation of **R24.057-million**.

(See ANNEXURE D: Schedule of Heritage Events for 2011/2012)

REVENUE

The Office of the Premier collects revenue mainly from casino taxes and levies, bookmakers' tax in respect of horse racing and gaming, and recoveries in respect of bookmakers' licence renewals.

The two main sources of revenue fall under tax receipts, namely casino taxes and horse racing taxes.

The revenue generated by the Horse Racing and Gaming Industry has increased despite the economic crisis that was prevalent in the current financial year.

Although the disposable income of the public was subsequently reduced, it is anticipated that the total revenue collection for the 2011/12 financial year will amount to **R366,761-million**. There has been additional revenue collected, arising from the increase in the Limited Payout Machines that are currently being rolled-out in the Province, and this is reflected in the revenue figures for the 2011/12 MTEF period. Furthermore, there is a proposal to review all fees and taxes for 2011/12 which will lead to improved collection. With the enactment of the KZN Gaming and Betting Bill and the KZN Gaming and Tax Bill, the Bookmakers' Control Committee and KZN Gambling Board will be merged into the KZN Gambling and Bookmakers Board.

CONCLUSION

May I take this opportunity to thank the Director-General, Mr NVE Ngidi and the staff of the Office of the Premier for their commitment and dedication. I also wish to thank my beloved wife, my children and family for supporting me as I go about my duties. With peace, democracy and development having been achieved, KwaZulu-Natal can now only grow further, economically and socially, to achieve a better life for all.

Let us keep KwaZulu-Natal working together to take South Africa forward.

I now wish to table formally before the Legislature Vote 1 with a budget of **R471,105-million**.

Thank you.

ANNEXURE “A”
VACANT FUNDED POSTS PER DEPARTMENT

DEPARTMENT	NO. OF VACANT POSTS
Agriculture	1071
Arts & Culture	396
Community Safety	18
COGTA	833
Economic Dev	69
Education	3 389
Non-Educators	750
Educators	2 639
Finance	99
Health	15 362
Human Settlements	8
Premier	47
Public Works	164
Royal Household	71
Social Dev	224
Sport & Recreation	5
Transport	117
Grand Total	21 873

ANNEXURE “B”

Legislation Certified for 2010/ 2011 and Proposed Legislative Programme for 2011/ 2012

A. Legislation Certified for 2010/ 2011

The Chief Directorate: State Law Advisory Services certified the following Bills during the course of the 2010/ 2011 financial year, for introduction in the Provincial Legislature:

- 1. KZN Public Transport Act Repeal Bill, 2010** *(Date certified: 16 April 2010)*
- 2. KZN Consumer Protection Bill, 2010** *(Date certified: 28 September 2010)*
- 3. KZN Archives and Record Services Bill, 2010** *(Date certified: 13 October 2010)*
- 4. KZN uMsekeli Municipal Support Services Ordinance Repeal Bill, 2010** *(Date certified: 15 October 2010)*
- 5. KZN Land Administration and Immovable Asset Management Bill, 2010** *(Date certified: 22 October 2010)*
- 6. KZN Local Government Laws Repeal Bill, 2010** *(Date certified: 22 November 2010)*

ANNEXURE “C”

Proposed Legislative Programme for 2011/ 2012

Subject to approval by the Executive Council (Cabinet), the following legislation may be certified for introduction in the Provincial Legislature during the course of the 2011/ 2012 financial year:

- 1. KZN Citizens' Charter Bill** *(Not yet certified: CD: SLAS working on Draft 1 of a proposed Bill to provide for a clear and an appropriate legal basis for the Citizens' Charter, its content and the procedure to be followed for its adoption and amendment)*
- 2. KZN Commissions Amendment Bill** *(Not yet certified: CD: SLAS will resume discussions on the Bill)*
- 3. KZN Museums Bill** *(Not yet certified: CD: SLAS handed over draft Bill to the Department of Arts and Culture with the transfer of the museums function to that Department)*
- 4. KZN Royal Household Trust Amendment Bill** *(Not yet certified: CD: SLAS has produced a draft Amendment Bill for discussion with the Board of Trustees and the CEO of the KZN Royal Household Trust to deal with certain practical issues which emerged in the implementation of the KZN Royal Household Trust Act, 2007, since its enactment)*
- 5. KZN Delegation of Powers Repeal Act** *(Not yet certified: CD: SLAS to formulate an appropriate draft Bill as certain provisions of the KZN Delegation of Powers Act, 1994 (Act No. 8 of 1994), seem to be unconstitutional)*
- 6. KZN Code of Local Government Bill** *(Not yet certified: CD: SLAS waiting on submission of the Bill from the Department of Co-operative Governance and Traditional Affairs)*
- 7. KZN Territorial Application of Eastern Cape Laws to Umzimkhulu Bill** *(Not yet certified: CD: SLAS waiting on submission of the Bill from the Department of Co-operative Governance and Traditional Affairs)*
- 8. KZN Traditional Leadership and Governance Amendment Bill** *(Not yet certified: CD: SLAS waiting on submission of the Bill from the Department of Co-operative Governance and Traditional Affairs)*
- 9. KZN Rationalisation of the Codes of Zulu Law Bill** *(Not yet certified: CD: SLAS waiting on submission of the Bill from the Department of Co-operative Governance and Traditional Affairs)*
- 10. KZN Tourism Amendment Bill** *(Not yet certified: CD: SLAS waiting on submission of the Bill from the Department of Economic Development and Tourism)*

11. KZN Library Service Bill *(Not yet certified: CD: SLAS waiting on submission of the Bill from the Department of Arts and Culture)*

12. KZN Pollution and Waste Management Bill *(Not yet certified: CD: SLAS waiting on submission of the Bill from the Department of Agriculture, Environmental Affairs and Rural Development. However, the drafting of this Bill is dependant on whether the yet to be enacted National Act adequately addresses the needs of the Province)*

13. KZN Biodiversity Conservation Management Bill *(Not yet certified: CD: SLAS waiting on submission of the Bill from the Department of Agriculture, Environmental Affairs and Rural Development)*

ANNEXURE D

Schedule of Heritage Events for the financial year 2011/2012

1. Unveiling of the Memorial Stone for Portia Ndwandwe (TBC)
2. Unveiling of the Memorial Stone for Mankulumane Ndwandwe (TBC)
3. Unveiling of the Memorial Stone for the victims of the Donnybrook massacre (TBC)
4. KZN Liberation Route Summit: April
5. Unveiling of the Memorial Stone for Queen Nandi: May
6. Provide support to the Doc Matiwane Project: ongoing
7. Reburial of Queen Thomo: May
8. Unveiling of Mankulumane Ndwandwe's tombstone: May
9. Unveiling of Queen Nandi's Tombstone: May
10. Dr Nembula/ Dr Newton/ Mbalasi: June
11. Launch of Condi Nxaba's books: July
12. KwaMuhle Heritage site (Durban): September
13. King Shaka: September
14. Heritage: September
15. Magqubu Ntombela: October
16. Reconciliation: December

CELEBRATION OF 150 YEARS SINCE THE ARRIVAL OF INDENTURED INDIANS IN SOUTH AFRICA

April	Newcastle and Mzinto
May	Pietermaritzburg Train Station and Port Shepstone
June	Ladysmith
July	Ixobho and Vryheid
August	Greytown
September	Mtubatuba
October	Eshowe and Richards Bay