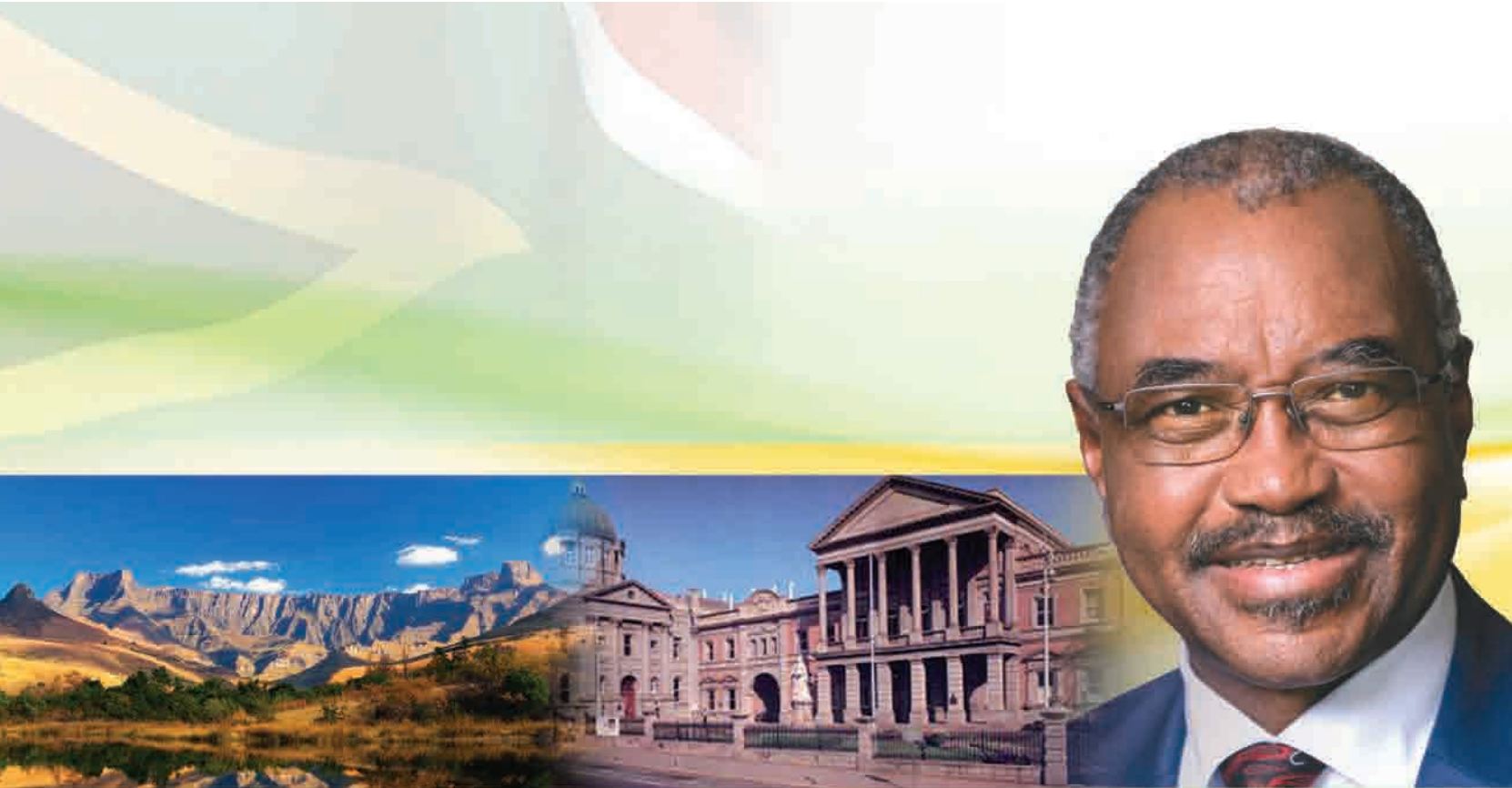




premier

Department:
Office Of The Premier
PROVINCE OF KWAZULU-NATAL



BUDGET VOTE

BY THE HONOURABLE

MR TW MCHUNU

PREMIER OF THE PROVINCE OF KWAZULU-NATAL

1 8 A P R I L 2 0 1 7

"through unity in action we can move KZN to a prosperous future"

**BUDGET VOTE OF THE OFFICE OF THE PREMIER
DELIVERED BY THE HONOURABLE PREMIER
MR THEMBINKOSI WILLIES MCHUNU PREMIER OF
THE PROVINCE OF KWAZULU-NATAL 18 APRIL 2018**

Chairperson
Speaker
Deputy Speaker
Members of the Provincial Legislature
Mayors and Councillors of Local Government
Amakhosi Present
Acting Director – General and Heads of Departments
Excellencies, Members of the Diplomatic Corps
Distinguished Guests



Sanibonani! Good Day! Namaste ! A Salaam Wailikum!

Madam Speaker, please allow me to make some introductory statements and comments, to preface the traditional budget speech, motivating the adoption of the 2017/18 Budget for the Office of the Premier.

I believe it is important for me to make these statements to place the planned activities of the Office of the Premier in context, even though many of these activities may not have direct budgetary implications for this Department. We will perform these activities within the confines of the Budget I will be presenting here today, **focused on the Vision of this Department:**
“To be the centre of governance, providing leadership in achieving KZN Vision 2035”

As I rise to address this house on this day, I acknowledge that the month of April is officially recognized as Freedom Month.

April signifies an important epoch in our history. It is a month in which we witnessed the first democratic elections in 1994 – which gave birth to our constitutional democracy.

It marked a clear turning point as it saw the previously disadvantaged communities become part of the South African political process. South Africa became a country that belonged to all who lived in it.

That is why we are honoured as the province of KwaZulu-Natal that the President of the Republic of South Africa His Excellency President Jacob Zuma has decided that the 23rd Freedom Day Celebrations of this country will be hosted in our province in the uMkhanyakude District.

Madam Speaker, we have also got accustomed to associating the month of April with the loss of several of our dear comrades and heroes of our revolution.

These includes O.R. Tambo, Chris Hani and Solomon Mahlangu. These are amongst the finest heroes that our revolution has produced though not all in the same rank and league.

Importantly, 2017, is a significant year in the history of our revolution, marking several events that shaped the history of our country.

- 157th Anniversary of the arrival of the Indian indentured labourers;
- 107 years since the birth of Comrade Monty Naicker, who was one signatory of the “Three Doctors’ Pact” of 1947; the united front against apartheid;
- 57 years since the awarding of the Nobel Peace prize to Chief Albert Luthuli who served as the president General of the African National congress during the most trying times in our history;
- 27 years of the unbanning of the ruling party, the African National Congress and the SAPC;
- 27 years of the release of Tata Nelson Mandela.

We take this opportunity to salute the great sons and daughters of our country, who over the history of colonial and apartheid oppression, stood firm in their resistance to all forms of inhumanity inflicted upon people of colour in our country.

Drawing from their exemplary leadership, we commit ourselves to doubling our efforts to ensure the creation of an equal society where values identified in the country’s constitution are enjoyed by all.

Whilst we celebrate the political freedom we attained on the 27th April 1994, we see an urgent need to accelerate economic freedom for our people.

We have to ensure that many of our people have access to economic opportunities which were previously reserved for the minority. We say this because we fully understand that freedom without access to economic opportunities is not complete.

Freedom that coexists with under-development, deep poverty and persistent inequality, is not true freedom. Our position is that freedom is indivisible. There can be no freedom for some and not for all.

The transformation of our country and the enactment of enabling legislations for service delivery since we achieved democracy have been focused on ensuring that we create a better life for all.

An assessment of the current situation as it pertains to our economic and social environment, clearly indicates that much more needs to be done and that the prevailing conditions within which we have to deliver this better life, are becoming increasingly challenging and complicated. Time is therefore not on our side.

DOWNGRADING OF SOUTH AFRICA TO SUB-INVESTMENT STATUS AND POSSIBLE RECESSION

Having said that, **Madam Speaker**, we are cognizant of the fact that we present this Budget Vote two years before we wrap up the term of office of this government.

The next two years will be very challenging following the downgrading of the country's status to a sub-investment level by two international rating agencies. We have already witnessed the impact this has had on the value of our currency and there are fears of a looming recession, which will obviously have a further negative impact.

The multiplicity of social and economic challenges faced by the country and the province during this period, requires astute and mature leadership within government, but also in all sectors of society, to steady this ship. We need to unite and rally behind our key priorities and pursue them with urgency through a set of sustainable interventions and solutions.

It goes without saying that we must be focussed on sheltering the poor from the impact of current economic challenges, whilst we stabilise our economy and seek new opportunities for inclusive economic growth.

The Leader of Government Business and MEC for Economic Development, Tourism and Environmental Affairs, the Honourable Sihle Zikalala will lead these efforts, assisted by the Provincial Planning Commission and other forums such as Human Resources Development Council and KZN Growth Coalition, to name but a few.

The President of the Republic His Excellency J.G Zuma must be commended for meeting with the new Finance Minister Malusi Gigaba and other role-players to look into these economic challenges and to mitigate any further negative impact.

Madam Speaker, as leaders of government, deployed to oversee the administration of state resources, I urge members of this house to set aside party political differences and to work tirelessly together to achieving the Vision of our Province, namely to be a prosperous Province, with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World.

It is in challenging times like this that a clear and sound Vision is of critical importance. We need to keep our eye firmly on the proverbial ball and avoid the temptation to play the man. We need to set personal differences aside and focus on what is in the best interest of the communities who elected us to serve them in this house.

We cannot expect our communities and broader civil society to be cohesive and tolerant across racial, language, religious, gender, or whatever other differences we may have, if we are not able to unite and be tolerant of one another with mutual respect in this House.

Madam Speaker, as Premier and Executive Authority of the Office the Premier, I have committed this Department to play a much more assertive and visible role in providing leadership and coordinating key and priority government programmes that will drive us towards the achievement of our Provincial Vision. Let me hasten to qualify this statement, we are not intending to usurp any functions, roles or responsibilities of other line function departments, but we need to have our finger on the pulse of this province and must be able to intervene where necessary.

COORDINATING RADICAL ECONOMIC TRANSFORMATION

Madam Speaker, during the State of the Province Address we announced that the radical economic transformation will be the main focus for all government departments and all municipalities.

The acknowledgement of the existence of the triple challenges of poverty, unemployment and inequality explains why all efforts must be focused on how the economy of the country will be turned around for the better.

High unemployment inherited from the apartheid past has not been significantly dented in the past 23 years of our now not so new democracy. It is of concern that in some cases youth unemployment reaches up to 70% in our country, in particular in those areas of our Province where 70% of the population is youth below the age of 35 years.

Madam Speaker, we want to state again that we want enterprises such as SMMEs and Co-operatives, owned by Africans in particular, women and the youth to benefit as they remain excluded from the mainstream economy.

When Kwame Nkrumah of Ghana in the 1950`s spoke about the need for Africans to achieve economic independence, his ideas were rooted in creating and developing successful and viable owned small enterprises as a way of achieving the economic freedom he propagated.

In one of his addresses, Nkrumah pointed out: *“Thought without practice is empty: and action without thought is blind”*

Honourable Members, the Office of the Premier therefore, will monitor and evaluate on a regular basis all provincial government departments, public entities and municipalities in relation to their spending of procurement budgets in line with our radical economic transformation imperatives.

It is against this context that I am expecting the Provincial Planning Commission to monitor our progress, not only to the extent that we are able to grow the economy of this Province, but even more importantly, the extent to which we are succeeding in growing a shared economy with broader participation in a diversified economy.

Our focus in the Office of the Premier is therefore now to shift from driving the strategic planning agenda, to now also be instrumental in monitoring and evaluating our progress, as well as reporting this in an open and transparent manner to all of government and our development partners so that we are able to proactively take appropriate corrective action where required.

PEACE AND STABILITY IN THE PROVINCE

Madam Speaker, over the past few months we witnessed sporadic strikes in various government departments with some claiming innocent lives and others inconveniencing families in bereavement.

We believe that the real main problem is poor coordination and alignment of labour relations policies. We therefore need proper co-ordination and implementation to ensure that win-win formulas are found to ensure stability.

As we present this Budget Vote, **Honourable Members**, we want to make an undertaking that the Office of the Premier will pay particular attention to this matter during this financial year.

We are committed to facilitate more dialogue between government and labour to ensure that the province can rely on the labour relations structures and legislation to resolve all challenges.

More will be done to restore a sense of decency in industrial negotiation processes as guided by the law of the land. It cannot be allowed as a culture of labour disputes that several lives are lost and assets destroyed for any gain at the bargaining table.

We have to ensure that acceptable conditions are created for workers and minimal interruption in the workplace is ensured to strengthen service delivery.

Madam Speaker, as we stated in the State of the Province Address, we are extremely concerned about rising instability and tensions in various spheres of society. We are particularly concerned about the continuing political related murders and taxi violence, murders in hostels and faction fights in traditional communities.

The Commission of Inquiry into Political Related Killings, Chaired by Adv Marumo Moerane has started its work and we trust that it will soon provide us with insights to ensure that we protect political stability in our Province.

Again as reported that we will launch Project Lethuk'thula driven through Operation Thulumsindo, the Office of the Premier will now operationalise the Project.

INVESTMENT IN STRENGTHENING MORAL STANDING AND INTEGRITY

Madam Speaker, we undertake to sustain the national conversation and the campaign against fraud and corruption – both in the public and private sector.

We announced in the State of the Province Address that we will re-integrate into our system, best practices on how to promote ethical standards in the workplace. These practices were developed by the late Professor Bonganjalo Goba who was a campaigner for ethical moral standards.

Proactive investment in strengthening the moral standing and integrity of society as a whole and in particular those in public service is important. Those who enter the public service must view that as a calling and not to use their positions in office to provide an alternative source of income or maneuvering procedures to direct benefits for the advantage of chosen friends, family or relatives and associates. Let us stop the decay now.

We want to reiterate, **Madam Speaker** that we aim to root-out corruption in all spheres of government. This we do to conserve resources as fraud and corruption have a potential to cause such massive drain of resources. That poses a risk to service delivery and may cause our democracy to flounder.

We therefore, **Honourable Members**, undertake to invest in developing government employees with integrity to champion service delivery with honesty and without any conflict of interest and tendency towards self-enrichment.

The Integrity Management Unit and the Public Service Training Academy in the Office of the Premier, working with Provincial Treasury's Internal Audit Unit, will continue to provide strategic leadership, training and direction for the provincial government on all matters relating to the eradication of fraud and corruption, as well as on the importance of integrity in the workplace.

We have joined hands with South African Police Services and other organizations within the forensic fraternity to identify and investigate a variety of fraud and corruption activities involving provincial departments and other entities that serve as agents of specific departments and municipalities.

We also need to educate our communities to understand their rights and the quality of services they are entitled to. It is when citizens know what service to expect that they can expose and resist corrupt officials that disrespect and abuse them by extracting bribes for services they are paid to render, exploiting the ignorance of the uninformed, poor and illiterate public who are often too intimidated to offer any challenge or resistance. They often do this to finance the lifestyle when they live beyond their means.

NATION BUILDING, SOCIAL COHESION AND MORAL REGENERATION

Madam Speaker, on the 27th of April 1994, millions of people watched in amazement as the people of this country ushered in a new era. This was a crucial moment of the National Democratic Revolution led by the masses of our people. The South Africa we live in today is a result of the NDR which focused on uniting our people for the creation of a united non-racial, non-sexist, democratic, free and prosperous nation; founded on the basis of equality and human rights.

The NDR envisaged a post-apartheid society in which socio-economic developments have improved the conditions of communities in terms of quality of individual lives, community amenities and available services in such a way that the apartheid legacy becomes undetectable. This means that the NDR seeks to ensure that every South African, especially the poor, experiences an improving quality of life.

Honourable Members and Honoured Guests, the events of the past few weeks should force all of us to ask the question: how far have we gone in the creation of such a National Democratic Society?

According to the *"Strategy and Tactics"* document adopted in 2007 by the governing party:

"As with any nation, South Africans will continue to have multiple identities based on class, gender, age, language, geographic location, religion and so on. In a national democratic society, such diversity should feed into an overarching national identity. In its own unique way, South Africa should emerge as a united African nation, adding to the diversity and identity of the continent and humanity at large."

Madam Speaker, it is our view that South Africans should be focussing on overcoming all these differences and embrace this common identity in the way we relate to each other. The future South African nation must be defined in terms of unquestionable patriotism, compassion and reconciliation and elimination of all prejudice.

Unity of all South Africans will be achieved if our nation is defined in terms of a charter of positive values, of peace, democracy, honesty, hard work, integrity, honour, respect for one another and care for the vulnerable members of society, the disabled, children, youth, women, orphaned, the poor and the downtrodden.

With the history such as ours, it is hardly surprising that our nation shows signs of trauma and is in denial about the challenges it still faces on our journey to becoming a cohesive nation. Examples are the racist tendencies, disrespect and anger we show in marches, as it happened recently. We see and read about road rage, road accidents, violent crimes, domestic and gender-based violence, levels of homicide, mass murders and suicide, as well as non-caring attitude and tolerance for unacceptable conduct.

As we celebrate Freedom Month, as I have announced in the State of the Province Address, the Office of the Premier is coordinating, in conjunction with the Department of Arts and Culture and the Department of Social Development, a Provincial Summit with the theme: "Deepening Social Cohesion and Moral Regeneration towards a United and Prosperous KwaZulu-Natal.

Preparations for this Summit are well under way and we are encouraged by the eager participation of national and provincial departments, municipalities, leaders of business, labour, civil society, academics, religious leaders, traditional structures and non-governmental organisations in the preparations for this Summit, scheduled for 1 – 3 June 2017 in KwaMashu.

We are embarking on a huge program of social mobilization that will help re-define our common identity. It is important that the attitude that defines the current and future South Africa should be hope and optimism.

We need to continuously ask ourselves, what progress we have made to build the moral fibre of our society and whether we have achieved social integration to the extent that we can confidently state that we now have a national democratic society? The answer to this question remains relevant as we present this Budget Vote because each time honourable members are campaigning for their political parties for by-elections you encounter various communities that feel marginalized on the basis of various factors.

WORKING BETTER TOGETHER

The National Development Plan (NDP) and our very own Provincial Growth and Development Strategy (PGDS) should form the basis of our discussion at all times as we move forward. The NDP creates certainty in future planning that will last beyond any government term of office.

Of importance is the statement made in the preamble of the NDP which states:

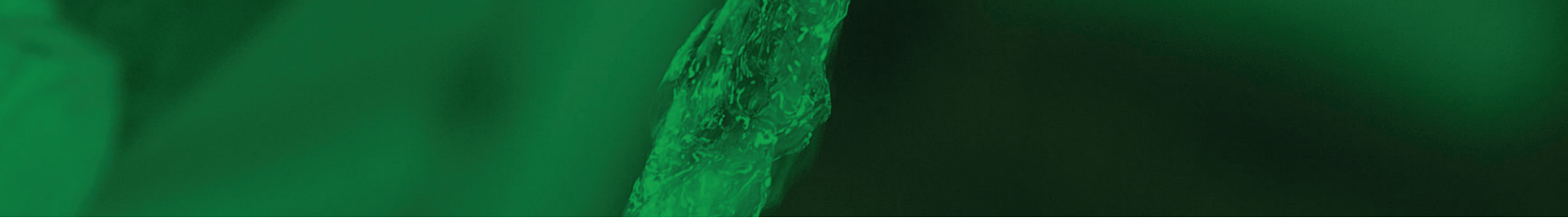
“South Africa has the potential and capacity to eradicate poverty and eliminate inequality in the next two decades. This requires a new approach.....”

The decision by President Zuma to ensure that such a plan is created, will go down as one of the epoch making decisions of our generation. To date its significance has been underplayed and its impact on the future of South Africa and its economy underestimated. It is a major achievement to make government think as one organism and eliminate the temptations to create fiefdoms and pet projects. The approach of the plan is to bring to an end short term and ad hoc plans that often do not survive changes in the Executive Council.

The Office of the Premier, working with the Department of Cooperative Governance and Traditional Affairs, will spend more time helping and facilitating strategy sessions for municipalities to align their Integrated Development Plans to the PGDS and therefore also with the NDP. This work has already started and as we speak, this team is in the District of iLembe today. This collaborative approach, guided by the Office of the Premier and the Provincial Planning Commission, will be intensified over the next few months.

Of similar significance is the establishment of the Presidential Infrastructure Coordinating Commission (PICC) by the President. The work done by the PICC adds a lot of value to the whole National Development Plan in the manner in which it coordinates all infrastructure projects across municipalities, provinces and governments.

The PICC is streamlining procurements and ensures huge local value addition to the value chain. It will also solve one vexed problem of unequal unit costs paid for exactly the same item or structure constructed. This will close the window for any corruption in government and overpricing by private sector. The infrastructure revolution will lift the economy of South Africa in a manner only future generations will realize.



Madam Speaker, the Office of the Premier, guided by the Provincial Planning Commission and working with the Department of Public Works and the Department of Economic Development, Tourism and Environmental Affairs has established a similar infrastructure coordination process for KwaZulu-Natal. We will share with members of this house, the private sector, organized labour and leaders of society our plans for the provincial infrastructure revolution, following lessons learned from the PICC. This database of major or catalytic infrastructure projects is also hosted in the Provincial Nerve Centre managed by the Office of the Premier.

FOCUS ON CLEAN AUDIT OUTCOMES AND LEADERSHIP IN FINANCIAL MANAGEMENT

Madam Speaker, last week, members of the Executive Council, Mayors, Heads of Departments, Municipal Managers and CFOs received a presentation from the Auditor General on the Municipal Audit Outcomes. This meeting was held under the auspices of the Premier's Coordinating Forum.

Because the AG is yet to present this report before the Honourable Members, I would not dwell on the details. However, I wish to announce that we have made an undertaking as the Office of the Premier to ensure that Mayors open their doors and work with the Office of the Auditor General on an ongoing basis so as to ensure future improved audit outcomes.

We want municipalities to be able to detect early signs of administrative or financial distress. We want Mayors to be hands on and provide leadership to ensure adherence to best financial management practices on a daily basis.

Considering the fact that we have just started a new term of office of local government, we have acknowledged that the area of financial management remains vulnerable and a risk.

Every new term of office of local government is often associated with disruptive practice that erodes experience and institutional memory. Interventions by both Department of Co-operative Governance and Treasury will continue to be coordinated through the Back to Basics Programme to ensure the stability of the local government administrative machinery.

Honourable Members, we remain concerned about our ongoing inability to ensure clean audits year after-year across all spheres of government, despite the AG consistently pointing out to us unauthorised expenditure, irregular expenditure, as well as fruitless and wasteful expenditure.

We consistently said that it cannot be correct that nobody is held accountable for failing to achieve clean audits. Consequence management will apply in the workplace in order to turn this situation around. The statutory responsibility of accounting officers and all senior managers is to maintain effective systems of internal controls, and they must therefore be held accountable.

In addition, we want the Office of the Premier to be central in the monitoring and evaluation of the performance of the Province as a whole by tracking our progress against the indicators and targets set in the latest version of the Provincial Growth and Development Plan, as well as the monitoring and reporting on the performance of all provincial government departments and public entities.

Madam Speaker, the Office of the Premier has already embarked upon a capacity building process to ensure that it will be able to guide and strengthen the strategic management processes not only within the office of the Premier, but also within all governance structures in this Province. There will be a specific focus not only on improving our monitoring and reporting capabilities, but in particular to deepen our evaluation and analytical capabilities. We want to ensure that we move beyond compliance reporting to the ability to assess the impact of our actions, and more importantly, to intervene where required.

Madam Speaker, there are numerous other areas which have been identified as areas where the Office of the Premier should and can be more effective in promoting sound policy coordination and good governance in this Province. Let me just mention a few of these here today.

- *Firstly*, the Office of the Premier will ensure the integration of services, skills and maximize the application of available resources and remove the silo mentality in government in order to make an impact. This we will do through renewed focus on the Inkululeko Development Programme as well as the Poverty Eradication Programme.
- *Secondly*, we will prioritize the conservation of resources and allocate and align budgets in accordance with priorities towards effective and efficient delivery of services. This we will do through promoting strategic budgeting based on the priorities we identified in our Provincial Growth and Development Strategy and Plan, as well as through initiatives such as the rationalisation of public entities.
- *Thirdly*, the Office of the Premier will continue with efforts to imbed a responsible, clean and caring government. We want government employees to project the values of a caring government that responds to the needs of the people. This we will do through our Integrity Management Programme, the Moral Regeneration Programme and the Ethics for Senior Managers course developed through the Provincial Public Service Training Academy.


We will ensure transparency, accountability and good government in all spheres of government by working with chapter nine institutions such as the Human Rights Commission, Public Protector and the Auditor General. We will have joint regular and unannounced visits to service delivery points, Managed through the Front Line Service Delivery and Service Delivery Improvement Programmes led by the Office of the Premier.

DEEPENING DEMOCRACY AND STRENGTHENING OPERATION SUKUMA SAKHE

We will continue to deepen our democracy by creating space for civil society and human rights activists to partner with government to improve and assess the quality of service delivery using Operation Sukuma Sakhe as a tool.

Madam Speaker, as you all know, Operation Sukuma Sakhe has emerged as one of the best community-based service delivery programmes that continue to attract the attention of international bodies such as UNAIDS, World Health Organization and countries around the globe.

We will continue to strengthen Sukuma Sakhe because the programme has become useful in many practical ways, such as the recording of profiles of households requiring urgent assistance.



The programme is critical in the integration and creation of synergies of the departmental programmes. Our focus, moving forward, will be on the inclusion of national departments in Operation Sukuma Sakhe in order to make a maximum impact.

The Premier and members of the Executive Council will continue to act as champions of rural development in all district municipalities to support them in service delivery programs. They will lead multi-departmental teams who will join hands with local councils.

This process allows for regular discussions about service delivery across all departments and spheres of government. This approach has laid a firm base for credible integrated development plans (IDP's) and now also the development of Ward Based Plans. It allows municipalities to leverage resources from different spheres of government and enhance service delivery in a coordinated and integrated manner.

We will continue to mobilize community leaders and the private sector to create partnerships in ward based OSS War Rooms. Efforts will be intensified to ensure that elected councilors, traditional, religious and other leaders, NGO's, sport bodies, senior citizens' groups, members of youth and women groups, men's forums, disabled people etc. converge with ward committees, community development workers to be part of the regular consultative processes in the War Rooms. In short, we want to create the best institutional framework for all roll players to interface properly and effectively at a ward level.

Through monthly Cabinet Operation Sukuma Sakhe District visits, we will have regular consultations with the vulnerable groups such as Senior Citizens, the Disabled People and others. We will also promote an inter-generational dialogue programme to utilize indigenous knowledge system to reinforce the youth ambassadors and mentor them with support of senior citizens to rebuild the fiber of society. These programmes should also be designed to assist us to provide interdepartmental service delivery to the communities.

Madam Speaker, the Office of the Premier will continue to co-ordinate the work of the Provincial Council on AIDS, as well as the Human Resources Development Council, the Council against Crime and the Climate Change Council.

It is also important to observe that ahead of the local government elections, District AIDS Councils and Local AIDS Councils were in place and working with NGO's. With the new councils having been instituted, we have a new task of setting functioning District and Local AIDS councils.

We will work with religious and traditional leaders as ensure behavioral change. These leaders are respected and closest to their communities, and will be included in all community building efforts undertaken under Sukuma Sakhe.

Operation Sukuma Sakhe, therefore, is an effort to intricately involve communities to tailor their own developmental programmes based on their unique needs in order to achieve a common set of developmental targets. The programme realizes that a one-initiative-fits-all programme is not viable, and recognizes and acknowledges the fact that every community has its unique challenges.

Madam Speaker and Honourable Members, at this stage I wish to announce that the total budget for the Office of the Premier for the 2017/18 financial year is R 742,125 million. We want to emphasize that this budget will be used to strengthen the capacity of the Office of the Premier to be more assertive and hands on in providing professional leadership and coordinating key governance programmes, as already outlined above.

PROGRAMMES OF THE OFFICE OF THE PREMIER

Honourable Members, the national government has declared this as the year of Oliver Reginald Tambo and that there should be Unity in Action in all that we do as we advance the lives of our people.

As the province we advanced this theme and declared that **“Through Unity in Action we can move KZN to a prosperous future”**. It is this same unity theme we will continue with as the Office of the Premier as we deliver our budget vote and as we implement our programmes in the year 2017/18.

The programme structure of the Office of the Premier is as follows:

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


I will now give an overview of the programme structure and thereafter discuss each programme.

PROGRAMME 1: ADMINISTRATION (R 87,281 million)

The purpose of this Programme is to provide administrative support to the Premier, Executive Council (Cabinet) and the Office of the Director-General in fulfilling their executive functions and promoting co-operative governance and ensuring 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.

The Premier Support Sub-Programme has been allocated a budget of R 24,071 million to provide technical, administrative and advisory support to the Premier in executing his constitutional mandate.

The Executive Council Support Sub-Programme has been allocated a budget of R 9,843 million to render secretariat support services to the Executive Council, Council Clusters and key provincial committees, as well as to implement all Executive Council programmes,.



The Director-General Support Sub-Programme has been allocated a budget of R 14,142 million to provide administrative support to the Director-General in strategically managing the Province and coordinating key transversal provincial priorities.

The Financial Management Sub-Programme has been allocated a budget of R 39,225 million to provide sound financial management support and advisory services for the entire department.

PROGRAMME 2: INSTITUTIONAL DEVELOPMENT (R 354,275 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 Communications Technology, Communication Services, Special Programmes, Intergovernmental Relations and Gaming and Betting.

Sub-Programme: Strategic Human Resources (R 101,471 million)

Our organogram has had to be reviewed for a number of reasons.

Firstly, we have had to align the OTP Support unit and also shift Communications to Corporate Services Unit in line with DPSA guidelines. Secondly, Gaming and Betting has been accommodated on the new structure. During all these processes we will ensure that there is proper consultation with organised labour.

This Sub-Programme's functions is to co-ordinate and monitor the customisation, development and implementation of human resources policies, systems, programmes and plans for the Province. The Sub-Programme ensures that a holistic and integrated approach is implanted in dealing with issues of health and wellness of employees has a large bearing on productivity in the workplace. We are doing our best to ensure that not only employees of the Office of the Premier, but all Officials in Provincial Government are cared for and will be proud to serve our people.

The Office of the Premier is working with other departments and the health risk manager to reduce the current high rate of absenteeism due to ill health. Statistics show that the high rate of absenteeism due to ill health is due to the diseases of lifestyle and physical inactivity.

The Office of the Premier is coordinating the implementation of the Employee Health and Wellness Strategic Framework in the Provincial Government of KwaZulu-Natal, through four main policies, namely; HIV/AIDS and TB Management, Wellness Management, Health and Productivity Management, as well as Safety Health Environment Risk and Quality (SHERQ) Management.

As part of a strategy to address over-indebtedness of government employees, the Office of the Premier works with key partners such as Government Employees Pension Fund (GEPF), South African Revenue Services (SARS), and National Credit Regulator (NCR) to educate officials and assist them with debt counselling.

The Office of the Premier also supports the National initiative led by the National Treasury and the Department of Public Service and Administration aimed at reducing the number of emolument attachment orders (known as the Garnishee orders) against government employees.

The Provincial Public Service Training Academy is responsible for facilitating, coordinating, integrating, leading and monitoring the development of human resources in the province in general and the provincial public service in particular.

In total the Academy has served a total of 9362 (1839 public servants and 7525 youth) beneficiaries directly or through a partner. This includes programmes on the academy training directory such as the Compulsory Induction Programmes for levels 1 to 14, Financial Literacy, Retirement Planning and partnership programmes such as Asset Management, Standard Chart of Accounts and Strategic and Annual Performance Planning.

Sub-Programme: Information Communication Technology (ICT) (R 79,657 million)

This Sub-Programme is responsible for the coordination of Provincial Government Information and Communication Technology in the Province, as well as to manage Information Technology in the Office of the Premier.

Included in this Sub-Programme is the Office Support and Auxiliary Services Unit which is responsible for the management of the departmental fleet, facilities and records management.

The department has embarked on creating a unified communication platform by hosting the Office of the Premier's PABX solution. This solution now provides the department with one single number 0860 KZN OTP, with various language options, making it easier and cheaper for our citizens to be in touch with the department.



Sub-Programme: Legal Services (R11, 728 million)

The Province of KwaZulu-Natal currently follows a decentralised model in respect of the provision of legal services.

In fulfilling its transversal role, State Law Advisory Services must ensure that legislation promoted by the respective Provincial Departments for introduction in the Provincial Legislature complies with the Constitution, the current legal and policy framework of the Provincial Government as well as Parliamentary precepts and format. The State Law Advisors also legally edit and certify other provincial legislation such as Proclamations and Regulations.

KwaZulu-Natal has, through the leadership of the Office of the Premier, taken the lead in the country in the rationalisation of laws and in the Audit of, and compliance with laws. This process is facilitated through KZN Public Sector Lawyers' Forum.

The KwaZulu-Natal Public Sector Lawyers' Forum (KZN PSLF) functions as an *intra-governmental structure* within the administration of the KwaZulu-Natal Provincial Government to coordinate the provision of legal services across provincial departments given the decentralised system of legal services currently obtaining in the administration of the Provincial Government.

Legislation must be continuously reviewed and amended to give effect to changing circumstances and to correctly reflect shifts in, or fine-tuning of, policy. It is imperative for purposes of clarity and good governance that the law reflects current policy. An ongoing process of review and rationalisation of laws within each provincial department is thus not only necessary, but critical.



Sub-Programme: Communication Services (R 52,167 million)

The Provincial Government Communication's mandate is to provide a coordinated Government Communication Service within the Province of KwaZulu-Natal, informed by the Strategic Framework for Communication for 2009-2014 and endorsed by the National Cabinet Lekgotla in May 2009. It has also been tasked with improving and sustaining a positive Provincial Government image as well as implementing the Provincial Government Communication Strategy. This will translate to well-coordinated Provincial Government Communication, which is centered on "One Government, One Message" principle. Provincial Government Communication has two major priorities which are development communications and marketing.

Our development communications efforts will be driven through traditional forms of engagement like SIMAMA KZN, which is an official provincial government newspaper to communicate government programmes and news material on behalf of all the provincial government departments.

Under developed communications, we will continue to strengthen community radio through partnership with Vukusimame radio project. This is current affairs programme which broadcast in over 24 community radio stations of KwaZulu-Natal. This programme makes it possible for the Provincial Government to communicate directly with its citizens on service delivery initiatives every Monday. In the long run this programme will eliminate distortions that normally occur in the media about the good work the Provincial Government is doing.

We also intensify the use of social media. Under our Corporate Communications, we will intensify our efforts of profiling Provincial Government and its programmes to showcase Government achievements and initiatives on key priority programmes. We therefore need to upgrade our technology to improve our social medium channels.

Our communication and marketing strategy set out a two-tiered approach to communication: namely, planned campaigns will run at various times during the set period to promote and market specific services, programmes, activities and events and ongoing media activity underpinned by campaigns with ongoing delivery of key messages to all target audiences. Through communicating ongoing key messages in a positive way the Premier and the Provincial Government will build awareness, strong links, trust and value perceptions with the public.



Sub-Programme: Special Programmes (R 46,137 million)

We continue to roll out the multi-faceted “I Do Right” Campaign to enhance awareness on maintaining good values, professional and ethical behavior among public servants in the province of KwaZulu-Natal. The effectiveness of this programme is demonstrated by the continued decline in the number of reported cases of fraud and corruption involving public servants. We are however concerned about the increase of the rand value involved in the reported cases. We therefore would strengthen our coordination and facilitation activities involving law enforcement and prosecutorial agencies.

In this regard we are also planning to work together with the private sector to combat unethical behavior involving government funds. This will be coupled with fast-tracking the resolution of old cases, including those that are reported through the National Anti-Corruption Hotline which is managed by the Public Service Commission.

The processing of service delivery complaints reported through the Presidential Hotline and the Premier’s Hotline is now averaging 90% resolution rate but we still feel that more can be done so as to increase the number of KwaZulu-Natal citizens who are satisfied with the delivery of services by government in the province.

The Democracy Support Services unit has focused on programmes that are aimed at fulfilling the constitutional mandates as human rights and development have been converging. The growing recognition of the crucial links between poverty, inequality and human rights violations has led to programmes that look at human rights as a means for improving the quality of life of the people.

During the 2017/18 Financial Year the Office of the Premier will be involved in the strengthening of the monitoring of provincial programmes regarding the mainstreaming of Gender, Disability, Children and Senior Citizens (GDCSC). This will assist us to build a strong, provincial evidence base of interventions that are being implemented concerning the vulnerable groups.

The department will be hosting awareness activities on the human rights of the vulnerable groups throughout the year during calendar months e.g. child protection week, democracy week, men’s month, women’s month, senior citizens month, disability month, 16 days of activism for no violence against women and children campaign and human rights month. These activities will also be mainstreamed into the activities managed at ward level through the War Rooms.



Sub-Programme: Inter-Governmental Relations (R 14,722 million)

A strong inter-governmental relations machinery remains a key pillar for integrated service delivery. This is imperative to ensure stronger coordination, strategic alignment and elimination of duplication across all spheres of government.

In this regard, various initiatives have been embarked upon to further strengthen inter-governmental relations, such as the establishment the Inter-Provincial IGR Forum. This forum, initiated and currently chaired by the Province of KwaZulu-Natal focusses on inter-provincial collaboration on issues of common interest.

The last round of consultations with relevant stakeholders is underway in relation to finalising the IGR strategy. The implementation of the strategy is expected to further strengthen IGR in the province, ultimately resulting in accelerated service delivery in the Province.

The monitoring of decisions taken at the IGR fora is expected to improve with the development of the IGR Portal. This portal is linked to the Office of the Premier Nerve Centre. This portal will serve as a dashboard to monitor and track the implementation of decisions, whilst also providing an early warning system.

A draft International Relations Strategy is now in place. This is a deliberate approach to ensure that our efforts in the international arena are aligned so as to maximise the opportunities in the global world. Africa remains our key priority, together with our developing nations in the BRICS Bloc.

Other engagements during 2017 will be coordinated and endorsed by the Sub-Committee on International Relations which is led by the Leader of Government Business. These activities include provincial International Relations Conference which is intended to bring together government representatives, business, and academia, diplomatic and consular corp. The conference is intended to serve as a solid foundation to ensure synergy as we participate in the global village.

Sub-Programme: Gaming and Betting (R 48,393 million)

Madam Speaker and honourable members, towards the end of 2016, the executive council took a decision to transfer Gaming and Betting to the Office of the Premier. This decision was as a result of numerous misunderstanding and disputes involving role-players. The disputes still remain between government and at least one of the industry players. Attempts at finding long lasting solution are ongoing and we are hopeful at achieving this.

I must hasten to point out that we are in the process of developing a full understanding of the legal status of the bingo industry (in its historical context). Our own legislative process has taken very long to conclude given the inherent special interest. (We urge the legislature to expedite this process)

At some stage we are looking at moving Gaming and Betting to the Department of Economic Development, Tourism and Environmental Affairs. At national level, Gaming and Betting is located in the Department of Trade and Industry and we believe that EDTEA will have to take over the responsibility of this function to allow for better national and provincial coordination.


We will continue to work with all stakeholders in the Gaming and Betting industry in order to fast-track socio-economic development. We must all ensure that the revenue generated in the industry benefits all the people of the province.

The Executive Council has also endorsed a process aimed at better coordinating the activities of the horse racing industry. An Executive team led by EDTEA MEC Zikalala will begin to look at how we can create opportunities for the historically disadvantaged persons to participate in the horse racing industry.

Included in the Sub-Programme: Gaming and Betting is the transfer made to the KwaZulu-Natal Gaming and Betting Board (KZNGBB) which is responsible for the collection of gambling taxes for KZN, regulating the gambling industry, ensuring the roll-out of gaming and betting initiatives and protecting the interests of patrons and the public at large.

The gaming and betting budget was suspended from Vote 6: Provincial Treasury and allocated to Vote 1: Office of the Premier relating to the movement of both the KZNGBB and the administration unit dealing with gaming and betting.

During the current financial year, the entity continued to regulate the industry in line with the act and regulations. The entity continued to grow the industry in a responsible manner, while protecting the interests of the public and ensuring no over-saturation of gambling activities. Government expects the entity to actively transform this industry through the roll-out of new opportunities for previously disadvantaged individuals. The National Gambling Policy was gazetted in April 2016, and the KZNGBB published betting rules to regulate the industry and provide processes for licensees in order for them to comply with the regulations once approved.



This unit will pursue its mandate by ensuring that all gambling authorised under the Act is conducted in a manner which promotes the integrity of the gambling industry and does not cause harm to the public. In addition, the KZNGBB will ensure that gambling promotes employment, economic and social development to give effect to the PGDS/P. It will continue to invite, consider and process new applications and/or renewals for any gaming or betting licences, amend, specify, substitute or rescind any licence conditions, and undertake investigations or inspections into illegal gambling operations in KwaZulu-Natal. The entity will also conduct a socio-economic impact study to determine the impact of gambling in the province. The business re-engineering process is envisaged to be completed in 2017/18.

PROGRAMME 3: POLICY AND GOVERNANCE (R 300,570 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 four Sub-Programmes supporting this programme, namely, Provincial Policy Management, Premier's Priority Programmes, Royal Household and Heritage.

Sub-Programme: Provincial Policy Management (R 50,579 million)

The purpose of this Sub-Programme is to initiate, provide support to, coordinate implementation of, as well as monitor and evaluate provincial policies and plans to ensure sustainable provincial growth and development.

The department, together with the Provincial Planning Commission concluded a review of the Provincial Growth and Development Strategy (PGDS) which was adopted by the Executive Council in November in 2016.

We wish to thank our stakeholders for their inputs and contributions made throughout this process and which has resulted in adopting our new KZN Vision 2035 which is:

By 2035 KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, living in dignity and harmony, acting as a gateway to Africa and the World.

During the past financial year we also translated strategy in to plan with the adoption of the 2016/17 version of the Provincial Growth and Development Plan (PGDP). Aimed at emphasising rapid implementation, this version of the PGDP not only has revised indicators, targets and interventions, but now also contains a list of catalytic projects which are being supported to achieve short term objectives.

The department is working closely with the strategic planners of departments and entities to promote and assess alignment of their Annual Performance Plans to the Provincial Growth and Development Strategy and Plan, as well as in monitoring and evaluating progress made. It has also worked closely with the Department of Monitoring and Evaluation (DPME), the National School of Governance (NSG) and the Provincial Academy to capacitate planners in the assessment of departmental strategic and annual performance plans.

The department is currently negotiating with STATS SA to undertake the next Citizen Satisfaction Survey in 2017. This will assist in monitoring trends in our citizens perceptions on service delivery to ensure that our sites remain focused on improving the lives of our citizens.

As the Office of the Premier, we are working closely with COGTA to review the District Growth and Development Plans and to ensure alignment with Provincial and National priorities.

The Monitoring and Evaluation unit in the Office of the Premier is responsible for the implementation of the Government Wide Monitoring and Evaluation (M&E) Framework as determined by the National Department of Planning, Monitoring and Evaluation. As one of the core functions of the Office of the Premier, this unit is responsible for the facilitation, coordination and compilation of provincial performance reports related to various international, national and provincial strategic planning processes.

In fulfilling its obligations in respect of performance reporting on national programmes, the Provincial M&E unit is responsible for facilitating and consolidating progress reports on the implementation of the 14 Outcomes of the National Development Plan (NDP), the performance of provincial departments as assessed through the Management Performance Assessment Tool (MPAT), Service Delivery Improvement Plans (SDIPs), Front Line Service Delivery Monitoring, as well as compliance with the Batho Pele Principles.

Monitoring, assessing and reporting on progress with the implementation of the Provincial Growth and Development Strategy and Plan (PGDS & P) is obviously of critical importance to assess if the Province is on track to achieve Vision 2035. As such this Unit engages with the 18 PGDP Action Work Groups and facilitates and consolidates quarterly PGDP Implementation Reports.

At a departmental performance level, this unit is responsible to consolidate and prepare the quarterly performance reports of the Office of the Premier, as well as to coordinate and consolidate quarterly performance reports for all provincial departments and public entities.

This unit is also responsible for the hosting of the Provincial Nerve Centre as a central repository of all strategic and performance information in the Province.

In this financial year the focus will be intensified on the implementation of the Provincial Evaluation Plan, as well as that of strategic programmes identified in Departmental Evaluation Plans. The automation of reporting will be further enhanced by facilitating improved remote access to the Provincial Nerve Centre.

Sub-Programme: Premier's Priority Programmes (R132, 428 million)

Given the economic outlook for both our country and province in particular, we are working closely with the Department of Economic Development and Tourism Affairs, to strengthen our strategic partnership with the Business Sector through continuous and consistent engagement with the sector at forums such as KZN-Economic Council and KZN-Growth Coalition.

We have managed to increase the participation and strategic partnership with our sector stakeholders into various programmes and initiatives that we are rolling out as government e.g Poverty Eradication, the Heritage and Amafa Merger, PGDP review process and Xenophobia Interventions, amongst others.

We plan to strengthen the institutional frameworks for all of our sector Provincial Forums, in order to ensure that they become outcomes based structures whose voice is influential and has impact in our programmes as government. Amongst other initiatives to ensure the impact of the above, we will undertake district roadshows to ensure that stakeholders are organised and also engaged at a level that matters the most that is the local. This will be done through the launch of multi-sectorial district civil society forums. We plan to host at least one Provincial Interfaith Prayer Day to inculcate the culture of positive moral values and highlight the scourge of social ills

The priorities and focus will include capacity building for war-room stakeholders by strengthening field worker teams and committees and improving war-room functionality to be fully functional. With regard to the selection of war-rooms to be resourced, focus will be on war-rooms that are in the most deprived wards as per the 2011 Census, to allow the department to address extreme poverty and the burden of disease at household and community level.

Included in this Sub-Programme is Youth Development which includes the co-ordination for the creation of job opportunities and develop strategies aimed at curbing social ills amongst the youth. This unit facilitates Youth Skills Development Projects as well as provides technical support to the Provincial Youth Development Council. Also included in this Sub-Programme is the management of the Premiers Veterans Support Services and the co-ordination and facilitation of a comprehensive, integrated provincial response on HIV and Aids.

Sub-Programme: Royal Household (R58, 884 million)

The Office of the Premier, is the responsible department of the Royal Household Trust and will continue to give financial support to the Royal Household Trust to fulfil its mandate. The financial transfer to the Royal Household Trust in the 2017/18 financial year amounts to R16, 5 million.

The transferred funds to the Royal Household Trust will cater for the remuneration of staff, seven board members, as well as the Queens' expenses, including travel and accommodation. The maintenance of the Royal Palaces is the responsibility of the Royal Household Trust.

In addition, the Trust provides for other costs such as tuition fees, transportation and medical expenses for the Royal Family, as well as the Royal farming activities. The Royal Household Trust is fundamentally also responsible for fundraising and commercialisation of the King's grazing land. So far there has not been any visible achievement in fundraising activities and this matter will be addressed with the Trust as a matter of urgency with a view to improve the work of the Trust in this aspect.

His Majesty, the King will partake in various important ceremonies and traditional functions of the province, such as the opening of the KZN Provincial Legislature, opening of the Traditional House, and hosting various traditional events, such as the Reed Dance, First Fruits ceremony (*Umkhosi Woselwa*), *Amaganu* ceremonies, *Umkhosi woMama*, etc. His Majesty, the King will also continue to install *Amakhosi* statutorily and in terms of custom.

Sub-Programme: Heritage (R 58,679 million)

The department will continue in the financial year to ensure the identification, protection and preservation of previously marginalised heritage resources. To this extent the department will arrange heritage events aimed at profiling specific resources: unveiling of the statue of King Shaka at International Airport, unveiling of the statues of both Griffiths and Victoria Mxenge, unveiling of the statues of Moses Mabhida and Harry Gwala.

The department will also try to monumentalize the past for posterity. The department is going to install a monument in honour of the five soldiers of Umkhonto weSizwe assassinated by the Apartheid security apparatus in the 1980's in Paulpietersburg (eDumbe). The Department is going to install a monument in honour of Ntombazane Nsele of the Lutheran church, who was killed for her faith, and the long awaited Indian Indentured Labourers' Monument will be built to honour the arrival, role and legacy of people of Indian descent in South Africa.

The department has started to investigate the potential contribution of cultural heritage to the economy of the province. To this extent, uMhlathuze local municipality, which according to the PGDP, is the third biggest contributor to the economy of the province, will be the first local municipality where this research is going to be conducted in 2017/2018.

The department is of the view that heritage holds the key to creating a National consciousness of Nationhood and promote Patriotism and Social cohesion.

On the legislative front, we hope to conclude legislation which will rationalise and improve the efficiency of heritage services in our Province during the course of this financial year.

REVENUE (R 587,336 million)

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

The two main sources of revenue fall under Tax receipts, namely Casino taxes and Horse racing taxes. Casino taxes includes Limited Payout Machines (LPMs) and Bingo gaming revenue, where as Horse racing taxes includes sports betting revenue.

The department is very conservative in terms of budgeting for the above mentioned category over the MTEF, due to its unpredictable nature.

CONCLUSION

Madam Speaker as we conclude let me make a call to all parties and the people of Nqutu that we make the forthcoming local government elections in Nqutu free, fair, safe and peaceful

I then now express my sincere appreciation for the support I have received from my Comrades in the African National Congress, Members of the Provincial Executive Council and in particular the Leader of Government Business, the Legislature and its Portfolio Committees, as well as the Acting Director-General, Ms P.D. Khumalo and the staff of the Office of the Premier for their commitment and dedication.

I must make special reference to the support I have received and for the positive contributions made by His Majesty. Hlanga Lomhlabathi we are always grateful to work under your leadership. Sibonga wonke Amakhosi asendlunkulu, izinduna nomphakhathi ngokusebenzisana nathi. We also thank all our social partners in the business sector, labour sector and civil society formations.

I also wish to express a special word of gratitude to my family for supporting me all the time as I go about my duties. The last year was indeed not an easy year for the Mchunu Family and I sincerely appreciate the fact you always understood my situation.

Let's remain steadfast in our quest to ensure that through Unity in Action, we move KZN to a prosperous future.

I now wish to formally table before the Legislature Vote 1 with a budget of R 742,125 million.

NOTES

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NOTES

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"through unity in action we can move KZN to a prosperous future"



premier

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