



provincial treasury

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

Debate on Mpumalanga Appropriation Bill Speech

**Hon Sikhumbuzo Kholwane, MPL
MEC for Finance, Economic
Development and Tourism**

13 May 2016

BUDGET 2016/17



Together We Move South Africa Forward



**THE 2016/17 FINANCIAL YEAR BY THE MEC FOR FINANCE,
ECONOMIC DEVELOPMENT AND TOURISM, HON SE
KHOLWANE, MPL, AT THE MPUMALANGA PROVINCIAL
LEGISLATURE, MBOMBELA**

13 MAY 2016

- Madam Speaker and Deputy Speaker;
 - Honourable Premier;
 - Colleagues in the Executive Council;
 - Honourable Members of the Provincial Legislature;
 - Chairperson of the House of the Traditional Leadership and members present;
 - Comrades and friends;
 - Ladies and gentlemen;
-
1. Thank you very much for this opportunity to participate in the debate on the Provincial Appropriation Bill for the 2016/17 financial year.

 2. This debate takes place during a month in which we celebrate the importance of African unity in a global village.

3. The recently signing of a Memorandum of Understanding between our Province and the Provincial Government of Cuando Cubango, Angola during this Africa Month re-affirms our commitment to work with the continent to build a better Africa.
4. This month, we also celebrate the gains made by the working class in consolidating the workers' power and re-affirming of the right to decent work for all.

Madam Speaker,

5. Last week, his Excellency President JG Zuma addressed the nation on key interventions jointly agreed with labour and business to address the constraints to the economic growth of our country.
6. We welcome the progressive manner in which our social partners continue to share the burden of the current economic situation, and their willingness to work with the government and co-invest in programmes aimed at growing an inclusive and job-creating economy.
7. Indeed we are stronger together.

Madam Speaker

8. I had an opportunity to interact with various member of the community after the tabling of the provincial budget on the 8th of March 2016.
9. I have also followed the debates on the presentation of the Budget Votes and the Provincial budget in this house with keen interest.
10. Many of our people agree that that we must do everything in our power to return the economy to its pre-recession levels.
11. We share a common understanding that the limited fiscal space should not be constrained further through avoidable non-core spending across the government programmes.

Madam Speaker

- 8 The 2016 provincial budget is rooted in the ideal of the Freedom Charter, our historic blueprint which paved the way for the democratisation of the present governance system.
- 9 Despite the challenging fiscal environment, we continue to allocate resources in a manner that responds to the developmental needs of society as articulated in the Freedom Charter and the National Development Plan.
- 10 The allocation to the social sector, which constitutes the largest share of the provincial budget, has been maintained at an affordable level thus enabling our children to receive education, our poor communities to access free health care and the social protection net to reach the needy.

Madam Speaker

- 11 In an era of a constrained fiscal environment such as this, we must continue to heed the advice of the Minister of Finance, Hon Pravin Gordhan when he said, and I quote

“We cannot spend money we do not have. We cannot borrow beyond our ability to repay. Until we can ignite growth and generate more revenue, we have to be tough on ourselves” Close Quote.

Madam Speaker

- 12 We agree that the solution to our challenges lies within our collective ability to make the right decisions and the right investment choices to mitigate the impact of the global economic crisis.
- 13 We also agree with the view of the Portfolio Committee on Premier’s Office, Finance, Economic Development and Tourism that all Departments and Public entities must stay within the budget allocations for the 2016/17 financial year and not exceed the allocated budget.
- 14 We must stick to the approved annual performance plan and implement cost effective measures to deliver more and quality basic services to all our people.

- 15 The Provincial Treasury has commenced with the expenditure review on the main spending items to ensure that the Provincial Government spends the resources in the right areas to stimulate economic growth, contribute to job creation and improve the living conditions of our people.
- 16 We have also commenced with the initiative to enhance provincial revenue which is desperately needed for continued delivery of quality basic services to mainly the poor communities in our Province.

Secure financial stability

Madam Speaker

- 17 Securing the financial stability remains core to the 2016 Provincial Budget mandate.

- 18 To this end, the Office of the Premier is leading the implementation of a cost effective provincial service delivery model through departmental re-organisation and staff rationalisation; the staff verification project is also continuing; and cost containment measures are being closely monitored with due consideration of pressures in the medium term.
- 19 We will continue to improve the internal controls in all the institutions in our quest to achieve the desired level of financial governance in the Province.
- 20 The implementation of the in-year monitoring system is being strengthened to ensure that spending is kept at the required minimal levels.
- 21 We are confident that these and other initiatives that were outlined in various presentations to the Portfolio committees and in this august house will assist us to Move Mpumalanga Forward.

Conclusion

- 22 Madam Speaker, allow me to take this opportunity to thank all members for their constructive engagement during this debate; our Premier, Hon David Mabuza and my colleagues in the Executive Council for their guidance and valuable inputs in the provincial budget.
- 23 I therefore commend the Provincial Appropriation amounting to **41 billion 3 hundred and 1 million 337 thousand rand** for the 2016/17 financial year to the House.

Thank you.



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