



finance

Department:
Finance
MPUMALANGA PROVINCE



"Working together we can do more"

Adjustments Appropriation 2010

Speech

By

MEC YN Phosa
MEC for Finance

26 November 2010

Friday, 26 November 2010

Honourable Speaker, Mr S.W Lubisi
Honourable Premier, Mr D.D Mabuza
Honourable Deputy Speaker, Ms V.S Siwela
Chief Whip of the ruling party, honourable B.T Shongwe
Colleagues in the Executive Council
Honourable members of the Provincial Legislature
Members of the House of Traditional Leaders
Director General, Mr J.M Rabodila
Head of Department of Finance, Mr M Mazibuko
Other Heads of Departments
Religious leaders
Representatives of labour, business, civil society and media
Distinguished Guests
Comrades and friends
Ladies and gentlemen

I am pleased to address this august house on the occasion of the tabling of the 2010 Mpumalanga Adjustment Appropriation Bill today.

Honourable Speaker,

Martin Luther King, Jr once said:

“Human progress is neither automatic nor inevitable... Every step towards the goal of justice requires sacrifice, suffering, and struggle; the tireless exertions and passionate concern of dedicated individuals.”

Last week we woke to the sad news that one such dedicated individual, MaBertha Gxowa has departed from this world.

It is through the sacrifices of great human beings like MaBertha that the struggle against apartheid was waged and won. Today, we must take to heart the important lessons that the actions of MaBertha taught us.

The government has taken steps to address the deficiencies in the way we work so that we can share with the world who and what we *stand for*.

The introduction of outcome-based planning and service delivery agreements, signal our push for a results-oriented government, a government that understand the needs of our people and committed to find ways to best respond to those needs.

As Honourable Minister of Finance, Mr. Pravin Gordhan in his Foreword of the Medium Term Budget Policy Statement 2010 said:

*“...we must remind ourselves of how Oliver Tambo outlined his vision for the post-apartheid economy – our starting point is what any economy should serve - **people**”.*

Outlook for the South African Economy

Honourable Members

The world economy continues to recover from the financial and economic crisis of 2008 and 2009. Our fiscal and monetary policies remain broadly expansionary.

Economic growth is however, thus far, uneven and fragile. After declining by 0.6 per cent in 2009, the world economy is expected to grow by 4.8 per cent this year and 4.2 per cent in 2011.

The third quarter 2010 national growth rate of 2.6 per cent which was announced this week, was below market expectations. We are however optimistic about the prospects of the South African economy after five consecutive quarters of positive economic growth.

There's a gradual improvement of economic conditions and the national economy is on track to achieve a real gross domestic product (GDP) growth estimated at 3 per cent this year, followed by 3.5 per cent in 2011.

High levels of investment are necessary over the medium term to raise the economy's growth potential in order to create employment and to continue to significantly contribute to counter the cyclical nature of our economy.

We have become used to inflation surprising us pleasantly during 2010. The year-on-year inflation rate as measured by the consumer price index (CPI) for all urban areas of South Africa declined to 3.2 per cent in September 2010 – the lowest level in five years. The CPI however, increased moderately to 3.4 percent in October 2010.

Honourable Members

Inflation is expected to average 4.3 per cent in 2010 and 2011, and to measure 4.8 per cent in 2012. This year has also seen further declines in the Reserve Bank's repurchase rate to 5.5 per cent – its lowest level since the rate was introduced in 1998. The prime interest rate is at its lowest level since April 1974, at 9 percent.

We would like to congratulate the Governor of the Reserve Bank, Ms Gill Marcus and her team for a monetary policy job well done.

Despite the more favourable economic growth and inflation outlook, employment trends appear to be lagging the domestic recovery.

According to Statistics South Africa's latest Quarterly Labour Force Survey (QLFS), the South African economy regrettably shed 158 000 jobs since the end of the third quarter of 2009.

In the third quarter of 2010 alone, the economy lost 86 000 jobs, with the highest job losses in the finance, private households and community services sectors.

South Africa's official unemployment rate climbed from 24.4 per cent a year ago to 25.3 per cent in the third quarter of 2010. The unemployment rate according to the expanded definition (including discouraged workers) is currently at a very high level of 36.6 per cent.

This means that there were 4.4 million unemployed people and 2 million discouraged work seekers in South Africa by the end of September 2010 – 6.4 million jobless people out of a labour force of 17 million people.

Honourable Speaker

It is evident that South Africa's present and forecast economic growth trajectory can't meet our employment needs. Much faster growth is required over an extended period to significantly increase the labour absorption rate, reduce the high unemployment rate and achieve a more equitable distribution of income.

The new national growth path aims to create 5 million new jobs over the next ten years. In order to achieve this target, the national economy needs to grow by more than 6 per cent per annum, together with measures aimed at broadening participation in and development of the economy.

Outlook for the Provincial Economy

Honourable Speaker

There is also a gradual recovery of the Mpumalanga economy and expectations are that our economy will grow by 2.7 per cent this year, after a negative growth rate of 1.7 per cent in 2009 due to the recession.

The forecast provincial growth rates for 2011 and 2012 are 3.5 and 3.8 per cent, respectively. The Gert Sibande District is leading the provincial economic recovery with an expected 4.9 per cent growth rate this year, followed by growth rates of 1.8 and 1.5 per cent for the Nkangala and Ehlanzeni Districts, respectively.

The real gross value added (GVA) growth expectations for the main sectors of Mpumalanga in 2010, indicate growth rates of more than

3 per cent for agriculture, community services, manufacturing and construction.

While the Honourable Members were concerned about the provincial inflation rate which was consistently higher than the national rate, being in fact the highest of the nine provinces in 2009, the good news is that Mpumalanga's CPI dipped below that of the country over the first ten months of 2010.

The provincial inflation rate increased slightly from 3.1 per cent in September 2010 to 3.2 per cent in October 2010. It is however lower than the national rate of 3.4 per cent.

Mpumalanga moved down from the province with the highest inflation rate (8.2 per cent) in 2009, to the fourth lowest rate in October 2010. Emalahleni and Mbombela also moved down from the highest inflation rate (8.4 per cent) in 2009, to the third highest (4 per cent) among the thirteen major urban areas in South Africa.

Honourable Members

Employment trends, like the national picture, also appear to be lagging the economic recovery of the province. The Mpumalanga economy shed 18 000 jobs since the end of the third quarter of 2009. In the third quarter of 2010 alone, the economy lost 9 000 jobs, with the highest job losses being in community services and private households.

Our province registered the second highest unemployment rate of the nine provinces in the third quarter of 2010. The official unemployment rate increased from 25.5 per cent a year ago to 28.4 per cent in the third quarter of 2010.

The unemployment rate according to the expanded definition (including discouraged workers) in the same period, climbed from 38.9 per cent to 43.9 per cent. This means that there were 353 000 unemployed and 193 000 discouraged work seekers in the province at 30 September 2010 – 546 000 jobless people out of a labour force of 1.2 million people.

Government's response to the economic environment

Honourable members

All this means that the 2010/11 adjustment Budget is set against an uncertain global and domestic environment.

While conditions have improved since a year ago, a lot of government spending at a national level is still financed through borrowing which requires a commitment to continually manage spending prudently to avoid unsustainable levels of debt repayment.

Our response to this economic environment is however rooted in the five priorities that inform government's programme of action, which are:

- Creating decent work and sustainable livelihood;
- Implementing the Comprehensive Rural Development Strategy;
- Strengthening our skills and human resources base;
- Improving the health profile of citizens, and
- Intensifying the fight against crime and corruption

Honourable Speaker

Former President Mandela once said:

“After climbing a great hill, one only finds that there are many more hills to climb!”

We agree with these wise words and also with the Honourable Minister of Finance’s response to Isithwalandwe Nelson Rolihlahla Mandela’s statement in his Medium Term Budget Policy Statement 2010 Speech:

“As we move out of the depth of the greatest recession since the 1930s, we find yet another hill facing us – the highest, perhaps, we have yet had to climb. This is the creation of jobs and the reduction of poverty”.

As on the national level, the design and implementation of a new Mpumalanga Growth Path is now critical to increase our economic growth rate and to rapidly reduce unemployment, poverty and inequality in our province. We would like to thank the Provincial Government Task Team that is working very hard to develop a new Growth Path for our province.

Our target should be to reduce the provincial unemployment rate to a level of 15 per cent in the next 10 years. This will require the creation of 70 000 new jobs annually and an economic growth rate of more than 6 per cent per annum.

We can only achieve this if government, business, labour and civil society join forces and work together- like we did during the recession and the FIFA 2010 Soccer World Cup. It is our firm belief that *working together we can do more!*

Provincial governments are expected to reprioritize spending to realign their budgets to ensure targeted spending on frontline government services.

Specific areas have been identified as needing urgent attention and these include ensuring *efficient management of human resources in the Province*.

In this regard, a balance needs to be struck between administrative and professional staff at the coal face of delivery.

Honourable Speaker

Progress has been made in some departments to realign departmental budgets to priorities. We will have to step up efforts to ensure that austerity measures and strategies are implemented.

The Provincial Treasury will play an even greater role in *ensuring efficiency in supply chain management in the province*. In this regard, we will continue to facilitate skills training for officials in Supply Chain and Asset Management fields in order to improve the quality of services in those areas.

Review and progress

Infrastructure delivery

In the main budget of 2010, an amount of R2 billion, 193 million 589 thousand was allocated to development and maintenance of infrastructure, mainly to Education, Health and Roads related infrastructure. This total allocation was intended to ensure that the benefits of economic growth are felt by the current and the next generation of the people of Mpumalanga.

The Provincial Treasury will assist in the endeavour to ensure improved planning, spending and delivery.

Honourable Speaker

Whilst great progress has been achieved with regards to meeting basic services to households without access, backlogs persists; the quality of infrastructure delivered over the recent past is cause for concern, posing threats to the sustainability of service delivery.

We believe that if these issues are dealt with, our municipalities will be strengthened to provide the services that are desired by our communities.

Working together with our colleagues in municipalities, *SALGA* and *COGTA* we shall ensure that administrative capacity of municipalities is enhanced and strengthened.

Technical adjustments

2010/11 adjustments to provincial equitable shares

Despite continued pressure on revenue collections and the ongoing need for fiscal consolidation and cost cutting measures, a number of adjustments to the 2010 budget have been approved.

Compensation of Employees

Mpumalanga receives **R299 million 689 thousand** of **R3.84 billion** added for provinces to cover the cost of the salary increases for public servants.

This adjustment budgets provide for the difference between the 7.5 per cent increase and 5.3 per cent the departments were instructed to budget for at the beginning of the fiscal year as well as an additional R300

housing allowance in accordance with the public sector salary-increase agreement.

Occupation Specific Dispensation

In order to deal with the Occupation Specific Dispensation (OSD) for health practitioners and doctors that has been outstanding, **R350 million** is added, nationally, to cover the cost of its implementation backdated to July 2009.

We will outline the provincial allocation of the total amount of **R17 million 150 thousand** when we deal with the specific adjustment for Health.

Adjustments to Conditional Grants

FET Colleges Grant

The FET Colleges grant is adjusted to compensate for the additional cost of the 2010 wage agreements. The portion of the adjustment available for the wage agreements that is allocated to this grant is based on head counts of employees in FET colleges. **R347 thousand** is made available for improvements in conditions of services.

The housing allowance is allocated **R187 thousand** and is distributed using the provincial share of total Improvement of Conditions of Service costs.

HIV and Aids Programme

R100 million is added to the Comprehensive HIV and Aids Programme to meet increased demand for male medical circumcision and condoms. Of this, **R60 million** will be used for condom distribution at a national level and **R40 million** for the male medical circumcision. Due to an increased demand for condoms and male medical circumcision, an additional **R100 million** is made available to the health sector. Mpumalanga's share amounts to **R4 million** for Male Medical Circumcision.

Devolution of Property Rate Funds

An amount of **R13 million 241 thousand** is added for the Department of Public Works, Roads and Transport to address shortfalls in the Devolution of Property Rate Funds Grant.

Provincial rollovers of conditional grants

R77 million 409 thousand of unspent conditional grants has been approved for rollovers in 2009/10 in terms of Section 31 (2) (g) of the Public Finance Management Act, 1999 (Act 1 of 1999). These unspent funds remain in the provincial revenue fund and are subject to rollover processes of the Province.

Honourable speaker

In March 2010, we introduced a budget of **R26 billion, 100 million 585 thousand** to the house. An amount of **R683 million 19 thousand** is added to the main appropriation, revising the baseline up to **R26 billion, 783 million 604 thousand**.

Honourable Speaker,

As mandated by Chapter 13 of the Constitution of the Republic of South Africa; and Section 31 and 43 of the Public Finance Management Act, Act 1 of 1999, as amended by Act 29 of 1999, as well as Chapter 6 of the Treasury Regulations, I now table the Adjustments Appropriation for the 2010/11 financial year.

Allocation per vote

Vote 1: Office of the Premier

The budget of the Office of the Premier increases from **R158 million 728 thousand to R166 million 412 thousand**.

This increase is made up of a roll over on goods and services amounting to **R1 million 684 thousand** as well as an additional allocation of **R6 million** for implementation of the Cabinet Outreach programme.

Vote 2: Provincial Legislature

The Provincial Legislature will receive **R2 million 500 thousand** towards an expanded programme of *Taking Legislature to the People* in the Gert Sibande region.

An additional allocation of **R15 million** is made available to provide for Constituency allowances.

The under expenditure amounting to **R33 million 449 thousand** and revenue generated by the Provincial Legislature amounting to **R2 million 150 thousand** during the 2009/10 financial will automatically revert back to the Provincial Legislature in line with Section 22(1) (a) of the Public Finance Management Act.

The Budget of the Provincial Legislature increases from **R169 million 655 thousand to R222 million 754 thousand.**

Vote 3: Finance

The Department of Finance will surrender **R1 million 959 thousand.** The savings from Compensation of Employees will be reallocated to fund own wage increases, the increase on housing allowance as well as to cater for the budget pressures of the department. An amount of **R50 thousand** received as a donation for the celebration of Mandela Week is added to the adjustment.

The Budget of the Department decreases from **R232 million 773 thousand to R230 million 814 thousand.**

Vote 4: Cooperative Governance and Traditional Affairs

The budget of the department remains at **R404 million 93 thousand.** Provision is made therein for savings identified on compensation of employees to be utilized to fund other pressures within the department.

Vote 5: Agriculture, Rural Development and Land Administration

The Department of Agriculture, Rural Development and Land Administration receives **R9 million 600 thousand** towards filling of critical posts at Senior Management level.

R27 million has been added to the already existing budget for the expanded Masibuyel' emasimini rural development programme for the estimated 86 000 ha, covering 120 000 households. The additional funding will be used to purchase additional production inputs to cover 55 000 hectares for subsistence farmers.

A total of 85 new tractors are being added to the existing 187 to improve output by subsistence farmers during this financial year. This will assist subsistence farmers in the province, particularly in areas like Nkomazi and Bushbuckridge to increase harvest.

The 85 tractors that the province received as a donation during the President's visit will be distributed equitably and optimally used.

The Budget of the Department increases from **R737 million 936 thousand to R774 million 536 thousand**.

Vote 6: Economic Development, Environment and Tourism

The budget of the department increases by **R68 million 713 thousand** from **R643 million to R711 million 713 thousand** in order to address challenges in the structure of the organization, implementation of budget, corporate governance and identified pressures.

The additional allocation includes refund to the department on Zithabiseni resort's Pay As You Earn (PAYE) - **R4 million 700 thousand**. An amount of **R15 million 735 thousand** is made available for transfer to public entities and an additional **R40 million** is appropriated to Mpumalanga Tourism and Parks Agency in order to address current pressures.

R2 million 493 thousand is made available to fund improvements in the conditions of service and increases in the housing allowance in the department.

A special allocation amounting to **R1 million 284 thousand** is made available for filling of critical posts.

R4 million 500 thousand is allocated towards addressing budget shortfalls on goods and services particularly for the funding of contractual obligations.

Vote 7: Education

The Department of Education receives **R208 million 486 thousand** for wage increases as well as the housing allowances, **R347 thousand** allocation is made towards FET Colleges for wage increases and a further **R187 thousand** to cover housing allowances.

During the State of Province Address, earlier this year the honourable Premier said:

“We will introduce Saturday and Winter school classes for learners in Matric of all schools that have obtained a pass rate below 50%. Transport to the learning centre will be provided for legitimate learners. Teachers who are recruited to assist in those classes will be paid an agreed stipend.”

R77 million will be re-prioritized towards the funding of a 5-day recovery plan. R34 million for the Matric Intervention programme will also be funded from existing savings in compensation of employees.

A total of **R31 million 110 thousand** will be reduced from Equitable Share as a first charge to reimburse the National School Nutrition grant (**R21 million 222 thousand**), Infrastructure Grant to provinces (**R8 million 97 thousand**) as well as the HIV and AIDS -Life Skills grant (**R1 million 791 thousand**) in the Department of Education.

We all agree that the delivery of pertinent infrastructure must be fastracked: This is a non-negotiable.

The Department has also been allocated **R29 million 600 thousand** in order to improve security in printing, packaging, distribution and marking costs for the 2010 national senior examinations.

Honourable Speaker

The Honourable Premier further said:

“Our commitment to improving the quality of basic education is unwavering. In the 2010/11 financial year, we intend... eradicate all mud schools and shack structures, including farm schools.

This unwavering commitment, Honourable Premier, is matched by the provision of additional **R76 million** which is made available to fund the eradication of all mud schools and shack structures, including farm schools. Alongside this, the province is pursuing its approach of building boarding facilities for learners currently attending farm schools. **R98 million** is allocated to this priority area.

The House will recall that some schools were damaged by storms during December 2009. We propose **R12 million** to be allocated for the planning phase towards the rehabilitation of those schools.

During the same period, 44 mobile classrooms were provided to the various schools that were affected by the storms. **R7 million** is therefore allocated to the Department of Education as re-imbursement for this unforeseen and unavoidable expenditure.

The budget of the department increases by **R431 million 620 thousand** from **R11 billion, 530 million 252 thousand** to **R11 billion, 961 million 872 thousand**.

Vote 8: Public Works, Roads and Transport

Honourable members

When we tabled the main appropriation budgets in the Provincial Legislature earlier this year, we indicated that the baseline for Department of Public Works, Roads and Transport include a special

allocation of **R158 million** being funds that were earmarked for the provision of office accommodation.

The baseline of the department has been reduced by this amount, which is proposed to be diverted to fund other provincial priorities. The budget of the department is further reduced by an additional amount of **R24 million 719 thousand** which is projected to be under spent due to vacancies that exist in the department.

The Budget of the Department decreases from **R3 billion 330 million 801 thousand** to **R3 billion 161 million 323 thousand**.

Vote 9: Safety, Security and Liaison

The budget of the Department remains at **R111 million 438 thousand**. This is to ensure continuity of our efforts to fight against crime.

Vote 10: Health

The adjustment provides for gazetting of the Hospital Revitalization projects and forensic pathology grant projects that were not gazetted during the tabling of the 2010 Estimates of Provincial Expenditure earlier this year.

The Department receives **R70 million 491 thousand** towards Improvements in Conditions of Services as well as Housing allowance. An allocation of **R17 million 150 thousand** is also made towards OSD for doctors as well as therapeutic professionals.

On comprehensive HIV and Aids Grant, the Department has received **R4 million** for the provision of kits for the medical male circumcision.

A further **R4 million** is made available to the Department of Health for the launch of Male Medical Circumcision (MMC) as well as the celebration of World's AIDS Day in the Province.

On Equitable Share, **R58 million 313 thousand** is allocated as a roll over in order to cover commitments of the previous financial year.

Rollovers have also been approved on Schedule 4 conditional grants to the tune of **R4 million 142 thousand**. Included in this allocation is Hospital Professions Training Development grant amounting to R1 million 401 thousand and National Tertiary Services grant of R2 million 741 thousand.

An amount of **R11 million 15 thousand** is granted on Schedule 5 grants as follows: Comprehensive HIV and Aids – R6 million 501 thousand, Forensic Pathology Grant R169 thousand and commitments from 2010 FIFA World grant amounting to R4 million 345 thousand.

Included in this adjustments is a donation amounting to **R1 million 399 thousand** from the Welfare Seta for the recruitment of interns as part of career development.

The budget of the department increases by **R170 million 510 thousand** from **R6 billion 420 million and 715 thousand** to **R6 billion 591 million 225 thousand**.

Vote 11: Culture, Sports and Recreation

The Department of Culture, Sports and Recreation will receive a rollover amount of **R2 million 59 thousand** for Provincial Archives centre; a special allocation amounting to **R1 million** for the Youth Day; **R3 million 500 thousand** is allocated for the commemoration of Human Rights Day and plans for Day of Reconciliation, and a further **R8 million 211 thousand** on Community Library Services Grant.

The budget of the department increases by **R14 million 770 thousand** from **R282 million 253 thousand** to **R297 million 23 thousand**.

Vote 12: Social Development

The budget of the department stays the same at **R881 million 447 thousand**.

Provided in this budget allocation is the filling of exceptionally critical posts as well as ongoing infrastructure projects namely, Gert Sibande District, Carolina branch, Marapyane Branch, KwaMaqhekeza, Bethal and Balfour Branch Offices, amongst others.

Vote 13: Human Settlements

The allocation to the Department of Human Settlements is revised upwards with funding made available for the provision of additional housing units in Mangosuthu: 400 units, Lekwa farm worker project: 200 units, as well as Pixley Ka Seme: 200 units.

The total allocation to these priorities, which is spread over two year period, is R48 million. The department receives **R19 million 193 thousand** for the 2010/11 financial year, and the balance of R28 million 807 thousand will be allocated during the 2011/12 financial year.

The Department also receives a rollover of **R35 million 170 thousand** on the Integrated Housing and Human Settlement Conditional Grant for the construction of RDP Houses in Rooikopen, in Lekwa municipality.

R7 million 625 thousand is rolled over from equitable share funding in order to provide funding to:

- Finalize designs at Emalahleni Sewer connector (R213 thousand);
- Continue with upgrading of the sewer treatment plant in Ermelo (R1 million 712 thousand);

- Fastrack implementation of the sewer connector line on the 647 stands in Thaba Chweu (R1 million 824 thousand);
- Funds are made available in order to complete the installation of the bulk Infrastructure for Phumlani residents in Mbombela municipality (R1 million 940 thousand);
- On new Mbombela projects, the funds are earmarked for completing the servicing of the remaining 72 sites at Phumlani Township (R1 million 311 thousand)
- R625 thousand is made available to service areas that are experiencing water shortages. The funds will be utilized to procure 5000 litre water tanker for Nkomazi municipality.

R3 million 975 thousand is allocated for provision of office accommodation. The funds were made available in the previous financial year however the processes for leasing the property were only concluded in the current financial year.

Honourable Members

Many of our communities are still without safe and potable drinking water. An amount of **R5 million 497 thousand** is made available for the construction of boreholes at the Delmas purification plant.

The budget of the department increases by **R71 million 460 thousand** from **R1 billion 197 million 494 thousand** to **R1 billion, 268 million 954 thousand**.

Accruals, under spending and overspending

Honourable speaker,

Last year, we committed ourselves to improving efficiencies and gearing the Provincial Administration for better performance and

responsiveness. We committed to strengthening organizational performance, including improved management of public finances.

The first priority was to stabilize provincial finances to ensure that we address challenges of over-expenditure and accruals.

At this point, I am happy to report that we have managed to significantly reduce the accruals.

We will continue to apply austerity measures to ensure that we bring the issue of over-expenditure under control and in the process spend more and increase efficiencies with less.

In the main, we have also reduced the time taken for the payments of invoices to service providers within the normal 30 day period, except those complex ones that may require further investigation and processing.

2011 Medium Term Expenditure Framework priorities

In the medium term, the government will among others focus on implementation of programmes that are meant to

- Accelerate rehabilitation and building of health and education infrastructure;
- Enhance the effectiveness of the community policing forums and promotion of social justice;
- Accelerate provision of an expansive economic infrastructure network;
- Up-scale the implementation of Masibuyel' emasimini;
- Expand integrated human settlements;
- Accelerate service delivery through focused technical and expert support to local government, and

- Implement broad programme geared to sustainable use of the environment and its resources.

Conclusion

Honourable members

The challenges for this administration are now clearer than before. As President Jacob Gedleyihlekisa Zuma stated during the State of Nation:

“This year, 2010, shall be a year of action. The defining feature of this administration will be that it knows where people live, understands their needs, and responds faster.

Government must work faster, harder and smarter. We will expect the executive and the public service to comply with this vision.

We are building a performance-oriented state, by improving planning as well as performance monitoring and evaluation.”

We have set ourselves the targets that would lead to specific outcomes. This is an approach that has informed some changes in the way we do things as a country and in the province.

We have a responsibility to tackle corruption in the public service and to defeat any tendency that may want to undermine our core values and our systems.

We owe it to the millions of the people of this Province to defeat any corrupt practice that may want to bedevil our administration.

Honourable Speaker

I wish to express my appreciation to Premier DD Mabuza for his leadership, all members of the Budget and Finance Committee for their efforts and dedication throughout the process of preparing this adjustment budget, Portfolio committee on Premier's office, Finance, Safety, Security and Liaison for providing oversight on our work and making sure that the voice of the public is heard and their aspirations are adequately considered.

The office of the Auditor General has been a critical and yet a welcome partner, always asking pertinent questions that challenge us to live to the principles enshrined in our Constitution and the provisions of the Public Finance Management Act.

I would also like to pass my appreciation to the management team, led by the Head of Department, and all the officials who continue to support government's programme of delivery and recently made us proud when Finance Department scoop two awards that recognize excellence in annual reporting and accountability.

Honourable Speaker

I hereby submit the 2010 Adjustment Appropriation for consideration by the Provincial legislature.

I thank you.