

## **BUDGET AND POLICY SPEECH FOR THE OFFICE OF THE PREMIER 2005-2006**

Honourable Speaker and Deputy Speaker,  
Members of the House,  
Members of the Executive Council,  
Colleagues and Comrades

It is an honour and a privilege for us to come back to this reverend chamber a year after we assumed our duties to lead the struggle for a better life in our province.

Madam Speaker, the ship is indeed on course as many of us will agree. A year into our duties, we have reason to be optimistic about our immediate future. Our scorecard makes for interesting reading. In spite of those areas where we did not succeed, our strategic overall priorities were attained as planned. It is also true to say the last twelve months provided us with valuable lessons and better insights into our challenges.

Let us once again reiterate what we said on the occasion of the opening of our Legislature this year, that the most important development in our work over the past twelve months has been growing synergy in our province as a whole. It is important that we keep our energy currents flowing in the same direction in order to achieve more. The positive spirit across our entire province is an important requisite to our success.

When we tabled our work programme for 2004/2005, we submitted that, in order to reduce poverty and unemployment in building a better life for all, we need to enhance the efficiency and effectiveness of our civil service. Among others, we said we will strive to improve: systems for oversight, coordination, monitoring and evaluation; governance leadership and management; accurate evidence-based decision-making; remove red-tape as far as possible; build a professional cadre of the public service; eliminate the duplication of roles and duties by structures; enhance performance management and improve dialogue between government and all social partners.

We undertook to convene a summit of public sector unions; to fight corruption; to conduct a skills audit across the provincial administration; to introduce an effective monitoring and evaluation system; and to shift capacities strategically from some of the traditional areas of the administration to new ones, in order to follow through our political priorities.

Among important achievements in our work over the past year is the fact that all our departments, which planned to convene provincial summits to address broad challenges within their sectors, were able to do so, thereby assisting the process of revising our PGDS. These include, among others, the Tourism Indaba and the Mining and Industrial Summits by the Department of Economic Development and Planning; the Roads and Taxi Izindaba by the Department of Roads and Transport; and the Agricultural Summit by the Department of Agriculture and Land Administration, culminating in the Badplaas PGDS Summit at the beginning of February this year.

Arising from the above, the biggest challenge of the Office of the Premier this year and beyond, is to coordinate the translation of our PGDS into a living document - a realisable vision.

Critically, the Director General, supported by the Macro Policy Directorate, must drive the process to ensure that all the departments, without exception, integrate the PGDS priorities in their plans and budgets.

Secondly, the Department of Economic Development and Planning, must coordinate the establishment of all the implementing stakeholder structures agreed upon by the Summit.

An achievement complimentary to this process was the establishment of the Premier's Economic Advisory Committee, which has provided the much needed depth in dealing with challenges in and around our development strategy. I wish to take this opportunity once again to express the province's admiration for the selflessness displayed by the highly capable individual members of the Committee who volunteered their free time and expertise.

Madame Speaker, the Office of the Premier must play a pivotal role in building a developmental provincial administration machinery, because the paradigm that suggests that the role of the public sector should be minimal because government, by its very nature, is prone to inefficiency and corruption, is flawed.

We cannot achieve the challenging developmental goals our transformation poses, unless we pay attention to strengthening government's systems and structures, the quality of public service personnel, knowledge networks, and access to adequate financial resources.

The political economist, Alan Ehrenhalt argues that;

**“When government has the right people, and the right systems, and the right intentions many good things are possible. The trick is knowing which ones they are”.**

Madam Speaker, the founding conference of the United Cities and Local Governments in Africa (UCLGA) in Tshwane over a week ago, affirmed once again that all politics is local. For the ordinary citizens in the province, life begins and ends in their own towns and villages. Therefore, the importance of the performance of each one of our municipalities cannot be over-emphasised.

In this context, the recent protests in some of our municipalities are a cause for concern. The reasons for these violent demonstrations must be carefully and fully investigated and understood. There are interesting similarities in just about all these manifestations, including the fact that the protestors are not saying that the Ruling Party must go. Their anger is strictly directed at local public representatives. Many complaints raised appear plausible and legitimate. However, here and there, there are some which border on sheer provocation. Be that as it may, as a province we must find solutions to these matters urgently before some of the involved participants begin to believe that this option offers them real prospects to quick solutions.

The overall strategy to accelerate service delivery in municipalities is driven under Project Consolidate. In the province, we have agreed on additional measures over and above Project Consolidate interventions, to address challenges of service delivery in a limited number of targeted municipalities which are in dire straits. We have also agreed to look into long-term solutions in the context of local economic development and provincial spatial planning. At the same time, the Department of Local Government and Housing will be seized with investigations into allegations of irregularities. The government will act in an even-handed, principled and firm manner. There will be no favours extended to anyone.

The Premier's Coordinating Forum (PCF), as an instrument in promoting cooperative governance between provincial and local government, has undertaken bold steps to address broad challenges which affect our municipalities, such as water delivery, land occupation and informal settlements.

Another challenge in improving service delivery in the context of inter-governmental relations, is the need to address the absence of any collaboration between regional offices of national departments with provincial administrations.

Madam Speaker, addressing the above challenges in a systematic manner has culminated in the wholesale re-organisation of the Office of the Premier during the past financial year to enable this Office to fulfil its mandate as a strategic centre for cooperative and good governance in Mpumalanga.

We opted for a lean and affordable structure that would group functions to match and align with core strategic and support business processes. We have re-organised the office within the available financial resources, consequently we will not require any additional budget for this financial year, apart from the normal increases provided for in our Medium Term Expenditure Framework.

## **MACRO POLICY AND PLANNING**

Macro Policy and Planning constitutes the core function of the Office of the Premier. Attracting the required level of skill and expertise required that we upgrade the position of the Head of this component, to the level of an Executive Manager (Deputy Director-General). We are in the process of finalising the appointment of a suitably qualified and highly skilled candidate.

### **Policy, Planning, Monitoring and Evaluation**

The Policy, Planning, Monitoring and Evaluation unit is responsible for macro planning as well as monitoring and evaluation of the implementation of our departmental plans. Achievements over the past year have been the crafting of the Provincial Growth and Development Strategy and also the review of the Provincial Rural and

Urban Development Strategy (Pruds), which is informed by the Integrated Development Plans of municipalities. This unit will continue its work on reviewing the PGDS on an annual basis.

### **Monitoring and evaluation**

Our main monitoring and evaluation tool is a system called the IDP Nerve Centre, which was commissioned by the Department of Provincial and Local Government at national level. This system will align project monitoring at provincial and local government levels, and responsible officials are currently being trained to accelerate implementation of the system.

### **Research and Strategic Information Management**

The Research and Strategic Information Management unit has finalised the process of updating the Geographic and Information System (GIS) for the province. Information required for economic development planning for the province is now available. Additional research functions have been allocated to this unit to enable the commissioning of and access to research reports and information.

### **Cluster Management**

The Cluster Management unit has been established to strengthen the work of the three Cabinet Clusters. This unit will be able to conduct some strategic research aimed at enabling informed decision-making by the Executive Council.

### **International Relations**

Synergising international relations with the priorities in the PGDS remains a major challenge. The International Relations unit has therefore been restructured and placed within the Macro Policy and Planning Directorate in order to facilitate the integration of twinning agreements with provincial priorities. It is envisaged that this will accelerate qualitative implementation of the PGDS by identifying key areas in which international skills, resources and technology could add value to local processes, whilst also improving coordination of implementation of international partnerships projects emanating from country-to-country, province-to-province and city-to-city agreements.

## **CORPORATE GOVERNANCE (STRATEGY)**

Madam Speaker, the promotion of sound administration within the Office of the Premier, as well as transversal across departments, remains central to the mandate of the Premier's Office.

The new structure therefore retains the level of the head of Corporate Strategy at Executive Manager (Deputy Director-General) level.

The new structure gives stronger impetus to the transformation of the provincial administration by strengthening our capacity to develop and monitor transversal Human Resource Policies, providing Work Study and Job Evaluation services, co-ordinating and monitoring Human Resource Development, and ensuring sound Labour Relations across all departments, including the Office of the Premier. The restructured Public Service Transformation and Service Delivery Improvement Units will play a central role in this task.

### **Provincial Government Information Technology Office (GITO).**

The need for a more strategic approach to the application of information technology in promoting effective and efficient administration necessitated the creation of the Provincial Government Information Technology Office (GITO).

### **Transversal Human Resource Coordination**

The Transversal Human Resource Coordination Unit has developed a number of Provincial Human Resource Policy Frameworks which are currently being implemented by all provincial departments, over the past year. Currently this unit is finalising a partnership agreement with SAB, in terms of which we will share experience in various areas of human resource management and development.

Madam Speaker, it is envisaged that the Office of the Premier will finalise the establishment of a wellness centre for the provincial government in order to promote productivity and healthy lifestyles among our employees, within this financial year. We would like to thank our partners GTZ, for their invaluable support in this regard.

The Corporate Strategy Directorate will furthermore finalise, among others, provincial policy frameworks on Career Management; Quality Assurance; and Substance Abuse Management, in the coming months.

### **Human Resource Development**

The new organisational structure will focus on both internal and transversal Human Resource Development functions. The internal unit will deal with all issues of human resource development focusing on the employees of the Office of the Premier, whilst the external unit will provide leadership and support to provincial government departments.

Madam Speaker, I am pleased to announce that we are currently awaiting the Skills Audit Report on the assessment of 178 Senior Managers, that is, the levels of a Director to Director-General, which was concluded last Friday. The assessment of 521 middle managers has commenced and will be completed by the end of July 2005.

Managers will be assisted with strengthening managerial competencies where these have been shown to be weak. Redeployment will however be inevitable for those officials who are grossly misplaced, as well as those who do not respond positively to capacity building programmes. We have received tremendous support from organised labour in respect of this project, and I would like to thank them for the support.

Last year we reported that 3800 officials across provincial departments have enrolled for various phases of the ABET programme. I am happy to announce that 1451 of those officials have successfully completed their courses and will receive their certificates on Friday the 3<sup>rd</sup> of June this year. A challenge however remains in ensuring that officials do register for ABET and that they are encouraged and given opportunity to attend classes and sit for the examinations at the end of the year.

The Mpumalanga provincial administration has furthermore taken the lead in enskilling young people through the Learnership Programme. There are currently 88 frontline officials enrolled in the administration learnership program. We have succeeded in placing 630 out of the targeted 800 unemployed youth by the end of May 2005, under learnership to date.

Madam Speaker, we were unfortunately not able to launch the Human Resource Development Strategy as promised during the previous budget vote, as we had to first align it with the Provincial Growth and Development Strategy which was launched only in February this year. It is envisaged that the alignment process of the provincial Human Resource Development Strategy with the revised National Skills Development Strategy will be completed by July 2005.

### **Work Study and Job Evaluation**

Madam Speaker, the moving of capacities from traditional areas of work within the administration to new ones as informed by the political priorities, have been greatly assisted by the work done by the Work Study and Job Evaluation Unit. The unit has been able to respond to the identified management incapacities in some departments, and will continue to do so as challenges arise. The Unit has completed the development of the organisational structures of the newly established departments as per our announcement last year. This unit will continue to meet the challenge of developing new organisational structures as provincial departments re-adjust themselves as per their new mandates and strategies. The unit further evaluates the level of posts. Last year, 173 posts were evaluated and a challenge will always remain with the continuous restructuring of departments internally.

### **Labour Relations**

The maintenance of sound Labour Relations remains central to conducive conditions for service delivery. The Labour Relations Unit in the Office of the Premier will continue to co-ordinate the activities of the Provincial Bargaining Council in the Province.

### **Protocol Services**

Increased inter-governmental relations between the three spheres of governance, as well as the deepening of our programme to take government to the people, require professional and efficient Protocol Services. This unit has provided protocol services and conducted protocol and etiquette workshops to members of the Legislature and Members of the Executive Council over the past year.

### **Communications**

The capacity of government to accurately and timeously communicate its programmes, achievements and challenges is central to the concept of building a people's contract. Strengthening of government's Communications capacity therefore remains a key priority.

All communicators have consequently been included in the Skills Audit in order to assist us in accelerating the implementation of the Provincial Communication Strategy which was recently adopted by the Executive Council. Attracting the required level of skill and expertise has furthermore required that we upgrade the level of the Head of Communication in the Office of the Premier to the level of a Chief Director, and other provincial departments have been requested to review their communication structures accordingly.

We have further reviewed our strategy of communicating with communities during our Cabinet Outreach Programme. We have extended our visits to communities to two days wherein we meet with Councillors first and proceed to interact with communities in the afternoon of our first day, and proceed to visit health facilities in the morning of the following day. This enables us to respond to challenges of a quick fix nature expeditiously. We believe that this practice will increase the morale of our health workers and that our communities shall soon reap the benefits of motivated and friendly health workers.

### **Legal Advisory Services**

The Legal Advisory Services unit will continue with the process of rationalising legislation. Departments have, on the request of this section, indicated which laws they need to repeal and the necessary assistance is given to ensure that the required repealing legislation is drafted.

### **Public Service Transformation And Service Delivery Improvement**

The Public Service Transformation And Service Delivery Improvement unit will, in this financial year, focus on the practical and qualitative implementation of Batho Pele principles in the province. This unit focused on the institutionalisation and mainstreaming of Batho Pele in the previous financial year.

We have also embarked on a process of integrating the various achievers awards ceremonies in the province, so that at the end of the day, we would have one gala function where achievers – young people, people with disabilities, women as well as public servants - will be recognised.

We shall further continue with the KHAEDU PROGRAMME where we expose our senior managers to service delivery challenges at a coal-face level.

### **TARGETED GROUPS**

Madam Speaker, addressing the marginalisation of targeted groups within service delivery and employment in the public service remains a challenge. It has therefore been decided to create a direct reporting line between the Targeted Groups Unit - which is constituted by the Office on the Status of Women, the Office on the Status of Disabled Persons and the Office on the Rights of the Child - and the Office of the Director General and myself respectively.

It is believed that this will assist in promoting and accelerating employment equity in the provincial administration, as well as assisting both provincial departments and municipalities with their efforts to deliver gender, child and disability-friendly services.

### **Office on the Status of Disabled Persons**

The Office on the Status of Disabled Persons will focus on the transversal implementation of the Framework for the Programme of Action on the Empowerment of Disabled Persons as recently adopted by the Executive Council following a Service Delivery Review Audit that was conducted by the OSDP. The OSDP is required to

report to the Premier on a quarterly basis on progress being made with implementation of the Programme of Action. I would like to use this opportunity to congratulate the South African Revenue Services (SARS) for employing 17 disabled people in their offices within the province.

#### **Office on the Status of Women**

The Office on the Status of Women will be finalising the Provincial Gender Policy, which will outline the monitoring and evaluation procedures to be followed in assessing gender equity in the provincial administration, across all departments and levels of employment within the coming year.

#### **Office On The Rights Of The Child**

The strengthening of the currently under-resourced Office On The Rights Of The Child , by among others, sharpening its coordination and monitoring role in finalising the Provincial Plan of Action for Children within the coming months, remains a challenge.

The discussion to reorganise the Premier's Office brought two structures, whose status posed a dilemma in determining the appropriateness or otherwise of their location in the Office of the Premier, viz the House of Traditional Leaders and the Provincial Youth Commission. We must hasten to caution the House that part of the difficulty in resolving this matter is the inconsistencies and gaps in the constitutive legislation of the two structures. However, everything points to the appropriateness and desirability of allowing the Youth Commission and the House of Traditional Leaders a separate organisational existence outside the Office of the Premier.

#### **THE HOUSE OF TRADITIONAL LEADERS**

With regard to the House of Traditional Leaders, its location in the Premier's Office maybe perceived - and in actual fact be - under the influence of the Premier, and therefore undermine the independence of the House. It should be appreciated that the spirit of the law was to establish an institution that will be part of the law-making process independent from the Executive. As the Legislature processes the Mpumalanga House of Traditional Leaders Bill, we must reflect and advise on these challenges in order to resolve some of the problems in the status quo.

Madam Speaker, the House continues to play a pivotal role on advising government on all issues affecting our traditional leaders. We have taken note of the resolutions which were taken during the Traditional Leaders conference in September last year where a need to co-operate with government at all levels, was expressed.

I would like to use this opportunity to once again congratulate the newly elected members of the House of Traditional Leaders. My sincere congratulations go to Inkosi M.D. Mthethwa for his election as Chairperson of the House of Traditional Leaders, as well as to the other elected Members of the Executive.

#### **THE YOUTH COMMISSION**

The Mpumalanga Youth Commission is currently under-resourced, hence reliance is placed on the support services of the Office of the Premier. The Youth Commission therefore currently plays mainly a co-ordinating and facilitation role.

We are awaiting a plan from the Youth Commission, which will indicate the extent of funding that is required to facilitate its transition to autonomy.

#### **PROMOTING ACCOUNTABLE PUBLIC ADMINISTRATION**

Madam Speaker, we remain committed to the promotion of a public administration that is compliant, accountable and corruption-free.

#### **Persal Management**

The Persal Management unit will, in terms of our new Organisational Structure, be transferred to the Department of Finance. The unit will however continue to monitor and conduct audit compliance investigations to ensure that all departments comply with the persal prescripts.

## **Unqualified Audit Opinion**

We remain committed to ensure full compliance with the requirements of the PFMA. We therefore take pride in the Unqualified Audit Opinion obtained from the Auditor General in 2003/2004, and believe that we will build on this achievement for the 2004/2005 financial year.

I wish to announce that all provincial departments yesterday were able to handover their financial statements for 2004/2005 to the Office of the Auditor-General as required by the Public Finance Management Act.

## **Internal Audit**

We are in the process of strengthening the Internal Audit unit by appointing two more investigators. This will ensure that all suspected irregularities reported through the hotline, are investigated expediently and effectively. Note should be taken that national government has centralised all the anti-corruption hotlines, and that the central hotline number is 0800701701. Our Internal Audit unit will still be responsible for investigations and furnishing of reports to both the provincial government and the Office of the Public Service Commission, under whose auspices the national hotline falls.

## **CONCLUSION**

Madam Speaker, my first year in office has seen a hive of activity in reaching out to external stakeholders in order to build consensus on the challenges we face as a province, in building a shared vision for the future, and in securing strategic partnerships towards accelerated growth and development.

The response and goodwill displayed by community structures and the private sector has been overwhelming. Some concrete examples of strategic partnerships that have been formed include a partnership with FNB on the Mpumalanga Heritage Research Project, partnerships with a number of private institutions in acknowledging community and public service excellence, as well as the partnership with SA Breweries on human resource management, as already alluded to.

The Office of the Premier, through the Director-General's Office, will continue providing strategic and administrative leadership transversally throughout the provincial administration, as well as by rendering secretariat services to the Executive Council.

Steady progress is being made in the implementation of the 2004 Loskop Public Sector Summit resolutions, with regular feedback sessions between management and unions taking place.

Madam Speaker, in spite of the gaps and other requisite capacities that the office must still address, all the activities and achievement presented in this report were possible thanks to the management and leadership provided by the Director-General Adv Soko and his able team of senior managers. Together with the commitment and dedication of the inner office staff, we were able to tackle these challenges head-on. To all employees in the Premier's Office, please take a bow for putting the province first.

Madam Speaker, in conclusion, having outlined our plans for this financial year, I would like to appeal to this Honourable House that it approves the sum of One Hundred Million Eight Hundred and Seventy Three Thousand Rands (R100,873 million) as the budget of the Office of the Premier for this financial year.

I thank you.