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BUDGET AND POLICY SPEECH
2015 - 2016

LEADING DEVELOPMENT WITH EXCELLENCE AND INTEGRITY
Honourable Speaker,  
Deputy Speaker  
Members of the Executive Council  
Members of the Provincial Legislature  
Acting Director-General  
Senior Government Officials  
Heads of State Owned Enterprises  
Honoured Guests  
Ladies and Gentlemen  

Honourable Speaker,  
Our Nation Mourns!  
Grief seeps through our Bones!  

We are gathered in this august House as the Nation mourns the untimely departure of Minister Collins Ohm Chabane and his two protectors on Sunday morning, 15 March 2015.  

The Imbira beats no more!  
Ilanga litshon’emini!  
A candlelight blown out too soon!  
A journey cut too short! Too soon.  
Collins Ohm Chabane is no more!  

On behalf of the people of the Eastern Cape, I would like to convey our sincere and heartfelt condolences to the bereaved families during this difficult moment.  

Indeed, the nation and the ANC have lost an outstanding leader, a seasoned politician, political commissar and a loyal dedicated servant of the people.
Hardly a week after we bid farewell to our own Saba Mbixane, Death once more circled closer, pounced and claimed a life of a young and dedicated Mayor of Port St Johns Municipality, Councillor Mangqo.

To his family, we say, “Your Loss is Our Loss”, senzakele njengani. Lalani ngenxeba!

Honourable Speaker, we meet here during Human rights month, a month set aside to celebrate the restoration of human rights and human dignity brought about by the ushering in of the new democratic dispensation and our Constitution.

This coming weekend, the country will converge in Uitenhage to mark 55 years since the Sharpeville massacre. In four days, our country will also mark 30 years of the Uitenhage Massacre.

We are also grateful to President JG Zuma and National Government for repatriating the remains of our fallen heroes, Cde JB Marks and Cde Moses Kotane, for a dignified reburial in the country of their birth, as an honour for their sacrifices that led to the restoration of human rights and dignity of the majority of the oppressed.

Honourable Speaker, about a month ago, we tabled the State of the Province Address to this House, outlining the plans to achieve the Provincial Medium Term Strategic Framework and Vision 2030, that is, the NDP. In Dec 2014, we also tabled the Provincial Development Plan (PDP) for consideration by this house. The PDP identified five priorities around which the people of the E Cape must be rallied around.

These priorities are based on areas where the province has competitive advantage. The priorities set by Vision 2030 and developmental challenges facing the province have necessitated that the OTP reviews the way it has been operating in the past and reposition itself as the strategic centre to drive development. This strategic posture is well articulated in the strategic plan we are tabling today.

The Office of the Premier as the strategic centre of the Provincial Administration has intentionally set out its objectives towards furthering this purpose by providing the required leadership and strategic support to the provincial departments, entities as well as municipalities.

Honourable Speaker, the approved structure of the office of the Premier is composed of four programmes namely; Administration, Institutional Development and Organisational Support; Policy and Governance and, Executive Support Services. A total budget of R
458,919 million has been allocated to support the work of the department and is now unpacked below.

Programme 1: Administration, with an allocation of R 123, 116 million will focus on strengthening the capacity of the department on the provision of leadership and oversight responsibilities throughout the provincial administration. The office of the Director General and its ability to provide strategic support and required intervention will be bolstered through the technical support capability being built within. An initial allocation of R10 million has been set aside for this purpose and we shall continue with the support to the Departments of Education and Health. The diagnostic work that was conducted acknowledges the improvements made with the minimum support that has been placed there over the past two years.

However, there is still much more work that is required, especially in the Department of Education. We are encouraged with the progress we have made in the Department of Health. Hands on support will continue in these two departments albeit at differing levels. In addition, focus will also be placed on supporting municipalities.

Currently the King Sabatha Dalindyebo Municipality, Nelson Mandela Bay Metropolitan and Buffalo City Metropolitan are the first to be targeted. Working together with the other coordinating departments, Treasury and Corporative Governance and Traditional Affairs, the Office of the Premier will assess and align the current intervention support being provided by various role players in order to fast track the turnaround. A budget of R2 million will be allocated to conduct the assessment and diagnosis as well as development of the turnaround plans within six months of the commencement of the financial year.

Honourable Speaker, the Office of the Premier will also drive overall infrastructure coordination and develop the necessary capacity to enable efficient and effective planning of infrastructure delivery in the province. The Provincial infrastructure Development Framework will be revised and enhanced to inform the required structures for this purpose.

Part of integrating and expanding the role of ECSECC will include the inclusion of the social and economic infrastructure programmes into the work of this entity, moving beyond its current scope of co-ordination of national strategic infrastructure projects.

Whilst focused on improving the delivery of programmes and services across the provincial administration, the programme will continue to strive for efficiencies in its operations. One of the areas that requires management focus is human resources
management and effectiveness thereof. Our assessment of the Human Resources function shows that the department is falling below the desired levels of maturity in human resource management. In addressing this weakness, resources have been committed for improvements in employee wellness; labour relations; training and development in critical core skills and timely recruitment of required capacity.

Honourable Speaker, other areas require sustenance. In that regard, maintenance of the clean audit outcome remains our constant focus. Financial and supply chain management activities will ensure that internal controls are adhered to and there is compliance with laws and regulations. The department has established all the required governance structures. The risk management function has been capacitated to assess the risks posing a threat to the department’s ability to achieve its goals and objectives. Inclusive of Internal Audit, the risk management function in this programme provides combined assurance to the leadership of the department whilst the Audit Committee provides oversight on all governance matters to ensure continued improvements in the operations of the Department.

The department has budgeted R22 million to improve efficiencies in its operations including mapping out of business processes, standardisation of operations and automation of processes. This will assist in streamlining existing processes to achieve efficiencies.

Programme 2: Institutional Development and Organisational Support received an allocation of R 165,448 million. This budget will be utilised to support the building of strong and versatile institutions that support service delivery as well as to provide the required technical and strategic coordination support.

Improvements in human resource management effectiveness is crucial and urgent for the Provincial Administration and we shall therefore continue with our efforts towards building a capable human resource. Monitoring of implementation of Human Resource Plans, improvement of performance management and building of the competence of current crop of HR Practitioners and managers will be undertaken.

Building a developmental state requires that we address the skills deficiency that has been identified as a great contributor to slow service delivery. We shall therefore review the Provincial HRD Plan to focus on development of core transversal skills for accelerated service delivery. These include: Project Management, Monitoring and Evaluation, Sector Planning as well as Organizational Development. This capacity building model will be multi-faceted in that it will blend the traditional class work with on-the-job application as well as e-learning. The Provincial Government Capacity Building
Programme, the Leadership Development Programme as well as the Coaching and Mentoring of Women Programme will be accelerated.

The reach of the department goes beyond skills development of the public sector to making a contribution to the development of some of the critical skills to grow the economy.

Particular focus will be given to artisan development including maritime skills in partnership with SETAs, Employers, Technical Vocational Education and Training (TVET) colleges and Institutions of Higher Learning. In this regard we shall facilitate the placement of 800 unemployed youth in Learnerships, 2000 as Interns, 1000 in Apprenticeships and 1500 unemployed TVET Graduates in Work Integrated Learning.

Although committed to the Development of our Human Resource capacity, the Province’s financial contribution to needy students at tertiary institutions is currently at R15, 9 million. Meanwhile both the numbers of students, the cost of tertiary education as well as demand for more opportunities has increased. The OTP will review our funding model and its adequacy to meet these demands and recommendations will be tabled by the end of June 2015.

We are working hard to put in place mechanisms to facilitate improved, effective and efficient service delivery in the whole provincial administration through Business Process Mapping, the development of Standard Operating Procedures (SOPs) and eventual automation of key processes. With ICT being a critical enabler, the department will work with relevant partners to improve broadband connectivity in the Province as well as researching cost effective and integrated ICT solutions for the Province.

Honourable Speaker, to prevent our efforts being dampened the fight against fraud and corruption is intensifying. With the R7 million allocated to this function, the capacity of departments to detect, trace, and deal with fraud and corruption will be strengthened whilst accelerating the elimination of backlog cases flowing from the signing of the MoU with the SIU. Anti-corruption and fraud prevention advocacy programmes will be heightened whilst leveraging on the multi-sectoral partnerships we have built to enroll provincial stakeholders for an all-out campaign against this scourge.

Behavioural change is critical in the process of transforming the public service. In this regard, we shall strengthen Batho Pele and Culture Change Programme implementation by focusing on improved levels of ethical behaviour, professionalism and improved management practices. All of this can only happen in a stable and conducive working environment. To enhance these initiatives, concrete steps to stabilize the labour
relations environment in the workplace and maintaining improvements in the employment relationship with employees and unions will be put in place.

**Programme 3: Policy and Governance**, with a budget of **R 102, 323 million** is responsible for facilitating the implementation of the integrated programme of action of the Provincial Government and oversee governance and service delivery in the Province. The key focus over the coming financial year and term will be on ensuring that provincial government planning, implementation and monitoring apparatus fulfils the goals of the Provincial Development Plan.

For the PDP to be effectively implemented, there needs to be alignment with various existing plans, including the provincial spatial development plan, the 10 year provincial infrastructure plan as well as an integrated human settlements master plan. All these plans will be in place by the end of 2015 with COGTA leading the co-ordination of the provincial spatial development. Human Settlements will lead in the development of the Human Settlements Master Plan. The capacity has been strengthened for co-ordination of the 10 year provincial infrastructure masterplan.

The transfer of the planning function has led to the reassignment of the quarterly performance reporting oversight to the Office of the Premier and this will ensure a holistic assessment and monitoring and evaluation of the Provincial Administration’s progress in implementing the Provincial Medium Term Strategic Framework.

We are increasing our capacity to monitor service delivery at district level to enhance monitoring and evaluation in the Province. In this regard, service delivery monitoring capacity is being built in terms of both systems and human resources. This capacity must be able to trigger early-warning mechanisms on service delivery challenges and develop rapid response facilitate validation of implementation.

The department delivers some of its responsibilities in collaboration with its public entity, Eastern Cape Socio-Economic Consultative Council (ECSECC) and they have been allocated **R41.737 million** which is included in the budget of Programme 3. Their main role is to support the department in achieving its objectives of addressing the socio-economic development challenges faced by the Province. In that regard we are working with ECSECC on the development of the Provincial Youth Development Strategy to improve the involvement of youth in key government projects and address the socio-economic challenges facing our young people.
The Strategy will map out government’s approach to improving the capacity of the youth to participate meaningfully in the economy. In that regard a Youth Dialogue towards adoption of the Youth Development Strategy will be held in the month of April 2015.

**Programme 4: Executive Support Services** has been allocated a budget of **R 68,032 million** to provide effective and efficient services to the Premier, Executive Council and related executive structures; facilitate improved co-operative governance, stakeholder relations and partnerships. The focus in this financial year will be on implementation of the revised Intergovernmental Relations strategy. Through this strategy, which proposes a bottom-up approach from ward level, citizen participation and empowerment will be enhanced.

The functionality of intergovernmental structures will be improved through facilitation of intra- and inter-governmental coordination. Critical to this task, is the need for the improvement of the image of the Provincial Administration through the review and implementation of the provincial communications, marketing and media strategy. The department will utilize its resources to coordinate communications in the Province and at the same time improve profiling of the Province through timely and relevant communication of government programmes in various media platforms. The need to increase spending on community media will also be looked into.

At the backdrop of these improvements are the rising costs of litigations in the Province, which, if not adequately responded to and eliminated, will dent every effort being made to take this Province forward. Capacity building programme on PAJA and PAIA will continue focusing on identified causes. The target is to provide training in all provincial departments in order to improve compliance with legislation especially in human resources. In conjunction with COGTA, support will also be provided to local government to strengthen capacity to develop and implement by-laws.

The integration of Special Programmes Unit (SPU) in the OTP will strengthen the oversight role on the transformation agenda focusing on the vulnerable groups. A strategic engagement will be convened with the disability sector to assess the progress made in mainstreaming policy imperatives in various government departments, entities and municipalities.

The Department will also focus on gender mainstreaming informed by the progress made by the country thus far in implementing the MDGs. The Post 2015 development agenda following the expiry of Millenium Development Goals will also serve as a guide going forward. The current assessment of the work done since the adoption of the Beijing Platform of Action and its review currently underway in New York, will be instrumental in charting our way forward. Informed by the spirit of partnerships and
accountability, we shall continue to work with various stakeholders to intensify the fight against the abuse of women, children and the elderly.

Honourable Speaker, there is much expectation placed on the Office of the Premier to lead the Provincial Administration and coordinate implementation of government priorities in order to make the Eastern Cape a place that is reflective of the caliber of the leadership it has continuously produced. The implementation of the programmes outlined above need urgency and diligence. In partnership with all stakeholders in the province and outside, we are confident of achieving the goals set in the PMTSF and Vision 2030.

I now table the Strategic Plans, Annual Performance Plans, Operational Plans of the OTP with its public entity ECSECC as well as OTP’s Service delivery Improvement Plan.

I Thank You!