



EASTERN CAPE ADJUSTMENT BUDGET SPEECH

2024



Province of the
EASTERN CAPE
PROVINCIAL TREASURY



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ADJUSTMENT BUDGET SPEECH

2024

26 November 2024

PR: 333/2023

ISBN: 978-0-621-51649-4

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Honourable Speaker, Helen Sauls-August

Deputy Speaker, Vuyo Jali

Honourable Premier, Lubabalo Oscar Mabuyane

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**Director General, Heads of Departments, CEOs and other
Government Officials**

Esteemed Guests

**Kubo bonke abantu abasimamemele kumakhasi
onxibelelwano**

Good afternoon, Molweni.

INTRODUCTION

Honourable Speaker, a moment for people of the Eastern Cape to work together has never been so urgent. Whilst our economy is not growing at a pace that we all desire to create jobs and business opportunities, the province is observing the emergence of social ills such as crime, Gender Based Violence, and growing concerns of food insecurity. This therefore calls for government, business, civil society organisations and labour to come together, collaborate, and find lasting solutions to current challenges.

The foundation has been laid by national government to fight these social ills, through the national priorities that are focusing on inclusive economic growth and jobs creation, reducing poverty and tackling high cost of living, and a capable, ethical and developmental state.

For the coming medium term, a cluster approach has been prioritised by the Eastern Cape government to ensure the alignment to those priorities.

This policy statement will support these priorities through the following focused areas:

- Build on the current economic resilience towards higher economic growth, through public infrastructure, support to business and private investment.
- Strengthen responsible fiscal resources management to sustain provincial development gains; and
- Provide continued support to the poor and vulnerable, and protecting front-line services.

The implementation of these focus areas will ensure that people of the Eastern Cape get jobs, the business is booming, the state has the right capacity to deliver services, and poverty, crime and other social ills are reduced.

EASTERN CAPE ECONOMIC OUTLOOK

Honourable Speaker, the economic challenges we are battling with are not unique to us. We are affected by the same economic headwinds that the country and the world at large are confronted with. These include nonending geopolitical tensions, the conflict in the Middle East, raging wars in Sudan and the conflict between Ukraine and Russia, as these all threaten regional and international stability, as well as global trade.

National Treasury has revised its 2024 real GDP growth forecasted for the country from the 1.3 per cent initially projected in February this year to a slightly lower estimate of 1.1 per cent. Over the medium term, national growth is forecast to average 1.8 per cent.

For the province, the economic growth came out at 0.1% in Quarter 2 of 2024, which represents a slight improvement from the reported declines in Quarter 1 of 2024 and Quarter 3 of 2024. For the next three years, the economic growth for the province is forecast to average 2 per cent, which is marginally higher than the 1.8 per cent average for the country.

Provincial Labour Market Outlook

Honourable Speaker, the results from labour market for quarter 3 recorded a positive employment trajectory for the Eastern Cape. We recorded gains in employment between quarter 2 of 2024 and quarter 3 of 2024, with total employment increasing by 83 000 between the second and the third quarters of 2024. Quarterly employment increases were mainly recorded in Manufacturing at 22 000, Construction at 19 000, Trade at 20 000, Community and Social Services at 30 000. Employment increases in Manufacturing, Transport and Communication Services were also sustained year-on-year, when compared to the same quarter of the previous year.

Due to an increase in overall employment numbers, the unemployment rates across the province swiftly declined in Q3, more so in the metros. The average unemployment rate in the province is currently estimated at 37.2 per cent, which represents an almost 4 percentage point decline compared to Q2 of 2024. The unemployment rate in the Nelson Mandela metro has improved, falling to 24.5 percent while for the Buffalo City metro the rate dropped to 30.1 per cent. Whilst we appreciate the drop in unemployment, these numbers are still high, and Honourable Speaker, this picture presents us with a huge task of implementing strategies that will take the province out of the current quagmire.

This policy statement, therefore, outlines our focus areas to inspire economic growth and job creation, and these are:

- Private Sector Investment.
- Enhancing our capacity of productive and creative industries and sectors.
- Investing in economic infrastructure; and
- Supporting local business and skills development

EFFORTS TO SUSTAIN ECONOMIC RECOVERY AND INSPIRE GROWTH

Honourable Speaker, one of the successes of the 6th administration was its ability to galvanise private sector investment. We intend to build on that momentum as we continue with our efforts to stimulate economic growth and job creation over the medium term.

Since 2019, we have witnessed a growing flurry of interests by various local and global firms to invest in the province. Investment declarations, and commitments have been made following the three

investment conferences in 2019, 2022, and 2023 where more than R127 billion worth of investments were announced. We can confirm that some of those declarations and commitments have translated into actual implementation across the province. There is clear indication that the investment momentum is not waning off with private sector investment continuing to come into the province in various forms.

Our world class Special Economic Zones (SEZs), Coega SEZ and East London SEZ remain our economic assets that we use as leverage for investment attraction and industrial development.

We welcome the R11.4 billion investment pledge by Zero Carbon Charge working with AIDC Eastern Cape for the rollout of 29 fast off-grid green electric vehicle charging station sites, a R200 million investment declaration by FAW SA in Coega, the collaboration between a local bus manufacturing company SIGA e-Mobility, ELIDZ, AIDC-EC and a Chinese OEM company to set up an electric bus assembly plant in East London, with more in the pipelines for Coega and East London SEZs. We also welcome the Commercial Cold Holdings investment in cold chain infrastructure that will significantly boost the province's exporting capacity for citrus and fruits.

We are proactively taking decisive action to establish a dynamic investment-friendly environment that drives strong investments. The recent establishment of the Provincial Investment Council (PIC) led by the Premier demonstrates our robust commitment to private sector investment. The PIC will focus its efforts on investment promotion and attraction, economic diversification and sector development, trade promotion as well as infrastructure development and financing.

Honourable Speaker, our second focus area directs us to invest on key sectors of our economy including agriculture, auto sector, tourism, film and creative industries.

Despite Eastern Cape's comparative advantage on agriculture, our true potential on this sector remains underutilised. A small group of commercial farmers who represent less than 7 per cent of farmers are producing more than 80 percent of agricultural output in the province. The constraints faced by local emerging producers include absence of guaranteed commercial tenure rights, access to water and related infrastructure, limited investment, technology and skills transfer, low utilisation of agriculture inputs and minimal integration of local producers into formal agriculture value chains.

Through the Department of Rural Development and Agrarian Reform (DRDAR), the provincial government will accelerate the implementation of the Agriculture and Agro-processing Master Plan (AAMP) over the medium term to address the constraints experienced by local farmers.

As part of the AAMP, we have partnered with Infrastructure South Africa to revitalise Eastern Cape Irrigation Schemes. The programme's objective is to promote inclusive and sustainable agriculture in the province through the identified 10 irrigation schemes in Amathole and Chris Hani Districts. Viable irrigation projects will be selected and packaged for funding from the National Treasury Budget Facility for Infrastructure (BFI).

The provincial government has also formulated a procurement model to assist local agriculture producers gain access to the large government market that caters for school nutrition, patient food, and food relief programmes. The main objective is to create a viable market for the Eastern Cape Agro-Industry. This will be achieved through activating structured procurement processes to assist local producers gain access to the government market and encourage provincial departments to procure food from Eastern Cape based farmers, food aggregators, and agro-processors, targeting agricultural

food products for patient food, school nutrition programmes and food parcels by government and government entities.

The focus of this programme will be placed on departments of Education, Social Development and Health nutrition programmes. Details of this procurement model will be communicated during the tabling of the main budget in March 2025.

Honourable Speaker, as the backbone of manufacturing activity in the province, the automotive industry will continue to receive support from provincial government over the medium term. Our support will focus on the Provincial Electric Vehicle Strategy, which seeks to create an enabling infrastructure for electric vehicles in the province. Through AIDC Eastern Cape, we are witnessing the rollout of 13 charging stations for electric vehicles at key strategic routes of the province. This was made possible by the R18 million we allocated during the main budget in March. I have already spoken to the R11.4 billion investment pledge by Zero Carbon Charge working with AIDC Eastern Cape for the rollout of 29 fast off-grid green electric vehicle charging station sites.

The subsector is one of the few that has in the past consistently attracted fixed investment inflows into the province. We are thrilled that the R3 billion Stellantis plant is taking off at Coega SEZ and is expected to start assembling its Peugeot Landtrek in 2026. AIDC-EC continues to work closely with the current OEMS in the province and other global auto and component suppliers to facilitate further investments.

Honourable Speaker, the potential of tourism in the province remains immense and the sector has been regarded as a priority sector to grow the economy of the province and create jobs. Furthermore, the sector has the potential to diversify the provincial economy and create new markets for locally produced goods and services.

Through, Eastern Cape Parks and Tourism Agency (ECPTA), World Bank is rolling out R65 million in conservation tourism initiatives in the province, which includes Addo Elephant National Park and the Great Fish Nature Reserve. This initiative includes the rehabilitation of the reserve management roads, the upgrade of the Kwamadolo Staff Accommodation, the upgrade of the Retreat Staff Accommodation and Fence rehabilitation. For broader tourism in the province, we will be investing in various infrastructure projects in an effort to attract and grow the tourism industry in the province over the medium term. Developments include Baviaanskloof World Heritage Site, Kowie River, Mpande and Mngazana, Mngcibe and Mzamba.

Honourable Speaker, the province has been observing a boom in the film and creative industries, following intentional decision we made in 2018/19 financial year to establish Eastern Cape Film Investment Fund. A total of R72.7 million has been allocated to the Fund since its inception and has managed to attract external investment funding to the value of R506.4 million and created 8 274 jobs and supported a total of 758 small, medium and micro enterprises (SMMEs).

To further develop the film industry, the province, working through Eastern Cape Development Corporation and ECPACC, is planning on investing in Film Infrastructure through establishing film studios. The aim is to attract 15 productions a year through our film production facilities. With support from external funders, this project promises to attract more than R200 million investments per year that could potentially create 2 283 jobs and benefit 386 SMMEs in the province.

Honourable Speaker, the third focus area to inspire economic growth is economic infrastructure investment. The government has made massive investments to economic infrastructure, especially during the 6th administration, which has seen the Eastern Cape turning into a construction site, igniting positive economic trajectory and job

creation. The provincial government will work with national government to increase support for economic infrastructure over the medium term, focusing on roads, ports, freight rail, water and electricity.

We are excited that in the current financial year, the SANRAL has completed the N2 Belstone and Breidbach Interchange which was valued at R438 million. This project came about as a partnership between the SANRAL and Eastern Cape Department of Transport which also saw improvements to the road between Bhisho to Zwelitsha.

SANRAL has also announced the completion of upgrades to the 9.2 km N2 road from Buffalo River in Qonce to Green River, which included road widening, the construction of three new bridges and two roundabouts to improve road safety and mobility.

Honourable Speaker, one of the key projects driven at a national level to reform the main rail network is the Transnet Ukuvusela Gauteng-Eastern Cape high-capacity rail corridor. The project seeks to upgrade the South Corridor railway line and port infrastructure for automotive handling. Transnet is partnering with government and funding institutions to expand the southern corridor rail network. The plan is to increase the rail capacity in the corridor by three additional daily 50-wagon sets between the Port of Port Elizabeth and Gauteng for automotive logistics. Private sector will be leveraged to invest in the project and provide experience and expertise in facilitating freight rail of 150 000 fully built unit per annum by 2026 on the South Corridor. The project is expected to create 9500 indirect jobs and 2500 direct jobs in the province at an investment value of R8.4 billion.

Honourable Speaker, we are observing a good progress in our bulk water infrastructure projects. The Mzimvubu water project is one of the six mega infrastructure projects identified as priority by

the Eastern Cape provincial government. The project is one of the major national water infrastructure projects announced by national government. Around R8 billion will be used to build the Ntabelanga Dam in Eastern Cape for domestic use and irrigation. A contractor has been appointed by the Department of Water and Sanitation for the construction of the dam wall in November 2024 after initial project delays.

The National Department of Water and Sanitation is working hand in hand with Amatola Water Board to facilitate the development of other priority water projects in the Eastern Cape.

Honourable Speaker, the implementation of the Local Economic Development Procurement Framework (LEDPF) remains a strategic focus area to ensure that local suppliers benefit from government procurement with the view of addressing the triple challenge of poverty, inequality and unemployment by stimulating the local economy through job preservation and creation. The total procurement spending on goods and services by the provincial departments during the first six months of the current financial year amounted to R4.8 billion. Out of this total, R3.3 billion, which constitutes 68.6%, was spent on Eastern Cape based suppliers, including Medium, Small and Micro Enterprises (MSMEs). The Government Funding Institutions have a pivotal role to play in supporting the local procurement through MSMEs and should make it work.

In developing the requisite engineering skills in the province, AIDC-EC will work with the TVET colleges and universities to transform and upgrade engineering training in the province. AIDC-EC has already trained 87 young people for the automotive industry.

To expand and transform the local auto value chain, AIDC-EC is partnering with the Eastern Cape Provincial Treasury and the Department of Transport to ensure that MSMEs in the auto sector and related services are capacitated to access the R200 million government fleet contract expenditure. AIDC-EC will provide support to 102 MSMEs as part of the aftermarket MSME Support Programme in the short to medium term. The selected MSMEs have been registered with the AIDC-EC and their assessment has been completed including their equipment needs. A provision will be made in the main budget in March 2025 to support MSMEs in the aftermarket auto sector.

FISCAL OUTLOOK

Honourable Speaker, the extended period of low economic growth leads to lower tax revenues, hence the need for ongoing fiscal consolidation efforts to ensure sustainability of public finances.

The fiscal consolidation strategy helps us to improve efficiencies in expenditure, promotes fiscal sustainability, frees up resources for infrastructure and other economic development initiatives, protects delivery of frontline social services and promotes alignment of budgets with priorities.

Over the 2025 MTEF, the province will continue with its endeavours of improving efficiencies through the implementation of cost containment measures, stringent controls on non-core items and infrastructure delivery, including visiting project sites to ensure value for money. The reprioritizing of current budget baselines both within the cluster departments and across the provincial clustered setup will remain the primary method of funding new allocations.

In an effort to augment the overly stretched provincial fiscus, we will also strengthen already existing alternative sources of funding to be directed towards funding critical socio-economic programmes of government, prioritising strategic infrastructure projects. These include pledging of conditional grants, Budget Facility for Infrastructure, donor funding and Public-Private Partnerships.

Revenue Strategy

Honourable Speaker, we continue to strengthen our revenue collection strategy to improve our revenue collection. The current economic challenges and constrained fiscal environment demand that we improve in this area if we are to find the balance between income and spending.

The province is supporting the four main revenue generating departments, namely Public Works and Infrastructure (DPWI), Transport, Health and Economic Development, Environmental Affairs and Tourism (DEDEAT), with the implementation of the revenue study which includes the revision of revenue plans to implement in the short to medium term and the long-term ending in 2030. The assistance that is provided to the revenue generating departments is organised through a revenue enhancement committee that is led by Provincial Treasury together with the Office of the Premier and other supporting departments to ensure that the appropriate structures that will allow the revenue generating departments to implement the revenue plans in a more structured manner are in place. The revenue enhancement committee will coordinate the support to the revenue implementing departments with a review of organograms at departments to ensure that the required staff is identified for the revenue collection function.

The efficient revenue collection requires improvements in Information and Communication Technology (ICT) connectivity and infrastructure to

be in place. We believe that will further enhance the provincial revenue efforts, particularly at the Department of Health for electronic billing and the collection from medical funders as well as at the Department of Transport with the electronic motor vehicle license fees.

In-year Expenditure Adjustments

Honourable Speaker, while this time of the budget process is meant to outline policy direction over the medium term, it also presents us with an opportunity to make adjustments on the budget allocations we made in March this year. The current adjusted budget process has seen no changes in transfers from National Treasury in terms of the equitable share and conditional grants.

We have, however, made available a budget of R713.6 million to fund immediate budget pressures in departments through rollovers, surrenders and additional allocation from the provincial revenue fund.

The Department of Health will receive R200 million to cater for the medico legal writ application matters, patient food as well as for the cleaning of the health facilities.

Office of the Premier will receive a net allocation of R173.2 million, mainly for broadband and other ICT infrastructure.

The Department of Transport is allocated R142.1 million as a rollover for the road maintenance grant.

Provincial Legislature will receive R58.7 million, mainly to cater for ICT projects, support staff to additional members and committee work and oversight.

Medium-Term Expenditure Outlook

Honourable Speaker, the provincial medium-term budget strategy highlights the key elements of the priorities framework as agreed between provincial cluster departments. The framework serves to coordinate government's plans for the coming medium-term, reflecting their strategic intent, and the matching fiscal resources to deliver on those policy commitments. Guided by the Medium-term Development Plan the overall focus is to deliver an inclusive economy that creates jobs, reduces poverty and tackles the high cost of living, and develops a capable, ethical and developmental state.

Over the medium term, the provincial consolidated expenditure is going to increase from R95.6 billion in 2024/25 to R103.8 billion in 2027/28 financial year. The consolidated budget for 2025 MTEF is R302.3 billion.

The province remains committed in prioritising the social services sector as such, the sector will be allocated a consolidated budget of R246.9 billion or 81.7 per cent of the provincial allocations over the 2025 MTEF. The economic and governance sectors will be allocated R44.9 billion and R10.5 billion respectively.

Using our cluster approach, key programmes within the social services sector aim to deliver social protection, community, and human development. Focus will be on Education, Health and Social Development. In this regard, provincial government will be upscaling the rollout of the following programmes within the education sector:

- Universal availability of comprehensive age and stage appropriate quality early childhood development services.

- Accelerating the implementation of the Science, Technology, Engineering and Mathematics (STEM) approach and E-teaching and digital learning.
- Adequate, timely and quality learner teacher support material (LTSM)
- E-Learning, ICT and Laptop initiative, including data provision by providing Local Area Network (LAN) and Wi-Fi to all the schools that benefit from the broadband project across the province.
- Infrastructure development which is a pivotal conduit for learning and development in all educational facilities.
- Expansion of Scholar Transport services. This programme will continue to provide essential scholar transport services to children who live more than a 5km radius to all Quintile 1 to 3 public schools. Scholar Transport will be expanded to include ECD learners in line with the Bela Act.
- School Nutrition Programme, which provides for a nutritious meal, including breakfast, for all children in Quintile 1 to 3 ordinary schools. This programme provides an opportunity to teach learners and parents how to lead a healthy lifestyle and promote the development of vegetable gardens at school. Over the medium term, the procurement of the programme will be centralized and further enhanced by improving compliance to food quality standards, food safety assurance through improved monitoring and use of recent technology for better service delivery. The NSNP programme will be further expanded to include all grades (including ECD) as well as an additional meal in line with the Bela Act.

In the health sector, provincial government will be focusing on:

- Improving access to quality and affordable healthcare as at the core of government efforts in promoting universal health care

coverage. To date health resources have been directed at improving maternal, child and reproductive health services, preventing and controlling communicable (TB/HIV) and non-communicable diseases, introducing and scaling up the Central Chronic Medicines Dispensing and Distribution (CCMDD) programme, and promoting healthy lifestyles.

- The provincial government will be investing in health infrastructure to align with the requirements of National Health Insurance (NHI) health facilities accreditation standards as guided by the National Quality Improvement Plan.

Honourable Speaker, provincial government will put a concerted effort to fight poverty and malnutrition, especially to children aged below 5 years. We will allocate funds to the social care cluster, especially Social Development, to ensure that all children have access to nutritious food through the Integrated Mother & Child Development and Support Programme (IMCDSP).

Nutritious meals will be provided to places of care such as foster homes, child and youth care centres and many others. Through these programmes, young children who suffer from malnutrition will be identified, screened and provided with nutritional supplies such as Vitamin A as well as be immunised against diseases for their overall health and wellbeing.

Details on funds allocated for social protection, community, and human development will be communicated during the tabling of the main budget in March next year.

Promoting Community Safety

Honourable Speaker, the province has been a subject of serious crimes recently and I want to take this opportunity to appreciate the intervention of national and provincial government in dealing with these heinous crimes. While it is the competency of the South African Police Service to combat crime, the province has a responsibility to create safer communities.

We will use this policy statement to place our focus on the implementation of the Integrated Violence and Crime Prevention Strategy, Anti-gang Strategy and Drug Master Plan. Through the Department of Community Safety, we will also strengthen our oversight role on police in the province.

The infrastructure crime and vandalism affect many regions in the province leading to delays in people accessing basic services. We will endeavour to prevent the crime on infrastructure through securing water, logistics and other critical provincial infrastructure. There will also be a heightened focus on security and patrols within the maritime environment.

STRENGTHENING INFRASTRUCTURE DELIVERY

Honourable Speaker, we are integrating the infrastructure delivery into the cluster approach that has been adopted by the province, to prioritize infrastructure projects that promise a return on investment, taking into cognisance the 7th administration priorities.

To achieve value for money in infrastructure delivery and ensuring projects are completed on time, within budget, and to the required quality, this will be managed through the provincial model of Infrastructure coordination, monitoring and support as the

coordination of infrastructure demands the line of sight that includes Provincial Treasury, Public Works and Infrastructure and the Office of the Premier. This model allocates three technical streams i.e. Budget Monitoring led by Provincial Treasury, Project Monitoring and Implementation led by the Department of Public Works and Infrastructure and Service Delivery Monitoring and Site Visits led by Office of the Premier as the portfolio of projects on paper must also be tested on the ground, through service delivery site monitoring to enhance the credibility of reports.

We are pleased with the decision by National Treasury to allocate funding to Infrastructure South Africa to support national and provincial government departments, municipalities and public entities with project preparation and project development to accelerate the pace and quality of infrastructure delivery. The project preparation support categories include financial structuring support, technical support, legal support and Institutional and governance arrangements of how projects will be implemented.

In dealing with some of the challenges relating to the funding for the required catalytic projects to boost the socio-economic standing of the province, and taking into account the limited fiscus, the province is subscribing to the public-private sector approach introduced by National Treasury. In addition, the province is also embarking on the opportunities presented by the second phase of Operation Vulindlela which introduced new focus areas including the harnessing of digital infrastructure. Project preparation for the broadband project as well as processes for project preparation for other key catalytic projects is underway.

STRENGTHENING PROCUREMENT REFORMS FOR EFFECTIVE SERVICE DELIVERY

Honourable Speaker, we continue to strengthen our procurement reforms for effective service delivery. To ensure that there are no challenges in service delivery and underspending of budgets emanating from delays in procurement, the province has adopted a measure of undertaking procurement process for projects, goods and services in the year prior to which the budget for such will become available.

In view of the historical service delivery backlog including infrastructure, the Provincial Government cannot afford and tolerate the underspending of budget and return thereof to the fiscus. As a result, there are concerted efforts to work closely with departments and monitor the implementation of procurement plans in order to overcome these challenges.

To derive value for the money we spend, we will continue to update the Price Index for high-volume low-value items in order to ensure that we pay market related prices for commodities. With regards to high value-low volume requirements, the province is implementing the strategic procurement and strategic sourcing principles, a value chain approach to manage the province's procurement spend and strategic sourcing analysis to inform the province's procurement plans and resultant compliance monitoring. This is to improve the procurement outcomes realised by the province. Departments are required to implement strategic sourcing techniques and procure through term contracts instead of ad hoc procurement which does not yield value for money.

INVESTING IN STATE CAPACITY, OVERSIGHT AND ACCOUNTABILITY

Honourable Speaker, to drive the economic growth and service delivery we all so dearly want, it is important that we invest in state capacity, oversight, and accountability. The Eastern Cape Provincial Government will over the 2025 MTEF continue to implement the provincial broadband project that seeks to connect around 2 700 government key sites that are struggling with connectivity.

Of the 2 700 government sites targeted to be connected on an initial 100 mbps connection speed, a total of 1 975 sites have been connected and maintained to date.

In connection with e-government, the provincial government departments will be adopting various digitalization initiatives with the aim of upgrading and competitively enhancing delivery of public services.

Some of the initiatives include:

- Developing new digital platforms/portals to enhance departmental business processes focusing on developing digital databases for artists, athletes and other stakeholders.
- Developing and monitoring invoice tracking for the provincial scholar transport for improved efficiency of transport services of learners.
- Upgrading of health care facilities through implementation of HMS2 Phase 1 and 2 as well as EOL ICT Infrastructure replacement.
- Rolling out of enterprise content management system to all six districts and head office.
- Provision of LAN infrastructure to all schools, ICT support and cyber security.

Honourable Speaker, the credibility of any government, lies in the way the citizens perceive that government in delivering in its mandate, especially in the areas of public health, education, local government, economic development and social development. There are several indicators that we use to assess this, from satisfaction surveys to social distress but one indicator that we track closely is the audit outcomes.

There has been a steady progress in the audit outcomes, when one looks at the past five years for both, entities audited under the Public Finance Management Act and Municipal Finance Management Act. The improvement is notwithstanding the overriding concern that we have when the two departments under the PFMA, Health and Education, remain with qualified audits. We are encouraged with the reduction of the qualifying items, even within the qualified audits, hence we strongly believe in our resolve to have all institution audited under the PFMA getting unqualified in the next three financial years.

Within the Provincial Audit Improvement Programme, we also have committed to have the balances of unwanted expenditures, the unauthorised, irregular, fruitless and wasteful expenditures, by PFMA audited institutions reduce to negligible amounts in the next two financial years.

Honourable Speaker, we are confident that with the partnership that we have with the Legislature, in particular the Standing Committee on Public Accounts, whom we believe has its sights firmly gripped on audit improvement and irregular expenditure balances, we will realise these objectives.

CONCLUSION

Honourable Members, this is the policy direction we are taking over the medium term. At the heart of it is the appeal for the Eastern Cape community to collaborate towards inclusive economic growth through private and public investments, jobs creation, and enhanced state capacity to deliver critical social services.

I call upon those entrusted with handling state resources to exercise financial discipline, keep your eyes on the ball and have the best interest of our people at heart.

I wish to take this opportunity and thank Premier Mabuyane for his continued guidance and support, the Members of the Executive for their support and the Legislature, led by you Honourable Speaker, for your oversight role.

I also wish to thank the Head of Department for Treasury, the executive management, and the entire Treasury team for standing firm and providing necessary support during these trying times.

Lastly, I wish to thank all our stakeholders and all people of the Eastern Cape for support and trusting us with this responsibility of managing the province's finances.

It is with great honour and privilege that I table before this House:

- **The 2024 Adjusted Estimates of the Provincial Revenue and Expenditure**
- **The 2024 Medium Term Budget Policy Statement**
- **The 2024 Adjusted Appropriation Bill**

The Gazette, detailing transfer payments to Municipalities, Schools and hospitals has been published on the Government Printers Website.

I thank you.

| VOTE | DEPARTMENT | AMOUNTS (R'000) |
|--------------|---|--------------------|
| 1 | Office of the Premier | 173 201 |
| 2 | Provincial Legislature | 58 706 |
| 3 | Health | 200 000 |
| 4 | Social Development | - |
| 5 | Public Works and Infrastructure | 58 181 |
| 6 | Education | 10 857 |
| 7 | Co-operative Governance and Traditional Affairs | (8 963) |
| 8 | Rural Development and Agrarian Reform | - |
| 9 | Economic Development, Environmental Affairs and Tourism | (402 270) |
| 10 | Transport | 142 128 |
| 11 | Human Settlements | 13 958 |
| 12 | Provincial Treasury | (18 046) |
| 14 | Sport, Recreation, Arts and Culture | 17 292 |
| 15 | Community Safety | (3 486) |
| Total | | 241 558 |



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