

**THE 2016/17 BUDGET SPEECH FOR FINANCE, ECONOMY AND ENTERPRISE DEVELOPMENT
PRESENTED BY HONOURABLE MEC WENDY JOY NELSON, BOKONE BOPHIRIMA PROVINCIAL
LEGISLATURE, MAHIKENG, 05 MAY 2016.**

Honourable Speaker of the Provincial Legislature,

Honourable Premier of the People's Province of Bokone Bophirima, Ntate SOR Mahumapelo,

Honourable Members of the Executive Council,

Honourable Members of the Provincial Legislature,

Executive Mayors, Mayors and Speakers of Municipalities,

Chairperson of the Provincial House of Traditional Leaders, Kgosi Zibi

Dikgosi tsa rona tse di tlotlegang tsa Bokone Bophirima,

Leaders of Political Parties Represented in this House,

Chairpersons and Board Members of Parastatals;

Director General, Heads of Departments and CEOs of State Owned Entities,

Leaders and members of labour movements, civil society, business and faith based-organizations,

Distinguished Guests

Honourable Speaker, the Premier of Bokone Bokone Bophirima, Honourable Mahumapelo has already laid the foundation during the 2016 State of the Province Address when he re-affirmed the Fifth Administration's commitment towards the full implementation of the National Development Plan, pursuant to the attainment of our radical socio-economic transformation agenda.

The Province is implementing the National Development Plan (NDP) through the RRR (rebranding, repositioning and renewal) approach, anchored on the five (5) concretes:

- ACT (Agriculture, Culture and Tourism);
- VTSD (Villages, Townships and Small Dorpies);

- RHR (Reconciliation, Healing and Renewal);
- Setsokotsane (comprehensive &integrated service delivery campaign)
- Saamwerk-Saamtrek (call for unity of purpose above race divisions).

In response to the call by the Honourable Premier, the Department is determined to pull all strides and ensure that the current economic conditions do not derail us from implementing socio-economic development programmes in dealing with the triple challenge of unemployment, poverty and inequality.

Economic Outlook

Honourable Speaker, the People's Province of Bokone Bophirima is home to about 3.7 million people who constitute 6% of the total population of South Africa. The Province contributes about R170 billion to the national gross domestic product. During 2015, the contribution of mining, community services or government and financial services assisted the provincial economy to come out of the economic decline of 2014 and to register positive growth.

Developments in the global economy have resulted in a weaker local currency. This has become a threat to the down grading of South Africa's credit rating. The local conditions such as drought have had a negative impact on our economic situation resulting into higher inflation and ultimately a further increase in interest rates.

Honourable Speaker, the main drivers include, among others electricity cost and food prices. All these factors are going to have serious negative socio economic impact for the residents of the Province including the petrol price which has again increased as of yesterday.

As a responsive and caring government, we have taken stock of our challenges and decided to deal with the unacceptable fact that about a million of our people are living in abject poverty by stimulating economic growth through ACT and increase spending of both government and private sector in VTSD areas. This is additional to the national programme of ensuring that we increase investment in the agricultural, manufacturing and energy sectors including water and sanitation.

Financial Position and Budget Outcome

Honourable Speaker, the following positive progressive budget outcome re-affirms our resolve to continue with improved financial position of our Province in the context of the RRR (rebranding, repositioning and renewal) approach anchored on five concretes:

- No department registered an overspending compared to the 2014/15 where Health and Local Government and Human Settlements exceeded their budget by 2 percentage points;
- The 2015/16 pre-audited expenditure trends reflects that 6 departments have spent above the threshold of 98% compared to two in the last financial year;
- Although compensation of employees has increased from R18.3 billion in 2014/15 to R19.5 billion in 2015/16, however, the personnel cost containment measures have enabled the province to reduce the percentage share (of Compensation of Employees) from 58.11 per cent in 2014/15 to 55.84 per cent in 2015/16;
- Conditional grant spending has improved from R5.4 billion or 95% in 2014/15 to R7.1 billion or 98 per cent at the end of 2015/16. This is an improvement from a registered under-spending of 5 percentage points to 2 percentage points;
- Spending on infrastructure development has improved from 65 per cent to 94 per cent after reprioritisation of the non-spending infrastructure projects;

- The co-management initiative has resulted in significant reduction in accruals of R1.4 billion in 2014/15 to less than R1 billion. The preliminary year-end data indicates that department of Health's accruals have reduced from R751 million to R450 million; Public Works and Roads reduced from R360 million to R68.2 million and the department of Education and Sport Development has reduced from R284 million to R46 million.

Progress and achievements (Finance)

The State of the Province Address delivered by the Honourable Premier provided a comprehensive summary of the work done by the Fifth Administration in the last 22 months. Notwithstanding the difficult inheritances of the past administrations, the following highlight key achievements recorded in the last financial year by Finance:

- In line with the pronouncement by the Premier, Finance committed itself to strengthening control mechanisms around its supplier payment processes and successfully managed to pay its creditors within the prescribed 30 days;
- Finance maintained its clean audit for 2 years in a row, being the 2013/14 and 2014/15 financial years. With the Auditor General currently on site for the 2015/16 audit, we are working tirelessly to sustain the

clean audit for Finance and remain committed to achieving this goal with the mechanisms that have been put in place;

- Substantial progress has been recorded with regard to audit outcomes of departments and much more work still needs to be done on public entities. Minimal improvement has been registered, 6 out of 15 audited entities managed to achieve unqualified audit opinions and the balance received unfavorable audit outcomes;
- Reduced the number of municipalities with disclaimer audit opinion from nine to six municipalities. Four municipalities improved from disclaimed opinion to qualified opinion, while five municipalities improved their audit opinion from qualified to unqualified opinion and two municipalities regressed;
- In the context of Saamwerk-Saamtrek, we have undertaken a joint strategic session with the Department of Local Government & Human Settlement, Office of The Premier as well as SALGA to strengthen and synergize our monitoring and support activities to avoid duplication of interventions in the 2016/17 financial year and beyond. From this session, Joint Implementation Plan strategies to support financial management failures were developed and will be operationalized in the 2016/17 financial year;

- Through the established Provincial Budget Forum, we improved the quality of the Estimates of Provincial Revenue Expenditure by most of the provincial departments and moved to paperless presentation of budget documents;
- Provincial departments including the Provincial Legislature implemented the Treasury's Budget Guides for 2016/17 as well as the Personnel Model in an attempt to create a uniformity that will bring all to the same level of understanding and implementation of budgets.
- Redirected an amount of R170 million to Health and Public Works and Roads as a consequence of cost saving measures by departments

Honourable Speaker, pursuant to the implementation of the second concrete, transforming procurement patterns in support of VTSD areas, the department developed a VTSD Model that tracked the endorsed 60% procurement margin in 2015/16.

To date, the Province has recorded expenditure of 49% inclusive of Mahikeng as part of the MRRRP. Of the R5,3 billion, revised expenditure for goods and services excluding Eskom, Telkom, Auditor General and other non-VTSD expenditure for the Province accounts for R3 billion which translate to 57% and the balance of 43% benefit other Provinces.

From the base of zero, the Province can be proud to note that R2,6 billion of R5,3 billion revised payments which accounts for R2,6 billion that the ACT departments recorded the highest expenditure as follows:

- Department of Tourism . 97.3% or R21 million;
- Department of Rural, Environment and Agricultural Development . 92.2% or R132 million;
- Department of Culture, Arts and Traditional Affairs . 71% or R85 million

Honourable Speaker, based on the expenditure trends for VTSD, we have every reason to re-affirm our government's commitment to 70% which is being monitored by Treasury and Office of the Premier.

The department created the Unemployed Graduate Database in support of the National Development Plan's ambition of job creation and poverty alleviation particularly amongst the youth. The database is utilized to link unemployed graduates with annual government internship and learnership programmes relevant to their field of study which will expose them to the real workplace environment by acquiring the much needed experience and transfer of skills.

For effective placement of graduates in the department, advertisement for Learnerships and Internships will be placed on the FEED database website and also forwarded to all registered graduates by e-mail.

Honourable Speaker, I am pleased to announce that Finance working together with the Ikatisong School of Governance and Department of Higher Education and Training would be linking 1500 unemployed graduates from our database to this year's experiential opportunities. This will assist them to acquire the minimum skills and experience required for employment. This project will be rolled out in the current financial year.

Plans for 2016/17

Honourable Speaker, our plans for 2016/2017 financial year are as follows:

The department will continue to support the departments under Co- Management until the focal points inclusive of backlogs on payment of educators, substantial reduction of accruals and cleaning up personnel data are completely addressed.

The MFMA Unit in the department has intensified support to municipalities in order to improve municipalities audit outcomes. It must be noted that all municipalities are expected to be municipal Standard Chart of Accountants (mSCOA) compliant by the 1st July 2017. The Department has systems in place to assess the readiness of municipalities with regards to mSCOA.

Government Debts

Honourable Speaker, an amount of R195 million has been ring-fenced within the Department of Public Works & Roads budget for 2016/17 financial year to pay for outstanding rates and taxes owed to municipalities. Finance working with municipalities will ensure that the municipalities are paid timeously including intervening on matters related to disputed debts.

In the spirit of Saamwerk-Saamtrek, our efforts during the month of March led by Finance, Local Government and Human Settlement, ESKOM and the nine municipalities affected by the Promotion of Administrative Justice Act (PAJA) processes due to non-payment of ESKOM debts resulted in a payment of R176 million by re-directing the equitable share of affected municipalities coupled with payments for services by provincial departments led to suspension of the PAJA process by ESKOM and opening of negotiations of new payment agreements.

The process to conclude new realistic payment agreements will be concluded before end of May 2016 and reports on the implementation of such agreements will be presented to both BBPCC and EXCO.

Honourable Speaker, ESKOM has also agreed to implement different measures for collection of revenue on behalf of municipalities and these measures would include installation of pre-paid metres and taking over collection of revenue from affected municipalities.

These measures would be implemented as soon as engagements between affected municipalities, ESKOM, Provincial Treasury and Department of Local Government and Human Settlement are concluded.

Municipal Support Unit will continue to assist municipalities with the implementation of the Audit Action Plans for all municipalities and regularly be monitored to ensure adequate implementation of the Auditor General's recommendations.

Honourable Speaker, the department has already started to assess municipal readiness regarding the 2015/16 Financial Statements submission to the Office of Auditor General. The emphasis will be on credibility and quality of the Annual Financial Statements as this is a concern from the Office of the Auditor General.

Improvement of Audit Outcomes for Departments and Entities

The following intervention programmes will be implemented in the 2016/17 financial year and will be monitored by the Executive Council on a regular basis;

- Entrench a culture of clean audit by holding bilateral interactions with Departments and Public Entities on a quarterly basis. This effort aims to share good practices which will be adopted as expected standards for both Departments and Public Entities

- Monitor the implementation of the standard operating procedures for improved financial statements preparation
- Improve the quality of financial statements through the combined assurance review by both Office of the Accountant General and Provincial Internal Audit by performing quarterly reviews of Interim Financial Statements and ensuring that Departments and Public Entities attend to review notes on time;
- Improving asset management by implementing the physical verification system to assist the Departments to fast track the verification.
- Intensify training on Asset management for Departments and implementing the immovable asset guide in both Departments and Public Entities;
- Offer support to Departments and Public Entities to improve the quality of reporting on Performance Information with emphasis on accuracy, reliability and usefulness of the information reported in the Portfolio of Evidence (POEs);
- Departments to continue with the monitoring of the implementation of the audit action plan systems to ensure that SCOPA resolutions are implemented, that external and internal audit action plans are effectively

monitored by the appropriate level of management including senior management, that responsibility for individual action plans is clearly assigned and that action plan timeframes are complied with.

Honourable Speaker, for the 2016/17 financial year Provincial Internal Audit will focus on further advising departments and providing assurance to improve risk management, financial reporting, performance reporting and IT Governance systems. Central to this initiative is the implementation of a key control framework by Provincial Departments.

An audit action plan tracking system will also be rolled out to Provincial Departments and State Owned Entities to assist in monitoring the implementation of internal audit action plans. This initiative will provide a further control measure to enhance the effectiveness of audit action plan systems and to provide assurance on whether the risk of repeat findings and deficiencies in internal controls are timeously mitigated.

Cost Containment Measures

In line with the Minister of Finance's budget speech and also taking into account the current fiscal framework, the Bokone Bophirima Province has also agreed with the National Treasury to a Joint Action Plan to eliminate wastage and inefficiencies as well as service delivery improvement challenges.

Key measures will include:

- Containment of administrative personnel expenditure by continuing with the flexible moratorium with emphasis on service delivery imperatives;
- Rationalization and closure of redundant and underperforming State Owned Entities;
- Intensification of cost-containment measures, in keeping with national guidelines by introducing additional province specific measures that will further reduce wastage and inefficiencies.

Honourable Speaker, the department will once again host a provincial Risk Management Indaba which is a platform, where policy developers, implementers and oversight meet to discuss challenges faced by government and collectively develop strategies to address them. The objective of this session is to strengthen cooperative governance and speaks directly to our RRR programme.

The department will further oversee the implementation of the EXCO decision that was taken to appoint independent Risk Management Committee Chairpersons and Members in line with the Public Sector Risk Management Framework.

Provincial Budget Monitoring

Honourable Speaker, given the current economic conditions and the decreasing allocation of departments, we will continue to monitor implementation of the annual budget by conducting quarterly engagements with provincial departments for assessment of their integrated financial and operational performance data.

These engagements would assess financial and non-financial performance of departments and furthermore encourage efficient planning, credible expenditure and cashflow forecasting that will allow departments the opportunity to spend funds and where possible reallocate funds to other key priorities.

Supply Chain Management and VTSD Expenditure

In our endeavour to professionalise Supply Chain Management in the Province, the department is rolling out an SCM Management Development Programme. This programme will run for a period of 12 months for SCM Practitioners and will be facilitated by the Chartered Institute of Procurement and Supply Chain Management (CIPS-Africa).

Honourable Speaker, we continue to intensify SMME and Cooperatives by ensuring that companies that wish to do business with government are registered on the central supplier database. We continue to roll-out the registration programme in all villages, townships and small dorpias by the Provincial Supply Chain Unit. This programme should be concluded in the June 2016.

Through the Provincial Supply Chain, the following key programmes as announced by the Premier would constitute our supply chain reform agenda for the 2016/17 financial year:

- Departments and entities to pay service providers within 21 days after receiving an invoice. The electronic invoice tracking system would be used to monitor payment within 21 days including escalation to Treasury in the last nine days of the month;
- Service providers are urged to submit invoices within 24 hours after the service has been rendered;
- Ensure the centralization of procurement for specific goods and services to derive the benefits on economies of scale and value for money;

- Training sessions in all villages, townships and small dorpias will be conducted on pricing and invoicing for all suppliers and this programme will be concluded in the first six months of the financial year;
- Restructure the procurement services in all government institutions in the Province to deal with duplications where they exist.

Provincial Revenue Enhancement Strategy

Honourable Speaker, the department will finalize the study around the sub-national mining tax for the Province in June 2016. The results of the study will inform consultation with stakeholders about this matter.

The need for mining tax is not just focused on increasing provincial own revenue but to place the provincial government in a better financial position to be able to minimize the negative impact of mining on the surrounding environment and to be able to rehabilitate the environment post mining operations.

Besides the mining tax, provincial government will review tariffs on rental income with the view of optimizing rental income from provincial government owned properties.

The department will also be visiting all provincial revenue collection offices and agencies before 30 June 2016. This will assist to develop and introduce revised revenue and debt collection procedures and controls which will ensure that all revenue due is collected and received going forward.

The revised procedures will introduce drastic measures to address non-compliance and a comprehensive re-evaluation exercise of all provincial tariff structures will be undertaken in order to ensure that realistic tariff adjustments are effected from 2017/18 financial year.

Honourable Speaker, the municipal public finance policy requires the department to provide inputs to municipal tabled budgets before they are finalized. I further encourage all municipalities in the Province to implement the revenue enhancements strategies which were developed during 2015. The detailed municipal revenue enhancement strategies listed possible sources of revenue that municipal councils can adopt to expand their revenue base.

In support of the enhancement strategy we have already issued an request for proposal (RFP) to solicit inputs from interested parties to undertake a revenue collection on a risk basis.

The municipalities' budgets for 2016/17 financial year and the service delivery and budget implementation plans (SDBIP) must include revenue enhancement strategies. I urge municipalities to start categorizing their debts by wards.

Honourable Speaker, the department has embarked on a process to assist municipalities with revenue and debt collection by enlisting the assistance of service providers who can improve the collection rates of revenue of municipalities on a risk based principle. Municipalities are further advised to negotiate for reasonable debt collection commission rates and I am hopeful that all municipalities would embrace the risk based principle so as to improve the revenue base and collection.

The current economic climate requires all of us to be prudent in the utilization of our limited resources but in doing so not to compromise the quality of our services. This budget compels us to pull together and work together+

Budget Allocation

Honourable Speaker, to enable the department to achieve its annual performance targets, the following funding per programme is proposed:

PROGRAMMES	2016/17 BUDGET
ADMINISTRATION	140,649,000

SUSTAINABLE RESOURCE MANAGEMENT	133,232,000
ASSETS AND LIABILITIES MANAGEMENT	51,300,000
FINANCIAL GOVERNANCE	160,462,000
TOTAL	485,643,000

ECONOMY AND ENTERPRISE DEVELOPMENT

Honourable Speaker, having concluded the Budget Proposal for Finance, allow me to present budget proposals for Economy and Enterprise Development.

Let me make reference to the State of the Nation Address by President Jacob Zuma ~~to~~ achieve our objectives of creating jobs, reducing inequality and pushing back the frontiers of poverty, we need faster growth. In the NDP, we set our inspirational target growth of 5% per year, which we had hoped to achieve by 2019.+

The approach of the Fifth Administration is to build an inclusive VTSD economy that promotes enterprise and industrial development, reduce unemployment in rural areas and utilise existing capacities within rural households to promote entrepreneurship. This we will achieve through the development of our Villages, Townships and Small *Dorpiés* (VTSD).

Honourable Speaker, to use the words of the late state president Nelson Mandela when he said: %We the people of South Africa declare that we will improve the quality of all citizens and free the potential of each person+. I would like to give comfort to the public by reporting some of the achievements we have registered in 2015/16.

- The department has assisted the youth with the establishment of a cooperative bakery in Mokgalwaneng Village, ward 29 and to date the bakery is functional and very profitable beneficiaries were trained in confectionery production;
- A total of 359 Youth in the province were trained in Marketing, Small Enterprise start-up and Technology innovation;
- Cooperative development for women; youth and people with disabilities was successfully rolled out in 42 wards. This is an alignment of cooperatives in deprived wards in rural areas as part of VTSD, however the department is currently working on the linkage to the opportunities for procurement in municipalities and provincial government;
- Last year in my budget speech, I mentioned that we will establish the Phokeng Incubation Centre for people living with disabilities as a joint venture with Royal Bafokeng. I can report that the buildings are completed and we are in a process of acquiring machinery and equipment for the incubator;

Honourable Speaker, as part of our contribution to the decade of the artisan, the department can proudly announce to this august house that together with the Construction Education and Training Authority (CETA), 100 learners benefitted from a 3 month short skills course, 80 learners have benefitted from a 12 month learnership located in Madibeng and a further 200 learners from Ngaka Modiri Molema are benefiting from a 3 year apprenticeship programme.

These 200 learners will exit the programme in 2018 with a full plumbing qualification. This initiative with CETA started in October 2015 and has ensured that 430 learners in total with special focus on youth and women benefit.

- The Department in partnership with Wholesale & Retail Seta successfully trained 128 informal traders across the Province in basic business skills in order to enhance their competitiveness. Training was offered by Vuselela Technical and Vocational Education and Training (TVET) College. We are moving our people from Red Tape to Red Carpet. Equipment will be issued to all beneficiaries in the next two weeks.

- Our annual Supa Drift event was successfully hosted. The event increased the purchasing power of Mahikeng to benefit the economy of the town. Seven (7) SMMEs benefitted from exhibiting their products as part of marketing.
- The event further continues to promote tourism and has benefitted the hospitality industry with very little or no available accommodation during the event in 2015. This has brought to close our 3 year commitment with Mr Rolance Molapisi and we will explore new avenues for a new cohort in 2016;
- The Department further hosted the International Cooperatives Day on the 5th of July 2015 in Taung under the theme %Choose Cooperatives, Choose Equality+.
- This was a National event that has seen the participation of 1499 cooperatives from around the country. During this initiative, the department promoted homestays as part of our VTSD, enterprise promotion initiative and 86 facilities have benefitted from the homestays directly.
- Fourteen enterprises participated in Global Expo 2015 Botswana in November 2015 and six enterprises generated trade leads with Botswana firms;

- This year has seen the 2nd year of the Promotion of the Stokvelex, B3 Funerals has invested in the Province in Rustenburg and have indicated expansion plans in the Province;
- The department in 2015/16 has established signified cooperation with all major DFI's in this regard, SEDA will partner with the department to deliver non-financial support to SMME's

Honourable Speaker, the department is on track with the alignment of its activities to Premier Mahumapelo's pronouncement that as part of NDP we have begun an important process to develop Village Development Plans (VDP) for 767 villages in the Province.

This approach will be used to identify entrepreneurial opportunities within the VTSD. The department through the NWDC will continue with the programme of establishing Enterprise Development Centres in the 19 municipalities within the VTSD strategy.

Honourable Speaker, the department through the Local Economic Development Sub-Directorate will ensure that we move SMME's from the Red Tape to Red Carpet.

Doing business with Government will become easier, the department will engage the all 09 Provincial government departments on Red Tape Reduction, this process will be concluded within the Local Government Sphere and overlap to Provincial Administration.

The Department is establishing an SMME pipeline whilst simultaneously developing the Provincial Integrated Enterprise Development Strategy; this is in line with the pronouncement by the Honourable Premier for the development of a provincial strategy.

Honourable Speaker, between August and November 2015, the department engaged all municipalities and have identified 235 projects through the municipalities LED units. Department had discussions with all DFIs which resulted in 102 possible being explored from the LED lists for implementation through the Cooperative approach. These 102 projects fall within all 19 municipalities with key focus on villages, townships and small dorpiess.

In the last financial year, the department allocated a grant funding of R2,5 million with a ceiling of R100,000 per beneficiary with a key focus on Villages townships and small dorpiess. In 2016/17, the department will expand this fund to R10 million.

I am hopeful that this will drastically increase the beneficiary list from 25 beneficiaries to 100 enterprises, with special preference given to youth, women and people with disabilities within the VTSD areas.

Honourable Speaker, during the current financial year, R9 million will be contributed to a provincial Gazelles programme which would be led by Dr Thami Mazwai and the programme focuses on further empowering 100 Established businesses.

We are building sufficient capacity to create sustainable enterprises. These enterprises have the opportunity of participating in the National Gazelles program by the opportunity creating in our local platform, more details will be published by the Department in due course.

Honourable Speaker, allow me to also take this opportunity to congratulate Mr Oliphant, who has been selected to serve on the National Task Team dealing with the revitalisation of the township economy.

SMME stimulate domestic demand through job creation, innovation, and competition; thus, they are a driving force behind a resilient national and provincial economy. The department is mindful of the fact that most SMMEs access to funding is a challenge and this condition is constraining their growth cycle.

The target for the department is 350 SMMEs to be supported and 200 to be developed. In terms of Cooperatives, 39 will be supported and new Cooperatives will be developed. The support to our SMMEs and Cooperatives has been bolstered with strengthening after-care, which involves business management training as well as mentorship as a support regime for SMMEs.

Furthermore, a partnership between the NWDC and the Youth Entrepreneurship Service has been forged to ensure that there is concerted and coordinated action at various levels to develop SMMEs.

I am pleased to report to this House that out of this collaboration a budget of R10 million will be utilised to support at least 50 new Youth Enterprises.

Honourable Speaker, of the 10 Transnet supported bakeries located in different villages, 6 are operational and 4 will be operational by end of this month.

The establishment of additional 19 bakeries across the Provinces, four district municipalities (1 per local municipality) will be concluded in the current financial year. The beneficiaries will be cooperatives from villages, townships and small dorpias in line with the VTSD.

This initiative is aimed at meeting the most important need for families like bread easily accessible and cost effective.

In terms of mining, FEED will embark on an exercise to identify all the mineral sources on different tribal land throughout the Province. Working together with Kgosi Mankurwane in Taung an application for prospecting rights has been submitted to the Department of Mineral Resources (DMR) and such application is currently being considered. Such assistance on prospecting rights will be extended to all communities in the Province.

Investments attraction

We have hosted South Africa China Trade and Investment exchange during China Week at Mmabatho Convention Centre. The anticipated outcome of the meeting was to forge stronger trade and investment relations with China. Further investigations are being made with regards to opportunities identified.

Honourable Speaker, the Ministry of Economy of the United Arab Emirates has invited the North West Province to the 6th Annual Investment Meeting in Dubai.

This opportunity created a platform for the Province to exhibit its investment potential specifically on the Agriculture, Culture and Tourism Value Chain.

This further created an opportunity for us to learn what cooperation between government and Traditional leadership can realise, we will be finalising agreements with the people of Dubai and seek many more means of expanding tourism and agricultural access.

The trade dashboard has also provided an indication that the United Arab Emirates is indeed a good trade partner for our Province and investment opportunities in Dubai and United Arab Emirates would be pursued this year.

Special Economic Zone

A platinum beneficiation SEZ has been planned in the Bojanala District (Moses Kotane). Both the pre-feasibility and the technical studies concluded confirm that it is feasible to establish a viable SEZ and its designation will go a long way towards furthering the national government's industrial policy objectives. Furthermore, these studies highlight significant economic opportunities, ranging from short to medium and long term in nature. To this end

all necessary documentation has been submitted to the DTI and there is an indication of consideration for the designation of the Platinum Valley SEZ.

The impact of the license is that it will allow the Province to access up to R1 billion infrastructure funds. There are already 5 investors who have also expressed an intention to locate in the existing plants in the Platinum Valley SEZ. The targeted investment from Platinum Valley SEZ is R100 million.

Through our partnerships with China, we have met with YIWU manufacturing association that has over 500 members in manufacturing. Our partnership with them will assist us in accelerating different manufacturing plants in the Province.

The Department has also started the initiative to investigate and plan for the establishment of an SEZ in Mahikeng. A pre-feasibility report will be presented at the end of May after which a detailed technical feasibility will be conducted on the specific identified opportunities for the Mahikeng SEZ and the process will conclude with the development of a business plan for implementation.

Consumer Protection and Liquor Compliance

Honourable Speaker, the Consumer Affairs Amendment Act has been accented to by the Premier and the drafting of the Regulations for implementation of Consumer Court are completed. The appointment of Consumer Court members has been finalised.

Through Setsokotsane, the Department has created a favourable platform to disseminate information to consumers and businesses in the Province.

Honourable Speaker, the department conducted a total of 682 education awareness programmes. Communities have been encouraged to voice their dissatisfaction to inferior services and to utilise the services of the consumer court which soon be launch.

The department through Setsokotsane activities further conducted compliance inspections in different businesses around the province and 18 non-compliance practises were investigated.

Municipal Health Practitioners, SAPS, Home Affairs, National Regulator for Compulsory Specifications (NRCS) and Department of Agriculture participated as stakeholders. Those that contravened the regulations, appropriate legal action was meted against them in terms of the prescripts.

Honourable Speaker, consolidation of comments on the North West Liquor Bill 2015 will be finalised for the Bill to be referred to the Chief State Law Advisor for certification. The intention is to finalise the Liquor Act during this financial year. Of the 3 499 inspections 371 were jointly done with the South African Police Services.

These inspections were conducted through 12 blitz operations which covered Ngaka Modiri Molema, Dr Ruth Segomotsi Mompati and Dr Kenneth Kaunda District Municipalities. A total of 1 037 liquor license applications were considered by the Board, 616 were approved, 86 declined and the rest were deferred.

Gambling Board

Honourable Speaker, in creating an enabling environment for growth in the gambling industry in the province a relevant and well thought-through plan was put in place. The Board introduced Limited Pay-out Machines (LPM) and of the 262 planned LPMs the Board has managed to roll out 209 LPMs. The Board has also rolled out 6 Bingo operations and 20 Bookmaker premises Operations to date.

The Board acknowledged with appreciation the success with illegal gambling litigation which has been a serious challenge for a number of years. In the past two Financial Years, the Board managed to finalise five (5) of the most complex illegal gambling cases in the province.

Honourable Speaker, I want to take this opportunity to appraise this house, the process of comments on fifth casino has been finalised. We are waiting for the Minister to promulgate the issuing of the fifth casino license.

We are currently in the process of overhauling the gambling legislation which will also address the issue of the powers of the inspectors to address unlicensed gambling. We have also implemented the self-funding model effective from this 2016/17 financial year which will allow the Board to retain 50% of the total revenue collected.

NWDC

Resonant with the Honourable Premier's recent State of the Province Address was the need to focus on growing the economies of Villages, Townships and Small Dorpies (VTSDs). The tuck-shop economy on which the tuck-shop/retail economy project is predicated has been identified as one of the key tributaries of the VTSDs aggregate economy.

As such it is one strategic tool identified at the NWDC in spearheading the economic advancement of the VTSD.

Honourable Speaker, the NWDC through a strategic partnership with NAFCOOC aims to establish four warehouses, one in each district of the Province. The NWDC and NAFCOOC are currently working on an SLA and process to solicit approval from National Treasury has been started.

The NWDC working together with the North West University (NWU) and other partners will be establishing an Innovation Highway (Innovation Hub) in the Province by August 2016. The central hub will be in Mahikeng and the satellites in the four districts. This will be done through the EDCs that are currently being opened throughout the Province. The NWDC will make industrial premises available to innovations that need manufacturing space.

Honourable Speaker, in effectively executing the goals in Villages, Townships and Small *Dorpië*s as per the provincial agenda, the NWDC's strategic approach will focus on Smart Specialisation. This approach places great emphasis on innovation, focusing on each area's strengths and competitive advantages.

In following this approach, factors of competitiveness are identified; allocating resources to key priorities in harnessing diversity and avoiding duplication of investment goals. Smart Specialisation combines goal setting with a dynamic discovery process involving key stakeholders from government, business, academia and other relevant knowledge-creating institutions.

Honourable Speaker, adhering to one of the concretes pronounced by Premier Supra Mahumapelo to rebrand, reposition and renew villages, townships and *small dorpiess* (VTSDs), the NWDC has opened eight Enterprise Development Centres (EDC) which act as a hub of business support and economic development to communities throughout the Province. These EDCs are resourced to assist particularly women-; youth-; and people living with disability-led co-operatives on company and co-operative registrations and other enterprise services.

The NWDC has set processes in motion for the revitalisation of its Industrial Parks. These parks are the strategic income generators for the corporation and once refurbished, they would be catalectic in attracting more investment into these properties. Market-related rentals would be charged and this would augment the revenue for the Corporation.

Alternative Building Material Factories

Honourable Speaker, recycling is an essential ingredient of green building that reduces non-renewable inputs, especially building, mining activities, energy use and transportation costs. This includes the use of waste products and used building materials. It is especially important to reuse environmentally unfriendly materials.

As a measure that Bokone Bophirima have taken to mitigate against current economic challenges, we have resolved to use the leverage we have through the budget to impact positively on the lives of our people through implementation of strategic projects.

NWDC has been tasked with the responsibility of establishing alternative building material factories in all (4) districts. The first one has been established in the Bojanala District at Kosmos in Madibeng Municipality. The factory is operational and a total of 200 direct and indirect jobs have been created. Two youth and women cooperatives are currently employed at the project. Negotiations are underway for the second factory in Dr Kenneth Kaunda District.

Flagship events and investment initiatives

Honourable Speaker, as per SOPA pronouncement, I can confirm that jointly with ACT departments, Office of the Premier and other key stakeholders, the department will be hosting the following event and initiatives:

- With READ, Agricultural and Investment Show in October 2016;
- Mining Growth and Development Lekgotla in September 2016;

- With Tourism and Education and Sports Development, Small Dorpies Golf Challenge in June 2016;
- Together with Local Government and Human Settlement, Rates and Taxes Payment campaign;
- With private sector participation, Annual Billionaires Lekgotla in August 2016 in Sun City

Budget Allocation

Honourable Speaker, to enable the department to achieve its annual performance targets, the following funding per programme is proposed:

PROGRAMME	2016/17 BUDGET (R million)
Administration	101 863
Integrated Economic Development Services	54 639
Economic Planning and Sector Development	43 943

Business Regulation and Governance	102 240
Grand Total	302 685

A total of R139 771 million or 46 % will be transferred to Public entities

- North West Development Corporation R 62 617 million
- North Gambling Board R 77 154 million

Total Departmental Transfer R139 771 million

Honourable Speaker, in conclusion I would like to thank the following:

- The Premier for his visionary leadership;
- Colleagues in the Executive Council;
- Honourable Chairpersons of the Public Accounts Committees for your valued support, Chairperson of the Provincial Affairs, Finance, Economy and Enterprise Development for your support and oversight over the management of the resources;
- Honourable Members of this August house for your vigilance;

- Heads of Departments, Mr Kunene and Prof Thekiso and the team of professionals in my department who have worked tirelessly and against all odds to implement the possible interventions whilst co-managing the three departments and all strategies applied to the allying municipalities in our province;
- The Honourable Chairperson for the Standing Committee
- My family for their understanding and the people of Bokone Bophirima for their support

Ke a Leboga

Thank you