

Introduction

Honourable Speaker and Esteemed Members of this august House:

It has been my privilege over recent years to be summoned annually at around this time to appear before this House, to present to you the budgetary plans of this government.

Today, we have the opportunity to contemplate, take stock of our achievements, challenges, and to appraise our prospects on the economic front, as a country in general and a province in particular.

Honourable Speaker, It is more than just a time for detailing planned expenditure. It is more than just a time for looking back and of taking stock. It is also a time for assessing our joint efforts in managing our economy, and for asking pertinently whether or not our joint efforts in this province are indeed contributing towards a ***better life for all***.

Although our resources are limited, our imagination, our vision and our collective energy as the people of the North West are unlimited. In difficult economic times as we are now facing, these are amongst our most important resources to draw upon.

If, in the few pages of this modest speech I do ignite a small spark of optimism and bring us all closer together to join hands in the fight against this economic downturn and despair, I would have offered you more than just Rands and cents.

Therefore, in the current days of economic and financial turmoil, and of uncertainty, where on a daily basis we are confronted with yet more dire predictions, threats and growing hardship, let us gather and lift ourselves up and beyond the present fray and clarify for ourselves and our Province a sense of clear direction through the storm.

The task of leadership with which we are encumbered, demands nothing less of us.

Honorable Speaker, According to Faye Wattleton, the famous African-American humanist and champion for women's rights, says, "The only safe ship in a storm is leadership."

With the important provision that, "Whoever is providing leadership needs to be as fresh and thoughtful and reflective as possible to make the very best fight."

We have come too far as a young nation, and as a province, not to put up a good fight in light of the current economic downturn and despair which threaten us.

In putting up the fight against global threats, real or imagined, and in fighting the economic downturn and despair, we will be continuing and intensifying the good fight: the fight for a better life for all, the fight against poverty, the fight against inequality, the fight against hunger, the fight against joblessness, the fight against HIV and AIDS and the fight against other preventable diseases.

We cannot embark on the very best fight if we don't start by reflecting on recent dramatic events in the world economy.

Overview of the Global Economy

Honourable Speaker, economic events in 2008 were truly dramatic. We are in uncertain economic times, and some have even raised the specter of the Great Depression of the 1930s.

In 2008, we experienced one wave after another hit our economic shores, from very high oil prices, to spikes in the cost of food, to the credit crunch in the West. And in the background of these crises remain the growing global concern about climate change and about our fast diminishing options to limit its impact.

The cause of the current financial and economic crisis is rather simple. The US economy was already, back in 2001, approaching a recession when the terror attacks of 9/11 occurred.

In the wake of these attacks the US embarked on very expansionary monetary and fiscal policies. Interest rates in the US were lowered no less than 37 times between 2001 and 2003.

Money became cheap and easy. At the same time, against the backdrop of a decade of deregulation of the financial sector and rapid innovation in financial derivatives, huge amounts of loans were made to households in the subprime mortgage category, in essence, to households with limited means to service and repay their loans. These subprime mortgage loans were securitized and sold to various investors in the financial markets, across the world.

By 2007, as more and more households started to default on their mortgage repayments, home foreclosures took on rising proportions in the US, it was clear that not only were institutions in the US set up to guarantee mortgage debt in difficulty (such as Fanny Mae and Freddie Mac), but that the securitized subprime mortgages were without an underlying value.

Moreover, these 'toxic' assets were spread throughout the financial system and it is still a problem to locate these.

In September 2008 the US government had to nationalize Fanny Mae and Freddie Mac, and soon after the investment bank Lehman Brothers went bankrupt, triggering widespread financial panic, which also spread to European countries, most notably Britain.

Stock markets plummeted wiping out trillions of dollars in assets. This further reduced the solvency of many financial firms. The investment banking industry in the US was all but wiped out.

Banks across the US and Europe started reducing lending, especially in the interbank market. This ensuing credit crunch in the interbank market was due to uncertainty about the extent and location of the 'toxic' securitized subprime mortgages, as well as by institutions' desire to shore up their capital positions.

In response the US and European countries have put together huge bailout packages for financial and in some instances other firms – these would likely exceed 2 trillion US dollars. They also reduced interest rates to historical lows, undertook to expand fiscal expenditure, and took various other measures to improve liquidity in their banking systems.

But the eradication of so much financial wealth, the contraction in credit, the hesitancy of investors to put their money in anything but the safest havens, and the slump in consumer expenditure were already realities.

By the end of 2008 both the US and many EU countries were in recession.

Now, economic growth in the rest of the world, particularly in developing countries, including South Africa is also threatened.

Honourable Speaker, There are various channels through which the financial crisis and ensuing economic crisis in the US is and will affect developing countries.

One is through direct financial contagion, where we have seen stock markets across the developing world fall steeply, and through throwing developing countries banks into solvency crises.

Another is through the reduction in financial flows to developing countries, including aid, remittances, and foreign direct investments.

The third is through a reduction in the demand for exports from developing countries, and an accompanying drop in the prices of commodities.

Honourable Speaker, South Africa has been, and still is to some degree, being affected by all three of these channels.

Overview of the South African Economy

We have seen our stock market plummet in September and October of last year- by up to 40 per cent. We have seen some of our banks come under stress.

But fortunately, our banking sector is in good shape. It is well developed, well managed, with adequate capital and relatively less exposure to the toxic securitized subprime mortgages. In the latter aspect we seem at the moment at least to share the good fortune of other emerging markets such as China and India, whose financial systems were also less exposed to toxic assets from the US banking sector.

We have also seen reductions in both portfolio flows and direct foreign investments to South Africa, and this, coupled with our deficit on our current account with the rest of the world, led to a sharp depreciation of the Rand in the last quarter of 2008.

The demand for South African exports has also fallen, in particular our exports to the US and Europe, traditionally our largest trading partners.

But, *Honourable Speaker*, we should not despair. A silver lining is that the depreciated Rand contributes to the greater competitiveness of South African goods. At the same time the price of fuel has come down considerably, further alleviating pressure on our balance of payments and domestic inflation rate.

Also, over the past few years we have grown our trade with large emerging markets such as Brazil, China and India, and we envisage increased trade and investment ties with these markets to support our export sectors into the future.

Although commodity prices have fallen, the medium to long-term prospects for most of commodities look favorable, in particular for the North West Province as I will mention again later, for commodities such as platinum, gold and grains.

So, let us consider the impact of these events on the South African economy. We know that over the past ten years the South African economy has grown at unprecedented rates.

Indeed, it is a peculiar fact that we have experienced a ten year period of uninterrupted growth punctuated on both sides by a financial crisis. The first was the Asian Crisis of 1998, during which the South African economy actually contracted. The second is the recent 2008 crisis.

Between 1998 and 2008 the South African economy achieved an average quarterly growth rate in Gross Domestic Product (GDP) of 3.5 per cent. Between 2004 and 2008, the most recent period, corresponding to the term of the current government, growth accelerated to a quarterly average of 4.8 per cent. This is unprecedented in South Africa's recent history.

We can celebrate this good growth not only due to the positive impact it has had on reducing poverty and creating employment opportunities, but also because it strengthened the underlying resilience of our economy.

By the time the financial crisis became apparent in 2008; our economy was in good shape. It was also well managed, and we had ample space to maneuver on the fiscal and monetary side. As a result, we did not see a contraction in our economy, as many other countries had experienced.

Indeed, during the first three quarters of 2008 the South African economy continued to grow at 3.7 per cent, above the ten year average. More than 110,000 new jobs were created. But by the third quarter of 2008 this growth had slowed to 0.2 per cent.

Although, such low growth rates remain unacceptable, I need to point out that unlike the much milder Asian Crisis of 1998, we have not yet suffered a contraction in our economy, due to our economy being much more robust now, after a decade of good macro-economic governance by this ANC-led government.

And indeed, despite the often pessimistic prognoses for the global economy for 2009, I remain confident that we can overcome the worst and return this economy onto a higher growth path in the near future.

This government is committed to the fight against poverty, and has illustrated this readiness again in the current circumstances.

Thus, *Honourable Speaker*, when private consumption, for long the main driver of economic growth in our economy, dropped in 2008, government investment spending continued to provide a much needed stimulus.

It should be noted that despite the documented slowdown in 2008, growth in government employment in fact accelerated from 3.3 per cent in the first quarter to 5.5 per cent in the second quarter. And that government investment spending, which grew significantly by 16 per cent in 2007, continued to grow by about 10 per cent in 2008.

This stimulating role of government will remain in place over the foreseeable future, as was also indicated by Minister Manuel in his medium term expenditure framework.

Our 2009 National Budget makes provision for a greater deficit, as it would be appropriate of counter-cyclical policy in a downturn. In framing this budget, Minister Manuel was guided by five principles:

- protecting the poor
- sustaining employment growth
- expanding training opportunities
- building economic capacity and promoting investment
- addressing the barriers to competitiveness that limits an equitable sharing of opportunities, and
- maintaining a sustainable debt level so that our actions today do not constrain our developments tomorrow.

Honourable Speaker, also on the monetary front we have seen rate cuts, and the prognosis looks favorable in the future, as all expectations are that inflation is on a downward trajectory.

What gives us further confidence is that it is expected that important trading partners such as China and India will indeed continue to grow at relatively high rates.

Overview of the North West Provincial Economy

Honourable Speaker, while it is commendable that our national economy has achieved remarkable economic growth rates over the past ten years, and while it is encouraging to note that we may withstand the worst of the current financial and economic crisis on a macro-economic level, it remains the case, as I have indeed documented often in disturbing detail in my previous budget speeches, that poverty, unemployment and inequality remain our foremost challenges on a micro-level.

And it is on this micro-level, where the provincial perspective becomes important. Because, it is first and foremost, where people reside, where government should support their efforts at improving the quality of their lives.

It is where government, should have its ears on the ground, and tailor its expenditure plans in such a way, as to address people's concerns, and give support to people's visions and dreams.

As the process of economic contraction unfolds, we cannot but be concerned about the impact on our Province and on our communities. It is a fact that our Province is heavily dependent on sectors such as mining, tourism and agriculture.

In 2006, the largest industries in the economy the mining contributed 25,8% finance, real estate contributed 13,7% and general government services contributed 11,3% in terms of their contribution to GDP of the North West.

Our communities rely on jobs and income from these sectors for their wellbeing and survival. It is evident that the mining sector has been hardest hit by the sudden and considerable fall in the price of commodities. Even where the price has been low, the demand for commodities such as platinum has fallen sharply.

This in turn has been caused by the pitiful state of the world motor car industry. Whilst activities in the mining sector remain in a state of utter volatility and gloomy prospects, we need to focus on ensuring maximum results from our agriculture and tourism activities in the Province.

In this regard, our general infrastructure and in particular our road infrastructure requires special attention. Likewise, our provincial municipal infrastructure is in need of revival and upgrade.

Honourable Speaker, having described our provincial economic performance of this past year, what is our assessment of the years ahead?

Let me emphasize that I remain optimistic that this province has the combination of human resources, natural resources, location, climate and basic infrastructure to result in it being one of the best places in the world to live.

But, despite this optimistic vision, I remain aware of the development challenges we keep facing. These challenges have substantially and significantly influenced the budget being presented here today.

I believe, that this government is acutely aware of the magnitude of the challenges that we face. And therefore, knowing where we started out in 1994, I can say without great fear of contradiction, that we have come a long way.

We have multiple needs and limited financial resources.

Responsible leadership does not however, pander to populism. Responsible leadership offers over time the only sustainable way of leading people out of poverty.

Honourable Speaker, indeed, the World Bank's "Growth Report" released in 2008 studied the secrets of success of the 13 fastest growing countries in recent history, all countries which maintained growth rates in excess of 7 per cent per annum for at least 25 years. This report emphasized the importance of good and responsible leadership in all these countries.

However, given the North-West's performance and challenges as described here and in previous speeches, it is instructive to list the five characteristics which the Growth Report identified as common to all the fastest growing countries.

These Five Common Characteristics are:

One, that these countries all exploited the world economy. They did not choose isolation and they did not fear foreign competition.

In my view, the North West economy shares this characteristic. We are in a country which has liberalized its trade regime, and which has embraced integration with the world economy.

Our province was one of the first to explicitly recognize the importance of attracting foreign investment and boosting trade.

Our provincial investment promotion agency, Invest North West, is nationally and internationally recognized for its sterling promotion of this province. It has won many international awards.

We continue to forge economic partnerships with many regions and countries, led vigorously in this regard by the Honourable Premier.

As a province rich in tourism offerings, our doors are open to welcome visitors from across the world. Even though we face a likely reduction in foreign tourists as a result of the global economic slowdown, I am still excited by the many good prospects in store for our tourism sector, not least the 2009 Confederations Cup in June and the 2010 FIFA World Cup Soccer coming up next year.

The second characteristic of successful countries is that they have maintained macro-economic stability.

Honourable Speaker, again the North West Province shares this characteristic. Indeed, in North West, as in South Africa as a whole, macro-economic stability has been a defining feature of the past decade.

Many in the past have criticized this government's insistence of fiscal discipline, calling for more profligate spending. We see now, in these times of external turmoil, that the government's insistence on macro-economic stability has been the correct one.

A third characteristic of the fastest growing countries is that all have maintained high rates of savings and investments.

Here, our performance is less commendable. Our province (and our country) does not save enough. Our investment needs are huge – and as I have pointed out, in recent years this government’s investment spending has started to grow.

Honourable Speaker, I am not a prophet of Doom, I had a premonition that we are heading for turbulent times. Hence in July 2008 I launched a “develop a culture of savings” campaign in this province; which was rolled out in all regions of the province. The objective of this campaign is to inculcate a culture of saving amongst our people especially during this financial crisis.

A fourth characteristic which fast growing countries have in common is that they fundamentally allow markets to allocate resources.

This does not preclude an important role for government, for as we have seen in recent months, markets are also subject to failure, as well as governments.

Successful countries get the balance right, to have a market discipline on government, and a government discipline on markets.

In South Africa, and the North West, markets have not been allowed for much of our history to allocate our most important resources. Under colonialism and apartheid, markets played but a superficial role.

We still have the legacy of great inequalities in wealth and ownership, which creates barriers to entrepreneurship, barriers to social mobility, and barriers to competition.

It is not only high growth that is desirable. What is also desirable is shared growth, or pro-poor growth. It may even be better to grow at 4 per cent, when that growth primarily benefits and uplifts the poor, rather than when we grow at 6 per cent but it is only a select few who benefit.

Our aim, *Honourable Speaker*, in the North West Province is to achieve inclusive growth. Let us adopt the approach of 'Leaving no one behind' when we design and implement our development strategies, and when we spend in terms of our Budget.

Let us promote competition and the easy entry of new dynamic entrepreneurs into our markets.

Furthermore, let us today throw down the gauntlet to our partners in the private sector to illustrate to us how they will advance pro-poor growth through their business and investment decisions.

Honourable Speaker, the final characteristic which fast growing countries have in common is that they all have committed credible and capable governments.

I have been in this government for many years. Therefore I know that our government has a good and committed cadre of public servants, who are servants of the public in commitment and willingness to pursue the public good.

This is not to say that there is no room for improvement. We should continue to educate, train and broadly develop our public sector's human resources.

We should endeavor to attract the brightest and ablest into our public sector, recognize and reward the performance and dedication.

But we should also weed out corruption and the criminal element from our public sector. We have developed solid policies and procedures, and as custodians of the hard earned money of the citizens of this province, we should continue to protect this from predation by unscrupulous elements.

Honourable Speaker, let me say it again so that there can be no misunderstanding. This government will not tolerate any corruption and mismanagement of public funds.

In summary, I believe, we can overcome the short-term turmoil in global markets. We have been blessed as a country and province by a number of good years, built on solid macro-economic management. I therefore believe that we have excellent prospects for long-term, sustained growth in the province.

The annual provincial budget is designed to address both the short-term needs as well as the long-run development requirements of the North West.

Therefore, let me present to this House the allocations of the 2009/10 budget, to put substance to our vision.

Budget Framework

Honourable Speaker, in my last year's budget speech I drew the attention of this house to the negative impact of the dis-establishment of cross boundary municipalities in which the North West Province lost R2 billion (Two billion Rand) on its equitable share.

In 2008/09 financial year, the National Treasury updated the equitable share formula by using the 2007 data and increased the equitable share of the North West Province by R232 million (Two hundred and thirty two million Rand), which was included in the Medium Term Budget Policy Statement (MTBPS) tabled in October 2008.

Since the tabling of the 2008 Medium Term Budget Policy Statement (MTBPS), both the global economic environment and the domestic outlook deteriorated. To mitigate the impact the Ministers Committee on the Budget (MINCOMBUD) approved the reductions of R18 billion (Eighteen billion Rand) to National Departments and Provinces.

This resulted in a reduction of the provincial equitable share allocation of R139 million (One hundred and thirty nine million Rand) in 2009/10, R175 million (One hundred and seventy five million Rand) in 2010/11 and R212 million (Two hundred and twelve million Rand) in 2011/12.

This further reduction to the provincial equitable share made the allocation of resources to departments very difficult as serious choices had to be made.

The Provincial Treasury and the Budget Oversight Committee worked tirelessly to ensure that available funds are equitably and efficiently allocated to meet both National and Provincial Priorities.

Honourable Speaker, the 2009 Medium Term Expenditure Framework (MTEF) budget has attempted to respond to the National Apex Priorities and the Provincial Critical Priorities. However, I want to stress that given the limited resources it became impossible to address all needs as requested by departments and public entities.

SOCIO-ECONOMIC PRIORITIES

Poverty Alleviation Strategy

In the 2009 Medium Term Expenditure Framework (MTEF) an amount of R331 million (Three hundred and thirty one million Rand) has been allocated to fast-track the implementation of the poverty alleviation strategy. These funds are to be utilised for training, labour intensive projects and for the emerging contractors to enter the construction industry in order to sustain their businesses.

The allocation will assist communities to maintain a sustainable livelihood through the maintenance of Infrastructure such as schools, hospitals and clinics. The responsible departments will provide details of the allocations when they deliver their budget speeches.

Expanded Public Works Programme

Honourable Speaker, in contributing to the realisation of Vision 2014 of halving poverty and unemployment, an additional amount of R420 million (Four hundred and twenty million Rand) has been set aside over the MTEF period for this purpose. Through the Expanded Public Works Programme, National has introduced an Incentive Grant programme to reward those provinces, municipalities and Non- Government Organisations that have created more jobs.

It is therefore crucial that the Province takes advantage of this opportunity and create more jobs above the set targets in order to qualify for the incentive.

The EPWP previously targeted women, youth and people with disabilities.

The Honourable Speaker will note that EPWP will, to a large extent assist those who will be affected by future job cuts as a result of the global economic crisis.

Our Commitment to the 2010 FIFA World Cup

Honourable Speaker, the Honourable Premier in her 2009 state of the province address, outlined our commitment to support the Royal Bafokeng Administration and the Rustenburg Municipality in their endeavour to host the 2009 Confederations Cup and 2010 FIFA World Cup.

The North West Administration has set aside an amount of R120 million (One hundred and twenty million Rand) as a contribution towards the 2009 Confederations Cup and 2010 FIFA World Cup. In addition to this funding an amount of R35 million (Thirty five million Rand) has been allocated to upgrade Job Tabane Hospital, employment of more professional nursing staff and enhancement of the Provincial Communication Strategy.

Mafikeng Industrial Development Zone

Honourable Speaker, it is encouraging to note that Pilannesberg Airport's License has been transferred to Mafikeng International Airport. This is a positive move to fast-track the MIDZ's ability to obtain an Industrial Development Zone operators permit which has eluded them for a number of years.

The MIDZ has now finally been registered as a Schedule 3 Public Entity making it a legal entity.

An amount of R4 million (Four million Rand) has been allocated to MIDZ to strengthen its capacity to implement the objectives of its strategic plan.

DEVELOPMENT OF HUMAN CAPITAL

Strengthening Capacity of the State

Skills development remains key to the development of human capital in government, to strengthen the capacity of the state to deliver quality services to our people.

The Provincial Administration has allocated an amount of R137 million (One hundred and thirty seven million Rand) over the MTEF period to sustain and improve the performance and delivery of services.

The budget makes provision for the structured training on project/programme management, research and knowledge management, information communication technology and financial management to further strengthen the capacity of the state.

Retention of Scarce skills

The Occupational Specific Dispensation (OSD) initiative was introduced by this government in 2007 and has been successful in retaining professional nurses and educators. It is indeed a good initiative by the government as many professionals are coming back from overseas and private sector to rejoin the public sector.

The Occupational Specific Dispensation (OSD) for Doctors and specialists will be implemented during 2009/10 financial year and an amount of R210 million (Two hundred and ten million Rand) has been allocated over the Medium Term Expenditure Framework (MTEF) for this purpose.

OTHER PRIORITIES

Infant and child mortality

The rate of infant and child mortality is still at an unacceptable level. A provision has been made in the budget amounting to R27 million (Twenty seven million Rand) to reduce the infant and child mortality and this amount increases to R126 million (One hundred and twenty six million Rand) over the MTEF.

Extension of No Fee Schools

Honourable Speaker, last year the budget for the additional 716 (Seven hundred and sixteen) no-fee schools was presented to this august house. R135 million (One hundred and thirty five million Rand) allocated in last year budget has been utilised to implement no-fee school policy.

The budget for the 2009 MTEF includes an amount of R126 million (One hundred and twenty six million Rand) allocated for the extension of the no-fee school policy to quintile three (Q3) and an amount of R145 million (One hundred and forty five million Rand) to reduce the teacher/learner ratio in quintile one (Q1) schools.

Support to municipalities

Honourable Speaker, the financial management capacity of municipalities is improving, though there are still challenges.

The Provincial Treasury and Department of Developmental Local Government and Housing will continue to assist municipalities to improve service delivery.

Monthly and quarterly reports to monitor municipal performance and service delivery are now submitted to National and the Provincial Treasury. An amount of R22 million (Twenty two million Rand) has been set aside over the MTEF to assist in improving the quality of information and service delivery.

Provincial Infrastructure Delivery Improvement Programme (IDIP)

Honourable Speaker, the Infrastructure Delivery Improvement Programme (IDIP), introduced in conjunction with National Treasury, has indeed assisted the province with capacity building in the implementation of integrated planning of projects.

The expenditure patterns as at January 2009 have increased by 7% as compared to last year, as a result of this intervention.

An amount of R3.1 billion (Three billion one hundred million Rand) has been allocated to address infrastructure needs in 2009/10 financial year and increases to R10,7 billion (Ten billion seven hundred million Rand) over the MTEF.

Honourable Speaker, having dealt with the budget framework, let me present the departmental budget allocations for the MTEF period.

Provincial Revenue

The available budget for the 2009/10 fiscal year for distribution to departments amounts to R19 866,210 million (Nineteen billion eight hundred and sixty six million two hundred and ten thousand Rand).

The amount is made up of R16 121,174 million (Sixteen billion one hundred and twenty one million one hundred and seventy four thousand Rand) received from the National Treasury as the equitable share, R3 160,629 million (Three billion one hundred and sixty million six hundred and twenty nine thousand Rand) as conditional grants from various National Departments and Provincial Own Revenue of R584,407 million (Five hundred and eighty four million four hundred and seven thousand Rand).

The available budget increase from R19,866 billion (Nineteen billion eight hundred and sixty six million Rand) in 2009/10, to R22,194 billion (Twenty two billion one hundred and ninety four million Rand) in 2010/11 and R24,331 billion (Twenty four billion three hundred and thirty one million Rand) in the outer of the MTEF.

Provincial Expenditure

The budget voted for 2009/10 amounts to R19 866,210 million (Nineteen billion eight hundred and sixty six million two hundred and ten thousand Rand) R22 194,744 million (Twenty two billion one hundred and ninety four million seven hundred and forty four thousand Rand) for 2010/11 and R24 331,000 million (Twenty four billion three hundred and thirty one million Rand) for 2011/12.

Funds allocated are as follows:

The Governance and Administrative Cluster receives an amount of R2,080 billion (Two billion and eighty million Rand) representing 10,5% of the total budget for the 2009/10 financial year. This amount increases to R2,331 billion (Two billion three hundred and thirty one million Rand) and R2,706 billion (Two billion seven hundred and six million Rand) in the outer years of the MTEF.

Allocations to individual departments that form part of the Governance and Administrative Cluster are as follows:

The Department of Finance receives a total amount of R335,966 million (Three hundred and thirty five million nine hundred and sixty six thousand Rand) in 2009/10 increasing to R387,166 million (Three hundred and eighty seven million one hundred and sixty six thousand Rand) and R436,033 million (Four hundred and thirty six million thirty three thousand Rand) respectively during the outer years of the MTEF.

The budget includes additional funds for the implementation of the Basic Accounting System, Procurement Policy Development and for Municipal Support in terms of the Municipal Finance Management Act.

Office of the Premier receives a total amount of R261,389 million (Two hundred and sixty one million three hundred and eighty nine thousand Rand) in 2009/10, increasing to R273,673 million (Two hundred and seventy three million six hundred and seventy three thousand Rand) and R290, 013 million (Two hundred and ninety million thirteen thousand Rand)during the outer years of the MTEF respectively.

The Provincial Legislature receives R133,282 million (One hundred and thirty three million two hundred and eighty two thousand Rand) in 2009/10,increasing to R124,493 million (One hundred and twenty four million four hundred and ninety three thousand Rand) and R131,938 million (One hundred and thirty one million nine hundred and thirty eight thousand Rand) during the outer years of the MTEF.

The Department of Developmental Local Government and Housing receives R1 349,867 million (One billion three hundred and forty nine million eight hundred and sixty seven thousand Rand)in 2009/10, R1 545,950 million (One billion five hundred and forty five million nine hundred and fifty thousand Rand) in 2010/11 and R1 848,094 million (One billion eight hundred and forty eight million ninety four thousand Rand) in 2011/12.

In the main, the allocated budget is for the facilitation of the integrated housing and human settlement development and municipal support.

The Economic Development and Infrastructure Cluster

The Economic Development and Infrastructure Cluster receives an amount of R3,996 billion (Three billion nine hundred and ninety six million Rand) which is 20,11% of the total budget for the 2009/10 financial year. The budget increases to R4,224 billion (Four billion two hundred and twenty four million Rand) and R4,565 billion (Four billion five hundred and sixty five million Rand) over the MTEF period.

The allocations to departments within this cluster are as follows:

The Department of Transport, Roads and Community Safety receives an amount of R1 955,799 million (One billion nine hundred and fifty five million seven hundred and ninety nine thousand Rand) in 2009/10, R2 081,524 million (Two billion eighty one million five hundred and twenty four thousand Rand) in 2010/11 and R2 235,883 million (Two billion two hundred and thirty five million eight hundred and eighty three thousand Rand) in 2011/12.

The allocated budget for construction and maintenance of roads is R635,839 million (Six hundred and thirty five million eight hundred and thirty nine thousand Rand) and grows to R757,755 million (Seven hundred and fifty seven million seven hundred and fifty five thousand Rand) over the MTEF.

The Department of Public Works receives an amount of R653, 214 million (Six hundred and fifty three million two hundred and fourteen thousand Rand) in 2009/10, R753, 557 million (Seven hundred and fifty three million five hundred and fifty seven thousand Rand) in 2010/11 and R816, 648 million (Eight hundred and sixteen million six hundred and forty eight thousand Rand) in 2011/12.

An amount of R190,110 million (One hundred and ninety million one hundred and ten thousand Rand) has been allocated for the, maintenance and upgrading of government buildings over the MTEF period.

The Department of Agriculture, Conservation and Environment receives an amount of R611,347 million (Six hundred and eleven million three hundred and forty seven thousand Rand) in 2009/10, R670, 466 million (Six hundred and seventy million four hundred and sixty six thousand Rand) in 2010/11 and R740,633 million (Seven hundred and forty million six hundred and thirty three thousand Rand) in 2011/12.

An amount of R97 million (Ninety seven million Rand) is included in the allocated budget for the Comprehensive Agricultural Support Programme and for poverty relief and infrastructure development.

The Department of Economic Development and Tourism receives an amount of R288,021 million (Two hundred and eighty eight million twenty one thousand Rand) in 2009/10, R312,333 million (Three hundred and twelve million three hundred and thirty three thousand Rand) in 2010/11 and R347,745 million (Three hundred and forty seven million seven hundred and forty five thousand Rand) in 2011/12.

The allocated budget includes the establishment of SMME's institutions and the finalisation of the Industrial Development Strategy as a means to increase economic growth.

The Department of Sport, Arts and Culture receives an amount of R488,171 million (Four hundred and eighty eight million one hundred and seventy one thousand Rand) in 2009/10, R406,317 million (Four hundred and six million three hundred and seventeen thousand Rand) in 2010/11 and R424,318 million (Four hundred and twenty four million three hundred and eighteen thousand Rand) in 2011/12.

The allocated budget increased by 37% in 2009/10 due to the allocation of R17 million (Seventeen million Rand) for the provincial library and archives and R120 million (One hundred and twenty million Rand) for the 2009 Confederations Cup and the 2010 FIFA World Cup.

SOCIAL CLUSTER

The Social Cluster receives an amount of R13,789 billion (Thirteen billion seven hundred and eighty nine million Rand) representing 69,9% of the total budget for the 2009/10 financial year.

This amount increases to R15,639 billion (Fifteen billion six hundred and thirty nine million Rand) in 2009/10 and R17,059 billion (Seventeen billion fifty nine million Rand) in 2011/12.

The allocations to departments within this cluster are as follows:

The Department of Education receives an amount of R8 145,319 million (Eight billion one hundred and forty five million three hundred and nineteen thousand Rand) in 2009/10, R9 223,020 million (Nine billion two hundred and twenty three million twenty thousand Rand) in 2010/11 and R10 077,609 million (Ten billion seventy seven million six hundred and nine thousand Rand) in 2011/12.

The key deliverables for which additional funds were allocated in the budget include the introduction of the school nutrition feeding programme to the poorest high schools, extending the no-fee school policy to quintile 3 schools to meet the 60% threshold of the poor learners and building of four new schools.

The Department of Health receives an amount of R4 919,308 million (Four billion nine hundred and nineteen million three hundred and eight thousand Rand) in 2009/10, R5 578,772 million (Five billion five hundred and seventy eight million seven hundred and seventy two thousand Rand) in 2010/11 and R6 054,514 million (Six billion fifty four million five hundred and fourteen thousand Rand) in 2011/12.

The Department of Social Development receives an amount of R724,527 million (Seven hundred and twenty four million five hundred and twenty seven thousand Rand) in 2009/10, R837,473 million (Eight hundred and thirty seven million four hundred and seventy three thousand Rand) in 2010/11 and R927,572 million (Nine hundred and twenty seven million five hundred and seventy two thousand Rand) in 2011/12.

Key deliverables by the department include the building of secure care and victim empowerment centres and co-ordination of the poverty alleviation strategy.

Honourable Speaker, please allow me now to table the following documents:

- The North West Appropriation Bill 2009
- Revenue and Expenditure Estimates
- The People's Guide to the Budget
- A copy of the Provincial Budget Speech 2009

Closing Remarks

Honorable Speaker, the inspiring new President of the United States, Mr. Barack Obama correctly remarked that:-

“If you're walking down the right path and you're willing to keep walking, eventually you'll make progress.”

We have to keep walking as a province, because as our budget priorities also reflect, we are on the right path. Short-term temptations to deviate from this right path will not take us far. There are no shortcuts in the sustainable development of a nation. There may be no shortcuts out of the international financial crisis.

The priorities which we have defined in our budget, and which we have consistently supported through our budget allocations during the past five years, do provide some short-term relief in view of the business cycle, but more fundamentally provide for support for the long-run sustainable – and therefore durable – development of our people.

We must keep 'walking' by keeping on investing in people, through education, health, safety and security, and through our investments encourage a social and business climate and infrastructure conducive for the creation of jobs and self-reliance.

Doing so in a manner that maintains our macro-economic stability that maintains our flexibility to manoeuvre in times of external crisis is a prerequisite.

The challenge to the leadership of South Africa today is to stay the course, to continue walking and continue, 'the very best fight', through mobilizing the strength that lies in our unity.

Concluding Remarks

Honourable Speaker, there will be a new EXCO in place next term and new insights, but the Provincial Treasury will still be in place as a source of economic and fiscal expertise.

Allow me then as I summarise to say the following:

Preparing a budget is an extremely laborious task requiring dedication and focused attention.

It is a whole year's work by a dedicated team of individuals to go through the motions, attend National, provincial and Local Budget Makgotlas, "sweat boxes" etc, collect data, sieve through it with a fine tooth comb, while holding bilaterals with departments, until the final consolidation.

Honourable Speaker, I wish to thank the following, whose contribution to this Budget process is immeasurable.

- The North West Premier, Mrs BEE Molewa has provided the leadership and good judgement required to bring the budget process to a conclusion;
- Our collective thanks are due also to:
Honourable Sam Mokaila and Yvonne Makume,
Chairpersons of the Finance and Public Accounts
Committees and members of the respective committees
for their valued inputs and oversight role and
management of the budget process;
- Colleagues in the Executive Council for their support;
- Honourable Members of this august house for their vigilance;
- Mr. Joe Mohlala, Finance Head of Department has led “Team Finance” with dedication and unflagging energy;
- Senior Managers and staff in the department for their professionalism;

- The Auditor-General and the Provincial Audit Committee whose work has greatly enhanced financial management in government;

- Our colleagues in the media for the support and the dissemination of our information in a value adding manner;

- The people of the North West Province for holding us accountable.

- My sincere gratitude to the political party, which deployed me to contribute in the North West Provincial Government, the invincible, titanic African National Congress.

- I must also thank Comrade Husband, Dr. Peter Modiselle, my friend, my colleague and family for their unconditional support and inspiration.

CONCLUSION

Honourable Speaker, this particular budget is being tabled at a time when there is a Global Economic Meltdown. There is even talk of the rich, first world suffering its worst financial collapse since the depression of the 1930s.

Emerging economies like ours seemed a long way from the centre of the storm. NO LONGER. The storm has broken, but then there is a Zulu saying, “**LIDUMA LIDLULE**” The Storm will pass.

People of the North West Province, this is your Budget.

Ke a leboga

Ngiyabonga

I thank you

Baie dankie