Fiscal consolidation, social protection and inclusive growth!

ment departments which needed

construction, rehabilitation and

run by the Office of the Premier

St John's and Ntabankulu.

BUDGET BLUES: Finance MEC

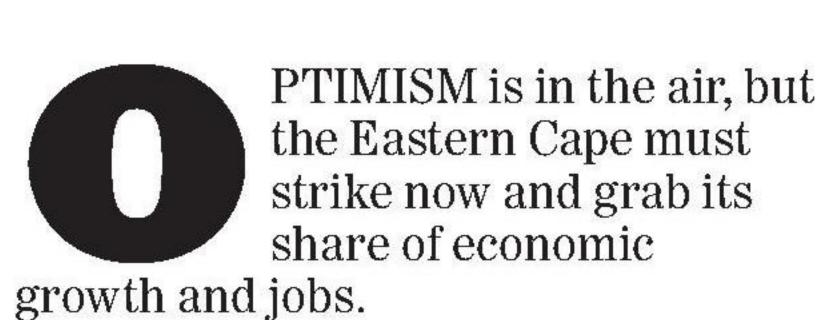
Sakhumzi Somyo delivers the

yesterday

Picture: SINO MAJANGAZA

R2.3-billion budget to boost agricultural production in province

Eastern Cape must stand up and be counted to be a competitive force on the economic front, says Somyo



The vehicle the provincial government has designed – the provincial economic development strategy – runs on six wheels:

- Agro-industry;
- Sustainable energy;
- The ocean economy; • The automotive industry;
- Light manufacturing; and
- Tourism and small business. Finance MEC Sakhumzi Somyo

says putting energy into these sectors will give the Eastern Cape the competitive edge it needs to make it all happen. Growing crops and raising live-

stock: that is at the heart of the

heart of the province's agricultural economic transformation strategy. Somyo said President Cyril Ramaphosa had come to Buffalo City to deliver a rousing call to the province and nation to get onto the land

and start working it. "Agriculture presents one of the greatest opportunities we can use to significantly grow our economy and create jobs," Ramaphosa said later in his State of the Nation address.

"We agree fully with the president," said Somyo. His department will be spending R2.3-billion on "stimulating agricultural production in our province. "Our strategy is to focus on commercial crop production, high-value horticultural crop expansion and livestock production."

Who better to spend this on than communal and smallholder farmers, he said. Add to this R282-million on ensuring that livestock get the best veterinarian services and medication to ensure that they are disease-free.

Another R165.3-million will be spent on food security and R211.6million on infrastructure to support these farmers and communities.

In an innovative move, the pro-

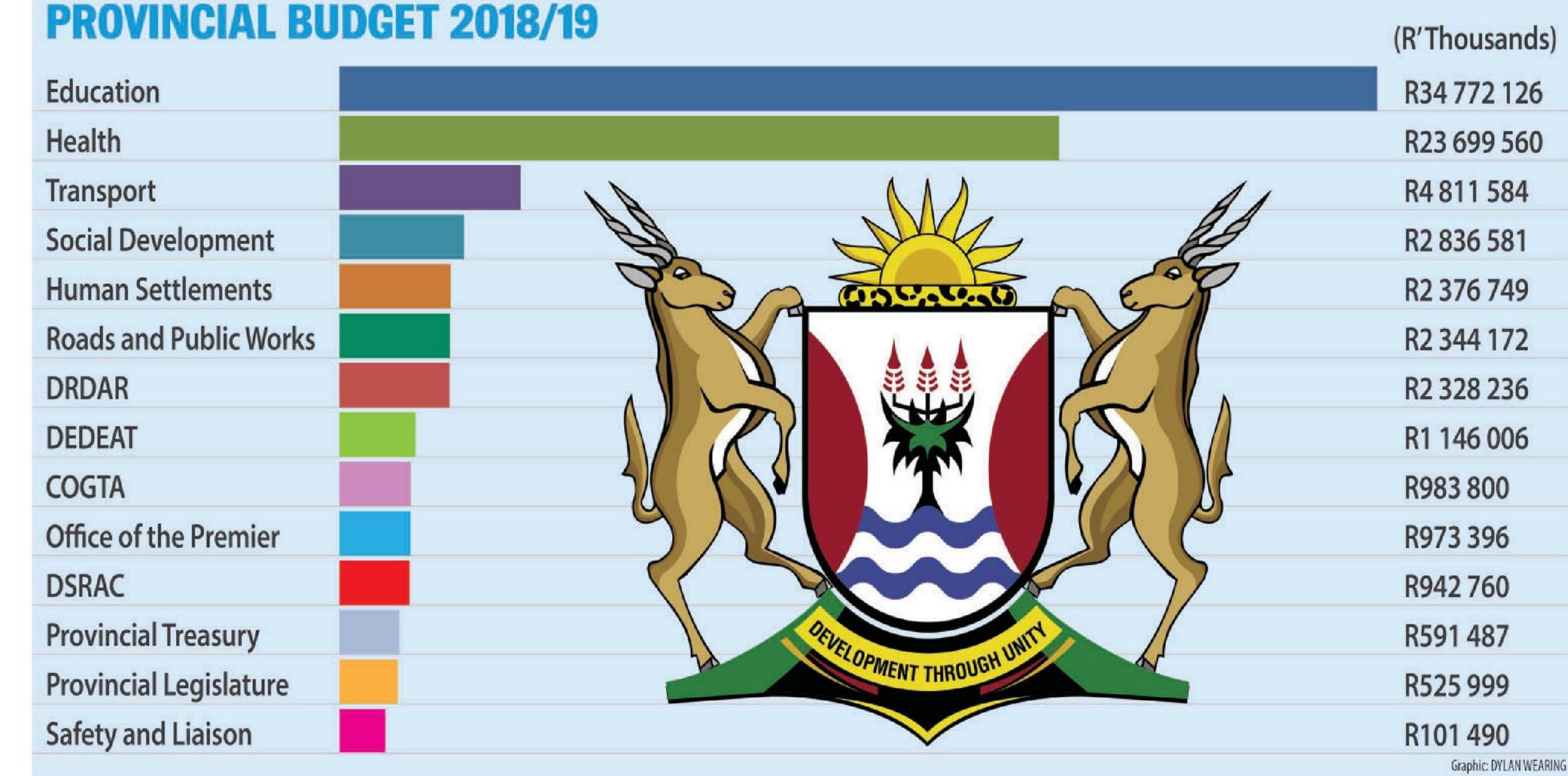
vincial government will spend R85million on one "catalytic project" that will create massive job opportunities, food, and GDP growth he said. Moving to the cities of a province where the urban-rural link is extremely significant, he said apartheid developers had made sure that Gauteng and the Western Cape received the lion's share of essential infrastructure – roads, ports, airports, factories, water and energy – now it was time to fight to be placed on an equal footing with these provinces, he said.

"They had a head start, and to set us on an equal footing with them, national government should favour our province for mega infrastructure projects," he said.

The Eastern Cape government will be spending R502-million on roads infrastructure, and the transport department has R502-million to spend on subsidising buses "which ferry our rural masses every day throughout our province," he said.

This year Sanral, the national road builder, would be spending R400-million on wages alone for unskilled, semi-skilled and skilled workers employed on their extensive roadworks projects in the province. But the provincial public works department was injecting R1.7-billion into govern-





Seize the moment as focus will be on crucial sectors, says Somyo

putting billions into forging ahead in the new era of unity, economic transformation, inclusive growth and job

creation. Small business, small agriculture, government procurement and tourism have all been allocated healthy money, and under the new ANC leadership have the potential to blos-

Finance MEC Sakhumzi Somyo, in delivering his 2018 budget to the

turned to the mandate announced by Nelson Mandela in his first address to the nation as the first president of a democratic South Africa. Madiba had spoken of the people's mandate to change SA to a country where the majority of people live and work with dignity and a sense of self-esteem and confidence in the future.

Mandela chose the vehicle of reconstruction and development programme to achieve growth and job

check whether the fifth administration "has stayed on the course. We have achieved phenomenal progress in the implementation of most of the priorities that the RDP advanced." But unemployment remained a

stubborn challenge. "We see mothers and fathers who have to convey to their children the unpleasant reality of retrenchments in the workplace. We see our broth-

ers and sisters standing on street

THE Eastern Cape government is Bhisho legislature yesterday re- creation, and it was important to corners every morning looking for were up from a static 0.7% to 1.1% and work. We see our children sitting at home with their university qualifi-

Somyo said: "All of us in government, business, labour and civil society must form a united front that will define a new chapter for our province; a chapter of inclusive economic growth and job creation".

Delving into the economic outlook for the year, Somyo said National Treasury's revised growth rates

even 1.5% for this year.

He said, in this turning moment,

the Eastern Cape's key sectors of manufacture, formal agriculture, finance and business services, community and social services, and even private households, were posting some very positive economic growth.

It is the construction sector, which employs large numbers of workers, which got smaller last year.

SMMEs stayed true to the goal of

creating "large-scale job opportu-

Jobs for youth, he

said, was a govern-

ment desire at "the

centre of all the pri-

orities, projects and

Youths must ac-

quire skills in order to

enter the labour mar-

programmes".

ket, he said.

Government was also doing its bit

by creating a new, young, and en-

nities, especially for our youth".

are highly optimistic that global demand for agricultural and manufactured goods can spur our economy and create a revival of investments, exports and jobs. There is a fresh aura of optimism that the country is taking a new journey to inclusive economic growth and job creation.

Setting the scene, Somyo said: "We

"There are sons and daughters of this province who are ready to lend a hand as we embark on this journey. We must seize the moment!"

ergetic layer of public servants.

He announced that R1.4-billion

would be spent on absorbing 20 000

graduates into government intern-

ships and its learnership pro-

The Office of the Premier is being

given R7-million to forge ahead with

its successful skills programme

partnership with auto assembler

But it is in agriculture where there

is a stirring in the minds of the

youth. "Many of our young people

are beginning to realise that agri-

VWSA, in building the new Polo.

R78bn budget to be spent by Eastern Cape

THE Eastern Cape will spend R78billion this year.

This is an enormous sum, and with the ANC taking a broom to corruption, the opportunity of getting into exciting inclusive economic projects and sectors, with all the jobs this will create, has rarely looked more promising.

But this is a province with heavy responsibilities to the poor and to developing people.

In his budget policy framework, Finance MEC Sakhumzi Somyo spoke of how to balance these "apex" priorities, mainly education and health, with new economic activities.

This year's budget is made up of R65.4-billion from the Eastern Cape's equitable share of the nation's purse, plus R11.3-billion in conditional grants, where the state funds specific projects, and the R1.4-billion in own income generated by the Eastern Cape government.

He made it clear that the Eastern Cape government had come close to spending all its budgeted income in the last two years – 98.3% in 2015-16 and 99.3% last year.

This year already, he said the trend was heading to an expenditure of 100%.

State wage bill cuts are top priority

AS A SIGN of commitment to wholesome change, the first item on the Eastern Cape government's budget priority is cutting the government wage bill.

Finance Minister Sakhumzi Somyo, in setting out his budget strategy for the province, said upfront that last financial year the government made a saving on wages of R291-million and this year is budgeting for another R104-million. He coupled this to an expected R1.4-billion (or R1 400-million) in revenue generated by the provincial government, mainly in the departments of transport, health, public works and economic development, environmental affairs and

He said he would have liked to spend this money on economic development but an austere fiscus and budget deficit or debt meant it had to be used as a cushion to help departments meet their baseline costs so that they could deliver services.

In a fresh new line of financial thinking, he said that these tough choices, when backed by President Cyril Ramaphosa's calls for a unity of purpose to quickly turn around the national economy, were also an opportunity for the Eastern Cape to get in on the action.

"Our province should not be left out of the journey. We must spare no effort in getting our Eastern Cape interests to the top of the national agenda."

EDUCATION

Education as the way to have a better life remains the biggest single expenditure item on the provincial budget.

Finance Sakhumzi Somyo's department is giving R34.7-billion to the provincial education department to build a brighter future for schoolchildren and bring relief and peace to their parents and communities.

Good matric results begin in Grade R, the foundation phase, and this year's budget will "invest" R785.5-million into ensuring "universal access" to early childhood development (ECD).

The 5.7% increase in the provincial matric pass rate was attributed, he said, to "resourcing our schools with qualified teachers, and providing schools with learner, teacher support materials".

In the highest single item of expenditure on any single professional class of people, he announced that R23.5-billion would be spent on paying and hiring teachers. This money was to be invested in the educator post provision norm

"It is being spent on making sure that there are qualified teachers in

front of our learners," he said. "In this budget we are making a basket of massive investments that

must honour Nelson Mandela's legacy by:

Nurturing our arts, and not our corruption.

Communicating morality, and not our vices.

Advancing science, and not our dogmas.

Advancing civilisation, and not abuse.

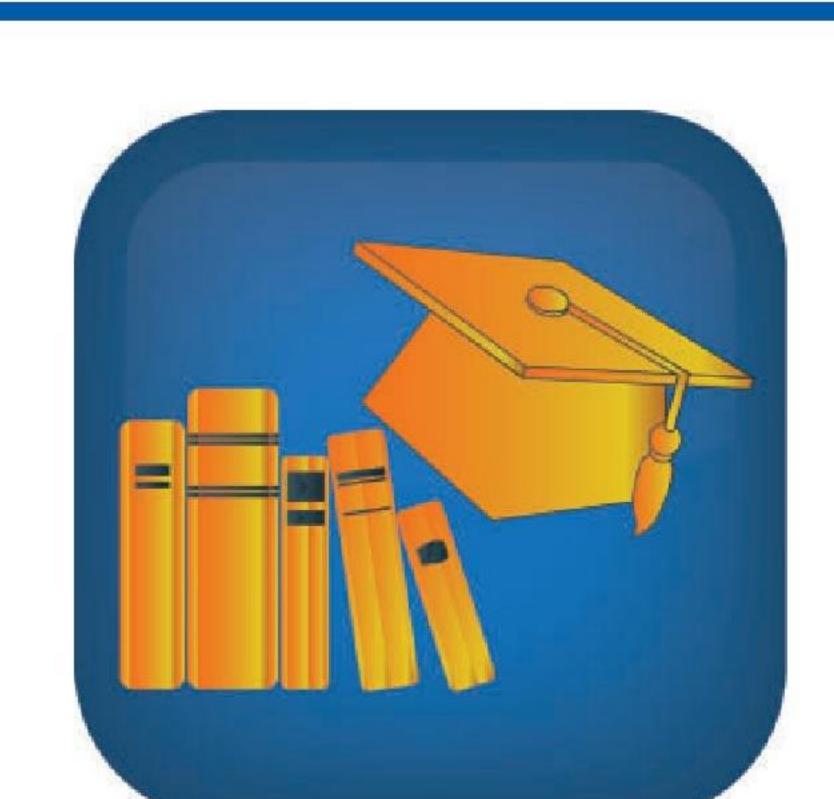
our way. –Sakhumzi Somyo

REMEMBERING MADIBA

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Borrowing from the words of former President Thabo Mbeki, we

We have Madiba, as our nearest and brightest star to guide us on



should result in both quantitative and qualitative improvements in

our education outcomes." Further allocations were:

•R731.2-million for learner, teacher support materials (LTSM); •R805-million to increase access to specialised education for chil-

dren with profound disabilities; •R215.2-million for teacher development, with emphasis on training ECD educators;

•R80-million for the matricboosting learner attainment improvement strategy (LAIS); and •R46-million for improving maths, science and technology re-

The province will spend R1.4-billion on building hostels, special schools, ECD centres, and the completion of existing school construction projects.

Medico-legal claims have hamstrung the Eastern Cape health department, and to try and fix the problem an extra R678-million will be spent on hiring hospital staff at 18 priority hospitals.

Finance MEC Sakhumzi Somyo yesterday announced that already 1386 nurses, doctors and administration staff have been appointed.

"Our emphasis is on getting the basics right by resourcing our hos-

HUMAN SETTLEMENTS

pitals adequately to eliminate incidences of poor services to patients which are leading to costly litigation

•R2-billion on medicines and R747-million on medical supplies; •R1.3-billion on emergency ser-

EMS staff; •R3.4-billion to build one "central hospital" and the tertiary hospitals Nelson Mandela Academic,

Frere and and Livingstone; •R747-million for national labora-



vancements. Somyo was upbeat about the "phenomenal progress" provision of primary

with medical ad-

to women, children and HIV-Aids patients, and set aside R2.1-billion for

SAFETY AND LIAISON

the treatment programme, including the 90-90-90 management strategy.

He delighted in the progress of hospital construction, starting with Nelson Mandela Academic Hospital in 2004, the R1.9-billion Cecilia Makiwane in Mdantsane opened by Cyril Ramaphosa last year and at the "many health facilities, including clinics, that we have built throughout the province to bring quality healthcare to the doorstep of our people".

He set aside R1.6-billion for health infrastructure projects and mainte-

cooperative governance and tradi-

culture is the sector in which they can make a living. That is our Eastern Cape gold mine," he said.

He said R18.6-million would be spent on nurturing the youth development programme, especially in agriculture programme.

There was also good news for 400 young people who will benefit from the infrastructure development programme run by the OTP and national departments of defence, higher education and training, and the provincial health and education departments.

BIG BUDGET NUMBERSAT A GLANCE

Total budget R78.2-billion Equitable share R68.4-billion Conditional grants R11.3-bil-

Education R34.7-billion Primary health R23.7-billion Teachers (PPN) R23.5-billion Four hospitals R11.bn

HIV-Aids, TB R2.1-billion

tional affairs will have R984-mil-

lion to spend. Construction traditional councils

allocated been R35.3-million the next three years.

"We promote fair play", said Somyo, while anouncing that R107.2million would be spent on the provincial legislature for "caucus, political allowance and to advance democracy by ensuring all parties are able to connect with their constituencies".

PROVINCIAL

R591.5-million will be spent on audits and promoting financial accountability. "We must not let our guard down. We must continuously assess

in audit outcomes," Somyo said.



ECONORIC DEVELOPMENT

SMALL Eastern Cape businesses and youth pricked up their ears yesterday when the provincial government's finance MEC Sakhumzi Somyo announced he had R9.1-billion to offer in trade.

In a big push to create jobs and get business going, Somyo said 50% – R7.1-billion – was set aside for small, micro-enterprises (SMMEs) to provide government with goods and services. A further

30% (R2.5-billion) of the infrastructure budget would go to SSMEs. He said: "SMMEs are the vital cog in our economic and job creation strategies. This money is for Eastern Cape small business people."

He assured small business operators that government would keep a steely eye on this "policy imperative" as the

year unfolded, but asked only that

against government," he said. He allocated R23.7-billion to be spent on health.

Allocations included: vices, including ambulances and

capable citizens" and fighting violence against women and children.

Housing will be allocated R2.4-billion to build 8 950 new homes with connections to power, water and sanitation.

These new communities will need amenities for sport, schools and libraries, and money will be spent on promoting a violence-free environment.

SOCIAL DEVELOPMENT The social development de-

partment will get R2.8-billion to build "conscious and



SPORT, RECREATION, ARTS AND CULTURE

The sport, recreation, arts and culture department was promoting activities which are vital to social cohesion, and will have R943-million in its budget this year.

This money was also for arts and

culture festivals, building libraries, hosting major sports events, and school sport com-



To fend off "those with inhuman intentions"

the safety and liaison department will get R101.5-million to promote safety for a moral and just society. COOPERATIVE

GOVERNANCE AND TRADITIONAL AFFAIRS Municipalities were in need of development, and the department of

TREASURY

risk across government departments and deploy necessary interventions to avoid regression