

● **Extra R56m announced during medium-term budget policy statement**

More money for drought relief

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An extra R56m will be made available for immediate drought relief after the Eastern Cape government reworked its budget even more.

This was announced by acting finance MEC Nonkqubela Pieters on Thursday while delivering the medium-term budget policy statement at the provincial legislature in Bhisho.

She was standing in for finance MEC Mlungisi Mvoko, who had been booked off sick.

Rural development and agrarian reform MEC Nomakhosazana Meth announced earlier in November that R74m would be made available.

But Pieters said the total offered for drought relief would now be R130m.

"In an effort to face this drought, a huge sum of money amounting to R130m has been

set aside," she said.

Of that, R100m comes from the government's own revenue, with R30m from the rural development and agrarian reform department.

"It was set aside from this year's adjusted budget for the addressing of drought resistance programmes.

"Any additional funding for drought relief will be made available after consultation with the national government," Pieters said.

The news was welcomed by opposition parties, but they cautioned it was not nearly enough.

DA MPL Retief Odendaal said the money would not help address the debilitating drought.

"Taps are running dry, crops are wilting and livestock dying. More needs to be done," he said.

Meanwhile, Pieters said R3.2m had been set aside to establish a litigation unit in pre-

mier Oscar Mabuyane's office to manage medical negligence cases.

The Eastern Cape department of health spent R630m on medical malpractice claims during the 2018/2019 financial year.

The countless claims have had a major effect on the department's budget for years.

Pieters said while efforts were needed to develop the economy, investments also had to be made for people.

"We have therefore committed R77m to the department of health for the National Health Insurance and HR Capitation grant to hire health professionals to protect health outcomes of the province."

Pieters said it was impossible to continue as "business as usual" in the current economic conditions.

"But service improvement initiatives, both qualitatively and quantitatively, cannot be compromised.

"Our point of departure for this adjustment is that the fiscal resources of our country are depleted, national debt has exceeded R3-trillion and the economy is not growing enough to create new jobs, thus leading to a constrained tax base."

When the 2019/2020 Medium Term Expenditure Framework was tabled in March, Pieters said she had been optimistic that the global economic outlook would improve.

"Our optimism was understandably premised on the expected improvement in business confidence due to the positive policy changes announced by President Cyril Ramaphosa," she said.

"However, our economic growth has remained subdued for most of the post-2008 period partly due to insufficient growth in global demand.

"More recently the negative domestic supply shocks such as drought and electricity supply,

perceptions of policy uncertainty and the slow pace in implementing much-needed economic reforms have emerged as key binding constraints potentially limiting fixed investment in agriculture, mining and manufacturing," she said.

She said the province had received only R60m for roads affected by disaster from the national fiscus for the 2019 financial adjustments.

"As a result, provincial treasuries are expected to carefully cash-manage their revenue funds and to manage the commitments of the province to ensure a sustainable in-year financial position."

She said R115m had been allocated to the department of public works to ensure property rates and taxes were paid to municipalities.

"This is to ensure that as government, we pay for services rendered. Accordingly, communities and businesses should do likewise."

She said economic growth had severely constrained the government's fiscal resources.

"This calls for us to put fiscal consolidation at the core of the provincial government's medium-term budget strategy and prudent fiscal management practices."

She said the department was concerned about the continued feedback from the auditor-general on irregular expenditure.

"I must hasten to add that the department of education remains a concern for the province on this front, and this is where we need to focus our energies going forward."

Odendaal said no bold plans for cost-cutting measures were offered.

"The province continues to spend money on frivolous, non-service-delivery-related matters, while struggling to pay its creditors in departments such as health and education," he said.

UDM Bhisho caucus leader Mncedisi Filtane said the speech was the same old one from the ANC that thrived on promises and failed to deliver.

"Job creation is just a buzz word here and it seems as if there's no seriousness behind the term.

"Because the Eastern Cape government is unable to create an environment for people to sustain themselves, they leave the province and because of this, equitable share allocated for the province from the Treasury has been reduced by millions," Filtane said.

Filtane said the policy statement also spoke about supporting SMMEs and that 60% procurement must be allocated to SMMEs, which was an empty promise.

"There's no infrastructure to support the manufacturing of goods so this means SMMEs have nowhere to manufacture goods consumed by government departments," he said.

Freedom Front Plus MPL Theo Coetzee said he did not think much of the budget tabled as it focused on small matters rather than the big issues facing the province.

"The government is not delivering on services and it's making promises of creating more jobs whereas there is no plan on how they are going to do this.

"The budget was not realistic considering the times we are in.

"It should have focused more on drought and service delivery taking into account that 80% of Eastern Cape municipalities have unfunded budgets," Coetzee said.