



## PREMIER PORTFOLIO COMMITTEE 2020/21 BUDGET REPORT

Committee Details	
NAME OF COMMITTEE	PREMIER
TABLING DATE	28 APRIL 2020
CHAIRPERSON	HON. CQ. MADLOPHA



## **PREMIER PORTFOLIO COMMITTEE REPORT 2020/21**

### **INTRODUCTION**

Honourable Chairperson, Honourable Premier and Members of this House, allow me to table the report, which gives a brief outline of the Office of the Premier (OTP) deliberations and engagements on the 2020/21 Budget. It is a welcome opportunity for us in the Premier Portfolio Committee to participate in the debate of the Office of the Premier's budget policy statement presented to the House today. The areas covered in the report by the Honourable Premier are the ones in which the Committee has interest.

The Committee met with the Office of the Premier in several meetings from the first draft to the final draft budget. The meeting to consider the final budget was held on 20 March 2020 to understand their 2020/21 Annual Performance Plan (APP) and Budget. The Committee noted that the department has considered and aligned the National Development Plan (NDP) 2030, 2019-2024 MTSF, KwaZulu-Natal Provincial Growth and Development Plan (PGDP) to form the basis for the 2020-25 Departmental Strategic Plan. The Committee also noted with interest that the Office of the Premier has aligned its 2020-25 Strategic Plan to the 7 priorities of the 6<sup>th</sup> Administration as outlined also in the MTSF document.

With regards to new framework for strategic plans, it resulted in the phasing out of strategic objectives and the introduction of outcomes. Thus, the outcomes of the department are as follows:

- Outcome 1: Improved governance and accountability.
- Outcome 2: Improved co-ordination, integration and efficiency in government.
- Outcome 3: Inclusive stakeholder engagement and improved partnerships.
- Outcome 4: Professional and ethical provincial administration

## 2020/21 BUDGET

The Committee noted that the Office of the Premier has been allocated R800.198 million, R775.388 million and R812.290 million over the 2020/21 Medium Term Expenditure Framework (MTEF). The Committee noted an increase in the allocation of the budget of the Office of the Premier from a 2019/20 budgeted amount of R714.004 million to R800.198 million in 2020/21 Budget Year. The Committee welcomed the increase in the budget due to additional budget in KZN Youth Empowerment Fund to an amount of R50 million, and the R6.932 million due to reallocation of roof repairs at the Moses Mabhida Building and amongst others. The Committee will monitor the R50 million once-off allocation for KZN Youth Empowerment Fund if it assists in the reduction of Youth unemployment. Despite the increase in the budget allocation, the Committee noted that the Office of the Premier was not exempted from the budget cuts which other departments have faced due to fiscal consolidation and Provincial Equitable Share formula updates budget cuts to an amount of R2.373 million. The Office of the Premier has effected these cuts against Goods and Services (contractors) within Programme 1 in order to protect the department's service delivery budget in Programmes 2 and 3. This was welcomed by the Committee as the Committee feels strongly that budget cuts should not be implemented against service delivery initiatives and projects.

The Office of the Premier did not leave out the funding for costs of the Presidential launch for the District Development Model (DDM) in its budget process.

As the Committee has before stated in its reports to the House, it still understands that the department's core functions are to co-ordinate provincial policy and planning processes, provide provincial leadership and inter-departmental co-ordination, promote co-operative and good governance, provide transversal support services for human resource management, communications, information technology, legal and macro policy advisory services, as well as to promote a culture of human rights consciousness and gender sensitivity across the province, and to facilitate the smooth functioning of the KZN Zulu Royal Household Trust.

The Committee will ensure that robust oversight is conducted in order to assist the Office of the Premier to achieve the above functions. This Committee in its tenure

continues to desire to assist the Office of the Premier to be a leading example to other departments in achieving clean audit outcomes.

Again, the Committee is pleased that OTP is in the process of strengthening the functionality of Operation Sukuma Sakhe (OSS) structures, and to further reinvigorate its campaigns in ensuring effective functioning of structures and participations of departments, especially in municipalities. The Committee remains committed to giving full support to the Office of the Premier in ensuring that it fulfils its primary mandate as stipulated in their Annual Performance Plan.

The focus of the Committee will be more on how the department spends its voted funds throughout the 2020/21 MTEF. The Committee has emphasised once again that it will not accept any underspending and overspending by the Department.

The Committee will also closely track the progress on the implementation of the Finance and SCOPA resolutions during the year. This will be done in order to ensure robust oversight is performed by the Committee over the financial and service delivery performance of the department.

During the engagement with the Office of the Premier, the Committee wishes to highlight the following areas of concern that arose:

- In relation to Zulu Royal Household Trust, several departments such as the Office of the Premier, COGTA, Agriculture and Arts and Culture seem to be rendering similar functions, all with the aim of assisting the Zulu Royal Household Trust. The Committee resolved that this needs to be followed very closely and recommended that a joint meeting with Provincial Treasury present might be crucial to clarify all these issues.
- The programme 3 of Zulu Royal Household Trust – fundraising, the understanding is that this programme should generate its own revenue, but the Trust is struggling to raise funds. The Committee want to see OTP assisting the Trust in developing business plan or strategy.
- The Committee has also noted with concern that during the 2019/20 Adjustments, the Department of COGTA transferred R4 million to the Office of the Premier. This was initially intended for Community Service Centres (CSC's) projects within the COGTA Department. The Committee was concerned that a

Service Level Agreement (SLA) could not be furnished to the Portfolio Committee detailing the terms and conditions of this R4 million. The Office of the Premier has since responded that it will submit the SLA in the next Portfolio Committee meeting.

Using the tracking resolution mechanism as per the Sector Oversight Model (SOM), the Committee will monitor the OTP on monthly basis until the above issues are addressed satisfactorily.

As mentioned above, the Committee met to consider the Budget, most of the Committee Members supported the 2020/21 Budget as tabled, with the exception of the DA which reserved its rights but did not register any objections.

## **CONCLUSION**

In conclusion, let me take this opportunity to thank the Honourable Premier, Mr Sihle Zikalala and all Members of the Portfolio Committee for the support, the Director-General and senior management of the Office of the Premier for their good working relationship and support.

My special gratitude also goes to the Committee support staff for the good work they are doing in ensuring that the Committee work goes through no bumpy roads.

I thank you.

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**HON.CQ MADLOPHA**

**CHAIRPERSON: PREMIER PORTFOLIO COMMITTEE**

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**DATE**