



Member of the Executive Council
for Finance
FREE STATE PROVINCE

2018/19 ADJUSTMENT
APPROPRIATION
BUDGET SPEECH

Hon. E.C. Rockman
MEC for Finance

13 November 2018

Hon. Speaker

Hon. Premier

Members of the Executive Council and

Members of the Free State Legislature

DG, Heads of Departments, CEOs and leaders of our public and private institutions

Leadership from our local government sphere

Ladies and Gentlemen;

We are thankful for the opportunity to table the 2018/19 Adjustment Appropriation Bill and the 2018 Medium Term Budget Policy Statement in the year that we declared as the "*100 Years of Nelson Mandela: The Year of Renewal, Unity and Jobs*". We have been commemorating and celebrating the centenary of the births of two of our greatest South Africans, the late former President Nelson Mandela and *Mme Albertina Sisulu* throughout the course of this year.

We pay tribute to those who will not complete the year with us, including our provincial compatriots and leaders across various public sector spheres and political parties, including *Andy Sefothelo, Mandla Maseko, Peter Sefuthi, Sello Dennis Ntsepe, David Senoko, Kelebogile Losika, Mampho Masimone Ntsala, Luigi Gaigher and Cathy van Rhyn*.

The hon. Minister of Finance set the tone of the current fiscal position and challenges facing our country in the Medium-Term Budget Policy Statement. The Free State province faces challenges of a similar nature as all other provinces as the impact of fiscal consolidation and resultant expenditure ceilings continue to force us to seek appropriate funding

solutions for our national and provincial priorities in a financially sustainable manner.

OVERVIEW OF MACROECONOMIC CONDITIONS AND FORECASTS

Hon. Speaker, allow me to briefly reflect on the global, regional and national economic conditions.

- Global growth has become less synchronized. The recovery in growth remains weak but steady with the world economy expected to grow by 3.7 % in 2018/19.
- The global economy remains vulnerable to the persistent economic tensions between the United States of America and China, the unprecedented strengthening of the US dollar and economic growth in the United States (US) and the deceleration of the growth rates in China, Japan and the Euro area.
- At the regional level, inflationary pressure in the Sub-Saharan African (SSA) region is expected to ease to 8.5 % from 11 % in the previous year. In October 2018, the World Bank cut the SSA's forecasted growth from 3.1 % in April this year, to 2.7 %, owing to slower-than-expected growth in the large African countries, namely Nigeria, Angola, and South Africa.
- Turning to our domestic economy, South Africa experienced its first technical recession since the 2008/2009 global recession. National Treasury projects that South Africa's GDP growth is expected to slump to 0.7 % this year before rising to 1.7 % in 2019 and 2.1 % in

2020. Recent economic data also reveal a gradual increase in inflation.

- On labour dynamics, the latest Quarterly Labour Market Report (QLMR) from Statistics South Africa showed an increase in the national unemployment rate to 27.5 % in the third quarter of 2018.
- We are beginning to see the results of the comprehensive economic turn-around and recovery plan led by hon. President Ramaphosa and national government through some of the following initiatives;
- The Economic Stimulus package focusing on the implementation of growth-enhancing economic reforms, reprioritisation of public spending to support growth and job creation, enhancing infrastructure investment and establishing an Infrastructure Fund, addressing urgent and pressing matters in education and health and investing in municipal social infrastructure improvement.
- The Presidential Job Summit, where labour, business, government and the community constituency adopted a Framework Agreement to prevent further job losses, create jobs and support companies in distress as well as the
- South Africa Investment Conference 2018 under the theme; "Accelerating Growth by Building Partnerships". resulting in the announcement of substantial investments by various international and national stakeholders across a wide range of sectors.

PROVINCIAL SOCIO- ECONOMIC OUTLOOK

The provincial socio-economic outlook not only remains subdued but also under-performs in comparison to the national economy. Our provincial economic growth is projected to improve to a negative 1.5 percent (-1.5%) in 2018 from a negative growth of 2.9 % (-2.9 %) in 2017. Although this might be viewed as an improvement, the harsh reality is that the provincial economy remains stuck in negative territory.

The negative growth rate is in sharp contrast to the more optimistic forecast of positive growth of 0.7 % in the 2017 provincial Medium-Term Budget Policy Statement and the revised 0.4 % forecast during the tabling of the provincial budget in March this year.

Free State Labour Force

The Quarterly Labour Force Survey of Statistics South Africa (StatsSA) for the 3rd quarter reflects the following key points with regard to the state of employment and unemployment in the Free State;

- the official unemployment rate was recorded as 36.3 % with the expanded unemployment rate at 41.5 % and
- the Free State recorded a 1.8 % employment loss when comparing the second and third quarter and a comparative year-on-year employment loss of 5.8 %.

The Quarterly Labour Force Survey also provides a valuable analysis into the proportion of the unemployed by education level at a national level. Statistics reflect that; "In Q3: 2018, 56.1 % of people who were unemployed had an education less than matric, followed by those with a

matric qualification at 35,1%. Close to two in every one hundred unemployed persons were graduates.”

The challenge of youth unemployment is equally highlighted with the statistics regarding young people not in employment, education and training (NEET) in the age groups 15 to 24 and 15 to 34 both indicating a comparative year-on-year increase to 31.1 % and 39 % respectively. In addition, the rate of unemployment amongst young females remain higher than for males in both age groups.

These statistics not only highlights the importance of education in the labour market but also emphasizes the need for a differential approach inclusive of formal education, skills development and training to improve the employability of the unemployed in particular. The implementation of the training initiative of the Free State Development Corporation (FDC), funded by the the Unemployment Insurance Fund (UIF), that focuses on the training of unemployed people registered with the UIF, is a much-needed response to our challenges of unemployment. This training initiative commenced in August this year and provides skills development to 1500 unemployed individuals within three sectors, namely Welding, Mixed Farming and Building and Civil Construction.

The Office of the Premier, through the Skills Development Unit, has implemented 7 programmes through the Services SETA, CathSETA (*Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority*), merSETA (*Manufacturing, Engineering and Related Services Sector Education and Training Authority*), TETA (*Transport Education Training Authority*) and Construction SETA amounting to R41.169 million focusing on work integrated learning, internships and

apprenticeships. 742 young people are beneficiaries of these programmes.

Free State Growth and Development Strategy

The fundamentals of the Free State Provincial Growth and Development Strategy (FSGDS), supported by the 6 pillars, remain sound, relevant and appropriate to respond to the current socio-economic outlook and key economic indicators for the Free State. A more conscious and deliberate alignment of all provincial and local government programmes with the FSGDS as well as the strengthening of coordination and implementation of the 15 economic drivers must be pursued more rigorously. The periodic review of the FSGDS will commence under the leadership of the Office of the Premier in preparation for the 2019 to 2024 Strategic Framework.

There are a few non-negotiable basic economic principles that must be implemented by both our provincial and local government sectors that will benefit the Free State economy immediately. These include;

- Payment of suppliers within 30 days, especially SMMEs. This remains an area of particular concern, both at provincial and local government level. The importance of the SMME sector in our quest to achieve economic growth and job creation can never be over-emphasized. But this is the sector that continues to face unnecessary burdens and challenges to get paid timeously for the delivery of goods and/or the rendering of services.
- The Free State budget and particularly expenditure must predominantly and consciously support the Free State economy in a

fair, competitive and equitable manner. Provincial Treasury has commenced with an intensive analysis of the destination of our public sector spending. We will be actively monitoring procurement processes, from inception to execution, to ensure that the provincial budget promotes and sustains provincial economic activity. In addition, we will be working with service providers to encourage them to complete and continuously update information on the Central Supplier Database. This will directly impact on our research, analytical and monitoring capabilities.

MID-YEAR GOVERNMENT PERFORMANCE

Hon. Speaker, allow me to reflect on a few highlights of the mid-year performance of the provincial government. Hon. Premier Ntombela has led the provincial government's extensive engagements with communities of the Free State, focusing on the health, education, agriculture, transport, business, social development and religious sectors, engaging with male and female public servants as well as students, the youth and young women.

Economic and Infrastructure Development

- The Office of the Premier supported the Department of Communications in hosting the Broadcasting Digital Migration Colloquium, and continues to coordinate the Strategic Infrastructure Projects (SIPs) in the Free State.
- The Department of Education has already handed over two completed schools this year, namely the Hani Park Primary School in Welkom and the Bhekezela Primary School in Sasolburg.

Construction has also started on the Phuleng Primary School in Kroonstad.

- With the assistance of the Kagisho and Kagisho Shanduka Trusts, we have seen the handover of completed projects at the Reitamula Primary Schools and a renovated computer laboratory at Phephetso Secondary School in Kroonstad as well as new classrooms at SHS Mofube Primary School in Edenville.
- In partnership with Sibanye-Stillwater Mining and Adopt-a-SchoolSA, the Embonisweni Primary School Hall in Welkom has been officially opened.
- The Department of Police, Roads and Transport has completed 10 infrastructure projects relating to provincial roads and transport infrastructure.
- The Department of Human Settlements has completed 2002 housing units across all programmes from 1 April 2018 to date. This has provided shelter to 10 00 people. Installation of water and sewer network is continuing and for the same period, 998 sites were serviced, enabling access to decent water and sanitation to about 24 950 individuals. For this period, the Department has registered 5050 title deeds in the names of qualifying beneficiaries.
- The Department of Public Works is responsible for the township revitalization programme which is being implemented in 22 towns across the Province. At the end of the 2nd quarter, departments and municipalities have created a combined total of 40 000 work

opportunities through the Expanded Public Works Programme during the current financial year.

- DESTEA's work with regard to Economic and Small Business Development included establishing partnerships with Coca Cola Beverages SA and SEDA on the training of informal businesses. The Department has also facilitated and participated in Consumer Protection Blitzes to prevent the contravention of the Consumer Protection Act. Areas inspected to date are Ficksburg, Kroonstad, Sasolburg and Phuthaditjhaba. The SMME Hub Development programme has also been implemented with 35 SMMEs benefiting in Mangaung, 27 in Parys, 5 in Brandfort and 3 in Clarens.
- In executing its Environmental Affairs mandate, DESTEA has conducted 241 Inspections related to biodiversity protection, trained 141 Waste pickers on issues relating to environmental social enterprise development and recycling and the Department has approved 30 Environmental Impact Assessments to date.
- DESTEA also continues to actively pursue its mandate in respect of tourism and our commitment to youth development is also evident from the focus of various youth programmes such as the Food Safety Program for Youth, the Tourism Resource Efficiency Program and the Tourism Safety Monitors Training Program.
- The Department of Agriculture and Rural Development have had extensive engagements and consultations with key stakeholders in the Free State Agriculture sector in pursuit of strengthening existing partnerships and exploring new partnerships, including Senwes, the

SA Poultry Association, SA Pork Producers Organization, the OVK Group, Potatoes SA as well as the organized agricultural sector, specifically Free State Agriculture and AFASA. The Department has also hosted the 8th Biennial Landcare Conference, the Female Entrepreneur Awards and the International Day of Rural Women. Support to emerging farmers through provision of seed, chemicals, fertilizer, diesel and contracted mechanization have commenced and this critical assistance will be provided during the planting season and beyond.

Social Sector Development

- Key performance information relating to the Department of Health for the first six months of the current financial year reflects the following;
- A total of 523 clinical staff were appointed during the first two quarters of 2018/19. These consist of 26 Medical Specialists, 135 Medical Officers, 112 sessional doctors, 22 Pharmacists and 228 Nurses of different categories.
- 15 thousand 541 (15 541) new patients started on Anti-Retroviral Treatment and a total of 251 thousand and 014 (251014) remained active on the programme at the end of the 2nd quarter of 2018.
- The annualized Cataract Surgery Rate of 2 828 / 1 000 000 uninsured population was achieved by the end of the 2nd quarter against the target of 1 500 / 1 000 000.

- The severe acute malnutrition case fatality rate for children under 5 years were achieved at 7.5% against a target of 10% and diarrhoea case fatality under 5 years rate were achieved at 1.2% against a target of 2.5%.
- The availability of medication ranged between 91% and 98% at primary health care facilities, district hospitals and referral hospitals.
- The Department of Social Development has also had a very productive and active first six months of the financial year and programmes and activities included;
 - The official launch of the Dr Beyers Naude Substance Dependency Halfway House in Clarens
 - Increasing the number of children benefiting from the ECD conditional grant allocation from 2 084 to 3 060 children
 - Recruiting and training 650 unemployed youth to implement community-based care services as a prevention program of child abuse through the Isibindi model
 - Sustaining 38 provincially funded Community Distribution Nutrition Distribution Centres (CNDCs) with 7 thousand 375 (7375) beneficiaries and created 491 jobs
 - The Department hosted the National Child Protection Week Closing Ceremony and the National Active Ageing Programme.

- By the end of the second quarter, the National School Nutrition Programme of the Department of Education benefited 586 thousand 247 (586 274) learners in the Free State, covering all “No Fee” schools and special schools, with 3 thousand 462 (462) paid food handlers.
- The revitalization of school libraries is benefiting from the ETDP-SETA Library Practice Learnership, the SAPESI partnership, the dual-purpose library project with the Department of SACR, donations received from Biblionef and the provision of additional library resources and books.
- The Department of Sport, Arts, Culture and Recreation successfully facilitated and/or hosted a number of programmes focusing on the promotion of arts and culture and sport programmes, including the Freedom Day celebrations, Africa Day celebrations, the African Cultural Festival, the Basotho New Year Celebration, OR Tambo Games, the Free State Sports Awards, Macufe 2018 and the South African Sports Awards.

Governance

- The provincial government’s audit outcomes for the 2017/18 financial year as well as our local government audit outcomes of 2016/17 were extremely disappointing and are not reflective of our commitment to good governance. Substantial work needs to be done to improve our respective internal control environments, compliance with laws and regulations and to ensure the implementation of consistent and appropriate consequence management measures.

- We fully support the pending amendments to the Public Audit Act that will see the expansion of the mandate of the Auditor-General to include;
 - The referral of material irregularities to relevant public bodies for further investigation
 - Take binding remedial action for failure to implement AGSA's recommendations and
 - Issue certificate of debt for failure to implement AGSA's recommendations if financial loss was involved
- Last week, the Department of COGTA facilitated the Local Government Summit that focused on the multiple challenges in our local government sector. We look forward to consolidating the recommendations emanating from the Summit as this will inform the review and adaptation of the various municipal support and intervention programmes implemented by the Office of the Premier, COGTA, Treasury and SALGA. The Department has also performed its mandate in respect of traditional affairs and facilitated the opening of the House of Traditional Leaders and the inauguration of the Principal Traditional Leader of Bakwena Ba Mopeli in QwaQwa.
- Provincial Treasury continued to perform its preparation, oversight and monitoring role in respect of both provincial and local government budget and financial management, provincial asset and liabilities and provincial accounting services. We embarked on an extensive programme of oversight visits to all our local and district municipalities and facilitated revenue and infrastructure bilaterals as well as the

Medium-Term Expenditure hearings. Our Gender Responsive Budgeting project is still ongoing.

- A very successful Research Colloquium was held at the Central University of Technology which brought together 402 attendees from the private and public sector as well as academic institutions. Recommendations from the Colloquium relate to strengthening the nexus between government spending and the provincial economy, provincial youth development and unemployment, crowding-in of the private sector to stimulate sustainable, inclusive economic growth and the creation of decent jobs, increasing the capacity for Local Economic Planning and Development at our municipalities, reviewing the structural, institutional and financial arrangements at our municipal resorts and focus studies on the Xhariep District and the Matjhabeng Local Municipality.
- We continue to see the tangible successes achieved through the implementation of the Provincial Crime Prevention Strategy in the reduction of crime levels in the province as well as with regard to increased traffic law enforcement. The Department of Police, Roads and Transport will be supporting two key programmes over the festive period, namely Arrive Alive and Operation Safer Festive Season. Both these programmes will adopt a Zero Tolerance approach to non-compliance with laws and regulations during the festive season.

Provincial Public Entities

Our provincial public entities, namely the Free State Gambling, Liquor and Tourism Authority and Free State Development Corporation (FDC),

remain entities of the Department of Economic & Small Business Development, Tourism and Environmental Affairs.

The Free State Development Corporation leads the implementation of the Special Economic Zone in Maluti-a-Phofung and has received a R190 million funding commitment from the Department of Trade and Industry (DTI) for the construction of top structures in the SEZ. Construction will commence early in 2019. The FDC has also received fencing improvements and security upgrades to the value of R50 million at its industrial parks at Phuthaditjhaba and Botshabelo. We acknowledge that the FDC is at risk of losing an approximate R10 million investment with the VBS Mutual Bank and the FDC management and Board are further considering their options with regard to this matter.

The Free State Gambling, Liquor and Tourism Authority is in the process of finalizing Memorandums of Understanding with South African Tourism (SAT) and the South African National Parks (SANParks) that will focus on promoting domestic tourism. Since April this year, the entity has also implemented various awareness programmes focusing on its mandate in respect of the regulation of the liquor industry.

THE 2018/19 MID-YEAR EXPENDITURE REVIEW

Hon. Speaker, may I take this opportunity to reflect on the first six months spending of this current financial year. Our initial provincial fiscal envelope, as tabled in March 2018, amounted to R34.893 billion. This amount was constituted by;

- Provincial equitable share of R26.178 billion

- R7.561 billion in conditional grants and
- R1.153 billion in provincial revenue

We allocated R34.877 billion to all provincial departments to provide for provincial and national priorities, including Health and Education which accounted for 69 percent of the total fiscal envelope.

At the end of the second quarter of the current financial year, we had spent R18.101 billion or 51.9 % of our total fiscal purse. Provincial spending on capital assets amounted to 39.9 % of the allocated budget of R2.354 billion.

Compensation of Employees

The Free State employed 61 thousand 545 (61 545) employees at the end of the second quarter, i.e. September 2018. The provincial allocation for compensation of employees amounts to R21.411 billion and accounts for 61 % of our total provincial budget. At the end of the second quarter, provincial expenditure on compensation amounted to R10.815 billion or 51 % of the COE budget.

The Provincial Executive Council agreed during the preparation of the 2016 MTEF Budget, to contain expenditure on compensation of employees and to work towards reducing our wage bill to below 60 percent of the total provincial budget. We will continue to manage personnel numbers and the related cost of compensation of employees by limiting growth in non-essential and administrative posts, restricting the recruitment of personnel without sufficient funding over the outer years of the budget cycle and strengthen the monitoring of excess and additional personnel.

Cost Containment Measures

Hon. Speaker, as part of our efforts to reduce spending on non-essential items, we have reviewed and strengthened our Instruction Note on Cost Containment. Relevant sections of the 2016 Public Service Regulations, particularly on organisational review and re-design, filling of funded vacant posts and overtime, have been incorporated into the Instruction Note. Relevant information relating to the national transversal contract relating to mobile communications have also been incorporated whilst necessary amendments have also been made to provisions relating to catering and car rentals.

Provincial Treasury will continue to monitor expenditure on cost containment measures items as well as reporting to relevant role players such Forum of Heads Departments (FOHOD) and Executive Council with the view to promote transparency and accountability.

2018/19 FISCAL FRAMEWORK

Estimated Provincial Own Revenue

Hon. Speaker, we continue to place emphasis on the importance of own revenue collection to fund provincial priorities. During the previous financial year, the province managed to exceed the provincial own revenue target of R1.112 billion by 1.1 %. In the current financial year, the province has already collected 50% of the revenue target as at end of September 2018. The revenue performance is in line with the norm and the main contributor is the Department of Police, Roads and Transport through motor vehicle licence renewals and registration.

The province is on a conscious journey to expand and enhance revenue potential. Initiatives that will impact positively on our future revenue collection include;

- We are convinced that the province can further maximize on the revenue potential from the provincial gambling and liquor industry. As a result, we have requested DESTEA to work with the FS Gambling, Liquor and Tourism Authority (FSGLTA) to review and continuously monitor the progress made with the roll-out of Limited Pay-out Machines in the province.
- The FSGLTA has already advertised the Request for Application for Bookmakers Licenses and it is anticipated that the Request for Application for Bingo Licenses will be advertised in the fourth quarter of the current financial year.
- We expect that the legislative process to give effect to the conversion of liquor licenses issued in terms of the 1989 Liquor Act to the 2010 provincial act will be finalized before the end of the current financial year. The subsequent conversion process will also raise additional provincial revenue.
- With regards to motor vehicle license fees, negotiations have started with private sector companies that had migrated their vehicle registrations to outside the province. We are particularly pleased that two private sector companies, Avis and Coca-Cola, have started to return some of their vehicle registrations to the Free State whilst negotiations are advanced with two other private sector companies to follow the same route.

The analysis and review of the revenue baseline during our bilateral with provincial departments, has resulted in a slight upward adjustment of the provincial own revenue target from R1.153 billion to R1.158 billion which is a marginal growth of R5 million for the 2018/19 financial year.

2018/19 ADJUSTMENT BUDGET PROCESS

Hon. Speaker, the 2018/19 adjustment process has been an intensive consultative process involving the Provincial Medium-Term Expenditure Committee (PMTEC) meetings, the Forum of Heads of Departments (FOHOD) and the Executive Council. The focus of the preparation of the Adjustment Appropriation proposals remain grounded on the key provisions of the 2018 Mandate Paper and aimed to achieve the following;

- Achieving reprioritization from within current baselines;
- Identification of potential savings and re-allocation to high impact priorities;
- Scaling down and deferment of non-core programmes and projects as well as
- Ensuring effectiveness and efficiency of spending.

We have identified the total amount of R249 million within the current provincial budget for re-allocation towards in-year budget pressures. Allow me to emphasize that this is not new money but the shifting of existing funds at both inter - and intra departmental level.

Re-allocation of Reprioritized funds

The reprioritized funds are allocated to the following priorities:

- A total amount of R74.721 million is allocated to the Office of the Premier to address in-year budget pressures emanating from provincial bursary programme and to address pressures on goods and services.
- R6 million is allocated to Department of Economic, Small Business Development, Tourism and Environmental Affairs in respect of the telephone expenditure cost reduction project within provincial departments and entities.
- An amount of R17 million is allocated to Department of Health to supplement available funding for medicine. This amount is reprioritized from within the department's baseline.
- R23.201 million is allocated to the Department of Education for transfer to schools.
- An amount of R30.028 million is allocated to COGTA for municipal support. R20.220 million of this allocation is for security challenges relating to the prevailing circumstances in the Maluti-A-Phofung municipality whilst R9.808 million is allocated to the Kopanong Municipality for particular financial challenges faced by the municipality.
- The Department of Public Work and Infrastructure receives a total amount of R109 million for rates & taxes and municipal services. The Department of Public Works will be transferring approximately 2600 ervens owned by the Free State provincial government on which RDP houses have been built to the Department of Human Settlements. This will enable the Department of Human Settlements to transfer

these RDP houses to the beneficiaries. The process will have the added benefit of reducing the burden of rates and taxes burden on the Department of Public Works as it currently continues to pay for rates despite not deriving value from these assets.

- The Department of Police, Roads and Transport is allocated R26.166 million to supplement funding for the learner transport programme and the South African Post Office in respect of license renewals
- An amount of R11 million is allocated to the Department of Sport, Arts, Culture and Recreation to support arts and culture programmes and provincial sporting codes.

Appropriation of additional funding

Conditional Grants Roll Overs

Hon Speaker, the total provincial allocation for conditional grants in 2017/18 amounted to R7.508 billion and our total provincial expenditure at the end of the financial year amounted to R7.251 billion or 96.6 percent. This constituted a technical underspending of R257 million.

National Treasury approved conditional grant roll-overs in the amount of R182.10 million. This is inclusive of the R14.237 million which was initially allocated as operational funds for the Substance Abuse Centre, a project of the Department of Social Development. The total amount of R71.351 million must be surrendered to the National Revenue Fund.

The roll overs are allocated to the following departments:

- Health is allocated R25.057 million which relates to the Health Facility Revitalization grant
- Education receives R23.031 million to address commitments emanating from the National School Nutrition programme as well as the Maths, Science and Technology and EPWP grants
- Social Development receives R50.978 million and this roll over relates to the construction of the Substance Abuse Treatment centre and maintenance of early childhood development centres
- The Department of Sport, Arts, Culture and Recreation is allocated R73.388 million for construction of the National Training Centre and Community Library Services grant; and the
- Department of Agriculture and Rural Development will receive R10.356 million which mainly relates to the Comprehensive Agricultural Support Programme and Ilima/Letsema Projects grants.

Conditional Grants Additional Allocation

The Free State has received a further amount of R13.500 million which is earmarked for drought relief and this amount is allocated to the Department of Agriculture and Rural Development.

Approved Equitable Share Rollovers

Hon. Speaker; this adjustment makes provision for the provincial equitable share rollover process. The total requests for equitable share roll overs totalled R59.076 million and emanated from five departments. After

evaluation of these requests and the commitments provided only R8.192 million was approved by the Executive Council. These roll-overs relate to the following departments:

- R1.365 million to the Office of the Premier for goods and services
- R5.808 million to Provincial Treasury and relates to capital assets and goods and services; and
- R1.019 million is allocated to Department of Agriculture and Rural Development to provide for agricultural support programmes.

Donations, Sponsorships and Retained Revenue

The 2018/19 Adjustment Appropriation Bill further makes provision for the recognition of a sponsorship received by the Department of Sport, Arts, Culture and Recreation which amount to R1.000 million.

ACKNOWLEDGEMENT OF FUNDING

We wish to appreciate the financial contribution of National Treasury in the amount of R31.1 million towards the audit fees of 9 Free State municipalities. This funding is not taken up in the Adjustment Appropriation Bill as the payment of audit fees was made directly by National Treasury to the Office of the Auditor-General.

CONCLUSION

Hon. Speaker, it is appropriate that matters pertaining to women and gender have become a prominent feature of our national discourse during the past few months. As the impact of the 1956 women's march on the Union Buildings still resonates today, so has the August women's march under the banner #TotalShutDown resulted in the National Gender

Summit to address challenges faced by women, especially gender-based violence. The recommendations of the summit must guide the collective spheres of government and all stakeholders to end violence against women and children.

We welcome the VAT zero-rating on sanitary pads from 1 April next year as announced by the Minister of Finance. The VAT zero-rating should not only be seen as a relief measure for consumers. It but must be placed in its appropriate context, namely that it puts an end to a discriminatory tax that singled out women as a specific consumption sector of society and actively disadvantaged them economically and socially.

We have continued to actively propagate and promote the need to implement the distribution of free sanitary pads to indigent women. From the 2019 MTEF, funding will be made available through the provincial equitable share to commence with the distribution of free sanitary pads to indigent girls through our provincial education system. Though this is a positive development, it can only be the start of a broader initiative to ensure the restoration of the dignity of all indigent women.

We table this Adjustment Appropriation Bill against the backdrop of the announcement by the Independent Electoral Commission last week that our national and provincial general elections will take place during May 2019. The final voter registration weekend will take place from 26 to 27 January 2019.

I am sure that we are united in this Legislature to call upon all voters, registered and unregistered, to support the critical work of the Electoral Commission. It is the responsibility of every eligible citizen to register to

vote or to update their voter registration details, either online at any time or at the voting stations during January 2019.

Hon. Speaker, I wish to express my appreciation to;

- The hon. Premier and Members of the Executive Council
- The hon. Members of this House and in particular the Public Accounts and Finance Portfolio Committee
- The Director-General, Heads of Departments, CEOs and Chief Financial Officers
- The HOD of Provincial Treasury and his team who continue to work tirelessly with our provincial departments and entities to ensure that we maintain a sound and sustainable fiscal environment.

I hereby table the 2018/19 Adjustment Appropriation Bill as well as the 2018 Medium Term Budget Policy Statement.

Thank you.
