



Member of the Executive Council
for Finance
FREE STATE PROVINCE

**2019/20 ADJUSTMENT
APPROPRIATION
BUDGET SPEECH**

Hon. G. Brown

MEC for Finance: Free State Province

15 November 2019

Hon. Speaker Sifuba;

Hon. Premier Me. Sisi Ntombela

Members of the Executive Council and

Members of the Free State Legislature

Director General of the Province, Heads of respective Departments, Chief Executive Officers and leaders of our public and private institutions;

Esteemed Ladies and Gentlemen;

Dumelang

Let me begin by extending my words of gratitude for the opportunity afforded by this August House to table our 2019/20 Adjustment Appropriation Bill.

Hon. Speaker, we present the adjustment budget in the month of November which enjoins us to take drastic steps to prevent and completely eradicate the brutality and inhumane actions that has been unleashed against women and children over the years. We extend our heartfelt condolences to the families that have lost their loved ones through these barbaric actions. Hon. Premier, your love and the endless strife to uplift the plight of vulnerable women and children is commendable. As we prepare ourselves for the worldwide campaign of *16 Days of Activism for No Violence Against Women and Children*, we must bear in mind that this is not an event but the daily activity that must be part of our lives. Hon. Speaker, as I speak of children I am reminded of the great words of our loving father, Nelson Mandela when he said—I

quote—*“Let us reach out to the children. Let us do whatever we can to support their fight to rise above their pain and suffering”*—unquote. There can be no better way to urge us to do best for our future leaders of this country and their loving mothers.

Hon. Speaker, once again we table this budget in the midst of challenging macro-economic outlook that beset the country and the global economy. The unfolding economic tensions and their inherent negative impact on world economy does not augur well for our economic prospects and outlook. Hon. Speaker, South Africa, and by extension our province, remain a very integral part of this global economy and any undesirable global developments have the tendency to impact negatively on our economy.

Hon. Speaker, we are confronted by hard times. We are sailing through turbulent and harsh waves that threaten to upset our fiscal ship. I think the difficult question is — *“what do we do to save ourselves from such conditions”*? There will be choices to be made, difficult ones — ones that will lead us to achieving key provincial priorities. And I truly believe that we, as a province, have the capability and the zest to overcome any fiscal challenges facing our province.

Hon. Premier let me reiterate that the slow global and domestic economic growth further places pressure on an already constrained fiscal environment. This adjustment budget is tabled under severe challenges of slowing global growth, heightened trade tensions, constraint domestic economy and thus limited government spending.

Hon. Speaker, the following key indicators as presented by the Minister of Finance during the tabling of the Medium Term Budget Policy Statement before parliament on the 30th of October 2019 underscores the challenging fiscal environment:

- Economic growth is projected at 0.5 percent for 2019, down from 1.5 percent projected in March 2019 and creeping to 1.7 percent in 2022;
- The consolidated Budget deficit is projected at 5.9 percent of GDP in the current financial year, averaging 6.2 percent of GDP over the next three years;
- The public sector wage bill accounts for 46 percent of tax revenue in 2019/20; and
- Government debt as a proportion of SA GDP increases from 56.7 percent in 2018/19 to 60.8 percent in 2019/20.

OVERVIEW OF MACROECONOMIC CONDITIONS AND FORECASTS

The Global Economy

After slowing sharply in the last three quarters of 2018, the pace of global economic activity remained weak in the first half of 2019. Momentum in manufacturing activity, in particular, has weakened substantially, to levels not seen since the global financial crisis of 2008.

Hon. Speaker, rising trade and geo-political tensions have increased uncertainty about the future of the global trading system and international cooperation more generally, taking a toll on business confidence, investment decisions, and global trade. However, a notable shift towards increased monetary policy accommodation has cushioned

the impact of these tensions on financial market sentiment and activity, while a generally resilient service sector has supported employment growth. That said, the outlook for the global economy remains frail and a concern to us.

Hon. Speaker, let us look closer at the trade tensions. The trade war between the US and China continued into 2019. The US further increased tariffs on certain Chinese imports and China retaliated by raising tariffs on a subset of US imports. Encouragingly, additional escalation was averted following the June G20 summit. Global technology supply chains were threatened by the prospect of US sanctions, Brexit-related uncertainty continued, and rising geo-political tensions roiled energy prices.

Against this backdrop, global economic growth is forecast at 3.2 percent in 2019, increasing marginally to 3.5 percent in 2020. GDP figures released so far this year, together with generally softening inflation, point to weaker-than-anticipated global activity.

Hon. Speaker, the risks to the forecast are mainly to the downside. They include:

- Further trade and technology tensions that dent sentiment and slow investment;
- A protracted increase in risk aversion that exposes the financial vulnerabilities continues to accumulate after years of low interest rates; and

- Mounting disinflationary pressures that increase debt service difficulties, constraint monetary policy space to counter downturns, and make adverse shocks more persistent than normal.

The South African Economy

South Africa's economy remains in its longest downward cycle since 1945, adding to pressure on the government to implement reforms to lift business confidence and boost growth. The economy entered the 70th month of a weakening cycle in September, this is according to the Reserve Bank's Quarterly Bulletin.

Africa's most-industrialized economy has not expanded at more than 2 percent since 2013 and the central bank's updated forecasts show that it will not get to that growth number by 2021. The Reserve Bank's 0.6 percent projection for 2019 would be the slowest full-year expansion since 2016. The National Treasury's forecast is lower at 0.5 percent, compared to the 1.5 percent that was projected back in February. Growth is expected to slowly rise to 1.7 percent in 2022, supported by household consumption and private sector investment.

On the 30th October 2019, the Minister of Finance, further emphasized the need to accelerate economic performance and highlighted progress to this effect as the following:

- The new Integrated Resource Plan has been gazetted;
- The Infrastructure Fund is being rolled out;

- The Visa regime has been greatly simplified;
- The unabridged birth certificate requirement for young tourists has been abolished;
- A number of industrial parks have been upgraded and the demarcation of more Special Economic Zones approved; and
- Cabinet has directed ICASA to accelerate the licensing of high-demand broadband spectrum.

In its response to Minister Mboweni's speech, the ratings agency, Moody's Investors Service, lowered its outlook on SA's credit rating from stable to negative, signaling that the country has an 18-month window to get its house in order to avoid being cut to junk status. Moody's has held out the longest in moving SA to sub-investment grade. Its peers S&P Global and Fitch lowered the country to junk status in 2017. A cut to sub-investment grade would mean SA will be forced out of important global bond indices targeted by large international institutional investors, such as the Financial Times Stock Exchange (FTSE) and World Government Bond Index (WGBI). The expected outflows of capital, which some estimates have put at around \$15bn, according to Bloomberg, would put pressure on the currency, raise the cost of government debt and see costs across the economy rise.

The Provincial Economy

The Free State economy has not been able to recover from the 2009 recession, growing by an average of 1.5 percent since. Further recessions were recorded in 2015 (-0.3 percent) and 2016 (-0.3 percent). The provincial economy only managed to exceed 2 percent growth rate in 2010 and 2012 during these trying economic times.

Preliminary estimates are that the provincial economy contracted by 0.1 percent in 2018 and is projected to decline by a further 0.4 percent in 2019. It is, however, projected that growth will improve to 1.7 percent in 2020, and average 0.9 percent over the next 5 years.

Hon. Speaker, poor economic performance is also evident in how the labour market has performed. The number of unemployed people has increased by 132 085, post the 2009 recession. This translates into a 6.3 percentage point increase in the unemployment rate, from 27.5 percent in 2009 to 33.8 percent in 2018.

According to the latest Stats SA data (quarter 3 of 2019), Free State's official unemployment rate is estimated at 34.5 percent, whilst the expanded unemployment rate is 42.5 percent.

Hon. Speaker, unemployment remains a major challenge facing the Free State. The burden of unemployment falls mostly on Africans, women and the youth. Youth unemployment is estimated at 46 percent.

Hon Speaker, addressing youth unemployment in the Free State requires both short- and long-term measures that encompass increasing demand for labour via increased economic growth, improving education and skills, and labour market interventions that improve the employability of young people.

Hon. Speaker, Maluti -A- Phofung SEZ (MAP-SEZ) continues to attract foreign and local investment in the province with the aim of creating temporary and permanent job opportunities for our people particularly in the Thabo Mofutsanyana region. We are pleased to indicate that the SEZ has entered into the lease agreements with three investors, namely: Kevali Chemicals, No. 1 Hair Industry and Steynsburg Pork Abattoir.

Hon. Speaker, in response to the economic challenges that are confronting our province we have implemented the following initiatives:

- The first investment conference was hosted during the month of October as part of attracting capital investment in the province;
- Financial and technical support to our small medium micro enterprises;
- Focused support for tourism sector in the province as a means to ignite local economies;
- Continuation of revitalization of industrial parks around Botshabelo and Qwaqwa regions as well as attracting investors within these parks;
- The Province is investing more than R14 billion over the MTEF on infrastructure—mainly on critical corridors (road infrastructure) within the province;
- The Province will continue with the expansion of EPWP and contractor development programmes as part of creating jobs and skills development for our youth;

The extraction of gas around Virginia is welcomed by the province and we will continue to support such initiatives that have the potential to create much needed economic activities and jobs in the Lejweleputswa district.

THE 2019/20 MID-YEAR EXPENDITURE REVIEW

Hon. Speaker, I take this opportunity to reflect on the first six months spending in this current financial year. Our initial provincial fiscal framework, as tabled in March 2019, amounted to R37.274 billion. Of which R28.187 billion related to provincial equitable share; whilst R7.863 billion and R1.224 billion related to conditional grants and provincial revenue, respectively.

We allocated R37.274 billion to all provincial departments and Provincial Legislature to provide for provincial and national priorities, including Health and Education which accounted for 69 percent of the total fiscal envelope.

By the end of the second quarter of the current financial year, the Province spent R18 billion, which translate to 48.3 percent of our total fiscal purse. Although the province has spent 48.3 percent, our intention is to continue to prudently expedite expenditure on areas where under expenditure manifests, particularly on conditional grants, with a view to deliver much needed public services. Hon. Speaker allow me to reiterate that we continue to work with all departments to ensure that all the allocated funds are spent as planned within the current financial year. We are also happy to pronounce that we have been very successful in

strengthening our revenue generation capacity through investment of excess cash. The Province has been in a positive cash position over the past five months.

Compensation of Employees

The provincial allocation for compensation of employees' amounts to R23.262 billion and accounts for 62.4 percent of our total provincial budget. By the end of the second quarter, provincial expenditure on compensation of employees amounted to R11.798 billion or 50.7 percent.

The province employs 64 194 employees as at the end of the second quarter and we will continue to manage personnel numbers and related compensation of employees by limiting growth in non-essential and administration posts, restricting recruitment of personnel without sufficient budget and strengthening the monitoring of excess and additional personnel.

The current and the estimated provincial fiscal envelope enjoins the province to take bold and decisive steps in managing the wage bill. In this regard Speaker, we are of the view that the wage bill must be managed downward below 60 percent. We had discussions on this issue with all the departments and thus we are in agreement that this needs to be done. The process of early retirement without penalties have started in earnest and thus far 634 officials have indicated their desire to retire at the age of 55. We hope that this process will yield some marginal budget pressures for the province going forward.

Provincial Treasury together in conjunction with the Office of the Premier will continue with management and activation of PERSAL functionality before appointments are implemented by respective departments.

Provincial own revenue

Hon. Premier, it is important to indicate to this August House that our provincial own revenue plays a pivotal part with regard to additional funding towards provincial own priorities. Thus far, the current performance on provincial revenue as at the end of September 2019 amounts to R570.082 million, which represents a collection of 46.6 percent. Hon. Speaker, I must also indicate to the house that coupled to the challenges with regard to own revenue collection, our economy is also not performing as expected, and this has adverse impact on revenue collection both at local, provincial and national level. The Executive Council has appointed a team of MEC's and Heads of Departments that will specifically focus on revenue enhancement initiatives.

Institutionalization of Cost Containment Measures

Hon. Speaker, fiscal consolidation is a key part of our overall fiscal strategy and therefore, our focus is on ongoing expenditure controls within budget limits, institutionalizing the implementation of cost containment measures. We must continue to look for efficiency savings in the face of the continuous budget cuts. Every cent saved through cost-cutting allows us to redirect these funds towards core service delivery areas in the province. We also continue to be vigilant in

achieving more efficiency gains in this financial year, particularly through procurement reforms.

Hon. Speaker and Members of the Legislature, emanating from this year's MTBPS speech on the 30th of October, we anticipate that there will be a range of additional expenditure reductions to be proposed in the 2020/21 national budget, Minister of Finance reiterated that some of those expenditure reductions are likely to be painful; as a province we must proactively start to take tough and unpopular decisions in this adjustment appropriation for the benefit of our province. We need to focus on fiscal prudence by way of cost-cutting, ensuring enhanced service delivery, as well as value for money.

Hon. Speaker, to further demonstrate our overall commitment to fiscal prudence, this year we increased the budget of cost containment items by only 1.18 percent (*from R1 228 billion in 2018/19 to R1 242 billion in 2019/20*), an increase which is far below the forecasted inflation, in addition, the current spending on these items is at 47.8 percent, which is slightly below the linear norm of 50 percent for this time of the year, a further demonstration of how closely Provincial Treasury is monitoring spending on these items.

The Minister of Finance announced during the tabling of 2019 budget in February that executives of public entities will not receive salary increases and cabinet approved a wage freeze for senior managers earning above R1.5 million during the 2019/20 financial year. To this effect the Provincial Treasury has already issued communication to our

respective public entities in order to ensure that the wage bill is curbed at acceptable levels.

Infrastructure Investment

In our discussions with all departments and public entities we have indicated the essential need to mobilize our provincial resources; especially infrastructure investments; towards few high impact projects. This must include infrastructure projects that have the potential to boost our provincial economy and creation of job opportunities. Hon. Speaker to this effect, the following, amongst others, are regarded as catalytic projects for our economy:

- Tshiame transport route with a project cost of R16.1 million and which serves the MAP-SEZ is currently at practical completion, this project has created 120 jobs;
- Trompsburg Transport Centre with a project cost of R29 million is currently at retention stage;
- N8 road section that belongs to province with a project cost of R52 million has created 156 jobs, this project is anticipated to be completed by February 2020;
- Department of Education is currently implementing sanitation project to eradicate pit latrines toilets across the province with a budget of R78 million in the current financial year in 156 schools; and
- Department of Health has successfully refurbished portion of Mantsopa Hospital into an MDR-TB hospital.

GOVERNANCE AND SCM REFORMS

Hon. Speaker, allow me to briefly touch on governance matters which is an anchor of financial management. Public Finance Management Act requires departments and public entities to maintain efficient, effective and transparent system of financial, risk management and internal control. I am delighted to indicate that once again the province in partnership with the private sector have hosted fraud seminars to educate, promote awareness and cultivate a culture of fraud free environment within the public and private sector. This was done under the auspices of Association of Certified Fraud Examiners during the International Fraud Awareness Week.

Fraud and corruption are an antithesis to our aim of creating better lives for our people. It is thus commendable to note work done by the province in capacitating our government officials in the implementation of Anti-Fraud Management activities and corrective measures for the recovery of any loss to the state as result of fraud activities.

Hon. Speaker, in our endeavor to promote good governance and sustain the gains we have achieved, the province together with the private sector and academia will be hosting a prestigious seminar on International Anti-Corruption Day on the 9th of December 2019.

Hon. Speaker, our aim is to ignite provincial economy through, amongst others, focussed government spending. Our view is that the bulk proportion of our expenditure must remain within the province; this implies that our own provincial suppliers and contractors must be given a

priority. Hon. Speaker, there are however challenges in this regard due to the provisions of the current supply chain management prescripts. We are in the interim working on drafting a procurement strategy that is intended to promote our regional economy through enhancing local procurement.

We will carefully follow proper processes, which will include broader consultation with the public, State Law Advisors and Office of the Chief Procurement Officer to ensure that provisions of the SCM prescripts and section 27 of the Constitution are not compromised in the drafting provincial procurement strategy.

Hon. Speaker; in our effort to address some of the challenges experienced from the recent audits on transversal tenders, we are in the process of developing an automated system to use as a compliance template for bids received and capturing of information for compliance. This system will assist in minimizing human errors during capturing of bid information received that may lead to audit findings.

2019/20 ADJUSTMENT BUDGET

Madam Speaker, the adjustment budget we are presenting today seeks to address some of the budget pressures faced by the province. Through this process Madam Speaker we have requested departments and public entities to indicate their respective in-year and MTEF budget

pressures in line with PFMA prescripts that regulates adjustment budget process.

2019/20 proposed adjusted allocations

Hon. Speaker, I am quite certain that everyone is distressed by the current state and the outlook of our economy and its effect on the fiscus. We are traversing choppy fiscal terrain that requires all of us to be steadfast in dealing with matters of provincial fiscal resources. The clarion call to all of us is to ensure that the limited fiscal resources at our disposal produces tangible goods and services to our people.

Madam Speaker, our adjusted provincial fiscal purse amounts to R37.747 billion and it is constituted as follows:

R28.222 billion relates to equitable share;

R8.274 billion to conditional grants and

R1.249 billion to provincial own revenue

In essence, Hon. Members, there is no new money allocated to the province. You will all remember that our initial budget as tabled in March 2019 amounted to R37.274 billion and therefore the difference you see is mainly attributed to the approved national grants' rollovers and reforms within several conditional grant framework as contained in the Division of Revenue Act. I will give details of these reforms later on.

Hon. Speaker, we consulted all the affected departments, individually, through Forum of Heads of Departments and the proposals were finally

approved by the Executive Council. Through this exercise we were able to identify R58.977 million for reprioritization.

Madam Speaker; in our effort to further address the in-year pressures, we had to identify additional savings from goods and services within all the departments, except for Departments of Education, Health and Social Development. Through this exercise we identified an amount of R28 million that could be directed towards in-year budget pressures. In essence we identified a total of R86.977 million.

In addition, we have identified R150.609 million for internal reprioritization within departments. This means that the funds remain within the respective department, but are directed towards internal in-year pressures.

Re-allocation of reprioritised funds

The funds are allocated to the following in-year pressures:

- A total amount of R30 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;
- R8.532 million is allocated to Provincial Legislature for completion of modernization of Legislature project and gratuity payments to former political office bearers;

- R30 million is allocated to Maluti-A-Phofung SEZ through the Department of Economic, Small Business Development, Tourism and Environmental Affairs (DESTEA) for bulk infrastructure;
- An amount of R2 million is allocated to Provincial Treasury to address budget pressures on municipal support programme;
- R 9,6 million is allocated to the Department of Cooperative Governance for municipal support;
- R10 million is allocated to Department of Education to alleviate budget pressures on Leaner Transport programme;
- R1.5 million will be received by Department of Social Development to address maintenance challenges at various centres which caters for vulnerable children and elderly persons;
- R2.5 million is allocated to Department of Public Works and Infrastructure to cater for office accommodation related needs by the respective departments;
- Department of Police, Roads and Transport will receive R7 million to address budget pressures related to services rendered by the South African Post Office with regard to the renewal of motor vehicle licenses in the context of enhancement of own revenue; and
- An amount of R1.865 million goes to Department of Sport, Arts, Culture and Recreation to cater for promotion of arts and culture programmes as well as support to different respective sporting codes.

Conditional Grants Roll-overs

Free State province received a total amount of R7.757 billion as conditional grants for 2018/19 financial year and spent R7.188 billion or 93 percent. We requested a total roll-over of R529.154 million and an approval was granted for R382.305 million.

The roll-overs are appropriated to the following departments:

- Health receives R75.355 million which relates to Health Facility Revitalization grant;
- Education receives R135.963 million to address commitments funded through Education Infrastructure grant, National School Nutrition; Maths, Science and Technology grant, HIV and AIDS grant as well as Learners with Profound Intellectual Disabilities grant.
- Social Development receives R34.885 million and this mainly relates to the construction of the substance abuse treatment centre;
- Department of Sport, Arts, Culture and Recreation is allocated R12.165 million for Community Library Services grant;
- Agriculture and Rural Development will receive R33.881 million to cater for commitments relating to Comprehensive Agricultural Support Programme and Ilima/Letsema Projects grants;
- Human Settlements receives R40.017 million to continue with the implementation of title deeds restoration programme; and
- Police, Roads and Transport is allocated R49.980 million to address commitments funded by the Provincial Roads Maintenance grant.

Hon. Speaker; let me quickly allude to the adjustments of national transfers as set out in the 2019 Division of Revenue Act. The adjustment affects Ilima/Letsema grant, National Health Insurance Indirect grant, Human Papillomavirus Vaccine grant and Municipal Disaster Recovery grant. I will now indicate the impact of the adjustments to the province as follows:

- An amount of R3.482 million is reprioritized away from Ilima/Letsema grant to fund the National Food and Nutrition Survey that will set the baseline for poverty, vulnerability and food insecurity in the country. This survey will enable country to do food security forecasting and will be conducted by Human Science Research Council (HSRC);
- R3.134 million is reprioritized away from Human Papillomavirus Vaccine grant due to changes in the target group, from grade 4 to grade 5 girls (most of the grade 5 cohort were already vaccinated in 2018);
- R21.530 million is allocated to Department of Health through National Health Insurance Direct grant (Health Professional Subcontracting component) to continue with contracting of health professionals; and
- Department of Health will further receive an additional amount of R14.222 million to cater for salary obligations for posts that have already been filled and funded by Human Resources Capacitation grant.

Approved Equitable Share Roll-overs

Hon. Speaker; the 2019 adjustment also provides for approved provincial equitable share rollovers. The total requests for equitable

share roll-over amounted to R48.674 million and arises from six departments. Provincial Treasury conducted a thorough evaluation of the requests based on the commitments provided by departments and only recommended R36.996 million for approval by the Executive Council. Therefore the following requests were approved as roll-overs to 2019/20 financial year:

- R20.242 million is appropriated to DESTEA to address goods and services as well as infrastructure commitments;
- R4.681 million to Provincial Treasury and it is for capital assets and goods and services commitments;
- R570 thousand is allocated to Department of Social Development to cater for procurement commitments for Dr. Beyers Naude Substance Dependency Halfway House;
- R5.508 million will be received by COGTA to address Micro Soft license commitments; and
- R5.995 million is allocated to Agriculture and Rural Development and relates to commitments on goods and services, infrastructure and drilling of bore holes.

Donations, Sponsorships and Retained Revenue

Madam Speaker, the 2019/20 Adjustment Appropriation Bill also makes provision for the acknowledgement of sponsorships received by the Department of Sport, Arts, Culture and Recreation which amount to R1.520 million. The funds are disaggregated as follows:

- An amount R500 thousand is from Bloem Water;
- R1 million from National Heritage Funds for Wesleyan Church in Bloemfontein and Women prison in Kroonstad; and

- R20 thousand sponsored by the Mining Qualification Authority for career guidance exhibition in 2016.

2020 Medium Term Expenditure Framework

Hon. Speaker, we are traversing a difficult fiscal space that requires concerted efforts and trade-offs as we deal with budget matters. The fact that our macro-economic fiscal stance of fiscal consolidation continues over the MTEF requires us, more than ever before, to integrate our plans and strive towards achieving more with less.

We are not yet out of the woods with regard to fiscal challenges. Speaker, the fiscal consolidation stance is continuing and there is a concerted determination by National Treasury to bring down government debt.

Hon. Speaker, as I look forward to the 2020 MTEF, Let me also indicate that our provincial fiscal framework over the next MTEF period is estimated to be reduced by R1.034 billion as a result of continuing fiscal consolidation. Hon. Speaker, we will have to thoroughly evaluate our current and MTEF budgets and direct fiscal resources towards high tangible impact programmes and projects.

Over the next MTEF, the province will continue to fund key priorities such as health, education and economic development as contained in the National Development Plan in order to address the triple challenges of unemployment, inequality and poverty.

I think the key word that must be familiar with all now as we deal with limited and a declining fiscal purse is *reprioritization of budgets* towards high impact priorities. The choices and bold decisions that we take today will determine the kind of future we aspire as a province.

CONCLUSION

In conclusion on Speaker, I would like to announce that emanating from the state of the province address and #Buildthefreestatewewant the province will be hosting a 4IR summit on the 28th and 29th of November at PACOFS Bloemfontein.

Hon. Speaker, allow me to thank our Hon. Premier, Me Sefora Ntombela and my esteemed Provincial Executive Council colleagues for their support in putting together this mid-term budget in very trying times.

My gratitude also goes to the Ministers' Committee on the Budget. Our focus in all decisions taken was to protect the funds allocated to departments for the improvement of the lives of our people.

I would also like to extend my gratitude to the Provincial Budget Committee for their guidance and support as well as Members of the Provincial Legislature and Members of the Finance Portfolio Committee for their support and continuous engagement and demand for accountability in the utilization of government resources.

I thank the Heads of Departments, Chief Financial Officers and all provincial government officials for the role they play in managing their budgets prudently as well as assisting us to put together this budget.

I would also like to thank the HOD, Mr. Mahlatsi, and his dedicated team for the sterling work undertaken in putting together this budget, indeed your work ethic and dedication is truly appreciated.

Lastly, my heartfelt gratitude to the people of the Free State for the opportunity and honor given to us to implement government priorities

Hon. Speaker, I hereby table the 2019 Adjustment Budget together with the associated Adjusted Appropriation Bill.

I thank you.