

**SPEECH BY HELEN ZILLE
PREMIER OF THE WESTERN CAPE**

DEPARTMENT OF THE PREMIER BUDGET SPEECH 2011/12 – VOTE 1

**WESTERN CAPE PROVINCIAL LEGISLATURE
WEDNESDAY 30 MARCH 2011
10h00**

Honourable Speaker

Cabinet Members

Leader of the Opposition

Leaders of political parties

Honourable members

Director-General

Colleagues and friends

Citizens of the Western Cape

Becoming the best-run regional government in the world

In this, my third budget speech as the Premier of the Western Cape, I hope to do justice to the hard work and dedication of my Department. I am incredibly fortunate to be part of a team that exemplifies what it means to be “fit for purpose”.

Speaker, it is always a pleasure to report on this government’s progress to the House. But this year, it feels even better. Because this is the first financial year in which our plans for government are fully reflected in our budget -- and therefore in our budget speeches.

Last year, if you recall, we had only begun implementing some of our policies and budgets were not yet fully aligned to our strategic priorities. This year, it is different. We don’t just have a plan; we have a plan that is being fully operationalised.

Today, I want to take you through some of the highlights of our plan for the Department of the Premier and the strategic thinking that underpins it. It is a plan that places the Department at the epicentre of government. It is a plan which recognises that a clean, well-run and efficient state is crucial to create the conditions for job-creating economic growth.

Some of you will no doubt say that we are on a drive to centralise control. So, before I begin, let me re-iterate: our plan is not about centralisation. It is about cutting out inefficiencies and unnecessary duplication. It is about aligning our processes and spending less money on internal processes so that there is more for actual service delivery. And it is about setting high standards across departments and making sure this government meets them.

Speaker, we have a bold vision for this government. We don't just want to be the best-run government in the country. Our aim for the Western Cape is to be the best-run regional government in the world.

Of course there is no point being an efficient, world class administration if there is no delivery on the ground. But it is equally true that delivery can only happen if government has the capacity to make it happen.

Our aim is to make the Department of the Premier the engine room of internal government processes, so that the other departments can focus on delivery at the coalface.

The work of the Department of the Premier is broadly divided into five programmes: executive and administrative support, provincial-wide strategic management, human capital, the centre for e-innovation and corporate assurance. The total budget for the Department for this financial year is R697 million – an increase of 11.8% from the budget adjustment in November last year.

I will go through each programme in turn, starting with executive support to the Premier, Cabinet and the Director-General.

Programme 1: Executive Support (Administration)

This programme receives R64 million for this financial year – a significant decrease from last year (R71 million). This programme is mainly focused on back-office administration, but it does include special priority sub-programmes that have a direct impact on the lives of our citizens.

One of them is the defence and expansion of the rights of our most vulnerable citizens. Last year, we achieved notable success in the child maintenance campaign which tracked down absent fathers who refuse to pay the maintenance for their children. In a two week period, we found 71 defaulters resulting in 59 arrests. We also traced 210 women who had not collected maintenance money that was owed to them. And the campaign proved to be a significant incentive to men to pay maintenance. We received many reports from women that their children's fathers had started paying maintenance again for fear of being tracked down and named in our campaign.

This year, we will move into the next phase of the child maintenance plan and begin the implementation of a number of human rights projects that are in the pipeline. One of them is a project designed to curb teenage pregnancies.

It is my firmly held belief that few things impact a girl's life-chances as negatively as falling pregnant at a young age. The effects are compounded when she is living in poverty and the child is conceived outside of a loving and stable relationship with the father.

Over time, we want to play our part in reducing teenage pregnancies through education and outreach. A few weeks ago we began a series of girls' soccer tournaments throughout the province with a focus on raising awareness of the dangers of teenage pregnancy. These will continue through to the end of May and will be augmented with a series of dialogues with girl learners throughout the province.

A very important component of our Human Rights directorate is our "ad hoc" responses to various complaints of human rights violations of many types that we

receive in our office. It is valuable to respond to each one and to rectify problems where possible.

Another programme aimed at repairing the social fabric is the work we are doing to combat alcohol and drug abuse. Last year, we began implementing our substance abuse strategy for the Western Cape. Since then, we have increased access to treatment for harmful drug and alcohol use, opening two new drug treatment centres and a new school-based outpatient treatment programme in the eastern metropole. We have increased the number of centres and programmes that provide free treatment to the public from 6 (mostly metro-based) in 2009 to 24 this year, reaching from the Eden District to the West Coast. As a result, the number of patients receiving treatment this year has increased by from 3700 to 4400.

A major challenge to expanding drug treatment is a shortage of suitably qualified and skilled professionals. To remedy this, we have forged a partnership with the Cape Higher Education Consortium and introduced undergraduate and postgraduate courses (and bursaries) to train professionals in drug and alcohol treatment at three universities.

Speaker, I said earlier that our aim is to become the best-run regional government in the world. We understand that to be the best, we have to learn from the best. We are therefore deepening relations with regional partners on four other continents – in Bavaria (Germany), Shandong (China), Upper Austria, Georgia (USA), São Paulo (Brazil) and Quebec (Canada).

The Regional Leaders' Summit held in Cape Town towards the end of last year was crucial to strengthen trade links and initiate bilateral and multilateral projects. Last month, officials from the Provincial Department of Agriculture and Wesgro attended the BioFach International Expo and Convention in Nuremberg, Bavaria. Officials from the Provincial Department of Agriculture, Transport and Public Works, Economic Development and Environmental Affairs also attended the World Sustainable Energy Days in Wels, Austria earlier this month. Joint projects are planned with Quebec, Shandong and Georgia during the latter part of 2011 and early 2012.

Programme 2: Provincial Strategic Management

Speaker, the Department of the Premier has a key role to play in the formulation, implementation, coordination and evaluation of policy. It is also responsible for identifying delivery gaps against the five-year Provincial Strategic Plan.

The budget for Programme 2: Provincial Strategic Management has been reduced slightly this year from R38 million to R32 million. This reduction is partly due to the successful completion of the 2010 FIFA World Cup which required expenditure of R12 million in the last financial year. This money was used to upgrade Philippi Stadium as a training venue, which was used by Uruguay in preparation for their semi-final match against the Netherlands at the Cape Town Stadium, the roll-out of the public viewing sites or 'FanJols' as well as to market the province across the globe – before, during and after the tournament.

Speaker, when we assumed office we realised that, if we were to become the best-run regional government in the world, we needed to up our game when it comes to policy development and implementation. And so we developed twelve strategic objectives – many of them cutting across traditional government line functions – to give this government the policy coherence it requires.

In order to ensure the coordinated implementation of the provincial strategic objectives, we developed the Provincial Transversal Management System (PTMS). This system has been implemented successfully and already begun to show great value in integrating government policies, programs and ultimately, service delivery, on issues such as road safety, alcohol abuse and early childhood development.

We have also increased our capacity to monitor and evaluate the implementation of our strategic objectives. To this end, we have established the Executive Provincial Dashboard or EPD that gives at-a-glance information on any given project and red flags those projects that are falling behind schedule or running over budget. There are currently 512 active projects on the dashboard, 360 of which are linked to the strategic objectives contained in the Provincial Strategic Plan.

The dashboard has been made available to members of the provincial government. We are working on an IT platform that will enable all Western Cape municipalities to access the dashboard for their own monitoring and evaluation purposes. By the end of this financial year, members of the public will be able to access the dashboard on www.capegateway.gov.za. This will enable every citizen to check the progress of projects that affect them and hold us accountable if necessary. It will take government responsiveness and accountability to a level not seen before in South Africa.

Programme 3: Human Capital (Corporate Services Centre)

Speaker, Programme 3 is Human Capital. The budget for this programme is up from R89 million last year to R117 million for this financial year. It is important to note that this increase of R28 million is entirely funded through shifts from other departments. It does not mean that the government has spent new money on new HR staff. So it comes at no additional cost and no cost to service delivery. In fact, those departments are now better able to focus on their core business.

Human Capital, or human resources, is one of three components of the new Corporate Services Centre. In the last financial year, we saved R18 million as a result of the shared services approach. This year we will save twice that amount. In the following financial year, R39 million will be saved. In the last financial year of this government's term of office, we will save R43 million. We calculate that, over the next four years, R135 million will have been saved as a result of the shared services approach – every cent of which will have been used for frontline services.

Besides the savings and efficiencies that result from shared services, there is strategic value in locating human resources at the centre of government.

Professionalising the management of human resources is key to achieving the objectives of the Provincial Strategic Plan. The best-run governments in the world understand the value of appointing the right people in the right places. They invest in the training of their staff and take performance management seriously. And they put effort into attracting the best and brightest talent. More than that, successful

organisations are typically vision-led and values-driven. They have in place a brand, strategy, structure and systems aligned to the vision and informed by the values, as well as people who live the values and are able to deliver on the outcomes required of them.

Last year we conducted the Barrett Survey to assess the existing predominant organisational values and to determine which values members of the organisation should live by to achieve our goals. Five key values that we want to define the Western Cape Provincial Government emerged from this process: competence, accountability, integrity, responsiveness and caring. It also led to the development of a brand new internal and external vision and mission for the government. As we go forward, we will develop strategies to ensure that all employees internalise the values, vision and mission of the organisation and that this is reflected in how they go about serving the people of this province.

We are also committed to expanding and improving the quality of training for our staff. Last year, the Western Cape Provincial Training Institute or PTI was awarded full accreditation as a training service provider and the upgrading of training facilities at the Kromme Rhee campus of the PTI was completed. Two new accredited learning programmes in management were added to the existing 55 modules. This year, 5 000 staff members will receive training through the PTI, up from 3 800 last year.

Programme 4: Centre for E-Innovation (Corporate Services Centre)

The second component of the Corporate Services Centre is the Centre for e-Innovation. We recognise that, if we are to compete with the best governments in the world, we need to be at the cutting edge of Information and Communication Technology or ICT. This is why the Centre for e-Innovation receives the lion's share of the Departments budget, up from R348 million last year to R395 million.

The Centre for e-Innovation is responsible for the provision of transversal ICT services across the provincial government. Services include:

- Supporting over 14,500 corporate workstations in over 270 locations

- Maintaining operations for the 19 Cape Access Centres in rural areas which gives people access to a PC and the internet free of charge
- Maintaining the Cape Gateway government information portal; and supporting over 360 departmental systems, such as the clinical health system which manages patient records and the exam management information system
- The Centre for e-Innovation also supports close to 50,000 workstations in schools across the province as well as 1,300 school-based ICT laboratories. This supports over 24 000 teachers and has exposed over 850 000 learners to ICTs in the curriculum.

When we came into office, we found that much of the ICT infrastructure was obsolete, there was low bandwidth capacity and the end-user equipment was outdated.

This year, the process of upgrading the Provincial Government IT operating system began. So far close to 3,000 users (or 20% of the total user base) have been migrated to the new technology platform. By the end of the 2011-12 financial year over 50% of users will have been migrated. Approximately 4,000 brand new workstations were commissioned during the 2010-11 financial year as part of the technology refresh cycle.

A number of other initiatives are also underway. They include:

- The establishment of an IT Risk Management Unit and IT Security Unit to manage IT-related organisational risk and improve IT security. Over 13 000 PCs are monitored for virus activity and security threats
- The establishment of an IT Nerve Centre to monitor the IT network across the PGWC for outages, high bandwidth utilisation or slow response times
- The introduction of broadband for 14 priority sites and bandwidth optimisation at various sites. Broadband capacity at these priority sites has increased from 36,5 MB to 1 820 MB
- The PGWC is at an advanced stage of negotiation with the City of Cape Town in respect of use of their fibre optic cable – this collaboration will ensure that

broadband penetration is increased to 34 sites and will secure usage rights for the next 20 years

- An e-Mobility project has now been operationalised for over 800 mobile users. This project aims to significantly reduce mobile connectivity costs to the PGWC; while at the same time improving connectivity, security and governance. This project has been recognised as a best practice and is being replicated by SITA for other Departments and Provinces
- Channels such as the Internet Portal, Walk-in Centre, E-mail Channel and the Call Centre were upgraded and enhanced to improve the citizens' interface with government via electronic means. The ICT infrastructure of the e-Community centres in rural areas was also enhanced to improve connectivity and ensure a more satisfactory user experience

The investment in and focus on ICT is starting to pay off. An IT Governance Maturity Assessment conducted in 2008 gave us a rating of one out of five for IT maturity. The same assessment conducted this month showed that we had improved to 3 out of 5.

Programme 5: Corporate Assurance (Corporate Services Centre)

Speaker, the third component of the Corporate Services Centre is Corporate Assurance. It comprises enterprise risk management, internal auditing, forensic investigation, legal services and corporate communication. The budget increases to R89 million from R77 million last year.

All successful governments utilise an enterprise risk management or ERM framework to manage risk and use opportunities when they arise. When we assumed office, we discovered that enterprise risk management was applied unevenly across the organisation. In some departments, it was non-existent. And so we have now created a directorate dedicated to developing a culture of enterprise risk management across the entire government.

We are also paying special attention to sound financial management through the development of an advanced internal auditing system. We don't want the clean sweep

of unqualified audits received last year from the Auditor-General to be a one-off. We are trying to maintain this.

Speaker, as you know, tackling corruption is one of the key priorities of this government. We have seen how corruption has spread in other governments. And we know that corruption destroys the capacity of governments to deliver. Projects are conceived not because they improve service delivery, but because they provide an opportunity for officials and politicians to make money. This is how corruption makes poor people poorer.

This is why we introduced the Business Interests of Employees Bill last year. It is why we are paying special attention to the Forensic Investigating Unit. Since April last year, we have more than halved the case backlog from 115 to 49. It is not just the quantity of cases being investigated that has improved, the quality has improved too. In the past, FIU reports tended to be vague and inconclusive. Often, the quality of information was too poor to take the case to the next level. Now, most reports recommend either internal disciplinary action or further investigation by the South African Police Force.

Conclusion

Speaker, we have come a long way since we took over the reins of this government in 2009. Our first priority when we assumed office was to clean up the administration and to make it more efficient and cost-effective. We understood then, as we do now, that good governance is crucial for service delivery and vital for job-creating economic growth.

There is still much work to be done. And so we are now setting our sights higher. The budget vote I have presented today is designed to take us a step closer towards becoming the best-run regional government in the world. There is still a long way to go!

But, as I said earlier, this goal is not an end in itself. If we can get the machinery of government working, if we can appoint the right people in the right places and if we

can be at the cutting edge of technology that serves people, we can make a huge impact in citizens' lives over time.

Thank you.