



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

**REMARKS BY MEC OF FINANCE TO THE KWAZULU-NATAL
TREASURY MANAGEMENT COMMITTEE ON THE OCCASION OF A
VISIT TO THE TREASURY HOUSE,**

PIETERMARITZBURG, 8 DECEMBER 2020



MS. NOMUSA DUBE-NCUBE

MEC: FINANCE

The Acting Head of Department; Ms Neli Shezi

The Accounting-General; Mr Santanu Moodley

All DDGs

All Chief Directors and Directors

I greet you all,

Thank you for the warm welcome to your work space and for taking time to accommodate my maiden visit here.

This visit has been long overdue, but owing to the nature of government work it has meant that it is put on hold. However, I am glad today that I have met almost all of you. I have nonetheless met with the Acting Head of Department and other senior managers a couple of times.

It warms my heart that I have come to a space which has been known as the embodiment of ethics, integrity, honesty and excellence. Over the years, this department has demonstrated that good governance is possible and that great things can be achieved through adherence to high standards. You have indeed raised the bar.

However, more work lies ahead as we still battle the triple challenges of inequality, poverty and unemployment. All stakeholders and our social partners in fact do agree that these triple challenges need urgent attention from us policymakers to whom the society look up to.

KZN Treasury is well-placed and stands in a stronger position in that it has the skills, ability, expertise and experience to offer decisive interventions in some of these challenges. KZN Treasury has the ability to turn its policies into meaningful societal development through the skilful use of the public purse, monetary policy and skilled personnel.

KZN Treasury has the ability to set the wheel of preferential procurement into full motion. As a custodian of the Supply Chain Management, KZN Treasury, with a sizeable complement of financial and budget experts, accountants and economists has the ability to turn things on their head to see to it that a new social contract is devised and implemented for the greater benefit of our people.

Academic David Francis put it succinctly in his paper titled: **“No one left behind: Tackling poverty and inequality in Asia and around the world under the 2030 Agenda”** presented at the at the 2017 Shanghai Conference. In his abstract he contends that: *South Africa is a paradox; on one hand it is one of the most unequal countries in the world. Half of all South Africans continue to live in poverty, economic growth has stagnated and inflation remains high while unemployment rate continues to climb towards 30%. On one hand, he argues, [the country] has one of the most progressive constitutions in the world with a bill of rights that foregrounds expanded socio-economic rights.*

These contradictions will continue to confront us until we stem the tide and arrest the situation. I say this with a full understanding of a raft of new challenges that have visited us. These include the battle against Covid-19 which has left a huge dent in the fiscus that was already facing pressure. Compounding this state of affairs is downgrading of South Africa’s sovereign status.

I mentioned during my delivery of the Second Adjustment Budget Speech exactly two weeks ago that the Downgrade of South Africa by two rating agencies underscores the urgency of getting the country’s economic disposition back on track amid the Covid-19 turbulence we are facing. Fitch, for example, markedly stated that *“the downgrade and negative outlook reflect high and rising government debt”* of a government severely hit by the pandemic.

I also mentioned that the economic implications of the crisis have been extensive and will be realised for the foreseeable future. Overall, the global economic growth is projected to contract by 4.4% this year before expanding to 5.2% in 2021. In South Africa, the Gross Domestic Product (GDP) contracted by 51% in the second quarter of this year. The economy of the country is now expected to shrink by at least 7.8% this year, with a rebound of about 3.3% in 2021.

Amid all these challenges, I am very happy that KZN Treasury has managed to steer the steady ship sailing over these troubled waters. Amid huge spending pressures by government departments and their entites, KZN Treasury has demonstrated that successive clean audits are possible. KZN Treasury has continued to be the centre of accountability.

This thus reminds me of what the departed Auditor General Kimi Makwetu stated tersely and pithily when he said: “Even in this crisis, there is no way we can step away from the disciplines of transparency and accountability.”.

It is thus my pleasure to be part of this winning team in our province. I am very confident that we shall work together to achieve greater things and to make KZN Treasury a shining beacon of excellence.

This we shall do by also taking care of our employees who form a critical component of this powerful engine. Healthy and happy employees will ensure a long lasting legacy of this department.

I thank you.