

# GAUTENG BUDGET INCREASED BY OVER R4 BILLION, TO FUND ENERGY PROJECTS, SUPPORT SMME'S & CREATE JOBS

SPECIAL REPORT  
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On November 28, 2023, Gauteng MEC of Finance Jacob Mamabolo, tabled the Medium-Term Budget Policy Statement, & stressed the need to achieve greater outcomes with fewer resources, considering the in-year reductions on conditional grants & substantial cuts on the equitable share.

Mamabolo increased the budget of the Gauteng Provincial Government by R4.5 billion, mainly to fund energy projects & to further support the township enterprises & entrepreneurs.

MEC Mamabolo said one of the strongest potential & key area of focus is our continued support on Small Medium & Micro Enterprises (SMMEs), especially women & youth entrepreneurs in the townships.

Gauteng remains the only province that has passed the Township Economic Development Act (TEDA) which prioritises economic development of township entrepreneurs. "I am very pleased to announce that one of the key achievements is that the Gauteng Provincial Government has teamed up with UberEATS SA to create job

opportunities for young people in the province", said MEC Mamabolo.

The collaboration involves an investment of over R200 million from UberEATS SA & the Gauteng Department of Economic Development to create 2 000 jobs for delivery personnel & add 700 more restaurants to the platform. In total, the programme will result in 10 000 people being placed in jobs.

"We also crisscrossed the province over the past four years registering township businesses on the Central Supplier Database & enabled them to access opportunities in the public sector.

Through these efforts, we have significantly increased the number of companies registered on the CSD. Then we spent more than R12.7 billion of provincial resources procuring goods & services from these township enterprises", MEC Mamabolo.

## Revenue enhancement

MEC Mamabolo announced that the province has been able to raise R32 billion from its own revenue sources, including hospital patient fees &



MEC of Finance, Mr Jacob Mamabolo tabling the 2023 Gauteng MTBPS

vehicle licence fees.

Mamabolo said the increasingly constrained fiscus resulting from fiscal consolidation measures meant that it has become more important to seek alternative sources of funding to ensure that the province maintain spending on key priorities & projects of the provincial government.

## Here are some of the revenue initiatives:

- **Enhancement of banking:** initiatives for revenue collected to ensure motor vehicle license revenue collected is immediately deposited & reflected into the provincial government fiscus.
- **Pilot DLTCs:** where the Department of Road & Transport in partnership with Road Traffic Management Cooperation allow their Waterfall offices & Gautrain Management Agency (GMA) at Centurion, Midrand, & Sandton, to offer services including driver license testing, renewals, professional driver 'permits.
- **Smart DLTC Expansion:** entails the expansion of smart DLTCs to 65 licensing sites in the Tshwane, Ekurhuleni, Johannesburg, Sedibeng, & West Rand to improve service delivery in TISH areas.
- **New Casino regulations:** are about transitioning from a flat tax structure regime of 9 per cent to a proposed flexible sliding scale tax structure ranging from 8 to 15 per cent, applied to Gross Gaming Revenue (GGR) levels.
- **New Bingo Licences:** the Gauteng Gambling Board has issued new 9 Bingo licenses, as part of a strategy to infuse transformation in the industry by introducing new players from previously disadvantaged groups & secondly as a form of revenue enhancement strategy.
- **E-Commerce/Cashless:** Rollout allows liquor traders to view their bills electronically & make payments online through a mobile payment application.



## Provincial budget adjustments

Mamabolo revealed that Gauteng's overall budget has increased by R4.5 billion from the initial R158.9 billion allocated in March to the R163.5 billion adjusted appropriation.

The Department of Health secured the biggest share of this budget, amounting to R2.4 billion to fulfill its wage agreement.

It was followed by the Department of Roads & Transport with the upwards adjustment of R1.5 billion.

This budget was for mainly for the infrastructure component of the department due to the performance of key projects such as K73, K101, K46, R82, Vaal River City & maintenance

programme (Road Infrastructure Strategic Framework for South Africa).

This amount also includes funding allocated for the rehabilitation/maintenance of roads located in Emfuleni Municipality.

The Department of Social Development was granted an additional R70 million for the acquisition of a new building to be repurposed into a shelter for the homeless.

The provincial infrastructure budget was adjusted upwards from R12.1 billion to R12.3 billion after effecting the conditional grant cuts.



# Promoting good governance & growing the economy



## Private Sector CFO'S During The Pledge Signing Event

When presenting the MTBPS, MEC Mamabolo said failure to put a “Brick to Build” carries the elevated risk of imploding the Rainbow Nation, instead of harmonising it.

Only by increasing the 35 per cent GDP contribution can we achieve this objective. The MEC hosted a post-MTBPS breakfast where in a show of confidence in the province, private sector CFOs signed pledges committing to work with government to grow the economy of Gauteng.

The event is part of the Roundtable Partnership with Private Sector Chief Financial Officers (CFOs), which was launched on 11 September 2023.

This is a private sector led initiative to unlock significant private sector resources, invest them into Gauteng’s economic landscape & strategically influence the province’s economic growth. Gauteng plans to increase its economic output to R2 trillion.

## On Gauteng Energy Plan

MEC Mamabolo said that the Gauteng Department of Infrastructure Development (DID) is leading initiatives in the province for rooftop solutions, particularly on government facilities but with immediate focus on health facilities.

Power’s facilities by Finance MEC Jacob Mamabolo, accompanied by MEC of Cooperative Governance & Traditional Affairs Mzi Khumalo, the state-owned utility’s Chairperson of the Board Bonolo Ramokele, & City Power’s CEO Tshifularo Mashava.

Mamabolo also announced that the Gauteng Provincial Government has entered into an agreement with City Power, an entity of the City of Johannesburg Metropolitan Municipality, & have already concluded Memorandum of Understanding (MOU) for City Power to act as the implementing agent, in providing residents of the province with power generation solutions to improve the on- and off-grid solutions such as leveraging renewable technology.

It follows the announcement made by Mamabolo at the Legislature, that an amount of R441-million has been allocated to COGTA as an investment towards the implementation of the Gauteng Energy Plan.

During the walkabout, the MECs & management of City Power assessed the infrastructure & three gas turbines earmarked for upgrades under the Provincial Alternative Energy plan.

City Power committed to a 100MW reduction in load-shedding across Gauteng in the next 12 months. This was done during a site visit to City

They also inspected the John Ware Gas Turbine & the Karzene substation on Durban Street, Johannesburg, which houses three gas turbines crucial for mitigating load shedding.





In appreciation for taking the **Gauteng CFO Pledge**  
This certificate is presented to

on 29 November 2023.

MEC Jacob Mamabolo  
Gauteng Provincial Treasury



Nicolaas van Wyk  
CFO Roundtable Convener



**The Pledge**

We, the Chief Financial Officers of Gauteng’s leading corporations, hereby pledge our unwavering commitment to the financial sustainability and growth of our esteemed province. Recognising the unique challenges and opportunities that Gauteng faces as the economic powerhouse of South Africa, we are dedicated to leveraging our financial expertise, strategic insights, and fiduciary responsibilities to drive inclusive economic progress within the province.

We commit to:

- Ensuring transparent financial governance and accountability in our respective organisations.
- Collaborating with CEOs, stakeholders, and the provincial government to allocate resources efficiently and responsibly within Gauteng.
- Promoting financial literacy and empowerment initiatives to uplift communities within the province.
- Supporting and investing in sustainable projects that align with Gauteng’s socioeconomic goals.
- Continuously evaluating and mitigating financial risks to ensure the long-term viability of our initiatives in the province.

Together, we believe in the potential of Gauteng and are dedicated to its financial prosperity.