

MPUMALANGA PROVINCE



MPUMALANGA SECOND ADJUSTMENTS APPROPRIATION BILL, 2022

(As introduced in the Mpumalanga Provincial Legislature (as a section 120 Bill))

(MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM)

BILL

To effect adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of the 2021/22 financial year; and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2)(a) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by a Provincial Act or as a direct charge against that Fund, when it is provided for in the Constitution of the Republic of South Africa, 1996, or an Act of the Provincial Legislature;

WHEREAS the Mpumalanga Appropriation Act, 2021 (Act No. 2 of 2021), provides for the appropriation of money from the Provincial Revenue Fund to provide for the requirements of the Province in respect of the 2021/22 financial year;

WHEREAS the Adjustments Appropriation Act, 2021 (Act No.3 of 2021) effected adjustments to the appropriation of money provided for in the Appropriation Act, 2021, and whereas further adjustments are required;

AND WHEREAS section 31 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), provides for the tabling of provincial adjustments budget and an adjustments Appropriation Bill to make adjustments to the appropriations in an Appropriation Act, including to cater for expenditure in terms of section 31(2)(a) and (e);

BE IT THEREFORE ENACTED by the Mpumalanga Provincial Legislature, as follows:-

Interpretation

1. In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in section 1 of the Mpumalanga Appropriation Act, 2021 (Act No. 2 of 2021), or section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), must bear the meaning so assigned.

Adjustments to appropriations of money for requirements of the Province

2. (1) Adjustments to appropriations by the Mpumalanga Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2021/22 financial year to votes and the main divisions within a vote, and amendments to the purposes that are specified, are set out in the Schedule to this Act.

(2) The spending of appropriations envisaged in subsection (1) is subject to this Act, the Appropriation Act, 2021, the Adjustments Appropriation Act, 2021, the Public Finance Management Act, 1999 (Act No. 1 of 1999) and the Division of

Short title

3. This Act is called the Mpumalanga Second Adjustments Appropriation Act, 2022

SCHEDULE								
Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	Office of the Premier <i>Aim: To provide strategic direction and support evidence based decision-making through research, monitoring and evaluation, integrated planning, co-ordination of government programmes and institutional development.</i>	(30 000)	(5 610)	(16 270)	–	(11 120)	3 000	–
	1. Administration	(1 210)	1 740	(4 730)	–	(2 220)	4 000	–
	2. Institutional Development	(6 780)	(4 230)	(1 650)	–	(900)	–	–
	3. Policy and Governance	(22 010)	(3 120)	(9 890)	–	(8 000)	(1 000)	–
3	Provincial Treasury <i>Aim: To enhance fiscal discipline, accountability and effective governance in PFMA and MFMA institutions through: capable and professional workforce, inter-governmental collaboration and sustainable funding and equitable allocation and prudent financial management.</i>	(44 200)	(15 115)	(56 798)	–	20 416	7 297	–
	1. Administration	(9 202)	(2 988)	(5 993)	–	(221)	–	–
	2. Sustainable Resources Management	13 695	(2 399)	(5 493)	–	21 587	–	–
	3. Asset And Liabilities Management	(9 181)	(8 337)	(6 938)	–	(1 203)	7 297	–
	4. Financial Governance	(39 512)	(1 391)	(38 374)	–	253	–	–
4	Co-operative Governance and Traditional Affairs <i>Aim: To facilitate and co-ordinate inter-governmental structures and developmental agencies for sustainable integrated service delivery through public participation and traditional system of governance.</i>	–	–	(40 000)	–	–	40 000	–
	1. Administration	–	–	–	–	–	–	–
	2. Local Governance	–	–	–	–	–	–	–
	3. Development and Planning	–	–	(40 000)	–	–	40 000	–
	4. Traditional Institutional Management	–	–	–	–	–	–	–
	5. The House of Traditional Leaders	–	–	–	–	–	–	–
6	Economic Development and Tourism <i>Aim: To drive economic growth that creates decent employment and promotes sustainable development.</i>	(139 000)	(5 000)	(5 000)	–	3 000	(132 000)	–
	1. Administration	(6 100)	(2 100)	(2 000)	–	–	(2 000)	–
	2. Integrated Economic Development	(135 020)	(500)	(530)	–	(3 990)	(130 000)	–
	3. Trade and Sector Development	970	–	(1 020)	–	1 990	–	–
	4. Business Regulation and Governance	(1 000)	(1 000)	–	–	–	–	–
	5. Economic Planning	(1 850)	(1 000)	(850)	–	–	–	–
	6. Tourism	4 000	(400)	(600)	–	5 000	–	–

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
7	Education <i>Aim: Mpumalanga Department of Education commits to working together with stakeholders to ensure effective teaching and learning through pro-active and effective communication, and good governance utilising tools of the fourth industrial revolution to create responsive public servants.</i>	–	119 142	(131 307)	–	(121 635)	133 800	–
	1. Administration	(200)	6 000	(6 200)	–	–	–	–
	2. Public Ordinary Schools Education	(59 763)	87 063	52 400	–	(212 710)	13 484	–
	3. Independent Schools Subsidies	–	–	–	–	–	–	–
	4. Public Special Schools Education	1 700	–	5 672	–	142	(4 114)	–
	5. Early Childhood Development	16 000	8 000	11 200	–	(3 200)	–	–
	6. Infrastructure Development	–	(5 881)	(179 379)	–	61 670	123 590	–
	7. Examination and Education Related Services	42 263	23 960	(15 000)	–	32 463	840	–
8	Public Works, Roads and Transport <i>Aim: To provide an integrated, reliable and cost effective transport system that meets the development needs of the province. To deliver infrastructure that promotes sustainable economic development and job creation.</i>	43 396	1 000	25 039	–	20 025	(2 668)	–
	1. Administration	(8 400)	–	(5 000)	–	(2 000)	(1 400)	–
	2. Public Works Infrastructure	11 325	–	1 293	–	17 025	(6 993)	–
	3. Transport Infrastructure of which Conditional Allocation Provincial Roads Maintenance Grant	43 396	–	32 546	–	5 000	5 850	–
			–	32 546	–	5 000	5 850	–
	4. Transport Operations	–	–	–	–	–	–	–
	5. Community Based Programmes	(2 925)	1 000	(3 800)	–	–	(125)	–
9	Community Safety, Security and Liaison <i>Aim: A safe, secure, crime and road crash free Mpumalanga Province</i>	(22 600)	–	–	–	–	(22 600)	–
	1. Administration	–	–	–	–	–	–	–
	2. Civilian Oversight	–	–	–	–	–	–	–
	3. Transport Regulation	(22 600)	–	–	–	–	(22 600)	–
	4. Security Management	–	–	–	–	–	–	–
10	Health <i>Aim: To improve the quality of health and well-being of all people of Mpumalanga Province by providing needs-based, people centred, equitable health care delivery system through an integrated network of health care services provided by a cadre of dedicated and well skilled health workers.</i>	–	–	175 604	–	19 000	(194 604)	–
	1. Administration	19 000	–	1 705	–	19 000	(1 705)	–
	2. District Health Services	50 796	–	129 718	–	–	(78 922)	–

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
	3. Emergency Medical Services	–	–	10 703	–	–	(10 703)	–
	4. Provincial Hospital Services	–	–	–	–	–	–	–
	5. Central Hospital Services	21 478	–	21 478	–	–	–	–
	6. Health Sciences and Training	–	–	2 000	–	–	(2 000)	–
	7. Health Care Support Services	(9 433)	–	–	–	–	(9 433)	–
	8. Health Facilities Management	(81 841)	–	10 000	–	–	(91 841)	–
11	Culture, Sport and Recreation <i>Aim: To promote social cohesion and nation building through culture, sport and information service to people of Mpumalanga.</i>	72 000	(3 000)	10 000	–	(1 000)	66 000	–
	1. Administration	(2 000)	(2 000)	–	–	–	–	–
	2. Cultural Affairs	3 000	(1 000)	4 000	–	–	–	–
	3. Library and Archives Services	–	–	6 000	–	–	(6 000)	–
	4. Sports and Recreation <i>of which</i> <i>Specifically and Exclusively Appropriated</i> <i>High Altitude Centre</i>	71 000	–	–	–	(1 000)	72 000	–
			–	–	–	–	72 000	–
12	Social Development <i>Aim: To provide, equitable, integrated and quality sustainable social development services in partnership with all stakeholders to eradicate poverty and protect vulnerable groups in all communities of Mpumalanga</i>	–	–	–	–	–	–	–
	1. Administration	2 500	–	–	–	–	2 500	–
	2. Social Welfare Services	–	–	–	–	–	–	–
	3. Children and Families	100	1 600	–	–	–	(1 500)	–
	4. Restorative Services	(4 100)	(1 600)	–	–	–	(2 500)	–
	5. Development and Research	1 500	–	–	–	–	1 500	–
Total 2021/22 2nd adjustment to departmental baseline		(120 404)	91 417	(38 732)	–	(71 314)	(101 775)	–

EXPLANATORY MEMORANDUM ON THE OBJECTS OF THE MPUMALANGA SECOND ADJUSTMENTS APPROPRIATION BILL, 2022

1. BACKGROUND

- 1.1. This adjustment is in terms of section 31(2)(a) and (e) of the PFMA which provide respectively to the effect that the MEC for Finance in a Province may table an adjustments budget in the Provincial Legislature if such adjustments budget provides for the appropriation of funds that have become available in the Province; or the shifting of funds between and within votes respectively.
- 1.2. The Mpumalanga Second Adjustments Appropriation Bill, 2022 ("the Bill"), provides for the appropriation of funds for the Mpumalanga Provincial Government arising from amounts transferred to the Province by the National Department of Human Settlements.
- 1.3. The transfer and the reduction of conditional grants to provinces was published by the Minister of Finance, Mr E Godongwana, through Government Gazette no. 45954 dated 25 February 2022, issued in terms of the Division of Revenue Act, 2021 (Act No. 9 of 2021) as amended.
- 1.4. The Departments will also have an opportunity to do virements where necessary.

Provincial Roads Maintenance Grant

- 1.5. In compliance with section 20 of the Division of Revenue Act, 2021 (Act No. 9 of 2021), as amended, the National Department of Transport has re-allocated after stopping of allocation in 2021 an amount of R43.396 million. The Bill therefore provides for second adjustments to the Province's budget in order to receive and appropriate the additional funding from the National Department of Transport amounting to R43.396 million.
- 1.6. In the above regard, the budget baseline of the Department of Public Works, Roads and Transport will therefore be accordingly increased by **R43.396 million**, in order to direct funding towards Provincial Roads Maintenance Grant.

Provincial Revenue Fund

- 1.7. An amount of **R235.8 million** is available from the Provincial Revenue Fund which was declared unspent, and the baseline of the affected Departments will be reduced as accordingly detailed in the Schedule to the Bill.

Department of Culture, Sport and Recreation

- 1.8. From the declared unspent funds, the Department will receive **R72 million** to defray expenditure incurred for High Altitude Centre project.

2. SUMMARY OF BILL

The following is a brief summary of the Bill:

Clause 1 provides for the Interpretation of the Bill;

Clause 2 provides for the third adjustments to appropriations of money for the requirements of the Province in respect of the 2020/21 financial year to certain votes and main divisions within a vote; and

Clause 3 contains the short title.

3. ORGANISATIONS AND INSTITUTIONS CONSULTED

All relevant and affected stakeholders were consulted.

- National Treasury
- Office of the Premier
- Provincial Legislature
- Provincial Treasury
- Department of Co-operative Governance and Traditional Affairs
- Department of Agriculture, Rural Development, Land and Environmental Affairs
- Department of Economic Development and Tourism
- Department of Education
- Department of Public Works, Roads and Transport
- Department of Community, Safety Security and Liaison
- Department of Health
- Department of Culture, Sport and Recreation
- Department of Social Development
- Department of Human Settlements

4. FINANCIAL IMPLICATIONS FOR THE PROVINCE

The budget baseline of the Department of Public Works, Roads and Transport will be increased by **R43.396 million**, in order to direct funding towards Provincial Roads Maintenance Grant.

An amount of **R72 million** will be added to the Department of Culture, Sport and Recreation from the Provincial Revenue Fund.

The Bill will also adjust the budget baselines of the above-mentioned votes by a combined total amount of **R120.404 million**.

5. CONSTITUTIONAL IMPLICATIONS

The recommendations that are made in the Bill take into account the provisions of sections 119, 120 and 226 of the Constitution.

6. LEGISLATIVE PROCEDURE

The Bill is a money Bill which must be dealt with in accordance with the procedure prescribed by section 120 read with section 119 of the Constitution.