



provincial treasury  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

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Provinsiale Tesourie

Enquiries : Mr NM Madike x4281  
Ref : MPT12/3/5/1/R

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## PROVINCIAL TREASURY CIRCULAR NO. 2 OF 2016

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TO:-

THE ACCOUNTING OFFICER (ACTING): VOTE 1: OFFICE OF THE PREMIER (MR T MDAKANE)  
THE ACCOUNTING OFFICER (ACTING): VOTE 2: PROVINCIAL LEGISLATURE (MR L MWALE)  
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MS NZ NKAMBA)  
THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR CM CHUNDA)  
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MS SP XULU)  
THE ACCOUNTING OFFICER (ACTING): VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR JS MGIDI)  
THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MS MOC MHLABANE)  
THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MR KM MOHLASEDI)  
THE ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIAISON (MR W MTHOMBOTHI)  
THE ACCOUNTING OFFICER: VOTE 10: HEALTH (DR AM MORAKE)  
THE ACCOUNTING OFFICER: VOTE 11: CULTURE, SPORT AND RECREATION (MR W MNISI)  
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS NL MLANGENI)  
THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR K MASANGE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR SS SHONGWE)  
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL LEGISLATURE (MR S SANYANE)  
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR MA KHOZA)  
THE CHIEF FINANCIAL OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR SEB MATSEBULA)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 5: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS (MS FA NGOBENI)  
THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM (MR CT DLAMINI)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 7: EDUCATION (MS T NTULI)  
THE CHIEF FINANCIAL OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT (MS HN MDAKA)  
THE CHIEF FINANCIAL OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY AND LIAISON (MS SA SEFALA)  
THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MR CB MNISI)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 11: CULTURE SPORT AND RECREATION (MR NC MAMARO)  
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MR JB MBATHA)  
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 13: HUMAN SETTLEMENTS (MR T MASHILE)

**ESTIMATES OF COMPENSATION OF EMPLOYEES AND FREEZE ON PERSONNEL EXPANSION AND REVIEW OF VACANIES**

In terms of the 2014 Medium Term Budget Policy Statement (MTBPS) the Minister of Finance stated that the government would freeze government headcounts and will also review the funded vacancies.

The Minister said that: **“To contain compensation budget pressures, government personnel headcounts will be frozen for the next two years. The two years referred to in the MTBPS of 2014 are 2015/16 and 2016/17 financial year. Any increase in personnel will be funded from existing allocations. The National Treasury, the Department of Performance, Monitoring and Evaluation, the Department of Public Service and Administration and officials from other departments will conduct a review over the next year to consider the permanent withdrawal of funded vacancies. Natural attrition will create space for new appointments. Exceptions will be considered for critical positions, with the onus on departments to justify the exceptions.”**

This was the reason behind the Province implementing the moratorium in 2015/16 meaning that the status quo remains even in the preparation of the 2016/17 budget estimates. Departments are requested to consider critical posts that are becoming vacant due to natural attrition and those that were never filled and considered critical. Departments are requested to clearly provide a full state of vacant posts that would be budgeted and planned for to be filled in the 2016/17 financial year. Any additional posts that a department intends to fill will be funded from the department's existing baseline and approval has to be sought first.

Those departments that have conditional grants and have a portion from the conditional grants that funds compensation of employees are requested to submit detailed information on compensation of employees on the conditional grants and the other funding separately. This should include the number of employees and their levels and total costs thereof.

The information should be provided from 2014/15 to 2018/19 MTEF period. This will assist in analysing the growth split between these funding.

When growing the compensation of employees' estimates, Departments are still required to adhere to the Consumer Price Inflation (CPI) percentage that was previously communicated in the 2016 budget guideline, as indicated below:

- 2016/17: 6.2 per cent
- 2017/18: 5.8 per cent
- 2018/19: 5.8 per cent

**Compensation of Employees**

**Current projections for cost of living and other adjustments to payroll remuneration are:**

The projections for 2015/16 is 7 per cent (CPI + 2.2%) cost-of-living adjustment which will be followed by improvements of CPI as indicated above plus 1 per cent in each of the next two years.

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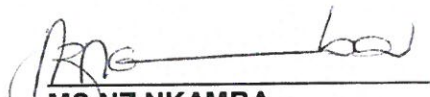
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**Submission date**

All votes are requested to submit this information to Provincial Treasury on or before **14 January 2016.**

Your co-operation is appreciated.

Regards

  
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**MS NZ NKAMBA**  
**HEAD OFFICIAL**  
**DATE: 12/1/2016**