

MPUMALANGA PROVINCIAL GOVERNMENT

Building No. 4
No. 7 Government Boulevard
Riverside Park Extension 2
Nelspruit
1200
South Africa



Private Bag X 11205
Nelspruit, 1200
Tel: 013 766 4564
Fax: 013 766 4604
Int: +27 13 766 4564
Int: +27 13 766 4604
Email: hodfinance@mpg.gov.za

Department of Finance Office of the HOD

Litiko LeteTimali UmNgango weZeemali Departement van Finansies Kgoro ya Matlotlo

Enquiries : Mr NM Madike
Ref No : DOF 12/3/5/1/R

PROVINCIAL TREASURY CIRCULAR NO. 20 OF 2013

TO:-

THE ACCOUNTING OFFICER: VOTE 1: OFFICE OF THE PREMIER (DR NONHLANHLA MKHIZE)
THE ACCOUNTING OFFICER (ACTING): VOTE 2: PROVINCIAL LEGISLATURE (MR BJ SILINDA)
THE ACCOUNTING OFFICER: VOTE 3: FINANCE (MS NZ NKAMBA)
THE ACCOUNTING OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR D MAHLOBO)
THE ACCOUNTING OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION (MS NL SITHOLE)
THE ACCOUNTING OFFICER: VOTE 6: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (DR DV DLAMINI)
THE ACCOUNTING OFFICER: VOTE 7: EDUCATION (MS MOC MHLABANE)
THE ACCOUNTING OFFICER: VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT (MR KM MOHLASEDI)
THE ACCOUNTING OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY & LIAISON (MR ST SIBUYI)
THE ACCOUNTING OFFICER: VOTE 10: HEALTH (MR RM MNISI)
THE ACCOUNTING OFFICER: VOTE 11: CULTURE SPORT AND RECREATION (MS SP MJWARA)
THE ACCOUNTING OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS NL MLANGENI)
THE ACCOUNTING OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR SM MTSWENI)

THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR T NKOJOANA)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL LEGISLATURE (MR S SANYANE)
THE CHIEF FINANCIAL OFFICER: VOTE 3: FINANCE (MS P SEMENYA)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR MD SHIPALANA)
THE CHIEF FINANCIAL OFFICER: VOTE 5: AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION (MR C. DLAMINI)
THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT, ENVIRONMENT AND TOURISM (MS JP HLATSHWAYO)
THE CHIEF FINANCIAL OFFICER: VOTE 7: EDUCATION (MR CB MNISI)
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 8: PUBLIC WORKS, ROADS & TRANSPORT (MR S SHONGWE)
THE CHIEF FINANCIAL OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY & LIAISON (MR BH NGOMA)
THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MS B MOJAPELO)
THE CHIEF FINANCIAL OFFICER: VOTE 11: CULTURE SPORT AND RECREATION (ACTING) (MS P KHOZA)
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MS P MORGAN)
THE CHIEF FINANCIAL OFFICER: VOTE 13: HUMAN SETTLEMENTS (MR SB MATSEBULA)

SUBMISSION OF FIRST DRAFT OF BUDGET DOCUMENTS FOR 2014 MTEF

You are requested to submit the MTEC database to Provincial Treasury on or before the 5th of July 2013.

Departments are not expected in this submission to capture specific reprioritisation and re-alignments. This will be done in the later submission. This submission of 5 July 2013 is only meant to facilitate preliminary functional group discussions and to allow departments to familiarise themselves with the implications of the indicative estimates for the 2014 MTEF from your 2013 MTEF.

Departments are only required to submit the following budget documents to Provincial Treasury:

Database;

The following are the consumer price inflation assumptions for the 2013 MTEF planning process:

- 2013/14: 5.6 per cent
- 2014/15: 5.4 per cent
- 2015/16: 5.4 per cent
- 2016/17: 5.3 per cent

Compensation of Employees

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

Total Compensation of Employees' budget baseline ceiling for 2014/15, the cost of living adjustment in terms of the current wage bill agreement is CPI inflation plus 1 per cent. For 2015/16 and 2016/17 institutions should budget for a cost of living increase of CPI inflation, in addition to the pay progression and other benefits and allowances that are stated in the current wage bill agreement, and which are already provided for in institutional budget baselines. Importantly for budgeting purposes, institutions should implement the ceiling in the wage bill expenditure budget baseline, by only providing for funded posts that are in line with the 2013 Budget institutional spending trajectory.

Institutions are cautioned and should make allowance for the possibility that the final wage agreement might be in excess of inflation, in order to ensure that a higher than inflation wage agreement can be afforded within the existing compensation of employee budget ceilings in 2015/16 and 2016/17.

The annual totals for Compensation of Employees spending were provided for 2014/15 and 2015/16 within the 2013 MTEF baseline, and as such form part of the institution's indicative baseline ceiling for the 2014 MTEF.

2. **Long service recognition**
20 years continuous service: a cash award of R7 500
30 years continuous service: a cash award of R15 000
40 years continuous service: a cash award of R20 000
3. **Night shift allowance**
R4.00 per hour from 1 July 2014.
4. **Housing allowance**
R900 per person per month.
5. **Improved qualifications**
A once-off payment of 10 per cent of each employee salary notch, limited to notch 1 of Salary Level 8 with effect from 1 January 2013.
6. **Progression**
Qualifying period for first time participants is extended from 12 to 24 months from 1 July 2012. Thereafter, they will qualify for progression annually.

SUBMISSION DATE

All votes are requested to submit all the MTEC Database, by **5th July 2013**.

Your co-operation is appreciated.



MS NZ NKAMBA
HEAD OF DEPARTMENT

DATE: 28/6/2013