



- ☆ It is a spending plan that indicates how available public funds would be used by Government to cater for people's needs;
- ☆ It can be used by the public to evaluate the performance of Government in terms of what it promised to do with the available funds;
- ☆ It is an expression of political wishes that allows Government to plan in such a way that political goals are achieved.

Parliament and each Provincial Legislature is required to appropriate money (budget) for each financial year on an annual basis, before such funds could be utilised (Chapter 4, Section 26 of the PFMA, Act 1 of 1999, as amended by Act 29 of 1999).

The Minister of Finance tables the annual budget of the State for a financial year in the National Assembly.



Step 2:

This is followed by the MEC for Finance in a Province, who must table the budget to the Provincial Legislature within 14 days after the tabling by the Minister of Finance.

Provincial Revenue Fund

The Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), Chapter 13, Section 226 (1)(2) requires that all money received by the Provincial Government (in this case, the Mpumalanga Provincial Government via the Provincial Treasury) must be paid into the Provincial Revenue Fund; and may only be withdrawn in terms of an appropriation Act.

Sources of Provincial Revenue

The Provincial Revenue (Budget) is derived from the following sources:

1. Allocation from the National Government/Treasury known as Equitable Share;
2. Conditional Grants from the National Treasury; and
3. Own revenue collected by the Province.

MTEF ALLOCATIONS (ESTIMATES) PER DEPARTMENT

Department/Vote	2009/2010	2010/2011	2011/2012
Office of the Premier	R196 689 000	R211 355 000	R223 764 000
Mpumalanga Legislature	R158 838 000	R166 996 000	R176 941 000
Finance	R236 397 000	R257 997 000	R273 141 000
Local Government	R414 775 000	R429 151 000	R441 792 000
Agriculture and Land Administration	R799 635 000	R873 020 000	R949 040 000
Economic Development and Planning	R490 443 000	R552 569 000	R553 619 000
Education	R10 073 199 000	R11 208 414 000	R12 156 674 000
Public Works	R476 899 000	R514 719 000	R545 047 000
Safety and Security	R90 415 000	R125 469 000	R132 840 000
Health	R5 429 452 000	R5 874 337 000	R6 316 146 000
Roads and Transport	R2 138 946 000	R2 072 948 000	R2 262 060 000
Culture, Sport and Recreation	R278 696 000	R296 920 000	R314 559 000
Social Development	R792 343 000	R899 243 000	R993 120 000
Housing	R968 727 000	R1 179 652 000	R1 322 043 000
TOTAL	R22 545 454 000	R24 632 880 000	R26 660 786 000

OSD for doctors and other health Professionals R41 097 000 R82 013 000 R122 744 000
Provincial Fiscal framework R22 586 551 000 R24 714 893 000 R26 783 530 000

PAYMENT OF GOODS AND SERVICES PER DEPARTMENT

Department/Vote	How much we allocated last year 2008/2009	How much we plan to spend this year 2009/2010	How much we increased/decreased spending (%)
Office of the Premier	R69 648 000	R64 076 000	-8
Mpumalanga Legislature	R33 842 000	R50 937 000	51
Finance	R107 859 000	R119 582 000	11
Local Government	R72 555 000	R121 673 000	68
Agriculture and Land Administration	R213 550 000	R209 064 000	-2
Economic Development and Planning	R76 288 000	R88 258 000	16
Education	R1 534 057 000	R1 244 963 000	-19
Public Works	R165 830 000	R185 981 000	12.0
Safety and Security	R28 046 000	R39 057 000	39
Health	R1 319 091 000	R1 742 835 000	32
Roads and Transport	R350 853 000	R909 609 000	159
Culture, Sport and Recreation	R80 358 000	R133 350 000	66
Social Development	R149 227 000	R159 319 000	7
Housing	R25 704 000	R42 143 000	64
TOTAL	R4 226 908 000	R5 110 847 000	21

Continued from page 2

1. **Equitable Share:** calculated according to equitable share formula based on the population.
2. **Conditional Grants:** As the name indicates, the grant is given with certain conditions attached. For example, a conditional grant to build schools can only be used to do just that, without deviations.
3. **Own Revenue Collected:** Supplementary funds collected by the Province, for example, vehicle licence fees and hospital patient fees.

TABLING OF A MAIN APPROPRIATION

- ✧ Tabling of a main appropriation 14 days after Minister has tabled or else request approval for an extension.
- ✧ During this period Provincial Treasury must publish a book known as Estimates of Provincial Expenditure. This book provides a detail of the budget deliverables.
- ✧ Annual Performance plans are also prepared as part of performance budgeting.

PAYMENT OF CAPITAL ASSETS PER DEPARTMENT

Department/Vote	How much we allocated last year 2008/2009	How much we plan to spend this year 2009/2010	How much we increased/decreased spending (%)
Office of the Premier	R2 039 000	R3 417 000	68.0
Mpumalanga Legislature	R1 200 000	R13 900 000	1 058
Finance	R4 032 000	R4000 000	-1
Local Government	R54 509 000	R91 000 000	67.0
Agriculture and Land Administration	R24 440 000	R158 377 000	548
Economic Development and Planning	R2 625 000	R2 300 000	-12
Education	R377 493 000	R415 060 000	10.0
Public Works	R16 718 000	R8 724 000	-48
Safety and Security	R1 600 000	R2 894 000	81
Health	R518 155 000	R643 530 000	24
Roads and Transport	R742 454 000	R655 004 000	-12
Culture, Sport and Recreation	R39 824 000	R44 174 000	11
Social Development	R70 875 000	R87 783 000	24
Housing	R11 640 000	R15 270 000	31.0
TOTAL	R1 867 604 000	R2 145 433 000	15

COMPENSATION OF EMPLOYEES PER DEPARTMENT

Department/Vote	How much we allocated last year 2008/2009	How much we plan to spend this year 2009/2010	How much we increased/decreased spending (%)
Office of the Premier	R102 976 000	R129 196 000	25.5
Mpumalanga Legislature	R53 101 000	R81 307 000	53.1
Finance	R89 171 000	R112 815 000	26.5
Local Government	R115 165 000	R196 202 000	70.4
Agriculture and Land Administration	R283 795 000	R320 994 000	13.1
Economic Development and Planning	R94 369 000	R93 948 000	-0.4
Education	R6 624 303 000	R7 948 599 000	20.0
Public Works	R209 198 000	R234 800 000	12.2
Safety and Security	R38 486 000	R48 464 000	25.9
Health	R2 307 646 000	R2 926 127 000	26.8
Roads and Transport	R449 653 000	R569 518 000	26.7
Culture, Sport and Recreation	R78 537 000	R92 092 000	17.3
Social Development	R184 085 000	R249 667 000	35.6
Housing	R53 266 000	R98 017 000	84.0
TOTAL	R10 683 751 000	R13 101 746 000	22.6

16



KEY FUNDING PRIORITIES: 2009/10

Education

- ☆ Reduction of teacher-Learner Ratio
- ☆ Provision of more classrooms for Grade R
- ☆ Provision of inclusive education
- ☆ Recapitalisation of public ordinary schools
- ☆ Additional funding for the School Nutrition Programme

5



Health Services

- ✧ More funding for personnel costs for the OSD (Occupation Specific Dispensation) for nurses, doctors awaiting finalisation of guidelines
- ✧ Additional funding to fight Tuberculosis (TB), HIV and Aids
- ✧ Reduction of infant and child mortality rate
- ✧ Providing quality health care

Social Development

- ✧ Additional funding for Early Childhood Development

Roads Maintenance

- ✧ Rehabilitation and maintenance of provincial roads

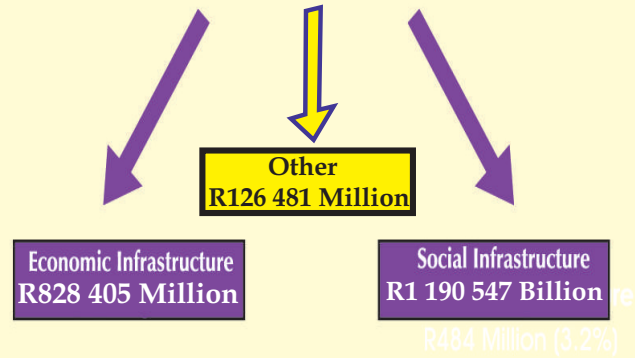
TOTAL ALLOCATION PER DEPARTMENT

Department/Vote	How much we allocated last year 2008/2009	How much we plan to spend this year 2009/2010	How much we increased/decreased spending (%)
Office of the Premier	R182 765 000	R196 689 000	7.6
Mpumalanga Legislature	R97 223 000	R158 838 000	63.4
Finance	R201 062 000	R236 397 000	17.6
Local Government	R245 229 000	R414 775 000	69.1
Agriculture and Land Administration	R741 576 000	R799 635 000	7.8
Economic Development and Planning	R442 654 000	R490 443 000	10.8
Education	R8 934 232 000	R10 073 199 000	12.7
Public Works	R429 572 000	R476 899 000	11.0
Safety and Security	R68 132 000	R90 415 000	32.7
Health	R4 241 773 000	R5 429 452 000	28.0
Roads and Transport	R1 547 316 000	R2 138 946 000	38.2
Culture, Sport and Recreation	R208 933 000	R278 696 000	33.4
Social Development	R662 332 000	R792 343 000	19.6
Housing	R736 820 000	R968 727 000	31.5
TOTAL	R18 739 619 000	R22 545 454 000	20.3



How do we allocate our Infrastructure Budget Per Sector

CAPEX = R2 145 433 Billion



14

7

*"Whatever economic storms may pound our shores;
whatever political uncertainties may visit our collective
consciousness in a transition – our nation is in a good
state.....Ours is a journey of hope and resilience."*

President Kgalema Motlanthe,
State of the Nation Address,
06 February 2009

Role and functions of the Provincial Treasury (Department of Finance)

The Provincial Treasury:

- ✧ Is established in terms of the Public Finance Management Act (PFMA) Act 1 of 1999 (as amended by Act 29 of 1999);
- ✧ Is responsible for preparing and managing the Provincial Budget;
- ✧ Must enforce uniform treasury norms and standards as prescribed by the National Treasury and the PFMA, Act 1 of 1999 (as amended by Act 29 of 1999).

Accounting by Departments

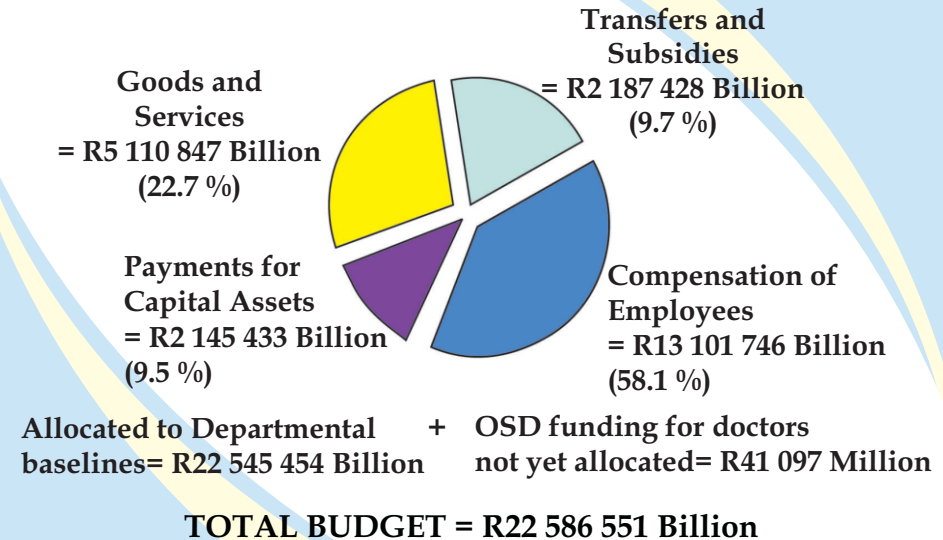
- ✧ Every Department and every constitutional institution must appoint an Accounting Officer.
- ✧ The Head of Department must be the Accounting Officer for the Department;
- ✧ The Chief Executive Officer must be the Accounting Officer of a constitutional institution.

8



How do we allocate our Budget

Breakdown by Major Spending Items



13

"We must protect our democracy and continue to put the struggle for a better life for all South Africans at the centre of our work.... Despite major achievements since 1994, much still needs to be done. Many households and communities remain trapped in poverty. Unemployment remains stubbornly high."

Mr Jacob Zuma, ANC President,
08 January 2009

"It is incumbent on us to remain vigilant, to sharpen our regulatory oversight and to work with banks to identify any potential problems early and deal with them decisively."

Mr Trevor Manuel,
Minister of Finance,
11 February 2009

12



Responsibilities of Accounting Officers

Key Responsibilities:

- ☆ Operate the basic financial management systems, including internal controls in the department and any entities they control;
- ☆ Ensure that the department does not overspend its budget;
- ☆ Report on a monthly and annual basis, including the submission of annual financial statements;
- ☆ Two months after the end of a financial year; publish annual reports in a prescribed format which will introduce performance reporting.

NB: Accounting Officers who are negligent and make no effort to comply with these responsibilities will face strict disciplinary sanctions, including dismissal.

9





SOURCES OF OUR BUDGET

National Treasury

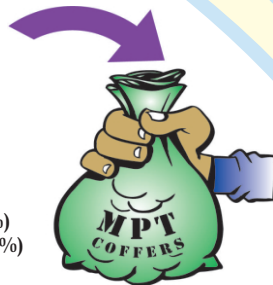


Total Transfers from National
= R22 106 551 Billion (97.8 %)
of which:

- Equitable Share = R19 005 445 Billion (84.1%)
- Conditional Grant = R3 101 106 Billion (13.7%)



Provincial Own Revenue = R480 000 Million (2.2%)



TOTAL BUDGET =
R22 586 551 Billion (100%)



10



SOURCES OF OWN REVENUE - 2009/10

Gambling and
Betting Taxes
= R44 586 Million



Hospital
Patient Fees
= R30 478 Million



Total Own Revenue
= R480 000 Million



= R179 694 Million



Vehicle Licences
= R225 242 Million



11