

About the Publication

This budget made easy publication introduces some of the key aspects of the provincial budget for the financial year of 2012/13 to the people of Mpumalanga.

It is presented in a summarised form in order to give the reader a bird's eye view of the Estimates of Provincial Revenue and Expenditure and Appropriation Bill which were tabled to Provincial Legislature on 13 March 2012.

About the provincial budget

Budget is a spending plan that indicates how the provincial government intends to use available resources for implementation of government's priorities for the year ahead.

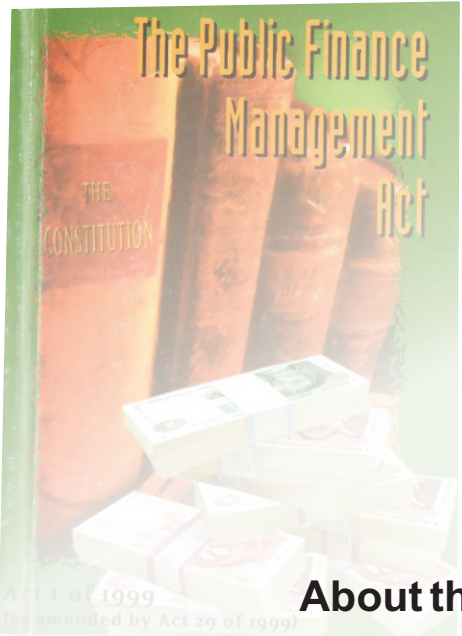
The service delivery and spending priorities of the provincial government are financed from the national and provincial revenue sources.

The allocation of funds from the national fiscus to the province is calculated mainly but not only solely on the basis of demographic and economic profile.

About provincial equitable share

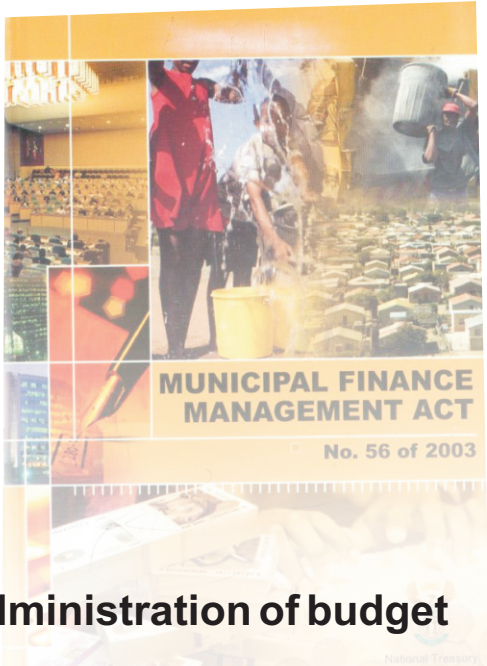
The equitable share from the national fiscus is determined in accordance to a redistributive formula comprising of six policy components:

- E = education share
- H = health share
- B = basic share
- I = institutional component
- P = poverty component
- R = economic output component



About the administration of budget

The Member of Executive Council (MEC) responsible for provincial finances is required to table the provincial budget to the Provincial Legislature before the beginning of a new financial year, which starts on 1 April.



The Provincial Revenue Fund received a clean audit from the Office of the Auditor General for the financial year of 2010/11

The funds that are received by the provincial departments and public entities must be paid into the Provincial Revenue Fund.

The Provincial Legislature is required to appropriate money from the Revenue Fund for the requirements of the province.

The budget allocated to the departments and public entities must be used for the purpose for which they were appropriated for.

Provincial Budget 2012

Budget Made easy

“ Long-term sustainability depends also on shifting the composition of government spending from consumption to investment ”.

Mpumalanga Premier, Mr David Mabuza
State of the Province Address,
24 February 2012

“ We need to improve financial management capability across national and provincial departments. We need stricter oversight of supply chain management processes ”.

Minister of Finance, Mr Pravin Gordhan,
National Budget Speech,
22 February 2012

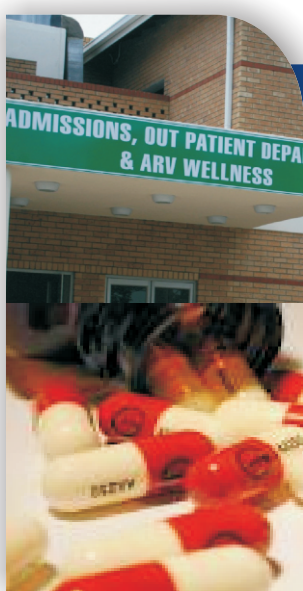
“ We are determined to maintain favourable budget management practices and pace-up the enforcement of treasury regulations on supply chain management so that this budget serves its rightful purpose, which is to make the difference in the lives of the poor majority ”.

MEC of Finance, Mrs Pinky Phosa
Provincial Budget Speech,
13 March 2012



Improving education

- Improving literacy and numeracy
- Skills development programme



Improving health care

- Piloting of National Health Insurance
- Upgrading nursing colleges
- Revitalisation of hospitals



Job creation

- Expanded public works programme
- Infrastructure delivery programme



Rural development

- Comprehensive Rural Development Programme
- Masibuyel'emasimini



Fight against crime and corruption

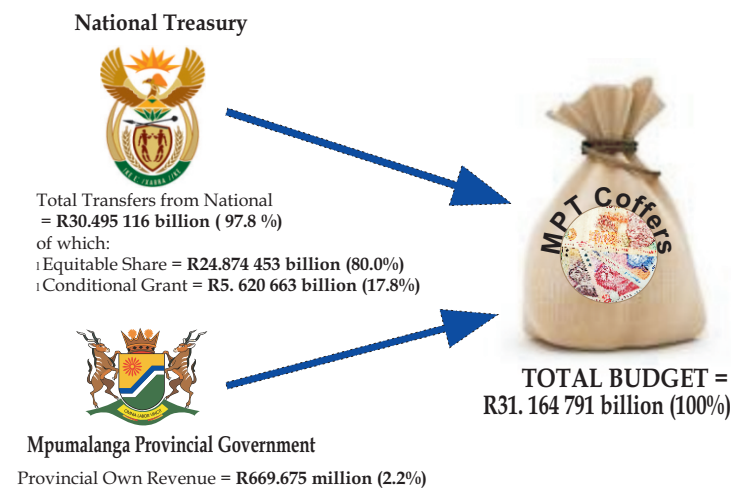
- Security management
- Anti corruption strategy

Total allocations for Departments

R' 000

Office of the Premier	↑ R	158 103
Provincial Legislature	↑ R	213 600
Department of Finance	↑ R	255 340
Co-operative Governance and Traditional Affairs	↑ R	337 424
Agriculture, Rural Development and Land Administration	↑ R	980 476
Economic Development, Environment and Tourism	↑ R	770 191
Education	↑ R	13 983 862
Public Works Roads and Transport	↓ R	3 510 977
Safety, Security and Liaison	↑ R	803 704
Health	↑ R	7 544 189
Culture, Sport and Recreation	↓ R	324 817
Social Development	↓ R	920 299
Human Settlements	↓ R	1 164 949
TOTAL		R 30 967 931

Funding Source for Mpumalanga



The proposed budget for the provincial government for 2012/13 is R 31. 2 billion.

This budget is made up of contributions from three main sources i.e. equitable share, conditional grants and own revenue stream.

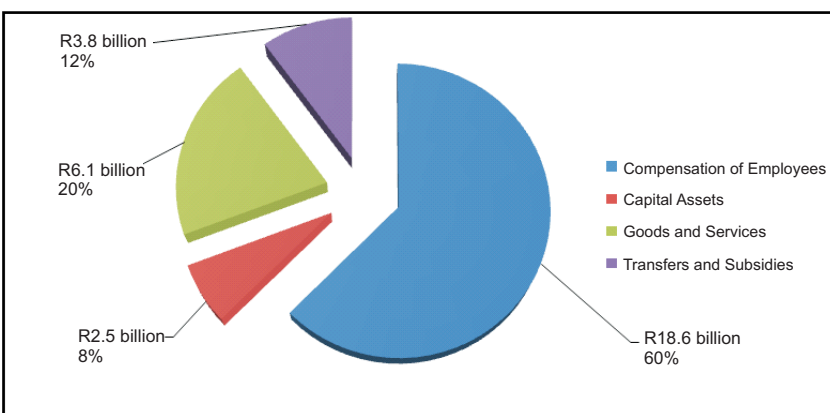
Sources of Own Revenue - 2012/13



The provincial revenue that has been factored into the budget for the 2012/13 financial year is R669.7 million.

The province will collect the funds from own revenue stream as depicted in the sketch above.

Breakdown by Major Spending Items



Key budget allocation decisions

- Allocations for infrastructure to education, health and roads and transport sectors.
- Allocations for comprehensive rural development programme in various departments.

Vote	Department
1	Office of the Premier
2	Mpumalanga Legislature
3	Finance
4	Cooperative Governance and Traditional Affairs
5	Agriculture, Rural Development and Land Administration
6	Economic Development, Environment and Tourism
7	Education
8	Public Works, Roads and Transport
9	Safety, Security and Liaison
10	Health
11	Culture, Sport and Recreation
12	Social Development
13	Human Settlements

	How much we allocated in 2011/12	How much we plan to spend in 2012/13	How much we increased/decreased spending (%)
			R'000
	400	700	75.0
	21075	1909	-90.9
	5520	7369	33.5
	8000	5109	-36.1
	79309	71412	-10.0
	10738	11389	6.1
	646419	701693	8.6
	998095	904229	-9.4
	4840	39101	707.9
	798453	590910	-26.0
	96997	90184	-7.0
	82287	87232	6.0
	0	10348	100

	How much we allocated in 2011/12	How much we plan to spend in 2012/13	How much we increased/decreased spending (%)
			R'000
	0	150	150
	17640	19404	10.0
	1300	41	-96.8
	9600	20018	108.5
	302769	277454	-8.4
	414285	523723	26.4
	866005	926006	6.9
	525313	544990	3.7
	100	1150	1050.0
	188621	177316	-6.0
	13050	8400	-35.6
	350301	289764	-17.3
	1052606	970715	-7.8

	How much we allocated in 2011/12	How much we plan to spend in 2012/13	How much we increased/decreased spending (%)
			R'000
	26636	42889	61.0
	60237	82929	37.7
	91012	116122	27.6
	83668	61423	-26.6
	205455	213699	4.0
	65373	73153	11.9
	1416801	1376033	-2.9
	1252085	1245621	-0.5
	481193	430450	-793.2
	2427936	2110106	-13.1
	120775	114543	-5.2
	163977	143100	-12.7
	20428	45000	120.3

	How much we allocated in 2011/12	How much we plan to spend in 2012/13	How much we increased/decreased spending (%)
			R'000
	114428	114364	-0.1
	95022	109358	15.1
	118741	131808	11.0
	224375	250874	11.8
	381578	417911	9.5
	157345	161926	2.9
	10022528	10980130	9.6
	766146	816137	6.5
	303629	333003	9.7
	3950125	4665857	18.1
	106280	111690	5.1
	359492	400203	11.3
	121790	138886	14.0

ALLOCATIONS (ESTIMATES)

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