



finance

DEPARTMENT: FINANCE
MPUMALANGA
PROVINCIAL GOVERNMENT

MPUMALANGA'S BUDGET OF HOPE: TO FIGHT POVERTY AND IMPROVE SERVICE DELIVERY.

The 2006 Mpumalanga Budget of R12, 906 billion will immensely contribute towards improved service delivery, eradication of poverty, creating safety for communities and growing the provincial economy.

The budget represents a 9,9% increase from the previous year's budget of R11, 748 billion and it is made of R11, 227 billion of equitable share, R1, 207 billion of conditional grants, R322, 722 million of own revenue and R148, 605 million from the provincial surpluses.

MEC for Finance, Mrs Mmathulare Coleman

says the budget will ensure that government continue to build roads and bridges, build clinics and classrooms, feed the children, assist businesses, market the province and make Mpumalanga contribute to the goals and vision of the Accelerated Shared Growth Initiative of South Africa (ASGI-SA).

Mrs Coleman says critical skills shortages of doctors, nurses and other specialised health specialists, project managers and other skills required to address health care needs in Mpumalanga will be addressed in the 2006/07 Financial Year.

The Impact of the Provincial Budget

The provincial budget has played a role in ensuring a move towards poverty eradication, increased levels of income and to ensure equitable share of income and other resources.

The 2005 budget played an instrumental role in alleviating poverty through various reforms that addressed some backlogs in the province. MEC Coleman said the budget addressed the social security for the disabled, children and the elderly by creating a safety net for them from which they were able to participate in the economy.

She added that the budget created an economic voice for the people who would normally have no access to income.

“The annual average growth of social grants beneficiaries for the province is 29,4%, indicating our commitment as a province to provide a social wage for our people,” MEC Coleman said. She said the provincial school nutrition programme reached 492 687 learners against the target of 491 362 adding that this indicates government's seriousness in alleviating hunger among learners for effective teaching.

“Our total infrastructure spending during the year under review is R834, 738 million which translates to 63,7% of the allocated budget and we have exceeded the national average of 55%”, MEC Coleman said.

Municipal Finance Management Act

The Provincial Treasury has embarked on a programme to assist municipalities that were delegated to the department on 1 September 2005 by the Minister of Finance.

The municipalities were delegated to the Provincial Treasury in the following areas:

- Compliance with the provisions of the Municipal Finance Management Act;
- Financial Management.

The Municipal Finance Unit in the department led by MEC Coleman visited these municipalities to discuss their compliance with Municipal Finance Management, financial management, areas of weakness identified, and corrective action to be taken. Workshops were organized to further capacitate municipality officials in their tasks. These workshops are on-going.



MEC MMATHULARE COLEMAN

Provincial Financial Management

Mpumalanga spent its allocated budget for the current financial year which will end on March 31 very well and the province was declared the best performer half way through the financial year.

By end of June 2005, Mpumalanga had spent 49,8% of its budget and the spending was above the national average, which stood at 46,8%.

By the end of the third quarter, Mpumalanga had spent 71,8% of its budget and this was also above the national average of 70,7%.

MEC Coleman says the good spending patterns are as a result of effective monitoring and good governance. She adds that the provincial government will continue to foster the spirit of cooperation and programme spending interrogation, so as to realise the greater impact of government programmes.

Revenue Generation

Mpumalanga is performing well after exceeding the yearly budget at the end of ten months of the 2005/06 financial year. The province raised their R289, 526 million of the target of R272, 407 million and six departments exceeded their own revenue budgets.

Mpumalanga relies on four major sources of revenue and these are:

- Road Traffic Act Fees (mainly vehicle licenses)
- Gaming Levies
- Hospital Patient Fees
- Interest Revenue

Revenue Strategies for 2006/07

Mpumalanga will focus on the following strategies to improve revenue generation and collection for 2006:

- Annual review and revision of tariffs by all departments before the finalisation of the budget process, as well as timeous implementation of revised tariffs, by implementing departments
- Continue to encourage all people residing in Mpumalanga to register their cars in the province, and to personalise their car registrations
- Ensure the development of debt management policies as well as adherence by departments to debt policy and reduction of the provincial debt book. Continuous identification of potential risk, in revenue collection and assist in instituting preventative measures.

The 2006/7 Provincial Budget: Our Budget of hope to fight poverty and improve service delivery.

SOURCES OF OUR BUDGET

National Treasury



Equitable Share =
R11.2 Billion (87.3%) +
Conditional Grants =
R1.2 Billion (9.4%)
Total Transfers from
National =
R12.4 Billion (96.8%)
Other =
R148.6 million



Mpumalanga Provincial Treasury



Provincial Sources =
R322 Million (2.5%)

TOTAL REVENUE =
R12.9 Billion