

Budget Made Easy

2019/20



Together We Move South Africa Forward



provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA





Message from the MEC

Our country has achieved so much in the past 25 years of democracy. The dream of a nation united in its diversity is taking root across all sectors of our communities.

The social and economic landscape of our Province has also been altered due to progressive policies that the government has implemented over the last five years.

Notwithstanding a variety of challenges, which can be attributed to the weak global economic discourse and structural issues domestically, we remain resolute in our conviction that the project of building a better South Africa, and a better Mpumalanga is possible and within reach.

The 2019 Budget proposals seek to sustain programmes that were funded in the previous financial year but mainly prioritising capital investment projects.

We have also responded to funding requirements for the non-negotiables which include medicine, medical supplies and laboratory services and educators-learner materials amongst others.

The central principle of the budget is to use it as an instrument to accelerate service delivery and create jobs for all our people.

I urge all people of Mpumalanga to use this publication as a tool to engage constructively with the Provincial Government on the spending plans for the year ahead. Working together we can do more.

Sikhumbuzo Eric Kholwane

MEC for Finance, Economic Development and Tourism

The Budget Made Easy is a publication of the Mpumalanga Provincial Treasury. The publication summarises the Provincial Budget as contained in the Estimates of Provincial Revenue and Expenditure for the 2019/20 financial year.

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2. INTRODUCTION

Government has, in terms of Section 213 (1) of the Constitution of the Republic of South Africa established a National Revenue Fund into which all money received by the national government must be paid.

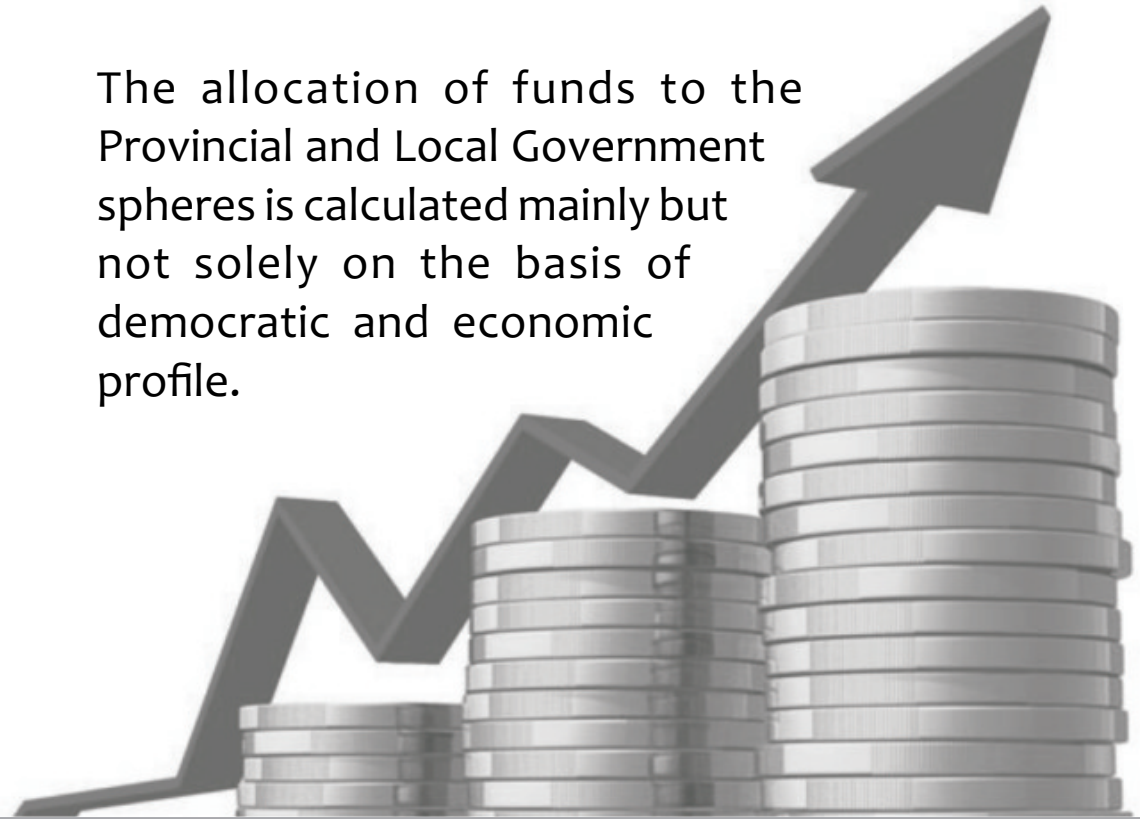
The Mpumalanga Government has also established, in line with the same Constitutional principles, its Provincial Fund.

The account (Fund) serves as a depository for money received from the national fiscus and collections in the form of taxes and rates by provincial departments and public entities.

3. REDISTRIBUTIVE FORMULA FOR BUDGET

The National Government uses a redistributive formula to determine how much of the budget can be allocated to the provinces.

The allocation of funds to the Provincial and Local Government spheres is calculated mainly but not solely on the basis of democratic and economic profile.



National Departments are allocated about 48 per cent of the national share of non interest expenditure, provinces 43 per cent and Municipalities 9 percent – 2019 Budget Review

Equitable Share Formula

The Equitable Share formula consists of the following six policy components:

- E** = Education
- H** = Health
- B** = Basic Services
- I** = Institutional component
- P** = Poverty component
- R** = Economic output component

4. SOURCES OF BUDGET

The budget is made up of revenue from two main sources that is National Revenue Fund and Provincial Revenue Fund which are managed by the National Treasury and Mpumalanga Treasury respectively.

National Revenue	R'000
Equitable share	41 412 076
Conditional Grants	8 244 754

Provincial Revenue	R'000
Own Receipts	1 324 275

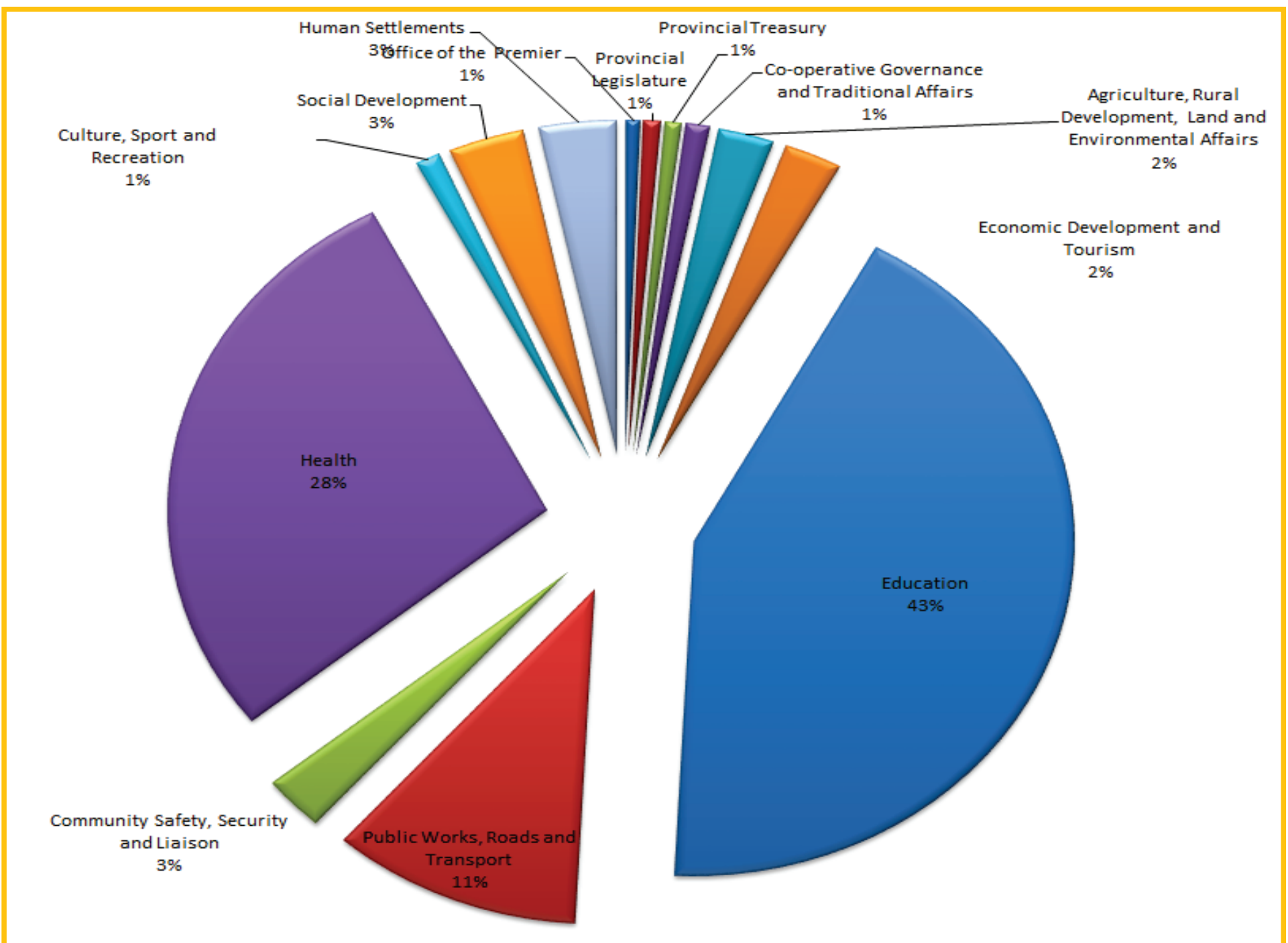


MEDIUM TERM ESTIMATES OF THE PROVINCIAL BUDGET	2019/20	2020/21	2021/22
			R'000
Amount (R'000)	50 981 105	53 154 875	56 336 518

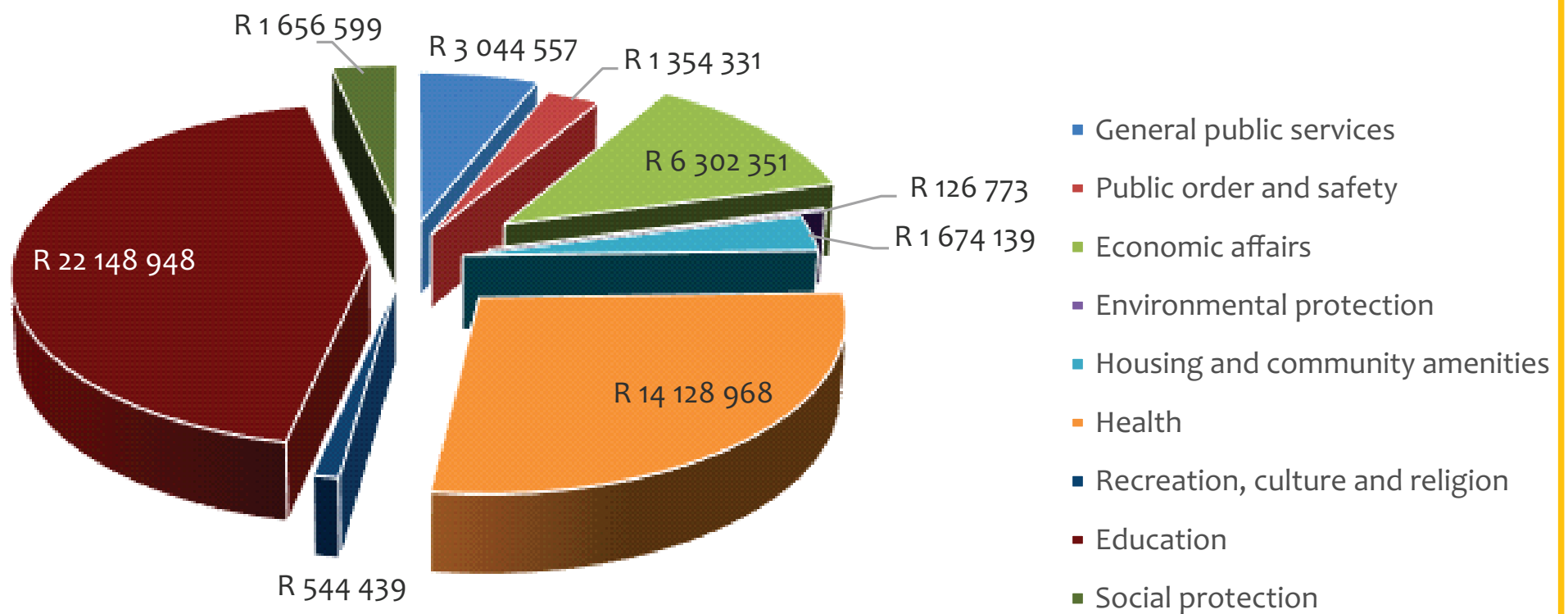
4.1 Budget per Vote / Department

Each Member of the Executive Council is expected to table departmental policy and budget that are aligned to both the State of the Province Address and the Provincial Budget as presented by the Premier and MEC for Finance, Economic Development and Tourism respectively.

Department	R'000
Office of the Premier	296 299
Provincial Legislature	374 883
Provincial Treasury	365 692
Co-operative Governance and Traditional Affairs	526 014
Agriculture, Rural Development, Land and Environmental Affairs	1 222 473
Economic Development and Tourism	1 260 938
Education	21 862 325
Public Works, Roads and Transport	5 456 164
Community Safety, Security and Liaison	1 354 331
Health	14 386 809
Culture, Sport and Recreation	544 439
Social Development	1 656 599
Human Settlements	1 674 139
Total provincial payments and estimates	50 981 105



CONSOLIDATED BUDGET PER FUNCTION



4.2 ALLOCATION AND SHARE PER CLUSTER

The share of the **Economy, Investment and Employment** cluster is R7 939 575 Billion, which is 15.5 % percent of the provincial budget this year

PUBLIC WORKS, ROADS AND TRANSPORT	5 456 164
AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS	1 222 473
ECONOMIC DEVELOPMENT AND TOURISM	1 260 938

The **Social Services Cluster** is allocated R 40 124 311 which translates 78.7 % percent of the total provincial budget to provide essential services to the poor through targeted interventions such as social relief, public education, and advancement of national building and social cohesion

EDUCATION	21 862 325
HEALTH	14 386 809
CULTURE, SPORT AND RECREATION	544 439
SOCIAL DEVELOPMENT	1 656 599
HUMAN SETTLEMENTS	1 674 139

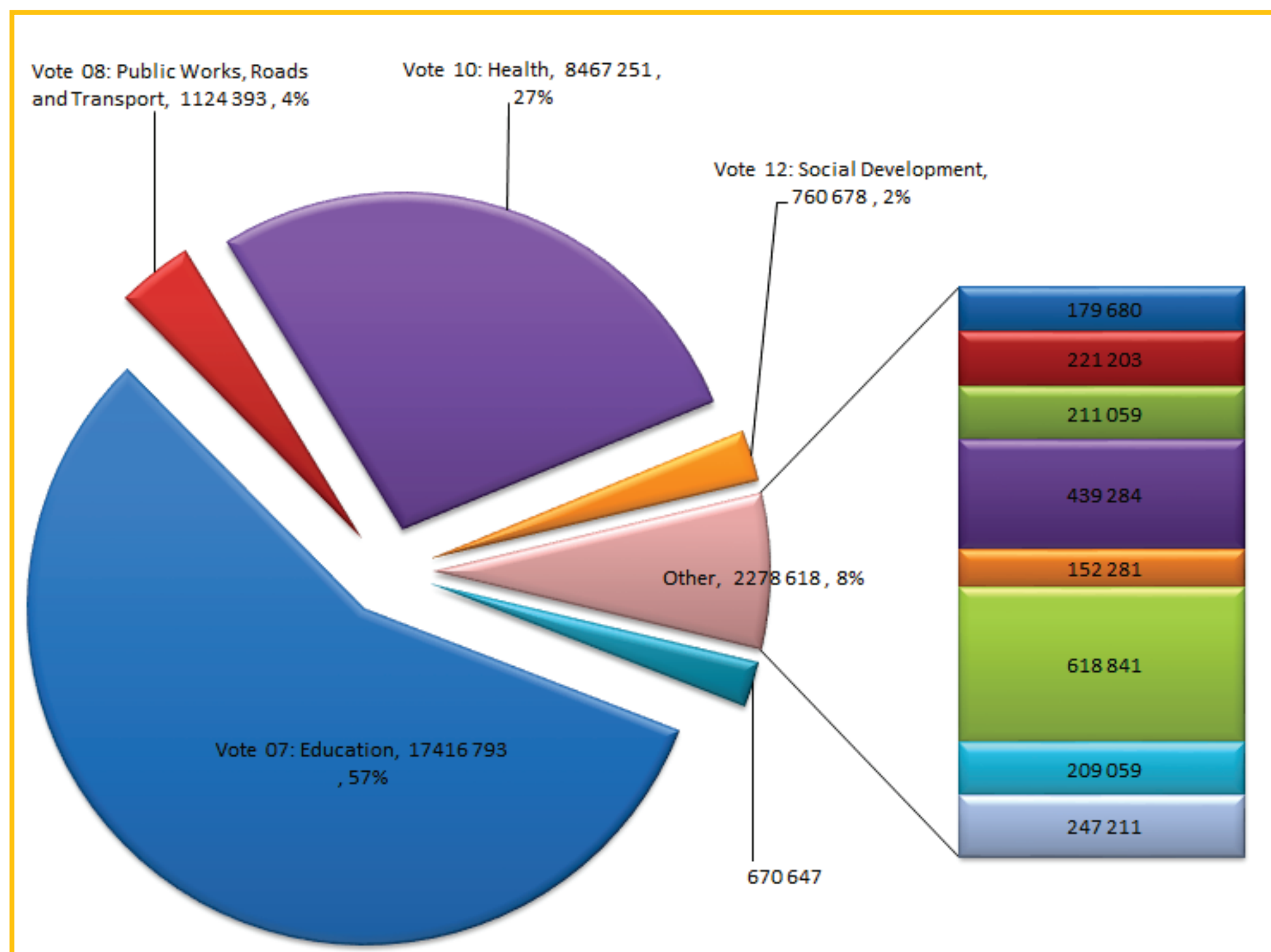
The **Governance and Administration Cluster**, which comprises of Cooperative Governance and Traditional Affairs; Community Safety, Security and Liaison, Office of the Premier and Provincial Treasury share the remaining R 2 542 336 or 5 % percent of the 2019/20 budget.

OFFICE OF THE PREMIER	296 299
PROVINCIAL TREASURY	365 692
CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS	526 014
COMMUNITY SAFETY, SECURITY AND LIAISON	1 354 331

4.3 Compensation of Employees

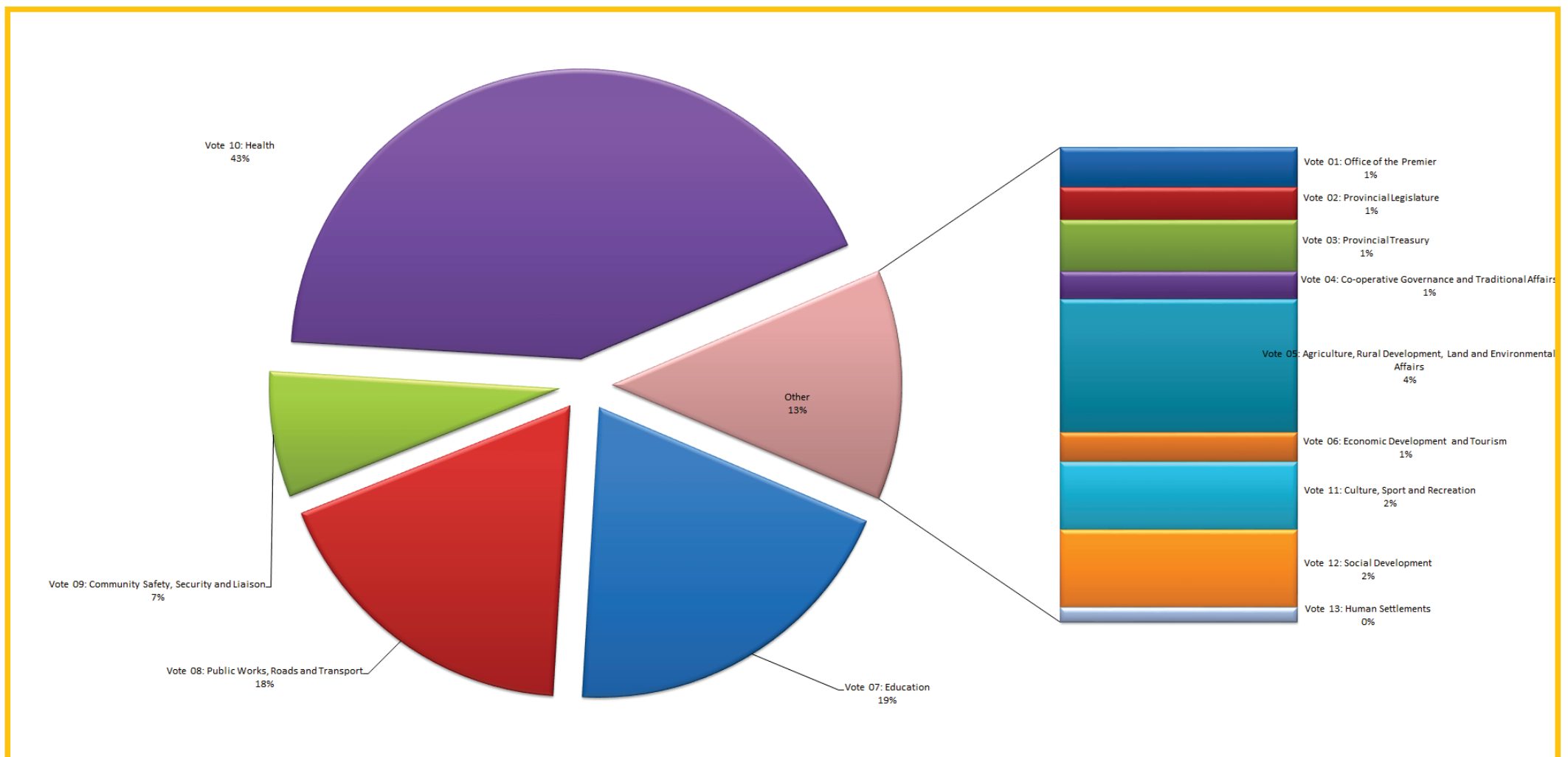
Payments of salaries and benefits for government officials and public representatives

Department	R'000
Office of the Premier	179 680
Provincial Legislature	221 203
Provincial Treasury	211 059
Co-operative Governance and Traditional Affairs	439 284
Agriculture, Rural Development, Land and Environmental Affairs	670 647
Economic Development and Tourism	152 281
Education	17 416 793
Public Works, Roads and Transport	1 124 393
Community Safety, Security and Liaison	618 841
Health	8 467 251
Culture, Sport and Recreation	209 059
Social Development	760 678
Human Settlements	247 211
Total provincial payments and estimates	30 718 380



4.4 Goods and Services

Payments made to service providers for goods purchased and services rendered

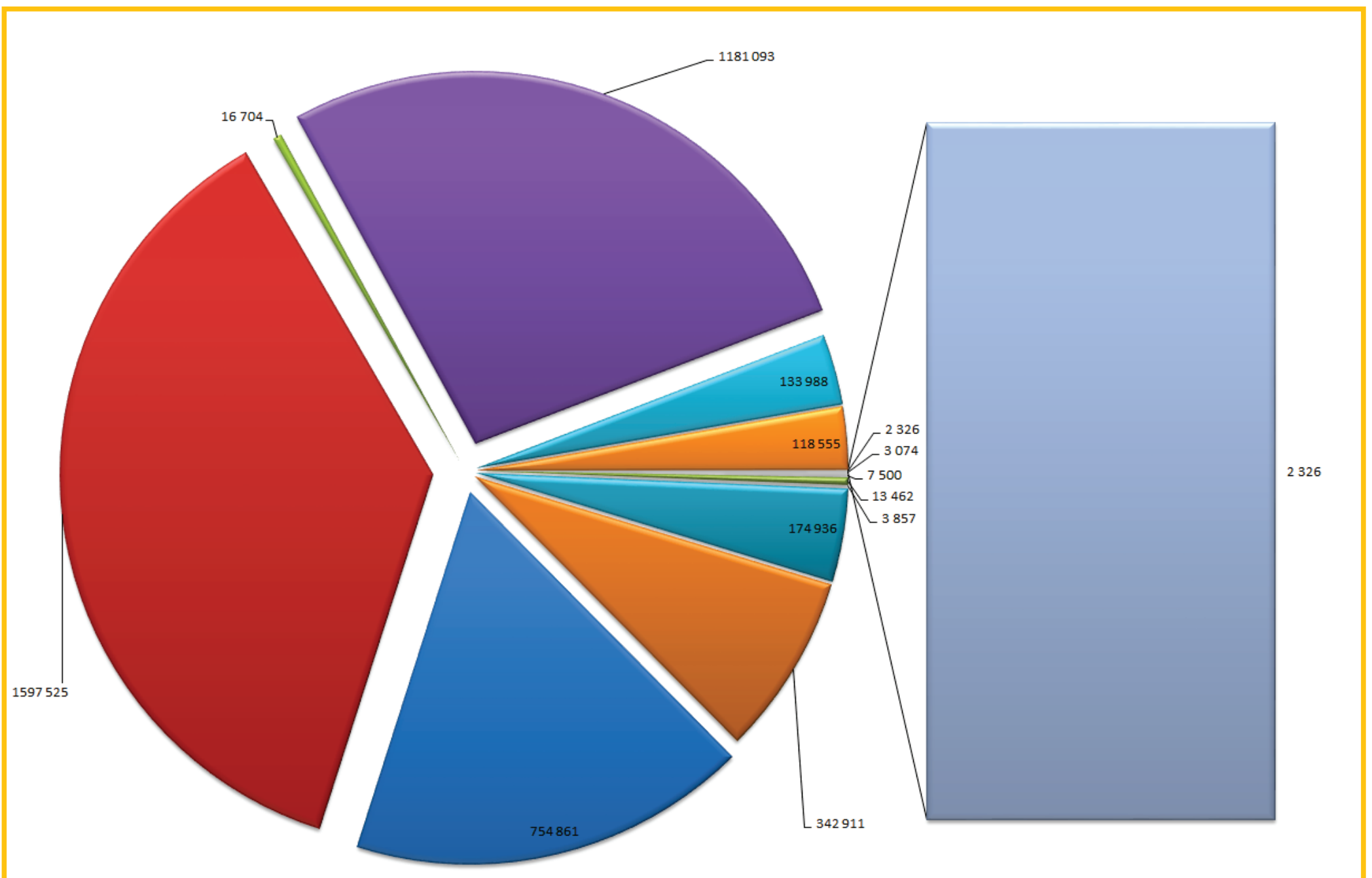


Department	R'000
Office of the Premier	109 518
Provincial Legislature	92 639
Provincial Treasury	140 566
Co-operative Governance and Traditional Affairs	77 579
Agriculture, Rural Development, Land and Environmental Affairs	368 461
Economic Development and Tourism	81 040
Education	1 997 373
Public Works, Roads and Transport	1 844 436
Community Safety, Security and Liaison	714 713
Health	4 362 327
Culture, Sport and Recreation	188 360
Social Development	215 033
Human Settlements	40 385
Total provincial payments and estimates	10 232 430

4.5 Capital Assets

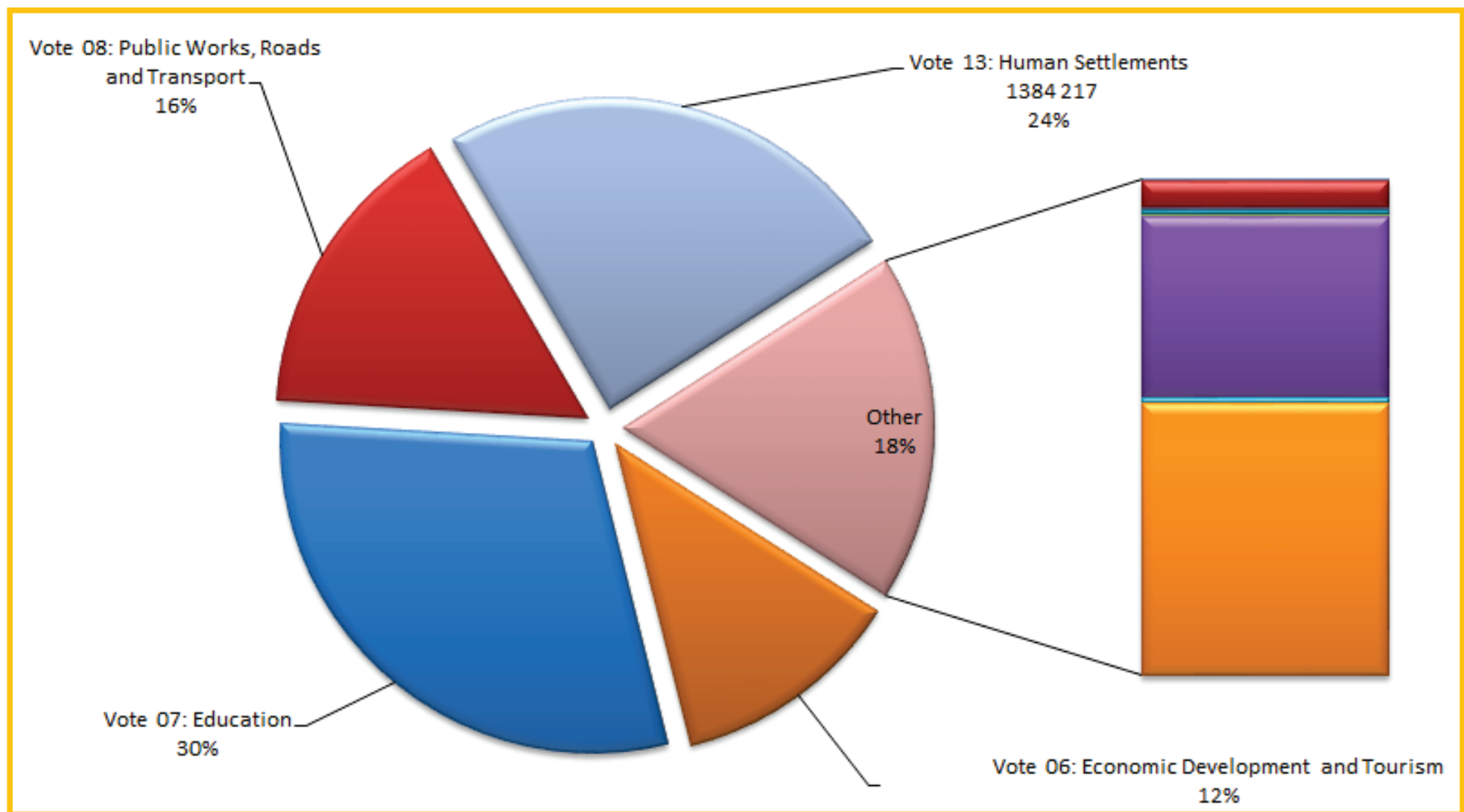
Payments made for the acquisition of assets e.g. equipment & furniture and development of infrastructure which includes roads, bridges and facilities such as schools, libraries clinics and hospitals.

Department	R'000
Office of the Premier	3 074
Provincial Legislature	7 500
Provincial Treasury	13 462
Co-operative Governance and Traditional Affairs	3 857
Agriculture, Rural Development, Land and Environmental Affairs	174 936
Economic Development and Tourism	342 911
Education	754 861
Public Works, Roads and Transport	1 597 525
Community Safety, Security and Liaison	16 704
Health	1 181 093
Culture, Sport and Recreation	133 988
Social Development	118 555
Human Settlements	2 326
Total provincial payments and estimates	4 350 792



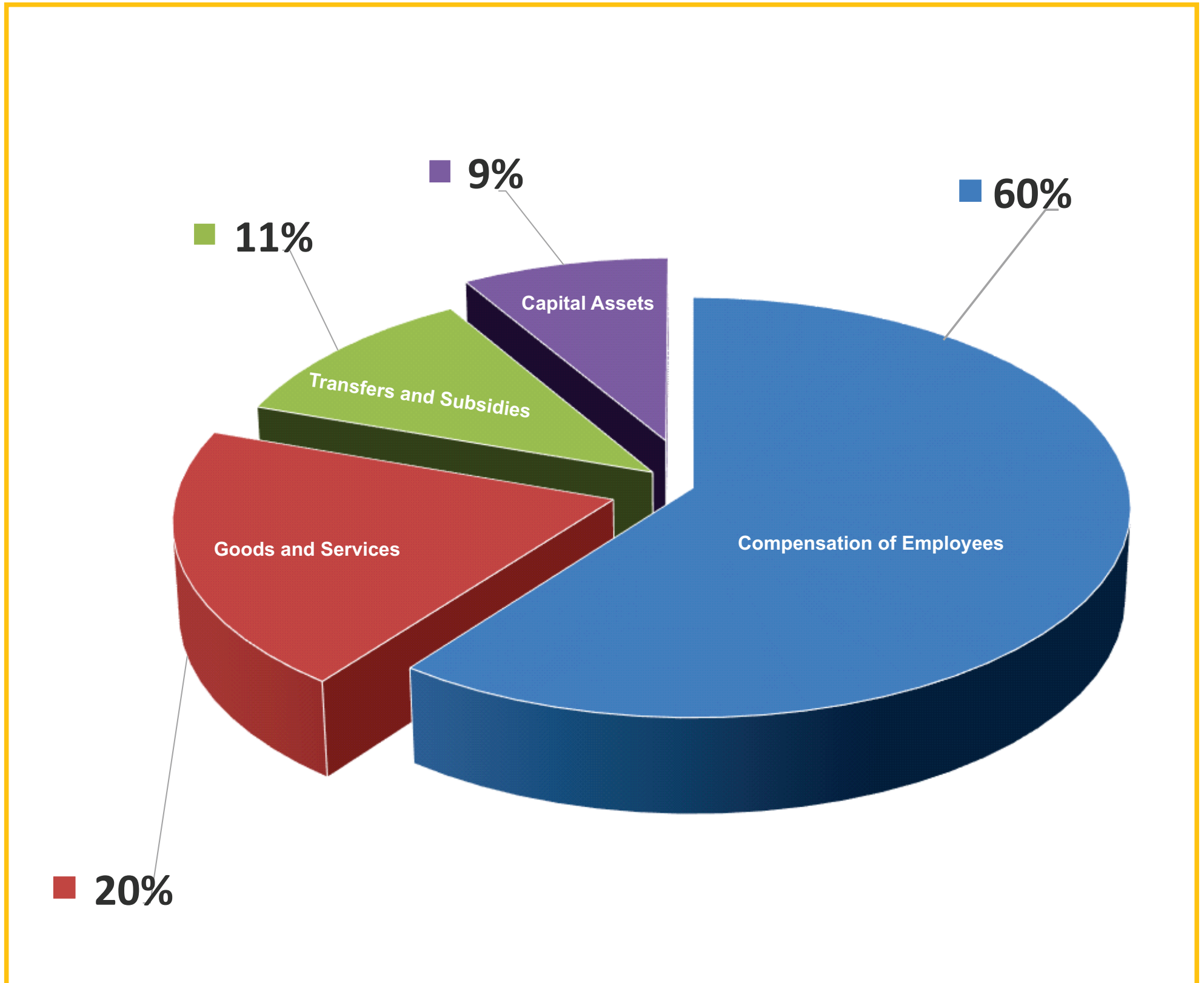
4.6 Transfers and Subsidies

Cash or in-kind transfers that are made to public entities and non-profit organisations that support government services to render support to households and the subsidies to private sector services that are essential to the public.



Department	R'000
Office of the Premier	4 027
Provincial Legislature	53 541
Provincial Treasury	605
Co-operative Governance and Traditional Affairs	5 294
Agriculture, Rural Development, Land and Environmental Affairs	8 429
Economic Development and Tourism	684 706
Education	1 693 298
Public Works, Roads and Transport	889 810
Community Safety, Security and Liaison	4 073
Health	376 138
Culture, Sport and Recreation	13 032
Social Development	562 333
Human Settlements	1 384 217
Total provincial payments and estimates	5 679 503

4.7 Payments overview



Mpumalanga Provincial Treasury
Private Bag X 11205 | Mbombela | 1200
No. 7 Government Boulevard | Nokuthula Simelane Building. Upper Ground
Riverside Park | Mbombela

Tel: +27 13 766 4437 | Fax: 013 766 9449

 **Twitter:** @MPTreasury

 **Facebook:** Mpumalanga Treasury

 **Website:** <http://treasury.mpg.gov.za>



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