



SPEECH

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07 March 2022

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#2ADJUSTMENTSBUDGET2022

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**INTRODUCTION OF THE SECOND PROVINCIAL ADJUSTMENTS BUDGET BY THE
MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM, MS NE
HLOPHE, MPL TO THE MPUMALANGA PROVINCIAL LEGISLATURE**

07 March 2023

- Honourable Speaker and Deputy Speaker
 - Honourable Premier
 - Colleagues in the Executive Council and Honourable Members of the Legislature
 - Esteemed guests
 - Ladies and gentlemen
1. Thank you, Honourable Speaker, for this opportunity to table the second Adjustments Appropriation for the year ending 31 March 2023.
 2. The authors of the Public Finance Management legislation recognised that budgeting is a dynamic process which may require adaption to respond to the realities of the time.
 3. Over the last few years, the provincial government was called upon to respond to numerous unanticipated budget scenarios that brought challenges to communities and disrupted the daily lives of our people.
 4. This required the government to take stock of expenditure in all departments and entities and assess the efficacy of programmes, taking into account the ever-changing operating environment and policy impact on service delivery.

Honourable Speaker

5. Section 31(2)(a) and (e) of the PFMA permits the MEC for Finance to table an adjustments budget in so far as it satisfies the legislative requirements.
6. The Executive Council has, after consideration of the relevant provisions and in line with legislation, approved the change to the allocation to departments.
7. Overall, the budget is adjusted by R525.6 million, most of which will be rescheduled to the 2023/24 financial year.
8. Let me now highlight the changes to the baselines.

CHANGES TO THE ADJUSTED APPROPRIATION

VOTE 1: Office of the Premier

9. The Office of the Premier will reschedule the R16 million earmarked for the Youth Fund for the next financial year, thereby reducing the baseline from **R377.826 million** to **R361.826 million**.

VOTE 2: Provincial Legislature

10. There is no change in the allocation to the Provincial Legislature; it remains at **R412.760 million**.

VOTE 3: Provincial Treasury

11. The Provincial Treasury's budget is reduced from **R491.548 million** to **R480.018 million**, mainly due to savings in compensation of employees' budget.

VOTE 4: Co-operative Governance and Traditional Affairs

12. **R60 million**, which was allocated for, amongst other programmes, the reconstitution of the Traditional Houses and procurement of fire brigade vehicles, will be reallocated in 2023/24. The effect of this is the reduction of the current baseline of the Department of Co-operative Governance and Traditional Affairs from **R754.477 million** to **R694.477 million**.

VOTE 5: Agriculture, Rural Development, Land and Environmental Affairs

13. There is no change to the total allocation of **R1. 338 billion** of the Department of Agriculture, Rural Development, Land and Environmental Affairs. The Department will, however, reprioritize funds to address shortfalls in other priority programmes.

VOTE 6: Economic Development and Tourism

14. The Department of Economic Development and Tourism will reschedule funds for the International Fresh Produce Market to 2023/24, thus reducing the budget from **R1.633 billion** to **R1.583 billion**.

VOTE 7: Education

15. The Department of Basic Education reduced the Education Infrastructure Grant to the Province by **R311 million** due to the low expenditure outcome.

16. This Adjustments budget gives effect to this decision, reschedules **R20 million** for mobile classrooms to the next financial year, and allocates **R15 million** to the Mpumalanga Regional Training Trust.
17. The budget of the Department of Education will therefore decrease from **R24.863 billion** to **R24. 546 billion**.

VOTE 8: Public Works, Roads and Transport

18. The baseline of the Department of Public Works, Roads and Transport decreases from **R5.085 billion** to **R4.932 billion**, mainly due to the rescheduling of multiyear infrastructure projects.

VOTE 9: Community Safety, Security and Liaison

19. The budget of the Department of Community Safety, Security and Liaison will decrease from **R1.698 billion** to **R1.683 billion**.

VOTE 10: Health

20. The Department received **R13.4 million** from the National Insurance Grant for improving clinical services. The Department will, however, reschedule **R200 million** for the New Middleburg Hospital in the 2023/24 financial year, thus reducing the overall budget from **R17.220 billion** to **R17.034 billion**.

VOTE 11: Culture, Sport and Recreation

21. There is no change in the total allocated **R638.547 million** to the Department of Culture, Sport and Recreation.

VOTE 12: Social Development

22. The Department of Social Development 's budget remains unchanged at **R1.596 billion**.

VOTE 13: Human Settlements

23. The Department of Human Settlements receives **R100 million** from Human Settlements Development Grant (HSDG) and **R200 million** from the Informal Settlements Upgrading Partnership Grant, thus increasing the budget from **R1. 594 billion** to **R1. 894 billion**.

24. The effect of these changes in baseline allocation to Votes is the reduction in the total provincial budget for the 2022/23 financial year from **R57.707,189 (billion)** to **R57.198,057 (billion)**.

CONCLUSION

25. As I conclude, let me convey my appreciation to the Honourable Premier, the Executive Council, the Budget and Finance Committee for your guidance and support, and the Head Official and Team Provincial Treasury for the professional way the adjustments budget process was managed.
26. I now have the honour to table the Second Adjustments Appropriation Bill for 2023 and the Second Adjustments Budget speech for 2022/23 for consideration by the Legislature.
27. I thank you.



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