

MPUMALANGA PROVINCE



MPUMALANGA SECOND ADJUSTMENTS APPROPRIATION BILL, 2025

(As introduced in the Mpumalanga Provincial Legislature (as a section 120 Bill))

(MEC FOR FINANCE)

BILL

To effect adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of the 2024/25 financial year; and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2)(a) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by a Provincial Act or as a direct charge against that Fund, when it is provided for in the Constitution of the Republic of South Africa, 1996, or an Act of the Provincial Legislature;

WHEREAS the Mpumalanga Appropriation Act, 2024 (Act No. 1 of 2024), provides for the appropriation of money from the Provincial Revenue Fund to provide for the requirements of the Province in respect of the 2024/25 financial year;

WHEREAS the Mpumalanga Adjustments Appropriation Act, 2024 (Act No. 2 of 2024) effected adjustments to the appropriation of money provided for in the Appropriation Act, 2024, and whereas further adjustments are required;

AND WHEREAS section 31 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), provides for the tabling of provincial adjustments budget and an adjustments Appropriation Bill to make adjustments to the appropriations in an Appropriation Act,

BE IT THEREFORE ENACTED by the Mpumalanga Provincial Legislature, as follows:-

Interpretation

1. In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in section 1 of the Mpumalanga Appropriation Act, 2024 (Act No. 1 of 2024), or section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), must bear the meaning so

Adjustments to appropriations of money for requirements of the Province

2. (1) Adjustments to appropriations by the Mpumalanga Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2024/25 financial year to votes and the main divisions within a vote, and amendments to the purposes that are specified, are set out in the Schedule to this Act.

(2) The spending of appropriations envisaged in subsection (1) is subject to this Act, the Mpumalanga Appropriation Act, 2024, the Mpumalanga Adjustments Appropriation Act, 2024, the Public Finance Management Act, 1999 and the Division of Revenue Act, 2024 (Act No. 24 of 2024).

Short title

3. This Act is called the Mpumalanga Second Adjustments Appropriation Act, 2025.

SCHEDULE								
Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
3	Provincial Treasury <i>Aim: To enhance fiscal discipline, accountability and effective governance in PFMA and MFMA institutions through: capable and professional workforce, inter-governmental collaboration and sustainable funding and equitable allocation and prudent financial management.</i>	-	(2 266)	(3 047)	-	(108)	5 421	-
	1. Administration	(12 495)	(985)	(6 160)	-	(124)	(5 226)	-
	2. Sustainable Resource Management	(4 532)	327	(4 859)	-	-	-	-
	3. Assets And Liabilities Management	18 962	(1 207)	9 506	-	16	10 647	-
	4. Financial Governance	(1 935)	(401)	(1 534)	-	-	-	-
5	Agriculture, Rural Development, Land and Environmental Affairs <i>Aim: To lead and facilitate integrated, comprehensive, sustainable development and social cohesion by participating and partnering with all sectors of society, through agriculture, rural development and land administration.</i>	-	(7 432)	5 300	-	5 632	(3 500)	-
	1. Administration	18 436	3 000	2 804	-	5 632	7 000	-
	2. Sustainable Resource Use and Management	(5 265)	(4 261)	(1 004)	-	-	-	-
	3. Agricultural Producer Support and Development	9 261	9 261	3 500	-	-	(3 500)	-
	4. Veterinary Services	(12 766)	(12 766)	-	-	-	-	-
	5. Research and Technology Development Services	-	-	-	-	-	-	-
	6. Agricultural Economics Services	(6 200)	800	-	-	-	(7 000)	-
	7. Agricultural Education and Training	-	-	-	-	-	-	-
	8. Rural Development Coordination	(2 466)	(2 466)	-	-	-	-	-
	9. Environmental Affairs	(1 000)	(1 000)	-	-	-	-	-
6	Economic Development and Tourism <i>Aim: To drive economic growth that creates decent employment and promotes sustainable</i>	(7 000)	-	-	-	(7 000)	-	-
	1. Administration	(350)	-	(350)	-	-	-	-
	2. Integrated Economic Development	(1 650)	-	(1 650)	-	-	-	-
	3. Trade and Sector Development	(5 000)	-	2 000	-	(7 000)	-	-
	4. Business Regulation and Governance	-	-	-	-	-	-	-
	5. Economic Planning	-	-	-	-	-	-	-
	6. Tourism	-	-	-	-	-	-	-

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
7	Education <i>Aim: Mpumalanga Department of Education commits to working together with stakeholders to ensure effective teaching and learning through pro-active and effective communication, and good governance utilising tools of the fourth industrial revolution to create responsive public servants.</i>	-	(5 594)	250 430	-	(263 225)	18 389	-
	1. Administration	(8 056)	-	(8 346)	-	290	-	-
	2. Public Ordinary Schools Education <i>Of which</i> <i>Conditional Allocation</i> <i>National School Nutrition Programme Grant</i>	(5 600)	(9 194)	4 465	-	740	(1 611)	-
			-	(2 200)	-	2 200	-	-
	3. Independent Schools Subsidies	608	-	-	-	608	-	-
	4. Public Special Schools Education	-	-	(824)	-	824	-	-
	5. Early Childhood Development	-	-	-	-	-	-	-
	6. Infrastructure Development <i>Of which</i> <i>Conditional Allocation</i> <i>Education Infrastructure Grant</i>	-	-	244 879	-	(264 879)	20 000	-
			-	242 179	-	(262 179)	20 000	-
	7. Examination and Education Related Services	13 048	3 600	10 256	-	(808)	-	-
8	Public Works, Roads and Transport <i>Aim: To provide an integrated, reliable and cost effective transport system that meets the development needs of the province. To deliver infrastructure that promotes sustainable economic development and job creation.</i>	-	-	37 000	-	1 000	(38 000)	-
	1. Administration	23 000	-	22 000	-	1 000	-	-
	2. Public Works Infrastructure	19 000	4 000	15 000	-	-	-	-
	3. Transport Infrastructure	(38 000)	-	-	-	-	(38 000)	-
	4. Transport Operations	-	-	-	-	-	-	-
	5. Community Based Programmes	(4 000)	(4 000)	-	-	-	-	-
9	Community Safety, Security and Liaison <i>Aim: A safe, secure, crime and road crash free Mpumalanga Province</i>	(22 200)	-	(7 200)	-	-	(15 000)	-
	1. Administration	-	-	-	-	-	-	-
	2. Civilian Oversight	-	-	-	-	-	-	-
	3. Transport Regulation	(22 200)	-	(7 200)	-	-	(15 000)	-
	4. Security Management	-	-	-	-	-	-	-

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
11	Culture, Sport and Recreation <i>Aim: To promote social cohesion and nation building through culture, sport and information service to people of Mpumalanga.</i>	-	(2 150)	2 150	-	-	-	-
	1. Administration	7 150	-	7 150	-	-	-	-
	2. Cultural Affairs	(1 400)	(400)	(1 000)	-	-	-	-
	3. Library and Archives Services	(3 200)	(1 200)	(2 000)	-	-	-	-
	4. Sports and Recreation	(2 550)	(550)	(2 000)	-	-	-	-
13	Human Settlements <i>Aim: To co-ordinate and facilitate the creation of integrated sustainable human settlements.</i>	248 146	-	(4 389)	-	248 146	4 389	-
	1. Administration	-	-	(4 389)	-	-	4 389	-
	2. Housing Needs, Research and Planning	(1 854)	-	-	-	(1 854)	-	-
	3. Housing Development <i>Of which Conditional Allocation Human Settlements Development Grant</i>	250 000	-	-	-	250 000	-	-
	4. Housing Asset Management	-	-	-	-	-	-	-
Total 2024/25 2nd adjustment to departmental baseline		218 946	(17 442)	280 244	-	(15 555)	(28 301)	-

EXPLANATORY MEMORANDUM ON THE OBJECTS OF THE MPUMALANGA SECOND ADJUSTMENTS APPROPRIATION BILL, 2025

1. BACKGROUND

- 1.1. Section 31(1) of the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA) provides that *"the MEC for Finance in a Province may table an adjustments budget in the Provincial Legislature subject to subsection (3)"*. Furthermore, *section 31(2)(a)-(e)* makes provision for instances upon which adjustments may be made. This adjustment is in terms of *section 31(2)(a)* and *(e)* of the PFMA respectively to the effect that *"an adjustments budget of a province may only provide for- (a) the appropriation of funds that have become available in the province"; and "(e) the shifting of funds between and within votes...."*
- 1.2. Based on the above, the Mpumalanga Second Adjustments Appropriation Bill, 2025 ("the Bill") provides for the appropriation of funds for the Mpumalanga Provincial Government arising from the transfer and the reduction of conditional grants to provinces published by the Minister of Finance, Mr E Godongwana, through the following Government Gazette issued in terms of the Division of Revenue Act, 2024 (Act No. 24 of 2024) as amended:-
 - 1.2.1. Government Gazette No. 52207 dated 03 March 2025, which notice affects the Human Settlements Development Grant (HSDG).
- 1.3. Departments will also have an opportunity to do virements where necessary.

Conditional Grants

- 1.4. For Government Gazette No. 52207 dated 03 March 2025, and in compliance with section 19 of the Division of Revenue Act, 2024 (Act No. 24 of 2024), as amended, the National Department of Human Settlements has stopped the transfer of funds to the affected Provinces, and a total amount of R250 million is re-allocated to the Province. The Bill therefore provides for second adjustments to the Province's budget in order to receive and appropriate the additional funding. In this regard, **the budget baseline of the Department of Human Settlements will therefore be accordingly increased by R250 million**, of which will be directed towards Human Settlements Development Grant.

Provincial Revenue Fund

- 1.5. An amount of **R31.054 million** is available from the Provincial Revenue Fund which was declared unspent, and the baseline of the affected Departments will be reduced as accordingly detailed in the Schedule to the Bill.

2. SUMMARY OF BILL

The following is a brief summary of the Bill:

Clause 1 provides for the Interpretation of the Bill;

Clause 2 provides for the second adjustments to appropriations of money for the requirements of the Province in respect of the 2024/25 financial year to certain votes and main divisions within a vote; and

Clause 3 contains the short title.

3. ORGANISATIONS AND INSTITUTIONS CONSULTED

All relevant and affected stakeholders were consulted.

- National Treasury
- Office of the Premier
- Provincial Legislature
- Provincial Treasury
- Department of Co-operative Governance and Traditional Affairs

- Department of Agriculture, Rural Development, Land and Environmental Affairs
- Department of Economic Development and Tourism
- Department of Education
- Department of Public Works, Roads and Transport
- Department of Community, Safety Security and Liaison
- Department of Health
- Department of Culture, Sport and Recreation
- Department of Social Development
- Department of Human Settlements

4. FINANCIAL IMPLICATIONS FOR THE PROVINCE

- 4.1. The budget baseline of the Department of Human Settlements will be increased by a total of **R250 million**, of which **R250 million** is directed towards the Human Settlements Development Grant.

5. CONSTITUTIONAL IMPLICATIONS

The recommendations that are made in the Bill take into account the provisions of sections 119, 120 and 226 of the Constitution.

6. LEGISLATIVE PROCEDURE

The Bill is a money Bill which must be dealt with in accordance with the procedure prescribed by section 120 read with section 119 of the Constitution.