

MPUMALANGA PROVINCE



MPUMALANGA THIRD ADJUSTMENTS APPROPRIATION BILL, 2021

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

(MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM)

BILL

To effect adjustments to the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in respect of the 2020/21 financial year ending 31 March 2021; and to provide for matters incidental thereto.

PREAMBLE

WHEREAS section 226(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by a Provincial Act or as a direct charge against the Provincial Revenue Fund, when it is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, 2020 (Act No. 2 of 2020), provides for the appropriation of money from the Provincial Revenue Fund to provide for the requirements of the Province in respect of the 2020/21 financial year;

AND WHEREAS section 31 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), provides for provincial adjustments to be effected to the amounts of money appropriated in an Appropriation Act, including to cater for expenditure in terms of section 31(2)(a) and (e);

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 ascribed a meaning in the Mpumalanga Appropriation Act, 2020 (Act No. 2 of 2020), or the Public Finance Management Act, 1999 (Act No. 1 of 1999), bears the meaning so assigned.

Adjustments to appropriations of money for requirements of the Province

2. (1) Adjustment to appropriations by the Mpumalanga Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in respect of the 2020/21 financial year to votes and main divisions within a vote, and amendments for the purposes specified, are set out in the Schedule to this Act.

(2) The spending of appropriations contemplated in subsection (1) is subject to the provisions of this Act, the Public Finance Management Act, 1999 (Act No. 1 of 1999), and the Division of the Revenue Act, 2020 (Act No. 4 of 2020) as amended.

Short title

3. This Act is called the Mpumalanga Third Adjustments Appropriation Act, 2021

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
1	Office of the Premier <i>To provide strategic direction and support evidence based decision-making through research, monitoring and evaluation, integrated planning, co-ordination of government programmes and institutional development.</i>	(65 000)	(17 685)	(47 615)	-	(700)	1 000	-
	1. Administration	(4 585)	(8 520)	2 935	-	-	1 000	-
	2. Institutional Development	(7 315)	(6 965)	350	-	(700)	-	-
	3. Policy and Governance	(53 100)	(2 200)	(50 900)	-	-	-	-
3	Provincial Treasury <i>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>	(7 000)	(8 700)	12 684	-	211	(11 195)	-
	1. Administration	(5 157)	(3 172)	201	-	(5)	(2 181)	-
	2. Sustainable Resources Management	(4 009)	(3 122)	(824)	-	(63)	-	-
	3. Asset And Liabilities Management	3 139	(2 694)	14 709	-	138	(9 014)	-
	4. Financial Governance	(973)	288	(1 402)	-	141	-	-
4	Co-operative Governance and Traditional Affairs <i>To facilitate and co-ordinate inter-governmental structures and developmental agencies for sustainable integrated service delivery through public participation and traditional system of governance.</i>	37 600	-	32 000	-	5 600	-	-
	1. Administration	-	-	-	-	-	-	-
	2. Local Governance	-	-	-	-	-	-	-
	3. Development and Planning <i>of which Specifically and Exclusively Appropriated Disaster Relief</i>	32 000	-	32 000	-	-	-	-
	4. Traditional Institutional Management <i>of which Non-Profit Institutions Traditional Leaders Grant</i>	5 600	-	-	-	5 600	-	-
	5. The House of Traditional Leaders	-	-	-	-	5 600	-	-
5	Agriculture, Rural Development, Land and Environmental Affairs <i>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>	(20 000)	(20 000)	-	-	-	-	-
	1. Administration	(6 000)	(6 000)	-	-	-	-	-

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
	2. Sustainable Resource Management	–	–	–	–	–	–	–
	3. Farmer Support and Development	(3 338)	(3 338)	–	–	–	–	–
	4. Veterinary Services	(4 736)	(4 736)	–	–	–	–	–
	5. Research and Technology Development Services	(2 339)	(2 339)	–	–	–	–	–
	6. Agricultural Economics Services	(1 031)	(1 031)	–	–	–	–	–
	7. Structured Agricultural Education and Training	(1 426)	(1 426)	–	–	–	–	–
	8. Rural Development Coordination	(1 130)	(1 130)	–	–	–	–	–
	9. Environmental Affairs	–	–	–	–	–	–	–
6	Economic Development and Tourism <i>To drive economic growth that creates decent employment and promotes sustainable development.</i>	(26 242)	4 500	(4 500)	–	(41 242)	15 000	–
	1. Administration	1 010	2 810	(1 800)	–	–	–	–
	2. Integrated Economic Development	(14 556)	444	–	–	(30 000)	15 000	–
	3. Trade and Sector Development	(1 900)	–	(1 900)	–	–	–	–
	4. Business Regulation and Governance	(4 610)	632	(500)	–	(4 742)	–	–
	5. Economic Planning	314	614	(300)	–	–	–	–
	6. Tourism	(6 500)	–	–	–	(6 500)	–	–
7	Education <i>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>	(50 000)	(42 593)	88 062	–	30 000	(125 469)	–
	1. Administration	(67 140)	(67 140)	–	–	–	–	–
	2. Public Ordinary Schools Education	64 000	19 065	2 684	–	43 000	(749)	–
	3. Independent Schools Subsidies	–	–	–	–	–	–	–
	4. Public Special Schools Education	–	(600)	2 620	–	–	(2 020)	–
	5. Early Childhood Development	5 000	5 000	–	–	–	–	–
	6. Infrastructure Development	(50 000)	(6 900)	79 600	–	–	(122 700)	–
	7. Examination and Education Related Services	(1 860)	7 982	3 158	–	(13 000)	–	–
8	Public Works, Roads and Transport <i>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>	(70 000)	16 000	(95 725)	–	53 100	(43 375)	–
	1. Administration	(10 000)	2 500	(13 600)	–	3 100	(2 000)	–
	2. Public Works Infrastructure	(6 500)	13 500	–	–	30 000	(50 000)	–

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
	3. Transport Infrastructure	(1 000)	–	(11 625)	–	–	10 625	–
	4. Transport Operations	(42 500)	–	(60 500)	–	20 000	(2 000)	–
	5. Community Based Programmes	(10 000)	–	(10 000)	–	–	–	–
9	Community Safety, Security and Liaison <i>To improve community safety and road traffic safety through mass mobilization, oversee the performance of the police and provision of security services.</i>	(8 400)	4 773	(9 693)	–	(3 480)	–	–
	1. Administration	(2 500)	–	(2 500)	–	–	–	–
	2. Civilian Oversight	(2 150)	(600)	(1 550)	–	–	–	–
	3. Transport Regulation	(4 463)	5 373	(6 356)	–	(3 480)	–	–
	4. Security Management	713	–	713	–	–	–	–
10	Health <i>To improve the quality of health and well-being of all people of Mpumalanga Province by providing needs-based, people centred, equitable health care delivery system through an integrated network of health care services provided by a cadre of dedicated and well skilled health workers.</i>	(150 000)	40 000	(40 000)	–	–	(150 000)	–
	1. Administration	15 000	–	15 000	–	–	–	–
	2. District Health Services	–	40 000	(40 000)	–	–	–	–
	3. Emergency Medical Services	–	–	–	–	–	–	–
	4. Provincial Hospital Services	26 409	–	26 409	–	–	–	–
	5. Central Hospital Services	–	–	–	–	–	–	–
	6. Health Sciences and Training	–	–	–	–	–	–	–
	7. Health Care Support Services	–	–	–	–	–	–	–
	8. Health Facilities Management	(191 409)	–	(41 409)	–	–	(150 000)	–
11	Culture, Sport and Recreation <i>To promote social cohesion and nation building through culture, sport and information service to people of Mpumalanga.</i>	(55 000)	(5 000)	–	–	–	(50 000)	–
	1. Administration	(1 500)	(1 500)	–	–	–	–	–
	2. Cultural Affairs	(35 833)	(1 580)	–	–	–	(34 253)	–
	3. Library and Archives Services	(920)	(920)	–	–	–	–	–
	4. Sports and Recreation	(16 747)	(1 000)	–	–	–	(15 747)	–
12	Social Development <i>To provide, equitable, integrated and quality sustainable social development services in partnership with all stakeholders to eradicate poverty and protect vulnerable groups in all communities of Mpumalanga</i>	(5 000)	–	(4 430)	–	(2 047)	1 477	–

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
	1. Administration	5 000	5 000	–	–	–	–	–
	2. Social Welfare Services	(200)	–	(200)	–	(1 477)	1 477	–
	3. Children and Families	3 000	3 000	–	–	–	–	–
	4. Restorative Services	(10 230)	(8 000)	(2 230)	–	–	–	–
	5. Development and Research	(2 570)	–	(2 000)	–	(570)	–	–
13	Human Settlements <i>To co-ordinate and facilitate the creation of integrated sustainable human settlements.</i>	18 000	–	(1 300)	–	139 300	(120 000)	–
	1. Administration	–	–	–	–	–	–	–
	2. Housing Needs, Research and Planning	(120 000)	–	(1 300)	–	1 300	(120 000)	–
	3. Housing Development <i>of which</i> <i>Conditional allocation</i> <i>Provincial Emergency Housing Grant</i>	138 000	–	–	–	138 000	–	–
	4. Housing Asset Management	–	–	–	–	–	–	–
Total 2020/21 3rd adjustment to departmental baseline		(401 042)	(28 705)	(70 517)	–	180 742	(482 562)	–

EXPLANATORY MEMORANDUM ON THE OBJECTS OF THE MPUMALANGA THIRD ADJUSTMENTS APPROPRIATION BILL, 2021

1. BACKGROUND

- 1.1. This adjustment is in terms of section 31(2)(a) and (e) of the PFMA which provide respectively to the effect that the MEC for Finance in a Province may table an adjustments budget in the Provincial Legislature if such adjustments budget provides for the appropriation of funds that have become available in the Province; or the shifting of funds between and within votes respectively.
- 1.2. The Mpumalanga Third Adjustments Appropriation Bill, 2021 (“the Bill”), provides for the appropriation of funds for the Mpumalanga Provincial Government arising from amounts transferred to the Province by the National Department of Human Settlements.
- 1.3. The transfer and the reduction of conditional grants to provinces was published by the Minister of Finance, Mr TT Mboweni, through Government Gazette no. 44207 dated 1 March 2021, issued in terms of the Division of Revenue Act, 2020 (Act No. 4 of 2020) as amended.
- 1.4. The Departments will also have an opportunity to do virements where necessary.

Human Settlements Development Grant

- 1.5. In compliance with section 20 of the Division of Revenue Act, 2020 (Act No. 4 of 2020), as amended, the National Department of Human Settlements has re-allocated after stopping of allocation in 2020 an amount of R138 million. The Bill therefore provides for third adjustments to the Province’s budget in order to receive and appropriate the additional funding from the National Department of Human Settlements amounting to R138 million.
- 1.6. In the above regard, the budget baseline of the Department of Human Settlements will therefore be accordingly increased by **R138 million**, in order to direct funding towards Provincial Human Settlements Development Grant.

Provincial Revenue Fund

- 1.7. An amount of **R576.642 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.

Department of Co-operative Governance and Traditional Affairs

- 1.8. From the declared unspent funds, the Department will receive **R5.6 million** to defray expenditure incurred for Traditional Leaders grant and **R32 million** for disaster relief material.

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 third adjustments to appropriations of money for the requirements of the Province in respect of the 2020/21 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

The budget baseline of the Department of Human Settlements will be increased by **R138 million**, in order to direct funding towards Provincial Human Settlements Development Grant.

An amount of **R37.6 million** will be added to the Department of Co-operative Governance and Traditional Affairs from the Provincial Revenue Fund.

The Bill will also adjust the budget baselines of the above-mentioned votes by a combined total amount of **R401.042 million**.

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.