

**MPUMALANGA PROVINCE**

---



---

**MPUMALANGA SECOND ADJUSTMENTS APPROPRIATION BILL, 2020**

*(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 2019/20 financial year ending 31 March 2020; 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**WHEREAS** section 226(2) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by a Provincial Act or as a direct charge against the Provincial Revenue Fund, when it is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, 2019 (Act No. 2 of 2019), provides for the appropriation of money from the Provincial Revenue Fund to provide for the requirements of the Province in respect of the 2019/20 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, 2019 (Act No. 2 of 2019), 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 2019/20 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, 2019 (Act No. 16 of 2019) as amended.

#### **Short title**

3. This Act is called the Mpumalanga Second Adjustments Appropriation Act, 2020

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
<b>1</b>	<b>Office of the Premier</b> <i>Aim: 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>	<b>(10 000)</b>	<b>(4 800)</b>	<b>(5 700)</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>
	1. Administration	3 133	(2 300)	5 300	-	133	-	-
	2. Institutional Development	(669)	(500)	-	-	(169)	-	-
	3. Policy and Governance	(12 464)	(2 000)	(11 000)	-	36	500	-
<b>3</b>	<b>Provincial Treasury</b> <i>Aim: To equitably allocate and monitor optimal utilization of provincial resources to ensure quality and better life for all through: quality financial advice and support to departments, public entities and municipalities, efficient financial management and fiscal discipline and effective use of financial resources.</i>	<b>-</b>	<b>-</b>	<b>(10 060)</b>	<b>-</b>	<b>17</b>	<b>10 043</b>	<b>-</b>
	1. Administration	(5 632)	-	(5 605)	-	77	(104)	-
	2. Sustainable Resources Management	(502)	-	(442)	-	(60)	-	-
	3. Asset and Liabilities Management	6 584	-	(3 563)	-	-	10 147	-
	4. Financial Governance	(450)	-	(450)	-	-	-	-
<b>5</b>	<b>Agriculture, Rural Development, Land and Environmental Affairs</b> <i>Aim: To lead and facilitate an integrated, comprehensive, sustainable social cohesion by partnering with all sectors of society through agriculture, rural development and land administration.</i>	<b>-</b>	<b>(10 000)</b>	<b>14 912</b>	<b>-</b>	<b>-</b>	<b>(4 912)</b>	<b>-</b>
	1. Administration	(2 500)	(1 500)	2 400	-	-	(3 400)	-
	2. Sustainable Resource Management <i>Of which</i> <i>Land Care Programme Grant: Poverty Relief and Infrastructure Development</i> <i>Comprehensive Agricultural Support Programme Grant</i>	(3 000)	(1 000)	(5 820)	-	-	3 820	-
				616			(616)	
				4 436			(4 436)	
	3. Farmer Support and Development <i>Of which</i> <i>Comprehensive Agricultural Support Programme Grant</i>	6 000	(8 000)	14 082	-	-	(82)	-
				2 718			(2 718)	
	4. Veterinary Services	(2 500)	(1 500)	-	-	-	(1 000)	-
	5. Research and Technology Development Services	(1 500)	(1 500)	-	-	-	-	-
	6. Agricultural Economics Services	(500)	(500)	-	-	-	-	-
	7. Structured Agricultural Education and Training	(500)	(500)	-	-	-	-	-
	8. Rural Development Coordination	(500)	(500)	-	-	-	-	-
	9. Environmental Affairs	5 000	5 000	4 250	-	-	(4 250)	-
<b>6</b>	<b>Economic Development and Tourism</b> <i>Aim: To drive economic growth that creates decent employment and promote sustainable development through partnerships.</i>	<b>(35 000)</b>	<b>-</b>	<b>(4 000)</b>	<b>-</b>	<b>(31 000)</b>	<b>-</b>	<b>-</b>
	1. Administration	-	-	-	-	-	-	-
	2. Integrated Economic Development	(31 400)	-	(400)	-	(31 000)	-	-
	3. Trade and Sector Development	(3 600)	-	(3 600)	-	-	-	-

Vote		Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of employees	Goods and services	Other			
	4. Business Regulation and Governance	-	-	-	-	-	-	-
	5. Economic Planning	-	-	-	-	-	-	-
	6. Tourism	-	-	-	-	-	-	-
<b>7</b>	<b>Education</b> <i>Aim: To work with stakeholders to promote effective teaching and learning through good governance, capable management and proficient leadership.</i>	<b>313 335</b>	<b>1 436</b>	<b>14 218</b>	<b>-</b>	<b>(25 654)</b>	<b>323 335</b>	<b>-</b>
	1. Administration	9 836	11 631	(18 573)	-	6 778	10 000	-
	2. Public Ordinary Schools Education	54 459	51 000	38 591	-	(35 132)	-	-
	3. Independent Schools Subsidies	-	-	-	-	-	-	-
	4. Public Special Schools Education	2 000	(600)	1 900	-	700	-	-
	5. Early Childhood Development	(63 895)	(63 895)	-	-	-	-	-
	6. Infrastructure Development <i>Of which Education Infrastructure Grant</i>	313 335	-	-	-	-	313 335	-
	7. Examination and Education Related Services	(2 400)	3 300	(7 700)	-	2 000	-	-
<b>9</b>	<b>Community Safety, Security and Liaison</b> <i>Aim: To provide a safe, secure, crime and road crash free Mpumalanga Province.</i>	<b>208 000</b>	<b>-</b>	<b>208 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	1. Administration	-	-	-	-	-	-	-
	2. Civilian Oversight	-	-	-	-	-	-	-
	3. Transport Regulation	-	-	-	-	-	-	-
	4. Security Management	208 000	-	208 000	-	-	-	-
<b>10</b>	<b>Health</b> <i>Aim: 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>	<b>-</b>	<b>-</b>	<b>123 137</b>	<b>-</b>	<b>70 547</b>	<b>(193 684)</b>	<b>-</b>
	1. Administration	-	-	-	-	-	-	-
	2. District Health Services	70 547	-	-	-	70 547	-	-
	3. Emergency Medical Services	(15 567)	-	-	-	-	(15 567)	-
	4. Provincial Hospital Services	-	-	-	-	-	-	-
	5. Central Hospital Services <i>Of which National Tertiary Services Grant</i>	-	-	7 500	-	-	(7 500)	-
	6. Health Sciences and Training	-	-	-	-	-	-	-
	7. Health Care Support Services	(14 885)	-	-	-	-	(14 885)	-
	8. Health Facilities Management	(40 095)	-	115 637	-	-	(155 732)	-
<b>13</b>	<b>Human Settlements</b> <i>Aim: To provide Integrated Sustainable Human Settlements and improve quality livelihoods.</i>	<b>78 500</b>	<b>(8 000)</b>	<b>8 000</b>	<b>-</b>	<b>78 500</b>	<b>-</b>	<b>-</b>
	1. Administration	2 000	(3 000)	5 000	-	-	-	-
	2. Housing Needs, Research and Planning	(22 000)	(5 000)	3 000	-	(20 000)	-	-
	3. Housing Development <i>of which Human Settlement Development Grant</i>	98 500	-	-	-	98 500	-	-

Vote	Total	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
		Compensation of employees	Goods and services	Other			
4. Housing Asset Management	-	-	-	-	-	-	-
<b>Total 2019/20 2nd adjustment to provincial baseline</b>	<b>554 835</b>	<b>(21 364)</b>	<b>348 507</b>	<b>-</b>	<b>92 410</b>	<b>135 282</b>	<b>-</b>

---

---

## EXPLANATORY MEMORANDUM ON THE OBJECTS OF THE MPUMALANGA SECOND ADJUSTMENTS APPROPRIATION BILL, 2020

### 1. BACKGROUND

- 1.1. Section 31(2)(a) and (e) of the PFMA provides 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 Second Adjustments Appropriation Bill, 2020 (“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 and National Department of Basic Education.
- 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. 43050 dated 28 February 2020 and Gazette no. 43060 dated 02 March 2020, issued in terms of the Division of Revenue Act, 2019 (Act No.16 of 2019) 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, 2019, as amended, the National Department of Human Settlements re-allocates funds to the Mpumalanga Department of Human Settlements amounting to R98.5 million for Human Settlements Development Grant, following revised allocations by the National Department of Human Settlements.

#### Education Infrastructure Grant

- 1.6. Furthermore, in compliance with section 20 of the Division of Revenue Act, 2019, as amended, the National Department of Basic Education re-allocates funds to the Mpumalanga Department of Education amounting to R313.335 million for Education Infrastructure Grant, following revised allocations by the National Department of Basic Education.

#### Department of Community Safety, Security and Liaison

- 1.7. An amount of R208 million is available from the Provincial Revenue Fund and this amount will be allocated to the Department of Community, Safety, Security and Liaison for purposes of augmenting their security services.

#### Funds Surrendered to the Provincial Revenue Fund

- 1.8. There were funds from the following affected Votes amounting to R65 million, of which:
  - R10 million from the Office of the Premier
  - R35 million from the Department of Economic Development and Tourism
  - R20 million from the Department of Human Settlements.

This amount will be reallocated in the 2020/21 financial year for the same purpose as in 2019/20 financial year.

### 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 2019/20 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 Treasury
- Department of Agriculture, Rural Development, Land and Environmental Affairs
- Department of Economic Development and Tourism
- Department of Education
- Department of Community, Safety Security and Liaison
- Department of Health
- Department of Human Settlements

#### **4. FINANCIAL IMPLICATIONS FOR THE PROVINCE**

The Bill seeks to adjust the budget baselines of the above-mentioned votes by a combined total of **R554.835 million**.

An amount of **R208 million** will be added to the Department of Community, Safety Security and Liaison from the Provincial Revenue Fund for augmenting security services.

The budget baseline of the Department of Human Settlements will be increased by **R98.5 million**, in order to direct funding towards Human Settlements Development Grant.

The budget baseline of the Department of Education will be increased by **R313.335 million**, in order to direct funding towards Education Infrastructure Grant.

The savings of **R65 million**, will be surrendered to the Provincial Revenue Fund for reallocation in the 2020/21 financial year for the same purpose.

#### **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.