



SPEECH PRESENTED TO THE PROVINCIAL LEGISLATURE BY THE MEC FOR FINANCE, MR J.L MAHLANGU, MPL, ON THE OCCASION OF APPROPRIATING THE MPUMALANGA ADJUSTMENT BUDGET: 2008/2009

Friday, 21 November 2008

Madam Speaker, Mrs YN Phosa
Honourable Premier, Mr TSP Makwetla
Honourable Deputy Speaker, Mr BJ Nobunga
Colleagues in the Executive Council
Honourable Members of the Legislature
Members of the House of Traditional Leaders
The Director General, Mr K. Ngema
The Head of the Department of Finance, Mr R.S Tshukudu
Other Heads of Departments
Distinguished Guests
Members of the Media
Ladies and Gentlemen

Our government is committed to provide a better life for all. This is evident in the significant strides we have made in bettering the lives of our people. The living conditions of our people are better than yesterday, and we commit that they will indeed, be better than today. As the Provincial Government of Mpumalanga, we continue to be biased towards the social services sector, when allocating the budget. I can confirm to this house, that a lion's share of the proposed adjusted budget, has been allocated to the sector in question. This is because the social well-being of our people, and the future of our children, has always been our priority area – even before we took over government.



Madam Speaker, Honourable Members, when we presented the Provincial Adjustment Budget this past Tuesday, we asked this august house to appropriate a total of **R20 billion, 466 billion, 326 thousand**, to fund the requirements of the Province, in terms of Chapter 4, Section 31 of the Public Finance Management Act, Act 1 of 1999, as amended by Act 29 of 1999.

As a result, the proposed budget will increase the Provincial Fiscal Framework by **R1 billion, 646 million, 707 thousand**, to cater for short-falls experienced by Departments, as a result of the following, amongst others:

- Higher than anticipated inflationary wage increase for public servants, which has resulted in an increase of the wage bill by **R237 million, 81 thousand**;
- A top-up of **R82 million, 377 thousand** to the Occupation Specific Dispensation for nurses;
- Higher than anticipated inflation costs for medical equipment and medicine costs, resulting in the proposed additional amount of **R38 million, 997 thousand** as a top-up;
- Funding of three (3) new vaccines to the tune of **R4 million, 119 thousand** to reduce infant and child mortality rate;
- A top-up of **R7 million, 460 thousand** to the learner and teacher support material;
- The National School Nutrition Programme Conditional Grant will be adjusted by **R29 million, 684 thousand**.
- An additional **R 25 million, 570 thousand** is proposed to be added to the baselines of the HIV and AIDS Programme in the Department of Health, in order to meet the greater demands that arise due to the faster ARV take up rate;
- To fund the rehabilitation of schools damaged by storms in the Bushbuckridge area to the tune of **R5.3 million**;



- To fund an increment in the remuneration of public office bearers, hosting of the State of the Province address, maintenance of the Legislature chamber, funding of political parties and payment of allowances of traditional leaders;
- To top-up funding for the five (5) Provincial Flagship Projects;
- To cater for the implementation of the water project in Nkomazi and purchase of fire fighting equipment for Mbombela;
- To top-up the infrastructure budget in the Department of Education in order to complete unfinished school projects and to construct new ones;
- To fund the purchase of additional 100 traffic enforcement vehicles and equipment, maintenance of access roads and dilapidated streets in various municipalities, and to top-up funds budgeted for the construction of the N4 bypass road to the Mbombela Stadium;
- To fund the additional work at the Samora Machel Memorial; and
- To fund the construction of additional 6000 housing units.

Madam Speaker, Honourable Members, as a sign that our government is committed to improving conditions for our learners and educators, it should be noted that the Department of Education continues to be allocated a lion's share of the total proposed adjusted budget. The Department will receive a total of **R9 billion, 357 million**, which is **45.7 percent** of the total proposed budget.

We continue to in our mission to provide a better health service to our people by allocating **22.7 percent (R4 billion, 656 million)** of our budget to the Department of Health. In order to enhance service delivery and continue in our promise to protect women, children, people with disabilities and the aged, we have created a stand-alone Department of Social Development, which has been allocated an amount of **R658 million, 732 thousand** or 3.2 percent of the total budget.



In order to live up to the promise we made in the *Freedom Charter*, that of providing a roof over the heads of our people, we have also created a stand-alone Department of Housing to fast-track housing delivery. The Department has been allocated a total of **R868.879 Million** or **4.2 percent** of the total budget.

As the caring ANC-led government, which puts people first, we have therefore a total of **R15 billion, 54 million** to the social services sector, which is **76 percent** of our total proposed adjusted budget of **R20. 466 billion**.

We can all agree that indeed, "**It shall come to pass!**" Storm clouds are beginning to clear - a confirmation that tough times, never last, as we "*Go forward in faith,*" believing that the worst is over.

Having said that Madam Speaker, Honourable Members, we can all agree that the proposed adjustment budget will meet the planned activities of the provincial administration for the financial year, 2008-2009.

I therefore appreciate the pronouncement made by members of the portfolio committee and the house, by agreeing to appropriate a total of **R20 billion, 466 million, 326 thousand** to fund the requirements of the province, in terms of Chapter 4, Section 31 of the Public Finance Management Act, Act 1 of 1999 as amended.

I thank you!