



**finance**

DEPARTMENT: FINANCE  
MPUMALANGA  
PROVINCIAL GOVERNMENT

# ADJUSTMENT BUDGET

2007/2008

*"Always Stretching Our Arm To Accelerate Service Delivery"*

# **ADJUSTMENT BUDGET**

**2007/2008**

**Presented by:**

**BY THE MEC FOR FINANCE, MRS EM COLEMAN, MPL  
Thursday, 22 November 2007**

Madam Speaker  
Honourable Premier  
Colleagues in the Executive Council  
Honourable Members of the Legislature  
The Director General  
HOD of the Department of Finance  
Other HODs present  
Distinguished Guests  
Members of the Media  
Ladies and Gentlemen

Madam Speaker, Honourable Members of this august house, I wish to thank you for the opportunity allowed my department to present to you the proposals for the Adjustment Budget for the 2007/2008 Financial Year. In terms of the budget process, Madam Speaker, the provincial administration must review its performance after the first six months of the financial year, so that corrective action can be taken where it is necessary. This must be done after six-months, and not after a full year, because, as in the words of John Newton,

***“ We can easily manage, if we only take each day, the burden appointed for it, But the load will be too heavy for us if we carry yesterday’s burden over again today and then add the burden of the morrow to the weight before we are required to bear it.”***

However, honourable members, our experience as politicians is that we are constantly called upon to identify the problems of tomorrow by analysing the problems of today. In deed, we will be compounding the situation if we still have the problems of the past to deal with. This then makes it important for us to firstly deal with our recent past, which is the first months of the current financial year. As the first six months of this financial year has been influenced and impacted upon by specific trends in the economy, allow me to briefly outline certain economic specifics first.

#### • **Population Size**

Honourable members, let me start by commending Statistics South Africa for conducting a successful Community Survey 2007. The Survey indicates that from Census of 2001 the population of Mpumalanga has increased by 8, 2 per cent, from 3 365 385 to 3 643 435. The provincial population comprises 92 per cent Blacks, 6, 8 per cent Whites, 0, 8 per cent coloureds, and 0, 4 per cent Indians.

- **Education**

The results of the Survey also indicate an increase in college, university/technikon attendance by persons up to 24 years of age; enrolment in colleges increased from 0, 8 per cent in 2001 to 1, 5 per cent in 2007; while university/technikon attendance increased from 0, 7 per cent in 2001 to 1, 1 per cent in 2007.

Notable from the report is the growth in secondary schooling, country-wide, among persons aged 20 years and older: 33, 6 per cent in 1996, to 40, 1 per cent in 2007. There is a significant decrease in the percentage of the population, 20 years and older, with no schooling, since 1996.

In 1996 those with no schooling accounted for 19, 1 per cent, and decreased to 17, 9 per cent in 2001, and to 10, 3 per cent in 2007. In 2007, 9, 1 per cent of persons aged 20 and above had completed higher education, against 8, 4 per cent in 2001 and 7, 1 per cent in 1996.

I also deem it necessary, Madame Speaker, to indicate to this Honourable house other findings of the report which I believe, like in the case of education, is indicative of how much we have achieved towards our aim of “a better life for all.” A major finding is the impact of housing development.

- **The Impact of Housing Development**

The number of households increased from 669 884 (7, 4 per cent of country total) in 1996, to 785 433 (7, 0 per cent) to 940 403 (7, 5 per cent). The number of informal dwellings decreased from 13, 9 per cent in 1996 to 12, 4 per cent in 2007, while the number of traditional dwellings decreased from 19, 5 per cent in 1996 to 6, 7 per cent in 2007.

Madame Speaker, the impact of housing development is in the local economy, into which investments are made, jobs are created, and the local labour becomes more healthier because living conditions are being constantly improved.

- **The Economy of Mpumalanga**

As reported in our presentation of the Main Appropriation Budget in March 2007, according to Statistics South Africa GDP fourth quarter report 2006, our economy grew at a rate of 4.3 per cent, with the largest contributor being the manufacturing industry, with mining and quarrying contributing 18.5 per cent.

Finance, real estate and business services contributed 11.4 per cent to the GDP, whereas the construction industry contributed the lowest at 1.5 per cent. What was not available at the time of presenting the Main Appropriation was the economy per district.

- **Economic Development per District**

Global Insight Southern Africa- in its report, Regional Economic Focus, December 2006, indicates that in terms of contribution to the GDP, the Nkangala District is the highest contributor at 40 percent, followed by the Gert Sibande District at 36 per cent and the Ehlanzeni District at 24 per cent. The Nkangala District continues to be the highest producer of electricity in the Province at 71 percent; the Gert Sibande District being the highest contributor in Agriculture at 39 percent; and the Ehlanzeni District the highest in terms of trade relations at 45 per cent.

The Gert Sibande District contributes 55 % to the manufacturing sector, whereas the Nkangala and Ehlanzeni Districts contributes 30 and 15 per cent respectively.

Madam Speaker, the gap in the contribution to the GDP, per district, between Nkangala and Gert Sibande districts is 4 per cent. It is a concern that the gap between Nkangala and Ehlanzeni districts is 16 per cent, and between Ehlanzeni and Gert Sibande this gap is 12 per cent.

The concern about the low contribution of Ehlanzeni district to the GDP is based on the observation that as a district rich in agricultural output, the district should make a bigger contribution to the GDP through a bigger manufacturing sector, because the district ought to have a bigger manufacturing base than the other districts.

The fact that this is not the case indicates that the Ehlanzeni district is currently not fully optimising its competitive advantage, namely, its agricultural base. There is therefore work to be done, by both the public and private sectors, to ensure that the province benefits from the competitive advantages it has, be it in agriculture, manufacturing, tourism and or other sectors.

Madam Speaker, as indicated earlier, our recent past informs what we do in the future. Allow me therefore to report to this honourable house the status quo regarding the undertakings we made during our presentation of the main appropriation in March 2007.

- **The Unemployment Rate**

The results of the Labour Force Survey released by Statistics South Africa, published in September 2007, indicate that our unemployment rate is slightly higher than the national average. The Province has recorded a rate of 26, 4 per cent as compared to 25, 5 per cent of the national average.

However the figure shows that unemployment is decreasing, from 27, 4 per cent to the current 26, 4 per cent. We are working hard as a province to attract meaningful economic and social direct investment, in order to reduce unemployment to much lower levels.

## **REVIEW OF THE FIRST SIX MONTHS OF THE CURRENT FINANCIAL YEAR.**

- **Preferential Procurement Policy**

Madam Speaker, Honourable Members, when I stood before this house on 06 March earlier this year, we promised to introduce a policy framework that will ensure uniform application of the Preferential Procurement Policy across departments so that the citizens of Mpumalanga can benefit from the provincial government's procurement of goods and services.

I can report to this house that a draft Preferential Procurement Policy for the province has been developed. We are currently doing final consultations with all government clusters departments, and municipalities. It is our objective to ensure uniformity and standardisation of processes, practices and procedures which will result in the progressive empowerment of the historically disadvantaged individuals, particularly women and people with disabilities.

- **Provincial Spend Analysis**

We promised, Madam Speaker, to commission a study and analysis of the Provincial Spending, to analyse procurement decisions in departments in terms of who benefits, geographic spread, and compliance with the Preferential

Procurement Policy, to ensure that the previously disadvantaged are empowered, and that money is retained within the province.

Madam Speaker, the provincial spend analysis is almost complete. Tireless work and efforts have been put together to ensure that this objective is achieved. There were challenges in completing the exercise due to inconsistency in completing information particularly on the historically disadvantaged individuals (HDI). As result, this has created some problems. However, the project is on track and it will be completed in the next two (2) weeks.

This information will assist in decision making and therefore lead to definite strategic interventions for the benefit of the province and its inhabitants.

- **Service Transformation**

In the main appropriation, we also promised to continue to transform our service points in an attempt to enhance the efficiency of service delivery. This will include exploring new cost-effective innovations of conducting business so that we are able to speedily and accurately respond to the needs of our clientele.

As we strive for excellence, responsiveness and ensuring access to information for the people of Mpumalanga, we have transformed our tender offices into tender advisory centres.

Coupled with this, we have embarked on road-shows targeting the youth and women, with the objective of providing them with information on preparing and presenting winning bids, as well as access to non-financial support. We have as well piloted in one of our tender offices, the installation of equipment such as a television set, communication systems, a digital watch and others in order to ensure a people first top-class office, which addresses the needs of its clientele. It is our objective to implement all this in all our offices.

A complaints register to address perceived and actual complaints raised by our clientele, forms part of our strategies to follow up on matters raised by tenderers. As such complaints are registered, followed up and monitored, on a regular basis, in a speedily and an accessible manner.

- **Capacitate SCM Practitioners**

Madam Speaker, we undertook to continue to train, support and develop Supply Chain Management Practitioners. We are exploring an exchange programme with the private sector to assist with skills development, attitude and ethic transformation.

In our quest to ensure a well trained and capacitated cadre of Supply Chain Management (SCM) Practitioners, we have, since the beginning of the financial year, trained 256 municipal officials and 165 officials in provincial departments and committee members on SCM processes, as well as the development of specifications dealing with evaluation as well as the adjudication of bids.

As we promised to explore an exchange programme on Supply Chain Management with the private sector to assist with skills development, attitude and ethic transformation, I'm pleased to announce that sufficient progress has been made with SASOL to implement a learnership programme for our procurement practitioners, targeting 500 officials over a five-year period effective from February 2008.

Honourable members, we also undertook to continue to support Departments and Municipalities to adhere to critical Supply Chain Management procedures and practices in line with applicable regulations; and assist low and medium municipalities to establish committees and appoint qualified SCM personnel.

Madam Speaker, as part of our support and intervention in departments, we continued to provide on-site management and technical assistance which resulted in officials being deployed to municipalities and departments to support the implementation of Supply Chain Management.

We will step up this type of intervention going forward as it has yielded better and more positive results. We see municipalities and departments starting to comply with minimum norms and standards as required, for the establishment of SCM units, committees, policies, and delegation.

- **Maximise Investment in Information Technology**

We also promised this honourable that we would maximize investment in IT resources through the development and implementation of a Master Systems Plan (MSP).

As we promised, the Master Systems Plan (MSP) has been completed. The project was started in February 2007 and completed in July 2007. We are gearing ourselves to start implementing it and we hope to do that before the end of the current financial year. The MSP will enable the Province to best manage information and the deployment of Information Technology (IT) infrastructure in a manner that supports the realization of the objectives and goals of the Province.

- **Operational Support Teams in Infrastructure Implementation**

Madame Speaker, I now wish to report to this house progress on the Operational Support Teams, Project Managers and Financial Experts in all infrastructure delivery departments.

It gives me great pleasure to report that the initiative on Operational Support Teams to Infrastructure Delivery Departments, is beginning to bear fruits, as for the first time, the Infrastructure Plans for the next financial year, that is, the 2008/09, have been developed and submitted on time to the National Treasury. This will allow Departments to develop their Programme Management Plans and Programme Implementation Plans to allow implementation to commence at the beginning of the financial year.

To add to this achievement, the report from National Treasury on the assessment of Infrastructure Plans for 08/09 financial year informs us that our Department of Roads and Transport has produced the best Infrastructure Plan in the whole country. This is the first in the history of Mpumalanga. The Department has made us proud and I believe they deserve an applause from this house.

Furthermore, a number of Departments have managed to finalise their Programme Management Plans and Programme Implementation Plans for the 2007/08 financial year, albeit late.

The quarterly reporting through the Infrastructure Reporting Model (IRM) has been prioritised to ensure that issues of cash flow projections and reporting on expenditure, are closely monitored to allow for the achievement of targets as defined in the various infrastructure delivery related plans. To this end we have introduced monthly submissions of the IRM so that challenges can be quickly dealt with. We have also introduced the IRM in the Department of Public Works to assist the department to manage and report on their own funded projects.

I believe that the seed of best practice has been planted and it is up to Departments to institutionalise these processes, for the benefit of the people of this province.

- **Submission of Infrastructure Quarterly Reports and Infrastructure Grant Spending**

Honourable Members, there has been progress on submission of infrastructure quarterly reports and infrastructure grants spending.

The compliance to the Division of Revenue Act in terms of submission of infrastructure quarterly reports has improved. The reports are scrutinised and monitored closely, to ensure that they serve as meaningful management tools. We continue to support Departments to produce infrastructure reports on a monthly basis.

- **Infrastructure Delivery Improvement Programme (IDIP) and Provincial Technical Assistant Teams (PTATS)**

There has also been progress on the Infrastructure Delivery Improvement Programme (IDIP) and on the contribution by two Provincial Technical Assistant Teams (PTATS) deployed at the Department of public works and Education.

Steering committees at various levels have been established to properly guide the implementation of the IDIP in the Province. The Provincial Programme Steering Committee (PPSC), the Joint Inter-departmental Operational committee (JOC) and the Departmental operations Committee (DOC) are fully functioning.

Efforts towards capacity building are on track, as the Provincial Treasury is busy co-ordinating a workshop on development of capacitation plans for all the Departments tasked with infrastructure delivery.

- **Assist Departments to have monthly Own Revenue Workshops**

In terms of Own Revenue generation, we indicated to this house that we would assist all Departments to have monthly own revenue workshops, to look at trends of own revenue within each department and address problems that may arise.

We have established monthly revenue workshops to empower and share information among revenue managers, and their assistants at a regional level. The departments are supported at these regional revenue forums by the Provincial Treasury. The Departments that have established monthly revenue workshops at regional level are the Department of Public Works, Department of Roads and Transport, Department of Education, Department of Agriculture and Land Administration.

Madame Speaker we are prioritizing the cash offices as we believe that our own revenue transactions begin at a cash office level. As a result, we have already noted an improvement in the understanding of revenue management, in that officials are able to raise issues that may assist in revenue generation and collection. Champions have also been identified to facilitate growth in the departmental revenue portfolios.

- **Implement a Revenue-Forecasting Model**

In addition, we undertook to implement, with the assistance of the National Treasury a revenue-forecasting model in the Department of Roads and Transport which is a main collector of own revenue, and to others later.

Madame Speaker, Honourable Members, the promised revenue-forecasting model is at a finality stage and will be implemented by the National Treasury.

Lastly, but not least, on the revenue issue, Madame Speaker, we undertook to build capacity in all cash offices.

We continue to conduct workshops to empower cash office officials on revenue management issues. The focus areas for 2007/08 financial year are:

- Revenue and Cash office management
- Internal control measures
- Revenue receipts, recording, banking and safe custody of state funds.
- Revenue reporting

Site visits are done regularly to monitor whether cash offices comply with the prescripts and applicable procedures and also to provide support where needed. We also conduct on the job training to empower cash office officials.

Our success with own-revenue generation, as we have detailed the steps we have undertaken so far, is indicated in the collections to date.

- **Collections to Date**

In our quest to continue to assist Departments to improve on own revenue collection, we have, as at the end of the September 2007 (6 months period), assisted Departments to collect R208, 862 million against the annual revenue target of R337, 855 million, which represents 61% of the set target.

Only one Department, that is, the Department of Health and Social Services is not performing well with regard to own revenue collection. However we continue to assist the Department. We are confident that based on the collection rate, we will be able to exceed the target by the end of the financial year.

Madam Speaker, we have identified the following areas which we believe would assist the Department of Health and Social Services to optimise revenue collection:

- Revision of the Uniform Patient Fee Structure (UPFS) in consultation with and assistance from the National Department of Health;

- Establishment of the Road Accident Fund (RAF) satellite offices to certain hospitals through assistance by National Department of Health as well as the Provincial Department of Health;
  - Assist in the implementation of Electronic Data Interchange system to certain hospitals to provide for the electronic submission of medical aid claims, which are always rejected due to late submission.
- **Produce 12 Unqualified Reports**

Madame Speaker, we also made certain undertakings on two governance issues. Firstly, it was our aim, and focus, to produce 12 unqualified audit reports.

Madame Speaker, Honourable Members, on the basis of the audit outcomes of the 2006/07 Financial Year, we admit that a lot more harder work is needed to achieve 12 unqualified audit reports. In the previous financial year there was only one qualification. We managed to produce seven (7) unqualified audit opinions from the audits of the 2006/2007 financial year. We must state that the qualification for the other six (6) Departments was as a result of poor assets management irregular expenditure, emphasis of matter raised.

As the National Audit or- General indicated in his recent presentation to the Portfolio Committee on Office of the Premier, Finance, and Safety and Security, the solution to clean audits lies in the province itself, arguing that if one department can obtain a clean audit, so can lessons be learnt from that department.

As we said in the past, and re-iterate it now, we will not rest until we receive all 12 unqualified audit reports. We have thus developed a strategy to monitor what Departments are doing to address the issues raised by the Auditor-General. This we will do, by further improving governance issues with regard to effective internal audit units and audit committees, as we have since realised that the departments audit units and committees are not fully utilised to encourage good fiscal management and discipline.

• **Assist Municipalities to comply with the MFMA**

Finally, we indicated that we would continue to assist municipalities to comply with the provisions of the Municipal Finance Management Act; and familiarise ourselves with the status quo regarding financial management, compliance and other issues in the delegated additional four (4) municipalities.

As we committed ourselves during the tabling of the main appropriation bill, we continued and are still continuing to assist municipalities in order for them to comply with the MFMA.

Due to our interventions, 18 of the 21 delegated municipalities were able to approve and adopt their annual budgets for the 2007/08 financial year within the specified time frame.

We continued to capacitate municipalities with regard to monthly reporting formats to ensure uniformity and coherence of the monthly financial reports.

A tremendous improvement has been noted from municipalities in terms of reporting to both the National and the Provincial Treasury; hence we can confidently announce that all municipalities, but one, had submitted their monthly reports on time for the first quarter ending September 2007.

Furthermore, all municipalities, but one, managed to submit their Annual Financial Statement for the year ending June 2007 to the Auditor General by the end of August 2007. Only one municipality failed to meet the deadline and submitted on 14 September 2007.

We have also, in collaboration with the National Treasury, work-shopped municipalities on accounts standards for the preparation of the next annual financial statements.

The Provincial Treasury is also working closely with South African Local Government Association with the aim of addressing challenges and pressures in municipal finances.

We continue to hold MUNIMEC meetings with an aim of sharing experience and best practices, and also to disseminate new information related to fiscal policy areas.

### **MEDIUM TERM EXPENDITURE COMMITTEE (MTEC) HEARINGS**

Madam Speaker, as we promised earlier in the year, and in line with the Mpumalanga 2007 Budget process schedule, meetings with Departments for considering of the 2008 MTEF budget submission, took place from 25 September 2007 to 16 October 2007.

The following areas of policy significance were covered during the meetings:

- Whether the implementation of the agreed priorities that informed the preparation of the 2007/08 budget is on track;
- Whether the funding for these priorities was adequate in the first instance and subsequently, whether the departments will be confronted with any pressures;
- Whether there exists any linkages between the priorities agreed to and presented by the sectoral Medium Term Expenditure Committee Hearings at the National level and the Provincial bidding process;
- Whether there are any synergies between the 2007 priorities and the proposed 2008 priorities;
- Whether the Occupational Salary Dispensations of professionals in Education, Health and Social Services were being addressed or not;
- Assessment of the Compensation of Employees by each Department given the under-spending by Departments during the 2006/07 financial year;
-

- Assessment of the Compensation of Employees for the Department of Education given the huge overspending in the 2006/07 financial year
- Assessment of whether departments have budgeted adequately for salary increases for 2008/09 financial year in line with the guideline from National Treasury.
- That the “March Spike” syndrome is minimised

The MTEC Hearings provided us with an opportunity of understanding areas that need urgent attention, as well as frustrations that sometimes departments face on a daily basis.

Madame Speaker, may I take this opportunity to thank my Colleagues in the Executive Council for participating in the MTEC Hearings and also for allowing robust discussions in all areas.

Honourable Members, allow me, before I present the proposed adjustment allocations for 2007/08, to indicate, firstly, the technical adjustments to the provincial fiscal framework, and secondly, the implementation of the Government Employment Medical Scheme (GEMS).

## **TECHNICAL ADJUSTMENTS TO THE PROVINCIAL FISCAL FRAMEWORK**

### **• Personnel Adjustment**

When preparing the 2007 budget, provinces were advised to budget for salary increases of 6 percent for the 2007/08 financial year; 5 percent for the 2008/09 and the 2009/10 financial years. In addition, provinces had to budget an additional one (1) percent for pay progression.

However in terms of the wage agreement (PSCBC Resolution 1 of 2007), the wage increase for 2007/08 was 7, 5 percent, which was implemented from 1 July 2007. As a result, there was a shortfall of 1, 5 percent from what Provinces planned for, when they tabled their 2007 Budgets. Madam Speaker, Honourable Members, in order to compensate for the costs associated with the higher than anticipated wage settlement, **R97, 784 Million** has been added to the provincial equitable share for the 2007/08 financial year, as part of the 2007 Adjustment Estimate.

### **• Conditional Grants**

Madame Speaker, allow me also to mention that an amount of **R 45 million** is being made available to compensate losses of the fire disasters, an amount of **R 150 million** is also available for Housing and Human Settlement, **R 50 million** contingency reserve, **R 20 million** for the Growth Fund, **R 16 million** for flagship projects, and **R 30 million** for the Delmas water and sanitation infrastructure.

## IMPLEMENTATION OF THE GOVERNMENT EMPLOYEES MEDICAL SCHEME (GEMS)

During the 2006/07 financial year, the National Treasury made allocations to provinces for the uptake of GEMS. As a result, an amount of **R126, 858 Million** remained in the Provincial Revenue Fund awaiting allocation to Provincial Departments as guidelines for the implementation of GEMS were not ready at that stage. Departments were only advised to cost the impact of implementing GEMS during this financial year, in order for the Provincial Treasury to make funds available for adjustment during the adjustment budget process. Four out of twelve votes have submitted requests for allocation from the GEMS funding.

## ADJUSTMENT BUDGET ALLOCATION (2007-2008)

Madam Speaker, Honourable Members the total Budget appropriated by this house earlier in the year was **R16, 211 Billion** and will increase by **R741 Million** resulting in an adjusted budget of **R16, 952 Billion** for the 2007/2008 financial year. Of this additional amount, only **R636 Million** is recommended to be allocated to address Departmental pressures, leaving an amount of R105, 182 Million that has been exclusively allocated.

• Growth Fund	R20 million
• Contingency Reserve	R50 million
• Flagship Projects	R16, 005 million
• Government Employees Medical Scheme	R9, 554 million
• Wage Settlement	R 4,012 million
• Additional surrender by – Local Government and Housing	R5, 611 million

The proposed adjusted budget per vote is as follows:

### VOTE 1: Office of the Premier

The main appropriation budget of the Office of the Premier was **R148, 821 Million** and will now increase by **R21, 629 Million** resulting in the adjusted budget of **R170, 450 Million**. The Office registered pressures amounting to **R 17, 773 million**, among others, GEMS, and for the Wage Settlement.

### VOTE 2: Provincial Legislature

The approved budget of **R70, 260 Million** for the Provincial Legislature is proposed to be increased by **R22, 417 Million**. The adjusted budget is now **R92, 677 Million**. The Legislature registered pressures of **R 17, 935 million**, which will be further adjusted with unspent funds as well as funds generated from own revenue.

### **VOTE 3: Department of Finance**

The appropriated budget of **R145, 052 Million** for the Department of Finance will remain the same.

### **VOTE 4: Local Government and Housing**

The **R839, 586 Million** budget for the Department of Local Government and Housing will increase by **R166, 437 Million**. The adjustment budget is therefore, **R 1, 006 million**. The additional funds will be used for, among others, the Water-for-all Flagship Project, Housing and Human Settlement, and for water and sanitation infrastructure in Delmas.

### **VOTE 5: Agriculture and Land Administration**

The Department of Agriculture and Land Administration is being reduced by a total amount of **R18, 543 Million** meant for the Gutshwa Dam from the original budget of **R621, 073 Million**. The Department will receive additional amounts to fund the Greening Mpumalanga Flagship Project. The Department is also receiving an additional allocation of **R45 Million** from the national fiscus for disaster management, e.g., for veld fires and the purchase of fodder. The revised budget of the Department is therefore **R 669, 193 million**.

### **VOTE 6: Economic Development and Planning**

The budget of the Department of Economic Development and Planning will increase by **R10 Million**, up from the original budget of **R361, 348 Million** to **R371, 348 Million**. The amount of **R10 million** is for the payment of transaction advisors, for the Kruger Mpumalanga International Airport Project.

### **VOTE 7: Education**

An additional allocation of **R162, 285 Million** to the appropriated budget of **R7, 956 Billion** for the Department of Education is proposed. This will result in the adjusted budget of the Department totalling **R8, 118 Billion**. Included in this amount, is the personnel adjustment from 1 July 2007, and the government contribution to GEMS.

### **VOTE 8: Public Works**

The Department of Public Works will receive an additional amount of **R7, 376 Million** resulting in the adjusted budget of **R362, 446 Million** from the original budget of **R355, 070 Million**.

The additional amount is needed for, among others, the completion of the Provincial Fixed Asset Register, the valuation of the properties as well as capturing of assets into the Geographical Information System (GIS).

**VOTE 9: Safety and Security**

The budget of the Department of Safety and Security remains the same at **R44, 510 Million**.

**VOTE 10: Health**

The Health component of the Department of Health and Social Services will receive an additional amount of **R122, 952 Million** to fund GEMS, and the Occupation Specific Salary Dispensation for nurses, among others. The revised budget for the vote is **R 3, 717 billion**.

**VOTE 11: Roads and Transport**

The Department of Roads and Transport will receive an additional amount of **R59, 281 Million**. The additional amount is needed for road infrastructure, and will increase the budget of the department from **R 1, 421 billion** to **R 1, 480 billion**.

**VOTE 12: Culture, Sport and Recreation**

The Department of Culture, Sport and Recreation will receive an additional amount of **R15, 163 Million** resulting in the adjusted budget of **R171, 238 Million**, from the original budget of **R156, 075 Million**.

The Department also surrenders **R18, 710 Million**. The additional amount is needed for, among others, the completion of the Samora Machel Memorial, COSAFA Cup and related activities.

**VOTE 13: Social Services**

The budget of the Social Services component of the Department of Health and Social Services remains the same at **R497, 517 Million**.

Madam Speaker, I hereby table the 2007/2008 financial year Adjustment Budget Bill in terms of Section 31 of the PFMA, Act 1 of 1999 (as amended by Act 29 of 1999).

**CONCLUSION**

In conclusion Madam Speaker, allow me to thank the Honourable Premier for his continued confidence in me; my colleagues in the Executive Council for their valued contribution and support; members of the Budget and Finance Committee for most valued expertise and honest opinions; the Portfolio Committee responsible for financial matters, for the wisdom and guidance; the Head of Department for Finance, Mr Rabeng Tshukudu for the sterling job he continues to do in steering the finance ship forward.

The entire Provincial Treasury for their efforts, dedication and commitment towards ensuring that there is continuous prudence in managing fiscal policy.

To my family, thank you for allowing me to be a part of a caring government that strives to better the lives of our people.

Madam Speaker, Honourable members, as we move towards the month that includes the 16 Days of Activism Against Women and Children Abuse, I would like to leave men the following quote by Thomas Paine to ponder upon:

***“Bring me men to match my mountains  
Bring me men to match my plains  
Men with empires in their purpose,  
And new eras in their brains”***

In deed, what we need are men who will add value to what God has created: the environment, the women and the children, because it is through their nurturing that empires can be built. Empires, in their nature, assured their builders a better life for all who live in them. In short, Madame Speaker, we need men with new ideas in their brains, which implies a transformation of the way men think, especially about women and children.

I thank you.







**MPUMALANGA DEPARTMENT OF FINANCE  
NO.7 GOVERNMENT BOULEVARD  
BUILDING NO. 4  
RIVERSIDE PARK, EXT 2  
NELSPRUIT**