



finance

DEPARTMENT: FINANCE
MPUMALANGA
PROVINCIAL GOVERNMENT



MEC MMATHULARE COLEMAN

MPUMALANGA IS ONE OF THE BEST PROVINCES TO LIVE IN

PRELIMINARY PROVINCIAL EXPENDITURE AS AT 31 MARCH 2006

BUDGET ALLOCATED (2005/2006)	EXPENDITURE (As at 31 March 2006)	EXPENDITURE (%)	VARIANCE (%)
R15,882 Billion	R15,386 Billion	96,9 %	3,1%

As MEC responsible for Finance in Mpumalanga, I do not agree with the *Sunday Times*, that Mpumalanga is the worst Province to live in. The formula used to score the financial performance of provinces is “**subjective and highly unscientific**” (according to *Sunday Times*, 07 May 2006).

The truth is that the preliminary figures released by the National Treasury, which the *Sunday Times* is in possession of, indicates that Mpumalanga came out number six (6) of the nine provinces in terms of expenditure.

The Province had **spent 96,9% of its allocated budget of R15, 386, 450** as at 31 March 2006. It cannot therefore be true that the Province “is the worst to live in”.

To site an example, under the item “**Average monthly % increase in number of grants paid.**” Mpumalanga performed the best at 11%. This means that 11% more qualifying citizens than the previous month received grants. The 11% month on month increase, is not the result of clearing backlogs, but genuine new-comers into the system. The Department of Health and Social Services has taken care to ensure that no non-South African receives welfare grants.

However, despite the good performance, the analysis result in Mpumalanga receiving a minus point and the lowest performer in this regard.

If the scoring was followed correctly, the province would have ended up at a score of zero, making it one of the best performers.

The assumption therefore that Mpumalanga is “the worst province to live in,” based on a “subjective and highly unscientific formula,” is totally wrong and misleading.

Mpumalanga under-spent only by 3,1%, less than the 5% threshold that Auditor General Shauket Fakie has set.

The analyst did not even credit the province, for example, for a 100,4% expenditure of its Health budget, and other departments for spending in excess of 95% and the implications of this expenditure on the welfare of the people. High expenditure on capital and infrastructure are not on their own, indicative of the standard of living of any region. There are other socio-economic factors to be considered.

To set the record straight, Mpumalanga is one of the best performers in terms of expenditure and one of the best provinces to live in.

Mrs MMATHULARE COLEMAN
MEC FOR FINANCE
Mpumalanga Provincial Government

“Always Stretching Our Arm, to Accelerate Service Delivery”

Summary of Provincial Expenditure per Vote

	2005/06 Budget R,000	2005/06 Expenditure R,000	2005/06 Expenditure %
Office of the Premier	107,208	100,895	94.1%
Provincial Legislature	61,846	61,264	99.1%
Finance	112,895	106,041	93.9%
Local Government and Housing	630,060	500,413	79.4%
Agriculture and Land Administration	617,167	584,764	94.7%
Economic Development and Planning	200,384	172,180	85.9%
Education	5,964,056	5,785,606	97.0%
Public Works	302,364	301,952	99.9%
Safety and Security	39,654	38,773	97.8%
Health	2,652,522	2,664,264	100.4%
Roads and Transport	987,348	967,019	97.9%
Culture, Sport and Recreation	96,387	96,564	100.2%
Social Services	4,110,839	4,006,715	97.5%
Total	15,882,730	15,386,450	96.9%