



# PROVINCIAL BUDGET SPEECH

**Ms NOMPUMELELO HLOPHE, MPL**  
**MEC for Finance, Economic Development and Tourism**

07 March 2023

*Let's Grow Mpumalanga Together*



provincial treasury  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA



**SPEECH BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM,  
MS NE HLOPHE (MPL), ON THE OCCASION OF TABLING OF THE PROVINCIAL  
BUDGET FOR THE 2023/24 FINANCIAL YEAR TO THE MPUMALANGA  
PROVINCIAL LEGISLATURE**

**07 March 2023**

- Honourable Speaker and Deputy Speaker
- Honourable Premier Refilwe Mtshweni-Tsipane
- Chief Whip of the Majority Party and leader of the official opposition
- Chairperson of the Portfolio Committee on Finance, Economic Development and Tourism
- Colleagues in the Executive Council and Honourable Members of the Provincial Legislature
- Members of the Mayoral Committees on Finance
- Director-General, Head Official of Provincial Treasury and all Heads of Department
- Chairperson of the House of the Traditional Leadership and all members
- Leadership of the Governing Party and Alliance Partners
- The leadership of Business, Organized Labour, Faith-Based Organizations, Youth and Women formations and Civil Society
- Citizens of Mpumalanga

Honourable Speaker

1. A few days ago, Honourable Premier Refilwe-Mtsweni Tsipane delivered a seminal State of the Province Address to this august house.
2. She placed a detailed account of the government's performance and the provincial economy before us.
3. She laid out the pathway for addressing our societal challenges.
4. Beneath all reflections and commitments was optimism about the future of a hungry child, an unemployed youth, and a woman suffering under the barrel of gender-based violence.
5. We are determined to ensure that the 2023/24 budget respond to the priority areas as identified in the State of the Province.
6. Let me provide some economic context for the budget that we are tabling today.

**ECONOMIC LANDSCAPE AND OUTLOOK**

7. The Mpumalanga Province contributed more than **R500 billion** or around **8 per cent** to the Gross Domestic Product (GDP) of South Africa in 2022.
8. This is despite several global economic realities and challenges, such as reduced investment and supply chain disruptions, and domestically, the lack of a reliable electricity supply which had a negative impact on our economy and our people.

9. Given the fragile economic conditions and multiple downside risk factors, the global economy is projected to slow further in 2023, with the World Bank forecasting a growth rate of **1.7 per cent**.
10. According to the National Treasury, medium-term South Africa's growth outlook has deteriorated, and real GDP growth is projected to average **1.4 per cent** from 2023 to 2025. The Provincial economy is expected to perform very much in line with the national growth expectations.
11. As the Honourable Premier, Refilwe Mtshweni-Tsipane pointed out in the State of the Province Address, the labour market performed well despite the challenging economic performance between January and September 2022, especially from a job creation point of view.

## PROVINCIAL FISCAL OUTLOOK

12. The Minister of Finance, in his Budget speech, highlighted a need to maintain a prudent fiscal stance in the face of a deteriorating medium-term growth outlook.

### *Sources of provincial budget*

13. The total budget appropriated to all Votes is **R58 billion 707 million and 881 thousand**, of which **78.5 per cent** comes from Equitable Share; **17.3 per cent** is from Conditional Grants and **4.2 per cent** from the Provincial Own Revenue.

### *Own Provincial Revenue*

14. The provincial revenue collection has been strong despite the impact of the health crisis in the last two years.
15. Provincial Departments collected **R1 billion 989 million** at the end of January 2023 (ten months) against the 2022/23 annual target of **R1 billion 925 million**.
16. This indicates an improved performance compared to the same period in the 2021/22 financial year.
17. We will continue to monitor revenue collection in departments and public entities and provide the necessary support to grow the provincial revenue base.

## SPENDING PRIORITIES

### Economy, Investment and Employment

#### Honourable Speaker

18. The latest Quarterly Labour Force Survey (QLFS) of Statistics South Africa indicates that the net job gains for our province were almost **134 000** for the whole year of 2022. This is a very good achievement under the circumstances. This was the third-highest job creation number after Gauteng and the Western Cape.

19. Eight of the ten employment industries in Mpumalanga recorded job gains in 2022, of which the trade industry was the top job-creating industry. The **62 000** job gains included new jobs from industries such as tourism and the informal economy.
20. We are, however, concerned about the job losses in agriculture, as well as private households, hence the Premier Refilwe Mtshweni-Tsipane underscored the importance of prioritizing the implementation of the Mpumalanga Economic Reconstruction and Recovery Plan (MERRP) to accelerate efforts of creating jobs for the unemployed, especially young people and women.
21. In this regard, **R1 billion 559 million 36 thousand** is allocated to the Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA) to
  - improve agricultural production,
  - accelerate agrarian reforms,
  - mitigate livestock diseases, and
  - create more jobs, and increase the number of youth, women and People with Disabilities who participate in this sector.
22. In addition to funds already in the baseline of the department, the 2023 budget further allocates:
  - **R44 million** to operationalize the Mpumalanga International Fresh produce market upon its completion,
  - **R50 million** to enhance biodiversity management in our provincial nature reserves, and
  - **R39 million** towards the work on Mkhondo One-stop shop and implementation of the Cannabis project.
23. DARDLEA has been providing dry products, fresh produce, and others as part of the government's nutrition programme to the health sector.
24. This service will be extended to the six boarding schools in the Province. To this end, **R90 million** is shifted from the Department of Education to DARDLEA in the current financial year.

Honourable Speaker

25. We are committed to revitalize the provincial economy and ensuring that *no one is left behind*.
26. Department of Economic Development and Tourism is therefore allocated **R1 billion 470 million 405 thousand** to facilitate the implementation of all economic projects highlighted in the State of the Province. The baseline of the department is topped up as follows:
  - **R50 million** for ongoing construction work of the Mpumalanga International Fresh Produce Market.
  - As part of preserving our flora and fauna and attracting more tourists to the province, **R18 million** is allocated to the Mpumalanga Tourism and Parks Agency.
  - The entity also receives **R30 million** to revitalize our parks, and

- **R20 million** towards improving biodiversity in the Barberton Makhonjwa Mountain World Heritage Site.
  - MEGA receives **R18 million** to improve loan management and renovation to some of the factories they own.
27. Social and economic infrastructure has a direct impact on the economy and investment potential in our communities.
28. The Department of Public Works Roads and Transport receives **R5 billion 466 million 783 thousand** to continue developing and maintaining the road network infrastructure with a specific focus on tourism and coal haulage routes and other built programmes, thereby contributing to economic growth.
29. Funds that are added to the baseline include:
- **R20 million** each towards bridges in Driekoppies and Emalahleni Civic Bridge.
  - **R70 million** for Renewal Energy focusing on health, administration, and educational sites.
  - **R90 million** for the Parliamentary Village, and
  - **R73 million** towards Mkhondo Boarding School.

#### Governance and Administration cluster

30. The Honourable Premier in her State of the Province said, “Building a *capable state includes creating and strengthening the resilience within various institutions*”.
31. The allocation to the governance cluster is meant to carry forward the initiatives to build strong, efficient, and effective institutions and to foster accountability throughout the administration.
32. The budget of the Office of the Premier increases from **R361 million 826 thousand to R478 million 132 thousand** to provide coherent strategic leadership and coordination of policy implementation.
33. The total allocation for the Premier’s Youth Development Fund is **R114 million**.
34. I would like to remind young entrepreneurs and business owners that the closing date for submission of applications for this progressive fund has been extended to 17 March 2023.
35. I would also like to reiterate the call by the Honourable Premier that all departments and entities must ensure that at least 30 per cent of the provincial spend is directed to the designated groups such as women, youth and People with Disabilities.
36. Honourable Speaker, the Provincial Legislature is allocated **R405 million 266 thousand** to deepen democracy through lawmaking, constituency work and government oversight.
37. To ensure effective management of the fiscus and promotion of accountability in compliance with financial norms and standards, the allocation to the Provincial Treasury also increased from **R480 million 18 thousand to R590 million 712 thousand**.

38. This allocation includes **R60 million** towards the enhancement of systems for the Departments of Education and Health.

Honourable Speaker

39. The Department of Community Safety, Security and Liaison gets **R1 billion 768 million 339 thousand** to continue implementing the provincial crime and safety programme, which include security in all public facilities.

40. Included in the baseline are:

- **R12 million** for the takeover of the licensing function from Msukaligwa Municipality,
- **R11.1 million** to increase the fleet allocation to traffic law enforcement officers, and
- **R23 million** for the enhancement of the traffic management system.

41. The Department of Co-operative Governance and Traditional Affairs receives **R800 million 808 thousand** to put measures that will enable municipalities to fulfil their constitutional mandate and to support the institution of traditional leadership in the Province.

42. The budget makes provision for, amongst others:

- **R30 million** for renovations of Traditional Houses;
- **R20 million** for the Reconstitution of Traditional Councils,
- **R12 million** for Ummemo ceremonies,
- **R23 million** for grants to traditional councils.

#### *Social Services Cluster*

43. We are encouraged by the improvement in education outcomes every year.

44. The 2022 of Class really made us proud, and we want to congratulate them an outstanding performance.

45. The budget of the Department of Education increases from **R24 billion 546 million 261 thousand** to **R24 billion 920 million 784 thousand** to continue implementing various interventions aimed at improving the education outcomes from early childhood programme to the last grade of the basic education.

46. Included in the allocation is **R1 billion 184 million 469 thousand** towards the overall school infrastructure improvement programme, that is maintenance, renovation, and adding new classrooms etcetera.

47. To ensure that all learners get healthy and nutritious meals every day at school, **R834 million 685 thousand** is allocated towards the school nutrition programme.

48. **R404 million 254 thousand** is allocated for Learner Teacher Support Material.

49. The transfers to schools amount to **R2 billion, 24 million and 75 thousand** in 2023/24.
50. We urge the School Management and Governing Bodies to be prudent in using allocated resources and ensure accountability within the school environment.
51. As part of an effort to address unemployment and provide support to the learning environment, **R556 million** is added to the baseline for the implementation of Presidential Youth Employment Initiatives.

Honourable Speaker

52. An emergency physician and health policy professor, Dr Leana Wen, says, "*Public health is a powerful tool to level the playing field, to bend the arc of our country away from distrust and disparities and back towards equity and justice*".

I couldn't agree more with her.

53. The Department of Health receives **R17 billion 304 million 936 thousand** to improve primary health care and ensure universal access to quality service at our health centres.

54. Included in the allocation is

- **R13 million** for the employment of health specialists in order to operationalize Mental Health facilities,
- **R10 million** towards the Neonatal ward in Witbank Hospital and
- **R8 million** to increase the number of Community Health Centres (CHC) that operate 24 hours.

55. The implementation of the infrastructure programme will gain momentum with the construction of the new Linah Malatjie Tertiary Hospital set to commence in the 2023/24 financial year and the continuing construction of the new Middleburg and Mapulaneng hospitals, amongst others.

56. Our cultural diversity and our different interest in sporting codes are not a threat but an opportunity to live up to our shared values as South Africans and citizens of the great Place of the Rising Sun.

57. Department of Culture, Sport and Recreation is allocated **R618 million 183 thousand** to promote our cultural heritage, inclusive sport, and ensure social cohesion in the Province.

58. Additional to the baseline is the allocation for mobile libraries, school sport, Netball World Cup activations and hosting of the Metro FM awards.

Honourable Speaker,

59. The Provincial Government is committed to increasing care to vulnerable groups, especially youth, women, and the elderly.

60. To enable the Department of Social Development to provide comprehensive and integrated social services that improve the well-being of families and children, **R1 billion 676 million 308 thousand** is allocated in the 2023/24 financial year.

61. This budget includes **R12 million** for the construction of recreational facilities in Swartfontein and Nkangala Treatment Centres, and
62. **R66 million** for the necessary infrastructure to promote good health and recreation amongst the elderly citizens, amongst others.
63. In her State of the Province Address, the Honourable Premier reminded us that *having a roof above one's head is a Constitutional right* for every citizen.
64. Accordingly, **R1 billion 676 million 308 thousand** is allocated to the Department of Human Settlements to facilitate the provision of homes and ensure the security of land tenure for communities.
65. The baseline of the department includes **R57 million** to complete the bulk works at the Parliamentary Village and **R2.5 million** for the renewable energy assessment in the sector.

## CONCLUSION

66. In conclusion,
67. Allow me to express my profound appreciation to the Premier, Honourable Refilwe Mtshweni-Tsipane, for your leadership throughout the preparation of this budget.
68. To my colleagues in the Budget and Finance Committee and the Executive Council, thank you very much for supporting this budget.
69. Many thanks to the former Chairperson of the Portfolio Committee on the Premier's Office, Finance, Economic Development and Tourism, and all Members of the Committee for your support whenever we present ourselves for your guidance.
70. I would also like to convey my gratitude to the Director-General, Head Official, and Provincial Treasury team for supporting me in preparing this budget on behalf of the people of Mpumalanga.
71. To my support staff and my family, thank you for your patience and allowing me to serve my Province.
72. Finally, I would like to thank the African National Congress for entrusting us with this public responsibility.
73. I have the honour of tabling the following budget documents for consideration:
  - 73.1 *Provincial Budget Speech for 2023/24;*
  - 73.2 *Appropriation Bill for 2023/24,*
  - 73.3 *Estimates of Provincial Revenue and Expenditure for 2023/24.*
74. I thank you.











## Mpumalanga Provincial Treasury

### Physical Address:

Nokuthula Simelane Building  
No.7 Government Boulevard  
Riverside Park / Extension 2  
Mbombela  
1200

### Postal Address:

Private Bag X 11205  
Mbombela  
Mpumalanga Province  
1200

### Contact Details:

 013 766 4437  
 013 766 9449  
 <http://treasury.mpg.gov.za>  
 Mpumalanga Treasury  
 @MPTreasury