



# GAUTENG PROVINCE

OFFICE OF THE PREMIER  
REPUBLIC OF SOUTH AFRICA

**Ms Ncumisa Mnyani**  
**Head of Department**  
Gauteng Provincial Treasury  
Imbumba House  
75 Fox Street  
Marshalltown  
2001

Dear Ms Mnyani

**RE: CERTIFICATION OF THE GAUTENG PROVINCIAL ADJUSTMENTS  
APPROPRIATION BILL, 2023**

1. Attached herein kindly receive a copy of the above-mentioned Bill, together with the Explanatory Memorandum on the Objects of the said Bill, as well as the Schedule to the Bill, as scrutinised and duly certified by the State Law Advisory Services on an urgent basis.
2. The State Law Advisory Services classify the Bill as a money Bill contemplated in Rule 192(2) of the Standing Rules of the Gauteng Provincial Legislature, 2<sup>nd</sup> edition (2018), read with section 120 of the Constitution of the Republic of South Africa, 1996.
3. The State Law Advisory Services do not certify the correctness of the amounts and dates reflected in the Bill, Memorandum and Schedule, as these are the responsibility of the Gauteng Provincial Treasury.
4. However, no changes may be made to the duly certified Bill, Memorandum and Schedule, without the prior approval of the State Law Advisory Services.
5. Any unauthorised change will nullify the certification of the Bill, Memorandum and Schedule.
6. Please ensure that this Certification accompanies the Bill, Memorandum and Schedule, when the same is introduced or tabled by the MEC for Finance into the Gauteng Provincial Legislature on Tuesday, 28 November 2023.

Enquires may be directed to **Adv. Monwabisi Nguqu, Director | Specialist State Law Advisor: Co-ordinated Legislative Drafting** at Email address: [Monwabisi.Nguqu@gauteng.gov.za](mailto:Monwabisi.Nguqu@gauteng.gov.za) | Landline telephone number: (011) 355 6312 | Mobile telephone number: 063 698 5430.

A handwritten signature in black ink, appearing to read 'G. Kuit', written over a horizontal line.

**Adv. Geert Kuit**  
**Chief Director: State Law Advisory Services**  
Date: 27/11/2023

GAUTENG PROVINCIAL LEGISLATURE

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**GAUTENG PROVINCIAL  
ADJUSTMENTS APPROPRIATION  
BILL, 2023**

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*(As introduced in the Gauteng Provincial Legislature in terms of rule 192(2) of the Standing Rules of the Gauteng Provincial Legislature, 2<sup>nd</sup> ed (2018), read with section 119 of the Constitution of the Republic of South Africa, 1996)*

*(Section 120 Bill)*

*(The English text is the official text of the Bill)*

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(Member of the Executive Council for Finance in the Province of Gauteng)

**[B—2023]**



# BILL

To effect adjustments to the appropriation of money from the Gauteng Provincial Revenue Fund for the requirements of the Province in respect of the 2023/24 financial year ending 31 March 2024; and to provide for matters incidental thereto or connected therewith.

## PREAMBLE

**WHEREAS** section 226(2)(a) of the Constitution of the Republic of South Africa, 1996, provides that money may be withdrawn from the Gauteng Provincial Revenue Fund only in terms of an appropriation by a provincial Act, or as a direct charge against the Fund, when it is provided for in the Constitution or a provincial Act.

**AND WHEREAS** section 26 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), enjoins the Gauteng Provincial Legislature to appropriate money for each financial year for the requirements of the Province.

**AND WHEREAS** the Gauteng Provincial Appropriation Act, 2023 (Act No. 4 of 2023), provides for the appropriation of money from the Gauteng Provincial Revenue Fund to provide for the requirements of the province in respect of the financial year ending 31 March 2024.

**AND WHEREAS** section 31(1) of the Public Finance Management Act, 1999, provides that the Member of an Executive Council responsible for Finance in the Province may table an adjustments budget in the Gauteng Provincial Legislature, subject to subsection (3) thereof.

**BE IT THEREFORE ENACTED** by the Gauteng Provincial Legislature, as follows: —



## **Definitions**

1. In this Act, any expression, phrase or word to which a meaning has been assigned by or under section 1 of the Gauteng Provincial Appropriation Act, 2023 (Act No. 4 of 2023), or section 1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), has the meaning assigned to it in that Act.

## **Adjustments to appropriation of money for requirements of Province**

2. (1) Adjustments to appropriations by the Gauteng Provincial Legislature of money from the Gauteng Provincial Revenue Fund for the requirements of the Province for the financial year ending 31 March 2024, to votes and main divisions within a vote, and for the specific listed purposes, are set out in the Schedule.

(2) The spending of appropriations referred to in subsection (1) is subject to this Act and the Public Finance Management Act, 1999.

## **Amounts listed as specifically and exclusively appropriated**

3. An amount that is listed as specifically and exclusively appropriated may be used only for the purpose indicated, unless the amount or purpose is amended by, or in terms of, a provincial Act.

## **Short title**

4. This Act is called the Gauteng Provincial Adjustments Appropriation Act, 2023.



**SCHEDULE**

**(As a charge to the Provincial Revenue Fund)**

**Details of appropriated amount**

Vote	Main Appropriation	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets	Adjusted Appropriation	Specified transfer payments and amounts specifically and exclusively appropriated
		Compensation of Employees	Goods and Services	Other					
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
<b>1. Office of the Premier</b>	<b>886 081</b>	<b>4 893</b>	<b>(4 559)</b>		<b>(69 418)</b>	<b>10 402</b>		<b>827 399</b>	
Vision: Leadership for an integrated city-region, characterised by social cohesion and economic inclusion; the leading economy on the continent, underpinned by sustainable socio-economic development									
1. Administration	153 182	5 616	64 876		39 603	2 059		265 336	
2. Institutional Development	404 243	(1 735)	(54 086)		35 299	8 343		392 064	
3. Policy and Governance	328 656	1 012	(15 349)		(144 320)			169 999	
<i>of which</i>									
<i>Transfers to Higher education institutions</i>									
GCRO	30 244								30 244
<i>Transfers to Non-Profit Institutions</i>	144 682								144 682
<b>2. Gauteng Provincial Legislature</b>	<b>857 061</b>		<b>(4 416)</b>			<b>4 416</b>		<b>857 061</b>	
Vision: A progressive legislature that fosters confidence in democracy and improving the quality of life of the people of Gauteng.									
1. Leadership and Governance	63 742							63 742	
2. Office of the Secretary	27 806		(108)					27 698	
3. Corporate Support Services	418 375		(3 697)			2 942		417 620	
<i>of which</i>									
<i>Transfers to Non-Profit Institutions</i>	160 668								160 668
4. Core Business	288 825		(833)					287 992	
5. Office of the CFO	58 313		222			1 474		60 009	
<b>3. Economic Development</b>	<b>1 860 185</b>	<b>(9 615)</b>	<b>940</b>		<b>25 316</b>	<b>(3 075)</b>		<b>1 873 751</b>	
Vision: A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity									
1. Administration	269 822	(7 365)	15 833		365	(3 075)		275 580	
2. Integrated Economic Development Services	197 710				23 623			221 333	
<i>of which</i>									
<i>Gauteng Enterprise Propeller</i>	197 710								221 333
3. Trade and Sector Development	820 154				20 900			841 054	
<i>Gauteng Growth and Development Agency</i>	621 682								617 682
<i>Cradle of Humankind</i>	52 699								69 299
<i>Dinokeng</i>	35 819								36 119
<i>Gauteng Tourism Authority</i>	109 954								117 954
4. Business Regulation and Governance	136 842	(2 150)	488		150			135 330	
<i>of which</i>									
<i>Transfers to Departmental Agencies and Accounts</i>									
<i>Gauteng Liquor Board</i>	79 115								79 115
<i>Gauteng Gambling Board</i>	409								409
5. Economic Planning	435 657	(100)	(15 381)		(19 722)			400 454	
<i>Transfer to Public corporations and private enterprises</i>	287 870								268 048
<b>4. Health</b>	<b>60 093 535</b>	<b>2 494 353</b>	<b>(180 745)</b>		<b>(17 242)</b>	<b>112 459</b>		<b>62 502 360</b>	
Vision: A responsive, value-based, people-centred health care system in Gauteng.									
1. Administration	1 489 406		12 452		88 285	25 790		1 615 933	
2. District Health Services	20 137 498	1 211 366	(281 532)		350	3 468		21 071 150	
<i>of which</i>									
<i>National conditional grants</i>									
<i>District Health Programmes Grant</i>	5 793 999								5 527 075
<i>Human Resources and Training Grant</i>	116 740								116 740

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 GAUTENG  
 27/11/2023  
 DATE SIGNATURE

**SCHEDULE**  
**(As a charge to the Provincial Revenue Fund)**

**Details of appropriated amount**

Vote	Main Appropriation	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets	Adjusted Appropriation	Specified transfer payments and amounts specifically and exclusively appropriated
		Compensation of Employees	Goods and Services	Other					
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	18 091								16 794
National Health Insurance Grant	92 947								92 947
Transfers to Municipalities	512 480								512 480
Transfers to Non-profit institutions	457 718								457 718
3. Emergency Medical Services	1 778 114	139 321	(11 839)		(6 500)	18 339	1 917 435		
4. Provincial Hospital Services	11 357 425	710 414	10 892		(1 298)	1 071	12 078 504		
of which									
National conditional grants									
Human Resources and Training Grant	483 904								491 813
National Tertiary Services Grant	32 426								35 182
5. Central Hospital Services	21 762 135	433 759	(7 151)			222 738	22 411 481		
of which									
Transfers to Non-Profit Institutions	315 000								315 000
National conditional grants									
National Tertiary Services Grant	4 955 677								5 179 730
Human Resources and Training Grant	1 278 903								1 290 437
6. Health Sciences and Training	1 196 718		2 582		(98 285)	(34)	1 100 981		
of which									
Transfers to Departmental Agencies and Accounts	26 955								26 955
Transfers Higher Education Institutions	10 844								10 844
7. Health Care Support Services	453 930	3 843	(87)		95	(8)	457 773		
8. Health Facilities Management	1 918 309	(4 350)	93 938		111	(158 905)	1 849 103		
of which									
National conditional grants									
Health Facility Revitalisation Grant	1 116 750								1 047 736
Expanded Public Works Programme (EPWP) Integrated Grant	1 971								1 779
<b>5. Education</b>	<b>63 421 638</b>	<b>(1 043 532)</b>	<b>666 820</b>		<b>972 570</b>	<b>(657 932)</b>	<b>63 359 564</b>		
Vision: Every learner feels valued and inspired in our innovative education system.									
1. Administration	5 111 650	(716 410)	16 059		(75)	4 742	4 415 966		
of which									
Transfers to Departmental Agencies and Accounts	160								85
2. Public Ordinary School Education	44 552 500	639 093	598 466		64 794	3 510	45 858 363		
of which									
National conditional grants									
HIV/AIDS (Life Skills Education)	36 385								33 297
National School Nutrition	1 094 224								1 094 224
Maths, Science and Technology	60 778								53 790
Transfers to Non-Profit Institutions	3 360 178								3 424 972
3. Independent School Subsidies	1 038 819				86 586		1 125 405		
of which									
Transfers to Non-Profit Institutions	1 028 524								1 115 110
4. Public Special School Education	5 249 199	(785 590)	418		(866)	1 765	4 464 926		
of which									
National conditional grants									
Learners with Profound Intellectual Disabilities	36 000								36 000
Transfers to Non-Profit Institutions	1 017 766								1 016 900
5. Early Childhood Development	2 329 305	(179 229)	(9 420)		(11 482)	(745)	2 128 429		
of which									
Transfers to Non-Profit Institutions	799 041								787 559
National conditional grants									
Early Childhood Development Grant	236 871								236 871

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		Compensation of Employees	Goods and Services	Other					
6. Infrastructure Development <i>of which</i> National conditional grants Education Infrastructure Grant Early Childhood Development Grant Transfers to Non-Profit Institutions	2 460 712  2 256 620 10 092  	(2 500)	(17 334)		454 190	(663 115)		2 231 953	2 037 074 879 454 190
7. Examination and Education Related Services <i>of which</i> National conditional grants Expanded Public Works Programme Integrated Grant Social Sector Expanded Public Works Programme Incentive Grant for Provinces Transfers to Non-Profit Institutions Transfers to Departmental Agencies and Accounts	2 679 453  2 735 9 533 1 057 372 125 699	1 104	78 631		379 423	(4 089)		3 134 522	2 468 8 850 1 436 795 125 699
<b>6. Social Development</b> Vision: A caring and self-reliant society	<b>5 550 806</b>	<b>165 155</b>	<b>(13 527)</b>		<b>(170 180)</b>	<b>86 805</b>	<b>138</b>	<b>5 619 197</b>	
1. Administration <i>of which</i> Transfers to Departmental Agencies and Accounts	718 409  83	15 555	63 601		740	423	33	798 761	55
2. Social Welfare Services <i>of which</i> Transfers to Non-Profit Institutions National conditional grants Social Sector Expanded Public Works Programme Incentive Grant for Provinces	692 604  518 974  22 444	10 417	(4 952)		202 557	2 765		903 391	721 328 20 835
3. Children and Families <i>of which</i> Transfers to Non-Profit Institutions	1 965 543  437 043	68 274	(19 574)		57 785	78 072	37	2 150 137	493 636
4. Restorative Services <i>of which</i> Transfers to Non-Profit Institutions	959 904  673 966	18 367	3 761		(93 986)	4 556	18	892 620	579 856
<b>7. Cooperative Governance and Traditional Affairs</b> Vision: Sustainable, Smart, Inclusive Cities and Communities in the Gauteng City Region.	<b>639 686</b>		<b>442 422</b>		<b>387</b>	<b>(2 000)</b>		<b>1 080 495</b>	
1. Administration 2. Local Governance <i>of which</i> Transfers to Municipalities	162 544 306 542  		14 000 (19 178)			(2 000) 578		174 544 287 942	
3. Development and Planning <i>of which</i> National conditional grants Expanded Public Works Programme Integrated Grant Transfers to Municipalities	150 972  1 960 13 560		443 000		(191)			593 781	1 769 13 369
4. Traditional Institutional Development	19 628		4 600					24 228	
<b>8. Human Settlements</b> Vision: Integrated Sustainable Human Settlements within a Smart Gauteng City Region.	<b>6 421 222</b>	<b>(20 417)</b>	<b>(117 372)</b>	<b>1 756</b>	<b>(363 398)</b>	<b>33</b>		<b>5 921 824</b>	
1. Administration 2. Housing Needs, Research and Planning 3. Housing Development <i>of which</i> National conditional grants Human Settlements Development	696 086 24 694 5 465 762  4 125 835	(19 417)	(77 018) (1 976) (2 526)	7 1 749	150 000 (513 398)	33		749 691 22 718 4 950 587	3 642 186

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**Details of appropriated amount**

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		Compensation of Employees	Goods and Services	Other					
<i>Informal Settlements Upgrading Partnership Grant for Provinces</i>	1 226 949								1 088 276
<i>Expanded Public Works Programme Integrated Grant</i>	11 038								9 962
<i>Transfers to Departmental Agencies and Accounts</i>									
<i>Gauteng Partnership Fund</i>	467 285								467 285
4. <i>Housing Assets and Property Management</i>	234 680		(35 852)				198 828		
<i>National conditional grants</i>									
<i>Human Settlements Development</i>	146 390								110 390
<b>9. Roads and Transport</b>	<b>8 478 597</b>	<b>(51 000)</b>	<b>763 637</b>	<b>3 800</b>	<b>(32 270)</b>	<b>822 777</b>	<b>200</b>	<b>9 985 741</b>	
Vision: To develop an integrated, sustainable transport infrastructure that promotes accessible, safe and affordable movement of people, goods and services									
1. Administration	345 624	(5 000)	173 232		800	(5 768)	20	508 908	
2. Transport Infrastructure	2 173 967	(42 000)	403 074	3 800	11 300	827 524	170	3 377 835	
<i>National conditional grants</i>									
<i>Provincial Roads Maintenance</i>	1 092 661								1 052 482
<i>Transfers to Provinces and Municipalities</i>	2 300								1 900
3. Transport Operations	3 112 600		59 076		(26 758)		10	3 144 928	
<i>of which</i>									
<i>National conditional grants</i>									
<i>Public Transport Operations</i>	2 850 898								2 969 140
<i>Expanded Public Works Programme Integrated Grant</i>	4 121								4 121
<i>Transfers to Public corporations and private enterprise</i>	3 033 320								2 986 562
4. Transport Regulation	339 448	(4 000)	128 255		(17 612)	1 021		447 112	
<i>of which</i>									
<i>Transfers to Non Profit Institutions</i>	18 112								
5. Gautrain Rapid Rail Link	2 506 958							2 506 958	
<i>of which</i>									
<i>Transfers to Departmental Agencies and Accounts</i>									
<i>Gautrain Management Agency</i>	2 506 958								2 506 958
<b>10. Community Safety</b>	<b>2 706 192</b>	<b>(421 011)</b>	<b>288 633</b>		<b>1 649</b>	<b>188 694</b>		<b>2 764 157</b>	
Vision: To realise Gauteng as a province where people feel and are safe.									
1. Administration	178 344	(6 047)	5 470		399	4 469		182 635	
2. Provincial Secretariat for Police Service	268 689	(8 000)	40 406		(750)	(17 027)		283 318	
<i>of which</i>									
<i>National conditional grants</i>									
<i>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</i>	5 057								4 695
<i>Transfers to Departmental Agencies and Accounts</i>									
3. Traffic Management	2 259 159	(406 964)	242 757		2 000	201 252		2 298 204	
<i>of which</i>									
<i>Transfers to Provinces and Municipalities</i>	196								196
<b>11. Agriculture and Rural Development</b>	<b>1 066 204</b>	<b>9 646</b>	<b>99 315</b>		<b>67 811</b>	<b>15 888</b>	<b>253</b>	<b>1 259 117</b>	
Vision: An economically transformed agricultural sector including agro-processing and sustainable environmental management for healthy, food secure, developed rural and urban communities in Gauteng.									
1. Administration	275 960	(1 564)	5 240		143	(2 744)	253	277 288	
<i>of which</i>									
<i>Transfers to Departmental Agencies and Accounts</i>	1 405								1 460
<i>Transfers to Provinces and Municipalities</i>									10
2. Agriculture and Rural Development	494 360	3 700	(63 137)		67 433	14 709		517 065	
<i>of which</i>									
<i>Land Care</i>	5 360								5 203

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**SCHEDULE**

*(As a charge to the Provincial Revenue Fund)*

**Details of appropriated amount**

Vote	Main Appropriation	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets	Adjusted Appropriation	Specified transfer payments and amounts specifically and exclusively appropriated
		Compensation of Employees	Goods and Services	Other					
<i>Ilima/Letsema Projects</i>	37 885							37 385	
<i>Comprehensive Agricultural Support Programme</i>	103 014							125 199	
3. Environmental Affairs	295 884	7 510	157 212		235	3 923	464 764		
<i>of which</i>									
<i>Transfers to Provinces and Municipalities</i>	300							480	
<i>Expanded Public Works Programme Integrated Grant</i>	3 621							3 268	
<b>12. Sport, Arts, Culture and Recreation</b>	<b>1 089 937</b>	<b>(13 831)</b>	<b>8 997</b>	<b>3</b>	<b>43 884</b>	<b>(6 462)</b>	<b>1 122 528</b>		
<i>Vision: An active, creative and modernised Gauteng City Region contributing to sustainable economic growth and social cohesion.</i>									
1. Administration	200 475	(12 093)	11 111	1	(438)	660	199,716		
2. Cultural Affairs	194 790	(127)	14 441		40 307	(170)	249 241		
<i>of which</i>									
<i>National conditional grants</i>									
<i>Transfers to Provinces and Municipalities</i>	2 029							2 029	
<i>Transfers to Departmental Agencies and Accounts</i>	40 087							40 087	
<i>Transfers to Non Profit Institutions</i>	14 100							54 280	
3. Library and Archives Services	328 841		387	2	(7 267)	(13 287)	308 676		
<i>of which</i>									
<i>Community Library Services</i>	176 522							163 732	
<i>Transfers to Provinces and Municipalities</i>	200 293							192 793	
<i>Transfers to Non Profit Institutions</i>	3 500							3 500	
4. Sport and Recreation	365 831	(1 611)	(16 942)		11 282	6 335	364 895		
<i>of which</i>									
<i>National conditional grants</i>									
<i>Mass Sport and Recreation Participation Programme</i>	124 727							120 650	
<i>Transfers to Non Profit Institutions</i>	86 535							97 596	
<b>13. E-Government</b>	<b>1 744 202</b>	<b>(11 006)</b>	<b>3 576</b>		<b>1 007</b>	<b>16 423</b>	<b>1 754 202</b>		
<i>Vision: A smart Gauteng City Region that provides efficient quality services to citizens.</i>									
1. Administration	254 425	(350)	19 361		350	167	273 953		
2. Information Communication Technology (Ict) Shared Services	1 356 748	(10 351)	(15 785)		352	16 256	1 347 220		
<i>of which</i>									
<i>Transfers to Higher Education Institutions</i>	22 800							22 800	
3. Human Resources Services	133 029	(305)			305		133 029		
<b>14. Gauteng Provincial Treasury</b>	<b>818 465</b>	<b>(46 813)</b>	<b>11 440</b>		<b>12 373</b>		<b>795 465</b>		
<i>Vision: Pioneers in fiscal prudence and good governance.</i>									
1. Administration	174 486	(8 222)	6 900		1 322		174 486		
2. Sustainable Fiscal Resource Management	170 030	(9 400)			9 400		170 030		
<i>of which</i>									
<i>Gauteng Infrastructure Financing Agency</i>	65 468							74 868	
3. Financial Governance	135 902	(11 200)			200		124 902		
5. Municipal Financial Governance	90 882	(12 046)			46		78 882		
6. Gauteng Audit Services	142 041	(280)			280		142 041		
<b>15. Infrastructure Development</b>	<b>3 311 270</b>	<b>9 625</b>	<b>159 590</b>		<b>3 540</b>	<b>289 260</b>	<b>3 773 285</b>		
<i>Vision: To be a leading sustainable infrastructure provider and facilitator that positions Gauteng as a globally competitive city region with inclusive economic growth and decent work for all.</i>									
1. Administration	446 533	2 544	15 385			8 000	472 462		
2. Public Works Infrastructure	2 491 396	7 950	263 806		3 540	281 260	3 047 952		
<i>of which</i>									
<i>Transfers to Municipalities</i>									

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**SCHEDULE**

*(As a charge to the Provincial Revenue Fund)*

**Details of appropriated amount**

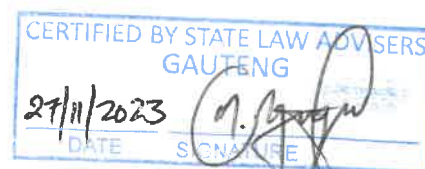
Vote	Main Appropriation	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets	Adjusted Appropriation	Specified transfer payments and amounts specifically and exclusively appropriated
		Compensation of Employees	Goods and Services	Other					
Devolution of rates and taxes	1 238 977				3 540				1 242 517
3. Expanded Public Works Programme	373 341	(869)	(119 601)				252 871		
Expanded Public Works Programme Integrated Grant	10 006	(975)							9 031
<b>TOTAL FOR THE PROVINCE</b>	<b>158 945 081</b>	<b>1 066 447</b>	<b>2 124 751</b>	<b>5 559</b>	<b>476 029</b>	<b>877 688</b>	<b>591</b>	<b>163 496 146</b>	

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## EXPLANATORY MEMORANDUM OF OBJECTS ON THE GAUTENG PROVINCIAL ADJUSTMENTS APPROPRIATION BILL, 2023

### I. INTRODUCTION

1. The adjustments budget process provides an opportunity to make permissible amendments to the budget in response to changes that have affected planned spending. Section 31(1) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), provides that the Member of the Executive Council for Finance in a province may table an adjustments budget in the provincial legislature, subject to subsection (3). Subsection (3), in turn, provides that the Minister of Finance may determine the time when an adjustments budget may be tabled in a provincial legislature, as well as the format for such budgets.
2. Section 31(2) of the Public Finance Management Act, 1999, stipulates that an adjustments budget of a province may only provide for—(a) the appropriation of funds that have become available to the province; (b) unforeseeable and unavoidable expenditure recommended by the provincial Executive Council of the province within a framework determined by the Minister of Finance; (c) any expenditure in terms of section 25; (d) money to be appropriated for expenditure already announced by the Member of the Executive Council for Finance during the tabling of the annual budget; (e) the shifting of funds between and within votes or to follow the transfer of functions in terms of section 42; (f) the utilisation of savings under a main division within a vote for the defrayment of excess expenditure under another main division within the same vote in terms of section 43; and (g) the rollover of unspent funds from the preceding financial year.
3. It is against this legislative framework that the Gauteng Provincial Adjustments Appropriation Bill, 2023, seeks to amend the Gauteng Provincial Appropriation Act, 2023 (Act No. 4 of 2023).
4. The adjustments budget is tabled under the overarching theme, “*Finishing strong as we conclude the sixth administration,*” which is to be achieved through the GGT2030 blueprint with a key focus on the five elevated provincial priorities. These five elevated priorities of the GGT2030 can be described as follows:
  - (1) Accelerating economic recovery and reconstruction;
  - (2) Strengthening the battle against crime, corruption, vandalism, and lawlessness in the province;
  - (3) Improving the living conditions in townships, informal settlements, and hostels (TISH);
  - (4) Prioritizing the health and wellness of people; and
  - (5) Strengthening the capacity of the state to deliver effectively and efficiently.
5. The 2023/24 financial year marks the end of the sixth administration, thus concluding on the implementation of the 5-year strategic plans whilst ensuring a sustainable fiscal path into the future. Although the current fiscal challenges faced by government resulted in spending reductions, it is important for the Gauteng Provincial Government to protect the five elevated priorities from downward budget adjustments.

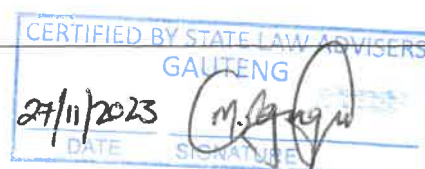


6. This can be achieved through the implementation of cost containment measures, the efficient and effective use of resources and the prioritisation of frontline service delivery. Priority is also afforded to energy projects and infrastructure investment to mitigate the effect of loadshedding and promote economic growth.

## **II. DISCUSSION**

### **A. Factors influencing the national macroeconomic environment**

7. Globally, the economy has been recovering from the impact of the pandemic and the Russia/ Ukraine war. While inflation is being gradually controlled, divergences in economic activity are increasing, with some countries are experiencing faster growth while others are slowing down. Advanced economies are experiencing a more significant slowdown compared to emerging markets and developing economies (EMDEs).
8. According to the latest World Economic Outlook (WEO) report by the International Monetary Fund (IMF), global economic growth is expected to slow down from 3.5 per cent in 2022 to 3.0 per cent in 2023 and to 2.9 per cent in 2024. The slowdown will be more pronounced in advanced economies, where growth is expected to decelerate from 2.6 per cent in 2022 to 1.5 per cent in 2023 and 1.4 per cent in 2024. This is mainly due to weaker-than-expected growth in the euro area. However, the United States (US) economy is expected to provide some cushioning, as it is showing stronger-than-expected momentum.
9. The EMDEs are projected to experience a modest decline in growth, from 4.1 per cent in 2022 to 4.0 per cent in both 2023 and 2024. The slowdown is primarily due to the property crises in China, which have led to a decrease in investment. This remains a significant risk for the global economy, particularly for commodity exporters.
10. Economic growth is expected to decline to 3.3 per cent in 2023 in Sub-Saharan Africa due to worsening weather conditions, a slowdown in global economic activity, and domestic supply constraints. However, growth is expected to rise again to 4.0 per cent in 2024.
11. Nationally, the electricity sector challenges have particularly affected South Africa's economic growth prospects, with Gross Domestic Product (GDP) growth expected to decline from 1.9 per cent to 0.9 per cent in 2023.
12. Over the course of the year, domestic headline inflation has eased slightly. The decline in headline inflation was mostly driven by a slight easing in food and fuel prices. However, despite inflation showing a declining trend for a large part of 2023, for miscellaneous goods and services, as well as housing and utilities, it remained high. Further, food prices ticked slightly higher in August, after five consecutive months of decline. Both food and fuel price inflation remain a considerable risk to the inflation outlook. The South African Reserve Bank (SARB) expects headline inflation to remain high but forecasts it to decline to 5.9 per cent in 2023 from 6.9 per cent, and to reach the mid-point of the target range by 2025.



13. Electricity and logistical constraints continue to pose a challenge to the economic growth outlook, limiting economic activity and driving up costs. In the second quarter of 2023, the domestic economy witnessed a growth of 0.6 per cent quarter-on-quarter (q-o-q), which is a slight improvement from the 0.4 per cent q-o-q growth seen in the first quarter. This improvement can be attributed to the better availability of energy in the second quarter.
14. However, despite the increase in economic activity during this period, the economy's performance remains sluggish and lower than the peak achieved in the third quarter of 2022 in real terms. This weak performance has also resulted in a significant shortfall in revenue collection, particularly for corporate tax. This has weakened the revenue outlook and substantially raised fiscal risks. The National Treasury expects economic growth to slow down from 1.9 per cent in 2022 to 0.8 per cent in 2023.

**B. Factors influencing the provincial economic outlook**

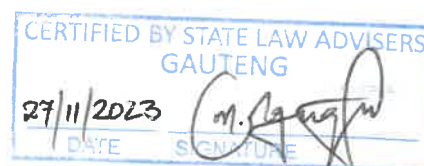
15. The Gauteng economy is also affected by national challenges and developments. It is estimated that the provincial economy will slow down to 0.6 per cent, from 2.8 per cent in 2022, which is slightly lower than the projected growth rate of the national economy.
16. Economic activity in Gauteng remains low due to various factors, including electricity supply shortages, logistical inefficiencies, and declining commodity prices. The mining industry in Gauteng is also expected to experience a decline in performance for 2023 and 2024, as it did in 2022, reflecting the overall decline in commodity prices.
17. Five out of the nine economic industries are expected to grow in 2023, and this is likely to improve to seven industries in 2024. The agriculture sector is estimated to experience the most significant growth of 3.1 per cent in 2023, but its growth is expected to moderate to 1.2 per cent in 2024. The finance industry is the major contributor to the Gauteng economy, accounting for 30.3 per cent of the total economy. It is projected to grow at 1.9 per cent in 2023, improving to 2.0 per cent in 2024. The trade industry's growth rate is expected to slow down from 4.1 per cent in 2022 to 0.9 per cent before improving to 1.4 per cent in 2024. In contrast, the mining sector is expected to continue to contract in 2023 and 2024 due to declining commodity prices, which is in line with the national mining industry's trend.
18. The outlook of the domestic economy remains uncertain due to the waning effects of the global economy that previously stimulated economic recovery. Additionally, domestic supply shocks have further aggravated the situation, particularly the power cuts and logistical inefficiencies, which have led to a decline in confidence and economic growth.

**III. ADJUSTMENTS TO THE 2023/24 PROVINCIAL BUDGET**

**A. Summary of changes to provincial revenue**

Table 1 below reflects changes to the sources of revenue as tabled on 9 March 2023.

**Table 1: Summary of Changes to Receipts**



R thousand	Main Appropriation	Adjustments		Total Adjustments	Adjusted appropriation
		National funding	Provincial funding		
Equitable Share	120 752 475	3 712 921		3 712 921	124 465 396
Conditional Grants	27 436 744	(1 343 108)	-	(1 343 108)	26 093 636
<b>Transfers from National</b>	<b>148 189 219</b>	<b>2 369 813</b>	<b>-</b>	<b>2 369 813</b>	<b>150 559 032</b>
Provincial Own Receipts	7 622 407	-	(11 000)	(11 000)	7 611 407
<b>Gross Receipts</b>	<b>155 811 626</b>	<b>2 369 813</b>	<b>(11 000)</b>	<b>2 358 813</b>	<b>158 170 439</b>
Less: Direct charges - Political Office bearers	(85 090)	-	-	-	(85 090)
<b>Total Receipts</b>	<b>155 726 536</b>	<b>2 369 813</b>	<b>(11 000)</b>	<b>2 358 813</b>	<b>158 085 349</b>
Financing from Province	3 218 545	-	2 192 252	2 192 252	5 410 797
Provincial Financing	3 218 545	-	2 181 252	2 181 252	5 399 797
<b>Net Receipts</b>	<b>158 945 081</b>	<b>2 369 813</b>	<b>2 181 252</b>	<b>4 551 065</b>	<b>163 496 146</b>

*Provincial financing includes conditional grants rollovers to the tune of R431m*

19. The total receipts increase by a net amount of R2.4 billion from R155.7 billion to R158.1 billion, due to an increase in equitable share of R3.7 billion to support the province to respond to the cost of implementing the 2023 wage agreement for public servants. This amount is specifically earmarked for the Education and Health departments which are more labour intensive. The conditional grants are reduced by R1.3 billion as a result of the current fiscal challenges faced by government. Provincial own receipts decline by R11 million to correctly classify the amount received from the South African National Roads Agency (SANRAL) that was incorrectly classified as revenue.
20. Included in the net provincial receipts is R431 million allocated for the rollover of national conditional grants because the National Treasury granted the rollover approval for the national conditional grants that had not been surrendered to the National Revenue Fund.

## B. Changes to conditional grants

21. Table 2 below provides a summary of the adjustments to conditional grants for the 2023/24 financial year. The main appropriation declines by R911.1 million which is the net effect of fiscal consolidation cut of R1.3 billion and the rollover of unspent R431.9 million from the previous financial year.

**Table 2: Summary of changes in Conditional Grants**

R thousand	Main Appropriation	Total Adjustments	Adjusted Appropriation
<b>Health</b>	<b>13 891 408</b>	<b>(91 175)</b>	<b>13 800 233</b>
District Health Programmes Grant	5 793 999	(266 924)	5 527 075
Comprehensive HIV/AIDS component	5 259 071	(266 924)	4 992 147
District Health component	534 928	-	534 928
Health Facility Revitalisation Grant	1 116 750	(69 014)	1 047 736
National Health Insurance	92 947	-	92 947

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National Tertiary Services Grant	4 988 103	226 809	5 214 912
Human Resources & Training Grant	1 879 547	19 442	1 898 989
Statutory Human Resources component	897 055		897 055
Training component	982 492	19 443	1 001 935
EPWP Integrated Grant	1 971	(192)	1 779
Social Sector EPWP Integrated Grant	18 091	(1 297)	16 794
<b>Education</b>	<b>3 743 238</b>	<b>(239 785)</b>	<b>3 503 453</b>
Early Childhood Development Grant	246 963	(9 213)	237 750
Subsidy component	10 092	(9 213)	879
Maintenance component	236 871	-	236 871
Education Infrastructure Grant	2 256 620	(219 546)	2 037 074
HIV and Aids (Life Skills Education) Grant	36 385	(3 088)	33 297
National School Nutrition Programme Grant	1 094 224	-	1 094 224
Maths, Science and Technology Grant	60 778	(6 988)	53 790
Learners with Profound Intellectual Disabilities Grant	36 000	-	36 000
EPWP Integrated Grant	2 735	(267)	2 468
Social Sector EPWP Incentive Grant	9 533	(683)	8 850
<b>Social Development</b>	<b>22 444</b>	<b>(1 609)</b>	<b>20 835</b>
Social sector EPWP Integrated Incentive Grant for Provinces	22 444	(1 609)	20 835
Subsidy Component	22 444	(1 609)	20 835
<b>Cooperative Governance and Traditional Affairs</b>	<b>1 960</b>	<b>(191)</b>	<b>1 769</b>
EPWP Integrated Grant	1 960	(191)	1 769
<b>Human Settlements</b>	<b>5 363 822</b>	<b>(659 398)</b>	<b>4 704 424</b>
Human Settlements Development Grant (HSDG)	4 125 835	(519 649)	3 606 186
Informal Settlements Upgrading Partnership Grant for Provinces	1 226 949	(138 673)	1 088 276
EPWP Integrated Grant	11 038	(1 076)	9 962
<b>Roads and Transport</b>	<b>3 947 680</b>	<b>78 063</b>	<b>4 025 743</b>
Provincial Roads Maintenance Grant	1 092 661	(40 179)	1 052 482
Public Transport Operations Grant	2 850 898	118 242	2 969 140
EPWP Integrated Grant	4 121	-	4 121
<b>Community Safety</b>	<b>5 057</b>	<b>(362)</b>	<b>4 695</b>
Social sector EPWP Integrated Incentive Grant for Provinces	5 057	(362)	4 695
<b>Agriculture and Rural Development</b>	<b>149 880</b>	<b>21 175</b>	<b>171 055</b>
Comprehensive Agricultural Support Programme Grant	103 014	22 185	125 199
Ilima/Letsema Projects Grant	37 885	(500)	37 385
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 360	(157)	5 203

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EPWP Integrated Grant	3 621	(353)	3 268
<b>Sport, Arts, Culture and Recreation</b>	<b>301 249</b>	<b>(16 867)</b>	<b>284 382</b>
Community Library Services Grant	176 522	(12 790)	163 732
Mass Sport and Recreation Participation Programme Grant	124 727	(4 077)	120 650
<b>Infrastructure Development</b>	<b>10 006</b>	<b>(975)</b>	<b>9 031</b>
EPWP Integrated Grant	10 006	(975)	9 031
<b>Total</b>	<b>27 436 744</b>	<b>(911 124)</b>	<b>26 525 620</b>

22. Factors that were considered by national government when reducing the conditional grants include the spending patterns against the grant allocations and the implication of the reductions on the overall operational activities pertaining to the grant funding. The details of the adjustments to conditional grants are explained below:

**B.1. District Health Programmes Grant**

23. The grant reduces by R266.9 million due to spending reductions implemented by national government. The reduction includes R299.7 million for Comprehensive HIV/AIDS component and a rollover of R32.8 million for commitments pertaining to the Medical Supplies Depot, communication, and computer equipment.

**B.2. Health Facility Revitalisation Grant**

24. The main appropriation is reduced by R69 million resulting in an adjusted budget of R1 billion for this grant.

**B.3. National Tertiary Services Grant**

25. An amount of R266.8 million is made available through a rollover to fund commitments relating to the procurement of medical and allied equipment.

**B.4. Human Resources Training Grant**

26. A rollover of R19.4 million will fund unpaid commitments on the training component of the grant for invoices related to the procurement of machinery and equipment.

**B.5. Early Childhood Development Grant**

27. The subsidy component of this grant reduces by R9.2 million because of the national spending reductions.

**B.6. Education Infrastructure Grant**

28. The grant reduces by R219.5 million during the implementation of the national spending reductions.

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**B.7. HIV/AIDS (Life Skills Education) Grant**

29. The budget is R3.1 million lower after the national government implemented the spending reductions.

**B.8. Maths, Science and Technology Grant**

30. The grant reduces by R6.9 million during the implementation of the national spending reductions.

**B.9. Human Settlements Development Grant**

31. The budget is R519.6 million lower after the national government implemented the spending reductions.

**B.10. Informal Settlements Upgrading Partnership Grant for Provinces**

32. This grant is reduced by R138.7 million due to spending reductions implemented by the national government.

**B.11. Provincial Roads Maintenance Grant**

33. An amount of R40.2 million is reduced from this grant by the national government due to spending reductions.

**B.12. Public Transport Operations Grant**

34. This grant increases by R118.2 million as a result of a rollover to fund the settlement of unpaid invoices for services rendered in March 2023. The rollover includes R24.9 million for the Northwest Star bus subsidies.

**B.13. Comprehensive Agricultural Support Programme Grant**

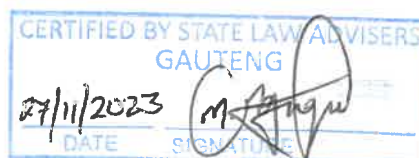
35. A net amount of R22.2 million is added to this grant due to a reduction of R5.1 million from infrastructure projects and a rollover of R27.3 million for invoices related to infrastructure and the Extension Recovery Plan.

**B.14. Ilima/Letsema Project Grant**

36. R500 000 is reduced from this grant by the national government.

**B.15. Land Care Programme Grant**

37. The grant reduces by R157 000 due to spending reductions implemented by national. The reduction includes R1.5 million taken by national government and a rollover of R1.3 million to fund invoices from the City of Tshwane and the City of Ekurhuleni metropolitan municipalities.



### B.16. Community Library Services Grant

38. Overall, the grant reduces by R12.8 million because of the national spending reductions amounting to R14 million whilst R1.2 million rolled over from 2022/23 is added to the grant to settle invoices that could not be paid by the end of the 2022/23 financial year.

### B.17. Mass Sport and Recreation Participation Programme Grant

39. The grant reduces by R4.1 million, which results from the national budget cut of R8.9 million whilst R4.8 million rolled over from 2022/23 is added to the grant to pay invoices of 2022/23.

### B.18. Expanded Public Works Integrated Grant

40. A total reduction to the grant due to spending reductions amounts to R3 million. The split of this total reduction amongst the relevant departments is demonstrated in Table 2 above.

### B.19. Social Sector Expanded Public Works Integrated Grant

41. The total reduction to the grant due to spending reductions amounts to R3.9 million. The split thereof amongst the relevant departments is shown in Table 2 above.

## C. Changes to provincial own receipts

Table 3: Changes to provincial own receipts

R thousand	Main Appropriation	Adjustment	Adjusted Appropriation
Office of the Premier	390	-	390
Economic Development	1 240 418	-	1 240 418
Health	562 433	-	562 433
Education	40 951	-	40 951
Social Development	4 386	-	4 386
Cooperative Governance and Traditional Affairs	397	-	397
Human Settlements	949	-	949
Roads and Transport	5 005 843	-	5 005 843
Community Safety	45 816	(11 000)	34 816
Agriculture and Rural Development	15 863	-	15 863
Sport, Arts, Culture and Recreation	394	-	394
E-Government	812	-	812
Gauteng Provincial Treasury	670 898	-	670 898
Infrastructure Development	32 856	-	32 856
<b>Total Changes in Own Revenue</b>	<b>7 622 406</b>	<b>(11 000)</b>	<b>7 611 406</b>

42. The adjustment budget shows a slight decrease of R11million and the only provincial department contributing to the downward revision is the Gauteng Department of Community Safety.

#### **Gauteng Department of Community Safety**

43. The main appropriation of R45.8 million decreases by R11 million to an adjusted appropriation of R34.8 million. The department requested a downward adjustment to the revenue collection target due to incorrect application of an accounting standard in relation to the treatment of receipts from SANRAL.

#### **D. Summary of revised departmental allocations**

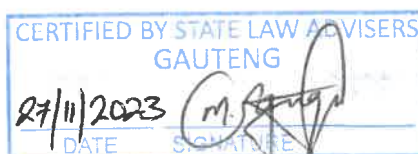
44. Table 4 shows the 2023/24 adjusted appropriation per department. The main appropriation is adjusted upwards by a net amount of R4.6 billion to an adjusted appropriation of R163.5 billion for the province.

**Table 4: 2023/24 Revised Departmental Allocations**

<b>R thousand</b>	<b>Main Appropriation</b>	<b>Adjustments</b>	<b>Adjusted Appropriation</b>
Office of the Premier	886 081	(58 682)	827 399
Gauteng Provincial Legislature	857 061	-	857 061
Economic Development	1 860 185	13 566	1 873 751
Health	60 093 535	2 408 825	62 502 360
Education	63 421 638	(62 074)	63 359 564
Social Development	5 550 806	68 391	5 619 197
Cooperative Governance and Traditional Affairs	639 686	440 809	1 080 495
Human Settlements	6 421 222	(499 398)	5 921 824
Roads and Transport	8 478 597	1 507 144	9 985 741
Community Safety	2 706 192	57 965	2 764 157
Agriculture and Rural Development	1 066 204	192 913	1 259 117
Sport, Arts, Culture and Recreation	1 089 937	32 591	1 122 528
e-Government	1 744 202	10 000	1 754 202
Gauteng Provincial Treasury	818 465	(23 000)	795 465
Infrastructure Development	3 311 270	462 015	3 773 285
<b>Total</b>	<b>158 945 081</b>	<b>4 551 065</b>	<b>163 496 146</b>

#### **D.1. Equitable share surrenders (excluding infrastructure)**

##### **Gauteng Provincial Treasury**



45. An amount of R23 million is surrendered from the budget for compensation of employees due to delays in the filling of vacant positions.

**D.2. Function shift and suspensions**

46. An amount of R144.7 million is reallocated from the Gauteng Office of the Premier to the Gauteng Department of Education to follow the reallocation of Tshepo 1 million programme from the Gauteng Office of the Premier. This amount will fund, specifically, the Solar Technician Project which is a youth development programme aimed at stimulating youth employment. This programme is aimed at ensuring that there is a pool of skills to support the growing renewable energy sector.
47. An amount of R40 million is reallocated from the Gauteng Department of Community Safety to the Gauteng Department of Roads and Transport to operationalise the Provincial Integrated Command Centre.

**D.3. Equitable share rollovers from the 2022/23 financial year (excluding infrastructure)**

**Table 5: Summary of Equitable Share Rollovers (excluding infrastructure)**

R thousand	Equitable Share rollovers
Economic Development	13 566
Education	33 029
Roads and Transport	20 000
Community Safety	88 280
Agriculture and Rural Development	13 814
Sport, Arts, Culture and Recreation	17 146
Infrastructure Development	55 473
<b>Total</b>	<b>241 308</b>

48. A total amount of R241.3 million is rolled over for commitments emanating from the 2022/23 financial year for the reasons stipulated hereunder.

**D.4. Gauteng Department of Economic Development**

49. The department receives R13.6 million for commitments from the previous financial year, of which R12.6 million is for goods and services and R1.1 million is for office equipment.

**D.5. Gauteng Department of Education**

50. A total of R33 million is rolled over of which R27.7 million is for commitments on the Presidential Youth Employment Initiative and R5.3 million is for bursaries for school-based educators.

**D.6. Gauteng Department of Roads and Transport**

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51. The department receives a rollover amount of R20 million for Taxi Support.

**D.7. Gauteng Department of Community Safety**

52. A total amount of R88.3 million is rolled over of which, R11.2 million is for commitments on the payment of stipends to the Gender-Based Violence Brigades and patrollers at Victim Empowerment Centres, R989 000 for training of drone operator pilots, R720 000 for the procurement and installation of e-Panic buttons, R1.7 million for the procurement of drones, R2.1 million for the supply and installation of tetra radios, R65.5 million for the procurement of motor vehicles, R4.3 million for the procurement of laptops, and R1.8 million for the supply and delivery of gazebos.

**D.8. Gauteng Department of Agriculture and Rural Development**

53. A total amount of R13.8 million is rolled over for commitments on goods and services and payments for capital assets that were not yet paid for as at year-end.

**D.9. Gauteng Department of Sport, Arts, Culture and Recreation**

54. The department receives an amount of R17.1 million as a rollover, of which R8.9 million is for unpaid invoices pertaining to Enterprise Development Programmes for creatives, the feasibility study on the Football Museum in Gauteng Province, the payment of bursaries, graphic design software and branding materials. The balance of R7.6 million is for commitments on transfers to non-profit institutions for football teams in the National First Division and Premier Soccer League based in Gauteng and R617 000 is for commitments on bursaries awarded to non-employees and support of back-to-school programmes.

**D.10. Gauteng Department of Infrastructure Development**

55. An amount of R55.5 million is rolled over of which R51.9 million is for funding invoices for work done by suppliers within the 2022/23 financial year and R3.5 million is for rates and taxes which will be used to settle claims received for the month of March 2023 from Tshwane, Midvaal, Mogale, Emfuleni and Rand West municipalities. The balance of R43 000 is for invoices pertaining to the maintenance work completed in the last quarter of 2022/23 financial year.

**E. Earmarked additional funding for priorities**

**Table 6: Summary of additional funding (excluding infrastructure)**

R thousand	Additional Funding
Office of the Premier	86 000
Health	2 500 000
Social Development	70 000
Cooperative Governance and Traditional Affairs	441 000
Human Settlements	160 000
Roads and Transport	80 700
Community Safety	10 047

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Agriculture and Rural Development	159 156
Sport, Arts, Culture and Recreation	37 000
e-Government	10 000
Infrastructure Development	429 000
<b>Total</b>	<b>3 982 903</b>

56. As shown in Table 6, an additional R3.9 billion is allocated to the baselines of the following provincial departments during this adjustments budget process, and is earmarked for its intended purpose.

**E.1. Gauteng Office of the Premier**

57. A total amount of R86 million is allocated, of which R79 million is for the Life Esidimeni claims and R7 million is for a commission of enquiry. The R79 million for Life Esidimeni is to settle the claims from mental health care users as well as legal fees. The R7 million is for a commission of inquiry into the Usindiso Building fire that resulted in seventy-seven deaths and injury to many people in Marshalltown, Johannesburg on 31 August 2023.

**E.2. Gauteng Department of Health**

58. An amount of R2.5 billion is allocated to the department to respond to the cost of implementing the 2023 wage agreement for public servants.

**E.3. Gauteng Department of Social Development**

59. The department receives an additional amount of R70 million for the acquisition of a new building which will be repurposed into a shelter for the homeless.

**E.4. Gauteng Department of Cooperative Governance and Traditional Affairs**

60. The departments receive an amount of R441 million earmarked for energy projects within the province.

**E.5. Gauteng Department of Human Settlements**

61. The department receives a total additional amount of R160 million for interim sanitation services including chemical toilets and honey suckers.

**E.6. Gauteng Department of Roads and Transport**

62. A total amount of R80.7 million is allocated of which R25 million is for the payment of municipal services and R55.7 million includes additional funding allocated for the expansion of frontline services to TISH areas and 4 Mobile Licensing frontline services to be deployed to prioritised townships.

**E.7. Gauteng Department of Community Safety**

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63. An amount of R10 million is reallocated to the department from receivables to reimburse the department for receipts from the SANRAL that were surrendered to the provincial revenue fund at the end of the 2022/23 financial year.

#### E.8. Gauteng Department of Agriculture and Rural Development

64. An amount of R159.1 million is availed for wages, unemployment insurance fund and Compensation for Occupational Injuries and Diseases Act (COIDA) for Green Army EPWP Programme. The department has recruited 6000 EPWP Green Army to participate in the Bontle ke Botho Gauteng's Clean and Green programme. The EPWP participants will reduce poverty and unemployment including skills development for the poor citizens of Gauteng particularly in TISH areas.

#### E.9. Gauteng Department of Sport, Arts, Culture and Recreation

65. The department receives a total additional amount of R37 million, of which R10 million is for the Gauteng Film Summit to support of the development of film makers and to empower creatives to be sustainable entrepreneurs, R20 million is for Gig Trucks to be used by all 13 Gauteng Government Departments, especially within township, informal settlement, and hostel areas. The remaining, R7 million is for the Monate December Programme to improve social cohesion and nation building and strengthen the battle against crime, corruption, vandalism, and lawlessness through commissioned and prescribed work.

#### E.10. Gauteng Department of e-Government

66. The R10 million additional funding is allocated for the implementation of the e-Panic button project.

#### E.11. Gauteng Department of Infrastructure Development

67. The department receives a total additional amount of R429 million, of which R100 million is for operational leases and R329 million is earmarked for alternative energy projects.

#### F. Summary of changes to infrastructure

**Table 7: Summary of changes to infrastructure**

R thousand	Main Appropriation	Adjustment	Adjusted Appropriation
Economic Development	272 370	-	272 370
Health	1 802 619	(69 206)	1 733 413
Education	2 463 447	(229 026)	2 234 421
Social Development	156 701	-	156 701
Human Settlements	5 463 822	(759 398)	4 704 424
Roads and Transport	1 777 513	1 214 102	2 991 615
Agriculture and Rural Development	23 530	(1 585)	21 945
Sport, Arts, Culture and Recreation	40 492	(8 044)	32 448
Infrastructure Development	173 661	(22 458)	151 203
<b>Total</b>	<b>12 174 155</b>	<b>124 385</b>	<b>12 98 540</b>

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68. Table 7 summarises the Gauteng Provincial Government's 2023 main budget and the mid-year budget for the infrastructure programme. This financial year (2023/24), the conditional grants are reduced by R999.1 million due to fiscal challenges that constrained government's borrowing programme. The mid-year adjusted budget is adjusted upwards by R124.4 million to R12.3 billion when compared to the main budget.
69. Table 7 also shows the downwards adjustments for the Gauteng Department of Health, Gauteng Department of Education, Gauteng Department of Human Settlements, Agriculture, Gauteng Department of Sport, Arts, Culture and Recreation, and Gauteng Department of Infrastructure Development. The downwards adjustment for these departments results from the reduction of the conditional grants and/or the outcome of the performance which suggested lesser cash flow requirements for the remainder of the financial year.
70. The budget for the Gauteng Department of Roads and Transport is however adjusted upwards by R1.2 billion due to the performance of key projects such as K73, K101, K46, R82, Vaal River City and maintenance programme (Road Infrastructure Strategic Framework for South Africa). This amount also includes funding allocated for the rehabilitation/ maintenance of roads located in Emfuleni Municipality.

#### **IV. JOB CREATION IMPLICATIONS**

71. The province will continue to contribute to job creation through programmes such as the Expanded Public Works Programme (EPWP), EPWP Integrated Incentive Grant, Tshepo 1 million, learnerships and internship programmes, infrastructure delivery, the Presidential Youth Employment Initiative, and the Township Economic Revitalisation strategy.

#### **V. ORGANISATIONAL AND PERSONNEL IMPLICATIONS**

72. The budget for compensation of employees increases by a net amount of R1.1 billion from R91.7 billion to R92.8 billion to fund the cost of implementing the 2023 public service wage agreement and other job creation initiatives.

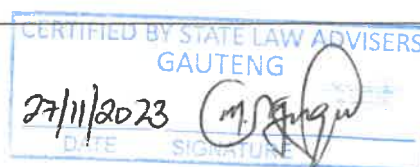
#### **VI. FINANCIAL IMPLICATIONS**

73. The provincial main appropriation of R158.9 billion increases by a net amount of R4.6 billion to an adjusted appropriation of R163.5 billion.

#### **VII. COMMUNICATION IMPLICATIONS**

74. The amendments to the appropriation will be submitted to stakeholders including the Gauteng Provincial Legislature, provincial departments, and the National Treasury.

#### **VIII. CONSTITUTIONAL AND LEGAL IMPLICATIONS**





75. The provincial budget is compiled in compliance with formats and timelines prescribed by the National Treasury and is tabled at the Gauteng Provincial Legislature in accordance with section 215 of the Constitution of the Republic of South Africa, 1996.

**IX. OTHER DEPARTMENTS OR BODIES CONSULTED**

76. The Gauteng Provincial Treasury has consulted extensively with all the affected departments regarding all the amendments made in the adjustment budget process.

**X. CLAUSE BY CLAUSE DESCRIPTION**

77. Clause 1 provides for the assignment of the definitions of expressions, phrases, and words from the Gauteng Provincial Appropriation Act, 2021, and the Public Finance Management Act, 1999. Clause 2 contains details about the adjusted appropriations for use by the province for the financial year ending 31 March 2024. Clause 3 deals with amounts that are listed as specifically and exclusively appropriated. Clause 4 is the short title of the Bill. The Schedule to the Bill contains the details of the adjusted appropriation by vote as explained under paragraph III above.

