



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
Johannesburg
2001

Dear Ms Mnyani

RE: CERIFICATION OF GAUTENG PROVINCIAL ADJUSTMENTS APPROPRIATION BILL, 2021

1. Please find herewith attached a copy of the abovementioned Bill, together with the Schedule to the Bill and the Explanatory Memorandum on the Objects of the Bill, as duly certified by the State Law Advisory Services.
2. The State Law Advisory Services classify the Bill as a money Bill envisaged in Rule 192(2) of the Standing Rules of the Gauteng Provincial Legislature, 2nd edition (2018), read with section 120 of the Constitution of the Republic of South Africa, 1996.
3. Kindly note that no changes may be made to the certified Bill, together with the Schedule and the Memorandum, without the prior approval of the State Law Advisory Services. Any unauthorised change will nullify the certification of the Bill, together with the Schedule and the Memorandum.
4. The State Law Advisory Services do not certify the correctness of the amounts and dates reflected in the Schedule and the Memorandum, as these are the responsibility of the Gauteng Provincial Treasury.
5. Please ensure that this certificate accompanies the Bill, together with the Schedule and the Memorandum, when introduced into the Gauteng Provincial Legislature.

Enquires may be directed to **Adv. Monwabisi Nguqu, Director: Co-ordinated Legislative Drafting** at Telephone number: (011) 355 6312 | Cellular phone number: 063 698 5430 | Email address: Monwabisi.Nguqu@gauteng.gov.za.

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

P.p. **Adv. Geert Kuit**
Chief Director: State Law Advisory Services
Date: 08/12/2021

GAUTENG PROVINCIAL LEGISLATURE

**GAUTENG PROVINCIAL
ADJUSTMENTS APPROPRIATION
BILL, 2021**

(As introduced in the Gauteng Provincial Legislature in terms of rule 192(2) of the Standing Rules of the Gauteng Provincial Legislature, 2018, 2nd ed, 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)

(Member of the Executive Council for Finance and e-Government)

[B—2021]



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 financial year ending 31 March 2022; 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, 2021 (Act No. 4 of 2021), 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 2022;

AND WHEREAS section 31(1) of the Public Finance Management Act, 1999 (Act No. 1 of 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 in section 1 of the Gauteng Provincial Appropriation Act, 2021 (Act No. 4 of 2021), 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 in the financial year ending 31 March 2022, to votes and main divisions within a vote, and for the specific listed purposes, is 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, 2021.



SCHEDULE
(As a charge to the Provincial Revenue Fund)

| Details of appropriated amount Vote | Main Appropriation | Current Payments | | | | | | Adjusted Appropriation | Specified transfer payments and amounts specifically and exclusively appropriated |
|---|---|------------------------------|--------------------------|--------------|-------------------------------|--------------------------------------|--|---------------------------|---|
| | | Compensation of Employees | Goods and Services | Other | Transfers and Subsidies | Payments for Capital Assets | Payments for Financial Assets | | |
| | | | | | | | | | |
| R thousand | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| 1. Office of the Premier 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. | 714 423 | (1 452) | 3 209 | | 148 739 | 2 104 | | 867 023 | |
| 1. Administration | 136 922 | (4 601) | 20 136 | | 147 768 | (1 131) | | 299 094 | |
| 2. Institutional Development | 257 524 | (1 199) | (5 417) | | 450 | 3 935 | | 255 293 | |
| 3. Policy and Governance <i>of which</i> <i>Transfers to Higher education institutions</i> <i>GCRO</i> | 319 977 30 114 | 4 348 | (11 510) | | 521 | (700) | | 312 636 | 30 114 |
| Transfers to Non-Profit Institutions | 138 188 | | | | | | | | 138 188 |
| 2. Gauteng Provincial Legislature Vision: A progressive legislature that fosters confidence in democracy and improving the quality of life of the people of Gauteng" | 791 064 | 12 652 | (28 741) | | 9 000 | 11 733 | | 795 708 | |
| 1. Leadership and Governance | 51 087 | 1 811 | (23 096) | | | | | 29 802 | |
| 2. Office of the Secretary | 21 664 | 203 | 10 251 | | | | | 32 118 | |
| 3. Corporate Support Services <i>of which</i> <i>Transfers to Non-Profit Institutions</i> | 402 761 150 921 | (1 828) | 2 217 | | 9 000 | 10 351 | | 422 501 | 159 921 |
| 4. Core Business | 258 517 | 11 830 | (16 649) | | | | | 253 698 | |
| 5. Office of the CFO | 57 035 | 636 | (1 464) | | | 1 382 | | 57 589 | |
| 3. Economic Development Vision: A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity | 1 561 763 | (51 465) | 47 462 | | 228 717 | (3 575) | 9 | 1 782 911 | |
| 1. Administration | 259 908 | (22 125) | 1 244 | | 185 | (3 575) | 9 | 235 646 | |
| 2. Integrated Economic Development Services <i>of which</i> <i>Transfers to Departmental Agencies and Accounts</i> <i>Gauteng Enterprise Propeller</i> | 219 944 219 944 | | | | 89 459 | | | 309 403 | 309 403 |
| 3. Trade and Sector Development <i>of which</i> <i>National conditional grants</i> <i>Transfers to Departmental Agencies and Accounts</i> <i>Gauteng Growth and Development Agency</i> <i>Cradle of Humankind</i> <i>Dinokeng</i> <i>Gauteng Tourism Authority</i> | 852 797 632 017 55 395 38 920 126 465 | | | | (46 551) | | | 806 246 | 589 114 54 701 38 422 124 009 |
| 4. Business Regulation and Governance <i>of which</i> <i>Transfers to Departmental Agencies and Accounts</i> <i>Gauteng Liquor Board</i> <i>Gauteng Gambling Board</i> | 75 686 16 954 373 | (6 050) | 30 260 | | (6 481) | | | 93 415 | 10 423 373 |
| 5. Economic Planning <i>Transfer to Public corporations and private enterprises</i> | 153 427 | (23 290) | 15 958 | | 192 105 | | | 338 200 | 191 815 |
| 4. Health Vision: A responsive, value-based, people-centred health care system in Gauteng. | 56 505 266 | 2 506 222 | 37 574 | | 36 | 576 412 | | 59 625 510 | |
| 1. Administration | 1 242 528 | 8 076 | (458) | | | 42 129 | | 1 292 275 | |
| 2. District Health Services <i>of which</i> <i>National conditional grants</i> <i>HIV, TB, malaria and community outreach grant</i> | 19 596 571 5 955 802 | 899 413 | (9 943) | | | (9 520) | | 20 476 521 | 5 967 355 |
| <i>Statutory Human Resources , Training and Development Grant</i> | 15 051 | | | | | | | | 30 345 |
| <i>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</i> | 24 746 | | | | | | | | 25 005 |
| <i>National Health Insurance Grant</i> | 49 859 | | | | | | | | 49 859 |

CERTIFIED BY STATE LAW ADVISERS
 GAUTENG
 08/12/2021
 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 | | | | | |
| R thousand | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| <i>Transfers to Municipalities</i> | 470 568 | | | | | | | | 470 568 |
| <i>Transfers to Non-profit institutions</i> | 423 868 | | | | | | | | 423 868 |
| 3. Emergency Medical Services | 1 566 846 | 72 459 | (136 511) | | | 116 511 | | 1 619 305 | |
| 4. Provincial Hospital Services <i>of which</i> | 10 622 660 | 495 488 | (23 789) | | | (12 461) | | 11 081 898 | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Statutory Human Resources , Training and Development Grant</i> | 370 119 | | | | | | | | 406 333 |
| <i>National Tertiary Services Grant</i> | 32 569 | | | | | | | | 39 136 |
| 5. Central Hospital Services <i>of which</i> | 19 602 614 | 1 002 113 | | | | 387 580 | | 20 992 307 | |
| <i>Transfers to Non-Profit Institutions</i> | 282 000 | | | | | | | | 282 000 |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>National Tertiary Services grant</i> | 4 845 501 | | | | | | | | 5 195 287 |
| <i>Statutory Human Resources , Training and Development Grant</i> | 957 592 | | | | | | | | 1 064 384 |
| 6. Health Sciences and Training <i>of which</i> | 1 207 990 | 13 928 | 66 911 | | | (3 429) | | 1 285 400 | |
| <i>Transfers to Departmental Agencies and Accounts</i> | 24 636 | | | | | | | | 24 636 |
| <i>Transfers Higher Education Institutions</i> | 16 309 | | | | | | | | 16 309 |
| 7. Health Care Support Services | 390 385 | 13 412 | 10 677 | | | 400 | | 414 874 | |
| 8. Health Facilities Management <i>of which</i> | 2 275 672 | 1 333 | 130 687 | | 36 | 55 202 | | 2 462 930 | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Health Facility Revitalisation</i> | 965 871 | | | | | | | | 965 871 |
| <i>Expanded Public Works Programme (EPWP) Integrated Grant</i> | 2 218 | | | | | | | | 2 218 |
| 5. Education | 53 458 053 | 1 228 762 | 412 108 | 3 | 1 461 064 | 118 283 | | 56 678 273 | |
| Vision: Every learner feels valued and inspired in our innovative education system. | | | | | | | | | |
| 1. Administration | 4 549 079 | | (97 590) | 3 | 36 799 | (26 754) | | 4 461 537 | |
| 2. Public Ordinary School Education <i>of which</i> | 38 801 949 | 1 178 642 | 575 485 | | (47 965) | 328 | | 40 508 439 | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>HIV/AIDS (Life Skills Education)</i> | 36 464 | | | | | | | | 36 464 |
| <i>National School Nutrition</i> | 958 730 | | | | | | | | 968 730 |
| <i>Maths, Science and Technology</i> | 58 811 | | | | | | | | 58 811 |
| <i>Transfers to Non-Profit Institutions</i> | 3 195 661 | | | | | | | | 3 147 696 |
| 3. Independent School Subsidies <i>of which</i> | 980 518 | | | | | | | 980 518 | |
| <i>Transfers to Non-Profit Institutions</i> | 970 518 | | | | | | | | 970 518 |
| 4. Public Special School Education <i>of which</i> | 4 521 641 | (38 733) | 9 484 | | (7 490) | 81 | | 4 484 983 | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Learners with Profound Intellectual Disabilities</i> | 33 156 | | | | | | | | 34 518 |
| <i>Transfers to Non-Profit Institutions</i> | 922 742 | | | | | | | | 913 427 |
| 5. Early Childhood Development <i>of which</i> | 1 264 787 | 166 000 | 55 505 | | (21 469) | (470) | | 1 464 353 | |
| <i>Transfers to Non-Profit Institutions</i> | 250 789 | | | | | | | | 229 320 |
| 6. Infrastructure Development <i>of which</i> | 1 619 208 | (2 845) | (140 985) | | | 143 830 | | 1 619 208 | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Education Infrastructure</i> | 1 589 208 | | | | | | | | 1 589 208 |
| 7. Examination and Education Related Services <i>of which</i> | 1 720 871 | (74 302) | 10 209 | | 1 501 189 | 1 268 | | 3 159 235 | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Expanded Public Works Programme Integrated Grant</i> | 2 547 | | | | | | | | 2 547 |
| <i>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</i> | | | | | | | | | |
| <i>Transfers to Non-Profit Institutions</i> | 85 321 | | | | | | | | 1 587 060 |
| <i>Transfers to Departmental Agencies and Accounts</i> | 111 178 | | | | | | | | 110 628 |
| 6. Social Development | 5 882 786 | 42 420 | 61 779 | | 145 277 | 16 167 | 128 | 6 148 557 | |

Vision: A caring and self-reliant society



SCHEDULE
(As a charge to the Provincial Revenue Fund)

| Details of appropriated amount Vote | Main Appropriation | Current Payments | | | | | 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 | Transfers and Subsidies | | | | | |
| R thousand | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| 1. Administration of which Transfers to Departmental Agencies and Accounts | 741 231 70 | (2 500) | 3 811 | | 5 016 | (4 871) | 14 | 742 701 | | 3 144 |
| 2. Social Welfare Services of which Transfers to Non-Profit Institutions National conditional grants Social Sector Expanded Public Works Programme Incentive Grant for Provinces | 989 427 851 882 18 536 | (2 356) | 490 | | 14 399 | 2 572 | | 1 004 532 | | 866 107 18 536 |
| 3. Children and Families of which Transfers to Non-Profit Institutions National conditional grants Early Childhood Development | 2 618 697 1 004 579 152 107 | 25 920 | (14 059) | | 87 518 | 20 431 | 89 | 2 738 596 | | 1 091 390 255 493 |
| 4. Restorative Services of which Transfers to Non-Profit Institutions | 783 841 471 069 | (14 000) | 7 141 | | 19 825 | (2 188) | 25 | 794 644 | | 490 887 |
| 5. Development and Research of which Transfers to Non-Profit Institutions | 749 590 233 736 | 35 356 | 64 396 | | 18 519 | 223 | | 868 084 | | 252 255 |
| 7. Cooperative Governance and Traditional Affairs Vision: Sustainable, Smart, Inclusive Cities and Communities in the Gauteng City Region. | 581 696 | | 9 068 | | 1 308 | | | 592 072 | | |
| 1. Administration | 150 092 | | 5 392 | | 1 308 | | | 156 792 | | |
| 2. Local Governance | 288 618 | | 3 876 | | | | | 292 494 | | |
| 3. Development and Planning of which National conditional grants Expanded Public Works Programme Integrated Grant Transfers to Municipalities | 125 556 2 037 20 037 | | 2 300 | | | | | 127 856 | | 2 037 20 037 |
| 4. Traditional Institutional Development | 17 430 | | (2 500) | | | | | 14 930 | | |
| 8. Human Settlements Vision: Integrated Sustainable Human Settlements within a Smart Gauteng City Region | 5 912 132 | | 1 850 | | (363 896) | 436 040 | | 5 986 126 | | |
| 1. Administration | 533 702 | | 6 169 | | | 10 000 | | 549 871 | | |
| 2. Housing Needs, Research and Planning | 21 619 | | (1 799) | | 70 | | | 19 890 | | |
| 3. Housing Development of which National conditional grants Human Settlements Development Informal Settlements Upgrading Partnership Grant for Provinces Expanded Public Works Programme Integrated Grant Transfers to Departmental Agencies and Accounts Gauteng Partnership Fund | 5 148 814 3 725 026 1 109 179 8 507 350 824 | | (2 000) | | (365 462) | 426 040 | | 5 207 392 | | 3 785 304 1 109 179 8 507 768 400 |
| 4. Housing Assets and Property Management of which National conditional grants Human Settlements Development Title Deeds Restoration Grant | 207 997 99 948 | | (520) | | 1 496 | | | 208 973 | | 99 948 1 426 |
| 9. Roads and Transport Vision: To develop an integrated, sustainable transport infrastructure that promotes accessible, safe and affordable movement of people, goods and services. | 8 680 417 | 18 000 | (423 949) | | 480 276 | (187 247) | | 8 567 497 | | |
| 1. Administration | 423 898 | (5 000) | (3 500) | | 500 | (14 500) | | 401 398 | | |
| 2. Transport Infrastructure of which National conditional grants Provincial Roads Maintenance Expanded Public Works Programme Integrated Grant | 2 460 126 767 135 | (25 000) | (399 949) | | (500) | (174 547) | | 1 860 130 | | 767 135 |

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 thousand | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| <i>Transfers to Provinces and Municipalities</i> | 2 200 | | | | | | | | 2 200 |
| 3. Transport Operations | 3 039 809 | 53 000 | | | 94 476 | | | 3 187 285 | |
| <i>of which</i> | | | | | | | | | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Public Transport Operations</i> | 2 742 249 | | | | | | | | 2 836 725 |
| <i>Expanded Public Works Programme Integrated Grant</i> | 9 638 | | | | | | | | 9 638 |
| <i>Transfers to Public corporations and private enterprise</i> | 2 941 987 | | | | | | | | 3 036 463 |
| 4. Transport Regulation | 345 768 | (5 000) | (20 500) | | 19 800 | 1 800 | | 341 868 | |
| Transfers to Non-Profit Institutions | | | | | | | | | 19 800 |
| 5. Gautrain Rapid Rail Link | 2 410 816 | | | | 366 000 | | | 2 776 816 | |
| <i>of which</i> | | | | | | | | | |
| <i>Transfers to Departmental Agencies and Accounts</i> | | | | | | | | | |
| <i>Gautrain Management Agency</i> | 2 410 816 | | | | | | | | 2 776 816 |
| 10. Community Safety | 962 280 | (22 400) | 7 869 | | (27 469) | 60 673 | | 980 953 | |
| Vision: To realise Gauteng as a province where people feel and are safe. | | | | | | | | | |
| 1. Administration | 169 644 | (10 400) | 7 000 | | | 3 400 | | 169 644 | |
| <i>of which</i> | | | | | | | | | |
| <i>Transfers to Provinces and Municipalities</i> | | | | | | | | | |
| 2. Provincial Secretariat for Police Service | 240 979 | (12 000) | 869 | | (27 469) | 49 000 | | 251 379 | |
| <i>of which</i> | | | | | | | | | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</i> | | | | | | | | | |
| <i>Transfers to Departmental Agencies and Accounts</i> | 27 129 | | | | | | | | |
| 3. Traffic Management | 551 657 | | | | | 8 273 | | 559 930 | |
| <i>of which</i> | | | | | | | | | |
| <i>Transfers to Provinces and Municipalities</i> | 179 | | | | | | | | 179 |
| <i>Transfers to Public corporations and private enterprise</i> | | | | | | | | | |
| 11. Agriculture and Rural Development | 1 016 225 | 30 169 | (7 732) | | 1 846 | 4 303 | | 1 044 811 | |
| Vision: An economically transformed agricultural sector for the promotion of sustainable, environmental management; food security and developed rural and urban communities in Gauteng | | | | | | | | | |
| 1. Administration | 255 501 | 7 553 | 1 308 | | (207) | 7 773 | | 271 928 | |
| <i>of which</i> | | | | | | | | | |
| <i>Transfers to Departmental Agencies and Accounts</i> | 1 476 | | | | | | | | 1 360 |
| <i>Transfers to Provinces and Municipalities</i> | | | | | | | | | 74 |
| 2. Agriculture and Rural Development | 457 518 | 7 468 | (7 416) | | 1 845 | 9 376 | | 468 791 | |
| <i>of which</i> | | | | | | | | | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Land Care</i> | 5 016 | | | | | | | | 5 016 |
| <i>Ilima/Letsema Projects</i> | 36 459 | | | | | | | | 36 459 |
| <i>Comprehensive Agricultural Support Programme</i> | 99 113 | | | | | | | | 100 904 |
| <i>Transfers to Higher Education Institutions</i> | 5 965 | | | | | | | | 7 205 |
| <i>Transfers to Departmental Agencies and Accounts</i> | | | | | | | | | |
| 3. Environmental Affairs | 303 206 | 15 148 | (1 624) | | 208 | (12 846) | | 304 092 | |
| <i>of which</i> | | | | | | | | | |
| <i>Expanded Public Works Programme Integrated Grant</i> | 2 943 | | | | | | | | 2 943 |
| 12. Sport, Arts, Culture and Recreation | 1 066 393 | (37 944) | 12 260 | 8 | (16 701) | 1 837 | | 1 025 853 | |
| Vision: An active, creative and modernised Gauteng City Region contributing to sustainable economic growth and social cohesion. | | | | | | | | | |
| 1. Administration | 165 883 | (6 381) | 1 828 | | 1 286 | (418) | | 162 198 | |
| 2. Cultural Affairs | 233 278 | (7 893) | (2 061) | 6 | 7 529 | (11 566) | | 219 293 | |
| <i>of which</i> | | | | | | | | | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Expanded Public Works Programme Integrated Grant</i> | 1 960 | | | | | | | | 1 960 |
| <i>Transfers to Provinces and Municipalities</i> | 2 793 | | | | | | | | 2 793 |
| <i>Transfers to Departmental Agencies and Accounts</i> | 38 691 | | | | | | | | 38 691 |
| <i>Transfers to Non Profit Institutions</i> | 10 000 | | | | | | | | 16 500 |
| 3. Library and Archives Services | 320 024 | (14 539) | 10 909 | 2 | (5 297) | (1 003) | | 310 096 | |
| <i>of which</i> | | | | | | | | | |

SCHEDULE
(As a charge to the Provincial Revenue Fund)

| Details of appropriated amount | Vote | Current Payments | | | | | | Adjusted Appropriation | Specified transfer payments and amounts specifically and exclusively appropriated |
|--|------|--------------------|---------------------------|--------------------|-----------|-------------------------|-----------------------------|------------------------|---|
| | | Main Appropriation | Compensation of Employees | Goods and Services | Other | Transfers and Subsidies | Payments for Capital Assets | | |
| R thousand | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Community Library Services</i> | | 167 899 | | | | | | | 168 986 |
| <i>Transfers to Provinces and Municipalities</i> | | 203 022 | | | | | | | 195 725 |
| <i>Transfers to Non Profit Institutions</i> | | 3 200 | | | | | | | 4 700 |
| 4. Sport and Recreation | | 347 208 | (9 131) | 1 584 | | (20 219) | 14 824 | 334 266 | |
| <i>of which</i> | | | | | | | | | |
| <i>National conditional grants</i> | | | | | | | | | |
| <i>Mass Sport and Recreation Participation Programme</i> | | 102 018 | | | | | | | 102 826 |
| <i>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</i> | | 1 439 | | | | | | | 1 439 |
| <i>Transfers to Non Profit Institutions</i> | | 84 955 | | | | | | | 63 605 |
| 13. E-Government | | 1 404 533 | (7 318) | 139 106 | | 592 | 2 029 | 1 538 942 | |
| Vision: A smart Gauteng City Region that provides efficient quality services to citizens. | | | | | | | | | |
| 1. Administration | | 267 584 | | 14 058 | | | 872 | 282 514 | |
| 2. Information Communication Technology(ICT) Shared Services | | 1 011 489 | (7 038) | 124 938 | | 312 | 1 157 | 1 130 858 | |
| <i>of which</i> | | | | | | | | | |
| <i>Transfers to Higher Education Institutions</i> | | 22 800 | | | | | | | 22 800 |
| 3. Human Resources Services | | 125 460 | (280) | 110 | | 280 | | 125 570 | |
| 14. Gauteng Provincial Treasury | | 754 845 | (106 675) | 18 813 | | 1 530 | 7 032 | 675 545 | |
| Vision: Pioneers in fiscal prudence and good governance" services of the highest quality. | | | | | | | | | |
| 1. Administration | | 161 449 | (26 880) | (4 032) | | 880 | 7 032 | 138 449 | |
| 2. Sustainable Fiscal Resource Management | | 164 452 | (9 000) | (740) | | | | 154 712 | |
| <i>of which</i> | | | | | | | | | |
| <i>Departmental agencies and accounts</i> | | | | | | | | | |
| <i>Gauteng Infrastructure Financing Agency</i> | | 64 044 | | | | | | | 64 044 |
| 3. Financial Governance | | 140 275 | (20 050) | 1 032 | | 50 | | 121 307 | |
| 4. Supply Chain Management | | 105 239 | (17 730) | 15 770 | | 200 | | 103 479 | |
| 5. Municipal Financial Governance | | 66 448 | (21 300) | (1 032) | | 300 | | 44 416 | |
| 6. Gauteng Audit Services | | 116 982 | (11 715) | 7 815 | | 100 | | 113 182 | |
| 15. Infrastructure Development | | 3 260 931 | 48 945 | 19 079 | | 2 000 | (82 135) | 200 | 3 249 020 |
| 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. | | | | | | | | | |
| 1. Administration | | 446 264 | 12 726 | 3 918 | | | 5 000 | 200 | 468 108 |
| 2. Public Works Infrastructure | | 2 572 878 | 31 814 | 80 078 | | 2 000 | (87 135) | | 2 599 635 |
| <i>of which</i> | | | | | | | | | |
| <i>Transfers to Municipalities</i> | | | | | | | | | |
| <i>Devolution of rates and taxes</i> | | 1 025 376 | | | | | | | 1 025 376 |
| 3. Expanded Public Works Programme | | 241 789 | 4 405 | (64 917) | | | | | 181 277 |
| <i>of which</i> | | | | | | | | | |
| <i>Expanded Public Works Programme Integrated Grant</i> | | 18 988 | | | | | | | 18 988 |
| TOTAL FOR THE PROVINCE | | 142 552 806 | 3 659 916 | 309 755 | 11 | 2 072 319 | 963 656 | 337 | 149 558 801 |

CERTIFIED BY STATE LAW ADVISERS
GAUTENG

08/12/2021
DATE SIGNATURE

EXPLANATORY MEMORANDUM OF OBJECTS ON THE GAUTENG PROVINCIAL ADJUSTMENTS APPROPRIATION BILL, 2021

1. INTRODUCTION

The adjustments budget process provides an opportunity to make permissible amendments to the budget in response to changes that have affected planned spending. The adjustment estimates accompanied by a Provincial Adjustments Appropriation Bill, 2021, is tabled by the Member of the Executive Council for Finance and e-Government primarily to appropriate funds for various types of spending aimed at attaining the four provincial priorities, namely—

- Winning the battle against the COVID-19 pandemic;
- Re-igniting the Gauteng economy;
- Recalibrating social policy to improve educational and health outcomes; and
- Improving governance across the Gauteng City Region.

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.

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 roll-over of unspent funds from the preceding financial year.

It is against this legislative framework that the Gauteng Provincial Adjustments Appropriation Bill, 2021, seeks to amend the Gauteng Provincial Appropriation Act, 2021 (Act No. 4 of 2021).

The COVID-19 pandemic exacerbated the challenges of poverty and unemployment in the Province requiring the realisation of greater value for money and a more disciplined approach in the delivery of government services. However, part of the earmarked budget allocations made available in this adjustment budget are aimed at addressing budget pressures emanating from the 2021 public sector wage agreement and to fund the Presidential Youth Employment Initiative. The latter intervention is part of the continued response by government to address the impact of COVID-19 pandemic on the rising unemployment levels in the country.

The adjustments budget also includes the internal reprioritisation of 2021/22 budget baselines by provincial departments to ease emerging budget pressures and upscale priority areas such as social relief and economic recovery. This reprioritisation of the existing budget baselines is primarily



enabled through scaling down programmes and projects that are currently delayed amidst the COVID-19 pandemic and other impeding factors as well as the realisation of savings.

2. DISCUSSION

2.1 Factors influencing the national macroeconomic environment

A recovery in global economic activity continues, despite the effects of the highly transmissible variant in some parts of the world. Although vaccinations have proven to be effective in mitigating the spread of the virus, unequal access, and hesitancy, have contributed to the resurgence of the virus in other parts of the world, thus creating unique policy challenges. This has further prolonged the global supply chain disruptions, creating a demand-supply mismatch, and resulting in a surge in inflation worldwide. In October, the International Monetary Fund (IMF) marginally revised its forecast for global economic growth down to 5.9 per cent for 2021 and kept the 2022 growth projection unchanged at 4.9 per cent. This revision reflects growth forecasts downgrades to the advanced economy amid supply chain disruptions, and the resurgence of the virus in low income developing countries.¹

Economic growth in advanced economies is forecast to average 5.2 per cent in 2021. This reflects a downgrade in the United States, due to inventory drawdown and slowing consumption amongst other factors. In Germany, shortages of inputs weighed negatively on the manufacturing activity, while the State of Emergency in Japan (from July to September) somewhat disrupted economic activity. Economic growth in the emerging and developing economies is forecast to rise by 6.4 per cent in 2021, if some emerging and developing economies' countries will gain broad access to vaccines for the remainder of the year.

In South Africa, the pandemic remains one of the risks to the economic outlook, with a relatively high vaccination hesitancy reported. Investment stagnation, rising headline inflation, prolonged effects of July unrest and power outages continue to weigh heavily on domestic growth prospects. Despite recording better than expected growth in the first half of 2021, mixed results are expected in the second half of the year. The South African Reserve Bank forecasts economic growth to have contracted by 2.5 per cent in the third quarter, broadly reflective of the July unrest and power outages. Growth is estimated to recover to 2.6 per cent in the fourth quarter of 2021. Overall, the National Treasury forecasts the economy to average 5.1 per cent in 2021.²

Higher commodity prices and global demand have helped boost revenue collection for the 2021-22 financial year. Tax collection is estimated to increase by R120 billion from the February Budget revenue estimate to R1.5 trillion for the financial year. This has enabled the government to provide the much-needed fiscal support to sectors affected by the unrest as well as to poverty and employment programmes aimed at cushioning against the impact of COVID-19.³

To maintain long-term economic growth for the country, there are structural reforms that need to be prioritised. These include, amongst others, ensuring stable energy supply, improving the efficiency of the country's logistics infrastructure to support exports, boosting tourism, and attracting skills, as well as removing the regulatory burdens to Small Medium and Micro Enterprises and co-operatives.⁴

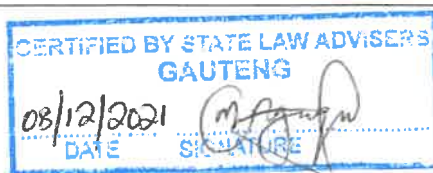
2.2 Factors influencing the provincial economic outlook

¹ International Monetary Fund. (2021). *World Economic Outlook: Recovery During a Pandemic October 2021*. Washington, DC. USA

² National Treasury. (2021). *Medium-Term Budget Policy Statement Speech 11th November 2021*. Pretoria, South Africa

³ National Treasury. (2021). *Medium-Term Budget Policy Statement Speech 11th November 2021*. Pretoria, South Africa

⁴ National Treasury. (2021). *Medium-Term Budget Policy Statement Speech 11th November 2021*. Pretoria, South Africa



Seasonally adjusted real GDP grew by 1.2 per cent quarter-on-quarter in the second quarter. This increase follows a revised 1.1 per cent rise in real GDP in the first quarter of 2021 and is the fourth consecutive increase in GDP since the third quarter of 2020. In Rand value terms, the economy grew by R19.5 billion to R1.6 trillion during the second quarter. However, the economy is still about R22 billion (1.4 per cent) smaller than what it was pre-COVID-19.

The unrest which took place in July will most likely result in a lower growth rate in the third quarter of 2021, with the festive season likely to raise the rate again in the fourth quarter. Overall, the Gauteng economy is projected to grow by 5.2 per cent in 2021, and by 2.2 and 2.1 per cent in 2022 and 2023, respectively.

The number of workers employed in Gauteng increased by 3.9 per cent year-on-year in the second quarter of 2021, to 4.6 million, but the number of unemployed persons increased by 58.5 per cent, to 2.5 million, resulting in the official unemployment rate rising to 35.4 per cent in the second quarter. Further, the latest data shows that the unemployment rate for youth aged 15-24 years worsened by 3.5 percentage points to 64.5 per cent in 2020.⁵ This translates to about 382 000 youth aged 15-24 that are unemployed in the province, and this age cohort accounts for 13.6 per cent of the province's total population, and about 20 per cent of the working-age population.

The grim unemployment statistics highlight the scale of the pandemic's impact on the Gauteng's labour market, largely arising from lockdown restrictions, and the general loss of demand and economic downturn. In their 2020/21 Quality of Life Survey, the Gauteng City Region Observatory found that about 4 per cent of adults surveyed in the province have had to close their businesses permanently, while 11 per cent lost their jobs and 19 per cent took a salary cut and reduced working hours since March 2020.⁶

Overall, the economic outlook remains uncertain, and the economic effects of the pandemic are far-reaching. Furthermore, the July unrest and the ongoing power outages are prolonging the economic recovery. At this point, a rapid and successful vaccination programme is essential to allow the economy to fully open and eliminate the possibility of highly infectious variants that may result in further economic restrictions.

3. ADJUSTMENTS TO THE 2021/22 PROVINCIAL BUDGET

3.1 Summary of changes to provincial revenue

Table 1 below shows changes to the sources of revenue as tabled on 11 March 2021.

Table 1: Summary of changes to receipts

| R thousand | Main Appropriation 2020/21 | Adjustments | | Total Adjustments | Adjusted appropriation |
|---|----------------------------|------------------|--------------------|-------------------|------------------------|
| | | National funding | Provincial funding | | |
| Equitable Share | 111 429 473 | 4 191 687 | | 4 191 687 | 115 621 160 |
| Conditional Grants | 24 968 441 | 801 079 | | 801 079 | 25 769 520 |
| Transfers from National | 136 397 914 | 4 992 766 | | 4 992 766 | 141 390 680 |
| Provincial Own Receipts | 6 975 646 | | 8 605 | 8 605 | 6 984 251 |
| Gross Receipts | 143 373 560 | 4 992 766 | 8 605 | 5 001 371 | 148 374 931 |
| Less: Direct charges - Political Office bearers | (81 107) | | (4 966) | (4 966) | (86 073) |
| Total Receipts | 143 292 453 | 4 992 766 | 3 639 | 5 005 010 | 148 288 858 |

⁵ IHS Markit. (2021). *Regional eXplora Data Base*.

⁶ GCRO. (2021). *Quality of Life Survey Report 6 (2020/21): Overview Report*. Johannesburg.



| | | | | | |
|-------------------------|--------------------|------------------|------------------|------------------|--------------------|
| Financing from Province | | | 1 288 228 | 1 288 228 | 1 288 228 |
| Provincial Financing | | | 1 288 228 | 1 288 228 | 1 288 228 |
| Net Receipts | 143 292 453 | 4 992 766 | 1 291 867 | 6 284 633 | 149 577 086 |

3.1.1 Transfers from national

Transfers from national increase by a total of R5 billion from R136.4 billion to R141.4 billion. The R5 billion adjustment is made up of an increase of R4.2 billion in provincial equitable share and an increase of R801.1 million in conditional grants. The upward adjustment to the provincial equitable share is allocated specifically for the implementation of the Presidential Youth Employment Initiative and the wage agreement of the Public Service Coordinating Bargaining Council for the 2021/22 financial year as explained below.

Of the total amount of R4.2 billion in equitable share, R1.2 billion is allocated to the Gauteng Department of Health, the Gauteng Department of Education and the Gauteng Department of Social Development for the Presidential Youth Employment Initiative to fund specifically the following job creation interventions:

- **Gauteng Department of Health:** R74.6 million is for the employment of staff and assistant nurses who will fulfil the responsibilities required in the COVID-19 vaccination programme, COVID-19 wards, high care units, observing patients and performing other duties that are in line with their work.
- **Gauteng Department of Education:** R1.1 billion is for the purpose of employing education assistants and general school assistants at public ordinary and public special schools.
- **Gauteng Department of Social Development:** R43.7 million is for the purpose of appointing social workers as part of addressing the backlog of unemployed social worker graduates.

The remaining R2.8 billion increase in the provincial equitable share is allocated to the Gauteng Department of Health, the Gauteng Department of Education and the Gauteng Department of Agriculture and Rural Development to fund the implementation of the non-pensionable cash subsidy for all employees on salary levels 1-12 and the 1.5 per cent pay progression for those who would not ordinarily be eligible for this progression, as per the 2021/22 public sector wage agreement.

The upward adjustment of R801.1 million in conditional grants accounts for the rollover of unspent funds from the previous financial year, the conversion and reprioritisation of provincial indirect conditional grants by national and additions to grants for specific purposes.

The direct charges increase by R5 million from the main appropriation of R81.1 million to the adjusted appropriation of R86.1 million to refund the gratuity payments made to existing and former Members of Provincial Legislature. Financing from the province increases by R1.3 billion to cover additional funding and rollovers from the previous financial year.

3.1.2 Provincial own receipts

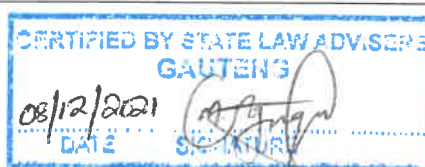


Table 2: Changes in Provincial Own Receipts

| | Main Appropriation | Adjustment | Adjusted Appropriation |
|--|--------------------|--------------|------------------------|
| R thousand | | | |
| Office of the Premier | 385 | | 385 |
| Economic Development | 1 167 347 | | 1 167 347 |
| Health | 520 000 | | 520 000 |
| Education | 37 286 | | 37 286 |
| Social Development | 4 008 | 3 905 | 7 913 |
| Cooperative Governance and Traditional Affairs | 347 | 4 061 | 4 408 |
| Human Settlements | 973 | | 973 |
| Roads and Transport | 4 575 552 | | 4 575 552 |
| Community Safety | 39 596 | | 39 596 |
| Agriculture and Rural Development | 14 124 | | 14 124 |
| Sport, Arts, Culture and Recreation | 354 | 639 | 993 |
| e-Government | 741 | | 741 |
| Gauteng Provincial Treasury | 584 903 | | 584 903 |
| Infrastructure Development | 30 030 | | 30 030 |
| Total Changes in Own Revenue | 6 975 646 | 8 605 | 6 984 251 |

The Gauteng Provincial Government's own receipts have been steady in the subdued economic environment caused by the COVID-19 pandemic in the 2020/21 financial year. As a result, most provincial departments are maintaining own revenue collection targets for the current financial year. The only provincial departments increasing their revenue projections are the Gauteng Department of Cooperative Governance and Traditional Affairs, the Gauteng Department of Social Development and the Gauteng Department of Sport, Arts, Culture and Recreation. These provincial departments reflect an over-collection in "financial transactions in assets and liabilities". This source of revenue consists of once-off revenue items, whose nature is inconsistent and therefore cannot be projected accurately.

- **Gauteng Department of Social Development:** The main appropriation of R4 million increases by R3.9 million to an adjusted appropriation of R7.9 million. The basis for the over-collection is primarily unutilised funds by non-governmental organizations (NGOs), and these windfalls have reflected in the Department's collection every month to date in varying amounts.
- **Gauteng Department of Cooperative Governance and Traditional Affairs:** The main appropriation increases by R4.1 million from R347 000 to an adjusted appropriation of R4.4 million because of recovery of expenditure incurred for the previous financial year.
- **Gauteng Department of Sport, Arts, Culture and Recreation:** The main appropriation increases from R354 000 to R993 000 because of an additional revenue generated from the disposal of obsolete office furniture and equipment.

3.1.3 Changes to conditional grants

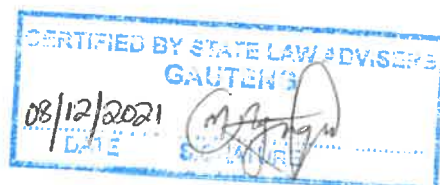
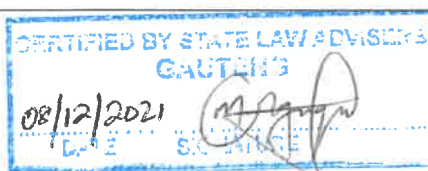


Table 3 below shows adjustments to the conditional grants for the 2021/22 financial year. The main appropriation increases by R801.1 million due to rollovers of unspent funds from the previous financial year and the reprioritisation and conversion of indirect conditional grants.

Table 3: Summary of Conditional Grants by Vote

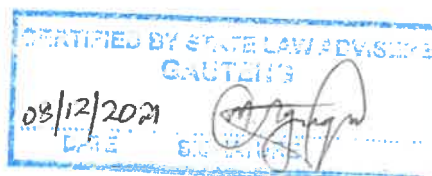
| R thousand | Main Appropriation | Adjustments | Adjusted Appropriation |
|--|---------------------------|--------------------|-------------------------------|
| Health | 13 219 328 | 526 465 | 13 745 793 |
| HIV, TB, Malaria and Community Outreach | 5 955 802 | 11 553 | 5 967 355 |
| <i>Community Outreach Services Component</i> | 481 374 | 4 493 | 485 867 |
| <i>HIV, AIDS Grant Component</i> | 4 977 332 | | 4 977 332 |
| <i>Tuberculosis Component</i> | 88 771 | | 88 771 |
| <i>Mental Health Services Component</i> | 25 246 | 7 060 | 32 306 |
| <i>Human Papillomavirus Vaccine Component</i> | 30 077 | | 30 077 |
| <i>COVID-19 Component</i> | 353 002 | | 353 002 |
| Health Facility Revitalisation Grant | 965 871 | | 965 871 |
| National Health Insurance (HP Contracting) | 49 859 | | 49 859 |
| National Tertiary Services Grant | 4 878 070 | 356 353 | 5 234 423 |
| Human Resources and Training Grant | 1 342 762 | 158 300 | 1 501 062 |
| <i>Statutory Human Resources</i> | 360 211 | 113 297 | 518 511 |
| <i>Training and Development Component</i> | 982 551 | 45 003 | 982 551 |
| EPWP Integrated Grant | 2 218 | | 2 218 |
| Social Sector EPWP Incentive Grant | 24 746 | 259 | 25 005 |
| Education | 2 678 916 | 11 362 | 2 690 278 |
| Education Infrastructure Grant | 1 589 208 | | 1 589 208 |
| HIV and Aids (Life Skills Education) Grant | 36 464 | | 36 464 |
| National School Nutrition Programme Grant | 958 730 | 10 000 | 968 730 |
| Maths, Science and Technology Grant | 58 811 | | 58 811 |
| Learners with Profound Intellectual Disabilities Grant | 33 156 | 1 362 | 34 518 |
| EPWP Integrated Grant | 2 547 | | 2 547 |
| Social Development | 170 643 | 103 386 | 274 029 |
| Early Childhood Development Grant | 152 107 | 103 386 | 255 493 |
| <i>Subsidy Component</i> | 146 861 | 103 386 | 250 247 |
| <i>Maintenance Component</i> | 5 246 | | 5 246 |
| Social Sector EPWP Incentive Grant | 18 536 | | 18 536 |
| Cooperative Governance and Traditional Affairs | 2 037 | | 2 037 |
| EPWP Integrated Grant | 2 037 | | 2 037 |
| Human Settlements | 4 942 660 | 61 704 | 5 004 364 |
| Human Settlements Development Grant (HSDG) | 3 824 974 | 60 278 | 3 885 252 |
| Informal Settlements Upgrading Partnership Grant for Provinces | 1 109 179 | | 1 109 179 |
| Title Deeds Restoration Grant | | 1 426 | 1 426 |
| EPWP Integrated Grant | 8 507 | | 8 507 |



| | | | |
|--|-------------------|----------------|-------------------|
| Roads and Transport | 3 519 022 | 94 476 | 3 613 498 |
| Provincial Roads Maintenance Grant | 767 135 | | 767 135 |
| Public Transport Operations Grant | 2 742 249 | 94 476 | 2 836 725 |
| EPWP Integrated Grant | 9 638 | | 9 638 |
| Agriculture and Rural Development | 143 531 | 1 791 | 145 322 |
| Comprehensive Agricultural Support Programme Grant | 99 113 | 1 791 | 100 904 |
| Ilima/ Letsema Projects Grant | 36 459 | | 36 459 |
| Land Care Programme Grant: Poverty Relief and Infrastructure Development | 5 016 | | 5 016 |
| EPWP Integrated Grant | 2 943 | | 2 943 |
| Sport, Arts, Culture and Recreation | 273 316 | 1 895 | 275 211 |
| Community Library Services Grant | 167 899 | 1 087 | 168 986 |
| Mass Sport and Recreation Participation Programme Grant | 102 018 | 808 | 102 826 |
| EPWP Integrated Grant | 1 960 | | 1 960 |
| Social Sector EPWP Incentive Grant | 1 439 | | 1 439 |
| Infrastructure Development | 18 988 | | 18 988 |
| EPWP Integrated Grant | 18 988 | | 18 988 |
| Total Conditional Grants by Vote | 24 968 441 | 801 079 | 25 769 520 |

The details of the adjustments to conditional grants are explained below:

- **HIV, TB, Malaria and Community Outreach Grant:** The grant increases by a total of R11.5 million in the 2021/22 financial year. The total increase comprises of R7 million added to allow the Department to procure directly for the provision of mental health and oncology services. These funds were converted from the Personal Services Component of the National Health Insurance Indirect Grant to the Mental Health Component of this grant. Furthermore, R4.5 million is added to the grant which is a rollover of unspent funds from the previous financial year for commitments on the procurement of uniforms for the community health workers.
- **National Tertiary Services Grant:** An amount of R356.4 million is a rollover to fund commitments with regards to the procurement of machinery and equipment.
- **Statutory Human Resources Training and Development Grant:** The grant increases by a total amount of R158.3 million. Of this total amount, R113.3 million is added to the Statutory Human Resources Component of the grant to provide for the statutory obligation to place medical interns upon completion of their studies. The balance of R45.3 million is added to the Training and Development Component of the grant for simulation purposes.
- **Social Sector EPWP Incentive Grant:** The grant increases by R259 000 in the Gauteng Department of Health as a rollover for commitments related to Project Management Training.
- **National School Nutrition Programme Grant:** This grant receives a rollover of R10 million to fund commitments and to settle outstanding invoices emanating from the previous financial year.
- **Learners with Profound Intellectual Disabilities Grant:** A total amount of R1.4 million is rolled over to settle invoices relating to the procurement of learner and teacher support materials.
- **Early Childhood Development Grant:** A total additional amount of R103.4 million is from the Presidential Employment Initiative. Of this total amount of R25.6 million is added to the grant to address a shortfall from the phase 1 of the Presidential Employment Initiative that sought to provide unemployment risk support to 70 000 early childhood development workers impacted by COVID-19 lockdown to supplement their income. The balance of R77.8 million is also rolled



over for the Subsidy Component of the grant to fund the Presidential Early Childhood Development Employment Stimulus Relief Fund.

- **Human Settlements Development Grant:** An amount of R60.3 million is approved to pay for outstanding invoices and commitments on projects from the previous financial year.
- **Title Deeds Restoration Grant:** This grant receives a rollover of R1.4 million to facilitate the eradication of the title deeds backlog, to ensure that title deeds are issued upon handover of houses to beneficiaries, and to assist the Department in fast tracking the distribution of title deeds.
- **Public Transport Operations Grant:** R94.5 million is rolled over to settle outstanding claims from bus operators for the prior financial year.
- **Comprehensive Agricultural Support Programme Grant:** An additional R1.8 million is a rollover allocated to the Extension Recovery Programme for the commitments on the procurement of laptops, screens, rugged devices, and protective clothing for agricultural extension officers.
- **Community Library Services Grant:** R1 million is rolled over to perform construction work in the Akasia Community Library.
- **Mass Sport and Recreation Participation Programme Grant:** The grant increases by R808 000 because of the rollover of funds to settle outstanding training invoices and to procure sporting equipment and attire.

3.2 SUMMARY OF REVISED DEPARTMENTAL ALLOCATIONS

Table 4 shows the 2021/22 adjusted appropriation per department. The main appropriation is adjusted upwards by R7 billion to an adjusted appropriation of R149.5 billion for the province.

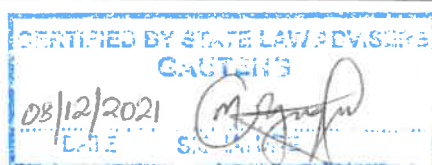
Table 4: 2021/22 Revised Departmental Allocations

| R thousand | Main Appropriation | Adjustments | Adjusted Appropriation |
|--|--------------------|------------------|------------------------|
| Office of the Premier | 714 423 | 152 600 | 867 023 |
| Gauteng Provincial Legislature | 791 064 | 4 644 | 795 708 |
| Economic Development | 1 561 763 | 221 148 | 1 782 911 |
| Health | 56 505 266 | 3 120 244 | 59 625 510 |
| Education | 53 458 053 | 3 220 220 | 56 678 273 |
| Social Development | 5 882 786 | 265 771 | 6 148 557 |
| Cooperative Governance and Traditional Affairs | 581 696 | 10 376 | 592 072 |
| Human Settlements | 5 912 132 | 73 994 | 5 986 126 |
| Roads and Transport | 8 680 417 | (112 920) | 8 567 497 |
| Community Safety | 962 280 | 18 673 | 980 953 |
| Agriculture and Rural Development | 1 016 225 | 28 586 | 1 044 811 |
| Sport, Arts, Culture and Recreation | 1 066 393 | (40 540) | 1 025 853 |
| e-Government | 1 404 533 | 134 409 | 1 538 942 |
| Gauteng Provincial Treasury | 754 845 | (79 300) | 675 545 |
| Infrastructure Development | 3 260 931 | (11 911) | 3 249 020 |
| Total Payments | 142 552 806 | 7 005 994 | 149 558 801 |

3.2.1 Equitable share surrenders (excluding infrastructure)

The following provincial departments surrender to the Provincial Revenue Fund the amounts that will not be spent by financial year-end, as explained below:

- **Gauteng Department of Sport, Arts, Culture and Recreation:** A total amount of R40.5 million is a surrender after considering the R1.9 million for conditional grants rollovers. The equitable share surrender amounts to R42.4 million and is due to delays in the implementation of programmes, the filling of vacant positions and the impact of COVID-19 restrictions on events. Of this amount, R19.9 million is from vacant posts, R11.5 million is from events including the



Nelson Mandela Remembrance Walk, the Premier's Social Cohesion Integrated Holiday Programme and the Gauteng Sports Awards which were down scaled due to COVID-19 restrictions whereas the Tri-colour Games was postponed to the next financial year. The remaining R5.2 million is from delays in bidding for and hosting major events while R5.8 million is from delays in the installation of heritage assets at the monuments as well as Information Communication and Technology (ICT) infrastructure at the community libraries.

- **Gauteng Provincial Treasury:** An amount of R79.3 million is surrendered from the budget for compensation of employees due to delays in the filling of vacant positions.

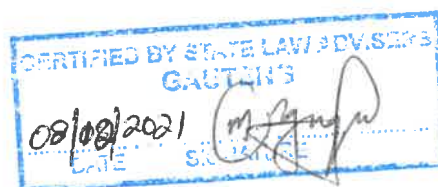
3.2.2 Equitable share rollovers from the 2020/21 financial year (excluding infrastructure)

Table 5: Summary of equitable share rollovers (excluding infrastructure)

| R thousand | Equitable share Roll-overs |
|--|-----------------------------------|
| Office of the Premier | 137 700 |
| Gauteng Provincial Legislature | |
| Economic Development | 20 736 |
| Health | 96 346 |
| Education | 461 143 |
| Social Development | 80 822 |
| Cooperative Governance and Traditional Affairs | 10 376 |
| Human Settlements | 12 290 |
| Roads and Transport | |
| Community Safety | 10 400 |
| Agriculture and Rural Development | 16 157 |
| Sport, Arts, Culture and Recreation | |
| e-Government | 55 209 |
| Gauteng Provincial Treasury | |
| Infrastructure Development | 46 522 |
| Total | 947 701 |

A total amount of R947.7 billion is rolled over for commitments emanating from the 2020/21 financial year for the reasons stipulated hereunder.

- **Office of the Premier:** An amount of R137.7 million is rolled over for commitments in relation to the payment of Mental Health Care Users.
- **Gauteng Department of Economic Development:** A total of amount of R20.7 million is approved as a rollover for commitments relating to the previous year.
- **Gauteng Department of Health:** A total amount of R96.4 million is rolled over from the previous financial year. Of this amount, R59.5 million is for consumable supplies and R36.8 million is for laboratory tests.
- **Gauteng Department of Education:** A total of R461.1 million is rolled over for commitments from the 2020/21 financial year of which R2.5 million is for bursaries, R73.3 million is for the National School Nutrition Programme, R60.7 million is for school furniture, R35.1 million is for learner and teacher support materials and R289.5 million is for the Gauteng City Region Academy to fund stipends paid to the youth.
- **Gauteng Department of Social Development:** A total amount of R80.8 million is rolled over from the prior financial year of which R61.9 million is for school uniforms, R4.1 million is for



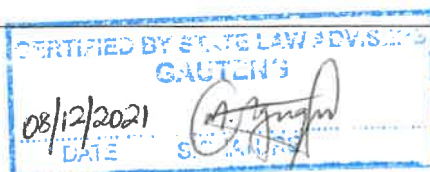
food relief and R14.8 million is for transfers to non-profit organisations that will fund substance abuse programmes, Child and Youth Care Centres, HIV & AIDS (Social Behavioural Programme, Victim Empowerment and Early Childhood Development Centres).

- **Gauteng Department of Cooperative Governance and Traditional Affairs:** R10.4 million is rolled over for the conclusion of projects that started during the previous financial year such as the deployment of administrators to Emfuleni Local Municipality, the appointment of probity auditors for the open tender processes, review of the Gauteng Spatial Development Framework, Gauteng City Region Planning House, the Emfuleni Capital Expenditure Framework, and support to municipalities Integrated Development Planning including the Municipal Digitalization of Valuation Roll Project.
- **Gauteng Department of Human Settlements:** An amount of R12.3 million is rolled over to settle invoices that could not be paid at the end of the 2020/21 financial year.
- **Gauteng Department of Community Safety:** An amount of R10.4 million is rolled over to pay outstanding invoices for the procurement of vehicles and mobile police stations and for awareness sessions on community radio stations.
- **Gauteng Department of Agriculture and Rural Development:** A total amount of R16.2 million is rolled over for the supply and delivery of agriculture equipment, computer equipment, rugged devices, protective clothing, agricultural research agenda projects and motor vehicles for veterinary services.
- **Gauteng Department of e-Government:** A total amount of R55.2 million is rolled over to fund commitments from the prior financial year, of which R29.2 million is for the Gauteng Broadband Network, R10.9 million for the Fully Managed Data Centre, R11.2 million for laptops and R3.8 million for the Record Management Centre Exit Plan.
- **Gauteng Department of Infrastructure Development:** This department receives an approved rollover of R46.5 million for commitments on operating leases.

3.2.3 Provincial Earmarked Funding for priorities

Table 6: Summary of provincial earmarked funding (excluding infrastructure)

| R thousand | Provincial Additional funding |
|--|-------------------------------|
| Office of the Premier | 14 900 |
| Gauteng Provincial Legislature | 4 644 |
| Economic Development | 86 000 |
| Health | 555 444 |
| Education | 378 000 |
| Social Development | |
| Cooperative Governance and Traditional Affairs | |
| Human Settlements | |
| Roads and Transport | |
| Community Safety | 8 273 |
| Agriculture and Rural Development | |
| Sport, Arts, Culture and Recreation | |
| e-Government | 79 200 |
| Gauteng Provincial Treasury | |
| Infrastructure Development | |
| Total | 1 126 461 |



An additional R1.1 billion is allocated to the following provincial departments during this adjustments budget process, for the reasons outlined below:

- **Gauteng Office of the Premier:** R14.9 million is added to the budget baseline to fund payments for Mental Health Care Users.
- **Gauteng Provincial Legislature:** R4.6 million is added to the budget for compensation of employees to pay the 1.5 per cent once-off increase for employees in the bargaining unit and for general employees to cushion against the impact of rising inflation rate.
- **Gauteng Department of Economic Development:** An additional amount of R86 million is for the Gauteng Enterprise Propeller's contract financing to support SMMEs.
- **Gauteng Department of Health:** An amount of R555.4 million is added to the departmental baseline to fund the Human Resource Response Plan as part of the Comprehensive Health Response to the COVID-19 pandemic.
- **Gauteng Department of Education:** An amount of R378 million is allocation to the Department to procure personal protective equipment.
- **Gauteng Department of Community Safety:** Out of R8.3 million allocated to the Department, R3.2 million is a reimbursement for stipends paid to patrollers on behalf of the Gauteng Department of Human Settlements, R3.8 million is for the agreement with SANRAL for the provision of law enforcement agencies to enforce traffic laws, R996 995 is a reimbursement for escort services rendered to the Office of the Premier and R269 923 is a reimbursement of costs incurred for the transfer of an employee from the Gauteng Provincial Treasury to the Department.
- **Gauteng Department of e-Government:** A total amount of R79.2 million is for the funding of SAP's Unlimited During Deployment (UDD) Licenses and Enterprise Support.

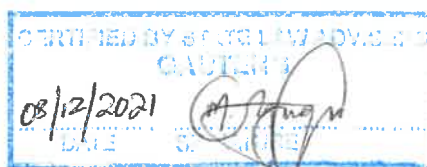
4. SUMMARY OF CHANGES TO THE INFRASTRUCTURE PROGRAMME

Table 7 below presents a summary of adjustments to the infrastructure programme during the 2021/22 financial year.

Table 7: Summary of changes to infrastructure

| R thousand | Main Appropriation | Adjustment | Adjusted Appropriation |
|--|--------------------|------------------|------------------------|
| Health | 2 161 698 | 185 925 | 2 347 623 |
| Education | 1 621 755 | | 1 621 755 |
| Social Development | 149 480 | 37 883 | 187 363 |
| Human Settlements | 5 131 300 | 61 704 | 5 193 004 |
| Roads and Transport | 2 043 716 | (573 396) | 1 470 320 |
| Agriculture and Rural Development | 48 473 | (11 590) | 36 883 |
| Sport, Arts, Culture and Recreation | 19 406 | 16 784 | 36 190 |
| Infrastructure Development | 190 281 | (58 433) | 131 848 |
| Economic Development | | 114 412 | 114 412 |
| Total Changes in Infrastructure | 11 366 109 | (226 711) | 11 139 398 |

The infrastructure programme was allocated a budget of R11.4 billion at the beginning of the 2021/22 financial year. The budget is adjusted downwards by R226.7 million to R11.1 billion mainly due to the performance of individual infrastructure projects.



Although the total provincial infrastructure budget reduces, the budgets of specific provincial departments increase. These departments are the Gauteng Department of Health, the Gauteng Department of Social Development, the Gauteng Department of Human Settlements, the Gauteng Department of Sport, Arts, Culture and Recreation and the Gauteng Department of Economic Development.

The upwards adjustment of R185.9 million for the Gauteng Department of Health includes a rollover of R164.6 million and an additional funding of R21.5 million for projects that exceeded the planned targets. The increase of R37.9 million in the Gauteng Departments of Social Development, the increase of R16.8 million in the Gauteng Department of Sport, Arts, Culture, and Recreation and increase of R114.4 million in the Gauteng Department of Economic Development were necessitated by improved performance of projects at planning and implementation stages which resulted in an additional cash flow requirement. The increase of R61.7 million in the Gauteng Department of Human Settlements is for the approved rollover of funds.

The projects that did not reach the planning and implementation targets at the end of the second quarter of 2021/22 financial year caused the downwards adjustment of the budget. These reductions reflect in the Gauteng Department of Roads and Transport (R573 million), the Gauteng Department of Agriculture and Rural Development (R11.6 million) and the Gauteng Department of Infrastructure Development (R58.4 million).

5. JOB CREATION IMPLICATIONS

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.

6. ORGANISATIONAL AND PERSONNEL IMPLICATIONS

The budget for compensation of employees increases by R3.6 billion from R80.8 billion to R84.4 billion in the province due to the implementation of the 2021/22 public sector wage agreement.

7. FINANCIAL IMPLICATIONS

The provincial main appropriation of R142.5 billion increases by R7 billion to an adjusted appropriation of R149.5 billion.

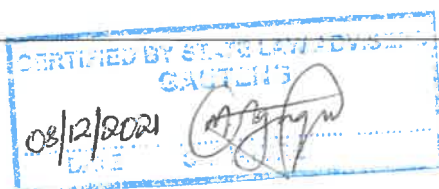
8. COMMUNICATION IMPLICATIONS

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

9. CONSTITUTIONAL AND LEGAL IMPLICATIONS

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.

10. OTHER DEPARTMENTS OR BODIES CONSULTED



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

11. CLAUSE BY CLAUSE DESCRIPTION

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 2022. 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 3 above.

