

**BUDGET SPEECH ON THE TABLING OF THE LIMPOPO  
ADJUSTMENTS APPROPRIATION AMENDMENT BILL FOR THE  
2012/2013 FINANCIAL YEAR - DELIVERED BY MEC DAVID MASONDO  
OF LIMPOPO PROVINCIAL TREASURY 05 March 2013**

Honourable Speaker

Honourable Deputy Speaker of the Provincial Legislature

Honourable Premier

Honourable Members of the Provincial Legislature

Members of the Executive Council

Leaders of the Opposition Parties

Comrades, Friends, Ladies and Gentlemen

Allow me to table the 2012/2013 second-budget adjustment to this respectable house.

We are fully aware that it is unusual, yet not unlawful for us to do a second budget adjustment in one financial year. But there are good reasons for this Honourable Speaker.

The National Department of Health appropriated an additional R15 million for the Limpopo Department of Health to address budget pressures experienced in Compensation of Employees.

Without the appropriation of this amount through the adjustment Budget process, which includes authorization by the august House, the Limpopo Department of Health will not be able to spend the R15 million from National Health Department.

Recently the Limpopo Department of Health has brought to our attention that they are facing severe budgetary constraints for medicines and food in hospitals. For this reason a call was made to other provincial departments

that are projecting a saving for the remainder of 2012/13 to surrender such funds in order to assist the Department of Health in addressing these pressures.

The second Adjustment Budget will endeavor to address these concerns faced by the Department of Health.

Our provincial Departments have saved an amount of R42 million.

We humbly request that this honourable house allocates the R42 million saved by various Departments to the Department of Health to purchase medicines and food, and R15 million appropriated by the National Department of Health to address budget pressures in Compensation of Employees in the same department.

We further request this House to appropriate R850 thousand appropriated by the National Department of Human Settlements to the Limpopo Department of Co-operative Governance, Human Settlements and Traditional Affairs (CoGHSTA) for Disaster relief in Limpopo.

## **ORIGINS OF THE R42 MILLION**

Allow me to outline the 2012/2013 adjustments appropriation amendment Departmental allocations, which will show how the additional funds allocated to the Health Department came about.

All votes not mentioned below remain unchanged.

### **Vote 1: Office of the Premier**

The Office of the Premier has identified savings of R17.2 million, which will be surrendered thereby reducing the Office of the Premier budget from **R306.1 million** to **R288.9 million**.

### **Vote 2: Department of Education**

Although the total budget appropriated for the Department of Education remains unchanged the Department of Education has identified the need to

shift R78 million from Programme 2: Public Ordinary Schools Education to Programme 1: Administration, to address goods and service budget pressures in Programme1.

### **Vote 5: Provincial Treasury**

The Provincial Treasury will surrender R40 million which was allocated to Section 100(1)(b) recovery projects and R9.6 million from Compensation of Employees, thus reducing the Department's budget from **R356.5 million** to **R304.9 million**. An amount of R7 million of these funds will be allocated to the Department of Health to purchase medicines and food.

### **Vote 9: Public Works**

The Department of Public Works will surrender R18 million, thus decreasing the Public Works budget from R844 million to R826 million.

### **Vote 10: Safety, Security and Liaison**

The Department of Safety, Security and Liaison will surrender **R2.5** therefore adjusting the Department's budget from **R65.0 million** to **R62.5 million**.

### **Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs**

The Department of Co-operative Governance, Human Settlements and Traditional Affairs will surrender **R10 million**.

As earliermentioned, the National Department of Human Settlements has appropriated **R850 thousand** for Disaster relief in Limpopo, which must be appropriated by this Honourable House to the Department of Co-operative Governance, Human Settlements & Traditional Affairs (CoGHSTA).

The effects of the above are that the budget for the Department will be reduced by R9.2 million from R2, 592 billion to R2, 583 billion.

### **Vote 13: Sport, Arts and Culture**

The Department of Sport, Arts and Culture will surrender R1.5 million. As a result, the Department's total budget will be reduced from **R303.4 million** to **R301.9 million**.

## **ALLOCATIONS TO DEPARTMENT OF HEALTH**

### **Vote 7: Health**

Due to the abovementioned adjustments, the Health Department budget receives R57 million, of which **R42 million** is allocated for pressures on medicine and food and **R15 million** for compensation of employees pressures.

This increases the Health budget from **R12.808 billion** to **R12.865 billion**.

Let me assure this House that the allocated funds to the Department will be spent before the end of this financial year.

### **Honorable Speaker**

There are understandable factors necessitating this amended budget adjustment. One of these factors is the additional funding received from the National Departments.

We should also commend Departments that have made savings through austerity measures, thus enabling us to continue to fund poor people's needs, including health.

In the spirit of criticism and self-criticism, we want to say our request for amended budget adjustment also reflects poor costing and proper projections by some of our departments. Poor costing of the Departmental budgets is still a challenge. It leads to under-expenditure and over-expenditure of budget, thus disorganizing the entire provincial budget.

It should be clear to all, particularly those of us who are bestowed with the responsibility of directly managing the provincial funds, that budget adjustment through the Legislature is not an instrument to deal with poor budget costing and projections. The Budget Adjustment is an instrument to deal with unforeseen and unavoidable expenditures and under-expenditure. Therefore, departments must do proper budget costing and prioritize fund allocation for their core mandates!

Notwithstanding, the abovementioned self-criticisms, this adjusted budget will go a long in dealing with the immediate medical needs of our people.

Our provincial Legislature and our people at large should be comforted by the fact that together with the National Intervention Team, we are hard at work in eliminating negative factors that generate poor budget planning and execution within the control of our province.

### **Honorable Speaker**

It is my honour to table before this Honourable House:

- The Limpopo Amended Adjustments Appropriation Bill No 01/13
- The Amended Adjusted Estimates of Provincial Receipts and Payments for the Financial Year Ending 31 March 2013
- Budget speech on the tabling of the Limpopo Adjustments Appropriation Amendment Bill for the financial year 2012/2013

**Thank You!**