FREE STATE PROVINCE

SECOND ADJUSTMENT APPROPRIATION BILL

(MEMBER OF THE EXECUTIVE COUNCIL RESPONSIBLE FOR FINANCE)

[B4-2013]

PROVINSIE VRYSTAAT

TWEEDE AANSUIWERINGSBEGROTINGSWETSONTWERP

(LID VAN DIE UITVOERENDE RAAD VERANTWOORDELIK VIR FINANSIES)

[W4-2013]

BILL

To appropriate adjusted amounts of money for the requirements of the Province in respect of the financial year ending on 31 March 2013.

BE IT ENACTED by the Provincial Legislature of the Free State Province, as follows:-

Appropriation of adjusted amounts of money for requirements of the Province.

1. Subject to the provisions of the Public Finance Management Act, 1999 (Act No. 1 of 1999), there are hereby appropriated out of the Provincial Revenue Fund for the requirements of the Province in respect of the financial year ending 31 March 2013, as a charge to the Provincial Revenue Account, the adjusted amounts of money as set out in the Columns under "Details of adjusted appropriation" in the Schedule.

Short title

2. This Act shall be called the Second Adjustment Appropriation Act, 2013.

WETSONTWERP

Tot bewilliging van aangesuiwerde bedrae geld vir die behoeftes van die Provinsie ten opsigte van die boekjaar wat op 31 Maart 2013 eindig.

DAAR WORD BEPAAL deur die Provinsiale Wetgewer van die Provinsie Vrystaat, soos volg:-

Bewilliging van aangesuiwerde bedrae geld vir behoeftes van die Provinsie

1. Behoudens die bepalings van die Wet op Openbare Finansiële Bestuur, 1999 (Wet No. 1 van 1999), word daar hierby uit die Provinsiale Inkomstefonds vir die behoeftes van die Provinsie ten opsigte van die boekjaar wat op 31 Maart 2013 eindig, ten laste van die Provinsiale Inkomsterekening, die aangesuiwerde bedrae geld soos uiteengesit in die Kolomme onder "Besonderhede van aangesuiwerde begroting" in die Bylae bewillig.

Kort titel

2. Hierdie Wet heet die Tweede Aansuiweringsbegrotingswet, 2013.

SCHEDULE

Details of Vote		Details of adjusted appropriation						
No.	Title	Total per Vote and Main Division	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier** *Aim: To enable the Premier to fulfill his constitutional obligations and other related functions through the effective and efficient utilisation of resources of the Free State Provincial Government.*		**3 146**	**-2 591**		**-339**	**-216**	
	1 Administration	14 953	14 953					
	2 Institutional Development	-4 400	-2 236	-2 016		-105	-43	
	3 Policy and Governance	-10 553	-9 571	-575		-234	-173	

BYLAE

Besonderhede van Begrotingspos		Besonderhede van aangesuiwerde begroting						
No.	Titel	Totaal per Pos en Hoofindeling	Lopende Betalings: Vergoeding van Werknemers	Lopende Betalings: Goedere en Dienste	Lopende Betalings: Ander	Oordragte en Subsidies	Betaling van Kapitale bates	Betaling van Finansiële bates
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
1	**Premier** *Doel: Om die Premier in staat te stel om sy grondwetlike verpligtinge en ander verwante funksies na te kom deur die doelmatige en doeltreffende aanwending van hulpbronne van die Vrystaatse Provinsiale Regering.*		**3 146**	**-2 591**		**-339**	**-216**	
	1 Administrasie	14 953	14 953					
	2 Institusionele Ontwikkeling	-4 400	-2 236	-2 016		-105	-43	
	3 Beleid en Regering	-10 553	-9 571	-575		-234	-173	

Details of Vote		Details of adjusted appropriation						
No.	Title	Total per Vote and Main Division	Current Payments: Compensation of Employees	Current Payments: Goods and Services	Current Payments: Others	Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Education**	**60 000**	**195 435**	**-195 938**		**5 734**	**54 769**	
	Aim: To be a department that strives to ensure progressive realization of universal schooling, improving quallity of education and eliminating disparities amongst Free State citizens.							
	1 Administration	-17 952		-17 952				
	2 Public Ordinary School Education......................................	27 452	196 984	-169 532				
	2.1 Public Primary School							
	2.2 Public Secondary School							
	2.3 Professional Services							
	2.4 Human Resource Development							
	2.5 In-school Sport and Culture							
	2.6 Conditional Grants							
	Of which							
	– National School Nutrition Programme Grant							
	– Dinaledi Schools Grant							
	– Technical Secondary Schools Recapitalization Grant							
	– Social Sector Expanded Public Works Programme Incentive grant for Provinces							
	7 Early Childhood Development	-9 500		-9 500				
	8 Auxiliary and Associated Services	60 000	-1 549	1 046		5 734	54 769	
	of which							
	Conditional grants							
	– HIV/AIDS (Life Skills Education)							
	– Education Infrastructure Grant			1 046		*5 734*	*53 220*	
	Earmarked funds							
	– Infrastructure Enhancement Allocation							

Besonderhede van Begrotingspos		Besonderhede van aangesuiwerde begroting						
No.	Titel	Totaal per Pos en Hoofindeling	Lopende Betalings: Vergoeding van Werknemers	Lopende Betalings: Goedere en Dienste	Lopende Betalings: Ander	Oordragte en Subsidies	Betaling van Kapitale bates	Betaling van Finansiële bates
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
6	**Onderwys**	60 000	195 435	-195 938		5 734	54 769	
	Doel: Om 'n departement te wees wat daarna streef om progressiewe totstandkoming van universele skoling, die kwaliteit van onderwys te verbeter en ongelykhede tussen Vrystaatse burgers uit die weg te ruim.							
	1 Administrasie	-17 952		-17 952				
	2 Openbare Gewone Skoolonderwys........	27 452	196 984	-169 532				
	2.1 Openbare Primêre Skole							
	2.2 Openbare Sekondêre Skole							
	2.3 Professionele Dienste							
	2.4 Menslike Hulpbronontwikkeling							
	2.5 Binnemuurse Sport en Kultuur							
	2.6 Voorwaardelike Toekennings							
	Waaronder							
	– Nasionale Skole voedingsprogram							
	– Dinaledi Skool Toelae							
	– Herkapitalisering van Tegniese Sekondêre skole							
	– Maatskaplike sektor Uitgebreide Omvattende Werke Program Aansporingstoelae aan Provinsies							
	7 Vroeëkindontwikkeling	-9 500		-9 500				
	8 Hulp- en Verwante-dienste........	60 000	-1 549	1 046		5 734	54 769	
	Waaronder							
	Voorwaardelike Toelae							
	– MIV/VIGS (Lewensvaardigheidsopvoeding)							
	– Onderwys Infrastruktuurtoekenning			1 046		5 734	53 220	
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning							

Details of Vote		Details of adjusted appropriation						
No.	Title	Total per Vote and Main Division	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Social Development**			16 756		-13 365	-3 391	
	Aim: To meet the human and social needs of the poor and vulnerable communities through an inter-sectoral and integrated developmental social service.							
	1 Administration	14 356	-2 400	16 756				
	2 Social Welfare Services............	-16 391				-13 000	-3 391	
	Of which							
	Transfers to NPO's							
	2.1 Substance abuse, Prevention and Rehabilitation							
	2.2 Care and Services to Older Persons							
	2.3 Crime Prevention and Support							
	2.4 Services to Persons with Disabilities							
	2.5 Child Care and Protection							
	2.6 Victim Empowerment							
	2.7 HIV and AIDS							
	2.8 Care and Support Services to Families							
	Of which							
	Conditional grants							
	– Social Sector Expanded Public Works Programme Incentive grant for Provinces							
	Earmarked funds							
	– Infrastructure Enhancement Allocation						-3 391	
	3 Development and Research...	2 035	2 400			-365		
9	**Public Works**	36 615				36 615		
	Aim: To ensure the provision, promotion and sound management of assets and infrastructure systems which are safe, affordable, reliable, accessible and sustainable.							
	1 Administration							
	2 Public Works Infrastructure	36 615				36 615		
	Of which							
	Earmarked funds							
	– Devolution of Property Rate Funds grant					*36 615*		
	3 Expanded Public Works Programme.................................							

Besonderhede van Begrotingspos		Besonderhede van aangesuiwerde begroting						
No.	Titel	Totaal per Pos en Hoofindeling	Lopende Betalings: Vergoeding van Werknemers	Lopende Betalings: Goedere en Dienste	Lopende Betalings: Ander	Oordragte en Subsidies	Betaling van Kapitale bates	Betaling van Finansiele bates
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
7	**Maatskaplike Ontwikkeling**			16 756		-13 365	-3 391	
	Doel: Om aan die menslike en maatskaplike behoeftes van die behoeftige en kwesbare gemeenskappe te voorsien deur 'n intersektorale en geïntegreerde maatskaplike ontwikkelingsdiens.							
	1 Administrasie	14 356	-2 400	16 756				
	2 Maatskaplike Welsynsdienste	-16 391				-13 000	-3 391	
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning						-3 391	
	3 Ontwikkeling en Navorsing..	2 035	2 400			-365		
9	**Openbare Werke**	36 615				36 615		
	Doel: Om die voorsiening, bevordering en gesonde bestuur van veilige, bekostigbare, betroubare, toeganklike en volhoubare bates en infrastruktuurstelsels te verseker.							
	1 Administrasie							
	2 Openbare Werke Infrastruktuur	36 615				36 615		
	Waaronder							
	Toegewysde fondse							
	– Inkomste verbeteringstoekenning					36 615		
	3 Uitgebreide Openbare Werke Program..............................							

Details of Vote		Details of adjusted appropriation						
No.	Title	Total per Vote and Main Division	Current Payments			Transfers and Subsidies	Payments for Capital Assets	Payments for Financial Assets
			Compensation of Employees	Goods and Services	Others			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Arts, Culture and Recreation**	-255		-255				
	Aim: The promotion, development and transformation of Sport, Arts, Culture and Recreation in order to contribute to sustainable economic growth and opportunities, nation building, good governance and social and human capital development.							
	1 Administration							
	2 Cultural Affairs..							
	Of which							
	Earmarked funds							
	– Infrastructure Enhancement Allocation							
	3 Library and Archive Services..							
	Of which							
	Conditional grant							
	– Community Library Services							
	Earmarked funds							
	– Infrastructure Enhancement Allocation							
	4 Sport and Recreation	-255		-255				
	Of which							
	Conditional grant							
	– Mass Participation and Sport Development Grant			*-255*				
	TOTAL	96 360	198 581	-182 028		28 645	51 162	

Besonderhede van Begrotingspos		Besonderhede van aangesuiwerde begroting						
No.	Titel	Totaal per Pos en Hoofindeling	Lopende Betalings			Oordragte en Subsidies	Betaling van Kapitale bates	Betaling van Finansiele bates
			Vergoeding van Werknemers	Goedere en Dienste	Ander			
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
12	**Sport, Kuns, Kultuur en Ontspanning**	-255		-255				
	Doel: *Die bevordering, ontwikkeling en transformasie van Sport, Kuns, Kultuur en Ontspanning ten einde by te dra tot volhoubare ekonomiese groei en geleenthede, nasiebou, goeie bestuur en maatskaplike en menslike kapitaalontwikkeling.*							
	1 Administrasie							
	2 Kultuursake							
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning							
	3 Biblioteek- en Argiefdienste...							
	Waaronder							
	Voorwaardelike Toelae							
	– Gemeenskapsbiblioteekdienste							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning							
	4 Sport en Ontspanning...	-255		-255				
	Waaronder							
	Toegewysde fondse							
	– Infrastruktuurverbeterings-toekenning			-255				
	TOTAAL	96 360	198 581	-182 028		28 645	51 162	

MEMORANDUM

PURPOSE

The purpose of the Second Adjustment Appropriation Bill, 2013 is to make provision for reallocation of Education Infrastructure Grant, Devolution of Property Rates Fund Grant and Mass Sport and Recreation Participation Grant by National Government, as well as addressing spending pressure in other specific areas that require additional funding in the current financial year.

CLAUSE-BY-CLAUSE EXPLANATION

Clause 1

This clause provides for the adjustment of the budget, which detail is set out hereunder:

(1) DEVOLUTION OF PROPERTY RATES FUND GRANT

The Department of Public Works receives an additional amount of **R36.615 million** relating to Devolution of Property Rates Fund Grant from other provinces. This amount will be utilized towards municipal property rates payments in various municipalities in the Province.

(2) EDUCATION INFRASTRUCTURE GRANT

An additional amount of **R60.000 million** is allocated to the Department of Education towards Infrastructure Grant to address pressures in schools' infrastructure.

(3) MASS SPORT AND RECREATION PARTICIPATION GRANT

An amount of **R0.255 million** from Free State Department of Sport, Arts, Culture and Recreation for Mass Sport and Recreation Participation Grant has been re-allocated by National Department of Sport and Recreation to other provinces in terms of section 18(1) of the Division of Revenue Act, 2012. This implies that Mass Sport and Recreation Participation Grant will be reduced by **R0.255 million** in the current financial year.

MEMORANDUM

DOEL

Die doel van die Tweede Aansuiweringsbegrotingswetsontwerp, 2013 is om voorsiening te maak vir die hertoewysing van die Onderwysinfrastruktuurtoelae, die Toelae vir die Devolusie van die Fonds op Eiendomsbelasting en die Toelae vir Massadeelname in Sport en Ontspanning deur die Nasionale Regering, asook om ander spesifieke areas wat addisionele befondsing benodig ten einde bestedingsdruk in die huidige boekjaar aan te pak.

KLOUSULE-VIR-KLOUSULE VERDUIDELIKING

Klousule 1

Hierdie klousule maak voorsiening vir die aansuiwering van die begroting, welke besonderhede hieronder uiteengesit word:

(1) TOELAE VIR DIE DEVOLUSIE VAN DIE FONDS OP EIENDOMSBELASTING

Die Departement van Openbare Werke kry 'n bykomende bedrag van **R36.615 miljoen** wat verband hou met die Toelae vir die Devolusie van die Fonds op Eiendomsbelasting vanaf ander provinsies. Hierdie bedrag sal aangewend word vir munisipale eiendomsbelasting in verskeie munisipaliteite in die Provinsie.

(2) ONDERWYSINFRASTRUKTUURTOELAE

'n Bykomende bedrag van **R60.000 miljoen** word aan die Departement van Onderwys toegewys vir Infrastruktuurtoelae om druk op skole se infrastruktuur aan te pak.

(3) TOELAE VIR MASSADEELNAME IN SPORT EN ONTSPANNING

'n Bedrag van **R0.255 miljoen** vanaf die Vrystaatse Departement van Sport, Kuns, Kultuur en Ontspanning is deur die Nasionale Departement van Sport en Ontspanning hertoegewys aan ander provinsies ingevolge artikel 18(1) van die Wet op Inkomsteverdeling, 2012. Dit impliseer dat die Toelae op Massadeelname in Sport en Ontspanning met **R0.225 miljoen** in die huidige boekjaar sal verminder.

(4) DEFRAYMENT OF OVER EXPENDITURE BETWEEN MAIN PROGRAMMES

The Department of the Premier projected to overspend by an amount of **R14.953 million** in Programme 1, although, savings are to be realized in Programmes 2 and 3. The virements of **R14.953 million** from latter Programmes to Programme 1 will exceed 8 percent as prescribed by section 43(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ("PFMA") and can therefore not be given effect to unless it is included in an Appropriation Bill.

The Department of Social Development projected to overspend by an amount of **R16.391 million in Programme 1 & 3**, although a saving in transfers & subsidies and payments for capital assets are to be realized in Programme 2. The virements of **R16.391 million** from Programme 2 will cater for the shortfall in Programmes 1 & 3. The virement will exceed 8 percent as prescribed by section 43(2) of the PFMA and can therefore not be given effect to unless it is included in an Appropriation Bill.

(5) RECTIFICATION OF TECHNICAL ERRORS

In the process leading to the 2012/13 Adjustments Budget in November 2012, approval was granted for the Department of Education to shift a total of **R291.900 million** away from compensation of employees to goods and services in order to deal with the following urgent priorities at the time, namely:

- Shortfall on bursaries – **R65 million**
- Laptops for provincial government bursary holders – **R28 million**
- Shortfall for CAPS – **R198.9 million**

However, Provincial Treasury discovered later that the Department of Education shifted **R196.984 million** more than what was in principle approved. However, this contradicts sections 38(1)(c)(ii) and 43(1) of the PFMA as the shifting and/or virement from compensation of employees did not emanate from a saving and subsequently amounted to an irregular expenditure. To rectify this, it is recommended that shifts and/or virements from compensation of employees to goods and services amounting to **R196.984 million** be reversed.

Clause 2

This clause gives the short title.

(4) BESTRYDING VAN OORBESTEDING TUSSEN HOOFPROGRAMME

Die Departement van die Premier het geprojekteer dat 'n bedrag van **R14.953 miljoen** oorbestee sal word op Program 1, alhoewel besparings in Programme 2 en 3 opgelewer sal word. Die viremente van **R14.953 miljoen** vanaf laasgenoemde Programme sal 8 persent oorskry soos voorgeskryf deur artikel 43(2) van die Wet op Openbare Finansiële Bestuur, 1999 (Wet No. 1 van 1999) ("WOFB") en kan dus nie gevolg gegee word tensy dit in 'n Begrotingswetsontwerp ingesluit is nie.

Die Departement van Maatskaplike Ontwikkeling het geprojekteer om 'n bedrag van **R16.391 miljoen** oor te bestee in Program 1 & 3, alhoewel besparings in oordragte & subsidies en betalings vir kapitaalbates in Program 2 opgelewer sal word. Die viremente van **R16.391 miljoen** uit Program 2 sal voorsiening maak vir die tekort in Programme 1 & 3. Die virement gaan die 8 persent oorskry soos voorgeskryf deur artikel 43(2) van die WOFB en kan dus nie gevolg gegee word tensy dit in 'n Begrotingswetsontwerp ingesluit is nie.

(5) REGSTELLING VAN TEGNIESE FOUTE

In die proses wat lei na die 2012/13 Aansuiweringsbegroting in November 2012, is goedkeuring verleen aan die Departement van Onderwys om 'n total van **R291.900 miljoen** te verskuif vanaf die vergoeding van werknemers na goedere en dienste ten einde die ondergenoemde dringende prioriteite aan te pak:

- Tekort op beurse – **R65 miljoen**
- Skootrekenaars vir beurshouers van die provinsiale regering – **R28 miljoen**
- Tekort vir CAPS – **R198.9 miljoen**

Die Provinsiale Tesourie het egter later vasgestel dat die Departement van Onderwys **R196.984 miljoen** meer verskuif het as wat in beginsel goedgekeur is. Dit is egter teenstrydig met artikels 38(1)(c)(ii) en 43(1) van die WOBF aangesien die verskuiwing en/of virement vanaf die vergoeding van werknemers nie voortgevloei het uit 'n besparing nie en gevolglik kom dit neer op onreëlmatige uitgawe. Om dit reg te stel word dit aanbeveel dat verskuiwings en/of viremente vanaf vergoeding van werknemers na goedere en dienste wat **R196.984 miljoen** beloop omgeswaai word.

Klousule 2

Hierdie klousule gee die kort titel.