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## PROVINCIAL NOTICE

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[No. 61 of 2016]

### FREE STATE PROVINCIAL TREASURY 2015/16 ADJUSTED EARMARKED FUNDS

I, **EC Rockman**, Member of the Executive Council for Finance, in terms of sections 18(1)(b) and 18(2)(i) of the Public Finance Management Act, No 1 of 1999, hereby publish the adjusted allocations for Departments.

The Notice provides clarity on the adjusted budgets of Departments in terms of Infrastructure Enhancement Allocations as well as Earmarked Allocations to Departments. The adjusted Infrastructure Enhancement and Earmarked Allocations are explained as set out in the following Schedules:

- |                |                                                                                                                  |
|----------------|------------------------------------------------------------------------------------------------------------------|
| Schedule 1:    | Explanatory Memorandum in re adjustment budget tabled on 20 November 2015                                        |
| Schedule 2:    | Explanatory Memorandum in re special adjustment budget tabled on 8 March 2016                                    |
| Schedule 3(a): | Final provincial adjusted allocations to Departments earmarked for infrastructure delivery                       |
| Schedule 3(b): | Final provincial adjusted allocations to Departments earmarked for specific expenditure excluding infrastructure |

## **SCHEDULE 1**

### **EXPLANATORY MEMORANDUM**

The following Memorandum provides clarity on adjustments made to Provincial Department's Infrastructure Enhancement allocations as well as the Earmarked funding in the Adjustment Budget which was tabled by the MEC for Finance on 20 November 2015.

**1 PREMIER**

**Reduction in earmarked allocations**

Reduction in allocation towards Foreign Investment	(R1.200 million)
Reduction in allocation towards the Provincial Communication (Billboards)	(R4.000 million)

**2 FREE STATE LEGISLATURE**

No change to Departmental allocations

**3 ECONOMIC AND SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS**

**Reduction to Infrastructure Enhancement Allocations (IEA)**

Reduction to IEA towards other departmental priorities	(R10.000 million)
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**Additional allocations to earmarked allocations**

Additional allocations towards Small Business Development	R7.000 million
Additional allocations towards Foreign Investment	R1.000 million

**4 FREE STATE PROVINCIAL TREASURY**

**Reduction in earmarked allocations**

Reduction to allocations towards the Supplier's database	(R3.600 million)
Reduction to allocations towards the Municipal Support Programme	(R3.750 million)

**5 HEALTH**

**Reduction in earmarked allocations**

Reduction in allocation towards HIV and Aids function	(R1.001 million)
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**6 EDUCATION**

No change to Departmental allocations

**7 SOCIAL DEVELOPMENT**

No change to Departmental allocations

**8 CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**Reduction in earmarked allocations**

Reduction in allocation towards Municipal Financial interventions	(R8.280 million)
Reduction in allocation towards water laboratory support	(R2.000 million)

**Additional allocations to earmarked allocations**

Additional allocation towards Operation Clean Audit	R7.797 million
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**9 PUBLIC WORKS AND INFRASTRUCTURE**

No change to Departmental allocations

**10 POLICE, ROADS AND TRANSPORT**

**Reduction to Infrastructure Enhancement Allocations (IEA)**

Reduction to IEA towards other departmental priorities	(R11.091 million)
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**11 AGRICULTURE AND RURAL DEVELOPMENT**

No change to Departmental allocations

**12 SPORT, ARTS, CULTURE AND RECREATION**

No change to Departmental allocations

**13 HUMAN SETTLEMENTS**

No change to Departmental allocations

## SCHEDULE 2

### EXPLANATORY MEMORANDUM

The following Memorandum provides clarity on adjustments made to Provincial Department's Infrastructure Enhancement allocations as well as the Earmarked funding in the Special Adjustment Budget which was tabled by the MEC for Finance on 8 March 2016.

#### 1 PREMIER

##### Reduction in earmarked allocations

Reduction in allocation towards the Transport Economist function	(R3.375 million)
Reduction in allocation towards the HIV function	(R0.600 million)
Reduction in allocation towards the allocation for the strengthening of M & E	(R1.125 million)

#### 2 FREE STATE LEGISLATURE

No change to Departmental allocations

#### 3 ECONOMIC AND SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS

##### Reduction in earmarked allocations

Reduction in allocations towards Small Business Development	(R5.500 million)
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#### 4 FREE STATE PROVINCIAL TREASURY

No change to Departmental allocations

#### 5 HEALTH

No change to Departmental allocations

#### 6 EDUCATION

No change to Departmental allocations

#### 7 SOCIAL DEVELOPMENT

No change to Departmental allocations

#### 8 CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

No change to Departmental allocations

#### 9 PUBLIC WORKS AND INFRASTRUCTURE

No change to Departmental allocations

#### 10 POLICE, ROADS AND TRANSPORT

##### Reduction to Infrastructure Enhancement Allocations (IEA)

Reduction to IEA towards other departmental priorities	(R1.000 million)
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##### Additional allocations to Infrastructure Enhancement Allocations (IEA)

Additional allocations to Infrastructure Enhancement Allocations (IEA)	R5.000 million
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##### Reduction in earmarked allocations

Reduction to allocation for Learner Transport	(R5.100 million)
Reduction in allocation for Biometrics and CCTV (conversion to IEA)	(R4.000 million)
Reduction in allocation for Fusion Centre (conversion to IEA)	(R1.000 million)

#### 11 AGRICULTURE AND RURAL DEVELOPMENT

No change to Departmental allocations

#### 12 SPORT, ARTS, CULTURE AND RECREATION

No change to Departmental allocations

#### 13 HUMAN SETTLEMENTS

No change to Departmental allocations

### Schedule 3 (a)

#### FINAL PROVINCIAL ADJUSTED ALLOCATIONS TO DEPARTMENTS EARMARKED FOR INFRASTRUCTURE DELIVERY

The following table relates to the final adjusted allocations for Infrastructure Enhancement allocation (IEA) and Revenue Enhancement Allocation (REA) during the 2015/16 financial year after the tabling of the Special Adjustment budget:

Transferring department	Type of Allocation	Name of Allocation	Purpose	Department	2015/16			
					Main Appropriation	Adjusted Appropriation (Provincial Gazette 147)	Final Adjustments	FINAL BUDGET
				R'000				
Provincial Treasury	General infrastructure allocation to departments	Infrastructure Enhancement Allocation (IEA)	Assist in acceleration of construction, maintenance and rehabilitation of new and existing infrastructure.	Economic and Small Business Development, Tourism & Environmental Affairs	31 543	18 243		18 243
				Health	22 431	22 431		22 431
				Education	15 253	2 456	1	2 457
				Social Development	6 725	3 190		3 190
				Public Works and Infrastructure	144 197	151 844		151 844
				Police: Roads & Transport	385 302	374 496	-2 000	372 496
				Agriculture and Rural Development	86 385	85 202	1	85 203
				Sport, Arts, Culture & Recreation	154 469	157 280	6 000	163 280
				IEA TOTAL	846 305	815 142	4 002	819 144
				Revenue Enhancement Allocation (REA)	Enhance capacity to deliver on infrastructure.		Provincial Treasury	2 000
	Health	1 200	100					100
	Public Works and Infrastructure	1 000	1 218					1 218
	REA TOTAL	4 200	3 318					3 318
	TOTAL PROVINCIAL ALLOCATIONS EARMARKED FOR INFRASTRUCTURE					850 505	818 460	4 002

## **EXPLANATORY MEMORANDUM**

### **Vote 6: EDUCATION**

- R1 thousand correction on the Gazetted amount due to rounding.

### **Vote 10: POLICE, ROADS AND TRANSPORT**

- R2.000 million reduction in allocation which was already included in the 2015/16 Special Adjustment budget but not included in Gazette 147 of 2015.

### **Vote 11: AGRICULTURE AND RURAL DEVELOPMENT**

- R1 thousand correction on the Gazetted amount due to rounding

### **Vote 12: SPORT, ARTS CULTURE AND RECREATION**

- R6.000 million increase in allocation which was already included in the 2015/16 Special Adjustment budget but not included in Gazette 147 of 2015.

### Schedule 3 (b)

## FINAL PROVINCIAL ADJUSTED ALLOCATIONS TO DEPARTMENTS EARMARKED FOR SPECIFIC EXPENDITURE EXCLUDING INFRASTRUCTURE

The following table relates to the final adjusted allocations of a portion of the provincial equitable share to departments, earmarked for specific purposes to enhance service delivery, during the 2015/16 financial year:

Transferring dept	Type of Allocation	Department	Purpose (Project / Priority)	2015/16 allocation			
				Main Appropriation	Adjusted Appropriation (Provincial Gazette 147)	Final Adjustments	FINAL BUDGET
Provincial Treasury	Specifically earmarked allocations to departments (excluding EA and REA)	Premier	CDWs	1 000	1 000		1 000
			Foreign investment	2 000	2 000	(1 200)	800
			HR Capacity	1 000			
			Communication (Billboards)	4 000	4 000	(4 000)	
			Transport Economist function		625	(500)	125
			MTV function		500	(15)	585
			Strengthening of M&E		875	(875)	
			Non-recovery of interdepartmental debts (communication strategy)		6 000		6 000
			Sub-total	8 000	15 100	(6 590)	8 510
		Economic and Small Business Development, Tourism & Environmental Affairs	Small Business Development	20 979	22 479		22 479
			Foreign investment	7 000	7 000	1 000	8 000
			Waste management	1 000	1 000		1 000
			Sub-total	28 979	30 479	1 000	31 479
		Provincial Treasury	Supplier's Database	30 000	30 000	(3 000)	26 000
			Municipal Support Programme	30 000	37 450	(1 200)	36 250
			Sub-total	60 000	67 450	(4 200)	63 250
		Health	Legal exposure	10 000	10 000		10 000
			HIV and Aids function	1 001			
			Medicine		6 520	(6 520)	
			Sub-total	11 001	16 520	(6 520)	10 000
		Education	Provincial Bursaries	450 000	450 000		450 000
			School connectivity	15 000	15 000		15 000
			LTSM		8 157	(4 157)	4 000
			Sub-total	465 000	473 157	(4 157)	469 000
		Social Development	Children with special needs	1 386	1 386		1 386
			Fight against gangsterism		1 000		1 000
			Strengthening NGO oversight		1 000		1 000
			Sub-total	1 386	3 386		3 386
		Cooperative Governance & Traditional Affairs	Operation Clean Audit	18 765	26 562	6 344	32 606
			Municipal Financial Intervention	12 731	4 451	2 908	7 359
			Fire fighting equipment	4 000	4 000	(4 000)	
			Disaster Management	1 000	1 000	(1 000)	
			Water laboratory municipal support	2 000			
			Sub-total for earmarked excluding Transfers to Municipalities	38 496	36 013	6 253	40 265
		Public Works & Infrastructure	Rates and Taxes	342 409	342 409		342 409
			Sub-total	342 409	342 409		342 409
			Police, Roads & Transport	Lawenr Transport	40 000	57 900	(6 640)
		Biomatrics & CCTV cameras		4 000			
		Fusion Centre		1 000			
		Cash-in Transit		5 000	5 000		5 000
		Agriculture & Rural Development	Sub-total	33 000	65 900	(6 640)	59 260
			Legal exposure	20 000	20 000		20 000
			Disaster Management	1 000	1 000		1 000
			Fish hatchery		3 680	(3 680)	
			Drought relief		24 000	(9 000)	15 000
			Sub-total	21 000	49 680	(12 680)	36 000
		Sport, Arts, Culture & Recreation	Arts and Culture (Macula)	40 000	40 000		40 000
			Freedom Day Celebrations	1 000	1 000		1 000
			Sub-total	41 000	41 000		41 000
			TOTAL PROVINCIAL EARMARKED ALLOCATIONS (EXCL INFRASTRUCTURE) AND TRANSFERS TO MUNICIPALITIES				1 670 271

## **EXPLANATORY MEMORANDUM**

### **Vote 1: PREMIER**

- R1.200 million reduction in foreign investment included in 2015/16 Adjustment budget but not included in Gazette 147 of 2015.
- R4.000 million reduction in the allocation to Bill boards included in 2015/16 Adjustment budget but not included in Gazette 147 of 2015.
- R0.500 million reduction in Transport Economist allocation approved as a virement after the 2015/16 Special Adjustment budget.
- R0.015 million reduction in allocation for HIV function approved as a virement after the 2015/16 Special Adjustment budget.
- R0.875 million reduction in allocation towards the strengthening of the M & E function approved as a virement after the 2015/16 Special Adjustment budget.

### **Vote 3: ECONOMIC AND SMALL BUSINESS DEVELOPMENT, TOURISM AND ENVIRONMENTAL AFFAIRS**

- R1.000 million increase in allocation for Foreign investment included in the 2015/16 Adjustment budget but not included in Gazette 147 of 2015.

### **Vote 4: PROVINCIAL TREASURY**

- R3.600 million reduction in allocation to Supplier's database included in 2015/16 Special Adjustment budget but not included in Gazette 147 of 2015.
- R1.200 million reduction in allocation for Municipal Support Programme included in 2015/16 Adjustment budget but not included in Gazette 147 of 2015.

### **Vote 5: HEALTH**

- R6.526 million reduction in amount allocated towards medicine in Gazette 147 of 2015.

### **Vote 6: EDUCATION**

- R4.157 million reduction in amount allocated towards LTSM in Gazette 147 of 2015.



**Vote 8: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

- R6.344 million increase in allocation for Operation Clean Audit approved as a virement after the 2015/16 Special Adjustment budget.
- R4.451 million reduction in allocation towards Municipal Financial Intervention included in 2015/16 Special Adjustment budget but not included in Gazette 147 of 2015.
- R7.359 increase in allocation towards Municipal Financial Intervention approved as a virement after the 2015/16 Special Adjustment budget.
- R4.000 million reduction in allocation to Firefighting Equipment approved as a virement after the 2015/16 Special Adjustment budget.
- R1.000 million reduction to Disaster Management allocation approved as a virement after the 2015/16 Special Adjustment budget.

**Vote 10: POLICE, ROADS AND TRANSPORT**

- R6.640 reduction in allocation to Learner Transport approved as a virement after the 2015/16 Special Adjustment budget.

**Vote 11: AGRICULTURE AND RURAL DEVELOPMENT**

- R3.680 reduction in allocation to Fish hatchery in Gazette 147 of 2015.
- R9.000 million reduction in allocation to Drought relief in Gazette 147 of 2015.