

BUDGET STATEMENT NO. I

BUDGET OVERVIEW

I. BUDGET STRATEGY AND AGGREGATES

The 2003 Medium Term Budget Policy Statement (MTPBS) sets a high level framework that guides the 2004 Budget for all spheres of government. This will assist steer government's direction through a second decade of democratic development in South Africa. The MTPBS further states that:

"The policy framework for the 2004 Budget build on the reconstruction and development achievements of South Africa's first decade of democracy. Government also aims to accelerate growth and create an enabling environment for employment creation and to broaden participation in the economy over the decade ahead. Poverty reduction measures to be reinforced include social grants targeted at children in need, labor-based public works programs and skills training for unemployed."

The above statement was also confirmed at the Growth and Development Summit that was held in June 2003, encompassing partnership with business, organised labor and community constituencies, refocused government's direction on policy priorities for improving growth and broadening participation in the economy. Key initiatives identified were:

- A broad based black economic empowerment strategy,
- Deepening social security programs to provide income support to the most vulnerable
- Strengthening sectoral partnerships and local development initiatives
- Improving the regulatory environment and resolving obstacles in the way of small business development
- Expanding education and training and accelerating enrolment in learnerships to underpin long-term job creation
- An expanded public works program, extending job creation initiatives across a broad development front
- Enhancing public infrastructure capacity and reinforcing investment in support of employment creation.

The Gauteng Executive Council has outlined detailed plans through departmental strategic plans, which focuses on sustainable growth, job creation, poverty alleviation, quality service delivery and good governance. These plans are designed to directly address challenges still faced by the province to ensure making further progress towards the goal of a "Better life for all".

Moving forward to the 2004/05 Budget and the MTEF, it is important to note that substantial progress has been made in fulfilling government's mandate and in creating a better life for the people of Gauteng. This is based on the review of the last ten years and the results of the 2001 Census, where these results shows that the strategic objectives set by the Gauteng Executive Council have established a firm foundation on which the Executive is building a better Gauteng that contributes towards a better South Africa for all. Furthermore, the Gauteng Executive Council has reiterated its commitment to working together with all sectors of society in order to achieve key provincial strategic priorities.

Despite the significant progress and major successes made by the Gauteng provincial Government in social transformation, extending coverage and improving the quality of service delivery to the people of Gauteng, GPG still faces considerable growth and development challenges. These key challenges for the 2004 MTEF period are:

Economic growth, development, employment creation and infrastructure

In order to meet this challenge, Gauteng has adopted the following objectives:

- Put in place significant interventions to create enabling environment and encourage growth and development so that unemployment can be halved by 2014 and inequalities reduced
- Successful implementation of large scale projects within the framework of job creation, BEE and SMME development
- Continued development and maintenance of key economic infrastructure
- Ensuring that government flagship projects create an environment to attract desired local and international investments and inspire investor confidence
- Sustainable development
- Addressing impact of HIV/Aids on the economy
- Significantly improving access of the homeless to adequate housing and improved quality and sustainability of human settlements

Quality social services

The key areas of focus are :

- Quality service delivery
- Improve health care infrastructure and hospital management
- Effective response to the HIV/Aids epidemic including comprehensive approach to care and treatment
- Focus on maths, science and technology to ensure that skills produced are responsive to economic demands
- Crime prevention including social crime prevention and the involvement of communities
- Addressing in particular the problem of violence, including sexual abuse, against women and children.
- Ensuring that those that qualify for social security benefits do receive them especially children and the aged.

Good governance and transformation

Gauteng will pour its energies into:

- Public sector transformation to ensure more effective service delivery
- A more representative public service (race, gender and disability)
- Improving public service ethics: addressing anti corruption and fraud
- Improved capacity of staff for service delivery and innovation including introducing a new cadre of community development workers
- Successful implementation of e-governance
- Gender, disability and youth mainstreaming.

The 2004 MTEF Budget continues along the path set in past budgets which seeks to:

- To allocate adequate resources to fulfil Gauteng's statutory obligations with regard to social security grants.
- Provide for staff in the employ of the Province
- Set aside sufficient resources to ensure quality service delivery such as medical supplies, learner support material and supporting inputs.
- Investment in social and economic infrastructure to boost social service delivery on the one hand but to also improve the competitiveness of the Gauteng economy.
- Continue to invest in those key initiatives/projects that have been identified as strategic for Gauteng

These allocations are guided by the strategic priorities of the Executive and are geared towards ensuring the attainment of targets set for the next decade of democracy.

Summary Budget Aggregates

The budget tabled projects a surplus of R594 million for the financial year 2004/05, compared with a budgeted surplus of R194 million and a projected actual deficit of R492million for 2003/04. The Projected actual outturn deficit in 2003/04 is mainly due to continuing spending pressures experienced by the health and social services departments.

It is critical to note that the province continues to maintain the policy of the provincial government to provide for approximately 1% of total estimated revenue to be set aside as a surplus so as to be able to deal with unforeseen and unavoidable expenditure that may arise during the financial year.

Financing

Table 1: Provincial budget summary

R million	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2004/05	2005/06	2006/07
Provincial receipts									
Transfer receipts									
from national	17,653	19,790	22,413	25,794	26,456	26,189	29,008	31,697	34,005
Equitable share	14,517	16,028	18,844	21,876	22,275	22,237	24,547	26,644	28,530
Conditional grants	3,136	3,762	3,569	3,918	4,181	3,952	4,461	5,053	5,475
Provincial own receipts	1,168	1,290	1,472	1,459	1,459	1,483	1,405	1,496	1,568
Less: Remun.of Public Office B.				27	30	30	33	37	41
Plus: Funding from Surplus			1,094		143	143			
Total provincial receipts	18,821	21,080	24,952	27,223	28,028	27,785	30,380	33,156	35,532
Provincial payments									
Current payments	13,592	14,252	15,894	16,661	17,703	17,977	18,453	19,414	20,509
Transfers and subsidies	3,970	4,745	6,613	8,017	8,461	8,759	9,482	11,317	12,242
Payments for capital assets	545	1,151	1,538	2,351	1,626	1,541	1,851	1,998	1,954
Total provincial payments	18,107	20,148	24,045	27,029	27,790	28,277	29,786	32,729	34,705
Surplus/(deficit)	714	932	907	194	238	-492	594	427	827

Over and above the surplus positions for 2004 Budget and the MTEF, there may be further spending pressures in the social sectors (Social Development, Health and Education) and GSSC. These pressures will have to be catered for from the projected surpluses, which might result to an unfavorable position (deficits) for the province.

With the projected surpluses of R594 million in 2004/05 and from previous financial years, the province will invest these surplus funds in the short-term money market to optimise provincial revenue in line with good cash management practices. These surpluses are provided to deal with unforeseen and unavoidable expenditure that might occur in the financial year.

2. BUDGET PROCESS and THE MEDIUM TERM EXPENDITURE FRAMEWORK

Gauteng Budget Process

Gauteng continues to maintain the publication of the budget statements with Budget Statement I providing the overview of the budget, Budget Statement 2 dealing with the departmental estimates and Budget Statement 3 outlining the details on capital spending by the province.

The Budget is a key tool that compels the Executive to select or fit a set of strategic budget priorities that will frame resource allocation decisions for the medium term expenditure period. The key to achieving our social and economic goals is about making the correct budget choices – that is, directing resources to those policy interventions that will contribute to realizing our goals. It is also just as important that we go about implementing these choices in the right way.

The Gauteng Province's budget process includes inter-governmental consultation, political decision – making and administrative preparation. This process begins with the Provincial Executive Council retreat, which is held immediately after the first Budget Council, and Technical Committee of Finance (TCF) has sat at National in April/May.

During the Cabinet Retreat, PEC revisits their strategic objectives in the light of the macro-economic imperatives as set by National Treasury/Budget Council.

This is followed by the provincial budget lekgotla where indicative allocations to departments are discussed and distributed. Discussion at the lekgotla focus around the area of provincial priorities and reconciliation with budget constraints. Departments are then expected to start their micro-prioritisation process, which looks into issues of reviewing strategic plans, coming up with operational plans (business plans), which should in turn inform departmental budgets. Departments then make their submissions (Strategic Plans and Budgets) to Treasury, which are analysed by Treasury in preparation for Bilateral Sessions with departments. These bilateral sessions aims to improve the alignment between the government's priorities and departmental strategic objectives and budgets and also to determine whether the reprioritization process within the MTEF baseline by departments has been undertaken in the context of allocative efficiency. This is followed by the 2nd budget lekgotla where the budget allocations for the coming financial year and the MTEF are finalized. Thereafter Provincial Treasury consolidates all departmental budgets in preparation for tabling of the budget at Legislature.

In the 2004 Budget bilateral sessions Provincial Treasury in collaboration with the Premier's Office (Policy Coordination Unit) continued to engage departments through bilateral discussions (Budget Interaction Sessions) on departmental budgets to ensure there is an improvement in the alignment between the provincial priorities and departmental strategic objectives and budgets. To facilitate the bilateral discussions with departments, departments were requested to pay particular attention to:

- Improving the alignment between Provincial priorities, departmental plans, existing medium-term allocations and expected service delivery milestones and targets
- Accommodating new priorities within the baseline allocation through reprioritisation
- Considering a PPP as the delivery mechanism for infrastructure projects, and where it is found to be the preferred option, to include the required unitary payment
- Note the changes introduced to the budget process and the format of the 2004/05 Budget Statement (ie. New economic reporting format).

At the end of these sessions it was confidently established that not all provincial needs can be funded through the given provincial revenue envelope due to limited available resources. Treasury had to determine the best manner in which to fund critical additional provincial needs, without depleting provincial reserves and maintaining sound public finances.

Budget Reforms

Budget reforms introduced in the Province over the past six years recognises the considerable challenge they pose for many public service managers. The reforms represent Government's commitment to the modernisation of the management of the public sector and to the allocation of available resources equitably and efficiently. Some of the major achievements in reforming the management of public finances have included:

- The introduction of a new intergovernmental system in 1997, which required all three spheres to develop and adopt their own budgets (decentralised budgeting)
- Three-year rolling spending plans for national and provincial departments under the Medium Term Expenditure Framework were initiated in the 1998 budget

- Preparing budget statements that set out the policies and aims of the province and provincial departments; budgeting and spending trends over a seven-year period, including medium-term expenditure estimates and service delivery targets
- Eliminating micro-control by Treasury and giving managers greater flexibility while holding them accountable for the delivery of services with allocated resources (introduction of the Public Finance Management Act in 1999)
- Establishing a generic reporting format for the strategic plans of provincial departments of health, education, social development and transport. More departments have been implemented for the 2004 MTEF Budget which include among others Departments of Sports, Recreation, Arts and Culture, Development Planning and Local Government, Housing and Transport, Roads and Public Works.

Furthermore, National Treasury together with provinces embarked on a budget reform program in 1999 with the aim of improving accountability and modernising the accounts of government by bringing budget and expenditure reporting in line with international best practice.

As part of this process, it was agreed to use the International Monetary Fund's (IMF) Government Finance Statistics (GFS) system of classification as a basis for developing the new economic format. In essence this implies that the existing economic format in Gauteng will be replaced by the new economic format, ensuring consistency of reporting across all spheres of government.

With the introduction of the new reporting format a new chart of accounts will also be introduced as part of the financial systems of government, so as to ensure consistency of reporting. In this new chart a standard list of expenditure items has been provided that is in line with international accounting and economic reporting standards. For example, there will be one single expenditure item that provides for spending on salaries for all national and provincial departments. This will greatly reduce the number of duplications in the accounts and systems of government and will significantly improve the quality of the data produced by departments. The development of the new format was influenced by international best practice and the information requirements of policy makers, the public and legislatures. Implementation is with effect from 1 April 2004.

The key message over the past year and going forward is the consolidation of these achievements and the rationalisation of the budget process and service delivery information, as detailed in the Budget Statements.

3. ENVIRONMENTAL SCAN

This section is optional, but it is useful to reflect on important social and economic parameters in the province. The outline below is just an example, as there is no prescribed format. Provinces should collect information from approved sources to give a realistic picture of economic and social conditions.

3.1 Demographic profile

The objective here is to discuss how demographic factors affect the development and economy of the province, using data from the latest Census and other available sources. Recently released data sources include amongst others:

- Census 2001 (population numbers, rural/urban divide, disability occurrence);
- Income and expense survey (IES) (expense quintiles);
- October Household Survey (OHS) (medical aid data);
- Gross Domestic Product – by region (GDP-R) (provincial economic activity); and
- Other relevant data for specific sectors, e.g. school enrolment.

The 2001 Census highlighted the dynamic nature with regard to the pattern of population migration between provinces. This pattern shows that, the destination of choice for out-of-province migration is Gauteng, while only in instances of the Eastern Cape and Northern Cape is out-of-province migration preferential towards Western Cape. In addition to inter-provincial migration, it is clear that the major urban centres of Gauteng, KwaZulu-Natal and to a lesser extent Western Cape and Mpumalanga are attracting population, over and above the natural population growth rate.

This is however not an uncommon phenomena, as the worldwide trend is towards increased urbanisation. In the South African context however, provinces need to assess to what extent these shifts contribute to a correction against the skewed population distribution and whether internal migration will continue to be a feature of future demographic shifts.

Table 2: Population size and distribution between regions in Gauteng, 2001

Region	Total population	Percentage %
Metsweding	126 436	1.4
West Rand	683 025	7.7
Sedibeng	794 605	9.0
East Rand/Ekurhuleni	2 480 277	28.1
City of Johannesburg	3 225 815	36.5
Tshwane	1 527 023	17.3
Total	8 837 178	100.00

Source: Statistics South Africa, Census 2001

The high population density in Gauteng Province may be attributed to the inflow of people from the other South African provinces and foreign countries due to the perceived available employment opportunities. As long as this trend continues Gauteng will always be faced with a high population growth unlike other provinces.

Provinces, for further discussion could include a comparison with other provinces; the expected growth; gender and age distribution; and the level of education, as per the examples below.

Table 3: Gender and age distribution in Gauteng, 2001

Age group	Male	Female	Total	Percentage %
Below 15	1037352	1049599	2086951	23.6
15 to 24	874475	853215	1727690	19.5
25 to 34	1013499	910693	1924192	21.8
35 to 44	728081	695724	1423805	16.1
45 to 54	434886	434629	869515	9.8
55 to 64	216520	238463	454983	5.1
65 +	139566	210176	349742	4.0
Total	4444699	4392499	8837178	100.00

Source: Statistics South Africa, 2001 Census

Gender and age distribution in Gauteng Province

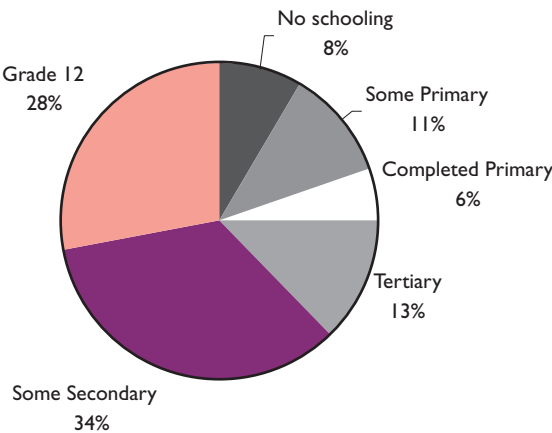
Gauteng Province's male population outnumbers the female population. The high population growth of men could be due to the migration of labour from other South African Provinces and neighbouring countries in Southern Africa.

72.3% of Gauteng Province population is composed of individuals in the age range of 15 up to 64 years and 23.6% of the population is below 15 years. There are very few pensioners in Gauteng Province, 4%. It can be concluded that most of the people who live in Gauteng Province belong to the economically active class. One of the reasons why there are few pensioners in Gauteng Province can be attributed to the fact that pensioners in Gauteng Province normally retire to their provinces of origin.

Qualifications of people older than 20 years in Gauteng Province

Source: Statistics South Africa, Census 2001

Qualifications of people older than 20 years



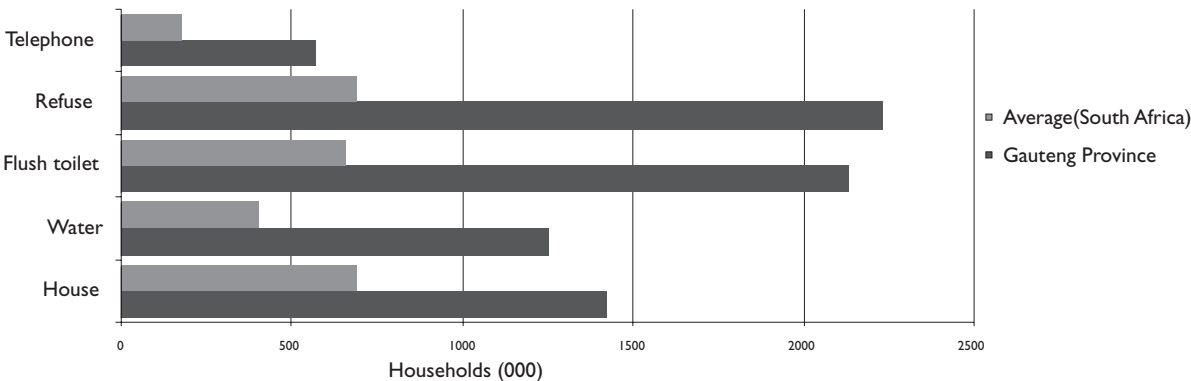
According To Census 2001, 57% (approximately 60%) of the people older than 20 years in Gauteng Province have only up to Secondary School level of education. The majority of South Africans in Gauteng Province still have to acquire Grade 12 and some form of tertiary qualification. If investment in human capital is done that could increase Gauteng Province's Gross Domestic Product per region (GDPR).

3.2 Socio-economic indicators

In this section, data from the most recent household surveys could be used to indicate the quality of life of provincial households. Here a comparison could be drawn between the proportion of households with specified services and the average for the country. The development indices of Statistics South Africa serves as a good example to indicate the availability of services such as water, electricity and pipe latrines. The following services could for example be chosen:

- House or brick structure on a separate stand or yard (represented by "House" on the graph below)
- Piped water in the dwelling ("Water")
- Flush toilet or chemical toilet ("Flush toilet")
- Refuse removal by local authority at least once a week ("Refuse")
- Telephone in the dwelling/cellular phone ("Telephone")

Socio-economic indicators



Gauteng Province's standard of living with regard to the indicated socio-economic indicators is above those of South Africa. On the basis of these indicators Gauteng Province is still the province of choice.

3.3 Economic indicators

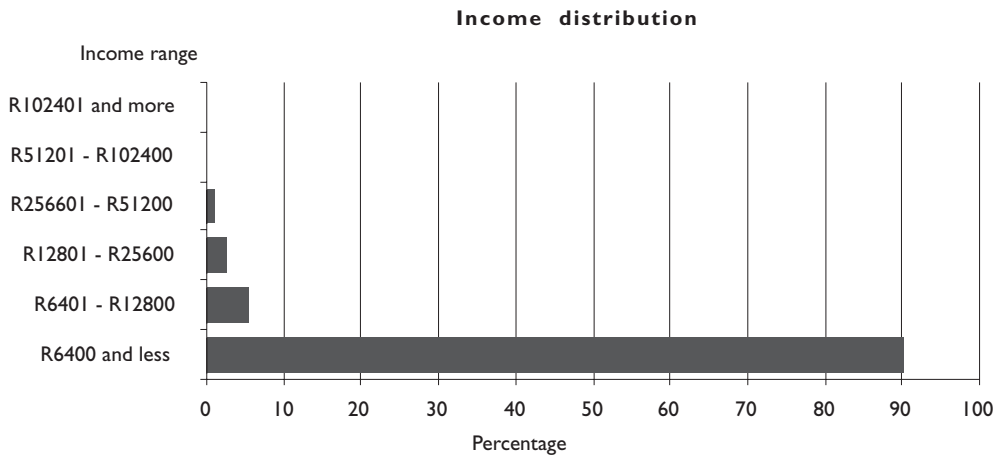
Similarly, economic indicators could be chosen from the latest household survey, such as income distribution, gross geographic product and level of investment. The latter can explore, for example, the possibility of new direct investment expected per sector and envisaged new job opportunities.

Table 4: Income distribution in Gauteng, 2001

Annual household income	Number of households	Percentage %
R6400 and less	4558025	90.3
R6401 - R 12800	274358	5.4
R12801 - R 25600	133487	2.6
R25601 – R51 200	49982	0.99
R51201 – R102400	16721	0.3
R 102401 or more	16016	0.3
Total	5048589	100

Source: Statistics South Africa, 2001 Census

Census 2001 indicates that 90% of the working class receive income of less than R6400.00 per annum. This clearly indicates that the majority of South Africans are still poor. On the other hand, only 0.3% of the working class are in the top most categories of R102401.00 and more per annum. Income is still not evenly distributed. In Gauteng Province, much work still needs to be done in the implementation of Employment Equity Act and Affirmative Action to address these imbalances in the income distribution.



Source: Statistics South Africa, Census 2001

Table 5: Gross domestic product per industry in Gauteng, 2001

Constant 1995 prices – percentage changes		
Industry	2001	2002
Primary Industries	-10.2	3.7
Mining and quarrying	-5.5	8.4
Agriculture, forestry and fisheries	-11.3	2.4
Secondary Industries	2.6	5.9
Manufacturing	3.5	6.2
Electricity and water	0.4	0.0
Construction	-1.8	9.8
Tertiary Industries	3.2	5.2
Trade: Wholesale, retail trade hotel and restaurant	3.3	3.1
Transport and communication	8.9	6.2
Finance, real estate and business services	4.0	9.7
Community, social and other personal services	2.8	2.0
General government services	-1.4	0.7
All industries at basic prices	2.5	5.4
Taxes less subsidies on products	1.7	4.5
GDPR at market prices	2.4	5.3

Source: Statistics South Africa, 2001 Census

Gauteng Province recorded an economic growth rate of 5.3% during 2002. This follows a growth rate of 2.4% in 2001. The growth in 2002 was mainly due to contributions from the finance, real estate and business services industry and the manufacturing industry.

4. RECEIPTS

Table 6: Summary of provincial receipts

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
Transfer receipts from national									
Equitable share	14,517,182	16,028,350	18,844,038	21,875,885	22,275,220	22,236,872	24,547,021	26,643,833	28,530,264
Conditional grants	3,135,590	3,761,888	3,568,603	3,918,603	4,181,606	3,952,809	4,460,791	5,053,098	5,474,458
Total transfer receipts from national	17,652,772	19,790,238	22,412,641	25,794,488	26,456,826	26,189,681	29,007,812	31,696,931	34,004,722
Provincial own receipts									
Tax receipts	868,314	871,986	1,188,607	1,312,132	1,312,132	1,387,134	1,355,446	1,452,676	1,528,040
Casino taxes	224,043	229,294	270,157	283,379	283,379	294,323	294,714	303,556	312,663
Motor vehicle licenses	559,013	562,278	861,475	963,505	963,505	1,016,086	992,030	1,077,841	1,142,511
Horseracing	67,367	63,692	49,734	49,393	49,393	69,801	51,370	52,908	54,495
Other taxes	17,891	16,722	7,241	15,855	15,855	6,924	17,332	18,371	18,371
Non-tax receipts	297,245	440,829	548,682	351,704	351,704	397,946	383,085	405,217	422,125
Sale of goods and services other than capital assets	204,269	231,779	243,911	184,611	184,611	203,953	200,150	217,827	229,204
Fines, penalties and forfeits	5,118	7,466	11,705	7,800	7,800	6,965	8,465	9,174	9,364

Interest, dividends and rent on land	87,858	201,584	293,066	159,293	159,293	187,028	174,470	178,216	183,557
Transfers received						0	2,500	2,500	2,500
Sale of capital assets	991	3,079	1,693	2,756	2,756	1,061	4,985	4,856	4,997
Financial transactions	1,184	2,120	795	1,710	1,710	19,337	728	630	650
Less: Direct charges		28,197	267,750	209,340	209,340	322,691	341,550	369,868	390,774
Motor vehicle licenses		3,119	253,957	192,701	192,701	306,052	324,246	352,045	372,416
Gambling taxes		25,078	13,793	16,639	16,639	16,639	17,304	17,823	18,358
Total provincial own receipts	1,167,734	1,289,817	1,472,027	1,458,962	1,458,962	1,482,787	1,405,194	1,496,011	1,567,538
Plus: Financing from Surplus			1,093,690		142,617	142,617			
Total provincial own receipts	18,820,506	21,080,055	24,978,358	27,253,450	28,058,405	27,815,085	30,413,006	33,192,942	35,572,260
Less: Direct charges provided for the remuneration of Public office Beares Act, No. 20 of 1998			27,149	30,212	30,212	30,212	33,216	36,518	40,417
Total provincial receipts	18,820,506	21,080,055	24,951,209	27,223,238	28,028,193	27,784,873	30,379,790	33,156,424	35,531,843

The Overall Position

The total revenue available to the Gauteng Province amounts to R30 380 billion. From this amount, R 29 008 billion will be transferred to the province from National Government in the form of equitable share and conditional grants. R1 405 will be generated from own revenue and represents 4.7% of the total provincial revenue.

The estimated revenue position for the financial year ending March 2004 amounts to R 27 785 billion of which the adjusted appropriation amounts to R 28 028 billion. The total transfers from national for 2003/04 financial year is higher than the original budget by R 804 million which comprises of Equitable share by R399 million, the Conditional grants by R 263 million and the surpluses from the reserves. Where by an extra allocation was allocated from the surplus to finance the rollovers and expenses. This is amount was allocated during the adjustment appropriation and is largely due to the better than projected economy of the country.

The equitable share is projected to increase by R24 547 billion 10.4 % in 2004/05 to R26 644 billion 8.5% in 2005/06 and to R 28 530 billion 7.1% in 2006/07 financial year. This is noteworthy since the province relies on transfers to finance the bulk of expenditure and to accelerate delivery of quality services.

Details of Provincial Own Revenue

As alluded to above, own revenue contributes 4.7% to the provincial revenue. Although fairly small, they are an important source of revenue, with motor vehicle license fees, gambling taxes, interest income and patient fees as part of sale of goods and services other than capital, being the major contributors in the province. Over the medium term own revenue is projected to increase by 6.1% in 2005/6 and 4.7% in 2006/7 financial years.

An amount of R 342 million will be paid to the Gambling Board and Municipalities in the form of a direct charge in the coming financial year.

Motor Vehicle License Fees

Motor Vehicle licenses fees remain the largest contributor to the provincial revenue. The actual collected for the 2002/03 financial year as compared to the estimated collection for the 2003/04 financial year has increase by 12% and in 2004/05 by 3% an for the MTEF period it is estimated to increase by 9% for 2005/06 and 6% for 2006/07. The implementation of the Best practice model in Johannesburg has already been completed and it is in various stages in other parts of the province.

In addition to the above-mentioned initiative, the revenue model which takes into account factors that contributes to revenue were used to come up with a credible budget.

Gambling Taxes

Gambling taxes comprises of income derived from casino and horseracing. The estimated collected for 2003/04 amounts to R343 million. Following the introduction of the National Lottery Horseracing was affected, however now horseracing is improving over the MTEF period by an average of 4%. Casinos taxes on the other hand are expected increase by 4% in 2005/06 and 3% in 2006/07 respectively.

Patient Fees

In terms of the new classification Patient fees are no longer a stand-alone item. They are now included under non tax receipts. The estimated patient fee collection for 2003/04 amounts R 117 million. The percentage increase from the 2004/05 is 6% and in 2005/06 10% and for 2006/07 by 6%. Measures to improve revenue collection such as the upgrading of the billing system, providing training to institutions, introducing a shared debt Management centre and Folate Differentiated Amenities.

Interest Income

Interest income comprises largely interest generated from investment of excess funds in the short-term money market. The excess funds are usually made up of allocations from National Treasury as well surpluses accumulated from previous years financial years.

The estimated collected from interest for the 2003/04 financial year has increase by 10% and for the MTEF it has increase by an average of 3% for 2005/06 and 2006/07 financial year.

Even though in the outer years interest is projected to decline, this should not be a great concern as the primary role of GPG is not to generate interest. But to deliver services from the funds allocated to it.

Equitable Share

In accordance with the Constitution, revenue raised nationally has to be shared equitable among the national, provincial and local spheres of government. This process involves consultations with all the three spheres and should take into account any recommendation by the FFC and the allocation criteria stipulated in section 214(2) of the constitution.

It is often not feasible for each level of government to have its own revenue mainly due to the fact that the main revenue bases used by government are unevenly distributed in geographic space and assigning them to the different spheres would result in an inequitable distribution of the ability to raise revenue by the provincial and local governments. Furthermore, a number of the main revenue sources are most efficiently collected at sharing formula to enable all spheres of government to provide the services and function assigned to them as per the constitution. The process is taken further by dividing the provincial equitable share pool between stakeholders (National Government, FFC and Provinces)

The equitable share is divided among province by means of a distributive formula, comprising seven components, which are as follows.

- An education share (41%) based on the sized of the school age population (06-17) and the average number of learners enrolled in public ordinary schools for the past three years
- A health share (19%) based on the proportion of the population without medical aid or health insurance.
- A social security component (18%) based on the estimated number of people entitled to social security grants- the elderly, disabled and children- weighted using a poverty index derived from the income and expenditure survey.
- A basic share (7%) derived from each province of the total population of the country.
- A backlog component (3%) based on the distribution of capital needs as captured in the schools registers needs, audit of hospital facilities and the share of the rural population.
- An economic output component (7%) based on the distribution of total remuneration in the country.
- An institutional component (5%) divided equally among provinces.

In reviewing the formula for the 2003 budget, Government committed itself to a major review of the formula when the 2001 census data became available. The review has commenced and a range of issues, some of which require more in-depth research and analysis, have arisen. It is evident that the outcome of the review can only be implemented for the 2005 MTEF. However, in review of significant population movements primarily from predominantly rural to urban provinces, it is necessary to update the formula with some demographic information for the education and basic

components. In addition, new data on Gross Geographic Product by Region are available for updating the "tax capacity" component. It is important to note that at this stage the latter information is preliminary, and will be available in its final form in November. But it not anticipated that there would be substantial. Difference between the preliminary and final data.

It should be noted that changes on the medical aid data in health and poverty data in the welfare component are not recommended on the grounds that these data may not reliable when broken down by province, and in view of the fact that these two component are central to the review that is conducted for implementation in the 2005 budget.

To ensure that the impact of the changes does not lead to reduction in the baseline allocations of provinces where their shares are falling, it is proposed that a three-year phasing period be adopted. This is a shorter phase-in period that the five-year phase-in for the 1996 Census.

More comprehensive review of the formula is being undertaking. The proposals that will flow from the review will be considered for the 2005 MTEF. This review will deal with following issues, among other things:

- It will assess the extended to which the current equitable share formula has support Government's objective of effecting redistribution of resources among provinces.
- It will assess all conditional grants and their formulae, and evaluate the extent to which conditional grant formulae complement the equitable formula in ways that facilitate attainment of policy objectives. In particular, it will entail a careful examination of the large conditional grants with the view of determining whether they are still appropriate in their current form funding levels
- The review will examine issues relating to the structure of the structure of the equitable share formula such as:
 1. The modalities of shifting funding of social security grants to the national sphere;
 2. Whether the formula should continue to have explicit components for social services functions such as education and health; and
 3. How the formula can be used or complemented by other mechanisms so that it addresses broader policy challenges such as economic development, poverty so on.

The review will is to be conducted under the political guidance of the Budget Council, and submitted to cabinet for consideration and approval in the second half of next year.

For the financial year 2004/05 amount of R 24 368 billion has been allocated and this represents a 9.3% increase over the current years allocation. For MTEF period, the expected allocation for Gauteng will be R26 406 and R 28 221 billion for the years 2005/06 and 2006/07 respectively.

Summary of the provincial receipts per Vote

The constitution assigns the major productive tax bases to the National Government, while property taxes and other revenue –raising utility services are assigned to local government. As a result of this, provinces have to date a very limited revenue-raising capacity, although this situation is due to change with the imminent promulgation of the Provincial Tax Regulation.

Table 7: Summary of provincial receipts by Votes

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03						
Office of the									
Premier	1,303	1,633	3,999	337		3,884	53	60	60
Gauteng Legislature									
Finance and									
Economic Affairs	433,077	470,060	622,287	465,926		524,132	492,055	504,807	519,944
Health	118,579	157,480	166,667	164,403		162,458	177,593	195,276	206,993
Education	5,694	14,119	19,993	13,377		19,712	13,192	13,126	13,236
Social Services									
and Pop.Dev.	3,345	7,184	6,194	4,448		4,737	4,920	5,348	5,348
Housing	1,774	8,459	872	591		10,762	6,457	5,932	5,932
Dev. Planning and									
Local Govt.	1,014	1,372	520	1,434		1,243	638	515	515
Public, Transport,									
Roads & Works	596,851	598,438	525,207	805,307		752,048	705,107	765,557	809,856
Safety and Liaison	80	564	126	280		76	280	280	280
Agriculture,									
Conservation,									
Environ.&Land									
Affairs	3,615	4,110	3,256	2,297		2,543	4,193	4,402	4,622
Sports, Recreation,									
Arts and Culture	2,402	1,320	1,324	562		709	596	578	602
Gauteng Shared									
Services Centre			78			483	110	130	150
Total provincial									
own receipts	1,167,734	1,264,739	1,350,523	1,458,962		1,482,787	1,405,194	1,496,011	1,567,538

Conditional Grants

The overall conditional grants are transfers from National Government and represent 15% of the total National transfers in 2004/05. They are included in the departments budgets, each grant has a purpose and specific condition to be met by the receiving department.

The total budget for the current financial year amounts to R4.5 billion and the Department of Health continues to administer most of the grants with a budget of R 2.7 billion. National Treasury Services and Health Professional Training Development comprises 64.5 % of the total grants to be received by the province in the current financial year. Included in this year's budget is an allocation for poverty relief and Comprehensive Farmer support programme, which will be managed by the department of Agriculture, Conservation, Environment and land affairs. There is a new grant for the department of Sports, Recreation, Arts and Culture which has been allocated R 1 million for 2004/05 and R2,8 million for 2005/06 and R4,3 million 2006/07 financial year. The province will also receive the child support grant extension to children up to 13 years of age and food grant.

The budget for conditional grant is projected to increase by 11.7% and 7.7% in 2005/06 and 2006/07 financial years.

Table 8: Summary of conditional grants by grant

Programme		Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
		2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Vote 4: Health		2,599,153	2,614,231	2,630,940	2,675,412	2,836,220	2,978,311
National Tertiary Services	Central Hospital Services (P5)	1,679,760	1,679,760	1,679,760	1,727,736	1,760,465	1,866,094
Health Professions Training Development	Central Hospital Services (P5)	539,330	539,330	539,330	560,778	554,039	554,039
Hospital Revitalisation	Health Care Support Services (P7)	87,939	87,939	87,939	155,126	232,870	204,313
Integrated Nutrition Programme	District Health Services (P2)	74,273	74,273	74,273	10,307	11,333	0
HIV/AIDS	District Health Services (P2)	55,275	64,288	55,275	134,231	185,048	252,695
Pretoria Academic Hospital	Health Care Support Services (P7)	92,356	92,356	123,143			
Hospital Management and Quality Improvement	Administration (P1)	23,060	29,125	23,060	20,776	18,510	19,621
Provincial Infrastructure	Health Care Support Services (P7)	47,160	47,160	47,160	66,458	73,955	81,549
Medco-Legal				1,000			
Vote 5: Education		148,796	158,571	135,592	226,134	249,453	282,667
Financial Management and Quality Enhancement	Public Ordinary Schools Education (P2)	28,833	33,435	36,255			
HIV/AIDS	Public Ordinary Schools Education (P2)	14,818	16,395	2,080	17,487	18,536	19,648
Early Childhood Development	Early Childhood Development (P7)	10,824	14,420	16,621			
National School Nutrition Programme	Public Ordinary Schools Education (P2)				75,730	83,006	99,921
Provincial Infrastructure	Public Ordinary Schools Education (P2)	94,321	94,321	80,636	132,917	147,911	163,098
Vote 6: Social Services & Population Development		104,043	281,344	202,269	258,709	455,654	601,998
Child Support	Social Assistance Grants (P2)	66,449	144,350	126,499	220,490	416,816	560,830
HIV/AIDS	Social Development & Support Services (P4)	9,690	9,690	11,734	10,315	10,934	11,590
Social Grant Arrears	Social Assistance Grants (P2)		99,400	36,132			
Food Security	Social Development & Support Services (P4)	27,904	27,904	27,904	27,904	27,904	29,578
Vote 7: Housing		944,892	1,001,104	714,073	1,139,723	1,347,428	1,428,274
Housing Fund	Housing Perf/ Subsidy Prog (P3), Urban Renewal and Human Settlement Redev (P4) & Housing Asset Management (P5)	923,892	969,752	691,417	1,117,463	1,313,528	1,392,340
Human Settlement	Urban Renewal and Human Settlement Redev (P4)	21,000	31,352	22,656	22,260	33,900	35,934

Vote 8: Development Planning & Local Government		25,798	30,437	19,311	20,714	6,035	6,397
Local Government Support	Administration (P1)	20,399	21,420	16,272	15,050	0	0
Consolidated Municipal Infrastructure	Local Governance (P2)	5,399	9,017	3,039	5,664	6,035	6,397
Vote 9: Public Transport, Roads and Works		94,321	94,321	94,321	132,916	147,910	163,098
Provincial Infrastructure	Road Infrastructure (P3)	94,321	94,321	94,321	132,916	147,910	163,098
Vote 11: Agriculture, Conservation and Conservation		1,600	1,600	-	6,182	7,727	9,373
Poverty Relief and Infrastructure Development	Agriculture (P2)	1,600	1,600		1,600	2,000	2,500
Comprehensive Farmer Support Programme	Agriculture (P2)				4,582	5,727	6,873
Vote 12: Sports, Recreation, Arts & Culture					1,000	2,670	4,340
Sport & Rec. South Africa	Sports & Recreation (P4)				1,000	2,670	4,340
Total conditional grants		3,918,603	4,181,608	3,795,506	4,406,791	5,053,098	5,474,458

Table 9: Summary of conditional grants by grant

R 000	Budget	Actual Transfer 2000/01	Audit	Budget	Actual Transfer 2001/02	Audit	Actual Budget 2002/03	Transfer	Audit
Vote 3: Finance & Economic Affairs	322,358	327,025	4,667	308,178	303,511	303,301	4,877	-	2,400
Supplementary allocation	322,358	322,358		298,511	298,511	298,511			
Adjustment allocation grant									
PFMA Implementation		3,000	3,000	8,000	5,000	4,790	3,210		2,400
Vulindlela Rollout		1,667	1,667	1,667			1,667		
Vote 4: Health	2,108,673	2,113,673	2,099,139	2,356,476	2,358,606	2,392,590	2,528,639	2,515,230	2,521,928
National Tertiary Services	1,492,868	1,492,868	1,492,868	1,568,945	1,568,945	1,568,945	1,629,313	1,629,313	1,629,313
Health Professions									
Training Development	503,646	503,646	503,646	529,186	529,186	529,186	528,137	528,137	528,137
Hospital Revitalisation	55,000	55,000	47,414	102,000	102,000	142,199	135,000	135,000	135,000
Integrated Nutrition Programme	54,673	54,673	47,667	54,673	54,673	51,980	65,968	56,269	65,598
HIV/AIDS	2,486	2,486	2,544	3,500	5,630	4,474	32,249	31,093	32,249
Pretoria Academic Hospital				50,000	50,000	50,188	70,000	70,000	70,000
Hospital Management and Quality Improvement		5,000	5,000	32,000	32,000	29,446	36,554	34,000	30,489
Provincial Infrastructure				16,172	16,172	16,172	31,418	31,418	31,142
Vote 5: Education	25,912	25,912	38,400	68,936	68,936	61,766	114,286	115,147	112,627
Financial Management and Quality Enhancement	23,616	23,616	36,106	26,199	26,199	23,375	27,591	28,083	26,305
HIV/AIDS	2,296	2,296	2,294	7,810	7,810	6,332	17,466	17,712	17,613
Early Childhood Development				2,583	2,583	51	6,396	6,519	5,455
Provincial Infrastructure				32,344	32,344	32,008	62,833	62,833	63,254

Vote 6: Social Services & Population Dev.	3,831	3,831	3,005	1,642	194,315	2,707	200,542	8,183	101,437
Child Support	1,000	1,000	905						
Financial Management & Social Security Sytem	2,724	2,724	1,993	642	642	1,000	1,200	1,200	1,258
HIV/AIDS				1,000	1,000	1,540	6,836	6,983	6,983
Women Flagship	107	107	107		167	167			
Food Security									
Social Grant Arrears					192,506		192,506		93,196
Vote 7: Housing	726,804	656,804	626,900	708,931	794,976	563,342	824,940	838,466	1,207,693
Housing Fund	718,904	638,904	610,481	681,831	767,876	560,140	801,940	815,018	1,169,495
Human Settlement	3,500	3,500	2,019	26,000	26,000	2,102	23,000	23,448	38,198
Capacity Building	1,400	1,400	1,400	1,100	1,100	1,100			
Resettlement: Doornkop	3,000	3,000	3,000						
Disaster Related		10,000	10,000						
Vote 8: Development Planning & Local Government	-	8,345	8,345	-	8,200	8,200	28,744	28,744	24,105
Local Government Support		8,345	8,345		8,200	8,200	9,450	9,450	5,832
Consolidated Municipal Infrastrucuture							19,294	19,294	18,273
Vote 9: Public Transport, Roads and Works	-	-	-	33,344	33,344	32,158	62,833	62,833	72,092
Provincial Infrastructure				32,344	32,344	31,158	62,833	62,833	72,092
National Land Tranport Transition Act				1,000	1,000	1,000			
Vote 11: Agriculture, Conservation and Conservation	-	-	-	-	-	-	-	-	-
Poverty Relief and I nfrastructure Development									
Total conditional grants	3,187,578	3,135,590	2,780,456	3,477,507	3,761,888	3,364,064	3,764,861	3,568,603	4,042,282

PURPOSE OF CONDITIONAL GRANTS

Departmental Name	Purpose
Vote 4: Health	
National Tertiary Services	To fund tertiary services in order to ensure equitable access by all citizens
Health Professional Training and Development	To support the training and development of health professionals
Hospital Revitalisation	To transform and modernise hospitals in line with national planning framework
HIV/AIDS	To expand access to voluntary HIV counselling and testing, home based care, prevention of mother to child transmission programme and other HIV/AIDS related matters
Intergrated Nutrition Programme	To facilitate education and promote health
Pretoria Academic	To fund the construction and development of the Pretoria Academic Hospital
Provincial Infrastructure	To fund provincial infrastructure like health facilities
Hospital Management and Quality Enhancement	To improve management in hospitals and support quality of care interventions
Vote 5: Education	
Financial Management and Quality Enhancement	To support financial management and quality-enhancing initiatives in school education
HIV/AIDS	To promote HIV/AIDS education in primary and secondary schools
Early Childhood Development	To provide for the phased extension of child support grant
Integrated Nutrition Programme	To feed primary school children, facilitate nutrition education
Provincial Infrastructure	To fund provincial infrastructure like schools building
Vote 6: Social Services & Population Development	
HIV/AIDS	To advance the development of community based care (CBC) programmes in communities
Child Support Grant Extension	To provide for the phased extension of child support grant
Food Security	To provide food relief to individual and household facing the risk of starvation
Vote 7: Housing	
Housing Funds	To finance subsidies under the national housing programmes
Human Settlement	To fund project aimed at improving the quality of the environment in urban communities
Vote 8: Development Planning and Local Government	
Local Government Support	To assist municipalities experiencing severe financial problems to restructure their financial positions and organisations
Consolidated Munical Infrastructure Programme	To provide support to manage CMIP effectively and to build the capacity of municipalities to ensure the sustainability of CMIP projects
Vote 9: Public Transport, Roads and Works	
Provincial Infrastructure	To fund provincial infrastructure like roads and buildings
Vote 11: Agriculture, Conservation and Environment Affairs	
Poverty Relief and Infrastructure Development	To address the degradation problem of natural resources and improve the socio-economic status of rural communities
Comprehensive Farmer Support Programme	To target beneficiaries of the land reform program
Vote 12: Sports, Recreation, Arts and Culture	
Sports and Recreation South Africa	To promote mass participation programme within disadvantage communities in a selected number of sports activities and empowerment of communities to manage this activities

5. EXPENSE

5.1 Overall position

The outlays for provincial programmes are budgeted at:

Financial year 2004/05: R29 785 822

Financial year 2005/06: R32 728 955

Financial year 2006/07: R34 704 586

5.2 Expense by Vote

Table 10: Summary of provincial payments and estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2004/05	2005/06	2006/07
Vote 01: Office of the Premier	99,320	78,161	87,385	98,253	93,441	94,180	104,210	110,556	115,684
Vote 02: Provincial Legislature	70,290	80,869	71,031	73,871	87,170	84,125	93,322	95,606	90,412
Vote 03: Finance and Economic Affairs	300,344	614,082	795,812	1,654,261	1,472,234	1,461,436	1,547,658	1,944,855	2,264,541
Vote 04: Health	5,942,208	6,837,576	7,688,039	8,111,763	8,166,142	8,380,183	8,731,007	9,215,844	9,642,525
Vote 05: Education	6,814,519	7,268,490	8,065,919	8,848,840	9,034,417	9,041,388	9,457,104	10,043,992	10,555,784
Vote 06: Social Services and Population Dev.	2,624,982	3,015,920	3,974,088	4,588,515	5,111,442	5,441,435	5,733,768	6,943,033	7,448,176
Vote 07: Housing	713,335	917,135	1,417,299	1,174,025	1,235,930	1,235,930	1,425,018	1,654,909	1,742,380
Vote 08: Development Planning and Local Government	70,640	86,035	149,204	244,060	237,841	235,717	231,209	152,495	184,575
Vote 09: Public Transport, Roads and Works	1,236,146	1,024,947	1,398,198	1,464,582	1,513,829	1,464,726	1,581,727	1,634,155	1,685,246
Vote 10: Safety and Liaison	29,713	22,351	25,689	33,920	37,870	37,870	39,235	41,008	42,708
Vote 11: Agriculture, Conservation, Environment and Land Affairs	112,735	110,684	231,444	212,123	184,894	185,003	228,329	238,621	247,697
Vote 12: Sports, Recreation, Arts and Culture	92,502	83,058	110,933	127,578	131,012	131,933	136,752	143,997	149,479
Vote 13: Gauteng Shared Service Centre	-	8,541	29,495	397,865	483,915	483,915	476,483	509,884	535,379
Total Provincial Payments	18,106,734	20,147,849	24,044,536	27,029,656	27,790,137	28,277,841	29,785,822	32,728,955	34,704,586

Figure 1: Payments and Estimates trend

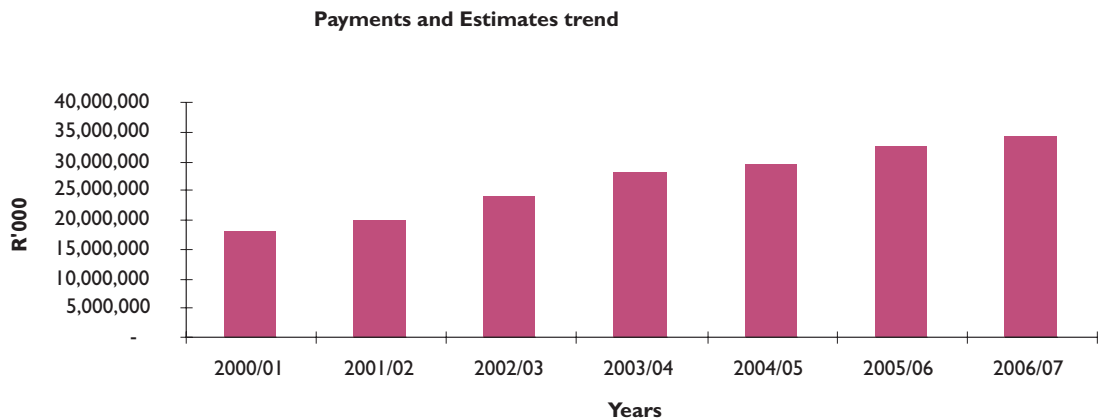
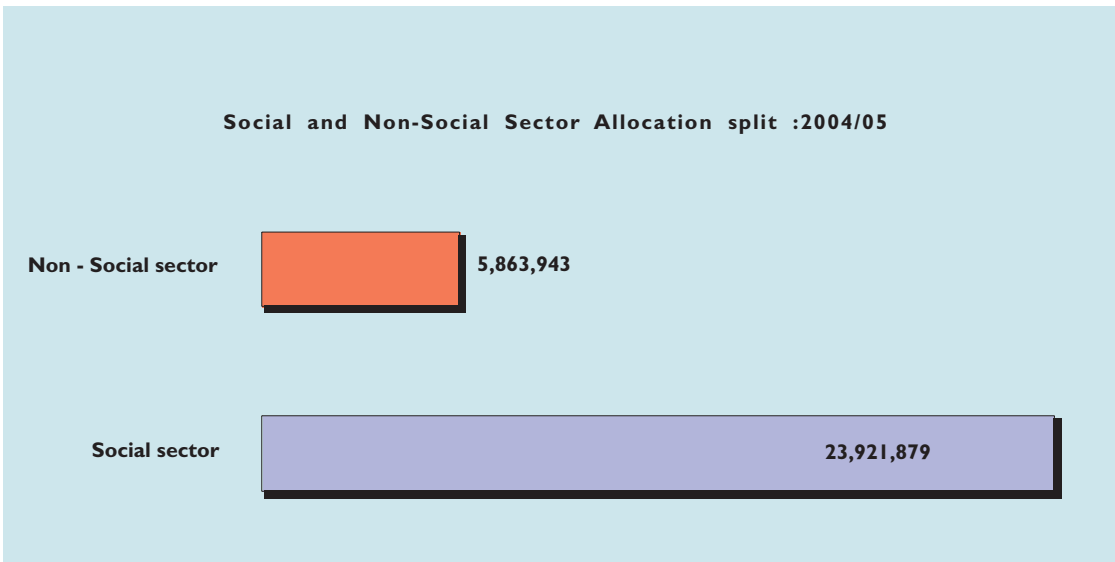


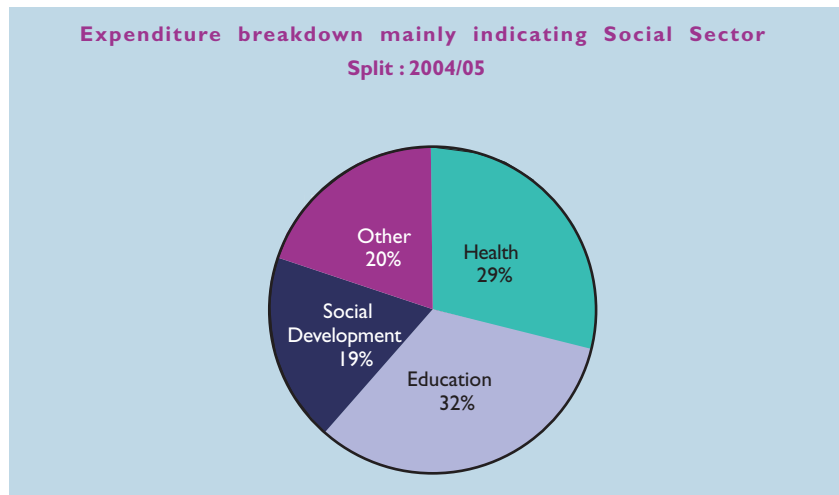
Table 10 and Figure 1 above indicate the steady total payments and estimates increase year on year from the year 2000/01 to 2006/7. The total payments and estimates in 2006/07 reflect the increase of R 16,6 billion or 91.7% as compared to 2000/01 financial year. Although the expenditure increased every year by more than 10%, the estimates for 2004/05 is increasing by R1,5 billion or 5.3 % as compared to 2003/04. The MTEF increases by 9.9% and 6% in 2005/06 and 2006/07 respectively.

The total provincial estimates for 2004/05 amounts to R29,8 billion. This estimates has increased by 5.3% as mentioned above. In 2003/04 the social sector revised estimates amounted to 81% of the total provincial estimates while the targeted share was 80%. In the current year the provincial allocation has been maintained at 80:20 Social and Non-social and throughout MTEF period.

Figure 2: Social and Non – Social Sector Allocation split: 2004/05



Hence province has a duty to provide social services to the public. The graph above shows the split between non – social and social sector estimate spending for the year 2004/05. The social sector is taking 80% of the total provincial budget. Education, Health and Social Services and Population Development are still the important services the province provides for the betterment of the lives of citizen of Gauteng.

Figure 3: Expenditure breakdown mainly indicating Social Sector Split: 2004/05

The figure 3 above indicates the estimates split between social sector and other (non –social sector). In total the estimated expenditure for social sector amounts to R23, 9 billion in 2004/05. Compared to the previous year, the Department of Social Services and Population Development estimates increased slightly from R5,4 billion (19% of the total provincial estimates in 2003/04) to R5,7 billion or 5.4% in 2004/05. This increase in Social Services and Population Development department is mainly a shift within social sector where Health and Education departments estimated expenditure in 2004/05 decreased by between 4 to 7% as compared to the previous year considering 2002/03 as a baseline. The shift is due to some completed capital projects in Health (e.g. Pretoria Academic) and the Child Support grant extension.

Non-Social Sector share remains at 20% in the current year as compared to the original estimates for 2003/04.

5.3 Expense by economic classification

Table 11: Summary of provincial payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03	2003/04	2003/04	2003/04	2004/05	2005/06	2006/07
Current payments	13,591,835	14,252,482	15,894,099	16,661,431	17,703,611	17,977,853	18,452,922	19,414,586	20,509,355
Compensation of employees	9,975,551	10,605,088	11,434,565	12,130,552	12,240,873	12,291,203	13,176,205	13,721,712	14,409,366
Goods and services	3,579,153	3,608,996	4,422,056	4,496,760	5,417,942	5,657,528	5,238,576	5,651,252	6,056,687
Interest and rent on land	30,334	33,933	36,297	34,089	35,090	29,122	38,121	41,621	43,301
Financial transactions in assets and liabilities	6	103	-	-	9,706	-	-	-	-
Unauthorised expenditure	6,791	4,362	1,181	30	-	-	-	-	-
Transfers and subsidies to:	3,970,053	4,744,903	6,612,852	8,017,071	8,461,014	8,759,161	9,482,112	11,316,721	12,241,258
Provinces and municipalities	463,127	549,653	843,767	1,924,586	1,762,012	1,741,165	1,883,401	2,183,176	2,523,031
Departmental agencies and accounts	186,434	197,047	237,526	298,610	300,110	301,626	323,533	336,950	350,991
Universities and technikons	391	397	449	550	550	550	600	650	700
Public corporations and private enterprises	-	-	-	-	-	-	1,194	-	-
Foreign governments and international organisations	-	-	200	258	258	-	-	-	-

Non-profit institutions	664,296	863,666	1,027,640	1,063,850	1,084,176	1,102,290	1,214,206	1,386,037	1,461,806
Households	2,655,805	3,134,140	4,503,270	4,729,217	5,313,908	5,613,530	6,059,179	7,409,908	7,904,730
Payments for capital assets	544,846	1,150,464	1,537,457	2,344,587	1,614,565	1,529,880	1,850,809	1,997,648	1,953,973
Buildings and other fixed structures	130,744	409,554	470,285	922,041	848,460	819,214	915,274	1,007,283	957,228
Machinery and equipment	399,059	740,910	1,037,157	1,414,529	764,933	710,666	926,999	980,376	988,846
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	15,043	-	9,015	8,017	1,172	-	-	-	-
Land and subsoil assets	-	-	21,000	-	-	-	-	-	-
Of which: Capitalised compensation	-	-	128	6,567	10,947	10,947	8,536	9,989	7,899
Total economic classification	18,106,734	20,147,849	24,044,536	27,029,656	27,790,137	28,277,841	29,555,638	32,390,355	34,230,033

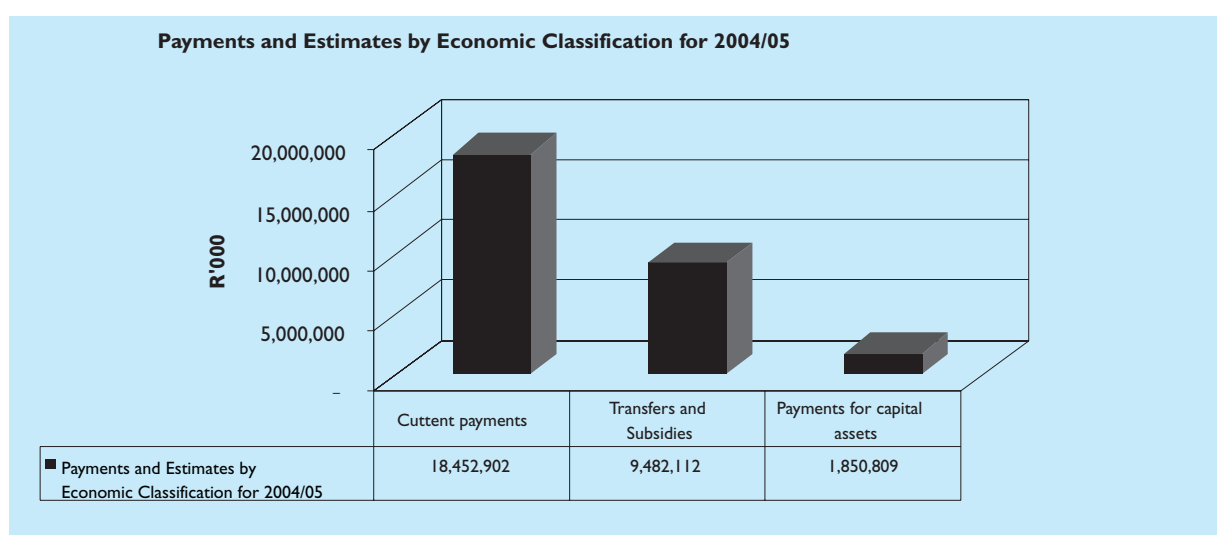


Figure 4: Payments and Estimates by Economic Classification for 2004/05

The figure 4 above indicates that the current payments amounts to R18,5 billion or 62% of the total provincial estimates for 2004/05. The major slice of this amount is compensation of employees with R13,2 billion or 44.2%. Transfers and subsidies is R9,5 billion while payments for capital assets amounts to R1,9 billion or 6.2% of the total payments and estimates for the province. Due to the new standard chart of accounts, some capital payments and estimates (mainly Housing fund and Blue IQ capital transfer) are reclassified under the transfers and subsidies, which substantially decreased capital payments as a percentage of the total provincial payments and estimates.

5.4 Expense by policy area

Table 12: Summary of provincial payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2004/05	2005/06	2006/07
	2003/04								
General public services	508,629	825,071	1,057,753	2,390,963	2,282,254	2,268,798	2,354,991	2,721,957	3,097,730
Public order and safety	29,713	22,351	25,689	33,920	37,870	37,870	39,235	41,008	42,708
Economic affairs	1,355,133	1,154,321	1,622,762	1,693,481	1,759,594	1,708,639	1,850,218	1,917,539	1,988,350
Environmental protection	25,713	23,927	82,054	60,571	31,476	31,665	57,729	46,676	37,454
Housing and community amenities	713,335	917,135	1,417,299	1,174,025	1,235,930	1,235,930	1,425,018	1,654,909	1,742,380
Health	5,942,208	6,837,576	7,688,039	8,111,763	8,166,142	8,380,183	8,731,007	9,215,844	9,642,525
Recreation, culture and religion	92,502	83,058	110,933	127,578	131,012	131,933	136,752	143,997	149,479
Education	6,814,519	7,268,490	8,065,919	8,848,840	9,034,417	9,041,388	9,457,104	9,993,992	10,495,784
Social protection	2,624,982	3,015,920	3,974,088	4,588,515	5,111,442	5,441,435	5,733,768	6,943,033	7,448,176
Total provincial payments and estimates by policy area	18,106,734	20,147,849	24,044,536	27,029,656	27,790,137	28,277,841	29,785,822	32,728,955	34,704,586

The table 12 above indicates the level of expense by policy area from 2000/01 to 2006/07. An annual average percentage increase is 11.6%. The province maintains the focus of providing social services. As compared to the previous year, the social sector budget remains to be 80% of the total provincial budget for 2004/05. Extension of Child Support grant, the growth of beneficiaries of Disability grant, HIV/AIDS, Nutrition Programme, LSM etc are the key in the social sector and which impact on the economic growth and development. These are some of the pressures emphasizing the reason why the province is maintaining the focus on the social sector.

5.6 Transfers to public entities

Table 13: Summary of provincial transfers to public entities by transferring department

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2004/05	2005/06	2006/07
	2003/04								
Vote 03: Finance and Economic Affairs	23,100	32,200	58,557	57,700	59,200	59,200	67,503	67,820	68,061
Total provincial transfers to public entities	23,100	32,200	58,557	57,700	59,200	59,200	67,503	67,820	68,061

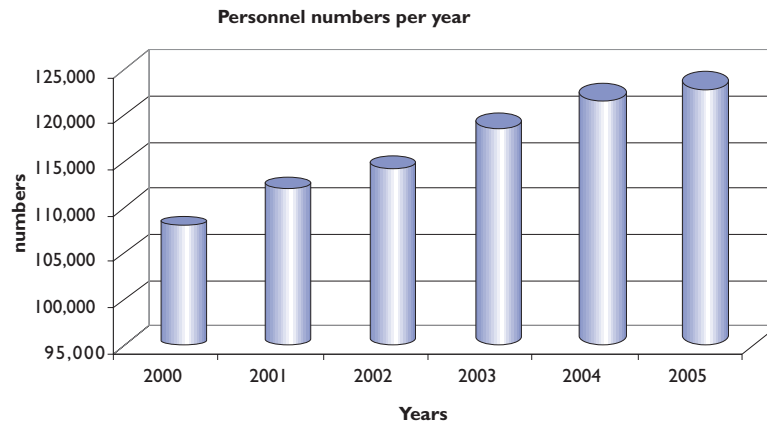
5.7 Transfers to local government**Table 14: Summary of provincial transfers to local government by category**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03						
				2003/04					
Category A	140,990	168,595	247,956	289,389	292,777	296,268	350,768	322,736	337,706
Category B	7,445	6,857	12,660	32,678	12,545	32,678	31,080	17,501	17,501
Category C	26,275	90,603	118,941	155,116	85,700	155,116	155,661	94,810	99,650
Unallocated	104,616	6,454	-	-	-	-	-	-	-
Total provincial transfers to local government	279,326	272,509	379,557	477,183	391,022	484,062	537,509	435,047	454,857

* Excludes Blue IQ transfers

5.9 Personnel numbers and costs**Table 15: Summary of personnel numbers and cost**

Gauteng Province Personnel numbers	As at 31 March 2000	As at 31 March 2001	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005
Vote 01: Office of the Premier	254	316	300	217	225	225
Vote 02: Legislature	116	148	161	163	177	190
Vote 03: Finance and Economic Affairs	0	319	338	337	163	278
Vote 04: Health	44,563	44,563	44,563	45,205	45,415	45,565
Vote 05: Education	55,030	58,552	59,892	64,000	65,218	65,648
Vote 06: Social Services and Population Development	2029	2253	2215	2076	2076	2206
Vote 07: Housing	762	632	687	608	580	677
Vote 08: Development Planning and Local Government	220	300	237	316	429	470
Vote 09: Public Transport, Roads and Works	4030	4080	4737	4173	5075	5459
Vote 10: Safety and Liaison	49	49	68	68	68	68
Vote 11: Agriculture	566	516	643	575	693	706
Vote 12: Sports	327	311	311	321	385	363
Vote 13: Gauteng Shared Services Centre	0	0	0	696	1632	1702
Total personnel numbers	107,946	112,039	114,152	118,755	122,136	123,557
Total personnel cost (R thousands)	10,118,826	10,706,367	11,709,367	12,439,122	13,380,664	14,132,467
Unit cost (R thousand)	94	96	103	105	110	114

Figure 5: Personnel numbers trend

The table 15 and Figure 5 above are reflecting the steady increase in the personnel numbers in the province. As at 31 March 2000 the number of personnel was 107,946 and this is expected to rise to 123,557 in 2005. This shows an increase of 15,611 or 14.5% over this period of six years. It is the priority of the country and the province to halve unemployment by 2014 and the provincial projects, which are currently implemented, and those in the pipeline are focussed for the achievement of this priority.

5.10 Expense on training

Table 16: Summary of training expense

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2004/05	2005/06	2006/07
Vote 01: Office of the Premier	0	0	1,200	1,230	825	825	1,076	1,129	1,187
Vote 02: Legislature	561	448	589	561	561	561	968	1,016	915
Vote 03: Finance and Economic Affairs	0	2,138	3,762	1,693	1,693	1,693	3,575	3,772	3,960
Vote 04: Health	8,472	31,369	24,802	35,548	35,548	35,548	35,915	36,015	36,115
Vote 05: Education	50,639	45,719	82,691	57,626	57,626	57,626	72,989	70,248	72,814
Vote 06: Social Services and Population Development	2,387	2,049	1,384	4,206	4,206	4,206	5,206	5,622	6,072
Vote 07: Housing	300	144	872	1,800	1,760	1,760	1,800	2,400	2,500
Vote 08: Development Planning and Local Government	195	143	1,011	1,171	1,171	1,171	1,100	1,100	1,100
Vote 09: Public Transport, Roads and VWorks	5,386	4,898	9,541	12,321	12,321	7,443	12,729	13,210	13,725
Vote 10: Safety and Liaison	161	188	456	334	334	334	349	384	429
Vote 11: Agriculture	167	890	1,170	2,461	2,461	2,461	3,719	4,017	4,416
Vote 12: Sports	0	178	130	108	91	91	154	162	138
Vote 13: Gauteng Shared Services Centre	-	5,685	1,241	5,357	5,357	5,357	9,982	10,681	11,215
Total expenditure on training:	68,268	93,849	128,849	124,416	123,954	126,464	149,562	149,756	154,586

The table above indicates the training expense incurred by the province since 2000/01 and the estimates for 2004/05 and the MTEF. In total the estimated training expense is R871 million for this seven-year period and is translated to an annual average of R124 million. R695 million or 79.8% of the total training expense as indicated above goes to social sector (Education, Health and Social development). This emphasizes the point the province is making on quality service delivery to improve the standard of living of the citizen of Gauteng. The good pass rate, the increase in number of beneficiaries receiving the grants, the improved turnaround time for patient attendance etc, are the results of the spending incurred on training.

7. NON FINANCIAL DATA FOR SOCIAL SECTORS

Department of Education

Number of Learners

	1999	2000	2001	2002	2003	Expected Growth for 2004/5	% Growth 1999-2003
<u>Public Ordinary Sector</u>							
Public Primary	899,095	883,567	896,532	917,400	940,735	962,894	4.6
Public Secondary	554,210	554,075	548,911	563,915	583,959	597,714	5.4
Public Total	1,453,305	1,437,642	1,445,443	1,481,315	1,524,694	1,560,607	4.9
Rural*	120,435	117,035	121,165	124,232	127,825	130,836	
<u>Independent Ordinary Schools</u>							
Independent Primary	24,087	27,054	25,046	26,734	29,771	30,472	23.6
Independent Secondary	85,902	89,538	95,320	107,565	106,990	109,510	24.5
Independent Total	109,989	116,592	120,366	134,299	136,761	139,982	24.3
<u>Other Sectors</u>							
LSEN Public	28,036	30,301	27,135	29,348	29,581	30,278	5.5
LSEN Independent	410	600	470	735	577	591	40.7
ABET	59,296	75,294	78,831	57,875	57,875	59,238	-2.4
FET Colleges	40,789	43,946	45,936	47,018	48,125	49,259	18.0

*The information for rural is included in the primary and secondary statistics

Number of Institutions

	1999	2000	2001	2002	2003	Expected Growth for 2004/5	% Growth 1999-2003
<u>Public Ordinary Sector</u>							
Public Primary	1,353	1,357	1,358	1,359	1,360	1,350	0.5
Public Secondary	548	551	551	554	560	560	2.2
Public Total	1,901	1,908	1,909	1,913	1,920	1,910	1.0
Rural*	213	212	212	212	210	198	
<u>Independent Ordinary Schools</u>							
Independent Primary	89	97	97	110	115	118	29.2
Independent Secondary	251	260	270	303	301	302	19.9
Independent Total	340	357	367	413	416	420	22.4
<u>Other Sectors</u>							
LSEN Public	98	97	96	96	96	96	-2.0
LSEN Independent	5	5	6	6	6	6	20.0
ABET	214	214	243	243	243	240	13.6
FET Colleges	33	33	33	9	9	9	-72.7

*The information for rural is included in the primary and secondary statistics

Number of Educators

	1999	2000	2001	2002	2003	Expected Growth for 2004/5	% Growth 1999-2003
<u>Public Ordinary Sector</u>							
Public Primary	23,436	23,295	23,290	23,422	24,079	24,646	3.4
Public Secondary	15,936	16,077	16,673	16,326	16,855	17,252	4.8
Public Total	39,372	39,372	39,963	39,748	40,934	41,898	4.0
Rural*	3,117	3,055	3,279	3,328	3,484	3,566	
<u>Independent Ordinary</u>							
Independent Primary	1,194	1,375	1,378	1,414	1,604	1,642	16.7
Independent Secondary	4,950	5,367	5,870	6,581	6,672	6,829	24.3
Independent Total	6,144	6,742	7,248	7,995	8,276	8,471	22.8
<u>Other Sectors</u>							
LSEN Public	2,135	2,025	1,984	2,101	2101	2,150	-1.6
LSEN Independent	36	101	123	96	96	71	91.7
ABET	2,313	3,023	2,080	2,692	2692	2,755	16.4
FET Colleges	1,871	1,905	2,069	2,135	2,135	2,185	14.1

* The information for rural is included in the primary and secondary statistics.

** The educator figure in the public sector excludes the SGB paid educators.

Description	2000/1 Actual	2001/2 Actual	2002/3 Actual	2003/4 Actual	2004/5 Forward Estimate	2005/6 Forward Estimate	2006/7 Forward Estimate
Number of Schools	2247	2283	2287	2298 2274*	2303 2279*	2308 2284*	2313 2289*
(All Public Institutions)							
Number of Educators (all public institutions)	46,917	47,000	47,054	48,136	49,099	50,081	51,082
SGB paid			4,438	4,517			
Number of learners (in all public institutions)	1,565,498	1,596,027	1,632,199	1,659,069	1,692,250	1,726,095	1,760,617
Grade 12 Passrate	67.5	73.7	78.1	81.4	82	83	83
Repeaters (Grade 1-11 Ordinary schools only)	105,702	110,914	72,195	68769**	65,000	60,000	50,000
Dropouts	31,824	37,638	33,494	32824**	32,168	31,524	30,894
Learner/Educator ratio (For all instittitions)	35	35	34.8	35	<40	<40	<40
Learner / Classroom ratio	41	40	38.8	38	<40	<40	<40
Learners passing Maths HG in Grade 12 (Total numbers)	5661	6206	6091	6749	7289	7872	8502
Learners passing Maths SG in Grade 12 (Total numbers)	16037	13047	17847	18027	19469	21027	22709
Learners passing Science HG in							

Grade 12 (Total numbers)	6267	7181	6659	7089	7656	8269	8930
Learners passing Science SG in Grade 12 (Total numbers)	12142	9354	10757	11570	12496	13495	14575
Number of CS- Educators receiving in-service training		2448	2644	2855	3084	3330	3597
Number of schools and learners receiving subsidy:							
- Schools	2036	2039	2044	2047	2050	2053	2060
- learners	1607179	1625745	1669131	1702514	1736564	1771295	1790000
Total Expenditure	4353	4554	4998	5307	5446	5642	5864
LSM per learner	70	51	124	243	252	264	261
Non-personnel non-capex spend per learner (R/learner)	479	587	670	940	872	970	1016

Department of Health

Table 1: Hospital data

a)- District Hospitals

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Number of Hospitals	8	8	11
Hospital beds	1 257	1257	2 344
Admissions	104 228	106 310	190 000
Admissions per 1000 uninsured	16.1* ¹	16.4* ¹	29.4* ¹
Outpatients	456 857	470 000	600 000*
PDE's	565 891	580 000	714 000
Cost per PDE	R 614*	R 669*	R 565*
Bed Occupancy	70%	75%	78%
Length of stay	3.3 days	3 days	3 days

* Estimates only

b)-General Hospitals

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Number of Hospitals	11	11	7
Hospital beds	6 398	6 368	5 103
Admissions	354 068	335 798	300 000
Admissions per 1000 uninsured	54.8* ¹	55* ¹	46.3* ¹
Outpatients	1 088 586	998 866	870 000
PDE's	2 118 343	19 66 854	180 000
Cost per PDE	R 467.50*	R 582.13*	R 612.99*
Bed Occupancy	68%	75%	80%
Length of stay	4.5	4	4

* Estimates only

c)- Other Specialised Hospitals (Sizwe hospital)

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Number of Hospitals	1	1	1
Hospital beds	220	220	220
Admissions	1 450	1 660	1 700
Admissions per 1000 uninsured	0.2 ^{*I}	0.3 ^{*I}	0.3 ^{*I}
Outpatients	5074	5694	6000
PDEs	65 270	75 571	76 000
Cost per PDE	R 466.43*	R 408*	R601.31*
Bed Occupancy	79%	80%	85%
Length of stay	26.7	25	24

NB: exclude private aided and contracted hospitals

* Estimates only

d)- Psychiatric Hospitals

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Number of Hospitals	4	4	4
Hospital beds	2 367	2 367	2 367
Admissions	9 243	7 283	7 300
Admissions per 1000 uninsured	1.4 ^{*I}	0.1 ^{*I}	0.1 ^{*I}
Outpatients	21 815	220 224	225 000
PDE's	731 215	718 017,3	704 819
Cost per PDE	R 320.79 *	R 352.87*	R388.16*
Bed Occupancy Acute	75%	78%	82
Length of stay – Acute excl.			
Cullinan hospital	66	60	60

NB: exclude private aided and contracted hospitals,

* Estimates only

e)- Academic Dental

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Number of Hospitals	3	3	3
Hospital beds	N/A	N/A	N/A
Admissions	N/A	N/A	N/A
Admissions per 1000 uninsured	N/A	N/A	N/A
Outpatients	32 000	38 000*	46 000*
PDE's	N/A	N/A	N/A
Cost per PDE	N/A	N/A	N/A
Bed Occupancy	N/A	N/A	N/A
Length of stay	N/A	N/A	N/A

* Estimates only

I. Uninsured population based on October 1999 household survey (26.9% insured population from 2001 census)

f)- Central Hospitals

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Number of Hospitals	4	4	4
Hospital beds	6 532	5 332	5 000
Admissions	289 364	276 882	140 000
Admissions per 1000 uninsured _	N/A	N/A	N/A
Outpatients	1673343	1362178	950 000
PDE's	2440144	2100050	2 000 000
Cost per PDE	R1 160.26*	R1 352.58*	R1 381.64*
Bed Occupancy	75	75	80
Length of stay	6.2	7	7

Estimates only*

2001 census data_

g)- Summary Table

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Summary			
Number of Hospitals	31	31	31
Hospital beds	16 774	15 544	13 862
Admissions	758 353	727 933	7 200 209
Admissions per 1000 uninsured	117.4* ¹	112.7* ¹	115.5* ¹
Outpatients	3 245 675	3 533 962	3 533 962
PDE's	4 891 106	5 122 566	6 122 566
Cost per PDE	R 790	R 848	R848
Bed Occupancy	74	75	80
Length of stay	5.9	5.5	5.5
Hospital deliveries	121 443	146 632	150 000

Ps: we have included statistics from chronic Hospitals & Mental Health as well as private hospitals

* Estimates only

Table h: Selected primary care indicators

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
PHC headcounts	10.4000 000	10.600 000*	11 000 000*
PHC head per capita uninsured	1,6	1,6	1.6
Cost per headcount	#	R 78*	#
Immunisation coverage at-1 year	79%	79%	90%
Proportion of Essential drugs out of stock at			
PHC facilities	2%	2%	1.5
TB cure rate	63%	68%	70%
Antenatal seroprevalence	29.8%	31.6%*	32%*
Number of school children fed through PSNP	293 457	317 587	Dept of Education
Number of PHC deliveries	32 048	33 000	33 500

* Estimates only

Information not available

Table I: Emergency ambulance indicators

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Number of vehicles	287	355	271
Number of vehicles replaced per year	20	95	80
Total kilometers traveled per year	9 049 417	10 858 166	11 000 000
Number of patients transported	384 503	379 149	400 000
Proportion PI patients responded to within 15 minutes	82.6	70	80
Cost per kilometer	R24.58*	R23.93*	R27.12*
Cost per patient transported	R555.89*	R586.84*	R600*

* Estimates only

Table J: Training outputs

INDICATOR	Actual: 2002/03	Projected: 2003/04	Planned 2004/05
Nursing students all years	2 627	3 022	3 121
Nursing graduates	1 266	1 213	1 148
Cost per nursing graduate	R 55 244*	R59 588*	R63 461*
Registrars all years	#	#	#

* Estimates only

Information not available

Department of Social Services and Population Development**PROGRAMME2: Social Assistance Grants**

DETAILS : SOCIAL SECURITY PROJECTED NUMBER OF BENEFICIARIES REGION: TOTAL GAUTENG	MTEF 2004/05	2005/06	2006/07
Old Age Grant	253,454	254,632	257,705
War Veterans Grant	809	677	565
Disability Grant	194,945	238,486	285,138
Foster Care Grant	21,134	21,346	24,053
Care-dependency Grant	13,919	15,863	17,787
Child Support Grant Beneficiaries (care-givers)	761,852	1,076,690	1,408,925
Child Support Grant children (0 - 7)	629,636	903,863	903,863
Child Support Grant Ext (7 - 9)	227,571	401,613	337,490
Child Support Grant Ext (9 - 11)	70,175	198,652	401,613
Child Support Grant Ext (11-14)	0	140,530	198,652
TOTAL	1,246,113	1,607,695	1,994,172

* Number of beneficiaries = as at end of each financial year

= Children not added to total beneficiaries

DETAILS : SOCIAL SECURITY ESTIMATED EXPENDITURE REGION: TOTAL GAUTENG	MTEF 2004/05 R	2005/06 R	2006/07 R
Old Age Grant	2,184,855,130	2,370,306,356	2,521,927,867
War Veterans Grant	7,847,275	7,058,622	6,182,951
Disability Grant	1,609,481,771	2,059,435,994	2,588,570,846
Foster Care Grant	209,259,653	207,469,132	246,085,695
Care-dependency Grant	107,749,664	140,655,467	165,797,142
Child Support Grant (0 - 7)	1,236,591,727	1,754,970,272	2,243,357,553
Child Support Grant - Extension (7 - 9)	314,056,924	779,785,044	1,043,897,983
Child Support Grant - Extension (9 - 11)	77,543,375	366,606,231	521,410,266
Child Support Grant - Extension (11 - 14)	0	164,420,568	372,437,732
Social Relief of distress	2,541,904	2,796,094	3,075,704
TOTAL	5,749,927,423	7,853,503,781	9,712,743,738

Annexure to Budget Statement I

Annexure to Budget Statement I**Table I: Details of expense by policy area****Payments summary by policy area**

Function	Category	Department	Programme
General public services	Legislative	Premier	Excutive Office State Law Advice
		Provincial Legislature	Political Representation Office of the Speaker & Provincial Secretary Parliamentary Operations Institutional Support Services Operational Support Services Information and Liaison
	Financial and fiscal affairs	Finance	Management Support Services Provincial Treasury Blue IQ
	General services	Office of the Premier	Policy Development and Co-Ordination Government Communication and Information Services Strategic Human Resources & Management Support Financial Management Informatcis
		Gauteng Shared Services	Internal Audit Services Human Resources Services Procurement Services Finance Services Technology Support Services
		Development Planning and Local Government	Administration
			Local Governance Development And Planning
Public order and safety	Police services	Provincial Safety and Liaison	Management And Administration Social Crime Prevention Monotoring And Evaluation Community Police Relations
Economic Affairs	General economic affairs	Economic Affairs	Economic Affairs Management
	Agriculture	Agriculture	Agriculture Veterinary Services Natural Resource Management Environmental Planning and Impact Assessment Waste and Pollution Abatement World Hertage Site Dinokeng Legal Services Compliance and Enforcement Management Information Services Communication and Awareness Human resources Management Facilities management

	Transport	Transport	Financial Management Administration Public Works Road Infrastructure Transport Community Based-Programme Traffic Management
Environmental Protection	Environmental protection		Conservation
Housing and community amenities	Housing development	Housing	Administration Housing Planning And Research Housing Performance /Subsidy Programmes Urban Renewal and Human Settlement Redevelopment Housing Asset management
Health	Outpatient service Health Support Services Hospital services	Health	District Health Services Administration Emergency Medical Services Health Training and Sciences Health Care Support Services Health Facilities Management Provincial Hospital Services Central Hospital Services
Recreation, culture and religion	Recreational and sporting services Cultural services	Sport, recreation, arts and culture	Sports and Recreation Administration Cultural Affairs Library and Information Services
Education	Pre-primary , primary and secondary education Subsidiary service to education Education not definable by level	Education	Public Ordinary School Education Independent School Education Education In Specialised Schools Early Childhood Development Administration Auxiliary And Associated Services Further Education And Training Adult Basic Education And Training Teacher Colleges
Social protection	Social security services	Social service and Population development	Administration Social Assistance Grant Social Welfare Services Development and Support Services Population Development and Demographic Trends Gauteng Intersectoral Dev Unit Social Dev, Welfare Facilities and Auxiliary Support

Table 2: Details of expense by policy area - continued

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited 2000/01	Audited 2001/02	Audited 2002/03				2004/05	2005/06	2006/07
General Public Services									
Executive and									
Legislature	93,036	83,480	83,971	87,346	98,139	94,984	109,472	113,131	107,937
Office of the Premier	22,746	2,611	12,940	13,475	10,969	10,859	16,150	17,525	17,525
Provincial Legislature	70,290	80,869	71,031	73,871	87,170	84,125	93,322	95,606	90,412
Financial and Fiscal									
Services	268,379	571,465	720,638	1,576,914	1,379,887	1,370,861	1,449,767	1,853,416	2,171,680
Provincial Treasury	76,448	146,566	39,736	41,679	21,669	16,302	35,506	37,459	39,332
Finance	191,931	424,899	680,902	1,535,235	1,358,218	1,354,559	1,414,261	1,815,957	2,132,348
General Services	147,214	170,126	253,144	726,703	804,228	802,953	795,752	755,410	818,113
Office of the Premier	76,574	75,550	74,445	84,778	82,472	83,321	88,060	93,031	98,159
Gauteng Shared									
Services Centre		8,541	29,495	397,865	483,915	483,915	476,483	509,884	535,379
Development Planning									
and Local Government	70,640	86,035	149,204	244,060	237,841	235,717	231,209	152,495	184,575
Total: General Public Serv.	508,629	825,071	1,057,753	2,390,963	2,282,254	2,268,798	2,354,991	2,721,957	3,097,730
Public Order and Safety									
Police Services									
Safety and Liaison	29,713	22,351	25,689	33,920	37,870	37,870	39,235	41,008	42,708
Total: Public Order and Safety	29,713	22,351	25,689	33,920	37,870	37,870	39,235	41,008	42,708
Economic Affairs									
General Economic Affairs									
Economic Affairs	31,965	42,617	75,174	77,347	92,347	90,575	97,891	91,439	92,861
Agriculture									
Dept of Agriculture Affairs	87,022	86,757	149,390	151,552	153,418	153,338	170,600	191,945	210,243
Transport									
Department of Public Transport	1,236,146	1,024,947	1,398,198	1,464,582	1,513,829	1,464,726	1,581,727	1,634,155	1,685,246
Total: Economic Affairs	1,355,133	1,154,321	1,622,762	1,693,481	1,759,594	1,708,639	1,850,218	1,917,539	1,988,350
Environmental Protection									
Environmental Protection	25,713	23,927	82,054	60,571	31,476	31,665	57,729	46,676	37,454
Total: Environmental Protection	25,713	23,927	82,054	60,571	31,476	31,665	57,729	46,676	37,454

Housing and Community Amenities									
Housing Development									
Department of Housing									
	713,335	917,135	1,417,299	1,174,025	1,235,930	1,235,930	1,425,018	1,654,909	1,742,380
Total: Housing and Community Amenities									
	713,335	917,135	1,417,299	1,174,025	1,235,930	1,235,930	1,425,018	1,654,909	1,742,380
Health									
Outpatient services									
	1,293,701	1,306,577	1,573,435	1,796,386	1,791,827	1,857,554	2,012,090	2,244,148	2,392,102
Health Support Services									
	482,018	1,067,568	1,189,826	1,289,666	1,304,598	1,324,143	1,406,133	1,404,897	1,421,862
Hospital Services									
	4,166,489	4,463,431	4,924,778	5,025,711	5,069,717	5,198,486	5,312,784	5,566,799	5,828,560
Total: Health	5,942,208	6,837,576	7,688,039	8,111,763	8,166,142	8,380,183	8,731,007	9,215,844	9,642,525
Recreation, Culture and Religion									
Sporting and Recreational Affairs									
Sport, Arts and Culture									
	92,502	83,058	110,933	127,578	131,012	131,933	135,752	141,327	145,139
Total: Recreation, Culture and Religion	92,502	83,058	110,933	127,578	131,012	131,933	135,752	141,327	145,139
Education									
Pre-primary, Primary and Secondary Education Phase									
	6,084,559	5,953,530	6,892,133	7,463,842	7,527,655	7,642,173	8,037,328	8,571,088	8,965,850
Subsidised Services to Education									
	224,332	837,571	737,706	960,299	1,082,063	1,059,686	978,300	1,016,819	1,078,592
Education not defined by level									
	505,628	477,389	436,080	424,699	424,699	339,529	441,476	456,085	481,342
Total: Education	6,814,519	7,268,490	8,065,919	8,848,840	9,034,417	9,041,388	9,457,104	10,043,992	10,555,784
Social protection									
Social Services and Population Development									
	2,624,982	3,015,920	3,974,088	4,588,515	5,111,442	5,441,435	5,733,768	6,943,033	7,448,176
Total: Social protection	2,624,982	3,015,920	3,974,088	4,588,515	5,111,442	5,441,435	5,733,768	6,943,033	7,448,176
Total provincial payments and estimates by policy area									
	18,106,734	20,147,849	24,044,536	27,029,656	27,790,137	28,277,841	29,785,822	32,728,955	34,704,586

Table 3: Details of Transfers to local government by category and municipality

	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	Audited	Audited	Audited	appropriation	appropriation	estimate			
R thousand	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
Category A									
City of Johannesburg	57,474	69,937	92,733	98,926	100,600	101,226	122,143	110,820	116,250
Ekurhuleni Metro	68,725	67,083	109,730	133,055	132,490	135,355	155,517	147,820	154,480
City of Tshwane	14,791	31,575	45,493	57,408	59,687	59,687	73,108	64,096	66,976
Total	140,990	168,595	247,956	289,389	292,777	296,268	350,768	322,736	337,706
Category B									
Kungwini Local	900	440					1,100		
Nokeing Tsa Taemane	1949	750	3000	200	200	200	3,000		
Randfontein	900	1011		6857	3225	6857		6244	6244
Westonaria		756		950	950	950	1,000	800	800
Merafeng	900	590	944	3436	120	3436	4,500		
Mogale City		360	5616	3100	3100	3100	5,000	6457	6457
Emfuleni	1996	2450	3100	1000	1000	1000	2,000		
Midval	800			850		850			
Lesedi		500		16285	3950	16285	14,480	4000	4000
Total	7,445	6,857	12,660	32,678	12,545	32,678	31,080	17,501	17,501
Category C									
Metsweding District	8,261	11,690	14,958	21,626	9,550	21,626	17,388	10,550	11,130
West Rand District	17,888	40,718	27,330	56,640	31,300	56,640	54,961	34,610	36,350
Sedibeng	126	38,195	76,653	76,850	44,850	76,850	83,312	49,650	52,170
Total	26,275	90,603	118,941	155,116	85,700	155,116	155,661	94,810	99,650
Unallocated	104,616	6,454							
Total transfers to									
local government	279,326	272,509	379,557	477,183	391,022	484,062	537,509	435,047	454,857