

BUDGET STATEMENT NUMBER 1

BUDGET OVERVIEW

1. BUDGET STRATEGY AND AGGREGATES

1.1 Introduction

Budget appropriations are voted by the Legislature to provide departments and other spending agencies with funds consistent with their identified aims and programme objectives. The Budget Statements set out the allocations proposed by the MEC for Finance following consideration by political office-bearers and officials of the expenditure requirements of all spending agencies. Detailed submissions to the Provincial Treasury by all departments provide the essential information needed to assess competing claims on available funds. In preparing their budget submissions, departments are expected to pursue cost-effective strategies for delivering the services for which they are responsible and to ensure full political endorsement of departmental plans and priorities.

Departmental programmes together give effect to the full range of government's policies and commitments. Within the limits of the resources available to the fiscus, government allocates funds across these programmes in keeping with the Government priorities, as well as the relevant policies and the requirements of national and provincial legislation. The bulk of provincial spending goes to social services - school education, health and social security. These services make up about 80 per cent of total provincial spending. Provinces are also expected to fund key economic infrastructure, like provincial roads, housing, agriculture, economic affairs and tourism. Provincial priorities for the 2004 MTEF draw from the deliberations of political office bearers at forums such as Cabinet Makgotla, MINCOMBUD, Budget Council and other relevant political forums. Although modest compared with last year's revisions, on the back of substantial additions last year and in view of the downward trend in inflation, this will see strong real growth in provincial revenue. The question is whether such growth is sufficient to meet the significant expenditure pressures facing provinces.

Social Services

Despite a steady downward trend in the share of provincial social services in total provincial expenditure, it still comprises the bulk of provincial expenditure. Within social services, the share of social development expenditure has been rising quite rapidly, fuelled in part by planned growth in the Child Support Grant, and in part by unanticipated sharp growth in the disability grant. While the revisions set out in the current provincial framework attempt to deal with the pressure arising from the growth in social security grants, the unpredictability of future spending commitments relating to this function poses challenges for provincial budgeting. In the context in which Government is keen to provide income support while simultaneously addressing employment creation, the increased budget is earmarked to fund growth in beneficiary numbers especially child support grant as well as an enhancement of support for welfare services.

Education

Supported by substantial growth in revision over baseline, precisely to take account of the need to scale up spending on non-personnel non-capital (npnc) expenditure in education in general, and in schools in particular.

This year's additions over baseline seek to maintain the upward trend in non-personnel non-capital (npnc) expenditure on public ordinary schools to fund learner support materials (LSM), early childhood development (ECD), adult basic education and training (ABET) as well as re-enforcing of infrastructure development (building and maintenance of schools and provision of water and sanitation).

Health

The 2004 budget framework provides for the strengthening of the health sector as part of equipping it to deal with, among other things, the pressures of HIV/Aids (scaling up and accelerated expansion of the HIV/Aids treatment programmes and bolstering the health sector against the impact of the disease).

The revised framework also entails addressing firstly, the issue of shortages of scarce skills and rural allowances. Secondly, it is about scaling up spending on physical infrastructure partly through the Hospital Revitalisation Grant and partly through the Provincial Infrastructure Grant, which also leverages provincial "own" resources. Thirdly, it provides funding for stepping up spending on antiretroviral drugs.

Non-social services

In addition to social services, provinces are responsible for a range of other important functions, including provincial roads, agriculture, economic affairs, environment and tourism, housing and so on. These functions play a vital role in sustaining economic activity in provinces and have the potential of developing assets, creating jobs, eradicating poverty and addressing rural development.

Key priorities for provincial budgets in the 2004 MTEF relate to:

- Maintaining strong growth in roads budgets
- Strengthening support for post settlement support for the Land Redistribution for Agricultural Development Programme
- Facilitating implementation of the Expanded Public Works Programme, through additional conditions to the Provincial Infrastructure Grant.
- Increased funding for the latter programmes will also give expression to Government's aim of increasing employment by expanding labour-based and labour-intensive programmes.

1.2 Summary budget aggregates

Table 1.1: Provincial budget summary

Summary	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
National transfers	6,857,272	8,353,999	9,561,433	11,080,662	11,561,561	22,642,223	12,813,682	14,272,729	15,623,215
Equitable Share	6,451,928	7,581,982	8,724,799	10,169,531	10,527,509	20,697,040	11,606,061	12,748,274	13,812,776
Conditional grants	405,344	772,017	836,634	911,131	1,034,052	1,945,183	1,207,621	1,524,455	1,810,439
Own revenue	25,088	228,854	246,464	281,073	-	281,073	314,114	327,355	341,347
Total revenue	6,882,360	8,582,853	9,807,897	11,361,735	11,561,561	22,923,296	13,127,796	14,600,084	15,964,562
Current payments	6,491,223	7,958,720	9,164,272	10,713,434	11,076,562	21,789,996	12,268,830	13,487,613	14,658,136
Compensation of employees	4,314,116	4,428,609	4,960,120	5,604,529	5,530,109	11,134,638	6,117,736	6,517,808	7,148,702
Salaries and wages	3,467,935	3,579,287	4,008,312	4,478,607	4,421,834	8,900,441	4,749,143	5,086,703	5,543,779
Social contributions	846,181	849,323	951,809	1,125,922	1,108,275	2,234,197	1,368,592	1,431,105	1,604,923
Goods and services	618,739	1,383,263	1,647,419	2,075,757	2,282,339	4,358,096	2,441,574	2,835,805	2,948,883
Of which:	-	-	-	-			-	-	-
Consultants	51,544	46,985	63,235	102,487	(6,026)	96,461	114,521	112,671	124,806
Audit and Legal Fees	6,338	11,885	16,649	14,587	2,379	16,966	22,697	68,795	25,745
Bursaries and Class Fees	7,505	14,766	19,549	24,272	4,263	28,535	33,363	37,212	40,162
Travel and subsistence	20,087	55,843	77,865	95,239	23,365	118,604	71,109	71,233	82,044
Maintenance, repair and running cost	22,997	34,823	33,832	65,241	(3,480)	61,761	98,740	103,202	104,590
Owned and Leasehold property expenditure	9,220	17,378	15,087	21,001	4,719	25,720	26,290	27,365	28,912
Inventory	14,319	13,245	17,169	37,363	738	38,101	41,503	42,271	44,681
Rent of Labour Saving Devices	-	12,561	29,193	29,224	-	29,224	33,633	33,840	35,870
Learner Support Material	-	92,113	211,897	241,631	-	241,631	249,361	275,874	210,602
Learner Transport	-	10,647	34,903	50,511	-	50,511	50,529	52,961	58,116
Medicine & Vaccine	9,635	114,528	121,838	129,615	-	129,615	137,392	144,903	152,196
Gases: Medical	939	11,130	11,841	12,597	-	12,597	13,353	14,088	14,792
Blood	4,219	30,650	32,606	34,688	-	34,688	36,769	38,792	40,731
Rental Housing Tribunal	-	-	-	520	-	520	582	617	654
Other	462,886	899,107	906,834	1,164,660	195,098	1,359,758	1,406,542	1,698,808	1,756,193
Transfer payment and subsidies to:	1,558,368	2,146,848	2,556,733	3,033,148	3,264,114	6,297,262	3,709,520	4,134,000	4,560,551
Other levels of Government		66,985	85,649	62,224	65,819	128,043	45,320	50,449	51,414
Departmental agencies and accounts	1,182,993	1,417,318	1,836,481	2,239,530	2,408,700	4,648,230	2,881,727	3,331,294	3,714,239
Public corporations and private enterprises	121,182	218,490	189,290	196,200	232,200	428,400	206,700	138,185	145,570
Foreign governments & international org	-	-	-	-	-	-	-	-	-
Non-profit institutions and households	254,193	444,055	445,313	535,194	557,395	1,092,589	575,773	614,072	649,328

Interest and rent on land	-	-	-	-	-	-	-	-	-
Payments on capital assets	352,076	496,477	609,652	648,322	766,672	1,414,994	808,966	1,062,472	1,256,426
Buildings and other fixed structures	316,258	397,964	446,484	414,348	503,613	917,961	524,821	741,523	814,824
Machinery and equipment	35,818	98,513	163,168	233,974	263,059	497,033	283,964	320,750	441,384
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	181	199	218
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total payments	6,843,299	8,455,197	9,773,924	11,361,756	11,843,234	23,204,990	13,077,796	14,550,085	15,914,562
Lending	-	-	-	-	-	-	-	-	-
Surplus (deficit)	-	-	-	-	-	-	50,000	50,000	50,000

1.3 Financing

The provinces have in terms of the Budget Council agreement refrained from borrowing, therefore no borrowing or proposed deficit, whether through bank overdraft or draw down of cash balances or deposits.

2. Budget process and the Medium Term Expenditure Framework

National and provincial budgets include appropriations voted by Parliament and provincial legislatures each year, together with forward estimates for the subsequent two years. These three-year estimates of expenditure for each departmental vote comprise the Medium-Term Expenditure Framework.

The advantages of planning expenditure three-years ahead are the following:

Expenditure implications of government policies and priorities are indicated in advance, permitting departments and other interested parties to plan accordingly; due to the predictability of revenue flows, departments can plan their spending programmes within an agreed expenditure envelope; policy proposals can be readily assessed against the available financial resources; Government's future spending commitments are made public, enhancing transparency and accountability; personnel and procurement planning can be conducted with greater certainty of future resource availability; expenditure planning can be linked more effectively to outputs and delivery of services; and Government's medium-term fiscal targets, tax policy and debt strategy can be linked to agreed expenditure commitments.

Within their three-year spending envelope, departments have substantial discretion about how to best deploy their resources to meet their objectives.

The budget process also requires departments to undertake detailed reviews and reprioritisation within their medium-term expenditure allocations each year. Expenditure reprioritisation is closely integrated with the ongoing review of policies and programmes undertaken by spending agencies under the leadership of political heads.

3. Socio-economic outlook

3.1 Demographics

In terms of land area, Mpumalanga occupies 79 490 of the total 1 219 090 square kilometres for the whole country. It is the second smallest province in South Africa as indicated by table 3.1.

Table 1.2 Area of each province in square kilometres

Province	Square km	% of Total
Eastern Cape	169,580	13.9%
Free State	129,480	10.6%
Gauteng	17,010	1.4%
KwaZulu-Natal	92,100	7.6%
Limpopo	123,910	10.2%
Mpumalanga	79,490	6.5%
Northern Cape	361,830	29.7%
North West	116,320	9.5%
Western Cape	129,370	10.6%
Total	1,219,090	100.0%

Source: Department of Land Affairs

Table 1.2 which gives population figures for provinces, shows that Mpumalanga population increased from 2,8 million to 3,1 million in 2001, which is an increase of 12%. Gauteng and KwaZulu-Natal recorded the highest growth.

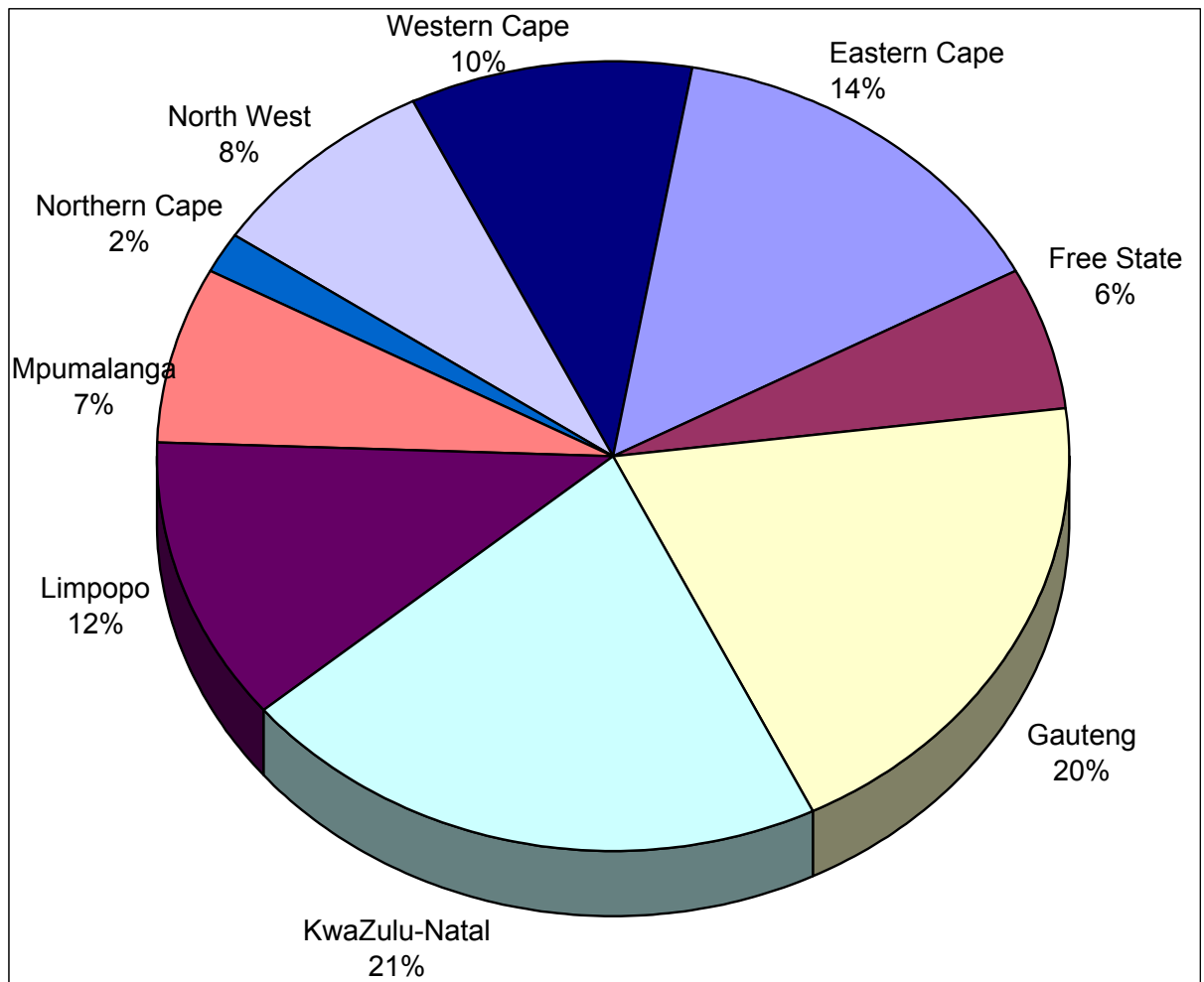
Table 1.3 Population by province

	1996	2001	Growth %
Eastern Cape	6 302 525	6 436 763	2%
Free State	2 633 504	2 706 775	3%
Gauteng	7 348 423	8 837 178	20%
KwaZulu-Natal	8 417 021	9 426 017	12%
Limpopo	4 929 368	5 273 642	7%
Mpumalanga	2 800 711	3 122 990	12%
Northern Cape	840 321	822 727	-2%
North West	3 354 825	3 669 349	9%
Western Cape	3 956 875	4 524 335	14%
Total	40 583 573	44 819 776	10%
Percentage of total population			
Eastern Cape	15.5%	14.4%	
Free State	6.5%	6.0%	
Gauteng	18.1%	19.7%	
KwaZulu-Natal	20.7%	21.0%	
Limpopo	12.1%	11.8%	
Mpumalanga	6.9%	7.0%	
Northern Cape	2.1%	1.8%	
North West	8.3%	8.2%	
Western Cape	9.7%	10.1%	
Total	100%	100%	

Source: Statistics South Africa.

Figure 1 below shows that Mpumalanga population is 7% of the total population. Interestingly, although the population increased by 12%, the contribution to the total population has slightly increased from 6,9% to 7% according to the 2001 census.

Figure 1: Population by province for census 2001



In terms of racial distribution, 92% of the population are black African, followed by Whites who constitute only 6,5%, 0,7% are Coloured and 0,4% Indian.

Table 1.4 Population by population group

Population group	Number	% of total
Black African	2 886 345	92.4%
Coloured	22 158	0.7%
Indian or Asian	11 244	0.4%
White	203 244	6.5%
Total	3 122 991	100.0%

Source: Statistics South Africa

One of the provincial goals is to give attention to early childhood care and education, learning programmes for all young people and adults, and improvements in the quality of education. Table shows that 27% of the 1 659 420 people aged 20 and older did not receive formal education. What is interesting is that the majority of those who did not receive schooling are females. The department of education will need to establish how many people who did not receive formal education are being targeted by ABET programme.

Table 1.5 Highest level of education amongst those aged 20 and older

Level of education	Number	% of total
No schooling	456 747	27.5%
Some primary	264 548	15.9%
Completed primary	98 331	5.9%
Some secondary	440 640	26.6%
Grade 12	301 490	18.2%
Higher	97 664	5.9%
Total	1 659 420	100.0%

Source: Statistics South Africa

Figure 2 below indicates that only 18% of the 1 659 420 have passed grade 12, which means that the majority of some of the students dropped before passing grade 12. This information will assist the department of Education in pursuing the objective of ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programmes.

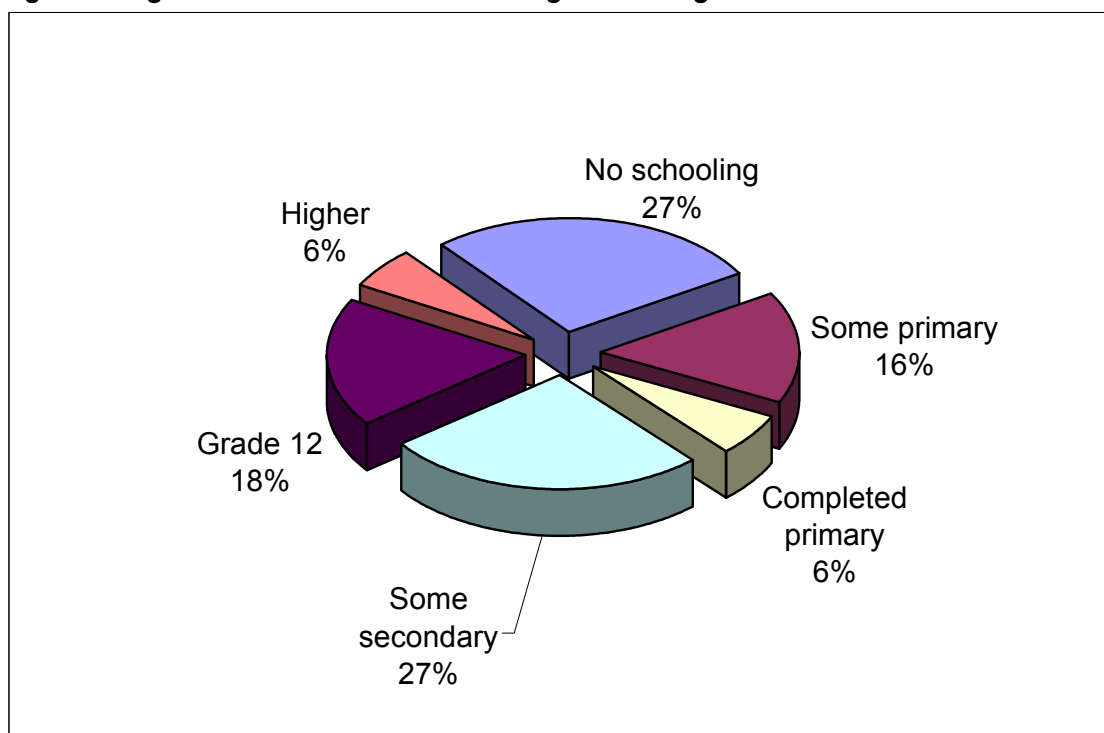
Figure 2: Highest level of education amongst those aged 20 and older

Table 1.6 shows Mpumalanga population in five-year age groups. It is clear that the majority of the people in the province are young people. Figure 3 shows 56% of the population is between the age of 0 - 24.

Table 1.6 Population in five year age groups

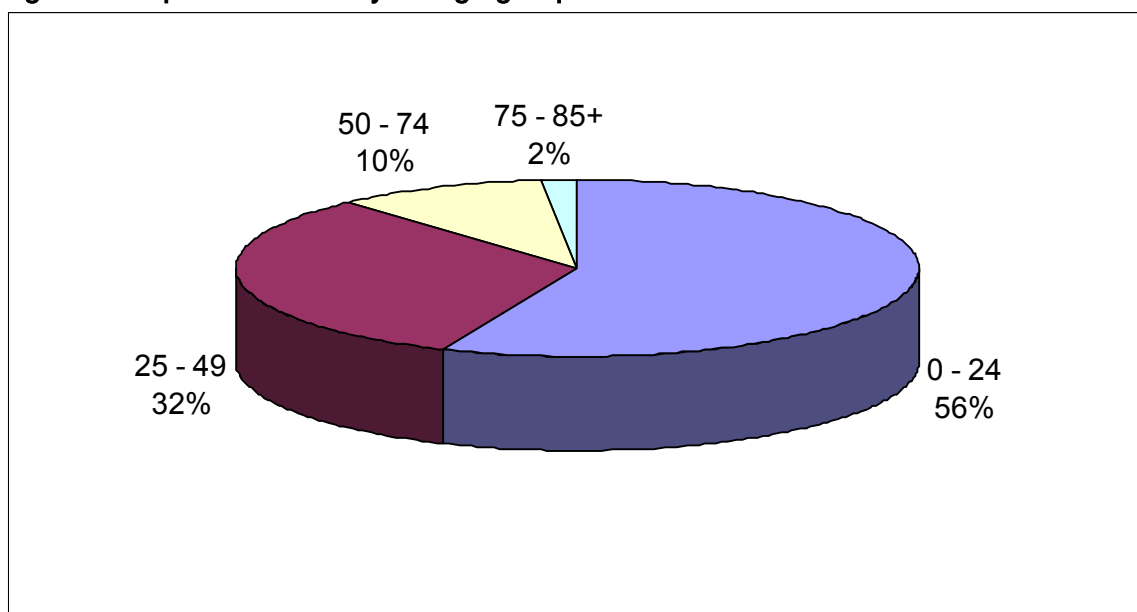
Age groups	Total	Males	Females
0 - 4	348 690	173 019	175 670
5 - 9	364 684	180 799	183 885
10 - 14	379 907	188 337	191 571

Table 1.6 Population in five year age groups

Age groups	Total	Males	Females
15 - 19	370 289	182 660	187 629
20 - 24	295 410	142 624	152 786
25 - 29	265 696	124 414	141 282
30 - 34	222 588	103 534	119 054
35 - 39	206 052	96 837	109 215
40 - 44	166 577	80 911	85 666
45 - 49	135 742	65 138	70 604
50 - 54	100 878	48 959	51 919
55 - 59	70 482	33 585	36 897
60 - 64	63 235	26 683	36 551
65 - 69	43 399	16 642	26 757
70 - 74	39 016	14 458	24 558
75 - 79	21 021	8 439	12 582
80 - 84	18 619	6 647	11 971
85 +	10 706	3 645	7 060
Total	3 122 991	1 497 331	1 625 657

Source: Statistics South Africa

Figure 3 indicates that 56% of Mpumalanga population is between the ages of 0 and 24, 32% is between 25 years and 49 years, 10% is between 50 years and 74 years and the last 2% is 75 years and above

Figure 3: Population in four-year age groups

3.2 Economic Indicators

South Africa's economy in 2003 was dominated by a huge divergence between production and expenditure as a result of the appreciation of the Rand. Some companies in the mining, agriculture, manufacturing and tourism sectors who export goods and services that compete with exports, are suffering severely. On the other hand retail sales and other consumers spending are doing well as a result of a big decline in interest rates and a sharp improvement in the disposable income associated with steep declines in inflation emanating from Rand strength (Econometrics).

One of the economic achievements for the country is of managing to bring down inflation rate from double figures in 2002 to one figure which is within the targeted 3 to 6 percent in 2003. Inflation has declined sharply in recent months due to the strength of the Rand. The CPIX inflation rate, which was at 10.0 percentage points in January 2003, was brought down to 4.4 percentage point in October 2003 (SARB figures). There has been a 5,5-percentage point interest rate drop since June to December 2003. Long-term interest rates have been declining throughout the whole year.

The economically active population of Mpumalanga (expanded definition) was at 1 185 025 in 2002 according to Global Insight. This forms 36.5% of the total population. Males constitute 41% while females are 32%.

In terms of formal employment, Agriculture is the highest contributor of employment at 20.5%, followed by Community services at 17.7%, trade at 15%, manufacturing at 12.2 % and mining at 10%.

Table 1.7 Formal employment per sector

Sector	% Contribution
Agriculture	20.5%
Mining	10.3%
Manufacturing	12.2%
Electricity	1.9%
Construction	3.2%
Trade	15.0%
Transport	4.0%
Finance	5.4%
Community services	17.7%
Households	9.9%
Total	100%

Source: Global Insight

In terms of informal employment sectors, Wholesale and retail trade is the highest contributor of employment at 58%, followed by manufacturing at 16.9%, Construction 10% and Community, social and personal 8%.

Table 1. 8 Informal employment per sector

Sector	% Contribution
Manufacturing	17.0%
Construction	10.4%

Trade	58.1%
Transport	3.5%
Finance	2.9%
Community services	8.2%
Total	100%

Source: Global Insight

According to the Labour Force Survey for September 2001, the unemployment rate in the province is slightly above the National average, which is 29,2%. Census 2001 indicates that the unemployment rate is slightly below the National average of 41,8%. The reason for the difference between the two unemployment rates is caused by the exclusion of the not economically active by the Labour Force Survey.

Table 1.9 Unemployment rate among those aged 15 -65 in each province

Province	Labour Force Survey	Census 2001
Eastern Cape	32.0%	54.6%
Free State	29.1%	43.0%
Gauteng	28.2%	36.4%
KwaZulu-Natal	33.5%	48.7%
Limpopo	36.1%	48.8%
Mpumalanga	29.9%	41.1%
Northern Cape	26.1%	33.4%
North West	29.9%	43.8%
Western Cape	18.4%	26.1%
Total	29.2%	41.8%

Source: Statistics South Africa

Out of the nine broad economic sectors, which include agriculture, mining, manufacturing, electricity, construction, trade, transport, finance and community service, manufacturing contributed the highest share of 27% in 2002 followed by mining at 22.3%. Community services, electricity, trade and agriculture then followed at 14.6% 10%, 8% and 6% respectively.

Table 1.10 Sectoral share to Mpumalanga Economy

Sector	% Share
1 Agriculture	6.1%
2 Mining	22.3%
3 Manufacturing	27.2%
4 Electricity	10.1%
5 Construction	1.6%
6 Trade	8.2%
7 Transport	4.5%
8 Finance	5.4%
9 Community services	14.6%
Total	100.0%

Source: Global Insight

The province contributes 34% to the national electricity sector, followed by mining at 22.3%, agriculture at 13% and manufacturing at 11.6%. The average annual growth for Mpumalanga economy in 2001/02 was 2.8% as compared to 2.6% in 2000/01. National average annual growth was 3% in 2001/02. In terms of average annual growth, Mpumalanga was number five

after Kwa-Zulu Natal and North West sharing 4.2% and Gauteng and Limpopo sharing 3.7 % (Global Insight).

In terms of the sectors, construction and transport grew by 6.5% each while manufacturing grew by 6.2%. Agriculture and mining which are the highest employers in the province grew by -1.2% and -1.6% respectively. Poverty gap measures the difference between each poor household and the poverty line. The aggregate poverty gap for poor households in Mpumalanga was R2 503 in 2001 and R2 817 in 2002. This indicates the total amount by which the incomes of poor households need to be raised each year to bring all households up to the poverty line. The poverty line in 2001 was at R581, 00 for one household and or R2 478,00 for eight household sizes. The concern with Mpumalanga poverty gap is that it has been increasing year on year. This has led to an increase of persons in poverty from 53.8% in 2001 to 54.3% in 2002 (Global Insight). Human Development Index measure the ability of people to live a long and healthy life, to communicate, to participate in the life of the community and to have sufficient resources to obtain a decent living. The HDI for the province is 0.54 as compared to the one in 2001, which was at 0.55. Mpumalanga is rated number six after Gauteng, Western Cape, Northern Cape, Kwa -Zulu Natal and Free State. The total GDP for Mpumalanga province is R77 835 billion according to 2001 census. Global Insight indicates the GVA as R80 574 Billion in 2003.

Due to the weaker Rand in 2002, the balance of payment was positive till the second quarter of 2003. In Mpumalanga Exports formed 10.7% of the Gross Value Added (GVA) in 2002 with the total trade being 13%. However, as the Rand appreciated, the exports became weak as compared to imports. This is because importing products became cheaper in 2003 due to the strength of the Rand while exporting became expensive because of the dollar weakness. Figures for 2003 are not yet available but it is anticipated that the balance of payment will be negative from the second quarter.

4. Receipts

4.1 Overall position

Revenue estimates for 2003/2004 to 2005/2006 are based upon national government's equitable share and conditional grants and forecasts of various provincial own revenues using economic growth parameters generated by the provincial Treasury and estimated actual collection for 2003/2004. The total amount of revenue to be derived from national sources. both the equitable share and conditional grants for the Mpumalanga Province amounts to R10, 854 billion for 2003/04, which is 97.4% of the Province's total revenue.

Table 1.11				Summary of provincial receipts					
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					
National Payments	6,857,272	8,353,999	9,561,433	11,080,662	0	0	12,813,682	14,272,729	15,623,215
Equitable share	6,451,928	7,581,982	8,724,799	10,169,531			11,606,061	12,748,274	13,812,776

Conditional grants	405,344	772,017	836,634	911,131		1,207,621	1,524,455	1,810,439	
Provincial own revenue	25,088	228,854	246,464	281,073	-	-	314,114	327,355	341,347
Collections on behalf of the Provincial Revenue Fund									
Tax receipts	61	2,350	242	130			150	127	140
Interest, dividends and rent on land	7	33,915	26,735	16,204			21,804	23,907	25,090
Sales of scrap, waste, arms and other used goods	4	10	11	12			14	15	12
Motor vehicle Licensing	-	98,309	118,085	122,732			131,342	139,224	147,576
Transfers from:	-	-	-	-			-	-	-
- Other government units	-	-	-	-			-	-	-
-University and technicons	-	-	-	-			-	-	-
-Households and non-profit institutions	-	-	-	-			-	-	-
-Public corporations and private enterprises	-	13,081	13,963	14,528			15,255	16,780	17,787
Sales of capital assets	-	-	-	-			-	-	-
-Land and subsoil assets	3	-	-	2,500			3,000	-	-
-Othercapital assets	2,224	2,120	4,983	2,392			2,630	2,776	1,793
Sale of goods and services produced by department	-	-	-	-			-	-	-
Administrative fees	16,401	37,184	32,231	64,105			77,925	82,803	86,759
Other sales	6,388	35,988	43,391	52,020			55,103	54,292	54,312
Fines, penalties and forfeits	-	5,240	6,183	6,450			6,414	6,916	7,331
Financial transactions related to policy execution	-	657	640	-			477	515	546
Total provincial revenue	6,882,360	8,582,853	9,807,897	11,361,735	-	-	13,127,796	14,600,084	15,964,562

4.2 Equitable Share

The Constitution establishes national, provincial and local government as autonomous spheres, which are “distinctive, interdependent, and interrelated.” It also identifies functional areas of concurrent and exclusive competence. In order to give effect to the requirements of the Constitution, budgetary procedures and other institutional arrangements have undergone dramatic changes. Budget making is the responsibility of all three spheres of government. The Constitution requires that nationally raised revenues be divided equitably between the three spheres of government and that the provincial share be divided equitably between the nine provinces. In addition to equitable shares, provinces and local government also receive grants from the national share. National norms and standards may apply to provincial spending out of the equitable share and grant funds, which may be subject to conditions. The allocations from national government to provinces and local government must take into account the recommendations of the Financial and Fiscal Commission (FFC) and criteria detailed in section 214(2) of the Constitution.

Revenue sharing is necessitated by the constitutional assignment of revenue-raising and expenditure responsibility. Most of the revenue is raised nationally. Although the provinces have significant expenditure requirements they have only limited revenue sources. The equitable division of national revenues between the three spheres of government gives each the funds to provide the services and perform the functions assigned to it under the Constitution given each sphere's ability to raise its own revenues to pay for the same Constitutional mandatory activities.

The provincial and local government equitable shares are further divided according to objective formulae after the recommendations of the FFC have been taken into account. The provincial formula allocates funds between the provinces according to their demographic and economic profiles taking account of the services - primarily health care, welfare and school education - for which provinces are responsible. The local government formula is designed to enable municipalities to deliver a package of basic services to low income households at affordable cost. Both formulae have a strong equity component. Taking into account the special needs of poorer areas.

The province's share from nationally raised revenue for the 2004/2005 is R11, 606 billion, which represents R1, 218 billion increase compared to 2003/2004 adjusted equitable share of R10, 388 billion.

4.3 Conditional Grants

In addition to the equitable shares, the Constitution provides for transfers to provinces and local government out of the national equitable share of revenue. These grants can be assigned for particular purposes and may be subject to conditions provided for in legislation. The primary purpose of conditional grants is to support compliance with national norms and standards to compensate provinces for providing services that may extend beyond provincial boundaries and to enable national priorities to be adequately provided for in sub-national budgets.

Conditional grants represent the financial flows from the national budget associated with conditions on which services are being delivered or on compliance with specified requirements by the provinces. The conditional grants included in the Province's Budget Statements 2004/05 amounts to R1, 207 billion and are for the Provincial Infrastructure (R255, 169 million); Comprehensive Agricultural Support Programme-CASP (R18, 903 million); Local Government Support (R22, 050 million) and Consolidated Municipal Infrastructure (R2, 238 million); National School Nutrition Programme (R64, 079 million); National Tertiary Services (R41, 427 million); Professional Training Development (R41, 808 million); Hospital Revitalisation (R68, 292 million) and Hospital Management Improvement (R12, 833 million). South African Housing Fund (R296, 457), as well as R7, 420 million for Human Resettlement. R74, 068 million for HIV/Aids treatment (Health), Home-based care (Social Services), as well as life-skills in Education.

There are various reasons for introducing grants from the national share alongside the equitable share allocation to provinces and local government. A

grant might be intended to ensure that services extending across provincial boundaries are properly financed.

Where particular services are of a specialised nature and serve a wider constituency than a single province or municipality, there is a case for national government support. Where national legislation imposes expenditure mandates on provinces or municipalities, this should be affected through a suitable grant programme. Policies or programmes undertaken as joint responsibilities of two or more spheres of government might involve transfers to the implementing authorities.

Conditional grants represent the financial flows from the national budget associated with cost sharing agreements in respect of services provided by provinces or local government. The details of both allocations and associated conditions are the outcome of formal agreements between responsible Ministers and MEC's and the Budget Council.

Table 1.12 Summary of conditional grant by grant								
Votes	Name of allocation	Purpose	Type of allocation	VOTED	MTEF YEARS			
R Thousand				2003/04	2004/05	2005/06	2006/07	
Local Government	(a) Provincial Infrastructure Grant-Flood Rehabilitation	To fund provincial infrastructure like roads, school building, health facilities and rural development.	General conditions to departments	5,000	0	0	0	
	(b) Local Government Support Grant	To assist municipalities experiencing severe financial problems to restructure their financial positions and organizations.	General conditions to departments	19,716	22,050	0	0	
	(c) Provincial Consolidated Municipal Infrastructure Grant (CMIP)	To provide support to manage the CMIP effectively and to build the capacity of municipalities to ensure the sustainability of CMIP projects.	General conditions to departments	2,110	2,238	2,599	2,755	
TOTAL				26,826	24,288	2,599	2,755	
	(a) Provincial Infrastructure Grant	To fund the strengthening of post settlement support for emerging farmers, including those benefiting from Land Reforms for Agricultural Development (LRAD) under the auspices of the Comprehensive Agricultural Support Programme(CASP).	General conditions to departments		15,309	17,132	18,997	
Agriculture, Conservation	(b) Provincial Infrastructure Grant-Flood Rehabilitation	To fund the reconstruction of flood damaged provincial infrastructure.	General conditions to departments	5,000	0	0	0	
	(c) Land Care and Special Food Security Projects	To address the degradation problems of natural resources and improve the socio-economic status of rural communities.	General conditions to departments	3,500	5,500	5,500	6,000	
	(d) Comprehensive Agriculture Support Programme (CASP)				18,903	23,629	28,355	
TOTAL				8,500	39,712	46,261	53,352	
Education	(a) Provincial Infrastructure Grant	To fund provincial infrastructure like school building, etc.	General conditions to departments	72,026	102,068	114,213	126,638	
	(b) Provincial Infrastructure Grant-Flood Rehabilitation	To fund the reconstruction of flood damaged	General conditions to departments	8,000	0	0	0	

Table 1.12 Summary of conditional grant by grant							
Votes	Name of allocation	Purpose	Type of allocation	VOTED	MTEF YEARS		
R Thousand				2003/04	2004/05	2005/06	2006/07
		provincial infrastructure.					
	(c) HIV/Aids (Life skills Education)	To promote HIV/Aids education in primary and secondary schools.	General conditions to departments	8,794	9,772	10,358	10,980
	(d) National School Nutrition Programme	To feed primary school children, facilitate nutrition education and health promotion.	General conditions to departments		64,079	70,235	84,549
TOTAL				88,820	175,919	194,806	222,167
Public Works	(a) Provincial Infrastructure Grant	To fund provincial roads infrastructure and supporting employment creation initiatives through the Expanded Public Works programme (EPWP). 10% of the total allocation must be for all projects related to rural roads, low volume municipal roads (less than 500 vehicles per day), pipelines, trenches and sidewalks have to be conducted in a labour-intensive manner in terms of EPWP.	General conditions to departments	72,026	102,068	114,213	126,638
	(b) Provincial Infrastructure Grant-Flood Rehabilitation	To fund the reconstruction of flood damaged provincial infrastructure.	General conditions to departments	12,000	0	0	0
TOTAL				84,026	102,068	114,213	126,638
Social Services	(a) Financial Management and Improvement of Social Security Grant	To improve the financial management, administration and functioning of social security system.	General conditions to departments	262	0	0	0
	(b) Child Support Grant Extension	Extension of Child Support Grant to 7 and 8 years olds in 2003/04, 9 and 10 years olds in 2004/05 and 11, 12 and 13 years olds in 2005/06	General conditions to departments	89,292	260,013	491,531	661,359
	(c) HIV/Aids	To advance the development of Community-based care (CBC) programmes in communities.	General conditions to departments	10,821	10,456	11,084	11,749
	(d) Regulation 11		General conditions to departments	47,768			
	(e) Food Security		General conditions to departments	27,651	27,651	27,651	29,310
TOTAL				175,794	298,120	530,266	702,418
Health	(a) Provincial Infrastructure Grant	To fund provincial infrastructure like roads, school building, health facilities and rural development.	General conditions to departments	29,171	35,724	39,975	44,323
	(b) Provincial Infrastructure Grant-Flood Rehabilitation	To fund the reconstruction of flood damaged provincial infrastructure.	General conditions to departments	11,016	0	0	0
	(c) National Tertiary Services Grant	To fund tertiary health services in order to ensure equitable access by all citizens.	General conditions to departments	41,774	41,427	42,224	44,757
	(d) Health Professions Training and Development Grant	To fund the reconstruction of flood damaged provincial	General conditions to departments	46,575	41,808	54,363	54,363

Table 1.12		Summary of conditional grant by grant					
Votes	Name of allocation	Purpose	Type of allocation	VOTED	MTEF YEARS		
R Thousand				2003/04	2004/05	2005/06	2006/07
		infrastructure.					
	(e) Hospital Revitalization Grant	To transform and modernize hospitals in line with the national planning framework.	General conditions to departments	65,944	68,292	71,025	92,662
	(f) Hospital Management and Quality Improvement Grant	Improving management in hospitals and support of care interventions.	General conditions to departments	23,139	12,833	12,340	13,081
	(g) Integrated Nutrition Programme Grant	To feed primary school children, facilitate nutrition education and health promotion.	General conditions to departments	67,183	8,713	9,581	0
	(h) HIV/Aids	To expand access to voluntary HIV counseling and testing, home-based care, prevention of mother to child transmission programmes and other HIV/Aids health related matters.	General conditions to departments	34,550	53,840	81,392	107,479
	(i) Medico-Legal Services	To manage mortuaries	General conditions to departments	1,000			0
TOTAL				320,352	262,637	310,900	356,665
Housing	(a) Provincial Infrastructure Grant-Flood Rehabilitation	To fund the reconstruction of flood damaged provincial infrastructure.	General conditions to departments	4,296	0	0	0
	(b) Housing Subsidy Grant	To finance subsidies under the national housing programme.	General conditions to departments	275,408	296,457	314,620	333,497
	(c) Human Resettlement and Redevelopment Pilot Programme Grant	To fund projects aimed at improving the quality of the environment in urban communities.	General conditions to departments	15,690	7,420	8,120	8,607
TOTAL				295,394	303,877	322,740	342,104
Sport, Recreation, Arts and Culture		To fund the sport and recreation in the province.	General conditions to departments	0	1,000	2,670	4,340
TOTAL				0	1,000	2,670	4,340
GRAND TOTAL				1,005,902	1,207,621	1,524,455	1,810,439

4.4 Total Provincial Own Receipts

Existing intergovernmental fiscal relations are such that national government raises virtually all the revenue but has control over only about 40 percent of non-interest expenditure. The provincial governments on the other hand control about 60 percent of non-interest expenditure with the responsibility for health, education and welfare. Yet, in general, the provinces raise less than 5 percent of their budgets and receive large transfers from national government. The Mpumalanga Province expects to collect an amount of R314 million from own provincial revenue for the 2004/05 financial year, which is only 2,4% of the total revenue.

This also means that there is not much room to increase the revenue base to be able to render more services. The Province is basically reliant on national revenues to increase before service delivery can be extended and that is why so much effort is being made to ensure that the Province's concerns are addressed in the revenue-sharing formula. The provinces have some tax assignment powers given to them by the Constitution but the extent of provincial own revenues is currently limited consisting mainly of a number of

small taxes, user charges and fees. The biggest of which in the Mpumalanga Province are motor vehicle licenses and hospital fees. In the light of the budget constraints facing the Province attempts have been made to take full advantage of the limited revenue sources and ensuring that the taxes are being collected efficiently and effectively. Steps are being taken to improve the collection of own revenue, as this will enhance the Province's ability to deliver services.

The main sources of provincial own receipts for the 2004/05 financial years are:

Licenses: Motor vehicles

This is a major Provincial revenue source and the Province is heavily reliant on this revenue. The province is estimating to collect R131 million from this source, which accounts for 42% of the total Provincial own revenue. As a motor vehicle licence fee is the biggest contributor to provincial own revenue. Treasury directed its main focus at reviewing this source of revenue. It was determined that no formal contract exists between the provincial government and its agents for the collection of revenue in respect of motor vehicle licence administration. Provincial Treasury together with the Department of Local Government, Traffic Safety and Control will initiate the process of drafting contracts over MTEF years that will be approved by the State Attorney and then distributed to all registering authorities. The Department of Local Government, Traffic Safety and Control, which is charged with the responsibility of controlling and the collection of the motor vehicle licenses has to sign agreements with the Local Authorities on an agency basis to collect motor vehicle license fees on its behalf. Incorporated in those agreements should be the commission in terms of percentage based on the gross revenue collected, which is refundable to the Local Authorities on monthly basis.

Interest on investments

The Province receives its equitable share of national revenue on a weekly instalments basis. The equitable share and conditional grants, which constitute major share of the Provincial receipts and enables the Revenue Fund to generate some interest. The continuously proper cash flow management by Provincial Treasury resulting in an interest accruing to the Provincial Revenue Fund estimated at R16 million for 2004/05 financial year.

Hospital fees

Patient fees have been under-collected for some time due to the outdated system in use during the last financial years. A new advanced Uniform Patient Fee Schedule System that has been introduced is being implemented and will replace the Itemised Billing System. The new system will have the capability to provide better cost information; elimination of under and over charging of patients and a reduction of paper work and this will result in the improvement of revenue collection. Much scope also exists for improving revenue generation in the health sector. Attracting private patients to public hospitals by providing appropriate facilities to paying patients can increase revenue

generated by hospitals. The province is estimating to collect R53 million from this source.

Gambling

The estimated revenue from this source for the 2004/05 financial year amounts to R15 million. Included in this amount are taxes received in respect of betting and totalisators from the horseracing industry. Once the casino industry gets off its feet it is expected that the revenue from this source will increase in later years.

4.4 Summary of provincial receipts by Vote

Table 1.13			Summary of provincial receipts by Vote						
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					
1. Office of the Premier	-	2 650	2 634	3 050	-	3 050	3 355	3 607	3 807
2. Finance and Economic Affairs	-	51 314	46 864	43 120	-	43 120	44 544	49 159	52 109
3. Local Government, Traffic Control and Traffic Safety	-	103	124				137	146	
	-	549	268	129 182	-	129 182	756	140	154 907
5. Agriculture, Conservation and Environment	566	5 768	6 345	6 979	-	6 979	7 677	8 445	9 290
7. Education	4 184	19 637	11 200	14 350	-	14 350	16 400	17 384	17 670
8. Public Works, Roads and Transport	7 175	12 963	14 314	13 535	-	13 535	15 139	8 250	4 460
9. Safety and Security	-	441	331	522	-	522	530	536	536
10. Social Services, Population and Development	-	4 924	4 900	-	-	-	5 300	5 500	5 830
11. Health	12 159	25 270	33 010	67 229	-	67 229	80 143	85 008	89 259
12. Housing and Land Administration	-	990	1 019	1 080	-	1 080	1 146	1 205	1 277
13. Provincial Legislature	1 004	860	853	877	-	877	906	842	842
14. Sport, Recreation, Arts and Culture	-	488	726	1 149	-	1 149	1 218	1 279	1 359
		228	246				314	327	
Total provincial receipts by Vote	25 088	854	464	281 073	-	281 073	114	355	341 347

5. Expense

5.1 Overall Position

The amount to be voted in the Mpumalanga Appropriation Act, 2004 is R13, 077,796 million, which is R1, 357. 631 million or 13.6% more compared to the 2003/2004 financial year adjusted budget. Details of the funds to be allocated within each vote for 2004/05, as well as the indicative MTEF allocations for 2005/06 to 2006/07 can be found in the Budget Statements (Budget Statement 1 and 2). Included in the allocations to the departments are the amounts of estimated own revenue, which fund provincial spending pressures that could not be accommodated within the provincial equitable share

Total outlays for the provincial programmes are budgeted at:

Financial year 2004/2005: R 13.077.796 million
Financial year 2005/2006: R 14.550.084 million
Financial year 2006/2007: R 15.914.562 million

5.2 Expense by vote

Table 1.14 Summary of provincial payments and estimates by Vote

	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	Audited	Audited	Audited	Appropriati	appropriati	estimate			
				on	on				
R Thousand	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
1. Office of the Premier	61 158	74 297	99 870	96 722	113 902	119 244	108 275	115 532	122 438
		349	237						
2. Finance and Economic Affairs	175 470	804	213	258 005	389 500	404 802	292 043	300 921	306 050
3. Local Government, Traffic Control and Traffic Safety	-	155	182						
		500	632	183 528	211 276	211 637	209 284	222 141	272 611
		326	383						
5. Agriculture, Conservation and Environment	248 577	214	283	395 405	401 405	359 644	462 514	529 890	559 097
		3 330	3 886			4 552	5 090	5 634	
7. Education	2 996 635	933	049	4 522 763	4 544 834	834	882	286 598	531
		698	770					1 027	
8. Public Works, Roads and Transport	607 149	321	295	807 467	835 467	804 638	910 890	160 105	762
9. Safety and Security	22 321	26 295	32 564	41 189	30 858	28 596	35 268	37 245	40 724
10. Social Services, Population and Development		1 526	2 040			2 663	3 139	3 625	
	1 320 880	856	079	2 464 054	2 638 661	143	403	375 417	019
		1 456	1 688			1 893	2 305	2 519	
11. Health	1 117 368	561	146	2 101 818	2 152 196	592	920	605 283	597
		434	351						
12. Housing and Land Administration	241 864	217	023	381 762	404 240	415 634	405 939	411 783	435 162
13. Provincial Legislature	37 126	41 573	45 115	49 943	56 760	55 314	50 513	53 470	55 647
14. Sport, Recreation, Arts and Culture	28 724	34 626	57 655	59 100	64 135	60 935	66 865	72 676	77 924
Total: Provincial payments and estimates by Vote	6 857 272	8 455 197	9 773 924	11 361 756	11 843 234	11 570 013	13 077 796	14 550 085	15 914 562

5.3 Expense by economic classification

Table 1.15 Summary of provincial payments and estimates by economic classification									
R Thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	Audited	Audited	Audited	Appropriation	appropriation	estimate			
	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
Current payments	6 505 196	7 958 720	9 164 272	10 713 434	11 076 562	10 869 242	12 268 830	13 487 613	14 658 136
Compensation of employees	4 314 116	4 428 609	4 960 120	5 604 529	5 530 109	5 488 069	6 117 736	6 517 808	7 148 702
Salaries and wages	3 467 935	3 579 287	4 008 312	4 478 607	4 421 834	4 531 872	4 749 143	5 086 703	5 543 779
Social contributions	846 181	849 323	951 809	1 125 922	1 108 275	956 197	1 368 592	1 431 105	1 604 923
Goods and services	618 739	1 383 263	1 647 419	2 075 757	2 282 339	2 108 854	2 441 574	2 835 805	2 948 883
<i>Of which:</i>									
Consultants	51 544	46 985	63 235	102 487	(6 026)	90 742	114 521	112 671	124 806
Audit and Legal Fees	6 338	11 885	16 649	14 587	2 379	13 676	22 697	68 795	25 745
Bursaries and Class Fees	7 505	14 766	19 549	24 272	4 263	24 343	33 363	37 212	40 162
Travel and subsistence	20 087	55 843	77 865	95 239	23 365	92 045	71 109	71 233	82 044
Maintenance, repair and running cost	22 997	34 823	33 832	65 241	(3 480)	61 761	98 740	103 202	104 590
Owned and Leasehold property expenditure	9 220	17 378	15 087	21 001	4 719	25 720	26 290	27 365	28 912
Inventory	14 319	13 245	17 169	37 363	738	38 101	41 503	42 271	44 681
Rent of Labour Saving Devices	-	12 561	29 193	29 224	-	29 224	33 633	33 840	35 870
Learner Support Material	-	92 113	211 897	241 631	-	241 631	249 361	275 874	210 602
Learner Transport	-	10 647	34 903	50 511	-	50 511	50 529	52 961	58 116
Medicine & Vaccine	9 635	114 528	121 838	129 615	-	129 615	137 392	144 903	152 196
Gases: Medical	939	11 130	11 841	12 597	-	12 597	13 353	14 088	14 792
Blood	4 219	30 650	32 606	34 688	-	34 688	36 769	38 792	40 731
Rental Housing Tribunal	-	-	-	520	-	520	582	617	654
Rural Doctors and Scarce Skills	-	-	-	-	-	-	-	-	-
Other	462 886	899 107	906 834	1 164 660	195 098	1 273 576	1 406 542	1 698 808	1 756 193
Transfer payment and subsidies to:	1 572 341	2 146 848	2 556 733	3 033 148	3 264 114	3 272 319	3 709 520	4 134 000	4 560 551
Other levels of Government	13 973	66 985	85 649	62 224	65 819	70 798	45 320	50 449	51 414
Departmental agencies and accounts	1 182 993	1 417 318	1 836 481	2 239 530	2 408 700	2 416 712	2 881 727	3 331 294	3 714 239
Public corporations and private enterprises	121 182	218 490	189 290	196 200	232 200	223 480	206 700	138 185	145 570
Foreign governments & international org	-	-	-	-	-	-	-	-	-
Non-profit institutions and households	254 193	444 055	445 313	535 194	557 395	561 329	575 773	614 072	649 328
Interest and rent on land	-	-	-	-	-	-	-	-	-
Payments on capital assets	352 076	496 477	609 652	648 322	766 672	700 771	808 966	1 062 472	1 256 426
Buildings and other fixed structures	316 258	397 964	446 484	414 348	503 613	540 748	524 821	741 523	814 824
Machinery and equipment	35 818	98 513	163 168	233 974	263 059	160 023	283 964	320 750	441 384
Cultivated assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	181	199	218
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Total economic classification	6 857 272	8 455 197	9 773 924	11 361 756	11 843 234	11 570 013	13 077 796	14 550 085	15 914 562

5.4 Infrastructure expense/payments for capital assets

The total payments for capital assets provided on the Budget Statements for this Province for 2004/05 is R808,966 million and detailed amounts are available in Appendices and departments infrastructure plans.

5.5 Transfers to Public Entities

Table 1.16 Summary of provincial transfers to public entities by transferring department									
R Thousand	Outcome			Main Appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited	2003/04	2003/04	2003/04	2004/05	2005/06	2006/07
	2000/01	2001/02	2002/03				5	6	7
Department of Finance and Economic Affairs	51 138	96 151	82 854	144 573	-	-	108 500	61 073	69 827
Mpumalanga Econ Empowerment Corporation	28 700	64 490	56 235	105 000			75 000	35 500	42 720
Mpumalanga Gaming Board	11 500	13 350	12 500	12 500			14 500	12 500	13 250
Mpumalanga Tourism Authority	6 509	12 311	7 662	9 073			10 000	7 073	7 497
Mpumalanga Investment Initiative	4 429	6 000	6 457	18 000			9 000	6 000	6 360
Department of Agriculture, Conservation	60 480	116 090	123 300	112 270	-	-	115 700	100 791	66 469
Mpumalanga Parks Board	48 384	78 718	87 300	72 608			81 303	63 553	62 741
Mpumalanga Agricultural Development Corporation	12 096	37 372	36 000	39 662			34 397	37 238	3 728
Department of Education	4 500	4 648	5 000	53 000	-	-	57 680	57 815	59 894
Mpumalanga Regional Training Trust	4 500	4 648	5 000	7 000			9 100	6 500	5 500
ABET Public Centres	-	-	-	46 000			48 580	51 315	54 394
Department of Housing and Land Admin	-	37 910	9 754	12 000	-	-	16 000	1 894	2 008
Mpumalanga Housing Finance Corporation	-	37 910	9 754	12 000			16 000	1 894	2 008
Total provincial transfers to public entities	116 118	254 799	220 908	321 843	-	-	286 880	221 573	198 198

5.6 Transfers to local government

Table 1.17 Summary of provincial transfers to local government by municipality									
R Thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	Audited	Audited	Audited	Appropriation	appropriation	estimate			
	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
Nkangala District	-	-	-	22 678	23 278	23 278	20 039	21 327	9 000
Nkangala District				3 246	3 846	3 846	63	3 351	9 000
Delmas				2 304	2 304	2 304	2 151	2 515	-
Emalahleni				4 200	4 200	4 200	5 343	4 643	-
Middelburg				5 101	5 101	5 101	7 009	5 625	-
Highlands				2 584	2 584	2 584	606	1 684	-

Table 1.17 Summary of provincial transfers to local government by municipality									
	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	Audited	Audited	Audited	Appropriation	appropriation	estimate			
R Thousand District	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
Thembisile				2 050	2 050	2 050	1 827	1 117	-
Dr J S Moroka				2 110	2 110	2 110	1 827	1 179	-
Waterval-Boven				197	197	197	221	221	-
Marble				404	404	404	452	452	-
Groblersdal				482	482	482	540	540	-
Gert Sibande District	-	-	-	14 807	15 407	15 407	15 024	11 667	6 022
Gert Sibande District				6 053	6 653	6 653	103	2 489	6 022
Albert Luthuli				2 148	2 148	2 148	1 991	2 230	-
Msukaligwa				1 884	1 884	1 884	2 798	1 988	-
Mkhondo				666	666	666	1 968	700	-
Seme				248	248	248	1 908	257	-
Lekwa				1 487	1 487	1 487	2 928	1 565	-
Govan Mbeki				2 321	2 321	2 321	3 328	2 438	-
Nhlanzeni District	-	-	-	16 129	16 729	16 729	6 968	12 545	7 000
Nhlanzeni District				3 029	3 629	3 629	112	2 820	7 000
Thaba Chweu				2 048	2 048	2 048	2 484	2 162	-
Mbombela				4 275	4 275	4 275	1 293	2 429	-
Umjindi				1 821	1 821	1 821	978	1 919	-
Nkomazi				4 956	4 956	4 956	2 101	3 215	-
Border Municipalities	-	-	-	6 540	7 140	7 140	1 958	5 752	9 000
Sekhukhune				3 382	3 982	3 982	112	2 492	-
Greater Tubatse				1 750	1 750	1 750	1 716	1 807	-
Metsweding				441	441	441	60	455	-
Bohlabela				967	967	967	70	998	9 000
Unallocated	-	-	-	4 641	4 641	4 641	1 028	1 601	-
Unallocated				4 641	4 641	4 641	1 028	1 601	-
Total transfers	-	-	-	64 795	67 195	67 195	45 017	52 892	31 022