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## 1. BUDGET STRATEGY AND AGGREGATES

### 1.1 Introduction

The policy framework for determining strategic objectives and priorities of the government is provided by:

- The Reconstruction and Development Program (RDP)
- The Growth Employment and Redistribution Program (GEAR)
- The Five Year Key Provincial Strategic Priorities.

The Reconstruction and Development Program (RDP) is the policy framework in which national government has set South Africa's society equity objectives. It calls for the building of the economy, sustainable accelerated growth and a redistribution of income and opportunities. The macroeconomic dimensions of realising RDP commitments are set out in GEAR. It set out policy objectives for reintegration into the global economy, reprioritisation of government spending on expansion of infrastructure investment, encouragement of industrial development labour market stability, skills development and restructuring of state assets, within the context of a sound fiscal and financial framework.

The overachieving objective of fiscal policy is to contribute to long-term growth, employment creation and an equitable distribution of income.

The Northern Cape Provincial Government is committed to achieving the sustained economic growth and development, and it will play its part in achieving the national objectives.

The Northern Cape Provincial Strategic Priorities that informed the 20004/05 Budget Process are:

- **Job Creation** – this is to be achieved through rural access roads, implementation of preferential procurement system, etc.
- **Investment Creation** – this can be achieved through the strengthening of SMME's policy of affirmative procurement, etc.
- **Rural/Urban Development** – this is to be achieved through resettlement of families on their ancestral lands, promote an implementation of the 5-Year Strategic Policy of the Northern Cape, etc.
- **Infrastructure Development** – this involves building, rehabilitation and maintenance of social and economic infrastructure (e.g. school, hospitals, parks, water supply, roads, energy, etc.)
- **Combating Crime** – this is to be achieved by enforcing code of conduct for Public Servants, preventing gangsterism, drug and violence at schools, etc.
- **Skills Development** – this evolves skills development, training, capacity building, etc.
- **Combating the impact of HIV/AIDS** – to be achieved through a review of cost of medical treatment and hospitalization, institutional as home-based care, education/information/awareness campaigns, selected social security grants and welfare projects/institutions, nutrition schemes, etc.
- **And other such as target Group, Information Technology, Role of State.**
- **Poverty Alleviation** – Job Creation has an impact on Poverty Alleviation, Infrastructure Development or Investment in Infrastructure and /or Investment Creation has an impact on Job Creation.

The Provincial Priorities closely reflect the priorities of the National Government.

In preparing the budget, choices and trade-off need to be made between objectives and goals, as available resources are always insufficient given the unlimited needs.

This Province like other Provinces faces three difficult tasks in allocating resources/or funds. It must limit total spending by denying some demands for public money; it must channel resources to programmes that promote its social and economic objectives; and it must finance services and operations.

Balancing these functions through conventional budget process is difficult, especially in the light of entrenched poverty and backlog of development needs. Contemporary efforts to harmonise the three tasks are central in the concept of Medium-Term Expenditure Framework (MTEF), an approach which seeks to transfer budgeting from process that focus on single financial year to one that considered the longer term impact of spending decision.

Budgeting is inherently an allocation process but making effective allocations one of its hardest tasks. Budget allocations are effective when they are made in accord with government priorities and are based on evidence concerning the effectiveness of programmes

Budget finances the services and operation of government. Efficiency is the vehicle public services are provided greatly affects the well being of citizens in the province. Services are connectors between citizen and the government; they define what people get from government and interact with it.

Improving services and operation is one of the drives of innovations in contemporary public expenditure management.

## **Some Expenditure Priorities**

This section briefly deals with some expenditure categories. Focus is given to major challengers, budget issues and major objectives.

### **Education**

While significant progress has been made, tremendous challenges still remains in attaining most of the objectives in a comprehensive way. Policy area tying with the provincial include the following:

- § Roll out of Information, Communication Technology (ICT).
- § Institute for higher Education;
- § Increasing ABET provision
- § Investment in Early Childhood Development (ECD)
- § HIV/AIDS and life skill Education
- § Combating Crime, drug use and abuse and violence in school

Northern Cape Province is committed to provide facilities at institution of learning to enhance the culture of learning, teaching and service Provision had been made over the MTEF to address backlogs in classrooms, toilets, specialist rooms and administration blocks. This will be augmented by Provincial Infrastructure Grant from national.

### **Health**

High priorities is given to primary healthcare emergency medical Services, district hospitals, communicable diseases such as HIV/AIDS and TB strengthening of personnel health at management and operational level, giving attention to primary health clinics and hospitals and districts. The pharmaceutical services are being established with the department and the department is solely responsible for the management of pharmaceutical stocks.

This has improved the availability of pharmaceutical stocks in the institution and construction of new hospitals and clinics is in progress. The following new hospitals and clinics will be constructed during the MTEF period:

- § Colesburg Hospital, Calvinia Hospital,
- § Psychiatric Hospital, Gordonias Hospital; and clinics, two in Galeshewe and two in Noupourt rehabilitation.

### **Social Services and Population Development**

- § Major policy initiatives are Social Assistance Grant norms and standards and Child Justice Bill of Social welfare services, the phasing in of Child Support Grant for children of 9 - 11 years in 2004/2005.

The Department has committed itself to continue to launch the home base care facilities for those infected and affected by HIV/AIDS pandemics, increase funding on day care centers and embarking of food security programme.

### Housing and local government

The department has committed itself to construct 3 600 housing units, bulk and connector sand internal infrastructure for these houses. The other area with backlogs is the eradication of 2000-bucket toilets system.

### Agriculture, Land Reforms, Environment and Conservation

The department has committed itself to continue with its Orange River Farmer Settlement programme, which aims to broaden access to irrigation agriculture by PDI's.

## 1.2 Summary of Budget Aggregates

Table 1.1 present the economic classification of Provincial actual expenditure for the 2000/01 and 2002/03 financial year, estimated actual expenditure for the 2002/03 financial year and estimated expenditure for the 2004/05 to 2006/07 MTEF period.

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2004/05	2005/06	2006/07
	2000/01 R'000	2001/02 R'000	2002/03 R'000						
<b>Provincial receipts</b>									
Transfer receipts from national	2 552 121	2 807 749	3 270 086	3 797 803	3 898 662	3 898 662	4 411 677	4 783 741	5 149 613
Equitable share	2 302 133	2 559 623	3 000 498	3 412 022	3 511 881	3 511 881	3 838 795	4 124 972	4 372 227
Conditional grants	249 988	248 126	269 588	385 781	386 781	386 781	572 882	658 769	777 386
Provincial own receipts	89 031	106 623	87 187	93 000	93 000	91 502	94 305	98 460	104 049
Financing	30 941	75 004	107 623	-	87 999	87 999	-	-	-
<b>Total provincial receipts</b>	<b>2 672 093</b>	<b>2 989 376</b>	<b>3 464 896</b>	<b>3 890 803</b>	<b>4 079 661</b>	<b>4 078 163</b>	<b>4 505 982</b>	<b>4 882 201</b>	<b>5 253 662</b>
<b>Provincial payments</b>									
Current payments	1 731 794	1 876 846	2 152 375	2 520 141	2 537 476	2 599 077	2 829 136	3 071 952	3 248 413
Transfers and subsidies	780 942	836 587	1 065 958	1 137 478	1 283 534	1 405 246	1 344 560	1 477 937	1 639 870
Payments for capital assets	103 055	175 634	249 629	233 184	258 651	203 988	262 197	285 065	312 261
Unallocated contingency reserve									
<b>Total provincial payments</b>	<b>2 615 791</b>	<b>2 889 067</b>	<b>3 467 962</b>	<b>3 890 803</b>	<b>4 079 661</b>	<b>4 208 311</b>	<b>4 435 893</b>	<b>4 834 954</b>	<b>5 200 544</b>
<b>Lending</b>									
<b>Surplus/(deficit)</b>	<b>56 302</b>	<b>100 309</b>	<b>-3 066</b>	<b>0</b>	<b>0</b>	<b>-130 148</b>	<b>70 089</b>	<b>47 247</b>	<b>53 118</b>

## 1.3 Financing

In MTEF, that is 2004/05 to 2006/07 a surplus of R70,089 million, R47,247 million and R53,118 million respectively is projected each year and this will finance the accumulated overdraft as a result of over expenditure by the department of Health, Education, and Welfare in previous year.

## 2. BUDGET PROCESS AND MEDIUM TERM EXPENDITURE FRAMEWORK.

Section 215 of the Constitution provides for national legislation to prescribe budget formats for national, provincial and local government. This is given effect in Chapter 4, Section 27 (3) of the Public Finance Management Act, 1999, as amended by Act No. 29 of 1999 (PFMA).

## 2.1 Budget Reforms and Service Delivery Improvement

Government's commitment to improving service delivery calls for modernisation and transformation across a wide range of public administration functions and systems. Budgetary and financial management reforms are key elements of its challenge. Over the past five years, significant progress has been made.

In the 1998 budget, Government set out the three years rolling spending plans for national and provincial departments under the Medium Term Expenditure Framework - the MTEF. Medium Budgeting reinforces the link between Government's policy choices, its budget and the delivery of service, which serves to strengthen political decision making and accountability.

Steps to deepen the budget process and better align policy, planning and budgeting allow Government to consider policy priorities earlier in the budget cycle. These steps are strengthened by implementation of the Public Finance Management Act in 2000. The Act set out a legislative framework for modernising financial management and enhancing accountability in the public sector. Managers now have a greater flexibility to manage but are held accountable for the use of public resources to deliver services.

Looking ahead, Government will focus on steps to:

- · Align and integrate the planning, budgeting and reporting process.
- · Develop and implement strategic and operational plans within agreed medium term allocations and reporting on past performance in published annual reports.
- · Present measurable objectives and outputs to assess performance and progress in service delivery.
- · Introduce generally recognised accounting practice based on accrual based accounting and best financial practice and procurement reforms across the public sector.

Similarly, provincial budget format reforms have contributed to enhance accountability for provincial services over the past few years.

The PFMA lays the basis for phasing in a major overhaul of financial management. This includes, amongst other things, the introduction of appropriation control by main division or programmes and accountability arrangements for the management of budgets. As these principles take root, the emphasis will increasingly turn to oversight over the efficiency and effectiveness of programmes and qualitative improvements in financial management practice.

## 2.2 MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF)

The Medium Term Expenditure Framework provides a firm foundation for the integration of planning and budgeting:

- · Policy priorities are set in advance allowing departments to plan and budget for service delivery in line with government's agreed commitments
- · Departments plan and spend on programmes according to an agreed three-year expenditure envelope, contributing to certainty and affordability over the medium term.

In turn, aligning policy priorities and implementing strategies with medium term allocations contributes to better budgeting within the MTEF as departments and Provincial Government are able to:

- · Accurately programme expenditure in line with policy implementation plans, thereby reducing requests for roll-overs
- · Forecast medium to long-term financial implication of existing and new policies
- · Implement programmes that achieve service delivery outputs in the most cost effective and efficient manner
- · Improve monitoring and evaluation of expenditure programmes in relation to Government's socio-economic policy priorities.

The interdependency of strategic planning and medium-term budgeting is a key feature of the MTEF prioritisation and resources allocation process.

Strategic plans and costing of activities are prepared in line with Government's medium-term policy priorities. These guide preparation of Departmental budget submissions and reprioritisation within 3-year allocations. Departmental budget submissions are evaluated in line with Government's priorities and recommendations on medium-term allocations made to the Provincial Executive Council. Once appropriated by the Provincial Legislature, budget allocations may be spent on activities that achieve specified outputs in support of Government's priorities.

On Budget Day, the Provincial Legislature is presented with a set of three-year spending plans, but is only asked to vote on the budget for the coming year. The three-year spending projections allow the Provincial Legislature, institutions of civil society and particular interest groups to evaluate government's reconstruction and development goals and objectives in relation to envisaged spending plans. While the vigor of public debate will no doubt remain undiminished, its substance and quality is enhanced by the transparency and extent of information government provides in the new approach to expenditure planning.

### 2.3 DEPARTMENTAL EXPENDITURE PRIORITISATION

Political office-bearers play a leading role in assessing priorities and spending commitments. The National Budget Council has devoted considerable attention to strengthening political oversight of the budget process. The Provincial Budget Council is intended to enhance the level of political involvement and participation in the process of budgetary prioritisation and policy review. As the executive political office-bearers of the Provincial Government, the Provincial Executive Council has the full responsibility for ensuring that the budget reflects government's social, economic and developmental priorities. Departmental budget submissions include an account of this assessment and an explanation of the impact of shifts in policies and programmes on expenditure projections.

The budget process 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. The successful implementation of the RDP requires that resources be redirected from lower to higher priority functions and activities. In giving effect to this reprioritisation, departments fully assess the costs of all activities, review their effectiveness in relation to the department's aims and objectives and discard or downscale lower priority activities. Resources are in this way released for new initiatives and high-value functions.

The process to determine the departmental expenditure allocations in the Northern Cape Province was a thorough evaluation process comprising two committees established to consider the budget submissions of departments. The Provincial Budget Council considered departmental MTEF budgets for 2004/05 - 2006/07 and thereafter the Provincial Medium-Term Expenditure Committee (PMTEC), consisting mainly of Treasury officials and the MEC: Finance, as Chairperson, discussed the departmental inputs enabling the MEC to compile recommendations to the Provincial Executive Council. The Provincial Executive Council then thoroughly debated the inputs and eventually decided on the allocations. The accounting officer of each department together with the Chief Financial Officer, programme managers and other relevant financial personnel were invited to appear before the Provincial Budget Council when their departmental inputs were discussed. All departments were informed of their indicative allocations for 2004/05 - 2006/07 and were required to submit MTEF budgets and Budget Statements No. 2 in line with these allocations to the Provincial Treasury. The evaluation and recommendations of the Provincial Budget Council and the PMTEC were based on the MTEF budgets as submitted by the departments to the Provincial Treasury including an indication of the consequences of the indicative MTEF allocations.

The final allocations to each department were, therefore, determined after a thorough process, led by the Executive Council, to ensure that government's policy choices are indeed addressed.

### 3. Socio-economic outlook

#### 3.1 Demographic profile

##### Northern Cape: Population by race (Census 2001)

R thousands	African	White	Coloured	Indian	Unspecified	Total
Population - 1996	279	112	435	2	12	840
Population - 2001	294	102	424	2	0	823
Average annualized growth: 1996- 2001	1.2%	-1.2%	-0.8%	-0.8%	0	-0.2%

**Table 1.2: Population size and distribution between regions**

Region	Total population	Percentage
CBDC1: Kgalagadi District Municipality	36881	4
DC6: Namakwa District Municipality	108111	13
DC7: Karoo District Municipality	164608	20
DC8: Siyanda District Municipality	209889	26
DC9: Frances Baard District Municipality	303239	37
<b>Total</b>	<b>822728</b>	<b>100</b>

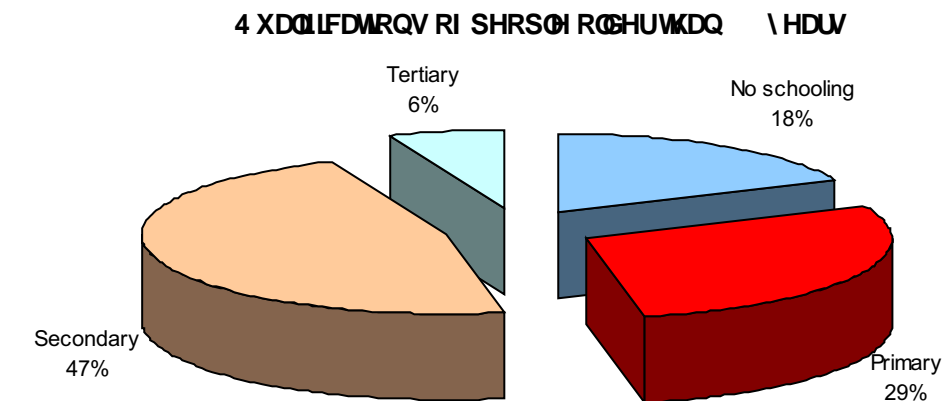
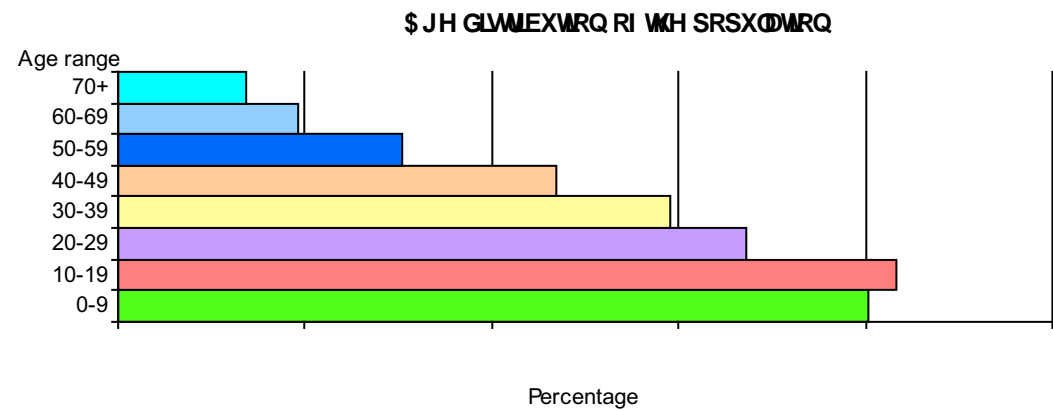
The total population size of the Province is 823 000 according to the 2001 Census, consisting of Blacks with a population of 294 (35.7%), Coloured 424 (51.5%), Whites 102 (12.4%), and the least population group being the Asians with 2 (0.2%). The Northern Cape is the Province with the smallest population 2,1%, even though it covers the largest proportion of land (361 830km<sup>2</sup>). The population density is 1.8 people per km<sup>2</sup>.

**Table 1.3: Gender and age distribution**

Age group	Male	Female	Total	Percentage
0 - 9	82946	82294	165240	20
10 - 19	85340	85845	171185	21
20 - 29	68432	69576	138008	17
30 - 39	59403	62491	121894	15
40 - 49	46310	49986	96296	12
50 - 59	29841	32463	62304	8
60 - 69	17890	21935	39825	5
70+	11006	16969	27975	3
<b>Total</b>	<b>401168</b>	<b>421559</b>	<b>822728</b>	<b>100</b>

Northern Cape's population is fairly evenly distributed, with 51.2% female and 48.8% male, the country as a whole has 52,2% females. The youth, that is those people in the categories 14 to 35 years of age, make up 34.8% of the population.

Northern Cape: Population by age distribution (Census 2001)



The province has a high rate of illiteracy, currently at 18% according to Census 2001. The figures indicate a fairly high proportion, 47%, with secondary education, but not all of them completed secondary education successfully. Those who completed Matric are only 17%. Members of the population with tertiary education are the smallest group at 6%, while those with just primary education to their credit are 29% of the population.

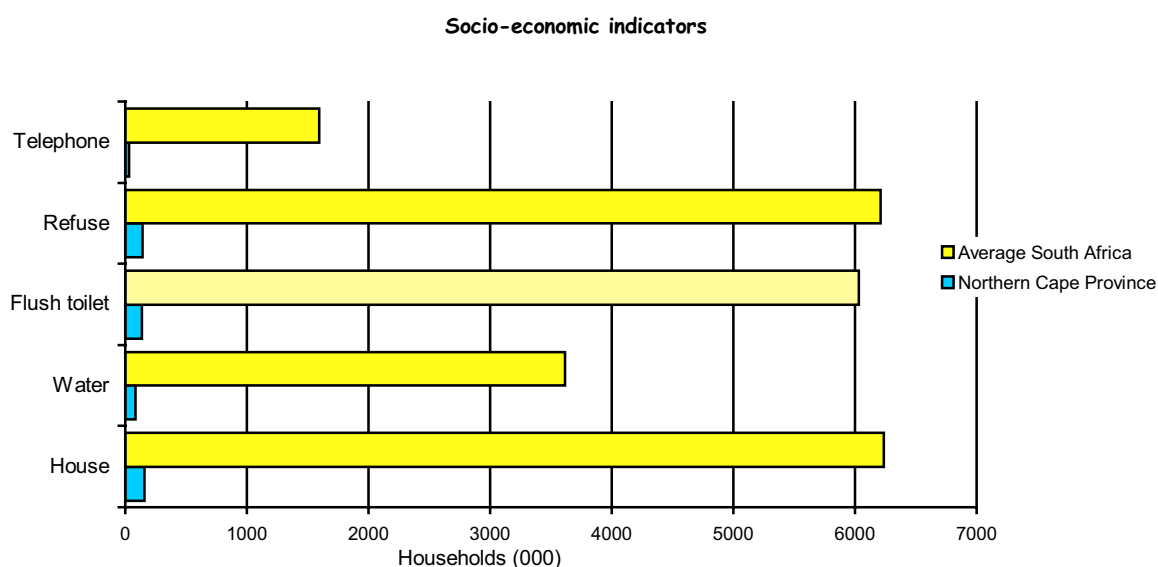


### 3.2 Socio-economic indicators ( Census 2001 )

Certain elements were selected from the census data to give an indication of the quality of life for the households of the Northern Cape, for example, the number of households living in a brick structure on a separate stand as opposed to a shack or an informal dwelling. The proportion of households with specified elements was obtained for the province and compared with the average for the whole country. The following elements were used:

- House or brick structure on a separate stand or yard (represented by House on 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)

(Note: Population of the Northern Cape is only 1.8% of the total population)

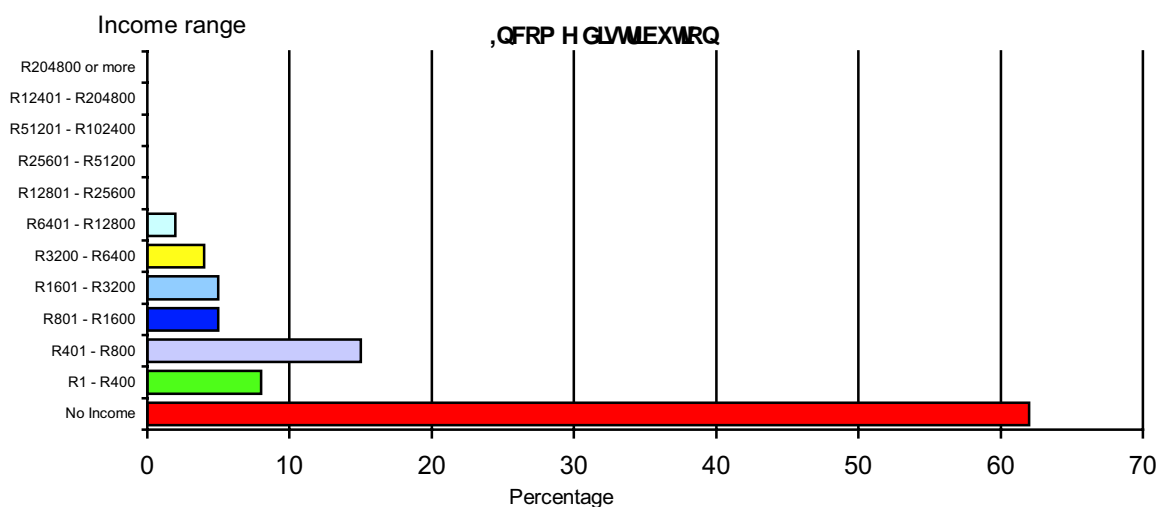


About 80.2% of the population live in formal dwellings on a separate stand, of which 96.6% are supplied with piped water and 63.1% with electricity.

### 3.3 Economic indicators

**Table 1.4: Income distribution**

Annual income per household	Percentage of households
No Income	62
R1 - R 400	8
R401 - R 800	15
R801 - R 1600	5
R1601 -R3200	5
R3201 - R6400	4
R6401 - R12800	2
R12801 - R25600	0
R25601 - R51200	0
R51201 - R102400	0
R102401- R204800	0
R204801 or more	0
<b>Total</b>	<b>100</b>



**Table 1.5: Gross geographic product by sector**

Sector	Percentage
Mining and quarrying	16.9
Agriculture and fisheries	12.9
Manufacturing	5.2
Electricity and water	22.7
Construction	3.3
Trade: Wholesale, retail and accommodation	2.0
Transport, storage and communication	14.1
Finance, insurance, real estate and business services	12.5
Government and community services	10.5
<b>Total</b>	<b>100</b>

## Economic overview of Northern Cape

### Economic Growth & Development Strategy of the Northern Cape

#### Problem Statement

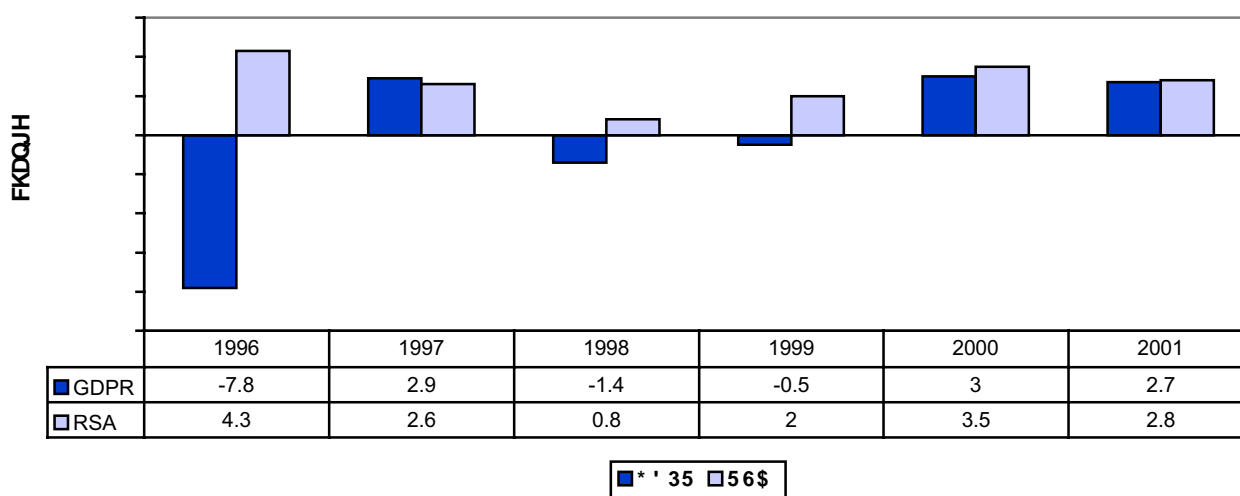
The Northern Cape is the largest, yet least populated, province, ranks third in per capita income in South Africa and has vast mineral and agricultural wealth.

The Northern Cape is a disadvantaged province in the sense that it has a high poverty rate (44.6 % - year 2001) and the economy is dominated by a few very rich people.

The province is under-developed and the economy relies heavily on primary production in the mining and agriculture industries.

Furthermore, the province has the smallest population of all provinces (823 000 people) and geo-physically, it is constrained by limited water resources and a vast land mass that must be covered in service delivery, namely 29.7% of total land of South Africa, which amounts to 361 830 km<sup>2</sup> land area or a land mass almost the size of Germany.

#### RSA & Northern Cape - growth



The real annual economic growth in 2001 for the Northern Cape Province was 2,7% compared to 2,8% for South Africa which shows that the provinces growth strategy is starting to bear fruit. In 1996 the province had a negative growth rate of -7,8%.

Northern Cape Gross Geographic Product (GGP) is recorded at R19.58 billion in 2001 census.

š Mining industry (capital) is the largest contributor to NC, its contribution to RSA economy was 5.7% in 2001;

š Agriculture is the largest sector in terms of employment (45 278 number of people employed).

In 1996 a big drought in the Northern Cape, led to severe losses in production in the agricultural sector. This in turn led to job losses in the agricultural sector and people started to leave the province in search of work and better career opportunities.

Together with this, there was a trend in the tertiary sector of relocation of company head offices to the Free State, Gauteng and the Western Cape.

Agricultural products from the Northern Cape are produced primarily for the export markets the world economy and the stronger and/or weaker Rand played a major role in the provincial economic growth.

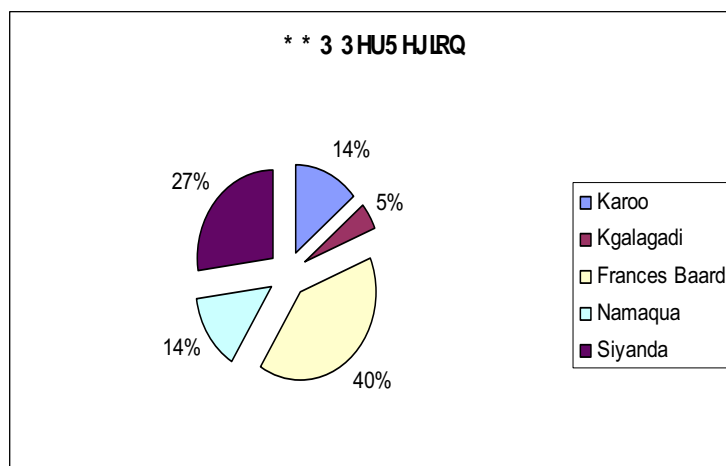
Together with this, the Asian crises of 1999 negatively affected the Northern Cape growth rate, since Asian markets like Singapore, Hong Kong, Japan and India are our major export markets.

### Unemployment rate

Despite the economic growth of the province over the past few years, the unemployment rate continued to increase. This is due to the fact that the mining sector which is capital -intensive creates only 13 jobs for every R1million production cost. Even though agriculture is labour-intensive with 36 jobs being created for every R1million production cost, the tertiary sector has for the past 3 years absorbed more labour with 47 jobs being created for every R1million production cost. Therefore, Government has made a commitment to shift the Northern Cape strategy, i.e. from the primary sector to the secondary sector. Thus, within the next 3 years, Government has committed itself to seek FDI and export markets so that more businesses opportunities would be created.

The Gross Geographic Product (GGP) of the province increased in real terms over the past six years. Together with the increasing poverty, this reflects widening inequalities in the provincial economy, as the following table reflects:

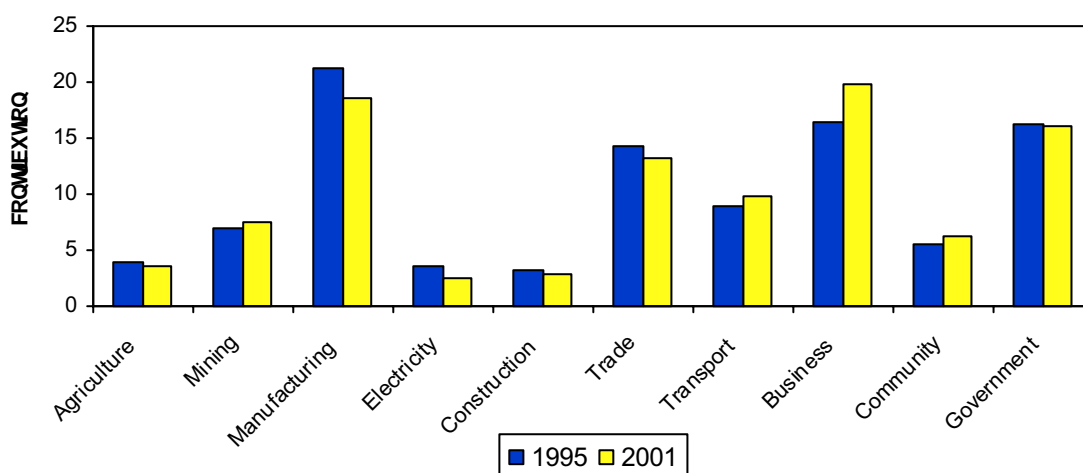
Districts	GGVA (R 1000)	Unemployment rate (%)
Karoo	1511763	50,9
Kgalagadi	538817	42,7
Frances Baard	4359459	48,0
Namaqua	1522912	28,8
Siyanda	2966714	37,6



Primary industry contribution (25.5%) to the GGP, secondary industry contribution (9%) and tertiary industries has become more and more important in the NC at 56.6% of the GGP

The Northern Cape is the only province with a negative average growth rate for the period 1995-2001, however the growth rate has increased over time (from -8% in 1996 to 2,7% in 2001), as illustrated below:

### Northern Cape - Sector Contribution



**Investment haven:**

This vast province, with the two major rivers of South Africa, the Vaal and the Orange, running through the Northern Cape, coming to confluence near Douglas, is a dichotomy of arid lands and lush agricultural lands offering the investor:

- a stable political and economic environment;
- an abundance of raw materials and resources;
- an ample supply of labour;
- a provincial government committed to a market-driven economy, a spirit of entrepreneurship, fiscal discipline and sound economic policies;
- government-supported incentives;
- an excellent road network, an established rail system and two expanding commercial airports;
- very low levels of crime;
- a gateway to the rest of South Africa., Namibia, Botswana and other prime African markets, and
- tremendous investment opportunities.

**Sector development priorities:**

The development need and potential for growth is locked up in the secondary sector. Since the NC does not poses energy reserves, the only logical development of the secondary sector would be the beneficiation of the abundance of primary products in the agriculture, mining and mineral industries.

**The key sectors would be:**

**(a) Mining & Minerals Beneficiation / Manufacturing**

The major mining export products are from the mining and quarrying, metal ores and coal and lignite industries. Precious stones, metals, iron and steel are the major products being exported from the Northern Cape mining sector. Diamonds still account for 27% of the Northern Cape's mining output. However, deposits of lead, manganese, iron, zinc, copper, limestone and gypsum are plentiful. Many investment opportunities exist in developing industries to manufacture products and process raw materials from mining. The Northern Cape produces 13,4% of the world's exports of lead and more than 25% of the world's manganese is supplied by the Northern Cape. A recent estimate is that South Africa contains 80% of the world's manganese reserves, most of which are concentrated in the Kalahari region of the Northern cape. Copper is mined at Springbok and Aggenys. Most of South Africa's iron ore production comes from the Northern Cape. The Sishen mine is the biggest source of iron ore in South Africa. Optimization of iron ore extraction is still possible and such a move would result in the creation of 750 1250 jobs. Optimized capital expenditure on iron ore extraction could amount to R3 billion and an additional \$170 - \$180 million could be generated annually from export revenue, if proper use is made of the Coega line and port facilities.

In 1996 - 1998, the focus for mining exports was on the EU and EFTA trade blocks. From 1999, the focus shifted to the Asian and Middle East markets. Exports in 2000 were low, due to the Asian crisis, but it recovered significantly by 2001, at which time precious stones, metals, iron and steel were the major products being exported. As a result of the SADC free trade agreement, exports of mining and mineral products increased (the largest recipient being Zimbabwe).

The intervention that we need to implement is to beneficiate our mineral sector i.e.

≠ Convert rough diamond into polished & cut diamonds and only then we can export our diamond.

- Beneficiate our iron ores into iron related products.
- Beneficiate semi-precious stones into polished stones, jewellery, home-decorative items, etc..

Specific economic investment opportunities that are available include:

- Viable alluvial diamond deposits in the Prieska, Douglas, Hopetown and Marydale area.
- Beneficiation of the following semi-precious stones and minerals for the jewellery and craft markets:
  - Tiger's Eye (All South Africa's reserves of this semi-precious stone are concentrated in the Northern Cape.).
  - Sugilite (The Northern Cape is the primary producer of sugilite.).
  - Topaz, Rose quartz, Jasper, Chrysoberyl, Amethyst, Agate, Amazonite and Picture Stones.
- Granite processing.

#### (b) Agriculture

Both the Orange and Vaal Rivers flow through the province, and it is along these fertile riverbanks and canals that some of South Africa's finest crops are grown. These waters allow intensive crop farming, yielding a wide variety of prime quality fruit and vegetables. South Africa is one of only six countries in the world recognized as a net food exporter, capable of exporting food on a regular basis.

The European Union has over the past 6 years been the largest importer of Northern Cape fruits, wool and nuts. The APEC trade block is the second most important export destination for the agricultural sector in the province. After the implementation of the AGOA in 2000, the NAFTA trade bloc also became one of our major export markets. The grapes that leave our shores have also been received in EU.

The Northern Cape has, collectively, the second largest wine cellars in the world, second only to California, and export quality wines are produced here. This prompted the DEAT, with DTI, is to encourage our wines to leave our shores. Thus, DEAT facilitated the establishment of the NC Wine Association and exports are currently being channelled to S.E. Asia. The need exists, however, to beneficiate all our fruits and vegetables into by-products such as fruit juice, tomato paste, etc., thus the importance of the development our manufacturing sector.

The following investment opportunities are available:

- Carrot and fruit juice processing plants and vegetable canning facilities are among the investment opportunities available.
- Floriculture is an industry with immense potential, particularly for the export market. Carnations, dahlias, roses, proteas, strelitzias and gladioli all thrive in the sandy soil of the Northern Cape.
- Production of indigenous bulbs in Niewoudtville and Pella.
- Production of bio-chemicals (beta carotene, spirulina & astaxanthin) from algae for local and overseas health markets.
- Production of herbal and medicinal plants for local and overseas health markets.
- High value vegetables.
- Cotton growing, spinning and weaving utilising the locally grown cotton.
- Given the availability of raw materials in the wool and mohair sectors, opportunities lie in the downstream industries like yarns, fabric and knitwear.

**(c) Fishing & Mariculture**

Favourable biological conditions, excellent shore-based infrastructure, the presence of a number of pioneer private sector mariculturists and a strong research and development base offer an ideal environment for investment and growth in this industry along the West coast.

**(d) Tourism**

Over the past 5 years, the visitor figures for the province has shown a steady increase of between 11% - 17% per year. During 2000-2001, approximately 200 new guest houses opened their doors across the province. Each guest house employs 4 people on average, which means that 800 new jobs were created (14% increase) in this sector over this period.

The game farm / private nature reserve industry has grown by 25% over the same period and we have now surpassed the figure of 1000 units in the province. Each of these units employs 10 people on average, which means that 2460 jobs have been created in this industry.

Since the inception of the NCTA and the international marketing campaigns by S.A. Tourism, the international visitor figures to our national parks has grown from 3% to 25%. International visitors spend on average R1400.00 per day in the province, whereas the domestic traveller only spends R780.00 on average per day. The international visitor also tends to stay in the province for a longer period (about 11 days) than the domestic visitor (about 6 days).

We could realistically increase our market share of our country's inbound market from 2,3% to 4%, which translates into 240 000 international visitors with a revenue of R3 696 million per year. Given that, statistically, every 8 tourists leads to the creation of 1 permanent job, 12 750 new jobs could be created by growing this sector optimally.

There is also a growth trend in eco-tourism and the Northern Cape is ideally suited to capitalise on this trend given its relatively pristine natural environment and rich cultural heritage. Furthermore, the development of 3 trans-frontier parks in the province on the shared borders with Botswana and Namibia will give impetus to tourism development in the province. The Ai Ais-Richtersveld Trans-frontier Conservation Park has been brought into being. The opening of the border at Sendlingsdrift will fundamentally change the nature of tourist flows between Namibia and South Africa and opportunities exist to take advantage of these changing tourist flows. The Orange River Mouth Ramsar site will be proclaimed a provincial protected area, and business development opportunities and linkages to these projects will open up. In terms of the high demand for adventure tourism, the rugged landscape the Northern Cape is ideal for adventure tourism and extreme sport activities.

**(e) Infrastructure Development**

Infrastructure development becomes a key component to our successes in enticing investment and growing the manufacturing sector. To this end, more resources will have to be allocated to:

**• Upgrading of Upington Airport:**

Upington, the Northern Cape's second largest city, forms the nucleus of a development zone along the lower Orange River. Upgrading the airport will act as a catalyst to unlock the growth potential of the region by allowing producers to export vastly increased volumes of perishable goods. Upington could become the most important centre for this trade in South Africa. An expanded airport will also facilitate the tourist industry and cater for increased imports of freight required for the development of the province's mining, manufacturing and agro-processing industries. The airport has the longest runway in Africa, is suitable for Boeing 747s, can presently handle mass air freight and has an 100-ton cold-storage facility designed for the export of fresh table grapes.

§ Opportunities also exist for the upgrading of the province's road and railway networks.

§ Inculcate the spirit of entrepreneurship into the Province and also create an enabling environment in supporting these emerging entrepreneurs (by creating Provincial Incentive Packages and Mentorship / Training opportunities, etc.).

[ Input on Economic Overview is provided by the Northern Cape Department of Economic Affairs and Tourism.]

## 4. Receipts

### 4.1 Overall position

Revenue estimates for 2004/05 are based upon National Government's Equitable Share, Conditional Grants and forecasts of various provincial own revenues using economic growth parameters generated by the Provincial Treasury and estimated actual collections for 2004/05. The total estimated revenue for the 2004/05 financial year is R4,505,987 million. The amount to be derived from national sources, both the equitable share and conditional grants for the Northern Cape Province amounts to R4,411,677 million for 2004/05, which is 98% of the Province's total revenue. Provincial sourced revenue is estimated to be R94,406 million for 2004/05, which is 2% of the province's total revenue.

**Table 1.6** provides a summary of the composition and comparison of actual receipts for 2000/01 and 2002/03 as well as budgeted and estimated actual receipts for 2003/04 and budgeted receipts for 2004/05 to 2006/07.

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2004/05	2005/06	2006/07
	2000/01 R'000	2001/02 R'000	2002/03 R'000						
					2003/04 R'000				
<b>Transfer receipts from national</b>									
Equitable share	2 302 133	2 559 623	3 000 498	3 412 022	3 511 881	3 511 881	3 838 795	4 124 972	4 372 227
Conditional grants	249 988	248 126	269 588	385 781	386 781	386 781	572 882	658 769	777 386
Other									
Roll overs	-	-	-	-	-	-	-	-	-
<b>Total transfer receipts from national</b>	<b>2 552 121</b>	<b>2 807 749</b>	<b>3 270 086</b>	<b>3 797 803</b>	<b>3 898 662</b>	<b>3 898 662</b>	<b>4 411 677</b>	<b>4 783 741</b>	<b>5 149 613</b>
<b>Provincial own receipts</b>	<b>89 031</b>	<b>106 623</b>	<b>87 187</b>	<b>93 000</b>	<b>93 000</b>	<b>91 502</b>	<b>94 305</b>	<b>98 460</b>	<b>104 049</b>
<b>Tax receipts</b>	<b>50 182</b>	<b>46 149</b>	<b>60 215</b>	<b>57 818</b>	<b>57 818</b>	<b>52 905</b>	<b>61 716</b>	<b>64 100</b>	<b>67 212</b>
<b>Non-tax receipts</b>	<b>38 115</b>	<b>34 049</b>	<b>26 683</b>	<b>35 182</b>	<b>35 182</b>	<b>38 597</b>	<b>32 289</b>	<b>34 042</b>	<b>36 500</b>
Sale of goods and services other than capital assets	26 241	29 813	24 067	23 987	23 987	24 952	24 499	25 966	28 112
Fines, penalties and forfeits	1 669	1 736	16	-	-	-	17	18	19
Interest, dividends and rent on land	10 205	2 500	2 600	11 195	11 195	13 645	7 773	8 058	8 369
<b>Transfers received</b>									
Sale of capital assets	-	26 372		-	-	-	-	-	
Financial transactions	734	53	289	-	-	-	300	318	337
<b>Total provincial own receipts</b>	<b>89 031</b>	<b>106 623</b>	<b>87 187</b>	<b>93 000</b>	<b>93 000</b>	<b>91 502</b>	<b>94 305</b>	<b>98 460</b>	<b>104 049</b>
<b>Financing</b>	<b>30 941</b>	<b>75 004</b>	<b>107 623</b>		<b>87 999</b>	<b>87 999</b>			
<b>Total provincial receipts</b>	<b>2 672 093</b>	<b>2 989 376</b>	<b>3 464 896</b>	<b>3 890 803</b>	<b>4 079 661</b>	<b>4 078 163</b>	<b>4 505 982</b>	<b>4 882 201</b>	<b>5 253 662</b>



## 4.2 Equitable Share

The Equitable Share is the largest of the provincial allocations at 98 percent. The formula has been updated to take account of Census 2001. The impact of the new data negatively affected the provinces equitable share.

Although the formula has components for education, health and welfare, these elements are not earmarked funding allocations, but broad indications of relative need. Provincial Executive Council have discretion regarding the provincial allocation for each function.

The provincial equitable share formula (with latest updates) comprises the following components, with the weights of each component shown in brackets:

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

The 2004 Budget will mark the fifth year of the phased approach to the application of the equitable share formula. The phased approach was developed as a response to differences between the data on which the formula was originally based and the data contained in the 2001 Census. The phasing avoided unmanageable disruptions in provinces where the target share differs substantially from the initial allocation of resources.

The Northern Cape Province's share of the total equitable share is **R3,838,795 million**. The equitable share also excludes other unconditional and conditional grants to the provinces from the national share.

## 4.3 Conditional Grants

Reforms to the conditional grants :

Conditional grants are transfers to provinces to implement specific national priorities in provincial budgets, and constitutes about 13% of total transfer to provinces. The 2004 Budget marks the fourth year since conditional grants were introduced in the intergovernmental fiscal framework. The 2004 Division of Revenue Act built on the foundation laid in the first three acts and continue introduce measures aimed at strengthening the conditional grant system and clarifying lines of reporting and accountability, thus, enhancing transparency while contributing to better planning and budgeting for conditional grants. These measures include:

- Publication of the three-year allocations for grants, including all grants to municipalities Publication of statement of purpose, outputs, conditions and criteria for allocating each grant.
- Alignment of reporting requirements for conditional grants with the requirement of the Public Finance Management Act.

The health grants are by far the biggest, and probably the most complex. Apart from the integrated nutrition programme, all grants administered by the department of health are predominantly aimed at hospitals particularly the funding of tertiary health services and training.

Health Professional Training and Development has a new component to employ specified number of registrars and medical specialist trainers in provinces with the most severe shortage of medical specialists.

Hospital Revitalisation Grant renamed the Hospital Rehabilitation Grant Funds major upgrading and replacement in large strategic projects.

Another significant change in the conditional grant is the introduction of Child Support Extension Grant, for the extension of means tested child support grant to children up to 13 years of age and Food relief Grant, which provides funding for emergency food relief to individuals and household that were identified as facing risk of starvation, the comprehensive agriculture support programme is to enhance the provision of support to promote and facilitate agricultural development of small scale farmers.

Government started implementing an integrated strategy for HIV/Aids through the social service departments (Education, Health and Welfare) in the 2001 Budget. The strategy focuses on care and support for children and youth affected and infected by HIV/Aids. These grants aim to strengthen home and community-based care, support voluntary counseling and testing, provides for the rollout of the mother to child transmission prevention programme and strengthen life skills programmes in schools.

Further strengthening of the budgetary response to HIV/Aids is made to implement Government's decision on post-exposure prophylaxis for victims of sexual abuse, the rollout of mother-to-child transmission prevention, strengthening programmes combating sexually transmitted diseases, targeted interventions for commercial sex workers, voluntary counseling and testing. The conditional grants included in the Province's Estimate of Expenditure 2004/05 amount to **R572,282 million** and are for:-

Table 1.7: Summary of conditional grants by grant

	Outcome			Main appropriation	Adjusted appropriation	Revised Estimate	Medium-term estimates		
	Audited	Audited	Audited				2004/05 R'000	2005/06 R'000	2006/07 R'000
	2000/01 R'000	2001/02 R'000	2002/03 R'000	2003/04 R'000					
Vote 4: Education	3 399	17 653	29 083	37 600	0	37 600	57 838	61 210	59 034
Fianacial management and quality enhancement	3 235	4 047	4 338	4 454	0	4 454	0	0	0
Provincial Infrastructure grant	0	12 000	21 000	29 185	0	29 185	33 183	34 265	26 931
National School Nutrition program	0	0	0	0	0	0	22 469	24 628	29 647
Early childhood development	0	399	1 007	1 672	0	2 289	0	0	0
HIV/Aids	164	1 207	2 738	2 289	0	1 672	2 186	2 317	2 456
Vote 5: Transport	0	13 000	21 000	29 185	0	29 185	110 135	129 131	158 709
Provincial Infrastrutture grant	0	12 000	21 000	29 185	0	29 185	110 135	129 131	158 709
Provincial Legislature building	0	0	0	0	0	0	0	0	0
National Transport Transition Act	0	1 000	0	0	0	0	0	0	0
Vote 7: Sports Arts and Culture	0	0	0	0	0	0	1 000	2 640	4 280
Sports, Arts and Culture	0	0	0	0	0	0	1 000	2 640	4 280
Vote 8: Provincial Treasury	52 002	59 588	0	0	0	0	0	0	0
Supplementary Allocation	51 809	47 588	0	0	0	0	0	0	0
Financial and Personnel management support	193	5 000	0	0	0	0	0	0	0
Constituency grant	0	0	0	0	0	0	0	0	0
Financial management	0	0	0	0	0	0	0	0	0
Vulindlela/logis	0	0	0	0	0	0	0	0	0
Flood Relief	0	7 000	0	0	0	0	0	0	0
Vote 9: Provincial Housing and Local government	69 841	83 786	104 193	112 142	0	112 142	121 626	87 423	91 321
Local government support grant	10 680	14 700	17 050	17 473	0	17 473	22 675	0	0
SA Housing Fund	58 125	65 475	77 090	85 973	0	85 973	89 442	78 299	82 997
Human Settlement Redevelopment Programme		1 000	2 547	3 000	0	3 000	3 180	2 021	2 142
Provincial Infrastructure grant	0	1 411	3 997	3 959	0	3 959	4 486	5 140	4 100
CMIP	0	0	3 509	1 737	0	1 737	1 843	1 963	2 082
Capacity building grant	1 036	1 200	0	0	0	0	0	0	0
Vote 10: Health	64 036	70 838	110 152	171 694	1 000	172 694	190 565	225 662	264 729
Health Training and Research	23 480	24 377	28 313	30 007	0	30 007	34 444	41 069	41 069
Hospital management enhancement	2 000	1 000	7 334	10 906	0	10 906	10 490	10 083	10 688
Hospital Rehabilitation	1 937	10 000	25 000	54 939	0	54 939	57 135	59 421	77 524
Intergrated Nutrition Programme	10 096	10 096	10 390	21 617	0	21 617	3 000	3 299	0
Provincial Infrastructure grant		4 000	7 000	10 065	0	10 065	11 510	11 993	11 993
Medico-Legal	0	0	0	0	1 000	1 000	0	0	0
National Tertiary services	0	0	0	32 892	0	32 892	42 105	51 747	54 852
Redistribution of Secialised Health Services	25 284	16 700	24 458	0	0	0	0	0	0
HIV/Aids	1 239	4 665	7 657	11 268	0	11 268	31 881	48 050	68 603
Vote 11: Social Services and Population	1 148	1 660	2 660	53 031	0	53 031	79 200	137 555	181 036
Financial Management and social security system	0	0	0	0	0	0	0	0	0
Child Suppport Grant	148	0	0	19 671	0	19 671	65 272	123 392	166 023
Flagship	0	160	0	0	0	0	0	0	0
Child Support Grant Extension	0	0	0	19 671	0	19 671	0	0	0
Food security	0	0	0	9 998	0	9 998	9 998	9 998	10 598
Criminal Justice system	0	0	0	0	0	0	0	0	0
Victim Empowerment Programme	0	0	0	0	0	0	0	0	0
HIV/Aids	1 000	1 500	2 660	3 691	0	3 691	3 930	4 165	4 415

Support for Health Professional Training and Development (R34,444 million);

- .. The Integrated Nutrition Programme to feed primary school children as well as for nutrition education and health promotion (**R25,469 million**) ;
- .. The funding of the Rehabilitation of Hospitals (**R57,135 million**) ;
- .. The funding of the National Tertiary Health Services, for provinces that do not currently provide tertiary health services, in order to reduce referrals to the central hospitals (**R42,105 million**) ;
- .. The implementation of Hospital Management Improvement (**R10,490 million**) ;
- .. The Provincial Infrastructure Grant to fund infrastructure such as roads, school buildings and hospitals/clinics (**R159,314 million**) an increase of 120.1% compare to 2003/04 financial year;
- .. The South African Housing Fund to finance capital housing programmes (**R89,442 million**);
- .. The Human Settlement Redevelopment Programme (**R3,180 million**); and
- .. HIV/Aids programmes for Health, Education and Social Service and Population Development (**R37,997 million**) ;
- .. Poverty relief and infrastructure development for Agriculture (**R2,000 million**) ;
- .. Consolidated Municipal Infrastructure Programme (**R1,843 million**)
- .. Municipal Support Grant (**R22,675 million**)
- .. Food Security Grant (**R9,998 million**)
- .. Child support grant extension (**R65,272 million**)
- .. Comprehensive agriculture support programme (**R10,518 million**)
- .. Sport and Recreation SA (**R1,000 million**)

#### 4.4 Provincial Own Revenue

The Northern Cape Province expects to collect an amount of **R94,305 million** from own provincial revenue for the 2004/05 financial year, which is only 2% of the total revenue compared to the 2003/04 financial year, but a decrease by 0.2% as a percentage of total budget.

With the limited sources of revenue available to provinces, there is also 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 biggest source of revenue in the Northern Cape 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 also enhance the Province's ability to deliver services. A dedicated decision in this regard will be in operation during the coming year.

Table 1.8: Summary of provincial own receipts by Vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01 R'000	2001/02 R'000	2002/03 R'000				2004/05 R'000	2005/06 R'000	2006/07 R'000
Vote 01: Office of the Premier	20	426	30	34	34	51	31	29	29
Vote 02: Provincial Legislature	0	0	0	0	0	943	0	0	0
Vote 03: Provincial Safety and Liason	0	1	1	0	0	0	0	0	0
Vote 04: Education	1 840	1 500	515	600	600	2 076	824	873	1 053
Vote 05: Transport, Roads and Works	47 519	71 192	54 861	54 861	54 861	54 861	58 229	60 597	63 763
Vote 06: Economic Affairs & Tourism	2 665	2 560	6 560	7 560	7 560	2 711	10 095	10 699	10 645
Vote 07: Sports, Arts and Culture	64	70	70	70	70	67	70	70	70
Vote 08: Finance	25 200	19 442	12 640	12 221	12 221	10 562	5 985	6 348	6 408
Vote 09: Housing and Local Government	578	231	234	240	240	322	240	254	254
Vote 10: Health	9 015	10 055	10 860	15 473	15 473	17 931	16 751	17 475	19 577
Vote 11: Social Services & population Develk	370	397	416	441	441	478	580	615	660
Vote 12: Agriculture, Land Reform & Natur	1 760	749	1 000	1 500	1 500	1 500	1 500	1 500	1 590
<b>Total provincial own receipts by Vote</b>	<b>89 031</b>	<b>106 623</b>	<b>87 187</b>	<b>93 000</b>	<b>93 000</b>	<b>91 502</b>	<b>94 305</b>	<b>98 460</b>	<b>104 049</b>

The main sources of provincial own revenue for the 2004/05 financial year are:

#### 4.4.1 Licenses: Motor vehicles

This is a major provincial revenue source and the Province is heavily reliant on this revenue as it accounts for 55% of the total provincial own revenue. The expected revenue from this source for the 2004/05 financial year is **R51,621 million** and is a decrease of R1,363 million on the estimate for the 2003/04 financial year.

As motor vehicle licenses is by far the biggest contributor to provincial own revenue, it continues to receive the main focus in terms of ensuring that revenue collections from this source is maximised.

#### 4.4.2 Hospital fees

The revenue expected from hospital fees from the 2004/05 financial year is **R16,751 million**, an increase by R1,270 million compare to 2003/04 financial year.

#### 4.4.3 Gambling and Racing

Gambling taxes will mostly be derived from the casino operations as well as from betting and totalisators from the horse-racing industry. The estimated revenue from this source for the 2004/05 financial year amounts to **R8,881 million**, an increase of R1,321 million compared to 2003/04 financial year.

#### 4.4.4 Interest on Investments

The equitable share and conditional grants, which constitute a major share of the provincial revenue, enable the Provincial Revenue Fund to generate interest on a daily balance. However, the tendency of departmental expenditure continuously exceeding the cash flow requisitions result in a consistent overdraft and as such in the Province being deprived of the interest receivable. An amount of **R2,700 million** is the most reasonable estimate for 2004/05. This is based on and coupled **with the envisaged and projected unfavourable closing balance at the bank**, which will be phased out during the course of the MTEF period, i.e. 2004/05 - 2006/07 financial years.

## 5. Expenditure

### 5.1 Overall position

Total outlays for provincial programmes are budgeted at:

Financial year 2004/05: R 4,435,893 million

Financial year 2005/06: R 4,834,954 million

Financial year 2006/07: R 5,200,545 million

*Table 1.5* indicates the growth in expenditure by policy area and *Chart* provides a graphic illustration of expenditure by policy area.

### 5.2 Expense by Vote

Table 1.9 should summarise the total budget for each Vote. This action may include a brief discussion on expenditure trends within departments, specifically relating these trends with the policy priorities of government (both provincial and national).

**Table 1.9: Summary of provincial payments and estimates by Vote**

	Outcome			Main approp.	Adjusted approp.	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01	2001/02	2002/03	2003/04			2004/05	2005/06	2006/07
	R'000	R'000	R'000	R'000			R'000	R'000	R'000
Vote 01: Office of the Premier	46 037	44 658	63 781	69 076	69 916	69 915	74 461	80 067	84 589
Vote 02: Provincial Legislature	29 252	33 616	40 183	39 398	40 718	42 133	44 122	47 024	49 186
Vote 03: Provincial Safety and Liason	3 942	5 794	8 272	11 208	11 258	10 008	11 997	13 144	13 820
Vote 04: Education	965 069	1 021 709	1 170 965	1 305 596	1 309 212	1 309 174	1 435 245	1 585 826	1 667 809
Vote 05: Transport, Roads and Works	209 866	284 325	317 344	297 543	300 141	300 141	360 142	376 114	398 447
Vote 06: Economic Affairs & Tourism	13 653	18 309	38 736	50 124	52 184	49 620	60 004	65 529	69 439
Vote 07: Sports, Arts and Culture	21 242	28 208	39 549	51 058	51 844	53 638	57 864	63 084	68 182
Vote 08: Finance	32 128	30 412	45 710	87 071	86 459	82 910	98 132	102 096	108 159
Vote 09: Housing and Local Government	111 735	139 985	150 217	225 156	257 392	257 414	251 779	226 391	238 237
Vote 10: Health	468 017	517 395	608 508	737 246	753 647	795 210	815 141	910 151	987 549
Vote 11: Social Services & population Development	654 446	698 898	910 810	926 056	1 054 518	1 155 776	1 114 561	1 242 257	1 382 472
Vote 12: Agriculture, Land Rfeorm, Enviroment and Conservation	60 404	65 758	73 887	91 271	92 372	82 372	112 445	123 271	132 655
Total provincial payments and estimates by Vote	2 615 791	2 889 067	3 467 962	3 890 803	4 079 661	4 208 311	4 435 893	4 834 954	5 200 544

## 5.3 Expense by economic classification

Table 1.10 below shows provincial expenditure by economic classification.

**Table 1.10: Summary of provincial payments and estimates by economic classification**

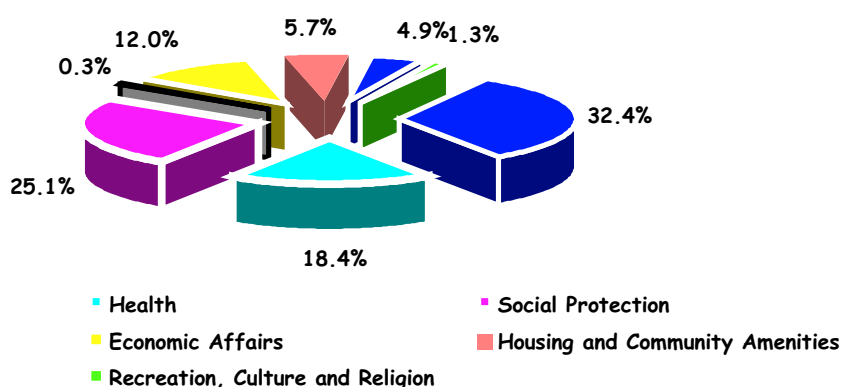
	Outcome			Main approp.	Adjusted approp.	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01 R'000	2001/02 R'000	2002/03 R'000		2003/04 R'000		2004/05 R'000	2005/06 R'000	2006/07 R'000
<b>Current payments</b>	<b>1 731 794</b>	<b>1 876 846</b>	<b>2 152 375</b>	<b>2 520 141</b>	<b>2 537 476</b>	<b>2 599 077</b>	<b>2 829 136</b>	<b>3 071 952</b>	<b>3 248 413</b>
Compensation of employees	1 317 438	1 407 389	1 536 881	1 795 169	1 776 677	1 771 964	1 966 893	2 111 060	2 214 492
Goods and services	413 470	467 814	618 128	722 672	758 499	824 813	858 653	956 429	1 029 194
Interest and rent on land	0	0	0	0	0	0	537	596	632
Financial transactions in assets and liabilities	883	1 636	2 155	2 300	2 300	2 300	3 053	3 867	4 095
Unauthorised expenditure	3	7	-4 789	0	0	0	0	0	0
<b>Transfers and subsidies to:</b>	<b>780 942</b>	<b>836 587</b>	<b>1 065 958</b>	<b>1 137 478</b>	<b>1 283 534</b>	<b>1 405 246</b>	<b>1 344 560</b>	<b>1 477 937</b>	<b>1 639 870</b>
Provinces and municipalities	52 431	63 885	62 579	121 509	127 190	130 110	132 774	128 126	122 269
Departmental agencies and accounts	39	422	553	16	16	16	47	51	53
Universities and technikons	2 207	1 001	2 162	4 999	6 519	6 519	5 991	7 429	8 736
Public corporations and private enterprises	950	1 103	16 734	22 000	24 000	22 000	27 050	27 154	27 283
Foreign governments and international organisations	0	0	0	0	0	0	0	0	0
Non-profit institutions	110 459	129 722	161 789	181 245	187 147	180 972	185 240	216 952	241 977
Households	614 856	640 454	822 141	807 709	938 662	1 065 629	993 458	1 098 225	1 239 552
<b>Payments for capital assets</b>	<b>103 055</b>	<b>175 634</b>	<b>249 629</b>	<b>233 184</b>	<b>258 651</b>	<b>203 988</b>	<b>262 197</b>	<b>285 065</b>	<b>312 261</b>
Buildings and other fixed structures	72 112	127 207	161 545	186 191	204 793	168 557	206 549	235 967	261 857
Machinery and equipment	30 745	48 291	85 765	45 547	52 130	34 099	55 427	48 840	50 137
Cultivated assets	0	0	0	1 361	1 643	1 272	0	0	0
Software and other intangible assets	198	136	278	85	85	60	221	258	267
Land and subsoil assets	0	0	2 041	0	0	0	0	0	0
Debt Redemption							0	0	0
<b>Total economic classification</b>	<b>2 615 791</b>	<b>2 889 067</b>	<b>3 467 962</b>	<b>3 890 803</b>	<b>4 079 661</b>	<b>4 208 311</b>	<b>4 435 893</b>	<b>4 834 954</b>	<b>5 200 544</b>

## 5.4 Expense by policy area

Table 1.11: Summary of provincial payments and estimates by policy area

	Outcome			Main approp.	Adjusted approp.	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2004/05	2005/06	2006/07
	2000/01 R'000	2001/02 R'000	2002/03 R'000						
					2003/04 R'000		R'000	R'000	R'000
General public services	107 398	108 685	149 054	195 545	197 093	194 958	216 715	229 187	241 934
Public order and safety	3 942	5 794	8 272	11 208	11 258	10 008	11 997	13 144	13 820
Economic affairs	283 942	368 393	430 587	438 938	444 697	432 133	532 591	564 914	600 541
Environmental protection	0	0	0	0	0	0	0	0	0
Housing and community amenities	111 735	139 985	150 217	225 156	257 392	257 414	251 779	226 391	238 237
Health	468 017	517 395	608 508	737 246	753 647	795 210	815 141	910 151	987 549
Recreation, culture and religion	21 242	28 208	39 549	51 058	51 844	53 638	57 864	63 084	68 182
Education	965 069	1 021 709	1 170 965	1 305 596	1 309 212	1 309 174	1 435 245	1 585 826	1 667 809
Social protection	654 446	698 898	910 810	926 056	1 054 518	1 155 776	1 114 561	1 242 257	1 382 472
<b>Total provincial payments and estimates by policy area</b>	<b>2 615 791</b>	<b>2 889 067</b>	<b>3 467 962</b>	<b>3 890 803</b>	<b>4 079 661</b>	<b>4 208 311</b>	<b>4 435 893</b>	<b>4 834 954</b>	<b>5 200 544</b>

2004/05 Expenditure by Policy Area



### 5.2.1 Education

An amount of **R1 435 245 million** has been allocated for Education. This represents 32,% of the total 2004/05 budget for this Province and is an increase of 10% on the 2003/04 Education budget.

### 5.2.2 Social Protection

**R1 114 561 million** has been provided for Social Service and Population Development for the 2004/05 financial year, which represents 25% of the total 2004/05 provincial budget. This provision is 6% more than the corresponding amount for the 2003/04 financial year.



The majority of the expenditure on the Social Service and Population Development Vote is in the form of transfer payments, which is for social pensions and subsidies to welfare organisations. The key challenge for Social Service and Population Development continues to be the management of the growth of expenditure on social security entitlement programmes while

strengthening the funding of discretionary and developmental welfare services. The continued efforts being effected to reduce fraud and overpayment in the social security system will also contribute to further savings in these payments.

### 5.2.3 Health

Health has been allocated an amount of **R815,141 million** for the 2004/05 financial year. This amount represents 18% of the total provincial budget for 2004/05 and is a 8% increase on the corresponding provision for Health for 2003/04. The core function is the provision of health care, which focuses on the District Health System as the major locus of implementation. Primary health care services within a District Health System are achieved through clinics, community health centers and district hospitals. Secondary health care is available at Gordonia and Kimberley Hospitals with a limited range of tertiary services currently available at Kimberley Hospital. In addition the training of student nurses as well as a range of post diploma qualifications through the Henrietta Stockdale Nursing College is also being financed.

### 5.2.4 Economic Affairs

The Economic Affairs Function includes the Departments of Economic Affairs and Tourism, Agriculture, Land Reform Environment and Conservation as well as the Roads and Transport functions of the Department of Transport, Roads and Works. The allocation for this function for the 2004/05 financial year amounts to **R532,591 million**, which is 12% of the total provincial budget. This amount represent an increase of 20% on the estimated actual expenditure for 2003/04.

This allocation should be sufficient to continue on the path of economic development in the Province. These functions are complemented by the activities of various public sector corporations and extra-budgetary government agencies. The RDP calls for the building of the economy - both sustainable, accelerated growth and a redistribution of income and opportunities. The macro-economic dimensions of this commitment are set out in the 1996 Growth, Employment and Redistribution Strategy (GEAR). Trade and industry promotion, tourism promotion, agricultural development, labour services, small business development, etc., are amongst the government's programmes that contribute to the objectives of GEAR. Government's employment creation projects have explicit training components aimed at strengthening small businesses and community organisations. This will make a lasting contribution to local infrastructure and is a strategy for employment linked to local economic development.

### 5.2.5 Housing and Community Amenities

The allocation for the Department of Housing and Local Government for the 2004/05 financial year is **R251,779 million**, which is 6% of the total provincial budget. This amount is a decline of 2% on the corresponding amount for 2003/04.

### 5.2.6 General Public Services

The General Public Services Function consists of the Votes Premier, Legislature, Finance. The total allocation for this function for the 2004/05 financial year is **R216,715 million**. The 2004/05 allocation is 5% of the total provincial budget.

### 5.2.7 Recreation, Culture and Religion

The allocation for this function for 2004/05 amounts to **R57,864 million**, which is 12% more than the corresponding provision for 2003/04.

### 5.2.8 Public Order and Safety

The Public Order and Safety Function consists of the Department of Provincial Safety. The total allocation for this function for the 2004/05 financial year amounts to **R11,997 million**, which 7% more than the estimated actual expenditure for 2003/04.

## 5.4 Infrastructure expense

Table 1.12: Summary of provincial infrastructure payments and estimates by Vote

	Outcome			Main approp.	Adjusted approp.	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01 R'000	2001/02 R'000	2002/03 R'000				2004/05 R'000	2005/06 R'000	2006/07 R'000
Vote 01: Office of the Premier									
Vote 02: Provincial Legislature									
Vote 03: Provincial Safety and Liason									
Vote 04: Education							49 190	83 707	61 988
Vote 05: Transport, Roads and Works							47 900	36 125	800
Vote 06: Economic Affairs & Tourism									
Vote 07: Sports, Arts and Culture							11 700	11 700	10 000
Vote 08: Finance									
Vote 09: Housing and Local Government							34 227	20 465	25 500
Vote 10: Health							80 400	40 000	8 000
Vote 11: Social Services & population							3 694	3 694	3 916
Vote 12: Agriculture, Land Reform, Environment and Conservation							647	927	929
<b>Total provincial infrastructure payments and estimates by Vote</b>							<b>227 758</b>	<b>196 618</b>	<b>111 133</b>

Major projects for Health is be the construction of new hospital and clinics; these include Colesburg, Calvinia, Psychiatric, Gordonia Hospitals and the building of community health care centers and clinics two in Galeshewe and two in Noupoot.

Major projects identified in Housing and Local Government is to intensify the eradication of bucket toilets system. A further amount of R30 million in the 2004/05 financial year had been set aside for this purpose.

Sports, Arts and Culture identified one major project, Mayibuye Multi Purpose Cultural Center. The total amount of the project is R43 million, and an amount of R10 million each year, over the MTEF period had been allocated in this regard.

Major projects for Transport Road and Public Works

## 5.6 Transfers to public entities

Table 1.13 is, a summary of all transfers to Public Entities per transferring department.

Table 1.13: Summary of provincial transfers to public entities by transferring department

	Outcome			Main approp.	Adjusted approp.	Revised est.	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01 R'000	2001/02 R'000	2002/03 R'000				2004/05 R'000	2005/06 R'000	2006/07 R'000
Vote 01: Office of the Premier							3900	4434	4587
Vote 02: Provincial Legislature									
Vote 03: Provincial Safety and									
Vote 04: Education									
Vote 05: Transport, Roads and									
Vote 06: Economic Affairs &	2000	2000	2000	2000	2000	2000	2000	2000	2000
Vote 07: Sports, Arts and Culture									
Vote 08: Finance									
Vote 09: Housing and Local									
Vote 10: Health									
Vote 11: Social Services &									
Vote 12: Sport, Arts & Culture									
<b>Total povincial transfer to public</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>2000</b>	<b>5900</b>	<b>6434</b>	<b>6587</b>

## 5.7 Transfers to local government

Table 1.14 shows transfers to local government by category.

	Outcome			Main approp.	Adjusted approp.	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01 R'000	2001/02 R'000	2002/03 R'000		2003/04 R'000		2004/05 R'000	2005/06 R'000	2006/07 R'000
Category A									
Category B	0	18 579	14 205	39 791	41 867	41 967	32 308	30 274	30 986
Category C	0	41 171	44 299	77 511	77 511	77 511	91 997	72 421	80 016
<b>Total provincial transfers to local government</b>	<b>0</b>	<b>59 750</b>	<b>58 504</b>	<b>117 302</b>	<b>119 378</b>	<b>119 478</b>	<b>124 305</b>	<b>102 695</b>	<b>111 002</b>

## 5.8 Personnel numbers and costs

Table 1.15 provide a summary of personnel numbers and the cost thereof by Vote.

**Table 1.15: Summary of personnel numbers and costs by Vote<sup>1</sup>**

Personnel numbers	As at 31 March 2003			As at 31 March 2004			As at 31 March 2005		
Vote 01: Office of the Premier	31 887	175	182	35 206	205	172	37 662	211	178
Vote 02: Provincial Legislature	12 744	79	161	23 556	93	253	24 727	98	252
Vote 03: Provincial Safety and Liason	5 670	35	162	6 080	40	152	6 469	41	158
Vote 04: Education	914 111	9 221	99	1 024 778	9 163	112	1 112 857	9 320	119
Vote 05: Transport, Roads and Works	42 491	513	83	54 959	575	95	60 925	575	106
Vote 06: Economic Affairs & Tourism	8 986	59	152	11 347	57	195	0	0	0
Vote 07: Sports, Arts and Culture	17 235	171	101	20 323	168	117	21 690	171	127
Vote 08: Finance	14 331	113	127	23 785	132	180	28 078	159	177
Vote 09: Housing and Local Government	38 114	293	130	46 214	353	131	59 950	373	161
Vote 10: Health	365 389	4 333	84	421 602	4 535	93	481 994	4 661	93
Vote 11: Social Services & population Development	54062	628	90	64052	863	101	84669	863	98
Vote 12: Agriculture, Nature Conservation and Enviromental Affairs	39 845	416	96	46 637	411	113	47 349	432	110
<b>Total provincial personnel numbers</b>	<b>0</b>	<b>15 408</b>	<b>0</b>	<b>0</b>	<b>15 732</b>	<b>0</b>	<b>0</b>	<b>16 041</b>	<b>0</b>
Total provincial personnel cost (R thousand)	1 490 803	0	0	1 714 487	0	0	1 881 701	0	0
Unit cost (R thousand)	0	0	1 378	0	0	1 613	0	0	1 580

## 5.10 Expense on training

Table 1.16 shows the expenditure on training by vote.

Table 1.16: Summary of provincial expenditure on training by Vote

	Outcome			Main approp.	Adjusted approp.	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2000/01 R'000	2001/02 R'000	2002/03 R'000				2004/05 R'000	2005/06 R'000	2006/07 R'000
Vote 01: Office of the Premier	0	0	250	303	303	303	342	365	400
Vote 02: Provincial Legislature	23	215	140	180	0	180	200	295	340
Vote 03: Provincial Safety and Liason	20	29	38	56	0	56	60	64	69
Vote 04: Education	0	0	0	0	0	0	0	0	0
Vote 05: Transport, Roads and Works	24 360	30 531	35 206	2 362	0	2 362	2 503	2 654	2 813
Vote 06: Economic Affairs & Tourism	180	180	200	287	287	287	290	320	340
Vote 07: Sports, Arts and Culture	0	108	288	127	127	127	203	217	230
Vote 08: Finance	0	242	344	230	0	230	280	307	324
Vote 09: Housing and Local Government	242	261	291	295	0	326	400	457	484
Vote 10: Health	6 059	6 856	8 018	14 231	14 281	12 513	15 461	16 455	17 287
Vote 11: Social Services & population Development	443	486	541	748	655	642	839	939	996
Vote 12: Dept of Agriculture, Land reform, Enviroment and Conservation	329	351	393	435	456	456	472	510	538
<b>Total provincial expenditure on training</b>	<b>31 656</b>	<b>39 259</b>	<b>45 709</b>	<b>19 254</b>	<b>16 109</b>	<b>17 482</b>	<b>21 050</b>	<b>22 583</b>	<b>23 821</b>

## **Annexure A to Budget Statement 1**

TABLE A.1(a) Purpose of the Conditional Grant

<b>1. Land Care Programme: Poverty Relief and Infrastructure Development</b>	
<b>Purpose</b>	To address the degradation problems of natural/agricultural resources and improve the socio-economic status, and food security of rural communities.
<b>2. Comprehensive Agricultural Support Programme</b>	
<b>Purpose</b>	To enhance the provision of support to promote and facilitate agricultural development targeting small scale farmers (including subsistence farmers) and beneficiaries of LRAD programme
<b>3. HIV and AIDS Grant</b>	
<b>Purpose</b>	To deliver life skills, sexuality and HIV and AIDS education in primary and secondary schools.
<b>4. Primary School Nutrition Programme</b>	
<b>Purpose</b>	To improve the nutrition status of South African children: specifically to enhance active learning capacity and improve attendance in schools
<b>5. National Tertiary Service Grant</b>	
<b>Purpose</b>	<ul style="list-style-type: none"> <li>≠ To fund national tertiary services, as identified and costed by the Department of Health (DOH)</li> <li>≠ To ensure equitable access by all South Africans to basic tertiary health level care</li> <li>≠ To ensure collective planning for tertiary services</li> </ul>
<b>6. Health Professionals Training and Development Grant</b>	
<b>Purpose</b>	<ul style="list-style-type: none"> <li>≠ Support provinces to fund service costs associated with training of health professionals</li> <li>≠ Enable shifting of teaching activities from central hospitals to regional and district facilities</li> <li>≠ Development and recruitment of medical specialists in under-served provinces</li> </ul>
<b>7. HIV/AIDS Grant - Health Department</b>	
<b>Purpose</b>	<ul style="list-style-type: none"> <li>≠ Enable the health sector to develop an effective response to HIV and AIDS epidemic:</li> <li>≠ Support approved interventions including voluntary counselling and testing (VCT), mother to child transmission prevention (PMTCT) programmes, strengthening of provincial management, establishment of Regional Training Centres, post exposure prophylaxis (PEP), home-based care, and step-down care to provide a comprehensive treatment package.</li> <li>≠ Support implementation of the National Operational Plan for Comprehensive HIV and AIDS Treatment and Care</li> </ul>
<b>8. Hospital Revitalisation Grant</b>	
<b>Purpose</b>	To transform and modernise infrastructure and equipment in hospitals in line with national policy and to achieve a sustainable infrastructure from which modern, equitable and sustainable services can be delivered
<b>9. Integrated Nutrition Programme Grant</b>	
<b>Purpose</b>	To implement integrated nutrition activities aimed at improving the nutritional status of all South Africans
<b>10. Hospital Management and Quality Improvement Grant</b>	
<b>Purpose</b>	To transform hospital management and improve quality of care in line with national policy
<b>11. Housing Subsidy Grant</b>	
<b>Purpose</b>	To finance subsidies under the national housing programme

<b>12. Human Resettlement Grant</b>	
<b>Purpose</b>	To fund projects that aim to improve the quality of the environment by identifying dysfunctionalities in human settlements
<b>13. Provincial Infrastructure Grant</b>	
<b>Purpose</b>	<ul style="list-style-type: none"> <li>≠ Help accelerate construction, maintenance and rehabilitation of new and existing infrastructure in education, roads, health and agriculture</li> <li>≠ Gradually increase the labour-intensity of certain specific types of projects over the next five years</li> </ul>
<b>14. Local Government Capacity Building Fund (LGCBF)</b> <b>(Provincial Component)</b>	
<b>Purpose</b>	To support municipalities' institutional capacity and ensure sustainable service delivery through supporting the finalisation of amalgamation processes, strengthening financial management and reporting systems, and building technical capabilities around service delivery
<b>15. Municipal Infrastructure Grant</b>	
<b>Purpose</b>	<ul style="list-style-type: none"> <li>≠ To address backlogs in municipal infrastructure and provide basic bulk, connector and internal infrastructure for municipal services primarily to poor households</li> <li>≠ To gradually increase the labour-intensity of certain specific types of projects over the next five years</li> </ul>
<b>16. HIV and AIDS Grant</b>	
<b>Purpose</b>	<ul style="list-style-type: none"> <li>≠ To provide social welfare services to orphans and vulnerable children who are infected and affected by HIV and AIDS, within family and community context, in partnership with non profit making organizations (NGOs, CBOs and other community organisations)</li> <li>≠ To develop and support institutional structures and professionals, community workers and child and youth care workers through targeted training programmes in order to ensure effective delivery of services</li> </ul>
<b>17. Child Support Grant Extension to Children Aged 7- 14 Years</b>	
<b>Purpose</b>	To fund extension of child support grant to eligible children between the ages of 7 to 14 years, (entitlement coming to and end on the child's 14 <sup>th</sup> birthday) phased in over three years, and to cover associated administrative and payment costs
<b>18. Food Emergency Relief Grant</b>	
<b>Purpose</b>	To provide food relief to vulnerable individuals and households
<b>19. Mass Participation Programme</b>	
<b>Purpose</b>	Promotion of mass participation within disadvantaged communities in a selected number of sport activities and the empowerment of communities to manage these activities in conjunction with provincial departments responsible for sport





Table A.1: Information relating to section 4.3: Conditional grants

Vote and Grant	Purpose	2001/02 R'000			2002/03 R'000			2003/04 R'000			2004/05 R'000			2005/06 R'000			2006/07 R'000		
		Adjusted appro- piation	Actual transfer	Audited expen- diture	Adjusted appro- piation	Actual transfer	Audited expen- diture	Adjusted appro- piation	Revised transfer estimate	Revised expen- estimate	Adjusted appro- piation	Revised transfer estimate	Revised expen- estimate	Adjusted appro- piation	Revised transfer estimate	Revised expen- estimate	Adjusted appro- piation	Revised transfer estimate	Revised expen- estimate
<b>Vote 10: Health</b>		70 838	65 663	70 838	110 152	110 152	110 152	171 694	1 000	172 694	176 002	196 536	216 185						
Health Training and Research	6	24 377	24 377	24 377	28 313	28 313	28 313	30 007		30 007	34 444	41 069	41 069						
Hospital management enhancement	10	1 000		1 000	7 334	7 334	7 334	10 906		10 906	10 490	10 083	10 688						
Hospital Rehabilitation	8	10 000	10 000	10 000	25 000	25 000	25 000	54 939		54 939	57 135	59 421	77 524						
Integrated Nutrition Programme	9	10 096	10 096	10 096	10 390	10 390	10 390	21 617		21 617	3 000	3 299	0						
Provincial Infrastructure grant	13	4 000	4 000	4 000	7 000	7 000	7 000	10 065		10 065	11 510	11 993	11 993						
Medico-Legal									1 000	1 000									
National Tertiary services	5	16 700	12 525	16 700	24 458	24 458	24 458	32 892		32 892	42 105	51 747	54 852						
Redistribution of Specialised Health Services		4 665	4 665	4 665	7 657	7 657	7 657	11 268		11 268	17 318	18 924	20 059						
HIV/Aids	7																		
<b>Vote 11: Social Services and Population</b>		2 302	2 302	2 302	3 860	3 860	3 860	33 360	0	33 360	77 468	135 584	40 103						
Financial Management and social security system		642	642	642	1 200	1 200	1 200												
Child Support Grant																			
Flagship		160	160	160															
Child Support Grant Extension	17							19 671		19 671	63 540	121 421	6 006						
Food security	18							9 998		9 998	9 998	9 998	19 996						
Criminal Justice system																			
Victim Empowerment Programme																			
HIV/Aids	16	1 500	1 500	1 500	2 660	2 660	2 660	3 691		3 691	3 930	4 165	8 095						
<b>Vote 12 : Agriculture</b>		959	959	959	1 300	1 300	1 300	1 800	0	1 800	0	0	8 877						
Poverty relief and infrastructure	1	500	500	500	1 300	1 300	1 300	1 800		1 800			7 500						
Land care project	1	459	459	459									1 377						
Comprehensive Agriculture support Programme	2										10 518	13 148	15 777						
<b>Total conditional grants</b>		478 599	467 636	478 599	510 093	510 093	510 093	385 781	1 000	386 781	572 882	658 769	777 386						

Table A.2: Information relating to section 4.4: Details of total provincial own receipts

	Outcome			Main approp.	Adjusted approp.	Revised estimate	Medium-term estimates										
	Audited	Audited	Audited				2003/04			2004/05				2005/06		2006/07	
	R'000	R'000	R'000				R'000			R'000				R'000		R'000	
<b>Tax receipts</b>	<b>50 182</b>	<b>46 149</b>	<b>60 215</b>	<b>57 818</b>	<b>58 816</b>		<b>61 716</b>	<b>64 100</b>	<b>67 212</b>								
Casino taxes	8 348	2 660	10 853	6 562	6 562		6 700	7 465	8 000								
Motor vehicle licenses	41 601	42 503	48 567	50 258	50 258		51 621	55 600	58 376								
Horseracing	9	273	573	225	450		250	235	236								
Other taxes	144	637	141	505	1 010		2 865	400	300								
Totalisator	80	76	81	268	536		280	400	300								
<b>Non-tax receipts</b>	<b>38 115</b>	<b>34 049</b>	<b>26 683</b>	<b>35 182</b>	<b>32 686</b>		<b>32 289</b>	<b>34 042</b>	<b>36 500</b>								
Sale of goods and services other than capital	26 241	29 813	24 067	23 987	19 041		24 499	25 966	28 112								
Sales of goods and services produced by	1 669	1 736	16	0	0		17	18	19								
Fines, penalties and forfeits	10 205	2 500	2 600	11 195	13 645		7 773	8 058	8 369								
Interest, dividends and rent on land																	
Interest																	
Dividends																	
Rent on land																	
<b>Transfers received from:</b>																	
Other governmental units																	
Universities and technikons																	
Foreign governments																	
International organisations																	
Public corporations and private enterprises																	
Households and non-profit institutions																	
<b>Sales of capital assets</b>		<b>26 372</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>								
Land and subsoil assets																	
Other capital assets		26 372		0	0		0	0	0								
<b>Financial transactions</b>	<b>734</b>	<b>53</b>	<b>289</b>	<b>0</b>	<b>0</b>		<b>300</b>	<b>318</b>	<b>337</b>								
<b>Total provincial own receipts</b>	<b>89 031</b>	<b>106 623</b>	<b>87 187</b>	<b>93 000</b>	<b>91 502</b>		<b>94 305</b>	<b>98 460</b>	<b>104 049</b>								

Table A.3: Details of information on provincial payments and estimates

Table A.3: Information relating to section 5.3: Details of provincial payments and estimates by economic classification

	Outcome			Main approp.	Adjusted approp. 2003/04 R'000	Revised estimate	Medium-term estimates		
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	2005/06 R'000	2006/07 R'000
<b>Current payments</b>									
Compensation of employees	1 731 794	1 876 846	2 152 375	2 520 141	2 537 476	2 599 077	2 829 136	3 071 952	3 248 413
Salaries and wages	1 317 438	1 407 389	1 536 881	1 795 169	1 776 677	1 771 964	1 966 893	2 111 060	2 214 492
Social contributions	1 317 438	1 407 389	1 536 881	1 795 169	1 776 677	1 771 964	1 966 893	2 111 060	2 214 492
Goods and services	0	0	0	0	0	0	0	0	0
<i>Goods and services of which</i>	413 470	467 814	618 128	722 672	758 499	824 813	858 653	956 429	1 029 194
<i>Specify item</i>									
Interest and rent on land	0	0	0	0	0	0	537	596	632
Interest	0								
Rent on land	0								
Financial transactions in assets and liabilities	883	1 636	2 155	2 300	2 300	2 300	3 053	3 867	4 095
Unauthorised expenditure	3	7	-4 789						
<b>Transfers and subsidies to<sup>1</sup>:</b>									
Provinces and municipalities	780 942	836 587	1 065 958	1 137 478	1 283 534	1 405 246	1 344 560	1 477 937	1 639 870
Provinces <sup>2</sup>	52 431	63 885	62 579	121 509	127 190	130 110	132 774	128 126	122 269
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities <sup>3</sup>									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts	39	422	553	16	16	16	47	51	53
Social security funds									
Provide list of entities receiving transfers <sup>4</sup>									
Universities and technikons	2 207	1 001	2 162	4 999	6 519	6 519	5 991	7 429	8 736

**Table A.3: Details of information on provincial payments and estimates -**  
*continued*

	Outcome			Main appropriation	Adjusted appropriation 2003/04 R'000	Revised estimate	Medium-term estimate	
	Audited 2000/01 R'000	Audited 2001/02 R'000	Audited 2002/03 R'000				2004/05 R'000	2005/06 R'000
Transfers and subsidies to1: - continued								
Public corporations and private enterprises	950	1 103	16 734	22 000	24 000	22 000	27 050	27 154
Public corporations								
Subsidies on production								
Other transfers								
Private enterprises								
Subsidies on production								
Other transfers								
Foreign governments and international organisations								
Non-profit institutions	110 459	129 722	161 789	181 245	187 147	180 972	18 524	216 952
Households	614 856	640 454	822 141	807 709	938 662	1 065 629	993 458	1 098 225
Social benefits								
Other transfers to households								
Payments for capital assets	103 055	175 634	249 629	233 273	25 378	258 651	293 919	314 706
Buildings and other fixed structures	72 112	127 207	161 545	186 191	204 793	168 557	206 549	235 967
Buildings								
Other fixed structures								
Machinery and equipment	30 745	48 291	85 765	45 547	52 130	34 099	55 427	48 840
Transport equipment								
Other machinery and equipment								
Cultivated assets	0	0	0	1 361	1 643	1 272	0	0
Software and other intangible assets	198	136	278	85	85	60	221	258
Land and subsoil assets	0	0	2 041	0	0	0	0	0
Debt Redemption								
<b>Total economic classification</b>	<b>2 615 791</b>	<b>2 889 067</b>	<b>3 467 962</b>	<b>3 890 803</b>	<b>4 079 661</b>	<b>4 208 311</b>	<b>4 435 893</b>	<b>4 834 954</b>

**Table A.4(a): Details of expense by policy area****Payments summary by policy area (simple example of bridging table)**

FUNCTION	CATEGORY	DEPARTMENT	PROGRAMME
GENERAL PUBLIC SERVICES	Legislative	Premier	Administration Management services
		Provincial Legislature	Administration National Council of Provinces Management services
	Financial and fiscal affairs	Finance	Administration Financial planning and resource management Financial management Procurement Management services
PUBLIC ORDER AND SAFETY	Police services	Provincial Safety and Liaison	Administration
ECONOMIC AFFAIRS	General economic affairs	Economic Affairs	Administration Trade, industry and tourism development Economic and development services Consumer protection and inspectorate services Management services
			Administration Agricultural development and research Veterinary services Conservation management Environmental management Specialist environmental services Management services
			Roads Road traffic and law enforcement Transport
			Tourism
			Conservation management Environmental management Specialist environmental services
HOUSING AND COMMUNITY AMENITIES	Housing development	Housing	Technical service Planning and development
HEALTH	Outpatient service	Health	District health services Primary nutrition programme
	R&D health (CS)		Health science
	Hospital services		Provincial hospital services Specialised hospital services
RECREATION, CULTURE AND RELIGION	Recreational and sporting services	Sport, recreation, arts and culture	Sport and recreation
	Cultural services		Art, culture and heritage Facility development
EDUCATION	Pre-primary and primary	Education	Pre-primary Primary
	Secondary education		Secondary
	Subsidiary service to education		Provision of subsidiary
	Education not definable by level		ABET
SOCIAL PROTECTION	Social security services	Social service and population development	Administration Social security Social assistance Social welfare services Social development Population development Management services

Table A.4(b): Details of expense by policy area - *continued*

	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04 R'000			2004/05 R'000	2005/06 R'000	2006/07 R'000
<b>General Public Services</b>						
Executive and Legislature	108 474	110 634	112 048	118 583	127 091	122 713
Office of the Premier	69 076	69 916	69 915	74 461	80 067	84 589
RDP	0	0	0	0	0	
Provincial Legislature	39 398	40 718	42 133	44 122	47 024	38 124
Financial and Fiscal Services	87 071	86 459	82 910	98 132	102 096	108 159
Provincial Treasury	87 071	86 459	82 910	98 132	102 096	108 159
General Services (Public Works, Local Government)						
<b>Total: General Public Services</b>	<b>195 545</b>	<b>197 093</b>	<b>194 958</b>	<b>216 715</b>	<b>229 187</b>	<b>230 872</b>
<b>Public Order and Safety</b>						
Police Services	11 208	11 258	10 008	11 997	13 144	13 820
Safety and Liaison	11 208	11 258	10 008	11 997	13 144	13 820
<b>Total: Public Order and Safety</b>	<b>11 208</b>	<b>11 258</b>	<b>10 008</b>	<b>11 997</b>	<b>13 144</b>	<b>13 820</b>
<b>Economic Affairs</b>						
General Economic Affairs	50 124	52 184	49 620	60 004	65 529	69 439
Dept of Economic Affairs	50 124	52 184	49 620	60 004	65 529	69 439
Agriculture	75 966	76 367	67 961	95 710	105 660	113 988
Dept of Agriculture Affairs	75 966	76 367	67 961	95 710	105 660	113 988
Transport	297 543	300 141	300 141	360 142	376 114	398 447
Department of Transport	297 543	300 141	300 141	360 142	376 114	398 447
<b>Total: Economic Affairs</b>	<b>423 633</b>	<b>428 692</b>	<b>417 722</b>	<b>515 856</b>	<b>547 303</b>	<b>581 874</b>
<b>Environmental Protection</b>						
Environmental Protection	15 305	16 005	14 411	16 735	17 611	18 667
<b>Total: Environmental Protection</b>	<b>15 305</b>	<b>16 005</b>	<b>14 411</b>	<b>16 735</b>	<b>17 611</b>	<b>18 667</b>
<b>Housing and Community Amenities</b>						
Housing Development	225 156	257 392	257 414	251 779	226 391	238 237
Department of Housing	225 156	257 392	257 414	251 779	226 391	238 237
<b>Total: Housing and Community Amenities</b>	<b>225 156</b>	<b>257 392</b>	<b>257 414</b>	<b>251 779</b>	<b>226 391</b>	<b>238 237</b>
<b>Health</b>						
Outpatient services	28 462	28 562	25 026	30 922	32 910	34 574
R and D Health (CS)	14 231	14 281	12 513	15 461	16 455	17 287
Hospital Services	238 817	247 609	258 427	268 634	294 709	308 065
Health	455 736	463 195	499 244	500 124	566 077	627 623
<b>Total: Health</b>	<b>737 246</b>	<b>753 647</b>	<b>795 210</b>	<b>815 141</b>	<b>910 151</b>	<b>987 549</b>

	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04 R'000			2004/05 R'000	2005/06 R'000	2006/07 R'000
<b>Recreation, Culture and Religion</b>						
Sporting and Recreational Affairs	51 058	51 844	53 638	57 864	63 084	68 182
Sport, Arts and Culture	51 058	51 844	53 638	57 864	63 084	68 182
<b>Total: Recreation, Culture and Religion</b>	<b>51 058</b>	<b>51 844</b>	<b>53 638</b>	<b>57 864</b>	<b>63 084</b>	<b>68 182</b>
<b>Education</b>						
Administration	99 588	96 488	96 450	118 801	142 682	156 236
Public ordinary school	991 860	1 002 188	1 002 188	1 061 584	1 142 991	1 192 384
Independent school education	4 749	4 749	4 749	4 749	5 462	6 008
Public special school education	43 123	42 423	42 423	48 935	54 863	56 864
Further education and training	34 422	31 668	31 668	36 049	39 030	44 537
Adult basic education and training	27 223	25 045	25 045	23 419	29 719	31 960
Early childhood development	11 619	12 319	12 319	13 199	15 622	18 612
Auxiliary and associated services	92 272	93 554	93 554	127 718	154 612	160 363
	740	778	778	791	845	845
<b>Total: Education</b>	<b>1 305 596</b>	<b>1 309 212</b>	<b>1 309 174</b>	<b>1 435 245</b>	<b>1 585 826</b>	<b>1 667 809</b>
<b>Social protection</b>						
Social Security Services						
<b>Social Services and Population Development</b>	<b>926 056</b>	<b>1 054 518</b>	<b>1 155 776</b>	<b>1 114 561</b>	<b>1 242 257</b>	<b>1 382 472</b>
<b>Total: Social protection</b>	<b>926 056</b>	<b>1 054 518</b>	<b>1 155 776</b>	<b>1 114 561</b>	<b>1 242 257</b>	<b>1 382 472</b>
<b>Total provincial payments and estimates by policy area</b>	<b>3 890 803</b>	<b>4 079 661</b>	<b>4 208 311</b>	<b>4 435 893</b>	<b>4 834 954</b>	<b>5 200 544</b>

Table A.5: Details of expense on infrastructure

Table A.5: Information relating to section 5.5: Details of expenditure for infrastructure by category (R thousand)												
Category/type of structure	Vote	No. of projects	Total costs	Outcome			Main approp.	Adjusted approp. 2003/04	Revised estimate	Medium-term estimates		
				Audited 2000/01	Audited 2001/02	Audited 2002/03				2004/05	2005/06	2006/07
New constructions (buildings and infrastructure)				0	0	0	0	0	0	110 053	82 341	65 516
	5	2	3 000	0	0	0	0	0	0	2 500	500	0
	10	12	155 100	0	0	0	0	0	0	70 600	40 000	8 000
	12	3	1 150	0	0	0	0	0	0	180	450	520
	4	155	165 077	0	0	0	0	0	0	23 079	27 697	43 302
	11	2	3 694	0	0	0	0	0	0	3 694	3 694	3 694
Rehabilitation/upgrading	7	1	40 000	0	0	0	0	0	0	10 000	10 000	10 000
				0	0	0	0	0	0	64 708	75 112	17 635
	5	9	55 125	0	0	0	0	0	0	34 400	19 625	500
Other capital projects	10	2	5 300	0	0	0	0	0	0	4 800	0	0
	4	157	163 413	0	0	0	0	0	0	23 341	53 310	16 726
	12	4	1 353	0	0	0	0	0	0	467	477	409
	7	1	3 400	0	0	0	0	0	0	1 700	1 700	0
				0	0	0	0	0	0	18 770	18 700	2 260
	5	1	27 300	0	0	0	0	0	0	11 000	16 000	300
Type of structure	10	1	5 000	0	0	0	0	0	0	5 000	0	0
	4	14	3 105	0	0	0	0	0	0	2 770	2 700	1 960
Total provincial infrastructure	106	364	632 017	0	0	0	0	0	0	277 009	269 965	105 306



Table A.6: Details of transfers to local government

Table A.6: Information relating to section 5.7: Transfers to local government by category and municipality

	Outcome			Main approp.	Adjusted approp.	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	R'000	2001/02 R'000	2002/03 R'000	2003/04 R'000			2004/05 R'000	2005/06 R'000	2006/07 R'000
Category A	0	0	0	0	0	0	0	0	0
Municipality 1	0	0	0	0	0	0	0	0	0
Municipality n	0	0	0	0	0	0	0	0	0
Category B	0	18 579	14 205	39 791	41 967	41 967	32 308	30 274	30 986
Dept of Local Government and Housing	0	12 246	10 345	25 676	27 852	27 852	21 149	18 366	18 513
Transport	0	2 000	1 261	2 970	2 970	2 970	2 000	2 000	2 000
Sports, Arts and Culture	0	0	0	3 972	3 972	3 972	4 010	4 244	4 469
Agriculture	0	0	0	0	0	0	0	0	0
Health	0	4 333	2 599	7 173	7 173	7 173	5 149	5 664	6 004
Category C	0	41 171	44 299	77 511	77 511	77 511	91 997	72 421	80 016
Dept of Local Government and Housing	0	1 350	1 432	38 630	38 630	38 630	48 513	27 336	32 077
Transport	0	39 025	42 594	38 141	38 141	38 141	43 026	44 578	47 373
Sports, Arts and Culture	0	0	0	28	28	28	30	38	70
Agriculture	0	109	125	243	243	243	159	173	182
Health	0	687	148	469	469	469	269	296	314
Municipality n									
Total transfers to local government	0	59 750	58 504	117 302	119 478	119 478	124 305	102 695	111 002

**Table A.7(a) : Budgeting for service delivery : Education**

Education output measures			
Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
Public Ordinary School			
1. To provide spaces in the public primary phase in accordance with policy.	₹# No. of spaces provided.	124,561	130,000
2. To provide educators at the public primary phase in accordance with policy.	₹# No. of educators.	4704	4704
	₹# L:E ratio in the public primary phase.	35:1	35:1
3. To put the basic infrastructure for primary schooling in place in accordance to policy.	₹# No. of new classrooms built.	50	120
	₹# L:C ratio in the public primary phase.	23:1	23:1
	₹# % of schools with water supply.	98%	99%
	₹# % of infrastructure budget spent on maintenance	48%	35%
4. To promote the participation of historically marginalized groups of learners.	₹# Gender parity index.	F:M 0.94:1	0.94:1
	₹# No. of ordinary full-service learners per 100,000 learners at the primary phase.	Pilot phase	Pilot phase
5. To foster a culture of effective learning and teaching.	₹# % of learner days lost due to learner absenteeism.	3%	3%
	₹# % of worker days lost due to educator absenteeism	3%	3%
6. To develop the educator corps.	₹# Average hours of development activities per educator.	N/A	5
7. To ensure the flow of learners through the primary phase is optimal .		6.6%	6.3%
	₹# Repetition rate	5.2%	4.5%
	₹# Dropout rate		
8. To attain the highest possible educational outcomes amongst learners.	₹# % of learners in Grade 3 attaining acceptable outcomes in numeracy, literacy, and life skills.	N/A	
	₹# % of learners in Grade 6 attaining acceptable outcomes in numeracy, literacy, and life skills.		
9. To provide spaces in the public secondary phase in accordance to policy.	₹# No. of spaces provided.	72,786	73,000
10. To provide educators at the public secondary phase in accordance with policy.	₹# No. of educators.	1705	1705
	₹# L:E ratio in the public secondary phase.	31:1	31:1
11. To put the basic infrastructure for secondary schooling in place in	₹# No. of new classrooms built.	27	64

## Education output measures

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
accordance to policy.	## L:C ratio in the public secondary phase.	23:1	23:1
	## % of schools with water supply.	98%	99%
	## % of infrastructure budget on maintenance	48%	35%
	## Gender parity index.	F:M 1:0.95	F:M 1:0.95
12. To attain the highest possible educational outcomes amongst learners.	## % of learners in Grade 9 attaining acceptable educational outcomes.	N/A	
	## Pass ratio in Grade 12 examinations.		
	## % of schools with a Grade 12 pass rate of less than 40%.		
<b>Independent School Subsidies</b>	## Average real per learner subsidy.	2307	2422
To support independent schools, especially if catering for the poorer communities, as a complement to public schooling.			
<b>Public Special School Education</b>		1457	1500
To provide spaces in special/full time schools in accordance with policy and the principles of inclusive education.			
<b>Further Education &amp; Training</b>			5% increase
	## % of learners enrolled		
1. To provide an increased number of spaces in FET institutions in accordance to policy.	## % of students who are girls or women	41.8%	45%
	## % of educators who are African	14.7%	15%
2. To promote the participation of historically marginalized groups in public FET institutions.			
<b>Adult Basic Education &amp; Training</b>			
To provide spaces in public ABET centres in accordance to policy.			
	## No. of full time equivalent enrolments		
<b>Early Childhood Development</b>	## Number of learners in school-based ECD sites	5,233	
1. To maximise the number of learner years of pre-Grade 1 education.			
2. To provide Grade R spaces in public ordinary schools in accordance to policy, but specifically White Paper 5.	## No. of learners in education-funded community based ECD sites.	5,719	
3. To provide Grade R spaces in education-funded community based sites in accordance to policy, but specifically White Paper 5.			

Table A.7(b) : Budgeting for service delivery : Housing and Local Government

Housing output measures				
Output type	Performance measures	Performance targets		
		2003/04 Est. Actual	2004/05 Estimate	
Local Government output measures				
Output type	Performance measures	Performance targets		
		2003/04 Est. Actual	2004/05 Estimate	
LOCAL GOVERNMENT				
1. To monitor and support municipalities to achieve and maintain financial viability	No of policies, guidelines formulated.	16	22	
	No of capacity building programmes implemented.	6	8	
	% of progress made in respect of the development of monitoring tool	20%	50%	
	No of municipalities captured on the monitoring system	31	31	
2.To facilitate effective and efficient disaster management mechanism at provincial and local level	The development of a provincial disaster management framework and institutional structures.		Completed	
	No of district disaster management plans and institutional structures established.	3	5 District Municipalities	
	No of capacity building programmes implemented.	6	10	
3. Municipal infrastructure development	No of capacity building programmes implemented.	12	8	
	No of municipal infrastructure assessments facilitated	15	5	
4. To provide support and facilitate the implementation of a legislative and policy framework in respect of local government	No of policies, guidelines and legislation formulated.	18	26 bylaws	
	No of capacity building programmes implemented.	5	8	
	Annual report on municipal performance (s47 of municipal systems act) submitted timeously	1	1 Annual report completed by 31 december 2004	
5. To promote and facilitate municipal spatial frameworks	No of policies, guidelines and legislation formulated.	1	2	
	No of capacity building programmes implemented.	0	8	
	No of municipal land use management system facilitated	2	3	
	(L.U.M is still a bill)			
6. To promote orderly development	No of policies, guidelines and legislation formulated.	1	2	
	No of capacity building programmes implemented.	0	8	
7. To promote effective and efficient integrated development planning	No of policies, guidelines and legislation formulated.			
	No of capacity building programmes implemented.	0	2	
	No of reviewed municipal IDP'S assessed annually	6	8	
	Annual report on municipal performance (s47 of municipal systems act) submitted timeously	26	31	
		1	1 Annual report Municipalities	
8. To promote local economic development	No of policies, guidelines and legislation formulated.	1	2	
	No of capacity building programmes implemented.	7	12	

Table A.7(c) : Budgeting for service delivery : Health

## Health output measures

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
District Health Services			
1. <b>Community Health Clinics:</b> To manage patients attending for primary care services	## Number of primary health care headcounts ## Number of maternity cases ## Ante-natal visits	1,941,759	1,956,200 120 56,000
2. <b>Community Health Centres:</b> To provide primary care services short stay 72hrs) in-patient services and maternity services	## Number of primary health care headcounts ## Number of maternity cases ## Ante-natal visits	230,474	253,500 990 16,000
3. <b>Community Based Services:</b> To deliver youth health services to various youth centres and schools with respect to HIV/AIDS, life-skills, mental health and substance abuse	## Number of districts with youth centres ## % of schools with life-skills programmes	2 60%	5 60%
4. <b>Other Community Services:</b> To provide oral health and medical services	## % of population accessing oral health services	70%	70%
5. <b>HIV &amp; AIDS</b> ##To reduce the incidence of HIV and AIDS through promotion & prevention ##To care for those infected with HIV and AIDS through HCBC programme ##To treat opportunistic infections in HIV and AIDS patients	## Incidence of HIV and AIDS ## % of population with access to the HCBC programme	15% 60%	15% 60%
6. <b>Nutrition:</b> ##To adequate nutrition of communities through direct feeding ##Household food security in collaboration with Department of Agriculture ##To ensure food supplements & fortification	## Number of TB patients being fed ## Number of food garden projects - Poverty Alleviation - Community Based Organisation - Clinics - Schools	1,000 5 5 15 40	1,000 5 5 15 40
7. <b>Coroner Services:</b> To provide forensic pathology services in support of the SAPS and the justice system	## Number of post-mortems performed	±600	±600
8. <b>District Hospitals</b> To render level I hospital services which includes those that can be performed by a generalist medical practitioner.	## Number of admissions ## Bed Occupancy ## Average Length of Stay ## Patient Day Equivalent	62,593 79 3,0 days	65,000 79% 2,9 days 217,900
Emergency Medical Services			
1. <b>Emergency Medical Services:</b> To provide ambulance services	## Number of kilometres travelled ## Number of patients transported		
2. <b>Planned Patient Transport</b> To provide cold patient transport to ambulatory patients	## Number of kilometres travelled ## Number of patients transported		
Provincial Hospital Services			
1. <b>General Hospitals</b> To provide acute medical services, mainly secondary and tertiary level care.	## Number of admissions ## Bed Occupancy ## Average Length of Stay ## Patient Day Equivalent	62,041 90% 3 days	45,000 85% 4 days 200,000

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
<b>2. TB Hospitals</b>	€# Number of admissions	272	272
To provide in-patient cure for TB patients	€# Bed Occupancy	63%	51%
and MDR TB patients	€# Average Length of Stay	86 days	53 days
	€# Patient Day Equivalent		12,215
<b>3. Psychiatric/Mental Hospitals</b>	€# Number of admissions	575	270
To provide care for mental / psychiatric	€# Bed Occupancy	60%	62%
patients	€# Average Length of Stay	54 days	100 days
	€# Patient Day Equivalent		24,600
<b>Health Science</b>			
<b>1. Nurse Training Colleges</b>	€# Number of admissions	61	34
€#To provide for training of nurses incl.	€# Number of students in training	141	343
professional nurses through a 4-yr diploma	€# Number of graduates	15	25
€#Training of professional nurses through a			
bridging course aimed at enrolled nurses			
€#Nursing assistants training			
<b>2. Other Training</b>	€# % of employees trained with respect to various	30% of	30% of
To train employees in the department	skills	employees	employees
with respect to the Further Education		received	received
Training (FET) band		some form of	some form
		training	of training
<b>Health Care Support Services</b>			
<b>1. Laundries</b>	€# Number of pieces laundered		1,430,000
To provide laundry services to patients in	€# Cost per item		R1
hospitals in the Frances Baard and its			
adjacent districts			
<b>2. Engineering</b>	€# % of maintenance requests successfully		45%
To provide maintenance services			
<b>3. Orthotic &amp; Prosthetic</b>	€# % of patients requiring prostheses supplied		
To render orthotic & prosthetic services	€# % of assistive devices requirements met		45%

Table .7(d) : Budgeting for service delivery : Social Service Population Development

Output type	Performance measures	Performance targets	
		2003/04 Est. Actual	2004/05 Estimate
Social Services			
Social Assistance Grants			
1. Payment of grants to all qualifying customers	No of beneficiaries eligible for payment:		
	## Old Age	43 729	44 781
	## War Veterans	184	158
	## Disability	41 789	46 603
	## Grant-in-aid	-	-
	## Foster Care	9 173	11 458
	## Care Dependency	1 850	2 696
	## Child Support Grant	71 550	98 438
Social Welfare Services			
	## Number of Institutions	0	1
1. Treatment and prevention of substance abuse	## Number of Welfare Organisations	3	3
2. Care of the Aged	## Number of Institutions	0	0
	## Number of Homes for the Aged	28	28
	## Number of Welfare Organisations	2	2
	## Number of Service Centres	20	25
3. Crime prevention, rehabilitation and victim empowerment	## Number of Institutions	0	2
	## Number of Welfare Organisations	5	8
4. Service to the Disabled	## Number of Institutions	0	0
	## Number of Homes for Disabled	3	3
	## Number of Protective Workshops	5	5
	## Number of Welfare Organisations	3	4
5. Child and Youth Care and Protection	## Number of Institutions	0	0
	## Number of Children's Homes	7	7
	## Number of Day Care Centres	164	182
	## Number of Welfare Organisations	32	37
	## Number of Shelters	2	3
	## Number of Soup Kitchens	31	42
Developmental and Support Services			
1. Youth Development	## Number of youth programmes for the year	2	3
		407	600
	## Number of youth engaged in initiatives	50%	75%
	## % of youth linked to other programmes		
2. HIV / AIDS	## % of orphans assisted	55%	80%
	## % of child headed households assisted	10%	30%
	## Implementation of home based care programmes	32 sites 374 Care Givers	38 sites 419 Care Givers
3. Poverty Alleviation	## Number of projects funded per category	15	-
2. NPO and Welfare Organisation Development	## % of Non-profit Organisations (NPOs) trained	25	45
	## % of community structures trained	28	50
Population Development and Demographic Trends			
1. Population research and demography	## Number of research projects to be undertaken	2	2
2. Capacity building	## Number of people trained-	50	50

