

BUDGET STATEMENT NUMBER 1

BUDGET OVERVIEW

1. BUDGET STRATEGY AND AGGREGATES

1.1 Introduction

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. In this regard, the Province tabled its Provincial Growth and Development Strategy. The Northern Cape Government's policy direction is therefore set out in the Provincial Growth and Development Strategy (NCPGDS). This policy is informed by the following among others:

- The Reconstruction and Development Program (RDP)
- The Growth Employment and Redistribution Program (GEAR)
- The Urban Renewal Programme

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.

At a provincial government level, the NCPGDS provides a means by which it is possible to establish a link between policy, high level provincial strategies, departmental strategic plans and budgets. Thus, the NCPGDS has allowed for the identification of a series of provincial growth and development objectives and targets and the inter-departmental and inter-governmental strategies, programmes and plans to achieve them. Through the closer alignment of planning and budgeting, it will be possible to ensure that the allocation of provincial government resources is in line with the development objectives and maximize the developmental impact of public sector spending. In response to the social and economic development imperatives yielded by an analysis of the socio-economic profile of the province, the following primary development objectives have been identified:

- Promoting the growth, diversification and transformation of the provincial economy; and
- Poverty reduction through social development.

The achievement of these primary development objectives depends on the achievement of a number of related objectives that, at a macro-level, describe necessary conditions for growth and development. These are:

- Developing requisite levels of human and social capital;
- Improving the efficiency and effectiveness of governance and other development institutions; and
- Enhancing infrastructure for economic growth and social development.

Each of these development objectives and the strategies and programmes that underpin them form a core element of the NCPGDS

The overarching objective of fiscal policy is to contribute to long-term growth, employment creation and an equitable distribution of income. One of the major challenges facing government in its quest to promote economic growth and job creation while at the same time promoting social development as a means to addressing the needs of the poor has been how to achieve the effective integration, co-ordination and alignment of the activities of the three spheres of government. From a planning perspective, government has adopted an inter-governmental planning system, which includes the Medium-Term Strategic Framework (MTSF) at a national level, the Provincial Growth and Development Strategy (PGDS) and the municipal Integrated Development Plans (IDP's).

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 and/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 is 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. Public services 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:

- Norms and Standards for School Funding
- Integrated School Food Nutrition Programme
- Infrastructure, Water and Sanitation
- Further de-racialising our schools
- 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

Provision of quality health care services remains the primary objective of the Department and through the implementation of relevant programmes and projects, the Department will strive to achieve this objective. These are some of the areas that will be given attention in the 2005/06 financial year.

Recruitment and Retention

A retention strategy comprising of the rural and scarce skill allowance is currently in place to attract and retain health professionals in the province.

Hospital Services

Access in health services will also be improved by the construction of new hospitals in the following towns: Barkley-West, De Aar and Upington

Primary Health Care

Four new clinics will be constructed in the 2005/06 financial

Emergency Medical Services

55 new emergency vehicles will be procured to increase the current fleet.

Social Services and Population Development

Major policy initiatives are:

monitor the implementation of the Children's Bill.

Conduct research on substance abuse and teenage pregnancies in the Province

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 2 500 housing units for 2005/2006. EPWP principles will be introduced in the construction of these houses to increase the creation of jobs. The eradication of the bucket-toilets system will be extended to the informal settlements also.

Agriculture, land reforms

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. The implementation of the Comprehensive Agricultural Support Programme(CASP) that serves as a primary catalyst for ploughing value into redistributed land, will receive intense attention.

1.2 Summary of Budget Aggregates

Table 1.1 present the economic classification of Provincial actual expenditure for the 2001/02 to 2003/04 financial years, estimated actual expenditure for the 2004/05 financial year and estimated expenditure for the 2005/06 to 2007/08 MTEF period.

Table 1.1: Provincial budget summary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Provincial receipts									
Transfer receipts from national									
Equitable share	2 559 623	3 000 498	3 511 881	3 838 795	3 936 090	3 936 090	3 124 184	3 326 755	3 491 843
Conditional grants *	219 536	299 532	424 392	572 882	670 702	633 463	1 898 512	2 244 992	2 514 183
Provincial own receipts	142 507	96 683	100 405	95 845	95 845	100 009	105 000	110 775	116 868
Total Treasury Funding	2 921 666	3 396 713	4 036 678	4 507 522	4 702 637	4 669 562	5 127 696	5 682 522	6 122 894
Provincial Payments									
Current payments	1 862 518	2 146 613	2 589 041	2 806 468	2 792 149	2 791 629	3 073 009	3 302 751	3 489 871
Transfers and subsidies	837 574	1 057 131	1 347 111	1 335 987	1 548 804	1 520 199	1 674 364	1 819 980	1 970 280
Payments for capital assets	175 159	250 061	200 300	274 390	281 767	275 267	280 793	454 709	546 366
Statutory Amount	14 384	13 428	16 943	19 048	19 048	19 030	19 530	20 082	21 377
Unallocated Contingency									
Total provincial payments	2 889 635	3 467 233	4 153 394	4 435 893	4 641 768	4 606 125	5 047 696	5 597 522	6 027 894
Surplus before financing	32 031	(70 520)	(116 716)	71 629	60 869	63 437	80 000	85 000	95 000
Financing									
Roll-Overs					45 262	45 262			
Surplus (deficit) after financing	32 031	(70 520)	(116 716)	71 629	106 131	108 699	80 000	85 000	95 000

* Conditional Grant Roll-overs included in the Adjusted Appropriation

Financing

Surplus

In MTEF, that is 2005/06 to 2007/08 a surplus of **R80 million**, **R85 million** and **R95 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.

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).

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; and
- 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 vigour 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. The Provincial Budget Council considered departmental MTEF budgets for 2005/06 – 2007/08 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, were invited to appear before the Provincial Budget Council when their departmental inputs were discussed. All departments were informed of their indicative allocations for 2005/06 – 2007/08 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, lead by the Executive Council, to ensure that government's policy choices are indeed addressed.

3. SOCIO-ECONOMIC OUTLOOK

Background

The Northern Cape is bordered by the Atlantic Ocean on the west, Namibia on the northwest and Botswana on the north. The province is also bordered by the Western Cape on the southwest. The demarcation process of 2000 resulted in five district municipalities (Frances Baard, Karoo, Namaqua, Siyanda and Kgalagadi), twenty-six Category B municipalities and five district management areas.

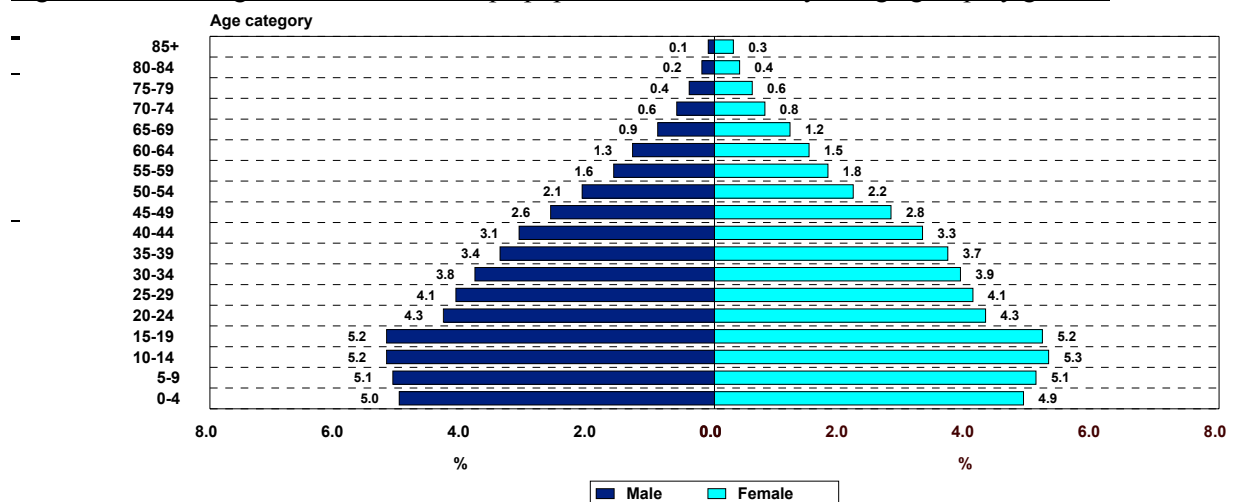
3.2. Social and Human Development Situation and Indicators

3.2.1. Demographics

The Northern Cape is the largest province having a landmass of 361,830 km² covering approximately 30% of South Africa. Despite having the largest surface area, the Northern Cape has the smallest population of 822 727 (Census 2001) or 1.8% of the population of South Africa. The population has declined by 2.1% from 1996 (840 321) to 2001 (822 727), resulting in a decrease in the population density, of an already sparsely populated province, from 2.32 to 2.27 persons per km². Of the five districts, Frances Baard has the largest population of 303 239. The other districts and their respective populations are Siyanda (209 889), Karoo(164 607), Kgalagadi (36 881) and Namaqua (108 111).

search of The population pyramid, in Figure1 below, indicates that the Northern Cape population can be classified as a young population with 57.7% of the population being younger than 30 years old. The female population is slightly more than the male population at 421 559 (51.2%) whilst the latter is 401 168 (48.8%). A significant shift in the 20 – 24 cohort occurs, which can possibly be attributed to, amongst others, people in this age group moving to other provinces in better career and job opportunities and tertiary education.

Figure 1: Percentage of the Northern Cape population in each five-year age group by gender.



A trend in the Northern Cape over the past five years has been the migration of people from the more rural areas into the larger towns where access to opportunities and services are significantly better. This is reflected in the increase in the proportion of people living in urban areas from 75.2% in 1996 to 82.7% in 2001.

About 36% of the Northern Cape's migrants moved to the Western Cape. Other provinces where the Northern Cape's people moved to are North West (19.4%), Gauteng (18.5%) and Free State (12.8%). In most provinces, the highest percentage of people that moved went to Gauteng, except for Northern Cape and Eastern Cape where people preferred to move to the Western Cape. Figure 2 below indicates migration of people between provides.

Figure 2: The migration of people between provinces from October 1996 until October 2001:
Some of the most significant movements are the following:.

Provinces		MOVED OUT								
		EC	FS	GP	KZN	LP	MP	NC	NW	WC
	EC	-	6.8	10.0	8.3	1.1	2.1	5.0	2.5	28.7
	FS	4.3	-	8.6	4.1	1.7	3.7	12.8	6.1	5.6
	GP	23.2	46.9	-	60.3	69.0	57.0	18.5	64.0	35.1
MOVED INTO	KZN	24.9	6.7	15.4	-	2.1	7.2	3.1	2.6	10.0
	LP	1.6	3.4	13.6	3.2	-	11.6	2.9	6.8	2.7
	MP	2.6	5.5	11.9	8.5	15.0	-	2.4	3.7	3.4
	NC	1.1	4.7	2.3	0.8	0.6	0.9	-	10.1	10.4
	NW	5.5	15.8	18.3	3.6	8.6	13.7	19.4	-	4.1
	WC	36.7	10.2	19.9	11.2	2.1	3.9	35.9	4.1	-
		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

3.2.2. Health Indicators

The top 10 causes of death per 100 000 in the Northern Cape are respiratory, natural / non-natural causes, cardio-vascular, notifiable medical conditions, cerebro-vascular, carcinoma, gastro-intestinal, blood disease, birth complications and circulatory. These differ significantly from those for the rest of the country.

The life expectancy at birth in the Northern Cape has increased from 55.6 in 1996 to 58.8 in 2002. The infant mortality rate has increased from 41.8/1000 in 1998 to 46/1000 in 2002.

The Northern Cape is affected by a number of health conditions and infectious diseases. Diseases associated with poverty, poor nutrition and poor general living conditions tend to be more prevalent. Diseases that continue to pose significant challenges are:

3.2.2.1. Malnutrition:

This is a manifestation of interrelated causes that has as indicators low birth weight (13%), stunting (29.6%), wasting (9.6%), severe under weight (8.9%), Vitamin A deficiency (18.5%) and, iron anaemic conditions (21.5%). This nutrition situation is typical of a poverty stricken province that is mostly rural.

3.2.2.2. Foetal Alcohol Syndrome (FAS)

FAS and under nutrition have been found to be likely causes for the poor body development in children.

3.2.2.3. Tuberculosis (TB):

TB is a challenge that the department of health continues to face. In a large part, this is because of the prolonged treatment necessary to cure a person of the disease. In a sparsely populated province and fairly mobile population successful completion of treatment becomes extremely difficult. The incidence peaked in 1999 and was however reduced in 2000. This trend is continuing, with the interruption rate decreasing (a measure of people not completing their treatment) and the cure rate increasing.

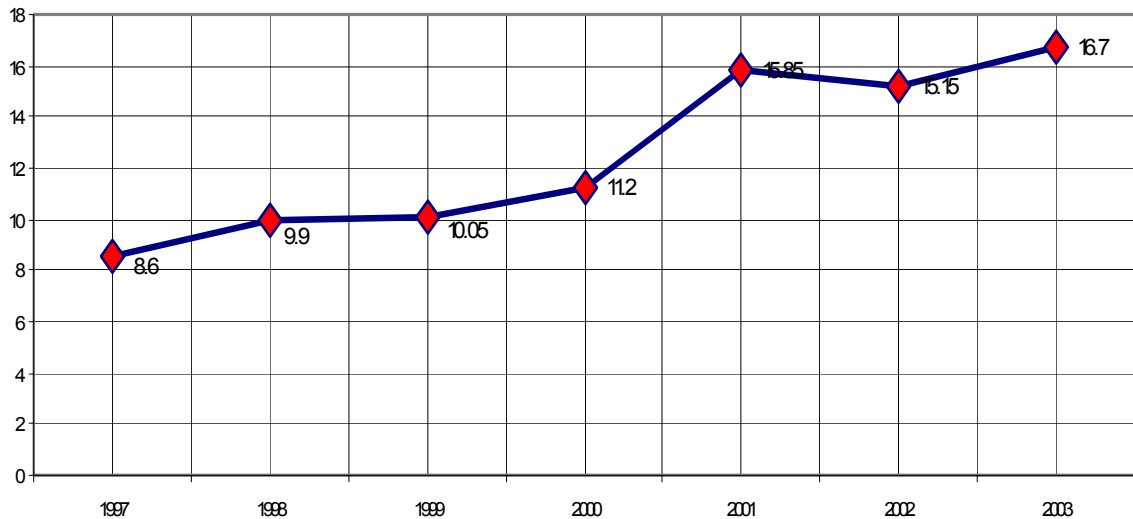
Chronic diseases:

The incidence of Hypertension, Human Immune Deficiency Virus (HIV) and the Acquired Immune Deficiency Syndrome (AIDS) has seen an increase over the past five years. South Africa bases HIV prevalence estimates primarily on the Antenatal Sero-prevalence Survey, an annual survey of women attending antenatal clinics. This survey shows that prevalence in the Northern Cape has almost doubled in the last seven years, rising from 8.60 in 1997 to 16.70 (The 95% confidence Interval is 11.9 - 21.5) in 2003 (see Figure 3).

The 2003 data emphasises the heterogeneous spread of the epidemic in the Northern Cape. Prevalence ranges from the relatively low prevalence of 2.86% in the Namaqua region to the high transmission corridor proceeding north from Frances Baard, a district showing a prevalence rate as high as 21.17%. Most vulnerable in the epidemic are the youth, women and children. The vulnerability of these groups will have to

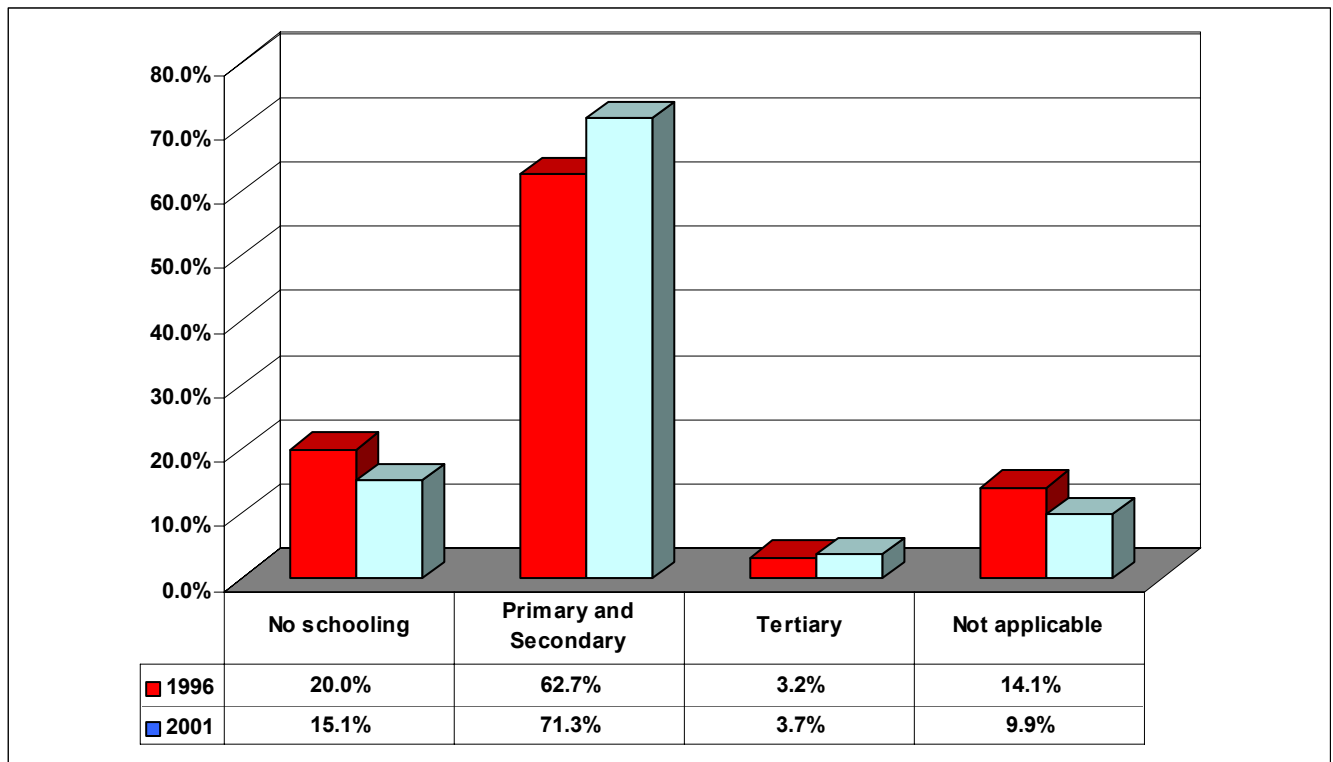
be addressed if we are to succeed in transforming the society of the Northern Cape into one achieving a unified, effective response to the epidemic.

Figure 3: HIV prevalence trend in The Northern Cape 1997-2003



3.2.3. Education

Figure 4 indicates that in 2001, 15.1% of the population had no education at all, while 71.3% have primary or secondary education. Those with a higher educational qualification accounted for 3.7% of the population. These figures, in general, shows an increase in all categories since 1996, except for the no schooling category, which decreased by 4.9% indicating a higher percentage of people attending school.

Figure 4: Percentage of people by level of education for 1996 and 2001

3.2.4. Human Development Index (HDI)

This indicator primarily covers four indexed factors – life expectancy, adult literacy, GDP per capita (adjusted for real income) and education attainment. The closer the index gets to 1.0, the higher the level of “living condition”. For example, Sweden has an index of 0.91 defined as high, South Africa at 0.72 is defined as middle and Lesotho at 0.47 is defined as low.

For the Northern Cape, the areas of lowest Human Development Index include the South Eastern region (Noupoort and Richmond) and the hinterland of Kimberley (Griekwastad, Campbell and Douglas) – for these areas the HDI varies between 0.47 to 0.51. Over the past 8 years there has been little to no variance in the HDI figures, indicating no increase or decrease in the overall standard of living.

By contrast, Kimberley and Springbok areas have the highest HDI of 0.63 to 0.62 respectively, primarily due to the broader economic opportunities and access to services such as infrastructure, schools and health facilities. Similarly, there has been no significant change over the past 8 years.

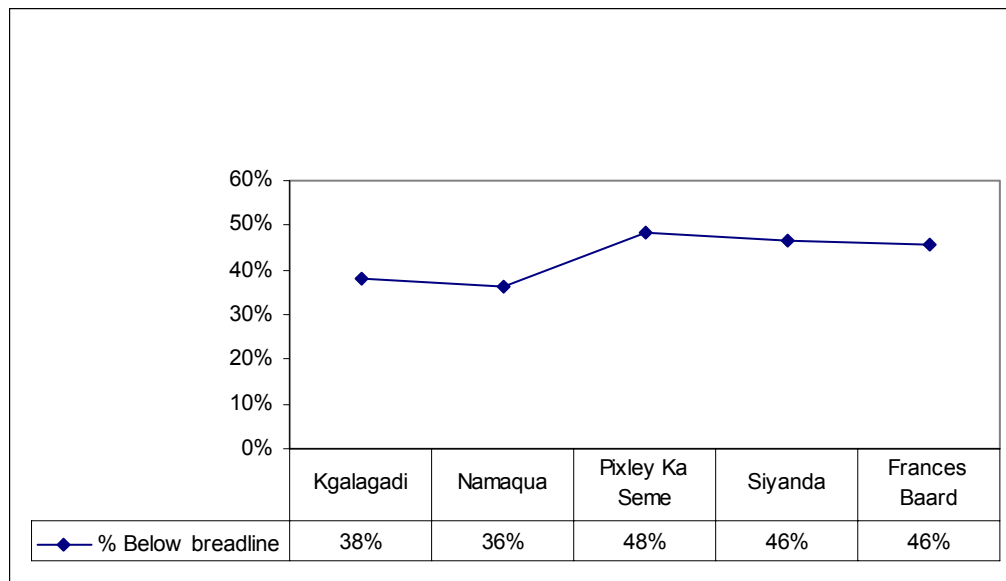
The above trend is unlikely to change in the foreseeable future, mainly due to the marginal economic base of the poorer areas, and the consolidation of the economic base in the relatively better off areas. It is important to note that the HDI for the Northern Cape as a whole is 0.58, which is substantially below the South African figure of 0.72.

The Northern Cape Province has the third highest per capita income of all nine provinces but income distribution is extremely skewed, with a high percentage of the population living in extreme poverty. Many ways to measure poverty exist, since there are numerous indicators that influence the poverty dynamic. Here, only the percentage of people living below the poverty breadline is used.

A person is considered poor if his or her consumption or income level falls below some minimum level necessary to meet basic needs. The minimum level is usually called the poverty line. It indicates a lack of economic resources to meet basic food needs. Figure 5 below indicates the percentage of household income

below the poverty breadline of R800 in the province, the highest being Karoo at 48% and the lowest being Namaqua at 36%.

Figure 5: % Household income below the poverty breadline by district



3.2.5. Water

Water use in South Africa is dominated by irrigation, which accounts for around 62% of all water used in the country. Domestic and urban use accounts for about 27%, while mining, large industries and power generation account for some 8%. Commercial forestry plantations account for a little less than 3% of total use by reducing runoff into rivers and streams.

A total of 7 049 households (3,4%) in the Northern Cape have no access to clean piped water. The percentage of households with piped water inside the house has decreased from 50% in 1996 to 39,7% in 2001. This is a result of an increase of informal dwellings which created a demand for water services. See figure 6 below for access to water by individual households.

Figure 6: Access to water by individual households

	Type of Water supply	No. of Households	% of Households
1	Piped Water in Dwelling	82211	39.7
2	Piped Water Inside Yard	86820	42.0
3	Piped Water on Community Stand (Less than 200m away)	15750	7.6
4	Piped Water on Community Stand (More than 200m away)	15011	7.3
5	Borehole	1215	0.6
6	Spring	61	0.0
7	Rain-Water Tank	284	0.001
8	Dam / Pool / Stagnant Water	691	0.003
9	River / Stream	2156	1.0
10	Water Vendor	129	0.0
11	Other	2513	1.2
	TOTAL	206842	100

3.2.6. Sanitation

In the Northern Cape, 11.2% of all households in the province has no access to sanitation and a further 11.8% of households in the province only has access to bucket latrine systems (as reflected in figure 7 below), which is below the standards set in the water services and sanitation policies. This figure excludes the 5 500 households that would be resettled in terms of the land restitution programme. Thus, a total minimum backlog of 53 046 households exists. This figure could be higher, since the geology and surface and ground water conditions of some areas in the province disqualifies certain types of sanitation from being classified as “adequate” under certain conditions. These circumstances are particularly important to this water sparse region, especially in terms of health risks.

Figure 7: Sanitation status of households in the Northern Cape

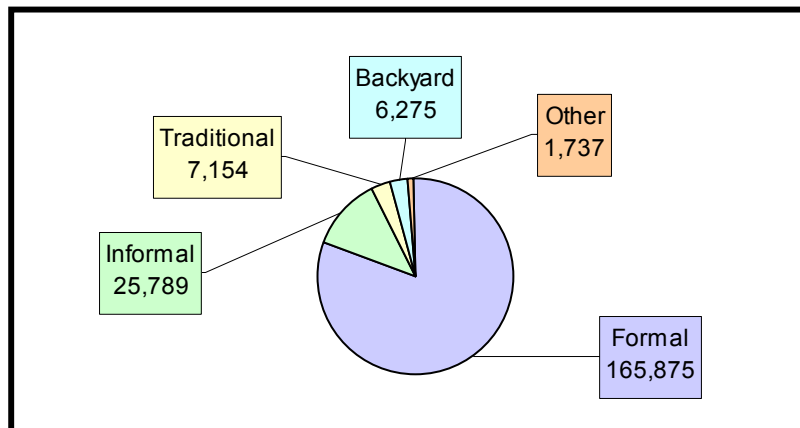
	Sanitation Type	No. of households With Access	% households with access
1	Flush toilet (connected to sewerage system)	120768	58.4
2	Flush toilet (with septic tank)	16252	7.9
3	Chemical toilet	1747	0.8
4	Pit latrine with ventilation (VIP)	10825	5.2
5	Pit latrine without ventilation	9704	4.7
6	Bucket latrine	24310	11.8
7	None	23236	11.2
	Total	206842	100.0

The percentage of households that have access to refuse removal is 68.7%.

3.2.7. Housing

Of the 206 842 households in the Northern Cape, 80.2% live in formal structures and 12.5% in informal structures / shacks. There are approximately 79.5% of houses on separate stands and about 3.5% traditional dwellings. In the Northern Cape, 75% of households live in dwellings containing five or fewer rooms (including kitchens, but excluding bathrooms). This relates to 81% of African and 84% of the coloured households compared to 52% of white households.

Figure 8: Housing status



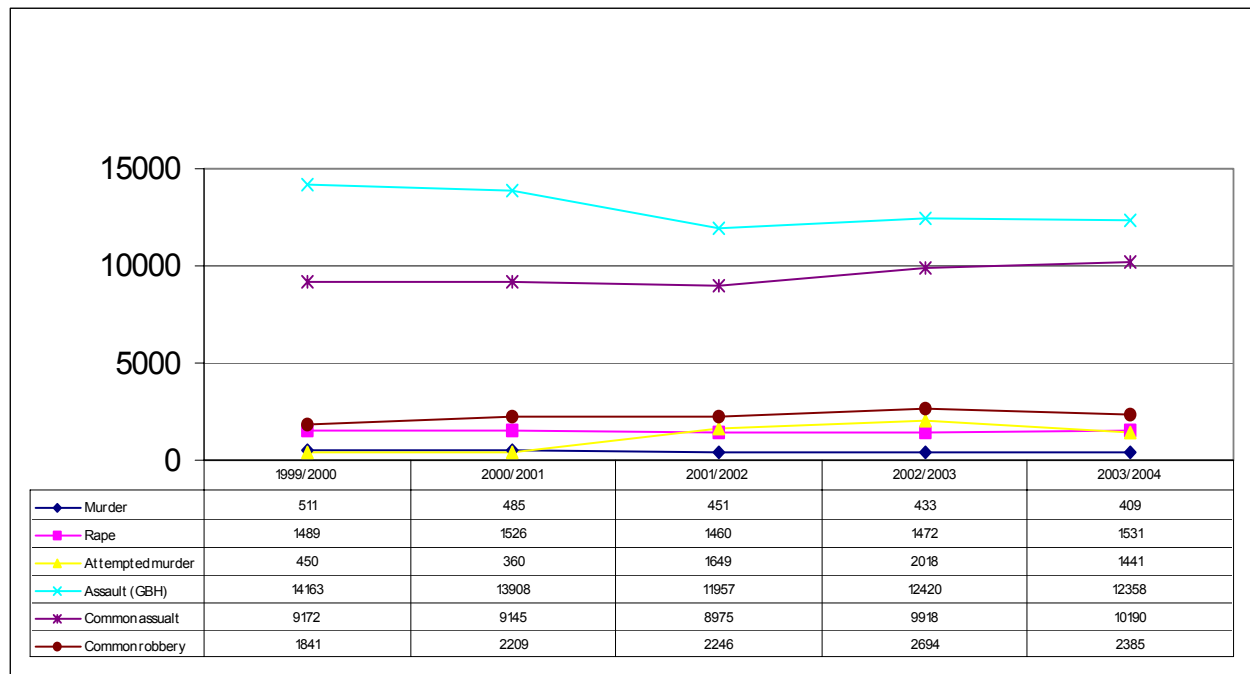
The pie chart above indicates the various categories that were used in the census to identify housing needs. For the purposes of this study, only the 25,789 informal, 7,154 traditional and 6,275 backyard houses were considered as needs. The “other” category represents tents, caravans, amongst others which was not included in the calculations. The 2001 Census estimate of the total backlog of housing and associated needs in the Northern Cape is 26 736 units. The backlog distribution by district is as follows:

Kgalagadi	6.2% (Cross border area in North West excluded)
Siyanda	23.2%
Namaqua	8.8%
Karoo	15.2%
Frances Baard	46.6% (Cross border area in North West excluded)

3.2.8. Crime

Figure 9 indicates the incidence of a selection of crimes over the years from April 1999 to March 2004. There has been a steady decrease in the number of murders that have occurred in the Northern Cape over this period while the number of attempted murders has shown a marked increase after 2001/2002. The other categories of crime has fluctuated over this period with assault to do grievous bodily harm decreasing over the time period while the three remaining categories of crime, namely common robbery, common assault and rape, increasing over the same time period.

Figure 9: Incidences of crime categories for the financial year 1999/2000 to 2003/2004



Of all the provinces, Western Cape, Northern Cape and Gauteng featured prominently in most of the crime categories. The Northern Cape stands out as having the highest levels of violent crime. These crimes have been identified and the reduction thereof has been targeted as a provincial priority. These include:

- ☐ Violence against women (with specific reference to rape and domestic violence);
- ☐ Violence against children (with specific reference to rape and sexual molestation);

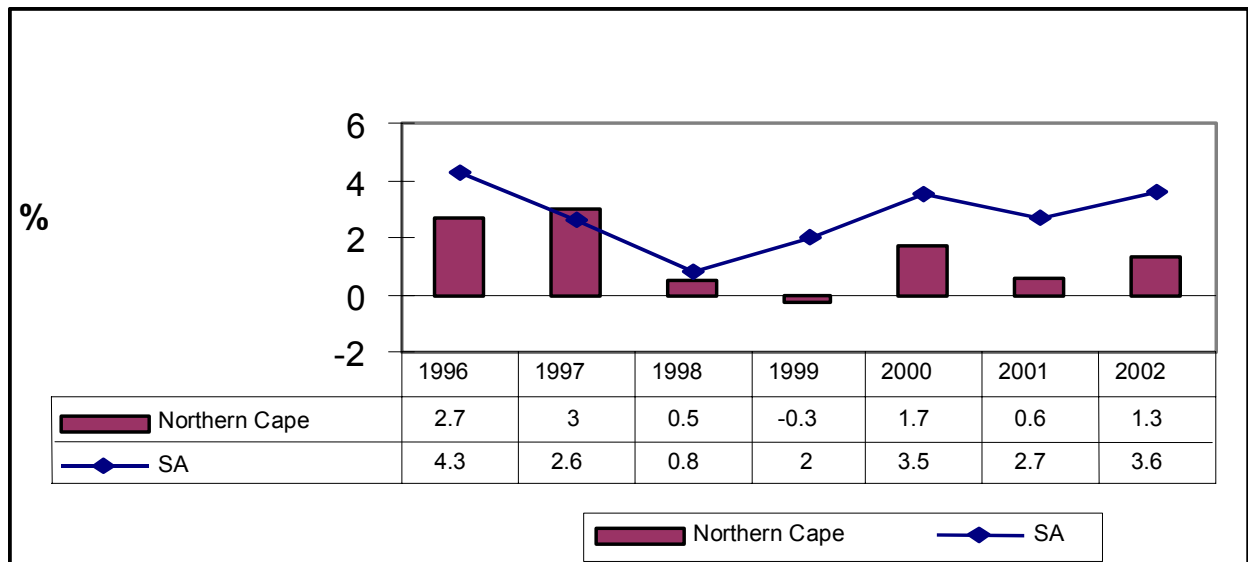
- ☐ Murder, attempted murder and assault – grievous bodily harm (with specific reference to the role of the Okapi/knife);
- ☐ Organised crime (with specific reference to drug, diamond and vehicle theft syndicates); and
- ☐ Robbery and theft (with specific reference to stock theft and stolen goods).

3.3. Main Economic Characteristics

3.3.1. Gross Domestic Product per Region (GDPR)

The Northern Cape recorded an economic growth rate of 1.3% during 2002. This follows a growth rate of 0.6% in 2001. The average real economic growth rate of the Northern Cape over the period 1996 to 2002 was 1.4%. This is lower than the average real economic growth rate of South Africa over the same period of 2.8%. The Northern Cape's share of the country's Gross Domestic Product (GDP), at 2% in 2002, is the lowest contribution of the nine provinces.

Figure 10: Real annual economic growth rates: NC and SA 1996- 2002



Although the Northern Cape Province has the smallest economy of the nine provinces, Gross Domestic Product of the Region (GDPR) per capita is higher than the national average. The economy of Northern Cape is heavily dependent on the primary sectors of the economy, which in 2002 made up 31.0% of GDPR. The largest sector is mining which has declined in contribution to the GDPR from 25.8% in 1996 to 23.7% in 2002. Agriculture, on the other hand, increased in its contribution from 6.2% to 7.3%.

A limited amount of processing of the primary commodity output in mining and agriculture takes place in the Northern Cape. This is reflected in the fact that manufacturing contributes only 4.2% towards GDPR. All the industries in the secondary sector have decreased in their contribution to the GDPR, that of the electricity and water sector showing the greatest decrease of 0.7% and the construction industry making the lowest contribution of 1.9% to the GDPR of the Northern Cape.

The industries in the tertiary sector have all increased in their contribution to the regional GDPR except for the wholesale and retail industry that has shown a decrease by 1.1%.

Figure 11: shows the percentage contribution of the various economic sectors to the GDP of the Northern Cape

Industry	1996	Percentage (%)	2002	Percentage (%)
Constant 1995 prices - Rand million				
Primary Industries	3748	32.0	3900	31.0
Agriculture, forestry and fishing	725	6.2	921	7.3
Mining and quarrying	3023	25.8	2979	23.7
Secondary Industries	1308	11.2	1269	10.1
Manufacturing	514	4.4	532	4.2
Electricity and water	545	4.7	502	4.0
Construction	249	2.1	235	1.9
Tertiary Industries	6655	56.8	7406	58.9
Wholesale and retail trade; hotel and restaurant	1359	11.6	1320	10.5
Transport and communication	1382	11.8	1611	12.8
Finance, real estate and business services	1438	12.3	1717	13.7
Community, social and other personal services	908	7.8	1031	8.2

The tress index measures the levels of diversification or concentration of the region's economy. A tress index of 0 indicates a totally diversified economy while an index closer to 100 indicates a concentrated economy. The latter is vulnerable to exogenous shocks, such as the international business cycle (e.g. price fluctuations) and adverse climatic conditions (e.g. droughts). The tress index of the Northern Cape is 53.8, which indicates an over-dependence on a few economic activities, particularly, mining, government services and agriculture.

3.3.2. Employment

There has been a decrease in the number of people that are formally employed from 196 219 in 1996 to 193 980 in 2001. The largest decrease is found in the private households sector, showing a loss of 4859 jobs. The figure below shows formal employment by sector in 1996 and 2001.

Figure 12: Formal employment by sector

Sectors	1996	1996 % of Persons employed in sector	2001	2001 % of Persons employed in sector
Primary				
Agriculture, hunting; forestry and fishing	48646	24.8	55016	28.4
Mining and quarrying	18556	9.5	15493	8.0
Secondary				
Manufacturing	8812	4.5	10598	5.5
Electricity; gas and water supply	2397	1.2	1385	0.7
Construction	10402	5.3	8971	4.6
Tertiary				
Wholesale and retail trade	23099	11.8	24671	12.7
Transport; storage and communication	9963	5.1	6366	3.3
Financial, insurance, real estate and business services	7733	3.9	10989	5.7
Community, social and personal services	39724	20.2	38463	19.8
Private Households	26887	13.7	22028	11.4
Total	196219		193980	

Data from Census 2001 indicates that of those that are formally employed, the primary sector employs 36.4% and the secondary sector employs 10.8%. The largest employer is the agricultural sector, showing a 3.6% increase in the number of people being employed and the lowest being the energy sector employing 0.7% of those formally employed, a decrease of 0.5%.

Of the economically active population in the Northern Cape, 55.5% were employed while 26.1% could not find employment. This unemployment figure is lower than the national figure of 29.5%. Significant for this province, however, is that a third of the total population is younger than 15 years old and approximately 45% of the potential labour force is younger than 30 years. At the same time, unemployment is the highest among the youth with unemployment rates of 54% and 47% in the 15-19 and 20-24 year-old age groups.

There has been an increase in the economically active population from 35.9% in 1996 to 38.1% in 2001. The unemployment rate for the same period has increased from 28.3% to 33.4%.

In general there has been an improvement in the educational qualifications of the labour force in the Northern Cape. The percentage of people with no formal education has been reduced from 16.7% in 1996 to 14.3% in 2001. There has been an increase in the proportion of the labour force that has a secondary and tertiary education. This would appear to be the result of an increase in access to education since 1994, in particular, amongst new entrants to the labour force.

Figure 13: The distribution of educational qualifications in the labour force of the Northern Cape.

Category	1996 (%)	2001 (%)
None	16.7	14.3
Primary	30.1	29.5
Secondary	44.8	50.8
Diploma	3.6	3.9
Degree	1.3	1.5
Unspecified	3.5	-

3.3.3. The Mining and Mineral Processing Sector

The exceptional mineral wealth of the Northern Cape province has ensured the importance, both nationally and internationally, of the province's mining industry. The minerals economy of the Northern Cape is a hundred and fifty years old and yet still today it remains the mainstay of the provincial economy contributing 23.7% to GGP in 2002. In 1998, the Northern Cape produced around 37% of South Africa's diamond output, 44% of its zinc, 70% of its silver, 84% of its iron-ore, 93% of its lead and 99% of its manganese.

Certain sub-sectors of the mining industry in the Northern Cape are approaching maturity with downscaling already having commenced in the copper and diamond mining industries. This poses serious socio-economic challenges in the affected areas and there is an urgent need to identify and promote alternative economic activities so as to mitigate the negative impact of minerals downscaling. However, at the same time, there are still significant known reserves of a range of minerals as well as many as yet unexploited deposits in other areas that will sustain the provincial mining industry for many years to come.

One of the key challenges faced by planners and those responsible for promoting minerals development is how to ensure that residents of the Northern Cape benefit more extensively from the exploitation of the province's mineral wealth in the future. New minerals legislation, enacted in 2004 has raised the prospect of the transformation of the mining industry through the de-concentration of ownership, increased access to mineral resources on the part of junior and small-scale mining companies and black economic empowerment. At the same time, the new legislation is intended to stimulate new growth in the industry and bring about increased levels of minerals processing and related economic development in the province.

3.3.4. Manufacturing

The Northern Cape manufacturing sector's contribution to provincial Gross Geographic Product (GGP) is comparatively low at 4.2% in 2002. Moreover, this contribution has been stagnant or declining for a number of years and as a result remains insignificant in the context of national manufacturing statistics. That said, manufacturing enterprises do make a significant contribution to the local economy in those localities where there is some concentration of manufacturing activity, mainly in the Kimberley and Upington areas. Most manufacturing that takes place in the Northern Cape involves value-addition to the province's mineral and agricultural raw material output, or, the fabrication of intermediate products used in those industries. Despite the relative insignificance of the manufacturing sector in aggregate, there is significant scope for growth in certain economic sub-sectors, particularly if conditions conducive to increased investment in manufacturing can be created through institutional support and reform.

3.3.5. Agriculture and Agro-Processing

Agriculture is the other mainstay of the Northern Cape provincial economy contributing 7.3% of GGP in 2002. Despite the largely semi-arid and arid environment in the province, the fertile land that lies alongside the Orange and Vaal rivers supports the production of some of the country's finest quality agricultural products. The province has become a major exporter of table grapes produced along the Orange River and is world renown for the quality of meat - Karoo lamb, ostrich, beef and venison – produced in the province. The Northern Cape is also well known for the production of wool, mohair and karakul pelts as well as dates, citrus products, wine and raisins.

Two major factors currently constrain growth prospects in the agricultural sector in the Northern Cape. Firstly, the need to promote transformation so that new and emerging farmers can take their rightful place as equal members of the commercial agricultural fraternity and in so doing satisfy the need for redistributive justice through increased access by the previously disadvantaged to land and agricultural resources. Secondly, the need to achieve greater levels of diversification in irrigated agriculture in order to spread risk and promote the development of crops that have a high affinity for agro-processing. Because of the potential for growing the agricultural and manufacturing sectors by successfully addressing both of these challenges, promoting transformation and the development of an enlarged agro-processing sector that contributes to

growth in manufacturing and job creation are both high priorities for the Northern Cape provincial government.

3.3.6. Fishing and Mariculture

Ironically, the economically depressed coastal towns of Namaqualand in the Northern Cape lie adjacent to one of the world's richest and most prolific marine eco-systems. The cold but nutrient rich up-welling Benguella current that runs along the Namaqualand coast sustains an abundance of marine life that gives rise to enormous potential for the development of fishing and mariculture industries. The area already has a rich fishing and cray-fishing history and research shows that it should be possible under the recently amended legislative and regulatory framework to significantly rejuvenate the fishing industry.

However, perhaps the greatest opportunity for economic development based on the exploitation of marine resources today is the development of the pump-ashore mariculture industry. Mariculture entails the cultivation of a range of high value marine species with tremendous potential for exports to lucrative overseas markets. Arguably, the Northern Cape has the best conditions for mariculture out of any area along the South African coast and indications are that mariculture offers sufficient growth potential to replace diamond mining over the long-term as coastal Namaqualand's principal industry. The provincial government is currently working closely with pioneer private sector business persons involved in mariculture to develop new mariculture ventures in the area.

3.3.7. Tourism

In many respects, tourism in the Northern Cape can also be seen as an industry with tremendous growth potential. Since the advent of democratic government in 1994, the Northern Cape tourism industry has blossomed largely as a result of the opening up of South Africa as a long-haul tourist destination for the world's travellers but also because the province has gained exposure to growing numbers of domestic tourists too. The province caters ideally for nature-based eco-tourists looking for a new experience and at the same time offers traditional tourists a great deal owing to its history in the development of the mining industry in South Africa.

A number of major new conservation and eco-tourism developments (the Kgalagadi, Ai-Ais Richtersveld and Orange River Mouth transfrontier developments amongst others) are currently underway in the province in conjunction with the governments of Botswana and Namibia. At varying stages of execution, it is anticipated that these projects will have a major positive impact on the regional tourist economy, particularly if it is possible to use the conservation assets in each case to leverage private sector investment in new tourism plant and capacity.

3.4. Government Finances

The provincial budget is comprised of 98% of funds received from national government as the equitable share and 2% that is generated by the province as own revenue. The overwhelming majority of the provincial budget is spent on education, social security, health and administration, leaving very little for capital and development investment. In the 2003/2004 financial year, the percentage of the total provincial equitable share allocated to Education was 35.5%, to Health 15.9%, to Social Services 27% and 21.6% to the remaining provincial departments. In the 2004/2005 financial year, the percentage of the total provincial equitable share allocated to Education is 33.6%, to Health 16.4%, to Social Services 30.5% and 19.4% to the remaining provincial departments.

It should be noted, firstly, that the Northern Cape receives only 2.2% of the total equitable share allocated by national government to provinces. Secondly, as is clearly illustrated above, the major portion of the provincial government's budget is spent on social services. It is therefore imperative to find alternative mechanisms to leverage additional funding for promoting growth and development.

Of the R16,6 billion allocated as conditional grants to all the provinces in 2003/2004, the Northern Cape received R386 million, which represents 2.32% of the total amount. In the 2004/2005 financial year, the

conditional grant allocation to the province increased to 2.67% which translates into R566 million (total allocation to all provinces was R21,2 billion).

The national allocation to municipalities across the country amounted to R11,356 billion in the 2003/2004 financial year. Of this amount, R422 million was allocated to all municipalities in the Northern Cape. In the 2004/2005 financial year, the national allocation was R13,557 billion, of which the municipalities in the Northern Cape receive R439 million. The 2004/2005 allocation is 0.5% less than 2003/2004 allocation to municipalities.

3.5. Social and Economic Development Imperative: Challenges and Opportunities For Social and Economic Development In The Northern Cape

An analysis of the socio-economic situation and indicators of the Northern Cape clearly indicates that the most significant challenge that the government and its partners in growth and development are confronted with is the **reduction of poverty**.

All other societal challenges that the province faces emanate predominantly from the effects of poverty. While addressing poverty attention needs to be given to a range of societal problems that includes the following:

- Reducing the backlog of basic needs such as water, sanitation and housing;
- Improving and increasing access to health, education and social services;
- Decreasing the prevalence rate of HIV and AIDS;
- Creating opportunities for employment;
- Reducing crime; and
- Targeting vulnerable groups

The only effective means by which we can reduce poverty is through long-term sustainable economic growth and development. An analysis of the economic situation and indicators reflects opportunities for potential growth in the following sectors:

- Agriculture and Agro-processing;
- Fishing and Mariculture;
- Mining and mineral processing;
- Transport;
- Manufacturing; and
- Tourism

To create the conditions that allow the poor to break the cycle of poverty and to ensure economic growth and development, it is vital to develop the human and social capital of the people of the province. This would require:

- Creating opportunities for life long learning;
- Improving the skills of the labour force to increase productivity; and
- Increasing accessibility to knowledge and information.

To promote and encourage economic growth and to improve the living conditions of our people we need to develop and maintain the provincial infrastructure and communications system.

In order to ensure efficiency in our quest to reduce poverty and promote economic growth and development, the challenge is to ensure a system of good governance and a corrupt-free society.

4. RECEIPTS

4.1 Overall position

Revenue estimates for 2005/06 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 2005/06. The total estimated revenue for the 2005/06 financial year is **R5,127,696 million**. The amount to be derived from national sources, both the equitable share and conditional grants for the Northern Cape Province amounts to **R5,022,696 million** for 2005/06, which is 98% of the Province's total revenue. Provincial sourced revenue is estimated to be **R105,000 million** for 2005/06, which is 2% of the province's total revenue.

Table 1.6 provides a summary of the composition and comparison of actual receipts for 2001/02 to 2003/04 as well as budgeted and estimated actual receipts for 2004/05 and budgeted receipts for 2005/06 to 2007/08.

Table 1.6: Summary of Provincial Receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Transfer receipts from National									
Equitable share	2,559,623	3,000,498	3,511,881	3,838,795	3,936,090	3,936,090	3,124,184	3,326,755	3,491,843
Conditional grants	219,536	299,532	424,392	572,882	670,702	633,463	1,898,512	2,244,992	2,514,183
Total Treasury Funding	2,779,159	3,300,030	3,936,273	4,411,677	4,606,792	4,569,553	5,022,696	5,571,747	6,006,026
Departmental receipts									
Tax receipts	46,935	61,404	61,872	62,937	62,937	62,636	68,200	72,694	76,866
Sales of goods and services other than capital assets	51,867	17,253	31,152	24,150	24,150	28,389	30,577	31,930	33,313
Transfers received from:	753								
Fines, penalties and forfeits	2,361	1,743	4,189	1,387	1,387	1,387	4,300	4,275	4,822
Interest, dividends and rent on land	14,165	12,412	1,904	7,065	7,065	7,278	1,065	1,109	1,153
Sales of capital assets	26,372	3,582							
Financial transactions in assets and liabilities	54	289	1,288	306	306	319	858	767	714
Total provincial own receipts	142,507	96,683	100,405	95,845	95,845	100,009	105,000	110,775	116,868
Total provincial receipts	2,921,666	3,396,713	4,036,678	4,507,522	4,702,637	4,669,562	5,127,696	5,682,522	6,122,894

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

The 2005 Budget will mark the sixth 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 **R3,124,184 million**. The equitable share also excludes other unconditional and conditional grants to the provinces from the national share.

Conditional Grants

Reforms to the conditional grants :

Conditional grants are transfers to provinces to implement specific national priorities in provincial budgets, and constitutes about 38% of total transfer to provinces. The 2005 Budget marks the fifth year since

conditional grants were introduced in the intergovernmental fiscal framework. The 2005 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.

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 the Social Assistance Grant and the Administration Assistance Grant after the shift of the administration of the social grant function from provincial to national sphere of government. The current Child Support Extension Grant is taken up into this bigger conditional grant.

Food Emergency Relief Grant had been reconfigured to enable the provinces to provide short-term relief to vulnerable individuals and households who are not legible and not receiving any form of assistance in terms of Social Assistance Act, and is renamed to the Integrated Social Development Services Grant.

The Human Settlement and Redevelopment Grant had been reduced and the balance incorporated into the redesigned Integrated Housing and Human Settlement Development Grant.

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, ARV treatment component (ART) to provide comprehensive prevention etc.

Table 1.7: Summary of Conditional Grants by Grant

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Vote 4: Education	11,487	36,436	37,302	57,838	57,838	57,838	81,211	58,995	59,090
Financial management and quality enhancement	3,235	4,917	4,425						
Provincial infrastructure grant	8,088	27,730	29,185	33,183	33,183	33,183	54,265	26,891	25,381
National school nutrition programme grant				22,469	22,469	22,469	24,628	29,647	31,129
Early childhood development		934	1,900						
HIV/Aids grant	164	2,855	1,792	2,186	2,186	2,186	2,318	2,457	2,580
Vote 5: Transport	57,581	51,197	29,031	110,135	106,994	110,135	105,959	155,489	220,262
Provincial infrastructure grant	57,581	51,197	29,031	110,135	106,994	110,135	105,959	155,489	220,262
Provincial Legislature building									
National Transport Transition Act									
Vote 7: Sports Arts and Culture				1,000	1,000	1,000	2,640	4,280	3,115
Mass sport and recreation participation programme grant				1,000	1,000	1,000	2,640	4,280	3,115
Vote 9: Provincial Housing and Local government	65,486	77,550	134,390	121,626	128,501	128,501	85,057	97,529	121,360
Integrated housing and human settlement development grant	65,486	58,186	103,940	89,442	90,387	90,387	79,917	93,389	114,146
Human settlement and redevelopment grant		371	1,467	3,180	6,889	6,889			
Provincial infrastructure grant		3,997	3,959	4,486	5,142	5,142	5,140	4,140	7,214
Local government capacity building fund grant		11,726	22,931	22,675	24,240	24,240			
Municipal Infrastructure grant (MIG)		3,270	1,976	1,843	1,843	1,843			
Capacity building			117						
Vote 10: Health	78,743	110,152	179,146	190,565	229,905	209,905	260,498	442,103	488,477
Hospital management & quality improvement grant	1,000	7,334	10,906	10,490	14,770	14,770	10,083	10,688	11,223
Integrated nutrition programme grant	10,096	10,390	21,617	3,000	6,037	6,037	3,299		
Provincial infrastructure grant	4,000	7,000	10,065	11,510	21,575	16,575	11,993	11,993	19,164
Comprehensive HIV and AIDS grant	4,665	7,657	11,268	31,881	31,881	31,881	48,050	68,603	72,033
Health professional training & development grant	24,377	28,313	30,007	34,444	34,444	34,444	41,069	41,069	43,122
National tertiary services grant	17,842	24,458	32,892	42,105	35,109	35,109	76,353	92,286	107,975
Hospital revitalization grant	16,763	25,000	55,391	57,135	79,154	64,154	69,651	217,464	234,960
Medico-legal mortuaries			1,000		935	935			
Drought relief			6,000		6,000	6,000			
Vote 11: Social Services and Population	5,280	22,839	42,795	79,200	103,147	82,767	1,344,827	1,465,099	1,583,357
Financial management and social security system	401	644	778		226				
Child support grant	1,354	132	17,052	65,272	68,020	68,020			
Social assistance transfers grant		18,214	12,095		20,154		1,232,391	1,349,015	1,461,636
Social assistance administration grant							94,688	97,710	102,596
Flagship	398	160							
Integrated Social Development Services grant							9,998	10,598	11,128
Child support grant extension									
Food security			9,854	9,998	10,142	10,142			
Criminal justice system	355	1,001							
Victim empowerment programme	340	28							
HIV and AIDS (community based care) grant	2,432	2,660	3,016	3,930	4,605	4,605	7,750	7,776	7,997
Vote 12 : Agriculture	959	1,358	1,728	12,518	43,317	43,317	18,320	21,497	38,522
Comprehensive agricultural support programme				10,518	10,518	10,518	13,148	15,777	28,555
Land care programme grant	959	1,358	1,728	2,000	3,658	3,658	2,000	2,500	2,747
Provincial infrastructure grant					3,141	3,141	3,172	3,220	7,220
Drought relief					26,000	26,000			
Total	219,536	299,532	424,392	572,882	670,702	633,463	1,898,512	2,244,992	2,514,183

Table 1.7 shows a summary of national conditional grants to the province by grant type and per department.

In terms of allocation per department, the Department of Social Development is the major recipient of conditional grant. This is as a result of the introduction of the new Social Assistance Grant and the Administration Assistance Grant after the shifting of the administration of Social grant function from provincial to national sphere of government, with an average of **66%** of the total grant allocation from

2005/06 to 2007/08, followed by the Department of Health with **14%** in 2005/06 and **20%** per year in 2006/07 and 2007/08.

Hospital Revitalisation Grant has been increase from **R69,6 million** in 2005/06 to **R217,5 million** in 2006/07 and to **R234,9 million** in 2007/08.

National Tertiary Services Grant has been increased from **R35 million** in 2004/05 to **R76 million** in 2005/06, **R92 million** in 2006/07 and **R108 million** in 2007/08. The purpose is to upgrade and modernise the tertiary health services.

4.4 Provincial Own Revenue

The Northern Cape Province expects to collect an amount of **R105 million** from own provincial revenue for the 2005/06 financial year, which is only **2%** of the total revenue. This represent a growth of **9.5%** compared to the 2004/05 financial year's budget, 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, hospital fees and gambling tax. 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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
				2004/05					
Office of the Premier	426	44	38	31	31	31	29	40	42
Safety and Liaison	44,778	49,813	54,499	53,348	53,348	52,927	61,541	65,915	69,458
Education	1,814	841	3,319	1,937	1,937	1,937	1,926	2,024	2,123
Transport, Roads and Works	64,523	6,580	11,422	5,308	5,308	5,308	5,896	5,896	6,191
Economic Affairs	2,604	9,779	9,426	10,095	10,095	10,095	10,689	10,645	11,709
Sport, Arts and Culture	76	93	121	70	70	124	41	41	41
Finance	12,617	11,465	1,708	5,985	5,985	5,985	250	260	280
Housing and Local Government	354	352	224	240	240	240	254	254	254
Health	12,530	13,687	17,468	16,751	16,751	20,949	22,114	23,351	24,319
Social Services and Population Development	957	561	111	580	580	793	700	730	750
Agriculture and Land Reform	1,828	3,468	2,069	800	800	920	800	839	881
Tourism, Environment and Conservation				700	700	700	750	780	820
Total provincial receipts	142,507	96,683	100,405	95,845	95,845	100,009	105,000	110,775	116,868

The main sources of provincial own revenue for the 2005/06 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 **76%** of the total provincial own revenue. The expected revenue from this source for the 2005/06 financial year is **R56,701 million** and is a increase of **R5,050 million** on the estimate for the 2004/05 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 2005/06 financial year is **R19,145 million**, an increase by R4,152 million compare to 2004/05 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 horseracing industry. The estimated revenue from this source for the 2005/06 financial year amounts to **R9,519 million**.

5. PAYMENTS

Overall position

Total outlays for provincial programmes are budgeted at:

Financial year 2005/06: R 5,028,166 million

Financial year 2006/07: R 5,577,440 million

Financial year 2007/08: R 6,006,517 million

Table 1.5 indicates the growth in expenditure by policy area and the **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 Payments and Estimates by Vote

Table 1.9: Summary of Provincial Payments and Estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
				2004/05					
Office of the Premier	44,658	62,964	70,360	73,488	66,808	66,808	85,913	91,355	86,940
Legislature	19,232	33,990	33,912	33,672	35,776	35,776	42,265	48,019	46,221
Safety and Liason	24,301	30,008	38,380	47,446	42,392	42,193	50,505	56,717	56,553
Education	1,021,709	1,170,298	1,288,150	1,434,454	1,397,341	1,422,893	1,533,228	1,604,977	1,699,464
Transport, Roads and Works	265,818	294,344	245,983	323,189	342,221	342,222	309,743	360,601	433,293
Economic Affairs	14,475	34,093	41,012	52,403	38,548	33,878	66,500	66,971	69,643
Sport, Arts and Culture	28,207	38,937	46,782	57,140	52,290	50,020	54,582	57,450	61,208
Finance	30,412	45,037	66,945	97,336	67,492	53,405	67,366	79,249	80,110
Housing and Local Government	139,984	149,547	244,355	250,983	250,696	250,696	208,231	228,480	255,062
Health	517,395	607,851	831,914	814,357	874,055	874,055	941,303	1,160,416	1,239,661
Social Services and Population Development	700,635	910,190	1,144,875	1,113,837	1,317,151	1,275,199	1,504,057	1,648,335	1,781,483
Agriculture and Land Reform	55,280	59,874	64,144	94,984	111,331	113,531	115,322	123,173	139,688
Tourism, Environment and Conservation	13,145	16,672	19,639	23,556	26,619	26,419	49,151	51,697	57,201
Total payments and estimates	2,875,251	3,453,805	4,136,451	4,416,845	4,622,720	4,587,095	5,028,166	5,577,440	6,006,517
Statutory Amount*	14,384	13,428	16,943	19,048	19,048	19,030	19,530	20,082	21,377
Total	2,889,635	3,467,233	4,153,394	4,435,893	4,641,768	4,606,125	5,047,696	5,597,522	6,027,894

* Amount forming a direct charge on the Provincial Revenue Fund

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Current payments	1,862,518	2,146,613	2,589,041	2,806,468	2,792,149	2,791,629	3,073,009	3,302,751	3,489,871
Compensation of employees	1,395,639	1,528,322	1,720,273	1,959,456	1,949,121	1,962,706	2,185,073	2,304,623	2,435,074
Goods and services	465,416	613,909	868,699	847,012	843,028	827,092	887,807	997,984	1,054,660
Interest and rent on land						461			
Financial transactions in assets and liabilities	1,463	1,835	68			1,372	129	144	137
Unauthorised expenditure		2,547							
Transfers and subsidies:	837,574	1,057,131	1,347,111	1,335,987	1,548,804	1,520,199	1,674,364	1,819,980	1,970,280
Provinces and municipalities	66,429	67,035	112,211	135,906	184,102	196,290	121,032	120,216	125,638
Departmental agencies and accounts	355	292	1,187	2,341	3,423	2,963	1,587	1,667	1,749
Universities and technikons	1,000	2,162	4,640	4,700		28	8,000	8,300	8,615
Public corporations and private enterprises	4,061	7,734	26,847	30,979	13,050	14,099	33,654	34,683	35,673
Foreign governments and international organisations									
Non-profit institutions	125,945	162,808	158,528	194,427	150,692	143,422	169,119	182,615	191,226
Households	639,784	817,100	1,043,698	967,634	1,197,537	1,163,397	1,340,972	1,472,499	1,607,379
Payments for capital assets	175,159	250,061	200,300	274,390	281,767	275,267	280,793	454,709	546,366
Buildings and other fixed structures	127,193	162,666	160,365	206,746	193,283	190,470	232,529	410,659	501,987
Machinery and equipment	47,832	86,696	39,935	67,434	88,282	84,500	47,900	43,681	44,156
Cultivated assets					160				
Software and other intangible assets	135	258		210	42	297	364	369	223
Land and subsoil assets		441							
Total economic classification	2,875,251	3,453,805	4,136,451	4,416,845	4,622,720	4,587,095	5,028,166	5,577,440	6,006,517
Statutory Amount*	14,384	13,428	16,943	19,048	19,048	19,030	19,530	20,082	21,377
Total	2,889,635	3,467,233	4,153,394	4,435,893	4,641,768	4,606,125	5,047,696	5,597,522	6,027,894

* Amount forming a direct charge on the Provincial Revenue Fund

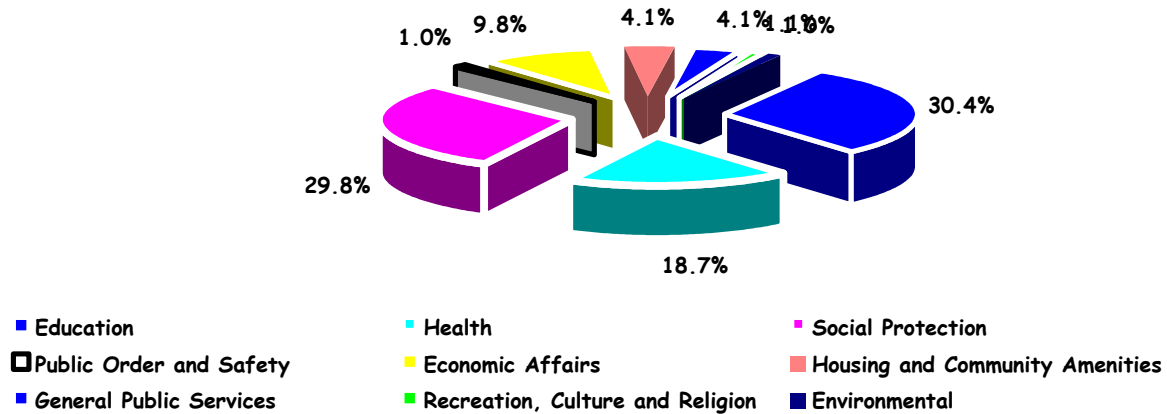
5.4 Expense by policy area

Table 1.11: Summary of Provincial Payments and Estimates by Policy Area

Table 1.11: Summary of payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
General public services	108,686	150,315	182,800	216,715	182,295	168,560	208,177	231,367	226,680
Public order and safety	24,301	30,670	38,985	48,237	43,183	42,926	51,237	57,496	57,421
Economic affairs	335,573	389,527	352,505	472,015	493,539	491,028	493,167	552,449	644,438
Environmental protection	13,145	16,672	19,639	24,336	27,399	27,199	49,917	52,512	58,030
Housing and community amenities	139,984	150,217	245,076	251,779	251,492	251,492	208,997	229,295	255,881
Health	517,395	608,508	832,624	815,141	874,659	874,839	942,069	1,161,231	1,240,568
Recreation Culture and religion	28,207	39,549	47,343	57,864	53,014	50,424	55,314	58,229	62,115
Education	1,021,709	1,170,965	1,288,873	1,435,245	1,398,132	1,423,734	1,533,960	1,605,756	1,700,371
Social Protection	700,635	910,810	1,145,540	1,114,561	1,317,875	1,275,923	1,504,858	1,649,187	1,782,390
Total	2,889,635	3,467,233	4,153,385	4,435,893	4,641,588	4,606,125	5,047,696	5,597,522	6,027,894

2005/06 Expenditure by Policy Area



5.2.1. Education

An amount of **R1 533 960 million** has been allocated for Education. This represents 30,% of the total 2005/06 budget for this Province and is an increase of 9.7 % on the 2004/05 Education budget.

5.2.2. Social Development

R1 504 057 million has been provided for Social Development for the 2005/06 financial year, which represents 25% of the total 2005/06 provincial budget. This provision is 14.2% more than the corresponding amount for the 2004/05 financial year.

The majority of the expenditure on the Social Development Vote is in the form of conditional grants, which is for social pensions and subsidies to welfare organisations. The key challenge for Social 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 **R942,069 million** for the 2005/06 financial year. This amount represents 19% of the total provincial budget for 2005/06 and is a 7.7% increase on the corresponding provision for Health for 2004/05. 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.

5.2.4. Economic Affairs

The Economic Affairs Function includes the Departments of Economic Affairs, Agriculture and Land Reform, and the Roads and Transport functions of the Department of Transport, Roads and Works. The

allocation for this function for the 2005/06 financial year amounts to **R493,167 million**, which is 10% of the total provincial budget.

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 2005/06 financial year is **R208,997 million**, which is 4% of the total provincial budget. This amount is a decline of 16.9% on the corresponding amount for 2004/05.

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 2005/06 financial year is **R208,997 million**. The 2005/06 allocation is 4% of the total provincial budget.

5.2.7. Recreation, Culture and Religion

The allocation for this function for 2005/06 amounts to **R55,314 million**, an increase of 4.3% compared to the corresponding provision for 2004/05.

5.2.8. Public Order and Safety

The Public Order and Safety Function consists of the Department of Provincial Safety and Liaison. The total allocation for this function for the 2005/06 financial year amounts to **R51,237 million**, which 21.5% more than the corresponding provision for 2004/05.

Infrastructure expense

Table 1.12: Infrastructure payments and estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Education			23,837	49,140		49,140	49,190	83,707	61,988
Transport, Roads and Works	176,598	222,790	175,508	249,239	270,651	270,651	226,943	269,214	338,518
Sport, Arts and Culture			3,515	10,000	7,534	4,802	11,700	10,000	
Housing and Local Government	65,468	62,183	138,118	123,928	125,529	125,529	101,381	112,129	144,711
Health			27,491	79,600		79,600	11,993	11,993	19,164
Social Services and Population Development			4,539	3,694	5,660	3,803	10,694	13,000	15,000
Agriculture and Land Reform				10,518	13,669	10,518	16,320	18,997	35,775
Tourism, Environment and Conservation				197	197	197	238	405	333
Total	242,066	284,973	373,008	526,376	423,230	544,240	428,459	519,445	615,489

Major projects for Health is be the construction of new hospital and clinics; these include Barkley West, De Aar, Psychiatric and Upington Hospitals and the building of community health care centers and clinics two in Galeshewe and two in Noupoort.

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 2005/06 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.

5.6 Transfers to public entities

Table 1.14 is, a summary of all transfers to Public Entities per transferring department.

Table 1.14 Summary of Provincial Transfers to Public Entities by Transferring Department

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Sport, Arts and Culture	765	765	845	2,291	2,241	2,241	2,355	2,231	2,855
Tourism, Environment and Conservation	2,000	2,000	2,000	2,000	2,000	2,000	2,500	3,000	3,200
Total	2,765	2,765	2,845	4,291	4,241	4,241	4,855	5,231	6,055

5.7 Transfers to local government

Table 1.15 below shows a summary of transfers to local government by transferring department.

Table 1.15 Summary of Departmental Transfers to Local Government by Transferring Department

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Transport, Roads and Works	42,128	45,589	30,323	47,076	88,606	88,606	46,578	49,373	51,842
Sport, Arts and Culture			3,234	4,040	3,806	3,501	3,837	2,137	2,244
Housing and Local Government	13,536	11,777	63,145	69,662	74,027	69,027	43,681	47,309	55,179
Health	5,020	2,747	5,022	5,418	7,749	7,749	5,960	6,318	6,688
Total provincial transfers	60,744	60,113	101,724	126,196	174,188	168,883	100,056	105,737	115,963

Table 1.16 below shows a summary of transfers to local government by municipality category.

Table 1.16 Summary of Departmental Transfers to Local Government by Category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimates		
	Audited	Audited	Audited				2005/06	2006/07	2007/08
	2001/02	2002/03	2003/04						
Category A			3,194	4,010	3,776	3,471	3,821	2,121	2,227
Category B	17,682	14,678	29,916	36,830	42,649	42,649	22,025	22,364	22,752
Category C	43,062	45,435	68,614	85,356	127,763	122,763	74,210	81,252	90,984
Total provincial transfers	60,744	60,113	101,724	126,196	174,188	168,883	100,056	105,737	115,963

Definitions of municipal categories as defined in the Constitution of South Africa, Act No 108, are as follows:

Category A: A municipality having exclusive municipal executive and legislative authority within its area.

These are often known as “metropolitan areas”. There are no metropolitan municipalities in the Northern Cape.

Category B: A municipality that shares municipal executive and legislative authority with a category C municipality within whose area it falls, such municipalities are often referred to as “local municipalities”.

Category C: A municipality having municipal executive and legislative authority in an area that includes more than one municipality, such municipalities are often referred to as a “district municipalities”.

5.8 Personnel numbers and costs

Table 1.17 provides a summary of personnel numbers and the cost thereof by Vote.

Table 1.17: Summary of Personnel numbers and costs by Vote

Personnel numbers	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007
Office of the Premier	196	175	200	214	264	275
Legislature	71	76	71	80	80	80
Safety and Liaison	29	29	28	185	207	229
Education	8,969	9,221	9,359	9,521	9,383	9,183
Transport, Roads and Works	415	413	415	411	409	488
Economic Affairs	51	59	54	57	129	129
Sport, Arts and Culture	152	171	168	162	178	182
Finance	107	79	135	144	145	146
Housing and Local Government	300	293	353	373	580	634
Health	4,125	4,334	4,554	5,232	5,471	4,904
Social Services and Population Development	619	628	620	639	863	863
Agriculture and Land Reform	323	279	306	341	393	427
Tourism, Environment and Conservation	70	73	90	106	135	150
Total personnel numbers *	15,427	15,830	16,353	17,465	18,237	17,690
Total personnel cost (R thousand)	1,395,639	1,528,322	1,720,273	1,962,705	2,185,073	2,304,623
Unit cost (R thousand)	90	97	105	112	120	130

* Full-time equivalent

ANNEXURE A TO BUDGET STATEMENT 1

Table A.1(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
	Financial and fiscal affairs		Management services
		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
	Agriculture	Agriculture	Administration
			Agricultural development and research
			Veterinary services
			Conservation management
			Environmental management
			Specialist environmental services
			Management services
			Roads
			Road traffic and law enforcement
			Transport
	Communication	Tourism	Tourism
			Conservation management
			Environmental management
	Housing development	Housing	Specialist environmental services
			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	Administration
		population development	Social security
			Social assistance
			Social welfare services
			Social development
			Population development
			Management services

Table A.1(b) Detail of expense by policy area

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2001/02	2002/03	2003/04	2004/05			2005/06	2006/07	2007/08
General Public Services									
Executive and Legislature	78,274	104,605	115,132	118,583	114,007	114,363	140,010	151,266	145,663
Office of the Premier	44,658	63,781	71,231	74,461	67,781	67,781	86,845	92,347	87,997
RDP									
Provincial Legislature	33,616	40,824	43,901	44,122	46,226	46,582	53,165	58,919	57,666
Financial and Fiscal Services	30,412	45,710	67,668	98,132	68,288	54,197	68,167	80,101	81,017
Provincial Treasury	30,412	45,710	67,668	98,132	68,288	54,197	68,167	80,101	81,017
General Services (Public Works, Local Government)									
Total: General Public Services	108,686	150,315	182,800	216,715	182,295	168,560	208,177	231,367	226,680
Public Order and Safety									
Police Services	24,301	30,670	38,985	48,237	43,183	42,926	51,237	57,496	57,421
Safety and Liaison	24,301	30,670	38,985	48,237	43,183	42,926	51,237	57,496	57,421
Total: Public Order and Safety	24,301	30,670	38,985	48,237	43,183	42,926	51,237	57,496	57,421
Economic Affairs									
General Economic Affairs	14,475	34,093	41,012	52,403	38,548	33,878	66,500	66,971	69,643
Dept of Economic Affairs	14,475	34,093	41,012	52,403	38,548	33,878	66,500	66,971	69,643
Agriculture	55,280	60,488	64,813	95,710	112,057	114,215	116,123	124,025	140,595
Dept of Agriculture Affairs	55,280	60,488	64,813	95,710	112,057	114,215	116,123	124,025	140,595
Transport	265,818	294,946	246,680	323,902	342,934	342,935	310,544	361,453	434,200
Department of Transport	265,818	294,946	246,680	323,902	342,934	342,935	310,544	361,453	434,200
Total: Economic Affairs	335,573	389,527	352,505	472,015	493,539	491,028	493,167	552,449	644,438
Environmental Protection									
Environmental Protection	13,145	16,672	19,639	24,336	27,399	27,199	49,917	52,512	58,030
Total: Environmental Protection	13,145	16,672	19,639	24,336	27,399	27,199	49,917	52,512	58,030
Housing and Community Amenities									
Housing Development	139,984	150,217	245,076	251,779	251,492	251,492	208,997	229,295	255,881
Department of Housing	139,984	150,217	245,076	251,779	251,492	251,492	208,997	229,295	255,881
Total: Housing and Community Amenities	139,984	150,217	245,076	251,779	251,492	251,492	208,997	229,295	255,881
Health									
Outpatient services	9,228	17,404	44,449	47,214	50,714	56,546	67,065	186,379	270,244
R and D Health (CS)	6,586	8,018	11,109	15,461	20,561	19,570	26,239	20,789	21,868
Hospital Services	16,763	18,123	2,903	38,435	71,519	65,174	34,735	64,935	6,935
Health	484,818	564,963	774,164	714,031	731,865	733,549	814,030	889,128	941,521
Total: Health	517,395	608,508	832,624	815,141	874,659	874,839	942,069	1,161,231	1,240,568
Recreation, Culture and Religion									
Sporting and Recreational Affairs	28,207	39,549	47,343	57,864	53,014	50,424	55,314	58,229	62,115
Sport, Arts and Culture	28,207	39,549	47,343	57,864	53,014	50,424	55,314	58,229	62,115
Total: Recreation, Culture and Religion	28,207	39,549	47,343	57,864	53,014	50,424	55,314	58,229	62,115
Education									
Public primary phase	475,216	509,740	690,878	730,869	734,480	752,961	808,825	855,447	916,049
Public secondary phase	407,949	427,233	302,600	322,034	322,684	331,269	320,455	333,660	348,919
Adult Basic Education and Training	4,834	9,211	21,576	23,419	20,952	20,419	24,390	25,809	27,252
Education not define by level	133,710	224,781	273,819	358,923	320,016	319,085	380,290	390,840	408,151
Total: Education	1,021,709	1,170,965	1,288,873	1,435,245	1,398,132	1,423,734	1,533,960	1,605,756	1,700,371
Social protection									
Social Security Services	610,456	803,145	1,017,352	949,804	1,161,632	1,127,765	1,327,079	1,446,725	1,564,232
Social Services and Population Development	90,179	107,665	128,188	164,757	156,243	148,158	177,779	202,462	218,158
Total: Social protection	700,635	910,810	1,145,540	1,114,561	1,317,875	1,275,923	1,504,858	1,649,187	1,782,390
Total provincial payments and estimates by policy area	2,889,635	3,467,233	4,153,385	4,435,893	4,641,588	4,606,125	5,047,696	5,597,522	6,027,894