



BUDGET STATEMENT NO. 1

BUDGET OVERVIEW

1. PROVINCIAL BUDGET STRATEGY AND PROCESS

1.1. PROVINCIAL GOVERNMENT'S MAIN STRATEGIC POLICY DIRECTION

The 2006/07 Medium Term Expenditure Framework budget updates the fiscal policy framework for the province and makes further progress toward the provincial goals of long term sustainable economic development and poverty alleviation in key targeted areas through the improved management of public finances as defined in the Provincial 5 year plan and in the 2005 Medium Term Budget Policy Statement.

Through growth enhancing policies or strategies, the Gauteng provincial government (GPG) has a crucial role to play in the South African economy. It must contribute towards the reduction of the skills shortage, the high unemployment rate and the pressure exerted by HIV and AIDS on the social services budget. One of the key issues for the reduction of poverty and inequality is targeting government expenditure to the poor. While the allocation of public expenditure is likely to impact on poverty and inequality, it is crucial in facilitating the development path of the economy. In order for the province to achieve its broader objectives in the medium term, a sustainable set of fiscal interventions needs to be encouraged. In Gauteng, the key policy interventions are as follows:

- Implementing a growth oriented fiscal policy stance aimed at providing an increase in real spending over the medium term;
- Intensified spending on poverty alleviation achieved through the HIV and AIDS programme and expanded welfare programmes;
- Investment in economic infrastructure in support of urban renewal and boosting of investor confidence.

The Gauteng provincial government's strategic priorities (agreed upon by the Executive Council), which are aimed at halving unemployment and poverty by 2014 are as follows:

- Fighting poverty and building safe, secure and sustainable communities;
- Enabling faster economic growth and job creation;
- Developing a healthy, skilled and productive people;
- Building an effective and caring government;
- Deepening democracy and promoting constitutional rights.

The following are GPG's key strategies or programmes which aim to make a significant contribution to National government's strategic goals. It is important to highlight that these programmes or initiatives are linked to service delivery outputs and outcomes to be delivered by the relevant Gauteng provincial departments.

Fighting poverty and building safe, secure and sustainable communities

Gauteng is committed to contributing to the national effort to halve poverty through growing secure and prosperous communities with employment opportunities, access to education and health care and other services; a safe and healthy environment which support families and social, cultural and volunteer activities e.g. Urban Renewal programmes in Alexandra, Bekkersdal and Evaton and Zivuseni.

GPG has adopted a Single Window Package which will ensure that poor children, particularly orphans, can access welfare services such as school fee exemptions, free health care, school uniforms, school feeding and psycho-social support such as foster care.

Implementation of the Extended Public Works (EPWP) Programme in the province is critical in reducing poverty and is mainstreamed within the existing public works programmes.

GPG will ensure safety on Gauteng roads through effective traffic management. The Department of Community Safety will implement the Provincial Road Safety Plan which will enable the department to reduce road fatalities by 30 percent by 2009. The department will operationalise the 2nd Phase of the Ikhaya Lethemba programme, which is essential to ensure holistic service delivery to victims of violence and abuse.

The Provincial Executive took a decision that all informal settlements be formalised by 2009. The Department of Housing aims to deliver serviced stands through the Essential Services programme, towards formalising these settlements while targeting backyard shacks for upgrading in the 20 priority townships. The 20 Priority Township project aims at rehabilitating existing townships including upgrading or reconstructing social and economic facilities, backyard shacks to facilitate the creation of community rental and developing vacant land infills for densification.

Enabling faster economic growth and job creation

Accelerating growth aims at yielding an economy that will create jobs and enhance the competitiveness of Gauteng in the global economy. The province is striving at achieving 8 percent economic growth by 2014. For increased economic activity and improved employment opportunities, there should be increased investment in human capital.

GPG has invested R25,7 billion in strategic economic and social infrastructure over the MTEF; that include Blue IQ, Gauteng Economic Development Agency, the Growth and Development Strategy (GDS), Gautrain to stimulate growth and sustainable job creation. The GDS clearly outlines the specific contributions that the province will make towards achieving National Government's goal of halving unemployment through ensuring high levels of labour absorbing economic growth contributing to reduced inequality and the development of our province, nation and continent.

Broadening wealth creation through appropriate support for BBBEE and SMME development and cooperatives, the province has set a target of 70 percent of procurement spending on BBBEE companies by 2009. This objective is driven through the establishment of the SMME portal, the SMME agency for the provision of business management training, financial and non-financial support for the SMME sector including the implementation of the Bill on Cooperatives and the indirect empowerment strategy of the Preferential Procurement Policy Framework policies.

In response to the structural unemployment that the country is facing, the province through the Department of Education will link industry, higher education and research institutions, vocational and other training institutions and all spheres of government to ensure that skill supply and demand are matched.

Maximising the use of agricultural land and increasing support to emerging black farmers in respect of skills, infrastructure and access to markets remain critical for the province. The focus will be on implementing a comprehensive Agricultural Strategy with particular focus on Agro-processing and Bio-technology.

Investment promotion and economic development initiatives enable, promote and invest in certain geographical areas which can be regenerated and have economic potential.

A strategy for promoting Gauteng as a preferred destination was adopted by Executive Council. The Department of Sport, Recreation, Arts and Culture is coordinating the provincial intervention in the preparation for the hosting of the FIFA 2010 Soccer World Cup.

The Dinokeng Game reserve and the Cradle of Humankind projects conserve and sustain the development of Gauteng as a premier tourism destination and add value to local development (job creation and the stimulation of small business) and tourism.

Developing a healthy, skilled and productive people

The province has directed more resources towards primary health care to ensure increased access by communities to health services. In addressing the impact of HIV and AIDS, GPG will focus on prevention and reduction of new HIV infections. The Department of Health has committed to ensuring that 45 sites and 25,000 patients will be on treatment by March 2006. Promoting adequate nutrition (through school and community feeding schemes) and positive lifestyle choices to lead a productive life and decisively address communicable diseases such as tuberculosis is central to this programme.

The Executive Council took a decision to implement universal access to early childhood development services and the focus will still be on ages 0 to 4 years.

The province will put more effort consolidating and strengthening school education so that all children, especially the poorest, have equal access to quality education including improving maths, science and technology learning.

Implementation of a no fees policy is expected to be implemented by January 2006 in line with National Policy; this policy will be phased into quintile 1 schools first and rolled out to quintile 2 schools thereafter.

Provision of caring, responsive and quality health services remain a priority for GPG, with special attention to frontline services, reducing waiting times, investing in health care professionals and empowering communities with health information and education.

Building an effective and caring government

The appointment and training of Community Development Workers has advanced government's effort to communicate with local communities; government is committed to provide citizens with high quality, caring and integrated government services. The GPG contact centre is one programme which will enhance relationships between citizens, business, government and employees through integrated e-government applications and services.

Monitoring and supporting local government to ensure its transformation and strengthen its service capacity as well as promoting the efficient delivery of services remains the ultimate objective for GPG. The province identified the need to ensure that departments and agencies plan, implement programmes and spend allocated resources timeously and effectively.

Deepening democracy and promoting constitutional rights

The province has identified a need to enhance feedback mechanisms to the citizens. Gauteng is committed to promoting public participation and accountability through programmes such as imbizos.

The province will continue to use arts and culture, sports and recreation programmes to strengthen national building and social cohesion.

Government will play a greater role working with communities and non-government organisations to support and empower people who are unable to work and have special needs such the most vulnerable, children and youth in distress, people with disabilities and those affected by the AIDS epidemic.

1.2. BUDGET PROCESS AND THE MEDIUM TERM EXPENDITURE FRAMEWORK (MTEF)

The Gauteng budget process started with the 1st Executive Committee Retreat in May 2005 where strategic political priorities and service delivery imperatives for political term and MTEF budget cycle were confirmed. This was followed by the 1st provincial Budget Lekgotla in June 2005 where indicative allocations linked to the Cabinet priorities were discussed and thereafter departments engaged in micro-prioritisation within indicative allocations. The MTEF allows departments the opportunity to present a budget proposal designed to achieve strategic objectives linked to provincial priorities for consideration by the Executive.

The preparation of the provincial budget was guided by the following key principles:

- Fiscal Discipline – exercising effective control of budget allocations;
- Allocative efficiency – reviewing programme policies and services to find more effective ways of achieving desired outputs and outcomes;
- Operational efficiency – the continuous search for efficiencies in the administration of the public sector and in service delivery.

The 2nd EXCO Retreat in September 2005 afforded the Gauteng government the opportunity to consolidate and formalise strategic priorities and programmes for the coming year and the MTEF cycle. Budget Bilaterals were undertaken to align strategies and budgets and engage on emerging policy developments and challenges. The 2006/07 bilateral discussions were undertaken with Heads of Departments as well as at the Premier Budget Committee (involving MECs) to provide an expansive engagement with Treasury and the Office of the Premier on both the policy imperatives and the related technical financing issues. Budget allocations for the MTEF cycle were finalised in November 2005 during the 2nd Budget Lekgotla.

In the context of many social and development challenges facing the Gauteng province, preparation of the 2006/07 Budget has been a formidable task. While the improved outlook for the economy makes it possible to increase spending strongly over the years ahead, the province still faces many pressing claims on resources that cannot all be accommodated. The Gauteng Treasury had to determine the most effective way to accommodate critical priorities while maintaining sound public finances and without entirely depleting provincial resources; departments were encouraged to reprioritise to address expanding service demands.

1.3. BUDGET REFORMS

The major Budget reforms introduced in the province over the past few years have been aimed at improving operational and allocative efficiency in public finances and (over the seven year period under examination) have included:

- Preparing budget statements that set out the policies and aims of the province, budgets and spending trends over a seven year period including service delivery targets and infrastructure plans;
- The budget reform programme of 1999 where the National Treasury and provinces embarked on a programme to improve accountability and modernise the accounts of government by bringing budgeting and expenditure reporting in line with international best practice has further expanded over the years. This included strengthening the use of the Government Finance Statistics (GFS) system of classification and implementing a new standard chart of accounts from April 2004;
- Consolidating the generic sector reporting formats for the strategic plans of most provincial departments;
- Implementing generic sector budget and programme structures for all provincial departments;
- Implementing national's quarterly performance reporting format for non-financial data to complement monthly financial reports by providing a service delivery perspective on performance, this will include in-year information on performance against measurable objectives and performance targets;
- Implementing national's conditional grant quarterly reporting formats as per the requirements of the Division of Revenue Act;
- Ensuring the implementation of the Infrastructure Development and Improvement Programme (IDIP) in pilot departments to transform the planning and implementation process for infrastructure projects.

2. SUMMARY OF BUDGET AGGREGATES

Table 1 provides a summary of the Gauteng province's appropriation in the main budget components.

The Gauteng provincial government's (GPG) projected revenue of R33,824 billion in 2006/07 comprises of equitable share transfers of R23,362 billion and conditional grants of R8,744 billion from national government. Provincial own revenue amounts to R1,758 billion after taking into account agency fees for the collection of revenue.

However, it is important to point out that the remuneration of Public Office Bearers is a further deduction directly from the Provincial Revenue Fund, as required by the law. Total expenditure amounts to R34,460 billion; however, it should be noted that additional allocations for the Government Employees Medical Scheme (GEMS) and the Social Development Strategy amounting to R147,9 million, R307,2 million and R465,5 million (combined) over the MTEF have been set aside to be allocated pending further planning.

Total provincial revenue is derived from transfers from national government and provincial own revenue. Provincial revenue is projected to increase by a total of R5,995 billion (or 17,7 percent) from 2006/07 to 2008/09; these increases are driven by substantial additions to transfers from national (R5,709 billion) and by increased provincial own revenue (R289,911 million).

As a result of the strong performance of the Gauteng economy over the past year, it is expected that provincial revenue for the MTEF will increase. It is estimated that provincial own revenue will increase by an average of 7,9 percent in nominal terms over the MTEF period. Tax receipts (gambling taxes and motor vehicle licences) contribute about 80 percent of revenue, non-tax receipts (mainly patient fees) about 19 percent of total provincial revenue with other revenue accounting for the remaining 1 percent.

2.2 FINANCING

The province is anticipating that allocated budgets will exceed revenue by R783,8 million or 2,3 per cent of total revenue in the 2006/07 financial year and by R32,2 million (less than 0,1 percent of total revenue) in the 2007/08 financial year. It should be noted that this difference will be financed by the surplus in the Provincial Revenue Fund. The rationalisation and increased efficiency of budgetary expenditure will be a key element in eliminating a potential government deficit. It should be noted that the surplus budget in the outer year of the MTEF must accommodate unauthorised expenditure for the 2004/05 financial year amounting to R330,4 million.

Table 1: SUMMARY OF BUDGET AGGREGATES

R thousand	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Provincial Receipts									
Transfer Receipts from National	19,795,343	22,093,835	24,127,275	25,240,664	25,346,726	25,635,749	32,105,943	34,450,099	37,814,982
Equitable share	15,582,340	17,912,287	19,660,249	20,810,204	20,810,204	20,810,204	23,361,686	26,071,807	29,189,980
Conditional Grants	4,213,003	4,181,548	4,467,226	4,430,460	4,536,522	4,825,545	8,744,257	8,378,292	8,625,002
Provincial Own Receipts	1,475,444	1,565,874	1,696,879	1,509,892	1,509,892	1,627,035	1,758,263	1,906,539	2,048,174
Less: Remuneration of Public Office Bearers	27,149	30,212	33,216	36,518	36,518	36,518	40,417	42,438	44,560
Plus: Funding from surplus	449,290	142,617	316,887		754,774	754,774			
Total Provincial Receipts	21,692,928	23,772,114	26,108,025	26,714,038	27,574,874	27,981,040	33,823,789	36,314,200	39,818,596
Provincial Payments									
Current Payments	16,014,705	17,773,762	18,232,717	19,866,464	20,497,022	20,482,916	22,348,849	24,176,132	25,893,569
Transfers and Subsidies	3,479,203	4,333,283	4,637,345	5,253,242	4,998,888	5,219,046	9,562,626	9,204,615	9,327,353
Payments for Capital Assets	1,599,917	1,557,029	1,884,296	1,484,226	2,083,564	2,077,365	2,548,263	2,658,397	3,322,030
Total Provincial Payments	21,093,825	23,664,074	24,754,358	26,603,932	27,579,474	27,779,327	34,459,738	36,039,144	38,542,952
Unallocated Expenditure: Government employees medical scheme & SocDev strategy							147,857	307,228	465,512
Surplus/ (Deficit) position	599,103	108,040	1,353,667	110,106	(4,600)	201,713	(783,806)	(32,171)	810,133

3. SOCIO-ECONOMIC OUTLOOK

This section reflects on important social and economic parameters in the Gauteng province. Information used in the section has been collected from approved sources (i.e. Statistics South Africa) to give a realistic picture of economic and social conditions in the province.

3.1 DEMOGRAPHIC PROFILE

The Gauteng province, despite being the smallest province in the country, is home to over 9 million people, thereby accounting for 19,2 percent of the national population. This makes Gauteng the most densely populated province in the country.

The table below shows that the province has a total of 9,018,000 people living within its borders. Interestingly, the province has more males than females (nationally, females are in the majority). Males account for 4,643,100 of the total provincial population while females on the other hand number 4,374,900. This population breakdown is of crucial importance in the planning process to ensure that any measures introduced by the provincial government are in line with the ever changing socio-economic dynamics of the population.

Table 2: POPULATION BREAKDOWN IN GAUTENG

Age	Male	Female	Total	Percent of population
0-4	450,700	442,400	893,100	9,90%
5-9	386,000	383,500	769,500	8,53%
10-14	342,900	342,400	685,300	7,60%
15-19	343,300	347,000	690,300	7,65%
20-24	458,800	422,400	881,200	9,77%
25-29	558,300	469,700	1,028,000	11,40%
30-34	529,000	441,100	970,100	10,76%
35-39	371,200	322,400	693,600	7,69%
40-44	309,100	284,700	593,800	6,58%

Age	Male	Female	Total	Percent of population
45-49	259,200	251,300	510,500	5,66%
50-54	195,800	195,400	391,200	4,34%
55-59	147,600	152,700	300,300	3,33%
60-64	120,800	123,600	244,400	2,71%
65-69	79,000	82,300	161,300	1,79%
70-74	47,000	53,000	100,000	1,11%
70-79	25,400	31,500	56,900	0,63%
80+	19,000	29,500	48,500	0,54%
Total	4,643,100	4,374,900	9,018,000	100%

Source: Stats SA, 2005

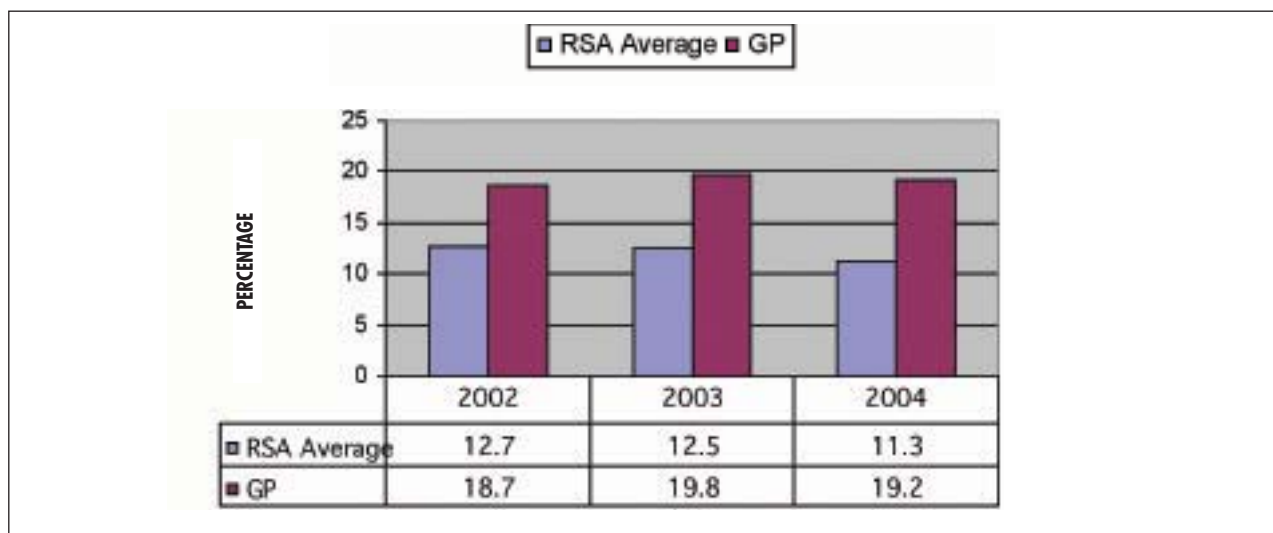
3.2 SOCIO-ECONOMIC INDICATORS

The Constitution of the Republic of South Africa, 1996 provides a chapter on the Bill of Rights, which amongst others encapsulate the rights to housing, water, health care and an environment that is not harmful to people's health or wellbeing. In terms of Section 27 of the Constitution, access to welfare services is an inalienable right that every person is entitled to (except for specific types of services and during circumstances where government does not have adequate resources to provide the required services). This constitutional obligation places a huge responsibility on government to find measures that would enable the public to access services.

3.2.1 Housing

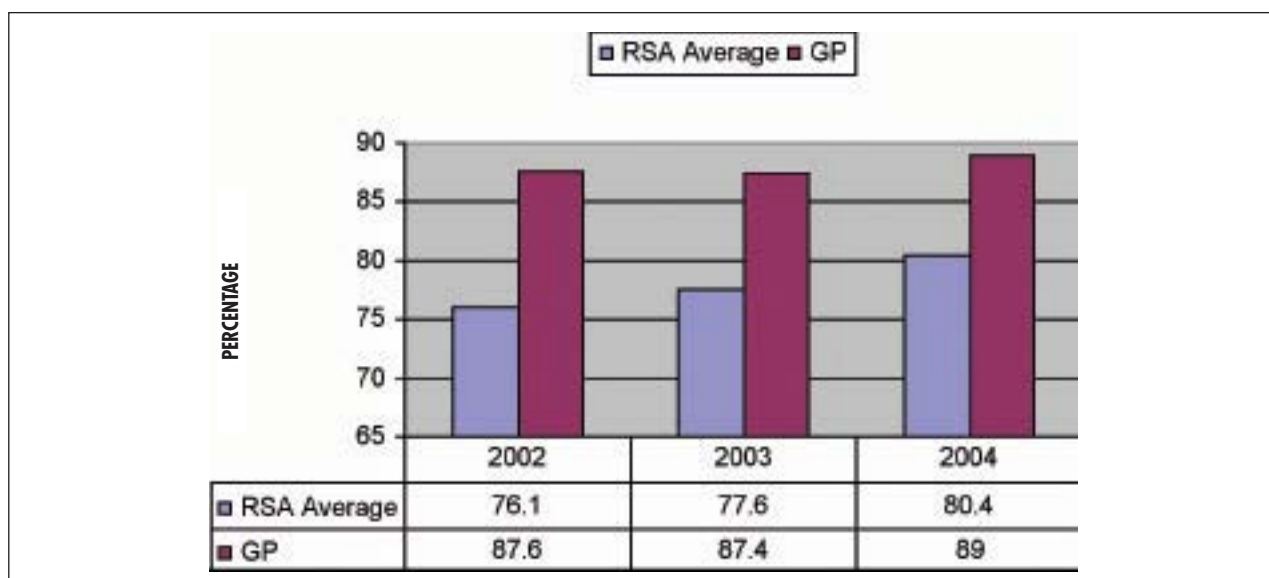
The provision of adequate housing represents one of the most important challenges of government since it satisfies a basic need. Closely related to the issue of housing is the provision of basic amenities such as access to clean water and sanitation.

Figure 1: PERCENTAGE OF HOUSEHOLDS LIVING IN INFORMAL DWELLINGS



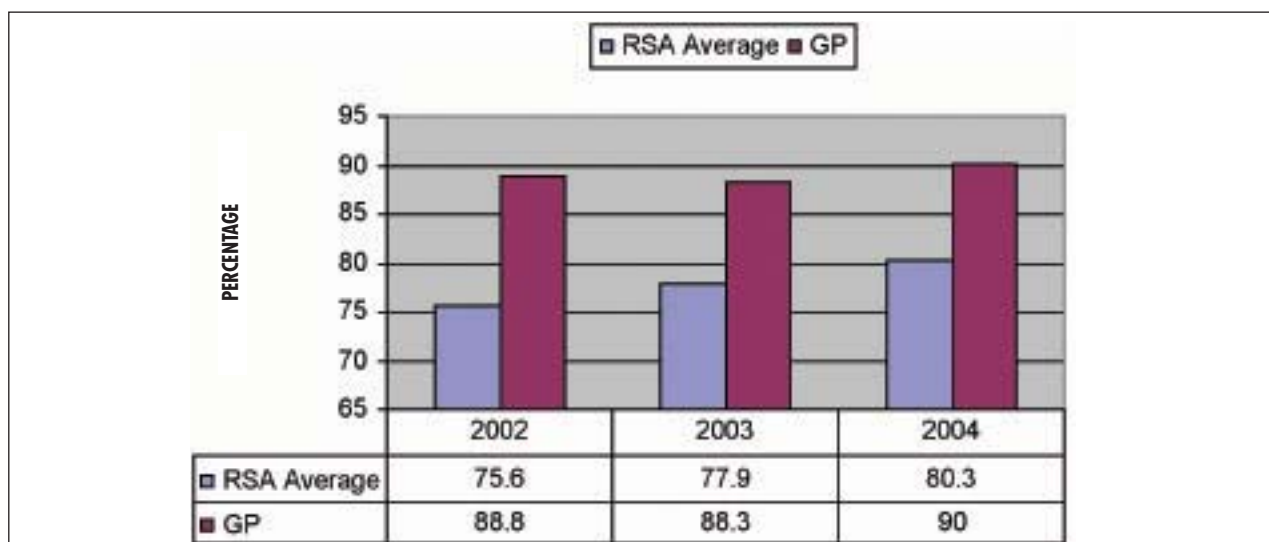
Source: Stats SA, 2005

The figure above reveals the provincial percentage of households living in informal settlements. Over the period 2002 to 2004, the national average of households living in informal settlements has steadily declined from 12,7 percent to 11,3 percent. However, in Gauteng there has been a percentage increase of such households from 18,7 percent to 19,2 percent over the same period. This makes Gauteng the province with the highest number of people living in informal settlements. Although, this figure is slightly higher than the national average of 11,3 percent, this is not surprising as the Gauteng province is an attractive destination and a province of choice for many immigrants.

Figure 2: PERCENTAGE OF HOUSEHOLDS CONNECTED TO THE MAIN ELECTRICITY SUPPLY

Source: Stats SA, 2005

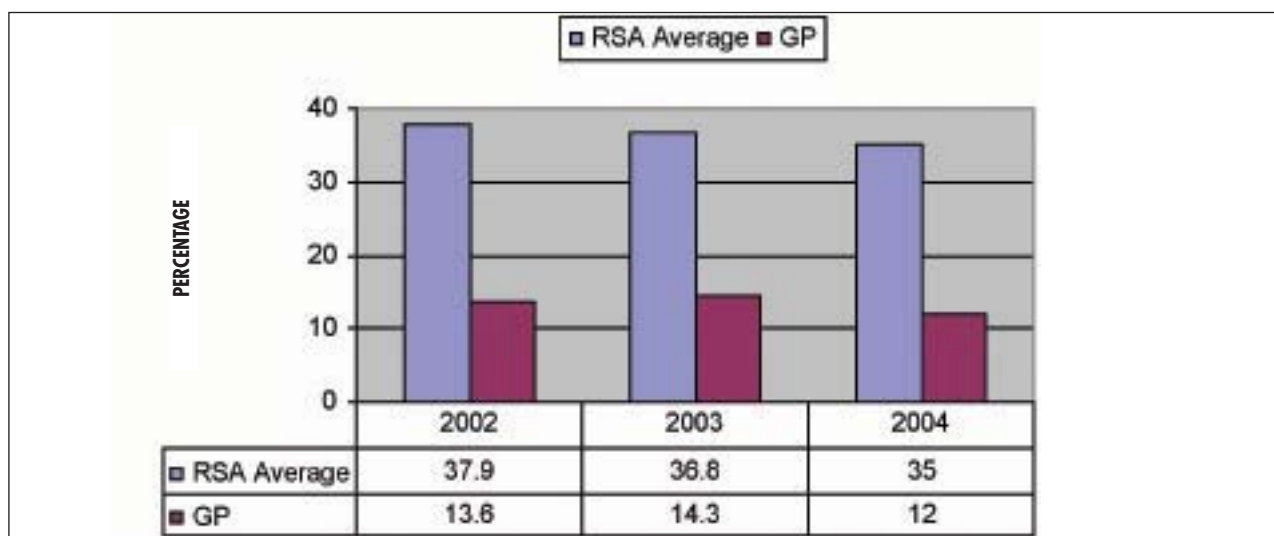
The figure above indicates that the national percentage of households that were connected to the main electricity supply increased steadily from 76,1 percent in 2002 to 80,4 percent in 2004. The Gauteng province also recorded a marginal increase from 87,6 percent to 89 percent in the same period.

Figure 3: PERCENTAGE OF HOUSEHOLDS THAT USE ELECTRICITY FOR LIGHTING

Source: Stats SA, 2005

Between 2002 and 2004, the national average percentage of households that used electricity for lighting rose from 75,6 percent to 80,3 percent; in the same period, the percentage of households in Gauteng also increased from 88,8 percent to 90 percent. Since Gauteng is one of the most urbanised provinces in the country, it can be deduced that the majority of households that use hazardous sources of energy such as paraffin and candles are mainly in informal settlements or dwellings.

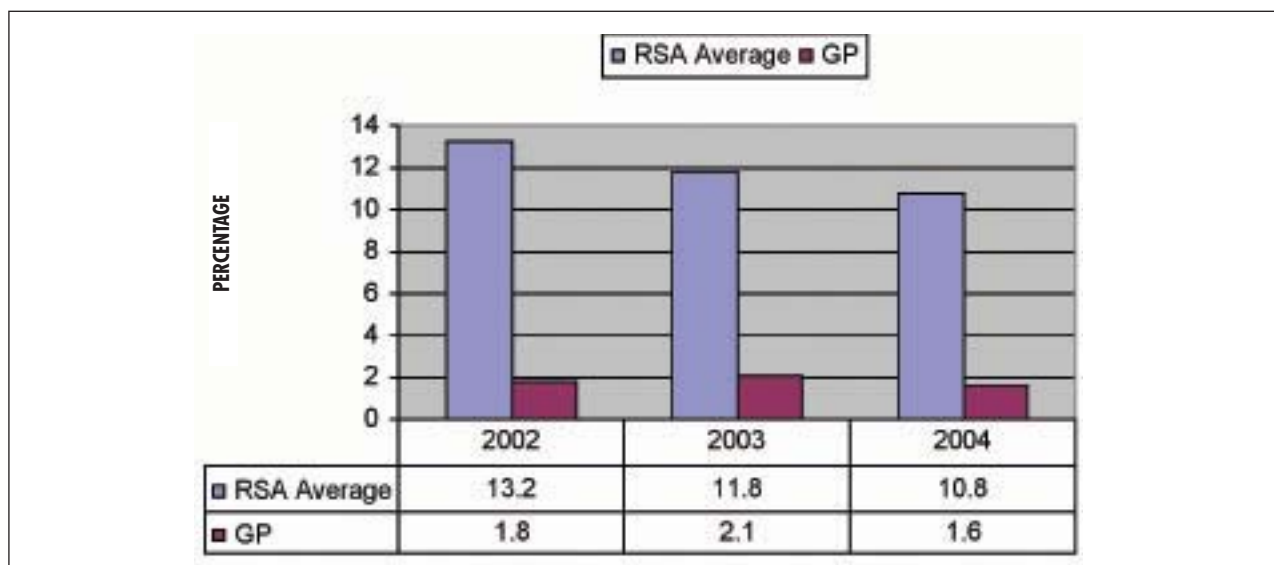
Figure 4: PERCENTAGE OF HOUSEHOLDS THAT USE PARAFFIN OR WOOD FOR COOKING



Source: Stats SA, 2005

This figure reflects that between 2002 and 2004 there has been a national percentage decline from 37,9 percent to 35 percent in the number of households that use paraffin or wood as the main source of energy for cooking. The Gauteng province has the least number of people using these source of energy. The province also recorded a decrease in the number of households using paraffin from 13,6 percent in 2002 to 12 percent in 2004.

Figure 5: PERCENTAGE OF HOUSEHOLDS USING A BUCKET TOILET/ HAVE NO TOILET FACILITY



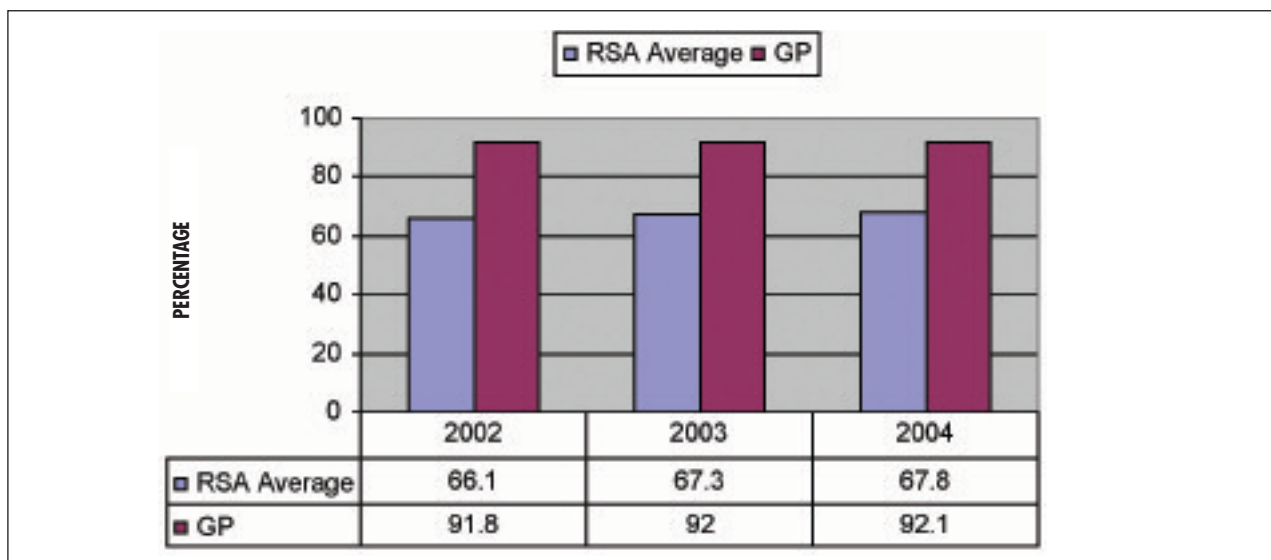
Source: Stats SA, 2005

This figure shows that the Gauteng province has by far the least percentage of households using a bucket toilet or which may have no toilet facility. Between 2002 and 2004, the Gauteng province recorded a decrease in the number of households using a bucket toilet or without any such facility from 1,8 percent to 1,6 percent. This is six times better than the national average of 10,8 percent.

3.2.2 Access to Water

Access to clean water is high on the priority list of the provincial government's vision of providing a better life for all. It is only through clean and easily accessible water that a number of diseases such as Cholera can be avoided.

Figure 6: PERCENTAGE OF HOUSEHOLDS WITH ACCESS TO PIPED WATER IN THE DWELLING OR ON SITE



Source: Stats SA, 2005

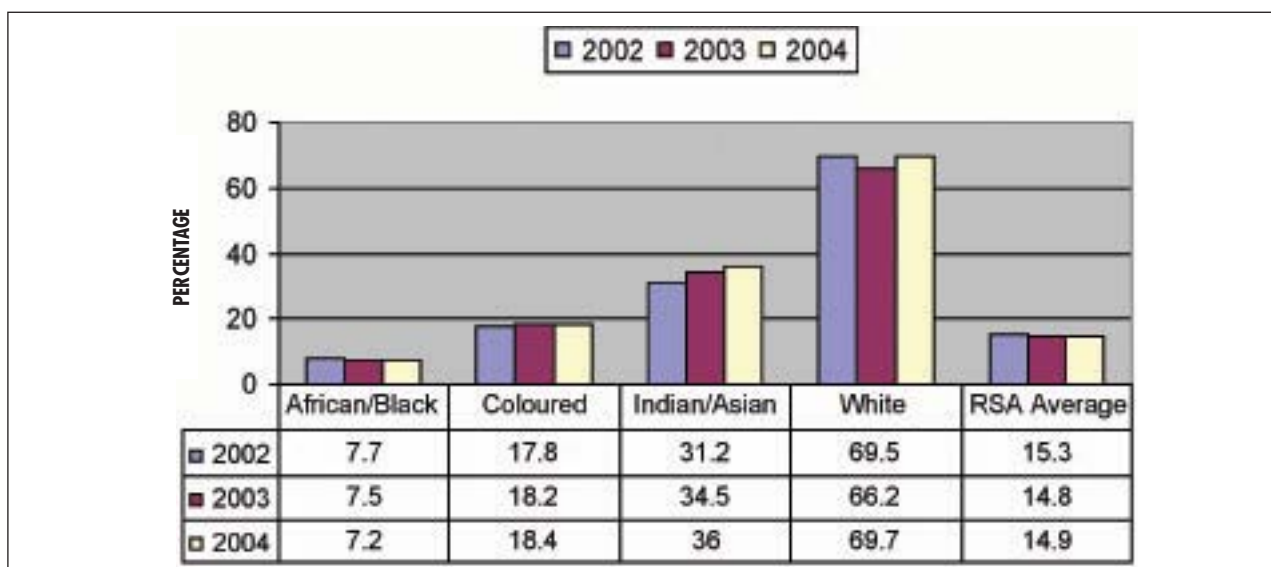
Between 2002 and 2004 the national average percentage of households whose main source of water was from a tap either in the dwelling or on site has increased steadily from 66,1 percent in 2002 to 67,8 percent in 2004. The Gauteng Province in the same period, recorded one of the highest access to piped water from 91,8 percent in 2002 to 92,1 percent in 2004.

3.2.3 Health

According to Stats SA good health is a crucial part of wellbeing, but spending on health can be justified on purely economic grounds. Improved health contributes to economic growth in four ways:

- Firstly, it reduces production losses caused by worker illness;
- Secondly, it permits the use of natural resources that had been totally or neatly inaccessible because of disease;
- Thirdly, it increases the enrolment of children in schools and makes them better able to learn;
- Fourthly, it allows for the alternative use of resources that would otherwise have been spent on treating illness.

Figure 7: MEDICAL AID COVERAGE IN THE WHOLE COUNTRY



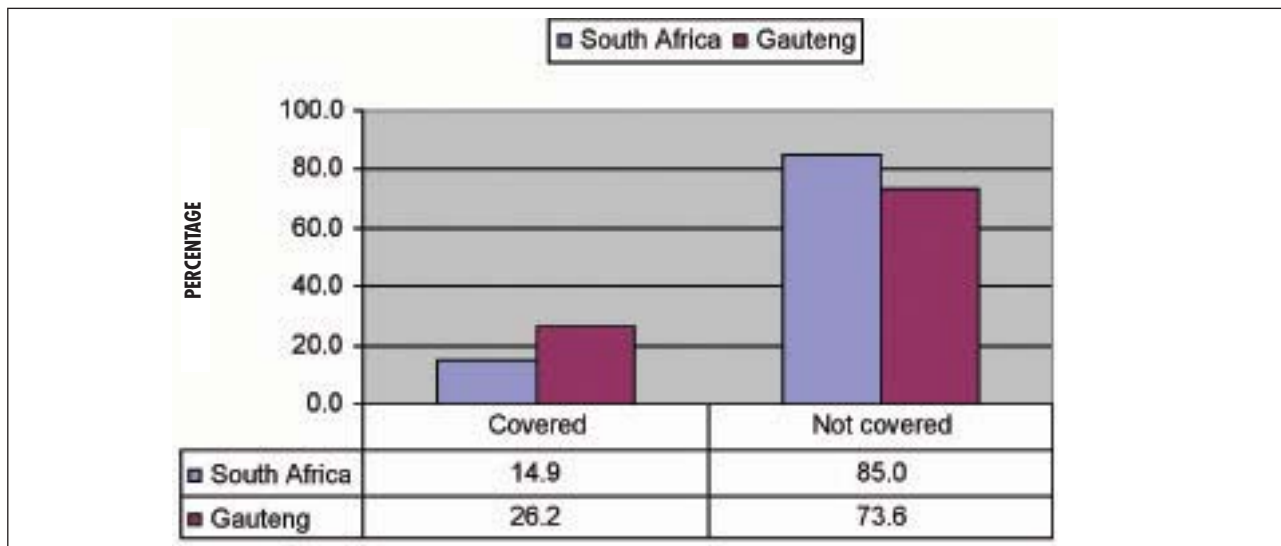
Source: Stats SA, 2005

The figure above reveals huge disparities in medical aid coverage by population group. The total number of people covered by medical aid in the country in 2004 stood at 14,9 million, a drop from 15,3 million in 2002. The White population at 69,7 percent in 2004 has the highest proportion of people on medical aid than any other population group, followed by the Indian population at 36 percent, an increase of 2 percent from the year before (2003). The Coloured population has 18,4 percent on medical aid, a marginal increase of 0,2 percent from the 18,2 percent registered the year before.

The Black African population has the least number of people on medical aid at only 7,2 percent. This is less than half the national average of 14,9 percent. However, of main concern is the decline in the number of Black Africans with medical aid coverage from 7,7 percent of the population in 2002 to 7,5 percent in 2003 and 7,2 percent in 2004.

The figure below shows that in 2004 Gauteng had an estimated 2,3 million people or 26,2 percent of the provincial population (estimated at 8,8 million people at the time) with medical aid cover. This represented one third of the entire population with medical aid cover in the country. Nationally there were 14,9 percent of people with medical aid cover at the time.

Figure 8: MEDICAL AID COVERAGE IN GAUTENG PROVINCE



Source: Stats SA, 2005

3.2.4 Education

Education plays an important role in the future of any country. It is through better education that the population can better respond to the ever changing demands of globalisation and technological advancements. Accordingly, the national Department of Education has placed special emphasis on the improvement of Maths and Science grades in schools.

Table 3: POPULATION AGED 20 YEARS AND ABOVE, BY HIGHEST LEVEL OF EDUCATION IN GAUTENG PROVINCE, 2005

*N (1000)					
Highest level of education	Gauteng Province	National total	Total percentage for National	Total percentage for Gauteng	
None	227	2,820	10,67%	3,87%	
Grade 0/R to Grade 3/Std 1	136	1,206	4,56%	2,32%	
Grade 4: Std 2 /Std 2	93	824	3,12%	1,59%	
Grade 5: Std 3/Std 3	114	907	3,43%	1,94%	
Grade 6/ Std 4	158	1,241	4,70%	2,69%	
Grade 7/Std 5	292	1,751	6,63%	4,98%	
Grade 8/Std 6	449	2,081	7,88%	7,66%	
Grade 9/Std 7	335	1,794	6,79%	5,71%	
Grade 10/Std 8	608	2,573	9,74%	10,37%	

Highest level of education	Gauteng Province	National total	Total percentage for National	Total percentage for Gauteng
Grade 11/Std 9	558	2,145	8,12%	9,52%
Grade 12/Std 10	1,771	5,990	22,67%	30,21%
NTC I – NTC III	79	238	0,90%	1,35%
Diploma/certificate with less than Grade 12/Std 10	59	192	0,73%	1,01%
Diploma/certificate with Grade 12/ Std 10	498	1,403	5,31%	8,49%
Degree and higher	419	1,050	3,97%	7,15%

* For all values of 10 000 or lower the sample size was too small for reliable estimates

Source: Stats SA, 2005

Table 3 above provides a detailed breakdown of the population aged 20 years and above by highest level of education in Gauteng. The table reveals that an overwhelming majority of the people aged 20 and above have attended formal school at some stage (in their life). Only 227,000 people have no qualification or have never received formal schooling. This represents 8,1 percent of the country's population in the same category. The table shows that Gauteng has the most people with Grade 12 which accounts for almost 30 percent of the national population.

3.3 ECONOMIC INDICATORS

3.3.1 Gauteng GDP

The economic base of the province is historically derived from the extraction and export of primary goods such as minerals and mining commodities; it has however evolved towards the output of secondary and tertiary value added products. The latter includes manufacturing and greater value added goods and services reflecting a more developed economy. These trends can be discerned from the following table which gives a picture of the structure of the provincial economy and the contribution of sectors over time. The structure of economic output in current prices in terms of the broad sectors is 62,3 percent tertiary industries, 25 percent secondary industries and 2,3 percent primary industries for GDP at market prices. The tertiary industries have gained in terms of contribution to provincial output since 1996, rising from 58,4 percent to 62,3 percent whereas primary and secondary industries declined from 4,6 percent and 28,5 percent respectively.

Table 4: GROSS DOMESTIC PRODUCT ACCORDING TO SECTOR: GAUTENG (1996-2004)

Current prices – percentage contributions	1996	1997	1998	1999	2000	2001	2002	2003	2004
Primary industries	4,6	4,1	4,3	3,6	3,6	3,5	4,5	3,5	2,3
Agriculture, forestry & fishing	0,7	0,6	0,6	0,6	0,5	0,5	0,8	0,7	0,5
Mining and quarrying	4,0	3,5	3,7	3,0	3,1	2,9	3,7	2,8	1,7
Secondary industries	28,5	28,0	26,7	25,5	25,6	25,5	26,0	25,9	25,0
Manufacturing	22,3	22,0	21,3	20,3	20,6	20,8	21,4	21,1	20,5
Electricity, gas & water	3,1	2,9	2,7	2,7	2,5	2,3	2,3	2,3	2,0
Construction	3,2	3,1	2,8	2,5	2,5	2,4	2,3	2,6	2,5
Tertiary industries	58,4	59,3	59,9	61,7	61,8	62,1	60,5	61,4	62,3
Wholesale & retail trade; hotels & restaurants	13,3	12,9	12,5	13,1	13,7	13,5	12,8	13,0	13,4
Transport, storage & communication	7,1	7,2	7,4	7,6	7,9	8,0	7,8	7,9	8,2
Finance, real estate & business services	16,1	17,1	18,0	19,2	19,4	19,8	20,4	20,6	21,4
Personal services	3,5	3,6	3,7	3,8	3,9	4,0	3,8	4,0	4,0
General government services	18,3	18,5	18,3	18,0	16,8	16,7	15,7	15,9	15,4
All industries at basic prices									
Taxes less subsidies on products	91,5	91,4	90,9	90,8	90,9	91,0	91,0	90,8	89,6
GDP at market prices	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

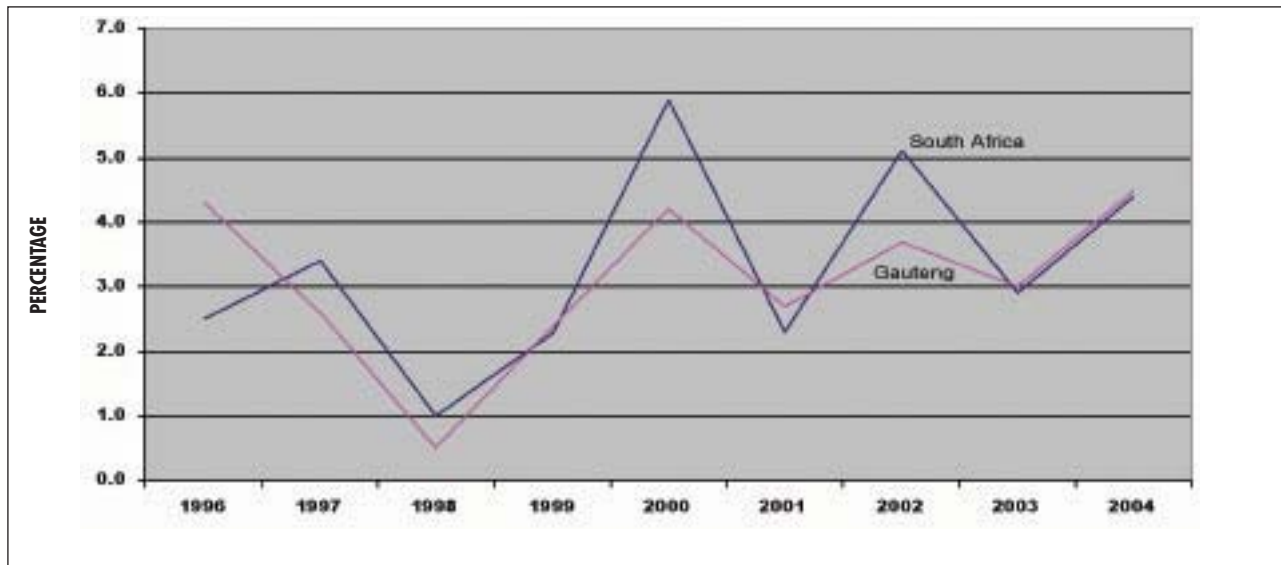
Source: Stats SA, 2005

3.3.2 Growth and Employment

Gauteng province is the driver of national economic growth; this is illustrated in the following figure, which compares provincial and national growth rates (in constant 2000 prices) since 1996 to the present. There exists a clear strong positive correlation between real economic growth rates for the province and the country. Since 2003, growth in GDP for Gauteng exceeds GDP growth for South Africa after having lagged it for most of the prior periods.

Figure 9: REAL GDP GROWTH RATES VS OFFICIAL UNEMPLOYMENT

Real GDP growth rates year-on-year in constant 2000 prices



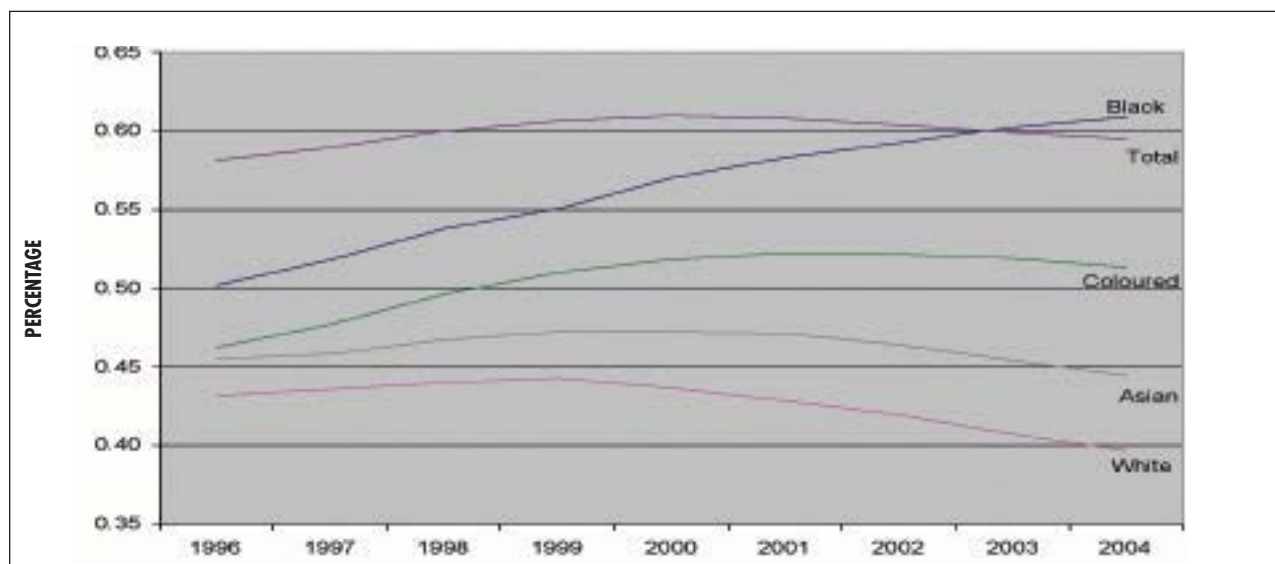
Official unemployment – comparative



Based on the figure, there exists a clear correlation between national and provincial unemployment, this could be traced back to the relationship between national and provincial growth rates. The relationship between national and provincial unemployment seems to become discontinuous after September 2004. The unemployment rate in Gauteng continues to decline from above 26 percent to under 23 percent whereas the national unemployment rate started an upward trend after initially dropping since September 2003.

3.3.3 Income distribution

Figure 10: GINI COEFFICIENT MEASURES PER POPULATION GROUP – GAUTENG PROVINCE



Global Insight

Inequitable distribution of income can be measured by the GINI coefficient. A GINI coefficient of zero reflects a highly equal society in terms of income and a GINI coefficient of one reflects a highly inequitable society based on income. It is a useful quantitative measure of the degree of inequality. Overall, inequality measured by the GINI coefficient has declined in the province as a result of the accelerating increased economic participation and education provision initiatives by government. After initially peaking in 2000 at around 0,61, the measure of inequality has declined slightly to 0,59. However, increased inequality amongst the black populace is observed, the GINI coefficient for this section of the population has increased from 0,50 to 0,61 over 1996 to 2004.

Inequality measured through the GINI coefficient has declined for other sections of the population. The drop is most remarkable for the white and Asian sections of the population. The observed increased inequality for the Blacks could be attributed to the Black Economic Empowerment (BEE) initiatives of government. These initiatives have seen more black people becoming owners of equity in companies and as a result richer than others. Government's Broad Based Black Economic Empowerment (BBBEE) drive is an attempt to address these unintended consequences of BEE and thereby ensuring that greater numbers of previously disadvantaged individuals gain access to wealth and opportunities.

4. RECEIPTS AND FINANCING

The table below reflects revenue and financing for the Gauteng Provincial Government (GPG); it shows the various sources from which the province derives its revenue. It should be noted that unlike other spheres of government, the ability of provinces to raise substantial revenue is very limited. Therefore, provinces rely to a large extent on national government for funding through the equitable share allocation and grant funding.

Table 5: PROVINCIAL REVENUE GAUTENG PROVINCIAL GOVERNMENT

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand									
Tax receipts	1,056,154	1,297,246	1,547,192	1,488,964	1,488,964	1,622,690	1,794,939	1,976,631	2,177,746
Casino taxes	264,128	302,786	328,374	366,742	366,742	346,680	365,812	387,760	411,026
Motor vehicle licenses	736,215	944,929	1,194,747	1,096,212	1,096,212	1,250,000	1,400,000	1,558,000	1,734,000
Horseracing	49,734	49,531	23,646	25,960	25,960	25,960	29,076	30,820	32,669
Other taxes	6,077		425	50	50	50	51	51	51
Non-tax receipts	543,046	452,522	414,312	380,051	380,139	423,699	436,946	456,913	456,940
Sale of goods and services other than capital assets	217,110	222,794	236,485	208,854	208,954	244,574	279,526	295,367	308,375
Fines, penalties and forfeits	12,301	1,533	2,172	5,651	5,651	620	650	650	650
Interest, dividends and rent on land	313,635	228,195	175,655	165,546	165,534	178,505	156,770	160,896	147,915
Transfers received	5,139	6,065	47,809	2,500	2,500	2,500	2,500	2,400	2,400
Sales of capital assets	4,450	6,963	4,314	2,572	2,572	2,572	2,544	2,448	2,449
Financial transactions in assets and liabilities	1,951	23,182	81,065	7,913	7,913	8,137	5,804	6,105	6,106
Subtotal Departmental Receipts	1,610,740	1,785,978	2,094,692	1,882,000	1,882,000	2,059,598	2,242,733	2,444,497	2,645,641
Less: Direct Charges (motor vehicle, etc)	135,296	220,104	397,813	372,108	372,108	432,563	484,470	537,958	597,467
Total Receipts: GPG	1,475,444	1,565,874	1,696,879	1,509,892	1,509,892	1,627,035	1,758,263	1,906,539	2,048,174
Transfers from National Treasury	19,795,343	22,093,835	24,127,475	25,240,664	25,346,726	25,635,749	32,105,943	34,450,099	37,814,982
Equitable Share	15,582,340	17,912,287	19,660,249	20,810,204	20,810,204	20,810,204	23,361,686	26,071,807	29,189,980
Conditional grants	4,213,003	4,181,548	4,467,226	4,430,460	4,536,522	4,825,545	8,744,257	8,378,292	8,625,002
Add Financing from provincial surplus	449,290	142,617	316,887		754,774	754,774			
Less Direct Charges: Public Office Bearers	27,149	30,212	33,216	36,518	36,518	36,518	40,417	42,438	44,560
Total Provincial Revenue: GPG	21,692,928	23,772,114	26,108,025	26,714,038	27,574,874	27,981,040	33,823,789	36,314,200	39,818,596

The total revenue estimates for the MTEF period increases by 26,6 percent from the main budget appropriation for 2005/06 to 2006/07 and by 20,9 percent from the revised estimate for 2005/06 to 2006/07. Revenue is estimated to increase by 7,4 percent from 2006/07 to 2007/08 and by 9,7 percent from 2007/08 to 2008/09 reflecting relatively robust revenue growth for the province and thus accelerated service delivery capability by the provincial authority.

The total revenue available to Gauteng amounts to R33,824 billion for the 2006/07 financial year; of this amount R23,362 billion is transferred from national government as per the equitable share formula as well as R8,744 billion as conditional grants. The total transfers from national government (equitable share plus conditional grant) comprises 95 percent of total provincial revenue, the balance is generated as provincial own revenue. The transfer for the 2006/07 financial year represents a 26,6 percent increase in nominal terms from the main appropriation for 2005/06 received from national government.

Provincial departments are expected to generate R1,758 billion in own revenue after the deduction of direct charges for the administration and collection of such revenue. This represents a 16,4 percent increase in own revenue from the main appropriated budget of 2005/06 to the 2006/07 budget.

The revenue budget for the 2005/06 financial year amounted to R27,575 billion, however, the revised revenue estimate is higher at R27,981 billion primarily as a result of additional funding from the provincial surplus to fund service delivery undertakings of the provincial government.

The equitable share to be transferred for the 2006/07 financial year has increased relative to the revised estimate of the previous year (by R2,551 billion) and so has the conditional grant funding (by R3,918 billion).

4.1 DETAILS OF PROVINCIAL OWN REVENUE

The major revenue contributors are motor vehicle licensing fees, casino taxes, sales of goods and services other than capital assets and interest, dividends and rent on land. Patient fees for health services provided is included in the GFS item - the sales of goods and services other than capital assets and roughly comprises around 67 percent of the item.

An increase (year-on-year) of 8,1 percent and 7,4 percent is anticipated over the outer years for own revenue net of direct charges. A growth rate of 16,4 percent is projected for the 2006/07 year over the main appropriated budget of 2005/06 and similarly for the revised estimate for 2005/06. This indicates a decline in the growth rate of actual collections over the MTEF and departments' revenue projection models have to be interrogated to ensure that they take account of all variables that may impact on collections.

Motor vehicle license fees

Motor vehicle license fees remain the largest contributor to provincial government own revenue streams at almost 55 percent of total departmental receipts net of direct charges for the 2006/07 financial year. This revenue source stood at approximately 50 percent of total receipts net of direct charges for the 2005/06 adjusted appropriation. This growth is a reflection of the brisk pace of vehicle purchases experienced in the economy for the period (vehicle sales grew by 25,7 percent year-on-year in 2005).

Casino taxes

Income received from casino taxes is projected at 0,25 percent less in 2006/07 from the main appropriated budget for 2005/06. Possibilities for increasing revenue sources include investigating the feasibility of limited payout machines in corner shops. In terms of growth for the outer years, casino taxes are projected to increase 6 percent for the 2007/08 and 2008/09 financial years.

Sales of goods and services other than capital assets

The growth rate in this item is 33,8 percent from the main appropriation for the 2005/06 financial year and similarly for the revised estimate. It is projected to grow at 5,7 percent for the 2007/08 outer year and 4,4 percent for 2008/09.

Improved debt management and recovery policies in terms of the revenue retention strategy of the Gauteng Department of Health and the Provincial Treasury is clearly effective and the latter growth projections could more than double if these policies are improved and implemented. The revenue retention policy allows for the Health to retain any revenues collected over and above the budgeted amount to improve systems for revenue collection for services rendered by the department.

Interest, dividends and rent on land

This item declined by 5,3 percent in the 2006/07 financial year over the main appropriated budget for 2005/06 and similarly over the revised estimate for the financial year. A modest increase of 2,6 percent is projected over the 2007/08 outer year and a decline of 8,1 percent over the 2008/09 outer year.

Table 6: SUMMARY OF PROVINCIAL OWN RECEIPTS BY VOTE

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Office of the Premier	3,999	2,569	1,070	60	60	244	60	68	68
3 Economic Development	341,664	339,670	369,551	386,946	386,946	374,029	410,354	434,915	460,949
4 Health	166,667	198,733	264,429	186,473	186,473	186,473	199,468	209,148	217,948
5 Education	19,993	27,687	29,697	13,148	13,148	13,148	13,806	14,726	14,726
6 Social Development	1,095	1,048	676	756	563	736	724	749	775
7 Housing	9,388	20,216	6,457	5,932	5,932	5,932	5,932	5,707	5,707
8 Local Government	520	1,368	217	515	515	549	284	296	295
9 DPTRW	646,711	774,029	833,242	762,712	762,712	879,657	983,350	1,092,460	1,211,780
10 Community Safety	126	72	4,423	4,970	4,970	4,970	5,101	5,101	5,101
11 DACE	3,256	7,685	3,010	4,402	4,402	4,402	4,622	8,584	9,443
12 SRAC	1,324	650	697	578	578	578	602	632	632
13 GSSC	78	517	7,347	400	400	400	750	750	750
14 Gauteng Treasury	280,623	191,630	176,063	143,000	143,000	155,917	133,210	133,403	120,000
Total Own Revenue: GPG	1,475,444	1,565,874	1,696,879	1,509,892	1,509,699	1,627,035	1,758,263	1,906,539	2,048,174

4.2 TRANSFERS FROM NATIONAL GOVERNMENT

Table 7: EQUITABLE SHARE AND CONDITIONAL GRANT TRANSFERS FROM NATIONAL GOVERNMENT

	2006/07	2007/08	2008/09
R thousand	Medium-term estimates		
TRANSFERS FROM NATIONAL	32,105,943	34,450,099	37,814,982
<i>Of Which</i>			
Equitable Share	23,361,686	26,071,807	29,189,980
Conditional Grants	8,744,257	8,378,292	8,625,002
<i>Of Which</i>			
Agriculture	9,988	22,921	24,022
Land Care (Poverty Relief and Infrastructure Development)	6,873	19,651	20,594
Comprehensive Agriculture Support Programme	3,115	3,270	3,428
Health	3,158,654	3,398,855	3,761,263
National Tertiary Services (Central Hospitals)	1,866,094	1,959,399	2,057,369
Health Professions Training and Development	554,039	581,741	610,828
Hospital Revitalisation (Rehabilitation)	327,525	431,732	652,681
Forensic Pathology Services	76,752	79,428	74,086
Comprehensive HIV/AIDS	252,695	265,330	279,817
Provincial Infrastructure	81,549	81,225	86,482
Education	389,031	423,381	485,769
Further Education and Training College Sector Recapitalisation	106,000	135,000	168,080
HIV/Aids (Life Skills Education)	20,012	21,013	22,427
National School Nutrition Programme	99,921	104,917	122,298
Provincial Infrastructure	163,098	162,451	172,964
Housing	1,765,666	2,197,223	2,414,079
Housing Fund	1,757,666	2,197,223	2,414,079
Land Distribution: Alexandra Renewal Project	8,000		
Public Transport, Roads and Works	3,404,098	2,313,451	1,908,964
Provincial Infrastructure	163,098	162,451	172,964
Gautrain	3,241,000	2,151,000	1,736,000
Sports, Recreation, Arts and Culture	16,820	22,461	30,904
Sports and Recreation SA	16,820	22,461	30,904

4.2.1 Equitable share

The equitable share allocation for the Gauteng province funds the provision of services in terms of education, health, social development and economic services; from the 2005/06 to 2006/07 financial year, growth amounts to 12,3 percent, growth slows to 11,6 percent in 2007/08 and further by 12 percent in the 2008/09 financial year. In order for the economic base of the province to be maintained as the foremost contributor to national output and income it is important that increases in allocations to the province grow at a reasonable rate. However, it should be noted that allocations have almost doubled between 2002/03 and 2008/09.

4.2.2 Conditional grants

Conditional grants are funds provided by national government to the province in order to achieve a set of targets or goals; each grant has a specific purpose and condition to be met by the receiving department.

The conditional grants to be received by the province for the MTEF are detailed per department in Table 7 above; it is evident that the largest portion of the conditional grant allocation is as follows:

- The Gautrain Grant amounts to 39 percent of the total conditional grants in 2006/07, but decreases to 22 percent by 2008/09;
- Grants for the improvement of Health care facilities; management and services; approximates 36 percent in 2006/07 but grows to 44 percent by 2008/09;
- Housing subsidies approximates 20 percent in 2006/07 and grows to 28 percent of the total conditional grant allocations by 2008/09.

Collectively, these grants constitute approximately 95 percent of total conditional grant funding over the MTEF. It should be noted that these trends are evident after stripping out the social assistance (and administration) grant retrospectively.

Conditional grant funding is projected to decline by 4,2 percent in 2007/08 and then increase by 2,9 percent in the 2008/09 outer year.

Revisions in the Conditional grant framework

A review of conditional grants has resulted in the emergence of new grants, reconfiguration of existing grants and the phasing out of existing grants. A major change in the provincial fiscal framework for the 2006 MTEF is the shift of the social security grant function from the provincial to the national sphere of government. The South African Social Security Agency is now in a position to administer the social assistance function as of 1 April 2006. The delivery of social security assistance will no longer be administered through a conditional grant. Amounts of R7,669 billion, R8,324 billion and R9,083 billion have been shifted from the Gauteng provincial budget for each year of the MTEF respectively.

Table 8: CONDITIONAL GRANT TRANSFERS AND THEIR PURPOSE

Department	Purpose of Conditional Grant
HEALTH	
National Tertiary Services Grant (Central Hospitals)	To fund tertiary services in order to ensure equitable access by all citizens
Health Professions Training & Development Grant	To support the training and development of health professionals
Hospital Revitalisation Grant	To transform and modernise hospitals in line with the national planning framework
Comprehensive HIV/AIDS Grant transmission programme and other HIV/AIDS related matters	To expand access to voluntary HIV/AIDS counselling and testing, home based care, prevention of mother to child
Provincial Infrastructure Grant investment with the view of supporting service delivery, economic development, job creation and programmes with high labour intensity.	To provide provincial infrastructure such as hospitals and clinics and accelerate social and economic infrastructure
Forensic Pathology Services	This grant will facilitate the transfer of the medico-legal mortuaries from SAPS to the provincial Department of Health.
EDUCATION	
HIV/AIDS (Life Skills Education) Grant	To promote HIV/AIDS education in primary and secondary schools
National School Nutrition Programme	To feed primary school children and facilitate nutrition education
Provincial Infrastructure Grant	To provide provincial infrastructure such as school buildings and accelerate social and economic infrastructure investment with the view of supporting service delivery, economic development, job creation and programmes with high labour intensity.
Further Education and Training College Sector Recapitalisation	This grant is aimed at addressing infrastructure requirements to support the curriculum and to ensure that the education is in line with industry standards.
HOUSING	
Housing Fund	The grant will be aimed at the development of sustainable human settlements and the rejuvenation of the delivery of low cost housing.
Land Distribution: Alexandra Renewal Project	To contribute towards the purchase of land for the relocation and settlement of Alexandra residents and other qualifying beneficiaries.
PUBLIC TRANSPORT, ROADS & WORKS	
Provincial Infrastructure Grant	To provide provincial infrastructure such as hospitals and clinics and further accelerate social and economic infrastructure investment with the view of supporting service delivery, economic development, job creation and programmes with high labour intensity.
Gautrain	The Gautrain project is a modern state-of-the-art rapid rail link with the construction of approximately 80 km of railway lines (14 km underground) and 10 stations; to be delivered through a public private partnership (PPP) arrangement. The grant will contribute 50% of the construction cost.
AGRICULTURE, CONSERVATION & ENVIRONMENT	
Land Care	To address the degradation problem of natural resources and improve the socio-economic status of rural communities
Comprehensive Agricultural Support Programme	To target beneficiaries of the land reform programme
SPORTS, RECREATION, ARTS & CULTURE	
Sport & Recreation South Africa	To promote a mass participation programme within disadvantaged communities in a selected number of sports activities and the empowerment of communities to manage these activities

Phasing of conditional grants into the equitable share

The grant for the Integrated Nutrition Programme will be phased into the provincial equitable share; the province will ensure that the funding stream is sustained through the provincial equitable share as this programme continues as part of the province's responsibility. This grant is phased into the provincial equitable share with effect from 1 April 2006.

Merging of conditional grants

It was agreed by the Housing Sector and Cabinet that from 1 April 2005 the Human Settlement and Redevelopment Grant (Housing) be incorporated into the Housing Subsidy Grant to form the Integrated Housing and Human Settlement Development Grant. However, given outstanding commitments at the time, it was agreed that part of the Human Settlement and Redevelopment Grant is retained for 2005/06. The grant is fully phased into the broader Integrated Housing and Human Settlement Development Grant from 1 April 2006 onwards.

The Hospital Management and Improvement Grant (Health) facilitates a range of management development initiatives, including delegations and financial management capacity. It also supports the implementation of a range of hospital quality of care interventions and compliments the objectives of the Hospital Revitalisation Grant. Given this link, the National Department of Health agreed that the Hospital Management and Improvement Grant be merged with the Hospital Revitalisation Grant from 1 April 2006.

Introduction of New Conditional Grants

The Recapitalisation of Further Education and Training Colleges was initially envisaged for implementation in 2005/06, however the administrative aspects were still being finalised; this initiative will be financed through a conditional grant from 1 April 2006 for a period of three years. This grant is aimed at addressing infrastructure requirements to support the curriculum and to ensure that the education is in line with industry standards.

Forensic Pathology Services, currently administered by the South African Police Service (SAPS) and the National Department of Health now shifts to the provincial Department of Health with effect from 1 April 2006. As an interim measure, the Budget Council agreed that this function be administered through a conditional grant until such time that the function is fully established at a provincial level. This grant will facilitate the transfer of the medico-legal mortuaries from SAPS to the provincial Department of Health.

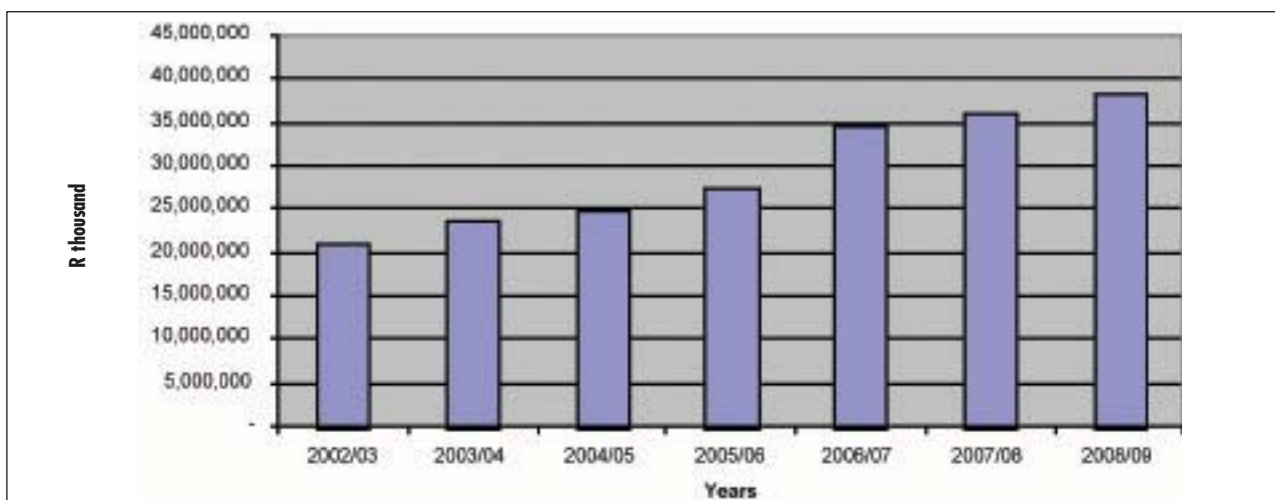
A grant for the construction of the Gautrain Rapid Rail Link has been provided in terms of the 50:50 funding agreement between national government (National Department of Transport) and the Gauteng province; this grant is introduced in the 2006/07 MTEF and amounts to R7,128 billion over the MTEF.

5. PROVINCIAL PAYMENTS & BUDGET APPROPRIATIONS

The Overall Payments and Estimates reflect that:

- In 2006/07, R34,460 billion is allocated for spending;
- In 2007/08, R36,039 billion is allocated for spending;
- In 2008/09, R38,543 billion is allocated for spending.

Figure 11: PROVINCIAL PAYMENTS & BUDGET APPROPRIATIONS (2002-2009)



The provincial payments and estimates analysis indicates an average growth of 10,8 percent over the 7 year reporting period, between 2002/03 to 2004/05, average growth was 8,6 percent to while growth from 2005/06 to 2008/09 averaged 16 percent. The most significant year-on-year growth was 25 percent projected into the first year of the MTEF period (due largely to the increased allocation to Public Transport, Roads and Works for the Gautrain Rapid Rail Link project) while the current financial year (2005/06) experienced an 11,4 percent growth to provide for social sector pressures (medical equipment, additional teachers and welfare services) during the adjustments budget. The MTEF period will see growth slowing in the middle year before increasing by almost 7 percent in the outer year.

Table 9: PROVINCIAL PAYMENTS & BUDGET APPROPRIATIONS PER VOTE

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Office of the Premier	87,385	93,272	97,304	104,801	104,747	100,669	118,431	120,516	125,918
2 Gauteng Provincial Legislature	71,031	80,908	87,904	113,064	114,097	113,355	129,010	133,349	125,695
3 Economic Development	915,544	1,236,935	862,854	760,194	603,242	600,501	572,071	589,336	713,816
4 Health	7,688,039	8,195,817	8,575,286	9,257,806	9,840,640	9,840,814	10,404,351	11,010,679	11,900,064
5 Education	8,065,919	9,471,854	9,834,976	10,360,369	10,807,411	10,792,959	12,281,967	13,338,340	14,508,449
6 Social Development	597,884	667,062	787,675	737,097	859,520	859,520	981,782	1,143,033	1,391,020
7 Housing	1,417,299	1,223,033	1,394,135	1,647,987	1,764,295	1,955,449	2,081,462	2,520,532	2,728,445
8 Local Government	149,935	210,475	213,405	107,378	129,085	127,141	160,350	179,938	158,842
9 DPTRW	1,306,476	1,531,682	1,906,915	2,345,548	2,088,007	2,172,439	6,225,193	5,380,786	5,223,218
10 Community Safety	117,412	146,320	157,906	182,218	181,268	137,678	220,172	264,383	222,876
11 DACE	231,442	186,528	206,577	228,842	223,245	223,245	241,891	269,844	280,974
12 SRAC	110,933	131,541	138,175	148,060	196,288	196,288	221,272	179,330	189,744
13 GSSC	294,790	472,490	474,433	585,366	639,880	639,880	751,339	822,385	866,663
14 Gauteng Treasury	39,736	16,157	16,813	25,202	27,749	19,389	70,447	86,692	107,227
Total Payments & Estimates: GPG	21,093,825	23,664,074	24,754,358	26,603,932	27,579,474	27,779,327	34,459,738	36,039,143	38,542,951

5.1. SUMMARY OF PAYMENTS & BUDGET APPROPRIATIONS PER VOTE

In terms of the spending trends over the seven year period, there are distinct peaks in spending:

- In 2003/04; increased spending accommodated the establishment of GSSC's mandate, the introduction of local economic development and planning initiatives, investment in Blue IQ and child protection services as well as other safety programmes;
- In 2005/06; the introduction of the Municipal Finance Management Act and Treasury's responsibilities in terms thereof, the commencement of the upgrading of sport stadia, the introduction of a programme management office in GSSC, the fast tracking of housing development and the improvement of Legislature information systems contribute to the increases in spending;
- In 2006/07; the majority of the increase is attributed to the investment in the Gautrain Rapid Rail Link project and the establishment of a new Treasury department.

In addition to the above, the following departments received additional funding in the 2006/07 MTEF:

Education – R1,477 billion

Taking into account the serious challenge facing the province with regards to the rate of population growth and its implications on service demands, the Department of Education has been given additional amounts of R133,430 million, R469,071 million and R875,088 million for each respective year of the MTEF to fund the following priority areas:

- Reduce the backlog in school equipment;
- Expand early childhood development (Grade R);
- Provide for teacher development and human resource management system;
- Extend the implementation of the new curriculum statement to grades 10-12;
- Implement revised norms and standards for school funding, strengthen special schools and expand information management systems;
- Quality and upliftment programmes to play a more visible role in making education more relevant to respond to the skill needs of the country's economy.

Health – R825,011 million

The provincial Department of Health has received additional amounts of R218,321 million, R204,486 million and R402,204 million for each respective year of the MTEF to fund the following health care priorities:

- Enhance human resource management by recruiting health professionals and creating incentives for retaining staff in the professional health category;
- Expand emergency medical services and implement a new national ambulance services model;
- Primary health care allocations include district management, community based services, community health clinics and community health centres to expand primary health care and improve services in rural areas;
- Modernisation of tertiary services allocation will be used for digitisation and equipment in central hospitals. The amount allocated for information services will be used to deal with information technology issues in Health;
- Medical Equipment for Pretoria Academic Hospital (R130 million in 2006/07 only).

Social Development – R716,737 million

Gauteng Provincial Government will continue to provide and improve on the social safety net, in the form of grants and other welfare services to deal with poverty in the province. Additional amounts of R75,608 million, R217,908 million and R423,221 million have been allocated to social development over the MTEF years.

Additional resources will be used for the following priorities:

- Implementation of the Child Justice Bill, Children's Bill and the Older Person's Bill;
- Early Childhood Development and Extended Public Works Programme;
- HIV/AIDS and Integrated Development Social Services grants;
- Expand the existing social welfare services;
- Adjustment of the social workers salaries.

The Expanded Public Works Programme in Social Development is to contribute towards the creation of work through the HIV and AIDS Community Home Based Care Programme and through training and development.

Public Transport, Roads and Works (DPTRW) – R628 million

DPTRW received additional amounts of R27,907 million, R75,072 million and R225,502 million for each respective year of the MTEF to be used for the construction and maintenance of the provincial road network. A further allocation of R300 million over the MTEF (from the Growth and Development Strategy fund) has been made available to the department for the development and implementation of an Intelligent Transport management system.

5.2. SOCIAL AND NON-SOCIAL SECTOR SPLIT

The social sector overall makes up the largest portion of the provincial payments and estimates, over the seven year period, the social sector amounts to 74 percent of the total provincial payments and estimates. The percentage split shows that Education constitutes the highest share at 38 percent, Health follows at 33 percent and Social Development is approximately 3 percent over the reporting period; the remaining 26 percent is divided amongst other departments. Social development accounts for a small percentage over the period, however, it should be noted that this is the effect of the movement of expenditure and allocations for social security grants to the newly established South African Social Security Agency (SASSA). The historical trend has been adjusted backward accordingly.

Social departments experience approximately 9 percent growth over the seven year period; just under 10 percent between 2002/03 to 2005/06 and under 7 percent over the MTEF. Other departments also see just under 9 percent growth between 2002/03 to 2005/06 and over 25 percent over the MTEF.

Figure 12: SOCIAL AND NON-SOCIAL SECTOR SPLIT

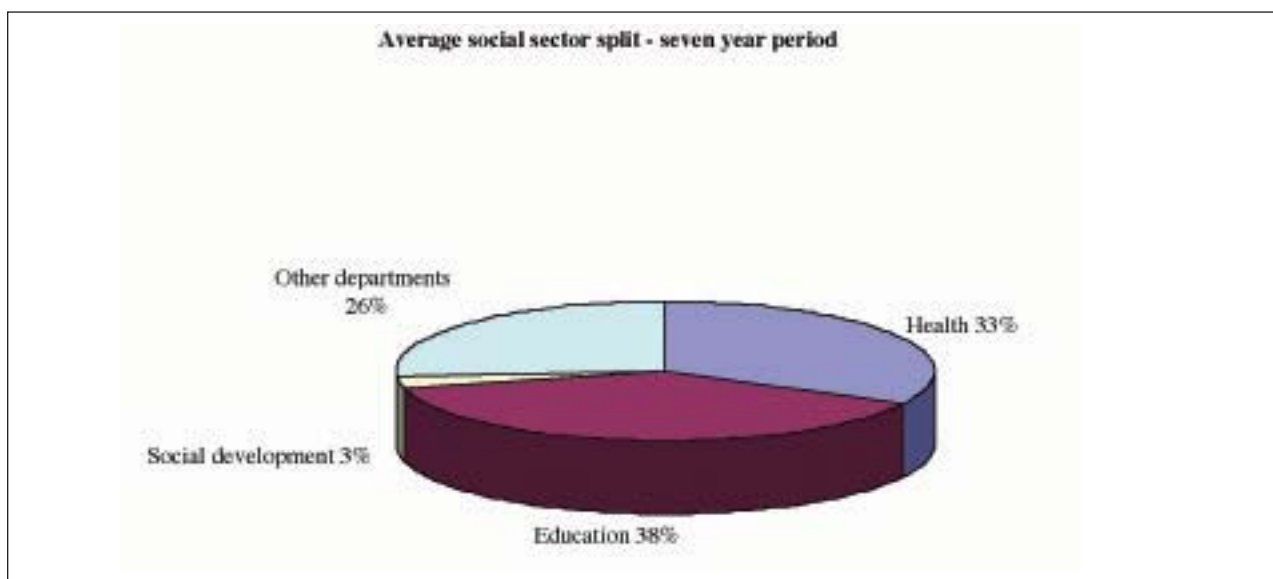
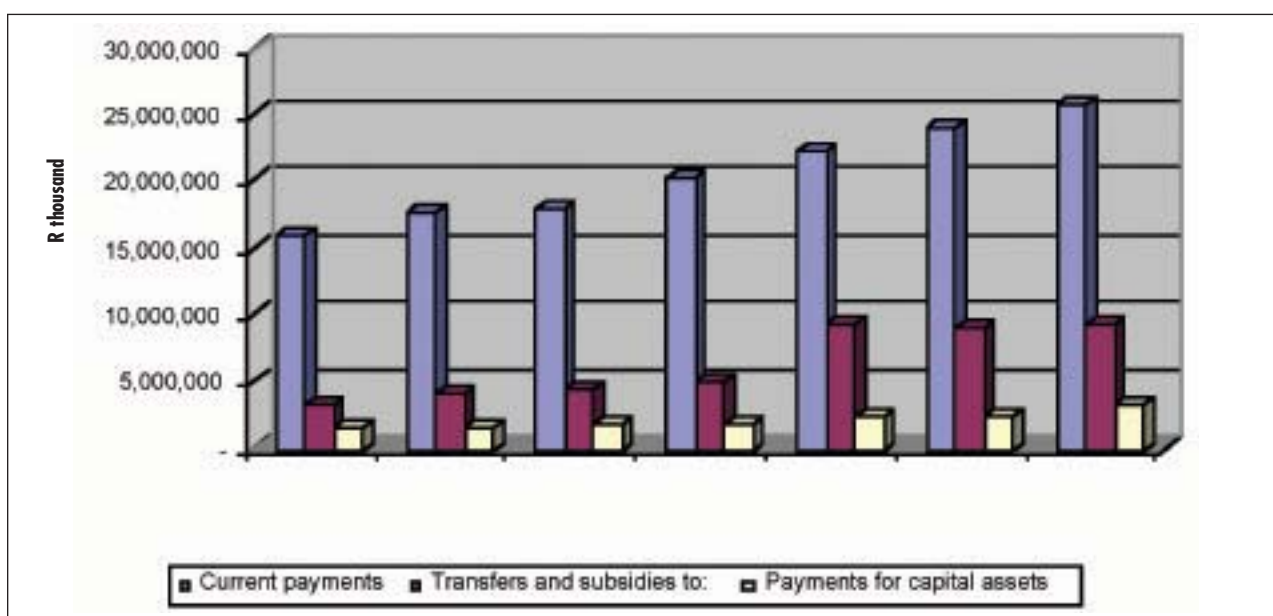


Figure 13: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION



5.3. PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION

Payments by economic classification reveal that over the seven year reporting period, current payments account for approximately 71 percent, capital and current transfers at 22 percent with capital payments accounting for the remainder. Current payments drop from 74 percent of spending in the 2005/06 adjusted appropriation to 65 percent in 2006/07 but increases over the MTEF while payments for capital assets is relatively stable from 2005/06 into the MTEF. Transfers on the other hand, increase from 18 percent of spending in the 2005/06 adjusted appropriation to 28 percent of spending in 2006/07 with slight decreases into the MTEF.

Over the seven year period, current payments increase modestly by 8 percent accommodating salary adjustments and inflationary effects on goods and services while the MTEF accommodates a 13,5 percent increase in compensation of employees and 22,3 percent increase in goods and services.

Transfers reflect an unusual trend with a huge increase in 2003/04 of 25 percent, modest growth of 7,5 percent in the next two years and a significant increase in 2006/07 of 91 percent as a result of the Gautrain Rapid Rail Link project (capital transfer).

Payments for capital assets (mainly departmental equipment and building) experiences modest growth of 13,4 percent over the seven year period.

Table 10: PAYMENTS & ESTIMATES BY ECONOMIC CLASSIFICATION

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Current payments	16,014,075	17,773,762	18,232,793	19,866,464	20,497,022	20,482,916	22,348,849	24,176,131	25,893,568
Compensation of employees	11,381,349	12,603,245	13,361,818	14,553,933	14,888,820	14,859,536	16,308,163	17,422,301	18,506,338
Goods and services	4,604,852	5,134,410	4,829,052	5,276,774	5,585,862	5,593,472	6,040,686	6,753,830	7,387,230
Interest and rent on land	27,307	26,370	27,873	35,757	21,840	20,638			
Financial transactions in assets and liabilities	1,197	9,737	13,974		500	9,270			
Unauthorised expenditure									
Transfers and subsidies to:	3,479,203	4,333,283	4,637,345	5,253,242	4,998,888	5,219,046	9,562,626	9,204,615	9,327,353
Provinces and municipalities	445,837	614,215	716,141	801,901	650,227	655,882	675,197	646,473	690,254
Departmental agencies and accounts	445,484	1,071,335	239,081	1,219,000	740,000	739,669	4,818,600	3,916,200	3,446,700
Universities and technikons	449	501	3,246	650	650	650	690	720	755
Public corporations and private enterprises			626,228		195,169	186,791	98,231	112,711	157,711
Foreign governments and international organisations									
Non-profit institutions	1,216,449	1,409,473	1,499,561	1,686,615	1,566,663	1,619,707	1,823,598	1,959,101	2,259,050
Households	1,370,984	1,237,759	1,553,088	1,545,076	1,846,179	2,016,347	2,146,310	2,569,410	2,772,883
Payments for capital assets	1,599,917	1,557,029	1,884,296	1,484,226	2,083,564	2,077,365	2,548,263	2,658,397	3,322,030
Buildings and other fixed structures	1,077,898	937,089	1,458,996	1,059,527	1,286,234	1,266,380	1,864,347	1,968,828	2,566,832
Machinery and equipment	492,004	617,377	412,179	420,110	773,437	778,746	661,467	666,958	732,919
Cultivated assets		2,563	947						
Software and other intangible assets	9,015		8,678	4,589	3,339	11,685	1,895	2,057	1,725
Land and subsoil assets	21,000		3,496		20,554	20,554	20,554	20,554	20,554
<i>Of which: Capitalised compensation</i>				12,161	32,316	32,316	39,256	42,480	42,480
Total Economic Classification: GPG	21,093,825	23,664,074	24,754,358	26,603,932	27,579,474	27,779,327	34,459,738	36,039,143	38,542,951

Table 11: PAYMENTS BY POLICY AREA

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Policy area	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
General Public Services	1,549,754	2,102,989	1,721,803	1,429,371	1,579,166	1,561,712	1,755,898	1,840,177	1,990,069
Public order and safety	117,412	146,320	157,906	182,218	181,268	137,678	220,172	264,383	222,876
Economic Affairs	1,507,959	1,694,098	2,118,163	2,808,626	2,324,500	2,408,521	6,484,885	5,699,597	5,565,410
Environmental protection	38,626	31,360	26,239	32,398	26,386	26,386	27,949	43,072	46,874
Housing and Community amenities	1,417,299	1,223,033	1,394,135	1,647,987	1,764,295	1,955,449	2,081,462	2,520,532	2,728,445
Health	7,688,039	8,195,817	8,575,286	9,257,806	9,840,640	9,840,814	10,404,351	11,010,679	11,900,064
Recreation, culture and religion	110,933	131,541	138,175	148,060	196,288	196,288	221,272	179,330	189,744
Education	8,065,919	9,471,854	9,834,976	10,360,369	10,807,411	10,792,959	12,281,967	13,338,340	14,508,449
Social Protection	597,884	667,062	787,675	737,097	859,520	859,520	981,782	1,143,033	1,391,020
Total Payments & Estimates: GPG	21,093,825	23,664,072	24,754,358	26,603,932	27,579,474	27,779,327	34,459,738	36,039,143	38,542,951

5.4. PAYMENTS BY POLICY AREA

The payments and estimates for each policy area is indicated in Table 11 above, which shows:

- Significant (absolute) growth in the areas of education (R2,741 billion), health (R2,153 billion) and economic affairs (R817 million) between 2002/03 to 2005/06;
- Significant (absolute) growth in the areas of education (R3,701 billion), economic affairs (R3,241 billion), health (R2,059 billion) and housing and community amenities (R964 million) between 2005/06 and 2008/09;
- Slight decrease in the area of environmental protection (R12,240 million) between 2002/03 to 2005/06 and slight increases in general public services and public order and safety;
- Slight decrease in the area of recreation, culture and religion (R6,544 million) between 2005/06 and 2008/09 and slight increases in environmental protection and public order and safety.

5.5. TRANSFERS

Table 12: TRANSFERS TO PUBLIC ENTITIES

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Gauteng Economic Development Agency	28,900	28,900	31,000	31,000	30,600	30,600	32,500	33,500	33,500
Gauteng Tourism Agency	28,800	28,800	37,000	32,000	31,700	31,700	33,500	34,500	34,500
Gauteng Film Office			5,900	3,000	4,700	4,700	3,525	3,550	3,550
Gauteng Enterprise Propeller					70,000	70,000	80,000	120,000	50,000
Gaumac			9,000	3,000	3,000	3,000	3,575	3,650	3,650
Gauteng Gambling Board									
Total Transfers to Public Entities: GPG	57,700	57,700	82,900	69,000	140,000	140,000	153,100	195,200	125,200

Transfers to public entities

Transfers to public entities recorded an average growth of 18,8 percent over the reporting period with significant increases of 41,2 percent in 2004/05, 68,9 percent increase in 2005/06 and a 35,9 percent decrease in 2008/09, largely as a result of the introduction of transfers to the Gauteng Enterprise Propeller.

Table 13: TRANSFERS TO LOCAL GOVERNMENT

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Category A	169,073	218,482	289,092	339,266	353,815	353,815	359,458	387,020	414,930
Category B	2,960	37,153	24,561						
Category C	118,373	127,487	130,851	110,266	119,165	119,165	140,974	150,375	160,910
Total Transfers to Local Government: GPG	290,406	383,122	444,504	449,532	472,980	472,980	500,432	537,395	575,840

6. OTHER INFORMATION

Table 14: PERSONNEL NUMBERS AND COSTS

	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	As at 31 March 2008	As at 31 March 2009
1 Office of the Premier	217	148	171	209	209	209	209
2 Gauteng Legislature	163	179	197	191	202	230	230
3 Economic Development	287	113	207	209	350	350	350
4 Health	44,563	42,253	42,475	42,460	44,329	45129	46053
5 Education	59,892	64,000	65,218	63,028	63,028	63028	63028
6 Social Development	2,613	2,042	2,144	1,980	2,160	2,462	2623

	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	As at 31 March 2008	As at 31 March 2009
7 Housing	687	608	609	733	821	821	821
8 Local Government	31	429	416	408	577	579	582
9 DPTRW	4,114	4,331	2,917	3,311	4,402	4788	4788
10 Community Safety	688	703	756	765	882	973	1006
11 DACE	693	706	570	629	921	921	921
12 SRAC	311	236	334	286	368	388	388
13 GSSC	696	1,079	1,093	1,585	1,666	1686	1709
14 Gauteng Treasury		18	38	80	126	126	
Total Personnel Numbers: GPG	114,662	116,827	117,125	115,832	119,995	121,690	122,834
Total personnel cost (R thousands)	11,396,927	12,603,245	13,361,818	14,890,301	16,308,163	17,422,302	18,506,339
Unit cost (R thousand)	99,396	107,880	114,082	128,551	135,907	143,170	150,661

The table above shows that the social sector represented by the Departments of Education and Health employ the greatest numbers of personnel within the provincial government, together employing 105,488 public servants (or 91 percent of total personnel) during the current financial year. This is largely due to the structural orientation of the social sector in that it requires larger personnel numbers to serve the population. A disconcerting factor in the trend in the number of social sector personnel is the fluctuating personnel numbers which may have a bearing on social service delivery.

Average growth in numbers over the reporting period is just over 1 percent, personnel costs increase by over 8 percent and the unit cost per person increases by over 7 percent over the 7 years.

Table 15: EXPENDITURE ON TRAINING

	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
R thousand	Audited Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
1 Office of the Premier	1,200	1,896	1,299	1,687	1,522	1,327	1,706	1,975	2,053
2 Gauteng Legislature	589	1,519	708	1,007	1,007	1,007	1,617	1,617	1,617
3 Economic Development	3,366	2,361	1,670	3,121	3,121	3,121	3,277	3,441	3,613
4 Health	24,802	31,662	6,030	41,300	41,300	41,300	43,890	44,930	46,970
5 Education	45,719	82,691	77,989	83,333	83,333	83,333	88,612	93,683	98,257
6 Social Development	1,291	1,180	3,758	5,176	5,176	5,176	6,298	6,572	6,858
7 Housing	872	912	2,626	2,757	2,757	2,757	2,896	3,040	3,040
8 Local Government	1,011	1,170	1,100	676	676	676	713	749	879
9 DPTRW	8,316	10,085	13,980	8,795	16,090	16,090	18,022	20,722	20,722
10 Community Safety	456	532	538	1,016	1,016	1,016	1,086	1,162	1,162
11 DACE	1,206	2,203	3,759	4,014	4,014	4,014	4,212	4,429	4,652
12 SRAC	130	91	154	500	500	500	513	536	536
13 GSSC		9,972	7,068	10,724	10,724	10,724	13,058	14,098	15,347
14 Gauteng Treasury	472	289	223	521	521	521	712	839	883
Total Expenditure on Training: GPG	89,430	146,563	120,902	164,627	171,757	171,562	186,612	197,793	206,589

The table reveals that training expenditure and estimates for votes 4 and 5 are largely proportional to their personnel numbers. On average over the MTEF, the province spends 1,1 percent of its personnel cost on training; training expenditure increases on average by 5,2 percent over the MTEF as opposed to a 44 percent increase between 2002/03 to 2005/06.

7. NON FINANCIAL DATA FOR SOCIAL SECTORS

DEPARTMENT OF EDUCATION

Table 16: NON FINANCIAL DATA DEPARTMENT OF EDUCATION

Number of Learners

Public Ordinary Sector	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
Public Primary	896,658	917,400	940,735	954,255	955,957	973,164	7
Public Secondary	548,369	563,518	583,860	606,635	632,365	643,748	15
Public Total	1,445,027	1,480,918	1,524,595	1,560,890	1,588,322	1,616,912	10
Rural*	120,582	123,704	127,055	133,009	131,484	133,851	9
Independent Ordinary Sector	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
Independent Primary	24,936	26,734	29,771	28,813	33,547	34,151	35
Independent Secondary	95,862	107,912	107,451	108,205	120,995	123,173	26
Independent Total	120,798	134,646	137,222	137,018	154,542	157,324	28
Other Sectors	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
LSEN Public	27,135	29,348	30,023	33,111	33,861	34,470	25
LSEN Independent	470	735	628	596	749	762	59
ABET	78,831	57,875	66,108	67,430	61,860	62,973	-22
FET Colleges	45,936	47,018	47,744	48,699	44,702	45,507	-3

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

Number of Institutions

Public Ordinary Sector	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
Public Primary	1,358	1,359	1,366	1,307	1,306	1,330	-4
Public Secondary	551	554	557	554	562	572	2
Public Total	1,909	1,913	1,923	1,861	1,868	1,902	-2
Rural*	212	212	210	197	188	191	-11
Independent Ordinary Sector	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
Independent Primary	97	110	115	108	113	115	16
Independent Secondary	270	301	302	275	270	275	0
Independent Total	367	411	417	383	383	390	4
Other Sectors	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
LSEN Public	96	96	96	102	102	104	6
LSEN Independent	6	6	6	6	6	6	0
ABET	244	244	244	244	273	278	12
FET Colleges	33	9	9	9	9	9	-73

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

Number of Educators

Public Ordinary Sector	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
Public Primary	23,254	23,422	24,079	23,975	23,503	23,926	1
Public Secondary	16,503	16,326	16,855	16,941	17,238	17,548	4
Public Total	39,757	39,748	40,934	40,916	44,658	45,462	12
Rural*	3,279	3,328	3,484	3,450	3,368	3,429	3
Independent Ordinary Sector	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
Independent Primary	1,414	1,439	1,604	1,422	1,692	1,722	20
Independent Secondary	6,078	6,743	6,694	6,534	7,499	7,634	23
Independent Total	7,492	8,182	8,298	7,956	11,359	11,563	52

Other Sectors	2001	2002	2003	2004	2005	Expected Growth for 2006/07	% Growth 2001-2005
LSEN Public	1,984	2,101	2,106	2,254	2,327	2,369	17
LSEN Independent	123	96	69	66	80	81	-35
ABET	2,080	2,692	3,205	3,205	2,880	2,932	38
FET Colleges	1,752	1,818	1,696	1,715	1,653	1,683	-6

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

** The Educator figure in the public sector excludes the SGB paid educators

DEPARTMENT OF HEALTH

Table 17: HOSPITAL DATA

(a) District Hospitals

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Number of Hospitals	8	8	9
Hospital beds	1,296	1,296	1 680*
Admissions (separations)	68,440	72,284	83,126*
Outpatients	439,662	588,986	647,884*
PDEs	515,536	567,089	830,785*
Cost per PDE	750	776	814^
Bed Occupancy	66%	70%	72%
Length of stay	3 days	3 days	3.2 days

* Tshwane District Hospital will be functional 2006/07 and 90 TB beds will be added to Dr Yusuf Dadoo and Carletonville district hospitals

^ National target

(b) General Hospitals

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Number of Hospitals	11	11	11
Hospital beds	6,368	6,368	6,368
Admissions	343,220	361,790	397,969
Outpatients	1,360,600	1,496,660	1,646,326
PDEs	2,250,495	2,475,544	2,723,098
Cost per PDE	R827	R830	R1,128^
Bed Occupancy	75%	75%	75%
Length of stay	4 days	4,3 days	4.3 days

^national target

(c) Other Specialised Hospitals (TB Hospitals)

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
NuNumber of Hospitals	1	1	4
Hospital beds	206	316	1 136
Admissions	1,178	1,295	4,683
Outpatients	6,415	7,198	7,917
PDEs	50,915	56,006	67,207
Cost per PDE	R500*	R600*	R600*
Bed Occupancy	78%	75%	75%
Length of stay	41 Days	40 days	42 days

NB: includes private aided and contracted hospitals to be provincialised in 2006/07

*estimates only

(d) Psychiatric Hospitals

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Number of Hospitals	3	3	3
Hospital beds	1,803	1,803	1,803
Admissions	4,686	5,154	5,669
Outpatients	25,207	27,727	30,499
PDEs	530 309	583 922	642,314
Cost per PDE	R500*	R663*	R560*
Bed Occupancy Acute	79%	75%	75%
Length of stay	43 days	45 days	45 days

*estimates only

(e) Chronic Psychiatric Hospitals (Cullinan hospital)

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Number of Hospitals	1	1	1
Hospital beds	298	298	298
Admissions	29	32	35
PDEs	107,222	117,944	129,738
Cost per PDE	R300*	R300*	R300*
Bed Occupancy	99%	80%	80%
Length of stay	3,697 days	3,500 days*	3,500 days*

* estimates only

(f) Academic Dental

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Number of Hospitals	3	3	3
Outpatients	95,000	110,000	120,000
Service provides for outpatients only			

(g) Central Hospitals

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Number of Hospitals	4	4	4
Hospital beds	6,166	6,166	6,166
Admissions	298,461	307,226	337,948
Outpatients	1,377,741	1,695,289	1,712,232
PDEs	2,251,852	2,448,918	2,693,809
Cost per PDE	R1,336	R1,406	R1,877^
Bed Occupancy	75%	75%	75%
Length of stay	5 days	5.5 days	5.5 days

^ National target

(h) Summary Table

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Summary			
Number of Hospitals	31	31	35
Hospital beds	16,137	16,247	17,451
Admissions	716,014	747,781	829,430
Outpatients	3,304,625	3,925,860	4,164,858

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
PDEs	5,706,329	6,249,423	7,086,951
Cost per PDE	R702	R763	R880
*Bed Occupancy	78%	75%	75%
*Length of stay	4 days	4 days	4 days

*NB: this excludes Cullinan Chronic Mental Rehabilitation and TB hospitals

Table 18: SELECTED PRIMARY HEALTH CARE INDICATORS

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
PHC clinic headcounts	10,669,722	11,736,669	12,910,338
PHC Community Health Centre headcounts	2,840,304	3,124,334	3,436,767
PHC mobile clinic headcounts	159,294	175,223	192,745
PHC head per capita uninsured	R193.67	R205*	R250*
PHC expenditure per visit (headcount)			R101,04*
at provincial PHC facilities	R 90,81	R 101,04	(R78 [^])

[^] National target

*estimates only

Table 19: EMERGENCY AMBULANCE INDICATORS

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Number of vehicles	271	202	268
Percentage vehicles replaced per year	#	41%	15%
Total kilometers travelled per year	11,047,135	13,143,892	14,458,281
Number of patients transported	403,283	518,816	570,697
Cost per kilometer	R25,08	R25,07	R27,00
Cost per patient transported	R687	R680*	R700*

*estimates only

New Indicator

Table 20: TRAINING OUTPUTS

Indicator	Actual 2004/05	Projected 2005/06	Planned 2006/07
Nursing students all years	3,219	3,084	3,800
Nursing graduates	1,194	1,070	1,172
Cost per nursing graduate	R63,461	R64,000*	R64,500*

*estimates only