

# **Budget Statement No.1**



**BUDGET STATEMENT NO.1****1. BUDGET STRATEGY AND AGGREGATES****1.1 Introduction**

The 2006/07 Medium Term Expenditure Framework introduces the second year of the implementation of Provincial Growth and Development Strategy.

The Provincial Growth and Development Strategy is an Industrial Cluster Based Growth Strategy that seeks to increase the competitiveness of the provincial economy through the creation of geographically bounded concentration and development of similar, related or complementary businesses with active channels for business transactions, communications and dialogue. Such concentration of businesses share specialised infrastructure, labour markets and services, and are usually faced with common opportunities and threats.

The geographical concentration of economic activities enhances spatial planning that enables integration of effort at service delivery across all spheres of government, brings about certainty and predictability that enhances private sector investment and therefore optimising the benefits that accrue due to strategic interventions while minimising costs thereof.

The PGDS has the following integrated key objectives: -

**To improve the quality of life of the population of Limpopo**

**To grow the economy of Limpopo**

**To attain regional integration**

**To enhance innovation and competitiveness**

**To improve the Institutional Efficiency and Effectiveness of Government**

These objectives guide the allocation of resources in the province and indeed the total effort at integrated advancement towards service delivery.

**1.2 SUMMARY OF BUDGET AGGREGATES****Table 1. Provincial Budget Summary**

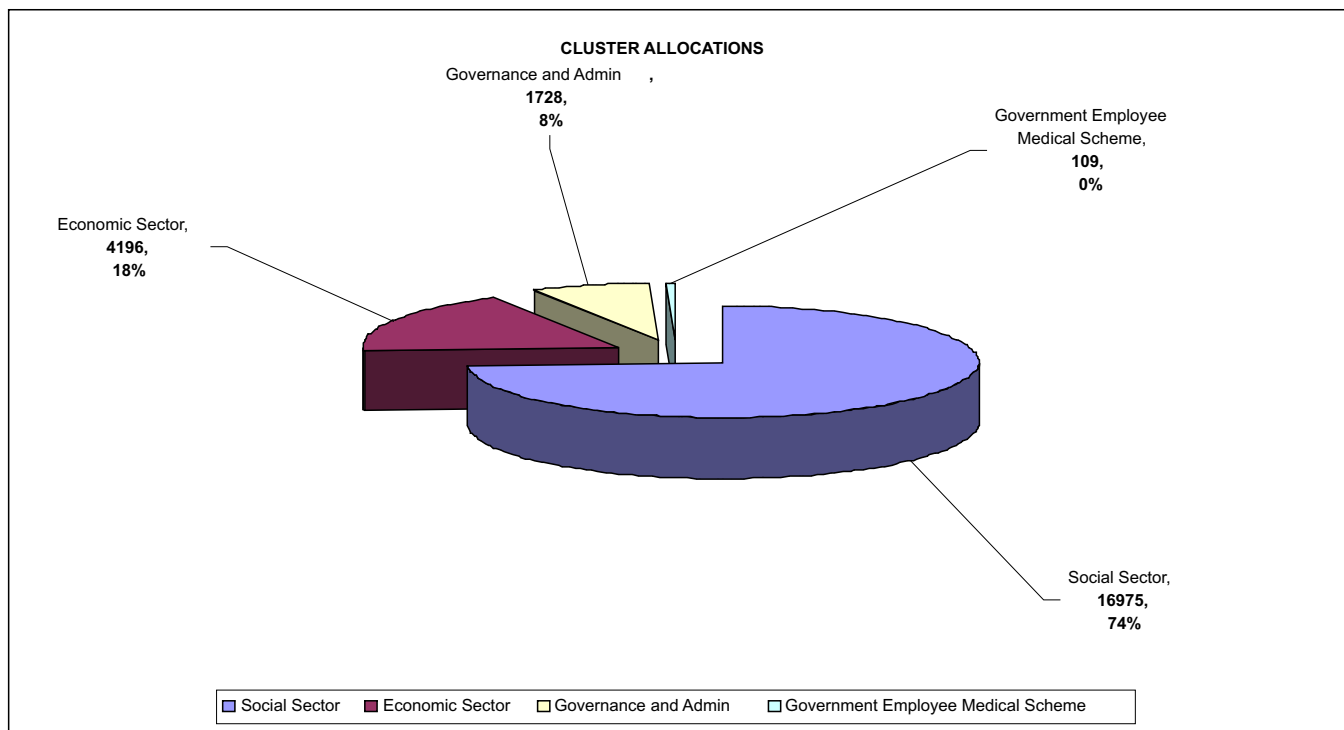
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05	2005/06					
Provincial receipts									
Transfer receipts from national	13,676,268	16,267,067	18,233,390	20,265,850	20,319,342	20,319,342	22,612,092	25,309,010	28,232,841
Equitable share	12,350,995	14,642,267	16,628,606	18,331,373	18,384,865	18,384,865	20,615,653	22,992,613	25,725,666
Conditional grants	1,325,273	1,624,800	1,604,784	1,934,477	1,934,477	1,934,477	1,996,439	2,316,397	2,507,175
Provincial own receipts	436,516	494,517	416,492	377,626	391,975	391,975	396,230	411,679	416,109
Total provincial receipts	14,112,784	16,761,584	18,649,882	20,643,476	20,711,317	20,711,317	23,008,322	25,720,689	28,648,950
Provincial payments									
Current payments	12,718,720	14,053,045	15,540,997	17,076,273	17,442,743	17,826,160	18,584,714	20,560,857	22,994,697
Transfers and subsidies	1,299,842	1,549,575	1,865,004	2,129,304	2,380,434	2,381,632	2,577,236	3,169,015	3,350,049
Payments for capital assets	649,209	897,083	1,312,886	1,437,899	1,543,642	1,539,755	1,736,839	1,771,135	1,973,756
Unallocated contingency reserve(GEMS)							109,533	219,682	330,448
Total provincial payments	14,667,771	16,499,703	18,718,887	20,643,476	21,366,819	21,747,547	23,008,322	25,720,689	28,648,950
Financing (surrenders)	820,030	439,600	736,857		655,502	655,502			
Surplus/(deficit) after financing	265,043	701,481	667,852			(380,728)			

Table 1.1 presents a summary of the main budget components in line with the New Economic Reporting format. The budget is aligned to the Provincial Growth and Development Strategy, of scaling up of the HIV and Aids treatment programme alongside current prevention measures, reduction of morbidity and mortality in women and children and reduction of malaria and cholera incidences as well as supporting provincial economic development programmes with high potential for creating employment opportunities with specific focus on the development of industrial clusters and provision of infrastructure that support economic growth.

To this end, the social cluster is allocated 74% of the provincial budget. This budget allocation is also intended to cater for the project that is aimed at the elimination of the need for children to attend school under trees, gearing up for the phased implementation of the children's Bill, Older Person's Bill and the Child's Justice Bill, as well as catering for primary health care, increase in the stock levels of drugs, the implementation of No Fees School to children from needy families and Learner support materials in Education and pay progression of educators.

The Economic cluster accounts for 18% of the provincial budget and is aimed at growing the economy. The governance and Administration cluster which accounts for 8% deals mainly with institutional efficiency of government.

The provincial baseline decreased by 24% from R30,317 billion to R23,008 billion in 2006/07; increased by 11,8% from R23,008 billion to R25,720 billion in 2007/08 and 11,4% in 2008/09 to R28,649 billion.



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

The budget process followed the main objectives of the Provincial Growth and Development Strategy (PGDS) which are discussed under introduction of this statement.

The above key policy priorities underpin the policy framework used in evaluating and analysing the 2006/07 provincial budget proposals and, in particular, the requests submitted by departments for additional funding for the 2006/07-2008/09.

In terms of the annual budget circular issued by the Provincial Treasury in July 2005, departments were requested to prepare their budget proposals on the basis of two scenarios. The first was to reprioritise within the given baseline allocation in terms of new strategic and policy priorities and circumstances in their operating environment.

The second required departments to submit a number of options, involving changes to the baseline to accommodate new or expanded service delivery as well as unforeseen spending pressures. This second option is very important as per se it refers to "unfunded mandates" if the baseline revenue does not increase. Requests in terms of the second option are the subject of the Treasury Committee and departments using this option need to submit these additional requests under a separate memorandum to the Provincial Treasury.

The Provincial Budget 'Lekgotla' meet during January each year to pronounce strategic policies and priorities that should be implemented for the forth-coming financial years. The Provincial Treasury then encompasses these 'Lekgotla' priorities and strategic issues in the annual Budget circular that is usually issued during June each year. During October 2005/06 the Provincial Budget 'Lekgotla' met to look at the budget outcome for 2005/06 and consider departmental allocations for 2006/07-2008/09 MTEF period.

The Provincial Treasury draws the annual budget schedule for the province and discusses this in the Provincial Technical Committee for Finance attended by Chief Financial Officers and Treasury Officials. The provincial budget schedule is also transmitted to the National Treasury to indicate key dates of the provincial budget process.

The expenditure per department is monitored through the monthly early warning report which shows whether departments have the capacity to spend and also based on what outcomes they achieve. These outcomes and outputs also help in their new allocations since the province follow this performance.

### 3 SOCIO-ECONOMIC OUTLOOK

Socio-Economic outlook is presented here within the context of the Provincial Growth and Development Strategy objectives.

#### 3.1 To improve the quality of life of the population of Limpopo

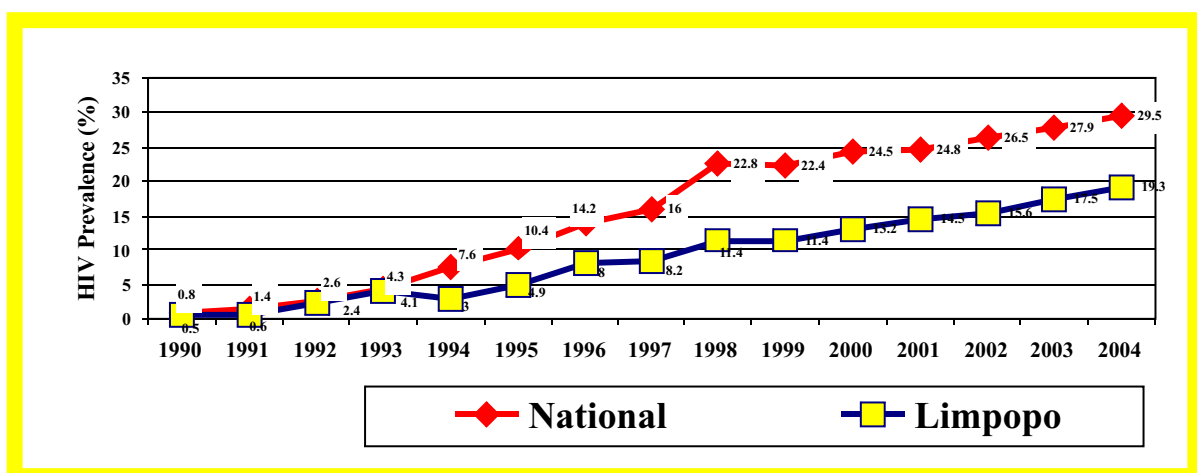
The province shall intensify efforts towards the elimination of poverty and unemployment within the context of a growing economy, increasing literacy levels, life expectancy, and access to basic services. In terms of Census 2001 64.81% of the provincial households were electrified against 35.195 household without electricity. The largest gaps in terms of the supply of electrification are recorded under Sekhukhune at 40.92% and Capricorn District at 40.79% of households without electricity. 77.62% had access to private treated water reticulation system and relatively easy access to public water supply against 22.38% who had no easy access to water. The largest gap is recorded in Sekhukhune at 46.61% of households who had no easy access to water.

One of the measurements for the provision of housing services is the Home Congestion Index that measures the level of crowding in a home. Crowded conditions exist where more than two people sleep in one room in the normal day to day living conditions. In Limpopo, on average 79.76% of the citizens are accommodated under crowded conditions.

During the final stages of the budget cycle district summits were held with the view to consolidating government effort at filling the gaps that have been identified.

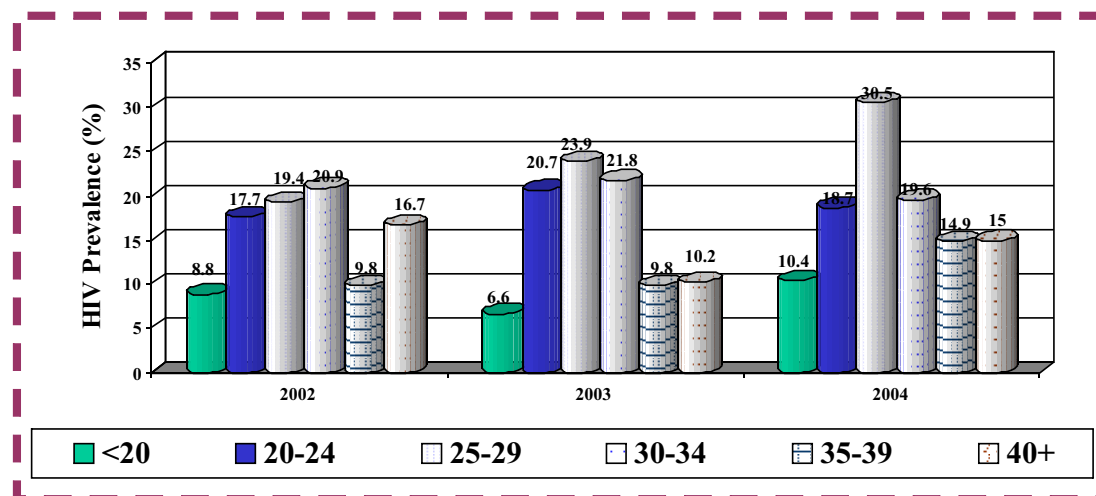
The HIV/AIDS prevalence at 19.3% remains below the national average of 29.5%. The rate of prevalence in HIV/AIDS increased from 17.5% in 2003 to 19.3% in 2004. The rate of increase is almost the same as national average rate increase.

Chart 1 – HIV/AIDS PREVALENCE (%)



The Province shows a disturbing increase in the rate of HIV/AIDS prevalence from 19.4% in 2002 to 29.9% in 2003 and to a further 30.5% in 2004 in the 25-29 age-group.

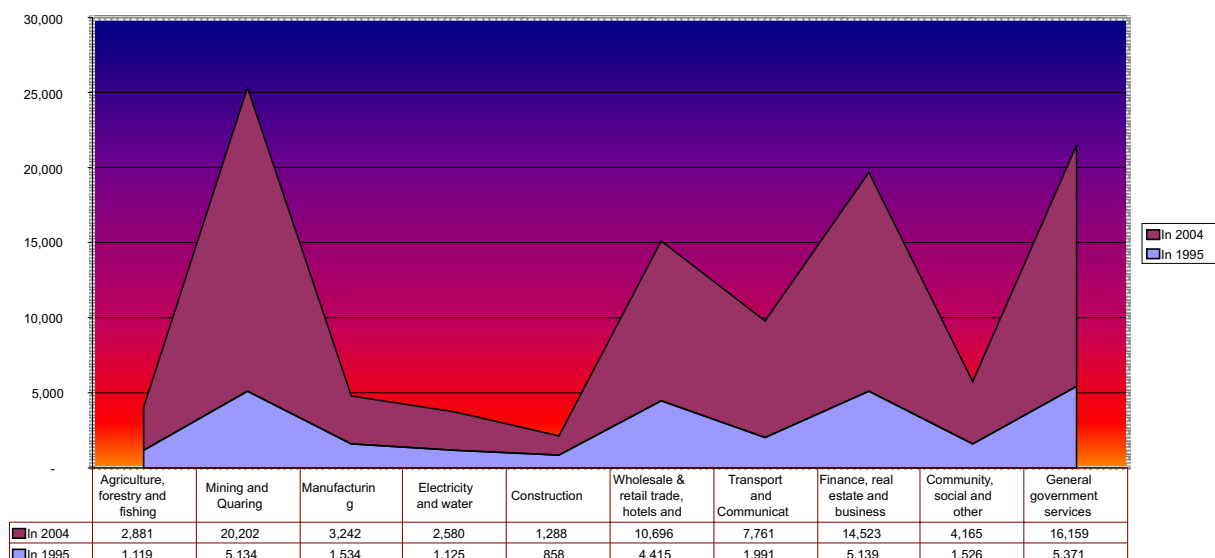
**Chart 2: HIV/AIDS PREVALENCE PER AGE GROUP**



### 3.2 To grow the economy of Limpopo

The structure of the provincial economy in 2004 remains similar to that of 1995. Chart 3 shows that the mining and quarrying sector is the single largest sector that dominates the whole economy of the province. The sector grew from R5.13 billion in 1995 to R20.2 billion in 2004. The secondary industry remains small and the sectors therein collectively constitute 8% of the total size of the economy. The five sectors in the tertiary industry collectively contribute 56%. The largest sector in the tertiary industry is the General Government Services at 18%, followed by Finance, real estate and business services at 14% and the third largest is the Wholesale, retail, trade, hotels and restaurants at 12%.

**Chart 3 – THE STRUCTURE OF THE PROVINCIAL ECONOMY**



The growth rate of the provincial economy averaged 3.5% over the last eight years to 2004 against the national average growth rate of 3.1 over the same period. However, of concern is the fact that the growth rate dropped from 4.24% in 2002 to 2.67% in 2003 before recovering slightly to 2.71% in 2004.

Major declines have been recorded in the primary industries which declined from 7.71% in 2002 to 2.99% in 2003 and further declined to 1.02% in 2004. The decline in the primary industries which constitutes 25% of the provincial economy impacted significantly on the economic growth prospects.

Protracted draught resulted in the contraction of the agricultural sector which recorded negative growth rates in both 2003 and 2004. In the latter year the growth rate in the agricultural sector declined by 7.12%, while mining grew at just below 2%

The secondary industry which constitutes 8% of the provincial economy recorded 5.04% growth rate in 2004 which has been an improvement from the 1.04% growth rate recorded in 2003. The Manufacturing, Electricity, gas and water and the construction sectors recorded growth rates of 4.78%, 4.21% and 6.99% respectively. In line with the Provincial Growth and Development Strategy stronger growth rates are expected to continue in the secondary industries over the Medium Term Expenditure Framework period and beyond. The provision of requisite infrastructure for the strengthening of industrial cluster formation will inspire growth in the secondary industry. The construction of De Hoop Dam to supply water in Sekhukhune District, the pipe lines construction to supply the Waterberg District with water and the construction of road networks to enhance the formation of the seven industrial clusters of the Provincial Growth and Development Strategy will certainly improve growth rates in the construction sector.

The Tertiary Industries which constituted 57% of the provincial economy recorded an average of 3.05% growth rate in 2004, a slight improvement from the 2.8% recorded the previous year. The tourism related sector, The Wholesale and retail trade, hotels and restaurants grew at 3.25%, an improvement from 1.5% growth rate recorded in 2003. The Transport and Communication sector declined from 3.94% in 2003 to 2.25% in 2004. Finance, real estate and business services sector improved from 4.98% in 2003 to 4.87% in 2005. Personal Services and the General Government Sectors grew at 1.2% and 1.4% respectively.

Growth in the Tertiary Industries will be enhanced by investment in the tourism related clusters. The investment in the Capricorn District in the development of the International Convention Centre, Peter Mokaba Stadium and the logistics hub in Polokwane, the development of City of Morija as a tourism icon constitute few of the key projects that will contribute to growth in the Tertiary Industries.

Significant resources have been allocated in this second year of the implementation of the Provincial Growth and Development Strategy to refine implementation plans so as to enhance the pace of delivery according to the strategy.

#### **4. To attain regional integration**

Limpopo has a natural strategic location as a neighbour to three SADC countries and a gateway to greater Africa. The trans – frontier nature conservations, cultural exchange, interlinking infrastructure and tourism projects are some of the initiatives taking place within the framework of collaboration agreements with the immediate SADC neighbours.

Projects between Limpopo and Matabeleland South in Zimbabwe as well between Limpopo and Gaza Province in Mozambique are at various stages of implementation.

#### **5. To enhance innovation and competitiveness**

One of the central pillars of the Provincial Growth and Development Strategy is the development of human infrastructure. The Province has developed a Human Development Strategy that focuses on the enhancement of the competitiveness of the province. The province continues to produce best results in higher grade mathematics and science subjects at matric level.

Additionally, the Medium Term Expenditure Framework provides for increased resource allocation for Further Education and Training in order to increase the supply of relevant skill base to increase and sustain the increase in productivity and employment generation of the provincial economy.

The theme of the Provincial Growth and Development Strategy is that Development is about People. It is about investing in people and it is with people that higher levels of productivity and growth will be attained.

#### **6. To improve the Institutional Efficiency and Effectiveness of Government**

The Provincial Growth and Development Strategy requires government in its totality (the three spheres) and the private sector to concentrate effort targeting development at areas that are identified as having potential to yield optimum socio-economic benefits.

During the budget process consolidation was made of the Intergovernmental Relations System in the province. Premier – Mayors Forum was able to guide the planning processes of the Provincial Government and the District IDP Summits provided firm baselines for intergovernmental effort at the implementation of the Provincial Growth and Development Strategy.

**In line with the objectives of the Provincial Growth and Development strategy the 2006/07 budget aims at: -**

Scaling up of the HIV and Aids treatment programmes alongside current prevention measures.

The reduction of morbidity and mortality in women and children and the reduction of malaria and cholera incidences.

Renewed focus on employment creation through and Expanded Public Works Programme and a series of interventions to strengthen the skills base and empower communities in order to gradually eliminate the second economy and its effects on the wellbeing of people in the province.

Support for provincial economic development programmes with high potential for creating employment opportunities with specific focus on the development of industrial clusters and the provision of infrastructure that supports economic growth.

Enhances spending on the education programmes, specifically relating to the roll – out of the Early Childhood Development Programme, the strengthening of Further Education and Training Programme and other inputs needed to further strengthen the quality of school education – focusing on mathematics, science and management sciences – especially in poor communities.

Consolidate local government financial management and budget reforms as envisaged in the Municipal Finance Management Act and integrating government activities in order to improve service delivery.

Reduction of crime to enable advancement of growth in a safe environment.

Taking core services to citizens, particularly in rural areas where access is limited.

## RECEIPTS

### 4.1 Overall position

The estimated receipts for 2006/07 is R23,008 billion, included in this amount is unallocated amount of R 109 million for Government Employee Medical Scheme which will be redistributed during the Adjusted Estimates after National has given a directive. The bulk of the receipts is equitable share amounting to R20,616 billion which accounts for 89.6%; conditional grants accounts for 8,7% or R1,996 billion and own revenue of R396,230 or 1.7%.

**Table 2: Summary of provincial receipts**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
<b>Transfer receipts from national</b>									
Equitable share	13,171,025	15,081,867	17,365,463	18,331,373	19,040,367	19,040,367	20,615,653	22,992,613	25,725,666
Conditional grants	1,325,273	1,624,800	1,604,784	1,934,477	1,934,477	1,934,477	1,996,439	2,316,397	2,507,175
<b>Total transfer receipts from national</b>	<b>14,496,298</b>	<b>16,706,667</b>	<b>18,970,247</b>	<b>20,265,850</b>	<b>20,974,844</b>	<b>20,974,844</b>	<b>22,612,092</b>	<b>25,309,010</b>	<b>28,232,841</b>
<b>Provincial own receipts</b>									
<b>Tax receipts</b>	<b>100,080</b>	<b>111,619</b>	<b>104,546</b>	<b>154,008</b>	<b>143,786</b>	<b>143,786</b>	<b>159,689</b>	<b>166,945</b>	<b>167,877</b>
<b>Non-tax receipts</b>	<b>271,333</b>	<b>235,109</b>	<b>244,643</b>	<b>207,592</b>	<b>201,664</b>	<b>201,664</b>	<b>222,653</b>	<b>230,443</b>	<b>226,816</b>
Sale of goods and services other than capital assets	130,262	123,658	120,471	109,162	106,277	106,277	107,840	113,071	114,490
Fines, penalties and forfeits	21,554	22,624	31,016	16,096	13,085	13,085	30,509	31,959	22,087
Interest, dividends and rent on land	119,517	88,827	93,156	82,334	82,302	82,302	84,304	85,413	90,239
Transfers received	1	-	130	-	382	382	-	-	36
Sale of capital assets	14,097	131,940	11,213	8,764	18,946	18,946	6,537	6,866	7,131
Financial transactions	51,005	15,849	55,960	7,262	27,197	27,197	7,351	7,425	14,249
<b>Total provincial own receipts</b>	<b>436,516</b>	<b>494,517</b>	<b>416,492</b>	<b>377,626</b>	<b>391,975</b>	<b>391,975</b>	<b>396,230</b>	<b>411,679</b>	<b>416,109</b>
<b>Total provincial receipts</b>	<b>14,932,814</b>	<b>17,201,184</b>	<b>19,386,739</b>	<b>20,643,476</b>	<b>21,366,819</b>	<b>21,366,819</b>	<b>23,008,322</b>	<b>25,720,689</b>	<b>28,648,950</b>

### 4.2 Equitable share

Section 214 of the Constitution requires that every year the Division of Revenue Act determines the equitable division of resources between the three spheres of government, and horizontal division among provinces. It spells out the criteria for determining the division of revenue, and the consultations necessary before enactment of the Division of Revenue Act. The Intergovernmental Fiscal Relation Act, 1997 (Act No.97) gives effect to the Constitution by spelling out the process of consultation in enacting the Division of Revenue Bill. The provinces engage in matters cited in section 214(2) through participating in the Technical Committee for Finance, the Budget Council and the Budget Forum. The provinces partake in the whole process of vertical division and later horizontal division among provinces.

The equitable share for 2006/07 is R20,616 billion



### 4.3 Conditional grants

The total conditional grants in 2006/07 amounts to R1,996 billion

The important focus on the provincial fiscal framework will be the envisaged take over of Forensic Pathology services from South African Police Services (SAPS) into the department of Health from 2006/07. The Integrated Social Development and HIV/AIDS grants which were managed by Health and Social Development have been phased into the equitable share from 2006/07.

**Table 3 Summary of conditional grants by grant**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
				2005/06					
<b>Vote 3</b>	<b>145,942</b>	<b>295,760</b>	<b>409,871</b>	<b>489,199</b>	<b>489,199</b>	<b>489,199</b>	<b>558,419</b>	<b>603,988</b>	<b>716,490</b>
National School Nutrition Prog.	-	-	153,125	204,469	204,469	204,469	202,039	212,141	222,558
Financial Management & Quality Enhancement	35,846	36,803	-	-	-	-	-	-	-
HIV/AIDS	22,613	30,062	19,415	20,371	20,371	20,371	21,594	22,673	24,199
Early Childhood Development	8,321	13,816	-	-	-	-	-	-	-
Provincial Infrastructure	71,882	210,279	237,331	264,359	264,359	264,359	291,786	301,174	356,488
Flood Reconstruction	7,280	4,800	-	-	-	-	-	-	-
Further Education & Trainig College SPG	-	-	-	-	-	-	43,000	68,000	113,245
<b>Vote 4</b>	<b>5,000</b>	<b>8,000</b>	<b>73,072</b>	<b>106,440</b>	<b>106,440</b>	<b>106,440</b>	<b>101,475</b>	<b>123,570</b>	<b>136,652</b>
Disaster Management (Drought relief)	-	-	2,000	20,000	20,000	20,000	-	-	-
Land Care	5,000	8,000	2,044	5,000	5,000	5,000	7,565	7,943	8,325
Provincial Infrastructure	-	-	35,600	39,654	39,654	39,654	43,767	52,706	62,386
Comprehensive Agriculture Support Programme	-	-	33,428	41,786	41,786	41,786	50,143	62,921	65,941
<b>Vote 05</b>	<b>-</b>	<b>1,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provincial Infrastructure	-	1,238	-	-	-	-	-	-	-
<b>Vote 7</b>	<b>449,446</b>	<b>452,360</b>	<b>407,450</b>	<b>611,595</b>	<b>611,595</b>	<b>611,595</b>	<b>508,608</b>	<b>539,054</b>	<b>555,569</b>
Malaria and Cholera Prevention	-	-	6,100	-	-	-	-	-	-
Hospital Management and Quality Improvement	10,451	13,337	-	-	-	-	-	-	-
Health Professional Training & Development	45,101	41,981	51,805	72,411	72,411	72,411	72,411	76,032	79,834
Hospital Rehabilitation	124,821	96,239	106,463	202,918	202,918	202,918	48,247	66,908	55,487
HIV/AIDS	23,905	28,962	77,430	125,899	125,899	125,899	175,861	184,654	194,736
Intergrated Nutrition Programme	129,919	158,155	20,320	22,344	22,344	22,344	-	-	-
National Tertiary Services	76,256	54,287	46,878	71,182	71,182	71,182	71,579	71,648	75,230
Redistribution of Specialised Health Services	-	-	15,388	17,457	17,457	17,457	-	-	-
Provincial Infrastructure	38,993	58,399	83,066	92,526	92,526	92,526	102,125	97,882	115,859
Forensic Pathology Service Grant	-	-	-	6,858	6,858	6,858	38,385	41,930	34,423
Medico-Legal	-	1,000	-	-	-	-	-	-	-
<b>Vote 8</b>	<b>111,408</b>	<b>168,253</b>	<b>237,331</b>	<b>264,359</b>	<b>264,359</b>	<b>264,359</b>	<b>291,786</b>	<b>379,218</b>	<b>356,488</b>
Provincial Infrastructure	111,408	168,253	237,331	264,359	264,359	264,359	291,786	379,218	356,488
<b>Vote 9</b>	<b>138,320</b>	<b>115,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provincial Infrastructure	-	-	-	-	-	-	-	-	-
Flood Reconstruction	138,320	115,200	-	-	-	-	-	-	-
<b>Vote 11</b>	<b>470,413</b>	<b>518,027</b>	<b>405,776</b>	<b>399,068</b>	<b>399,068</b>	<b>399,068</b>	<b>521,331</b>	<b>651,705</b>	<b>716,025</b>
SA Housing Fund	387,995	426,160	369,818	397,650	397,650	397,650	521,331	651,705	716,025
Human Settlement	11,217	22,077	11,660	1,418	1,418	1,418	-	-	-
Capacity Building	10,901	-	-	-	-	-	-	-	-
Local Govt. Capacity Building Fund	33,000	47,253	20,100	-	-	-	-	-	-
Municipal Infrastructure Programme	-	4,537	4,198	-	-	-	-	-	-
Flood Disaster	27,300	18,000	-	-	-	-	-	-	-
<b>Vote 12</b>	<b>4,744</b>	<b>65,962</b>	<b>70,284</b>	<b>61,146</b>	<b>61,146</b>	<b>61,146</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Management	1,609	463	-	-	-	-	-	-	-
HIV/AIDS	3,135	4,353	9,138	-	-	-	-	-	-
Integrated Social Development Services Grant	-	61,146	61,146	61,146	61,146	61,146	-	-	-
<b>Vote 13</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>2,670</b>	<b>2,670</b>	<b>2,670</b>	<b>14,820</b>	<b>18,862</b>	<b>25,951</b>
Sport and Recreation South Africa	-	-	1,000	2,670	2,670	2,670	14,820	18,862	25,951
<b>Total conditional grants</b>	<b>1,325,273</b>	<b>1,624,800</b>	<b>1,604,784</b>	<b>1,934,477</b>	<b>1,934,477</b>	<b>1,934,477</b>	<b>1,996,439</b>	<b>2,316,397</b>	<b>2,507,175</b>

**CURRENT RECEIPTS BUDGET****Table 4: Summary of provincial own receipts by Vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
					2005/06				
Office of the Premier	513	545	435	286	459	459	294	335	335
Provincial Legislature	875	448	328	90	254	254	95	100	118
Education	27,242	24,682	29,949	16,505	17,056	17,056	17,840	18,329	18,510
Agriculture	7,809	10,891	12,235	8,696	13,817	13,817	9,130	9,587	10,067
Provincial Treasury	100,564	89,156	91,869	81,320	80,082	80,082	83,228	84,292	88,507
Economic Development, Environmental Affairs and Tourism	67,663	136,636	32,865	32,250	21,504	21,504	34,488	35,275	25,969
Health	59,010	59,467	83,248	63,911	70,950	70,950	68,099	72,584	76,214
Roads and Transport	117,349	139,533	139,073	161,850	149,134	149,134	169,941	178,439	182,984
Public Works	25,761	28,314	22,946	10,529	21,198	21,198	9,876	9,479	9,378
Safety, Security and Liaison	59	67	17	32	46	46	50	60	70
Social Development	2,648	2,862	1,116	227	359	359	248	256	307
Local government & housing	26,634	1,693	1,792	1,739	15,340	15,340	1,639	1,530	1,850
Sport, Arts & Culture	389	223	619	191	1,776	1,776	1,302	1,413	1,800
<b>Total provincial own receipts</b>	<b>436,516</b>	<b>494,517</b>	<b>416,492</b>	<b>377,626</b>	<b>391,975</b>	<b>391,975</b>	<b>396,230</b>	<b>411,679</b>	<b>416,109</b>

**REVENUE**

The current budget is revised from R377,626 million to R396,230 million reflecting an increase of 4.9%

**5. PAYMENTS****5.1 Overall position**

The provincial budget declines from a baseline of R30,317,435 to R23,008,322 in 2007/08 due to the functional shift of Social Security grants from the province to the South African Social Security Agency which represents a decrease of R7,309 or 75.89%.

Financial year 2006/07 R23,008,322 million

Financial year 2007/08 R25,720,689 million

Financial year 2008/09 R28,648,949 million

**5.2 Payments by Vote****5.2.1 Premier**

The Premier's Office constitute 2.2% of the total provincial resource envelope and provides for expenditure of R510,173 million in 2006/07. Over the MTEF the allocation increases by 1,7% or R454,857 million in 2007/08 and 1,7% or R483,897 million in 2008/09.

**5.2.2 Legislature**

The Provincial Legislature constitutes less than 0.4% of the total provincial expenditure and provides for expenditure of R96,844 million in 2006/07.

**5.2.3 Education**

The Education Department constitutes 48.1% of the total provincial resource envelope and provides for expenditure of R11,066 billion in 2006/07 an increase of 3.5% from 2005/06 MTEF baseline estimate. Over the MTEF the allocation increases by 10,8% to R12,268 billion in 2007/08 and increases again by 11% to R13,614 billion in 2008/09.

**5.2.4 Agriculture**

The Department of Agriculture constitutes 4.5% of the total provincial expenditure and provides for expenditure of R1,028 billion in 2006/07 from the MTEF baseline estimate. Over the MTEF the allocation increase by 16.9% to R1,202 billion in 2007/08 and increases again by 4,1% to R1,251 billion in 2008/09.

**5.2.5 Provincial Treasury**

Provincial Treasury constitutes 1.2% of the total provincial expenditure and provides for R286,652 million in 2006/07 increasing to R296,458 million in 2007/08 and R565,570 million in 2008/09.

## 5.2.6 Economic Development, Environment and Tourism

The department constitutes 2,9% of the total provincial expenditure and provides for R675,038 million in 2006/07 increasing to R691,985 million in 2007/08 and R740,424 million in 2008/09.

## 5.2.7 Health

The Department of Health constitutes 23.7% of the total provincial resource envelope and provides for expenditure of R5,447 billion in 2006/07 an increase of 2.79% from 2005/06 MTEF baseline estimate. Over the MTEF the allocation increases by 8.5% to R5,912 billion in 2007/08 and increases again by 10,7% to R6,543 billion in 2008/09.

## 5.2.8 Roads and Transport

The Department of Transport constitutes 7.7% of the total provincial resource envelope and provides for expenditure of R1,780 billion in 2006/07 an increase of 3.5% from 2005/06 MTEF baseline estimate. Over the MTEF the allocation increases by 27.4% to R2,267 billion in 2007/08 and increases again by 2.4% to R2,321 billion in 2007/08.

## 5.2.9 Public Works

The Department of Public Works constitutes 2.7% of the total provincial resource envelope and provides for expenditure of R588,919 million in 2006/07 an decrease of -8.1% from the 2005/06 MTEF baseline estimate. Over the MTEF the allocation increases by 6.8% to R670,411 million in 2007/08 and increases again by 7,6% to R673,644 million in 2008/09.

## 5.2.10 Safety, Security & Liaison

The Department of Safety, Security & Liaison constitutes 0.1% of the total provincial expenditure and provides for expenditure of R28,853 million in 2006/07.

## 5.2.11 Local Government & Housing

The Department of Local Government constitutes 3.6% of the total provincial resource envelope and provides for expenditure of R834,158 million in 2006/07. Over the MTEF the allocation increases by 38.6% to R1,063,173 million in 2008/09

## 5.2.12 Social Development

The Social Development vote constitutes 1,8% o the total provincial expenditure and provides for expenditure of R432 million in 2006/07 which is decrease due to the functional shift from the department to South African Social Security Agency.

## 5.2.13 Sport, Arts & Culture

The Department constitutes 0.5% of the total provincial resource envelope and provides for expenditure of R122,820 million in 2006/07.

## 5.2.14 Government Employee Medical Scheme

The Provincial Resource constitutes an unallocated amount of R 109,533 million in the 2006/07, which grows to R 219,682 million in 2007/08 and R 330 ,448 in 2008/09. The amount will be redistributed to Provincial Departments during the Adjustment Estimates after National has given a directive.

**Table 5. Summary of provincial payments and estimates by vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
					2005/06				
Vote 01: Office of the Premier	207,354	245,233	270,128	372,912	345,938	345,938	510,173	454,857	483,897
Vote 15: Legislature	48,643	63,374	83,949	92,023	94,953	94,953	96,844	100,000	106,000
Vote 03: Education	7,463,695	8,264,389	9,609,942	9,868,605	10,067,553	10,455,892	11,066,540	12,268,182	13,614,452
Vote 04: Agriculture	718,334	786,392	732,990	906,719	1,094,248	1,094,248	1,028,787	1,202,947	1,251,585
Vote 05: Provincial Treasury	437,081	467,413	422,532	451,819	261,075	262,285	286,652	296,458	565,571
Vote 06: Economic Development, Environmental Affairs and Tourism	327,915	358,271	405,148	571,337	576,659	578,067	675,038	691,985	740,424
Vote 07: Health	3,048,080	3,627,046	4,168,712	5,045,617	5,097,870	5,077,466	5,447,933	5,912,062	6,543,306
Vote 08: Transport	1,004,093	1,212,876	1,444,595	1,501,152	1,769,241	1,769,241	1,780,322	2,267,204	2,321,881
Vote 09: Public Works	477,448	492,989	516,005	600,804	587,715	587,715	588,919	628,664	673,644
Vote 10: Safety, Security and Liaison	10,186	12,201	20,511	23,674	23,674	22,939	28,853	31,623	33,837
Vote 11: Local government & housing	708,239	781,294	616,983	761,170	936,302	936,302	834,158	1,063,173	1,156,296
Vote 12: Social Development	177,383	139,542	344,253	354,974	397,921	403,121	431,750	465,990	695,728
Vote 13: Sport, Arts & Culture	39,320	48,683	83,139	92,670	113,670	119,380	122,820	117,862	131,881
<b>Total provincial payments by Vote</b>	<b>14,667,771</b>	<b>16,499,703</b>	<b>18,718,887</b>	<b>20,643,476</b>	<b>21,366,819</b>	<b>21,747,547</b>	<b>22,898,789</b>	<b>25,501,007</b>	<b>28,318,502</b>

Table 6. Summary of provincial payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05				2006/07	2007/08	2008/09
<b>Current payments</b>	<b>12,718,720</b>	<b>14,053,045</b>	<b>15,540,997</b>	<b>17,076,273</b>	<b>17,442,743</b>	<b>17,826,160</b>	<b>18,584,714</b>	<b>20,560,857</b>	<b>22,994,697</b>
Compensation of employees	10,426,612	11,464,326	12,400,458	13,331,812	13,244,005	13,596,241	14,269,965	15,738,926	16,646,180
Goods and services	2,283,641	2,588,689	3,139,295	3,744,461	4,197,718	4,228,512	4,314,749	4,821,931	6,348,517
Interest and rent on land	-	-	-	-	20	20	-	-	-
Financial transactions in assets and liabilities	8,467	30	1,244	-	1,000	1,387	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>1,299,842</b>	<b>1,549,575</b>	<b>1,865,004</b>	<b>2,129,304</b>	<b>2,380,434</b>	<b>2,381,632</b>	<b>2,577,236</b>	<b>3,169,015</b>	<b>3,350,049</b>
Provinces and municipalities	2,463	-	51,428	83,523	222,481	218,017	62,966	74,574	78,326
Departmental agencies and accounts	254,999	212,951	289,182	199,188	248,896	255,036	285,950	270,401	287,179
Universities and technikons	-	-	-	1,800	-	1,800	790	837	896
Public corporations and private enterprises	456,238	643,987	802,701	1,031,661	996,242	996,242	987,098	1,395,702	1,416,076
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	148,849	193,600	265,631	266,070	271,869	272,698	553,587	596,910	661,824
Households	437,293	499,037	456,062	547,062	640,946	637,839	686,845	830,591	905,748
<b>Payments for capital assets</b>	<b>649,209</b>	<b>897,083</b>	<b>1,312,886</b>	<b>1,437,899</b>	<b>1,543,642</b>	<b>1,539,755</b>	<b>1,736,839</b>	<b>1,771,135</b>	<b>1,973,756</b>
Buildings and other fixed structures	406,650	631,154	891,027	1,104,741	1,027,908	1,038,945	1,104,291	1,148,043	1,190,057
Machinery and equipment	216,051	214,782	356,129	317,550	370,437	357,856	511,477	537,051	683,846
Cultivated assets	-	-	978	-	-	-	600	642	687
Software and other intangible assets	26,508	27,360	27,615	15,608	13,813	11,670	67,328	22,478	33,225
Land and subsoil assets	-	23,787	37,137	-	131,484	131,484	53,143	62,921	65,941
<b>Total economic classification</b>	<b>14,667,771</b>	<b>16,499,703</b>	<b>18,718,887</b>	<b>20,643,476</b>	<b>21,366,819</b>	<b>21,747,547</b>	<b>22,898,789</b>	<b>25,501,007</b>	<b>28,318,502</b>

Table 7. Summary of provincial payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05				2006/07	2007/08	2008/09
General public services	1,440,412	1,569,105	1,568,607	1,842,021	1,715,475	1,716,685	1,711,969	1,778,185	2,149,151
Public order and safety	10,186	12,201	20,511	23,674	23,674	22,939	28,853	31,623	33,837
Economic affairs	1,876,184	2,186,833	2,419,899	2,820,742	3,289,670	3,265,162	3,258,238	3,960,345	4,096,351
Environmental protection	174,158	170,706	162,834	158,466	150,478	176,394	225,909	201,791	217,539
Housing and community amenities	438,353	481,198	340,990	436,707	510,508	510,508	604,777	764,967	836,257
Health	3,048,080	3,627,046	4,168,712	5,045,617	5,097,870	5,077,466	5,447,933	5,912,062	6,543,306
Recreation, culture and religion	39,320	48,683	83,139	92,670	113,670	119,380	122,820	117,862	131,881
Education	7,463,695	8,264,389	9,609,942	9,868,605	10,067,553	10,455,892	11,066,540	12,268,182	13,614,452
Social protection	177,383	139,542	344,253	354,974	397,921	403,121	431,750	465,990	695,728
<b>Total provincial payments and estimates by policy area</b>	<b>14,667,771</b>	<b>16,499,703</b>	<b>18,718,887</b>	<b>20,643,476</b>	<b>21,366,819</b>	<b>21,747,547</b>	<b>22,898,789</b>	<b>25,501,007</b>	<b>28,318,502</b>

Table 8. Summary of infrastructure payments and estimate by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05				2006/07	2007/08	2008/09
Vote 03: Education	162,433	298,329	416,480	455,909	474,296	489,605	468,526	504,357	555,856
Vote 04: Agriculture	25,521	52,030	52,493	189,440	236,182	236,815	274,497	325,332	342,537
Vote 07: Health	190,437	226,859	237,955	356,444	355,110	349,430	248,000	301,451	295,125
Vote 08: Transport	348,051	543,606	665,677	670,737	846,817	846,817	771,500	1,105,218	1,098,373
Vote 09: Public Works	18,227	34,684	48,883	86,810	105,810	105,810	77,061	80,814	86,242
Vote 12: Social Development	5,699	15,000	67,715	32,347	32,347	32,347	39,388	29,807	31,893
<b>Total</b>	<b>750,368</b>	<b>1,170,508</b>	<b>1,489,203</b>	<b>1,791,687</b>	<b>2,050,562</b>	<b>2,060,824</b>	<b>1,878,972</b>	<b>2,346,979</b>	<b>2,410,026</b>

**Table 9. Summary of provincial Public-Private Partnership projects**

Project description	Total cost of project			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Project under implementation									
PPP unitary charge	-	-	-	165,520	5,000	5,000	4,000	4,000	4,000
Advisory fees	-	-	-	-	-	-	-	-	-
Revenue generated	-	-	-	-	-	-	-	-	-
Project monitoring cost	-	-	-	-	-	-	-	-	-
New Projects									
PPP unitary charge	-	-	-	23,150	16,150	39,300	17,800	14,800	15,836
Advisory fees	-	-	-	-	-	-	-	-	-
Revenue generated	-	-	-	-	-	-	-	-	-
Project monitoring cost	-	-	-	-	-	-	-	-	-
Total	-	-	-	188,670	21,150	44,300	21,800	18,800	19,836

**5.6 Transfers to public entities****Table 10. Summary of provincial transfers to public entities by transferring department**

Table 10: Summary of expenditure estimates to public entities by governing department									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05	2005/06			2006/07	2007/08	2008/09
Vote 01: Office of the Premier	30,000	27,150	-	-	-	-	-	-	-
Vote 04: Agriculture	56,751	34,904	33,854	22,100	24,100	24,100	15,054	26,007	27,827
Vote 06: Economic Development, Environmental Affairs and Tourism	84,025	126,100	146,606	101,580	101,580	101,580	180,500	133,375	142,712
Vote 08: Transport	320,750	347,584	559,000	660,737	874,737	874,737	765,500	1,128,783	1,128,373
<b>Total</b>	<b>491,526</b>	<b>535,738</b>	<b>739,460</b>	<b>784,417</b>	<b>1,000,417</b>	<b>1,000,417</b>	<b>961,054</b>	<b>1,288,165</b>	<b>1,298,912</b>

**5.7 Transfers to local government****Table 11. Summary of provincial transfers to local government by category**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05				2005/06		
Category B	2,304	-	-	20,000	138,969	138,969	-	-	-
Category C	159	-	51,428	63,523	83,512	79,048	62,966	74,574	78,326
Total provincial transfers to local government	2,463	-	51,428	83,523	222,481	218,017	62,966	74,574	78,326

**Table 12: Transfers to development corporations**

Entity	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	R thousand	2001/02	2002/03	2004/05	2005/06		2006/07	2007/08	2008/09
Limpopo Development Corporation	104,300	88,900	121,000	89,665	89,665	89,665	80,000	90,000	96,300
ARDC	56,751	34,904	33,854	22,100	24,100	24,100	15,054	26,007	27,827
Total porovincial transfers to development corporations	161,051	123,804	154,854	111,765	113,765	113,765	95,054	116,007	124,127

**Table 13: Summary of personnel numbers and costs by vote**

Personnel numbers	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
Vote 01: Office of the Premier	381	339	577	696	696	696
Vote 02: Legislature	153	170	174	150	150	150
Vote 03: Education	59,309	60,112	63,722	65,976	65,976	65,976
Vote 04: Agriculture	8,860	8,091	6,173	5,978	6,017	6,017
Vote 05: Provincial Treasury	442	447	470	430	430	430
Vote 06: Economic Development, Environmental Affairs and Tourism	1,495	1,525	1,961	1,674	1,989	2,002
Vote 07: Health	23,547	24,156	26,100	26,200	26,500	28,126
Vote 08: Transport	5,652	4,497	4,552	4,245	4,407	4,503
Vote 09: Public Works	5,017	4,202	4,058	3,486	3,486	3,486
Vote 10: Safety, Security and Liaison	50	52	54	71	147	173
Vote 11: Local government & housing	2,481	2,497	778	1,216	1,686	1,293
Vote 12: Social Development	686	738	910	1,032	1,126	1,160
Vote 13: Sport, Arts & Culture	204	224	297	263	317	317
<b>Total provincial personnel numbers</b>	<b>108,277</b>	<b>107,050</b>	<b>109,826</b>	<b>111,417</b>	<b>112,927</b>	<b>114,329</b>
Total provincial personnel cost (R thousand)	10,426,612	11,464,326	12,400,458	13,277,042	14,223,816	15,682,760
Unit cost (R thousand)	96	107	113	119	126	137

**Table 14. Summary of provincial human resources and finance components personnel numbers and costs**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05				2006/07	2007/08	2008/09
<b>Total for province</b>									
Personnel numbers( head count )	108,277	107,050	109,826	111,417	111,417	111,417	112,927	114,329	117,490
Personnel costs ( R' 000 )	10,426,612	11,464,326	12,400,458	13,277,042	13,277,042	13,277,042	14,223,816	15,682,760	16,622,046
<b>Human resources component</b>									
Personnel numbers ( head count )	2,495	2,550	1,829	1,782	1,761	1,621	1,864	1,941	1,980
Personnel costs ( R' 000 )	220,412	225,897	229,389	221,097	184,017	184,356	233,641	254,600	270,268
Head count as % of total province	2.30%	2.38%	1.67%	1.60%	1.58%	1.45%	1.65%	1.70%	1.69%
Personnel cost as % of total province	2.11%	1.97%	1.85%	1.67%	1.39%	1.39%	1.64%	1.62%	1.63%
<b>Finance component</b>									
Personnel numbers ( head count )	1,863	1,767	1,396	1,617	1,380	1,334	1,814	1,869	1,919
Personnel costs ( R' 000 )	109,510	119,088	185,403	219,224	185,966	185,940	239,714	254,638	264,283
Head count as % of total province	1.72%	1.65%	1.27%	1.45%	1.24%	1.20%	1.61%	1.63%	1.63%
Personnel cost as % of total province	1.05%	1.04%	1.50%	1.65%	1.40%	1.40%	1.69%	1.62%	1.59%

**Table 15: Summary of provincial payments on training by Vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2002/03	2003/04	2004/05				2006/07	2007/08	2008/09
Vote 01: Office of the Premier	1,047	838	2,041	2,050	3,188	3,188	2,750	2,950	3,127
Vote 02: Legislature	-	-	15	770	770	770	1,164	780	550
Vote 03: Education	-	8,090	22,792	28,289	27,489	27,489	31,040	32,915	35,109
Vote 04: Agriculture	3,383	6,333	7,220	8,000	12,000	12,000	8,500	9,095	9,732
Vote 05: Provincial Treasury	4,936	3,494	5,000	2,762	2,762	2,762	3,853	3,814	3,852
Vote 06: Economic Development, Environmental Affairs and Tourism	1,732	4,946	3,784	3,596	3,596	3,596	7,352	3,470	3,713
Vote 07: Health	131,321	120,935	146,572	177,418	177,418	177,418	188,063	197,466	211,289
Vote 08: Transport	4,150	3,062	4,403	5,289	5,289	5,289	6,201	6,300	6,400
Vote 09: Public Works	7,310	9,510	10,703	9,007	9,007	9,007	8,621	8,997	9,627
Vote 10: Safety, Security and Liaison	101	129	110	200	240	240	400	272	554
Vote 11: Local government & housing	2,879	3,096	3,384	2,464	2,497	2,497	2,596	2,726	2,889
Vote 12: Social Development	-	-	1,500	1,000	1,000	1,000	3,000	3,000	3,000
Vote 21: Sport, Arts & Culture	244	613	398	715	715	715	640	640	743
<b>Total provincial expenditure on training</b>	<b>157,103</b>	<b>161,046</b>	<b>207,922</b>	<b>241,560</b>	<b>245,971</b>	<b>245,971</b>	<b>264,180</b>	<b>272,425</b>	<b>290,585</b>

Table 16: Information relating to section 5.3: Details of provincial payments and estimates by economic classification

R thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	Audited	Audited	Audited	appropriation	appropriation	estimate			
	2002/03	2003/04	2004/05		2005/06		2006/07	2007/08	2008/09
<b>Current payments</b>	<b>12,718,720</b>	<b>14,053,045</b>	<b>15,540,997</b>	<b>17,076,273</b>	<b>17,442,743</b>	<b>17,826,160</b>	<b>18,584,714</b>	<b>20,560,857</b>	<b>22,994,697</b>
Compensation of employees	10,426,612	11,464,326	12,400,458	13,331,812	13,244,005	13,596,241	14,269,965	15,738,926	16,646,180
Salaries and wages	8,997,386	10,015,565	10,662,914	11,555,253	11,450,800	11,777,583	12,212,119	13,553,922	14,326,267
Social contributions	1,429,226	1,448,761	1,737,544	1,776,559	1,793,205	1,818,658	2,057,846	2,185,004	2,319,913
Goods and services	2,283,641	2,588,689	3,139,295	3,744,461	4,197,718	4,228,512	4,314,749	4,821,931	6,348,517
of which									
Communication									
Transport									
Rental Buildings									
Operational Leases									
Interest and rent on land	-	-	-	-	20	20	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	20	20	-	-	-
Financial transactions in assets and liabilities	8,467	30	1,244	-	1,000	1,387	-	-	-
Unauthorised expenditure	-	-	-	-	-	-	-	-	-
<b>Transfers and subsidies to<sup>1</sup>:</b>	<b>1,299,842</b>	<b>1,549,575</b>	<b>1,865,004</b>	<b>2,129,304</b>	<b>2,380,434</b>	<b>2,381,632</b>	<b>2,577,236</b>	<b>3,169,015</b>	<b>3,350,049</b>
Provinces and municipalities	2,463	-	51,428	83,523	222,481	218,017	62,966	74,574	78,326
Provinces <sup>2</sup>	-	-	198	-	200	200	100	224	240
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	4,926	-	85,114	163,374	309,521	300,658	111,730	133,840	140,337
Municipalities <sup>3</sup>	2,463	-	51,230	83,523	222,281	217,817	62,866	74,350	78,086
Municipalities	2,463	-	33,884	79,851	87,240	82,841	48,864	59,490	62,251
Municipal agencies and funds	-	-	17,346	3,672	135,041	134,976	14,002	14,860	15,835
Departmental agencies and accounts	254,999	212,951	289,182	199,188	248,896	255,036	285,950	270,401	287,179
Social security funds	-	-	155	1,350	1,300	1,198	2,500	2,500	2,625
Provide list of entities receiving transfers <sup>4</sup>	254,999	212,951	289,027	197,838	247,596	253,838	283,450	267,901	284,554
Universities and technikons	-	-	-	1,800	-	1,800	790	837	896
Public corporations and private enterprises <sup>5</sup>	456,238	643,987	802,701	1,031,661	996,242	996,242	987,098	1,395,702	1,416,076
Public corporations	352,584	539,309	674,356	867,713	832,854	832,854	745,815	1,099,242	1,098,864
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	352,584	539,309	674,356	867,713	832,854	832,854	745,815	1,099,242	1,098,864
Private enterprises	103,654	104,678	128,345	163,948	163,388	163,388	241,283	296,460	317,212
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	103,654	104,678	128,345	163,948	163,388	163,388	241,283	296,460	317,212
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	148,849	193,600	265,631	266,070	271,869	272,698	553,587	596,910	661,824
Households	437,293	499,037	456,062	547,062	640,946	637,839	686,845	830,591	905,748
Social benefits	-	-	97,347	122,626	124,196	122,889	130,150	141,112	149,151
Other transfers to households	437,293	499,037	358,715	424,436	516,750	514,950	556,695	689,479	756,597
<b>Payments for capital assets</b>	<b>649,209</b>	<b>897,083</b>	<b>1,312,886</b>	<b>1,437,899</b>	<b>1,543,642</b>	<b>1,539,755</b>	<b>1,736,839</b>	<b>1,771,135</b>	<b>1,973,756</b>
Buildings and other fixed structures	406,650	631,154	891,027	1,104,741	1,027,908	1,038,945	1,104,291	1,148,043	1,190,057
Buildings	376,039	576,167	807,627	917,163	985,396	996,433	882,781	916,335	952,130
Other fixed structures	30,611	54,987	83,400	187,578	42,512	42,512	221,510	231,708	237,927
Machinery and equipment	216,051	214,782	356,129	317,550	370,437	357,656	511,477	537,051	683,846
Transport equipment	33,717	39,328	80,605	31,600	32,749	11,228	40,760	46,629	49,018
Other machinery and equipment	182,334	175,454	275,524	285,950	337,688	346,428	470,717	490,422	634,828
Cultivated assets	-	-	978	-	-	-	600	642	687
Software and other intangible assets	25,794	26,812	27,615	13,965	12,170	11,670	67,328	22,478	33,225
Land and subsoil assets	714	24,335	37,137	1,643	133,127	131,484	53,143	62,921	65,941
<b>Total economic classification</b>	<b>14,667,771</b>	<b>16,499,703</b>	<b>18,718,887</b>	<b>20,643,476</b>	<b>21,366,819</b>	<b>21,747,547</b>	<b>22,898,789</b>	<b>25,501,007</b>	<b>28,318,502</b>

Of which: Capitalised compensation<sup>6</sup>



Table 17: Details of Information relating to section 4.3: Conditional grants

Vote and Grant	Purpose	2002/03		2003/04		2004/05		2005/06		Medium-term estimates			
		Adjusted appro- priation	Actual transfer	Audited expendi- ture	Adjusted appro- priation	Actual transfer	Audited expendi- ture	Adjusted appro- priation	Revised transfer estimate	Revised expendi- ture estimate	2006/07	2007/08	2008/09
<b>R thousand</b>													
<b>Vote 3</b>		<b>145,942</b>	<b>146,727</b>	<b>139,431</b>	<b>285,760</b>	<b>284,513</b>	<b>287,217</b>	<b>408,871</b>	<b>408,871</b>	<b>408,871</b>	<b>489,199</b>	<b>558,419</b>	<b>716,490</b>
National School Nutrition Prog.													
Financial Management & Quality Enhancement													
HIV/AIDS		35,846	36,474	27,665	36,803	36,803	24,657	153,125	153,125	153,125	204,469	202,039	212,141
Early Childhood Development		22,613	22,613	23,906	30,062	18,915	15,848	19,415	19,415	19,415	-	-	-
Provincial Infrastructure		8,321	8,478	8,498	13,816	11,833	11,833	20,371	20,371	20,371	20,371	21,594	22,673
Flood Reconstruction		71,882	71,882	71,882	210,279	210,279	210,279	237,331	237,331	237,331	264,359	291,786	301,174
Further Education & Training Colleges SFG		7,280	7,280	7,280	4,800	4,800	4,800	-	-	-	-	-	356,488
<b>Vote 4</b>		<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>8,000</b>	<b>8,000</b>	<b>8,000</b>	<b>73,072</b>	<b>73,072</b>	<b>39,654</b>	<b>106,440</b>	<b>101,475</b>	<b>136,852</b>
Disaster Management (Drought relief)								2,000	2,000	2,000	20,000	123,570	136,852
Land Care		5,000	5,000	5,000	8,000	8,000	8,000	2,044	2,044	1,804	5,000	7,565	8,325
Provincial Infrastructure								35,600	35,600	14,999	39,654	43,767	62,386
Comprehensive Agriculture Support Programme								33,428	33,428	22,997	41,786	50,143	65,941
<b>Vote 5</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,238</b>	<b>1,238</b>	<b>1,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provincial Infrastructure													
<b>Vote 7</b>		<b>449,446</b>	<b>377,615</b>	<b>431,006</b>	<b>452,380</b>	<b>431,081</b>	<b>392,461</b>	<b>407,450</b>	<b>392,076</b>	<b>373,105</b>	<b>611,595</b>	<b>539,054</b>	<b>555,569</b>
Malaria and Cholera Prevention		10,451	9,333	11,287	13,337	13,337	7,183	6,100	6,100	3,382			
Hospital Management and Quality Improvement		45,101	35,033	43,534	41,981	40,414	30,320	51,805	51,805	51,805	72,411	76,032	79,834
Health Professional Training & Development		124,821	119,000	126,824	96,239	96,239	96,613	106,463	106,463	97,797	202,918	48,247	66,908
Hospital Rehabilitation		23,905	20,554	23,906	28,962	28,962	27,498	77,430	70,983	69,327	125,899	175,861	184,726
HIV/AIDS		129,919	109,127	118,197	138,155	146,433	134,235	20,320	15,240	14,071	22,344	-	-
Integrated Nutrition Programme		76,256	45,575	68,265	54,287	46,297	43,943	46,878	46,878	42,656	71,182	71,579	75,230
National Tertiary Services								15,388	11,541	11,001	17,457	17,457	17,457
Redistribution of Specialised Health Services		38,993	38,993	38,993	58,399	58,399	58,399	83,066	83,066	83,066	92,526	102,125	115,859
Provincial Infrastructure											6,658	38,365	41,930
Forensic Pathology Service Grant													
Medico-Legal					1,000	1,000	72						
<b>Vote 8</b>		<b>111,408</b>	<b>111,408</b>	<b>111,408</b>	<b>168,253</b>	<b>168,253</b>	<b>168,253</b>	<b>237,331</b>	<b>237,331</b>	<b>237,331</b>	<b>284,359</b>	<b>291,786</b>	<b>358,488</b>
Provincial Infrastructure													
Flood Reconstruction		111,408	111,408	111,408	168,253	168,253	168,253	237,331	237,331	237,331	284,359	291,786	358,488
<b>Vote 9</b>		<b>138,320</b>	<b>138,320</b>	<b>138,320</b>	<b>115,200</b>	<b>115,200</b>	<b>115,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provincial Infrastructure													
Flood Reconstruction		138,320	138,320	138,320	115,200	115,200	115,200						
<b>Vote 11</b>		<b>470,413</b>	<b>462,296</b>	<b>433,014</b>	<b>518,027</b>	<b>480,750</b>	<b>476,773</b>	<b>405,776</b>	<b>405,776</b>	<b>340,951</b>	<b>399,068</b>	<b>521,331</b>	<b>716,025</b>
SA Housing Fund		387,995	387,995	383,470	426,160	426,160	423,762	369,818	369,818	312,951	397,650	521,331	716,025
Human Settlement		11,217	11,000	140	22,077	11,000	11,912	11,660	11,660	5,072	1,418	1,418	1,418
Capacity Building		10,901	10,901	14,724							-	-	-
Local Govt. Capacity Building Fund		33,000	15,100	7,380	47,253	21,633	19,243	20,100	20,100	18,740	-	-	-
Municipal Infrastructure Programme		27,300	27,300	27,300	4,537	3,957	3,656	4,198	4,198	4,198	-	-	-
Flood Disaster					18,000	18,000	18,000				-	-	-
<b>Vote 12</b>		<b>4,744</b>	<b>4,335</b>	<b>4,210</b>	<b>65,982</b>	<b>65,989</b>	<b>64,224</b>	<b>70,284</b>	<b>635,089</b>	<b>594,473</b>	<b>61,146</b>	<b>-</b>	<b>-</b>
Financial Management		1,609	1,200	1,075	463	24					-	-	-
HIV/AIDS		3,135	3,135	3,135	4,353	3,820	3,820	9,138	573,943	576,273		-	-
Integrated Social Development Services Grant					61,146	61,146	60,580	61,146	61,146	18,200	61,146		
<b>Vote 13</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>	<b>1,000</b>	<b>2,670</b>	<b>18,882</b>	<b>25,951</b>
Sport and Recreation South Africa								1,000	1,000	1,000	2,670	18,882	25,951
<b>Total conditional grants</b>		<b>1,395,273</b>	<b>1,235,701</b>	<b>1,262,389</b>	<b>1,624,800</b>	<b>1,554,634</b>	<b>1,493,966</b>	<b>1,604,784</b>	<b>2,154,215</b>	<b>1,986,595</b>	<b>1,934,477</b>	<b>1,996,439</b>	<b>2,307,175</b>



Table 18: Details of provincial payments and estimates by policy area

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
R thousand	2002/03	2003/04	2004/05		2005/06				
<b>General Public Services</b>									
Executive and Legislature									
Office of the Premier	207,354	245,233	270,128	372,912	345,938	345,938	510,173	454,857	483,897
RDP									
Provincial Legislature	48,643	63,374	83,949	92,023	94,953	94,953	96,844	100,000	106,000
Financial and Fiscal Services									
Provincial Treasury	437,081	467,413	422,532	451,819	261,075	262,285	286,652	296,458	565,571
General Services (Public Works, Local Government)	747,334	793,085	791,998	925,267	1,013,509	1,013,509	818,300	926,870	993,683
<b>Total: General Public Services</b>	<b>1,440,412</b>	<b>1,569,105</b>	<b>1,568,607</b>	<b>1,842,021</b>	<b>1,715,475</b>	<b>1,716,685</b>	<b>1,711,969</b>	<b>1,778,185</b>	<b>2,149,151</b>
<b>Public Order and Safety</b>									
Police Services	10,186	12,201	20,511	23,674	23,674	22,939	28,853	31,623	33,837
Safety and Liaison	10,186	12,201	20,511	23,674	23,674	22,939	28,853	31,623	33,837
<b>Total: Public Order and Safety</b>	<b>10,186</b>	<b>12,201</b>	<b>20,511</b>	<b>23,674</b>	<b>23,674</b>	<b>22,939</b>	<b>28,853</b>	<b>31,623</b>	<b>33,837</b>
<b>Economic Affairs</b>									
General Economic Affairs									
Dept of Economic Affairs	153,757	187,565	242,314	412,871	426,181	401,673	449,129	490,194	522,885
Agriculture									
Dept of Agriculture Affairs	718,334	786,392	732,990	906,719	1,094,248	1,094,248	1,028,787	1,202,947	1,251,585
Transport									
Department of Transport	1,004,093	1,212,876	1,444,595	1,501,152	1,769,241	1,769,241	1,780,322	2,267,204	2,321,881
<b>Total: Economic Affairs</b>	<b>1,876,184</b>	<b>2,186,833</b>	<b>2,419,899</b>	<b>2,820,742</b>	<b>3,289,670</b>	<b>3,265,162</b>	<b>3,258,238</b>	<b>3,960,345</b>	<b>4,096,351</b>
<b>Environmental Protection</b>									
Environmental Protection	174,158	170,706	162,834	158,466	150,478	176,394	225,909	201,791	217,539
<b>Total: Environmental Protection</b>	<b>174,158</b>	<b>170,706</b>	<b>162,834</b>	<b>158,466</b>	<b>150,478</b>	<b>176,394</b>	<b>225,909</b>	<b>201,791</b>	<b>217,539</b>
<b>Housing and Community Amenities</b>									
Housing Development									
Department of Housing	438,353	481,198	340,990	436,707	510,508	510,508	604,777	764,967	836,257
<b>Total: Housing and Community Amenities</b>	<b>438,353</b>	<b>481,198</b>	<b>340,990</b>	<b>436,707</b>	<b>510,508</b>	<b>510,508</b>	<b>604,777</b>	<b>764,967</b>	<b>836,257</b>
<b>Health</b>									
Outpatient services									
R and D Health (CS)									
Hospital Services	3,048,080	3,627,046	4,168,712	5,045,617	5,097,870	5,077,466	5,447,933	5,912,062	6,543,306
<b>Total: Health</b>	<b>3,048,080</b>	<b>3,627,046</b>	<b>4,168,712</b>	<b>5,045,617</b>	<b>5,097,870</b>	<b>5,077,466</b>	<b>5,447,933</b>	<b>5,912,062</b>	<b>6,543,306</b>
<b>Recreation, Culture and Religion</b>									
Sporting and Recreational Affairs									
Sport, Arts and Culture	39,320	48,683	83,139	92,670	113,670	119,380	122,820	117,862	131,881
<b>Total: Recreation, Culture and Religion</b>	<b>39,320</b>	<b>48,683</b>	<b>83,139</b>	<b>92,670</b>	<b>113,670</b>	<b>119,380</b>	<b>122,820</b>	<b>117,862</b>	<b>131,881</b>
<b>Education</b>									
Pre-primary & Primary Phases									
Secondary Education Phase									
Subsidised Services to Education									
Education not defined by level	7,463,695	8,264,389	9,609,942	9,868,605	10,067,553	10,455,892	11,066,540	12,268,182	13,614,452
<b>Total: Education</b>	<b>7,463,695</b>	<b>8,264,389</b>	<b>9,609,942</b>	<b>9,868,605</b>	<b>10,067,553</b>	<b>10,455,892</b>	<b>11,066,540</b>	<b>12,268,182</b>	<b>13,614,452</b>
<b>Social protection</b>									
Social Security Services	95,252	123,350	161,847	167,645	169,945	175,145	205,071	223,592	304,585
Social Services and Population Development	82,131	16,192	182,406	187,329	227,976	227,976	226,679	242,398	391,143
<b>Total: Social protection</b>	<b>177,383</b>	<b>139,542</b>	<b>344,253</b>	<b>354,974</b>	<b>397,921</b>	<b>403,121</b>	<b>431,750</b>	<b>465,990</b>	<b>695,728</b>
<b>Total provincial payments and estimates by policy area</b>	<b>14,667,771</b>	<b>16,499,703</b>	<b>18,718,887</b>	<b>20,643,476</b>	<b>21,366,819</b>	<b>21,747,547</b>	<b>22,898,789</b>	<b>25,501,007</b>	<b>28,318,502</b>

Table 19: Details of donor funding received by the province for 2005/06 financial year

Department	Donor	Purpose	Roll-Over R'000	Received for 2005/06 R'000	Total Available R'000
<b>1. Health</b>	European Union (EU)	To coordinate District Health services	2,215	13,000	15,215
	Belgian Government	Reduce TB prevalence rate	183		183
	Flemish Government	Reduce the prevalence of blindness	151		151
	<b>Sub-Total</b>		<b>2,549</b>	<b>13,000</b>	<b>15,549</b>
<b>2. Welfare</b>	Flemish Government	Revitalisation of strategy	891		891
	Flemish Government	Revitalisation of Disability	556		556
<b>Sub-Total</b>			<b>1,447</b>	<b>-</b>	<b>1,447</b>
<b>3. Premier</b>	Charles Kendall and partners	Review of Poverty Alleviation	396		396
	United Nations	Updating personnel records			-
	Development Programme (UNDP)	Assist the Province on various Sustainable Livelihood			-
		Development Projects (SLDF)			-
		crime and violence			-
<b>Sub-Total</b>			<b>396</b>	<b>-</b>	<b>396</b>
<b>4. Education</b>	USAID	District Improvement	7,107		7,107
	Netherland Government	To develop the capacity of district structures	8,020		8,020
	Flemish Government	(IDDP) Aid	1,924		1,924
	Flemish Government	(ESEP) Aid	27	1,109	1,136
					-
					-
					-
					-
<b>Sub-Total</b>			<b>17,078</b>	<b>1,109</b>	<b>18,187</b>
<b>5. Local Government</b>	European Union (EU)	Local economic development	1,737		1,737
<b>Sub-Total</b>			<b>1,737</b>	<b>-</b>	<b>1,737</b>
<b>6. Finance &amp; Econ. Dev.</b>	ABSA	Budget day	39	100	139
<b>Sub-Total</b>			<b>39</b>	<b>100</b>	<b>139</b>
<b>Grand Total</b>			<b>23,246</b>	<b>14,209</b>	<b>37,455</b>
<b>DONATION IN KIND</b>					
<b>4. Education</b>	Transnet foundation	New Infrastructure & upgrading thereof	1,444		1,444
	Anglo Platinum	Provision of new Infrastructure	1,224		1,224
	BHP billiton	Provision of new Infrastructure	532		532
	Zenex Foundation	Training of educators & mobile science units	432		432
	De Beers fund	Provision of new Infrastructure	448		448
	Various Publishers	Screen books and trainers	501		501
	Ireland embassy	Support programme - education	9,637		9,637
	Sasol	New Infrastructure			-
	Anglo American	Provision of new Infrastructure	2,255		2,255
	Premier's office	New toilets	150		150
<b>Sub-Total</b>			<b>16,623</b>	<b>-</b>	<b>16,623</b>