

71% of the total provincial revenue has been allocated to the Social Service Sector.

Education: Total spending amount to **R1,6 billion** in 2006/07 an increase of 7% over 2005/06 main budget.

Health: Total investment amount **R1,3 billion**, an increase 37% over 2005/06 main budget.

Social Service and Population Development:

This department will receive a total amount of **R215 million** in 2006/07.

Other sectors: Total budget for combined other sectors total to **R1,2 billion**.

Summary of Expenditure per Department

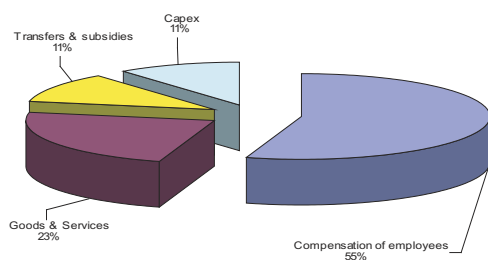
Table 2: Summary of Expenditure by Function (Department or Vote)

Department	2006/07	2007/08	2008/09	% Growth rates: Year to Year(Nominal)		
	Budget	Forward estimates		2005/06-2006/07	2006/07-2007/08	2007/08-2008/09
	R'000	R'000	R'000	%	%	%
Office of the Premier	95,447	91,597	95,697	9.9%	-4.0%	4.5%
Legislature	62,719	62,866	66,249	18.0%	0.2%	5.4%
Safety and Liaison	59,496	59,921	63,292	16.1%	0.7%	5.6%
Education	1,644,424	1,801,224	1,956,664	7.2%	9.5%	8.6%
Transport, Roads and Works	366,775	446,629	494,600	18.1%	21.8%	10.7%
Economic Affairs	67,571	71,143	75,125	1.6%	5.3%	5.6%
Sport, Arts and Culture	62,249	72,120	77,789	12.5%	15.9%	7.9%
Provincial Treasury	80,101	81,017	85,068	17.5%	1.1%	5.0%
Housing and Local Government	260,680	294,706	316,959	24.7%	13.1%	7.6%
Health	1,291,249	1,400,858	1,372,916	37.1%	8.5%	-2.0%
Social Services and Population Development	215,025	263,258	311,955	21.0%	22.4%	18.5%
Agriculture and Land Reform	129,298	149,119	166,530	11.3%	15.3%	11.7%
Tourism, Environment and Conservation	60,302	61,010	69,739	20.8%	1.2%	14.3%
Total Expenditure	4,395,336	4,855,468	5,152,583	-12.9%	10.5%	6.1%

Table 3. Summary of Expenditure by Economic Classification

R thousand	Medium Term Expenditure Estimates				
	2006/07	%	2007/08	%	2008/09
Current payments	3,429,415	78%	3,721,914	77%	4,040,679
Compensation of employees	2,409,568	55%	2,556,415	53%	2,694,344
Goods and Services	1,019,847	23%	1,165,099	24%	1,346,335
Transfers and subsidies	497,526	11%	554,984	11%	611,229
Municipalities	118,435	3%	117,902	2%	124,490
Other transfers	254,257	6%	284,598	6%	320,236
Households	124,834	3%	152,484	3%	166,503
Capex	468,395	11%	578,970	12%	500,675
Buildings and other fixed structures	402,868	9%	495,885	10%	433,323
Machinery and equipment	63,185	1%	80,669	2%	64,969
Software and other intangible assets	2,342	0%	2,416	0%	2,383
Land and subsoil assets	-	-	-	-	-
Total	4,395,336	100%	4,855,468	100%	5,152,583

Chart 5: Allocation by Major Spending Items : 2006/07



Total allocated budget in 2006/07: R4,4 billion

- Compensation of Employees account for 55% of total allocated budget.
- Goods and Services share 23% of the total allocation.
- Transfers and Subsidies represent 11% of the total allocation.
- Capital Spending account for 11% of the total spending. This represent an increase by 67% compared to 2005/06 financial year.

Policy Priorities

Social Sector has been allocated R494 million over the MTEF :

- To expand early childhood development (Grade R), strengthen special schools, expand information management system, to expand emergency medical services, expand primary health care, to expand existing social welfare services for the phased implementation of Children's Bill, Older Persons Bill, Child Justice Bill.
- **Social Sector Expanded Public Works Programme** has been allocated R92 million: To expansion of existing programmes such as community health workers, home/community based care, early childhood, provide training of practitioners
- **Economic Sector** : R118 million. Rehabilitation and maintenance of roads. Expansion of agricultural support to emerging farmers. Bolstering of provincial tourism

NORTHERN CAPE PROVINCE



2006 BUDGET

"A plan to advance the priorities of the Province that will Build a Stronger and Better Province"

"Entering the Age of Hope"

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1. OVERVIEW

The 2006 Budget presents to people of the Northern Cape a budget that build a stronger and better Province. It focuses on the strategic objectives as set out in the Provincial Growth and Development Strategy (PGDS).

It takes forward the province's commitment to investing in priorities that matter to the people. It continues the province's focus on providing value to taxpayers and its plan to build new job opportunities.

2. WHAT IS THE BUDGET?

The Provincial Budget is :

A plan of how the Provincial Government spends taxpayers' money.

- What activities are funded?
- How much does it spend for health, education, roads, and so on?

A plan of how the Provincial Government pays for its activities:

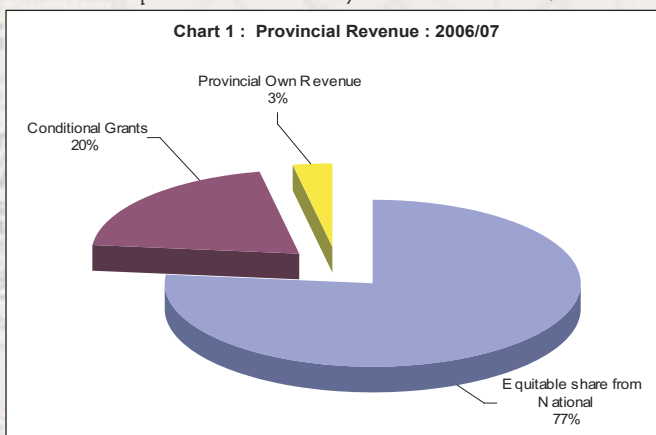
- How much revenue does it raise through different kinds of taxes?

The three year spending plan of the Government is called the Medium-Term Expenditure Framework (MTEF).

3. WHERE DOES THE MONEY COME FROM AND WHERE DOES IT GO TO?

Provincial Revenue consists of Equitable Share, Conditional Grants and Provincial Own Revenue.

Total receipts amount to **R4,5 billion** in 2006/07.



97% of the provincial revenue comes from National Transfers (*Equitable Share and Conditional Grants*). Provincial Own Revenue account for only 3%.

Major sources of own revenue collection are Motor Vehicle Licences at 50%, Hospital fees at 21% and Casino taxes at 12%.

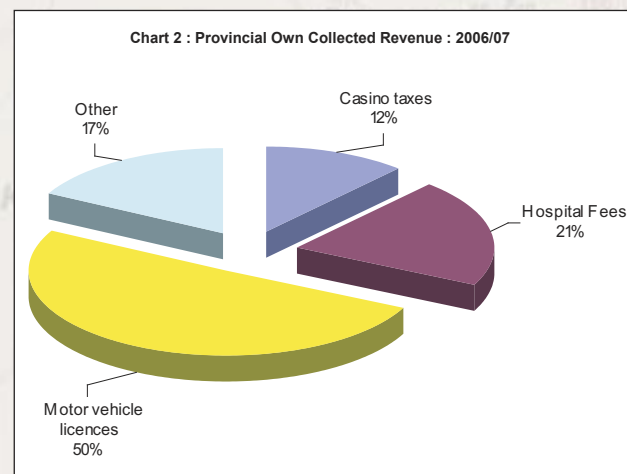


Table 1. Provincial Revenue

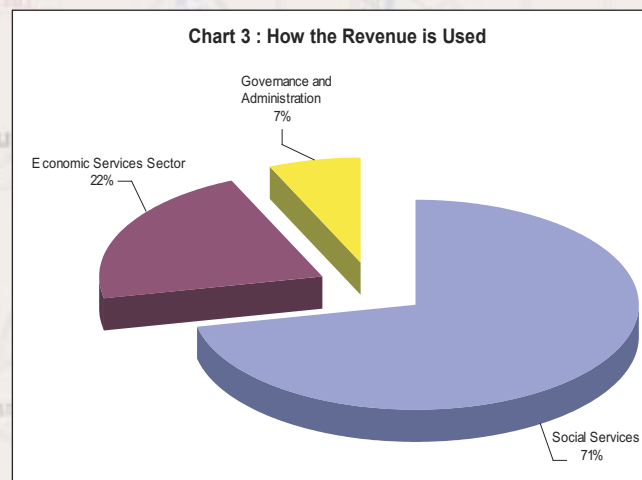
	Main Budget Estimate	Medium Term Expenditure (MTEF) estimate (baselines)			
R thousand	2005/06	2006/07	2007/08	2008/09	
Provincial Revenue					
Equitable share	3,345,129	3,451,507	3,790,085	4,174,174	
Conditional grants	2,226,618	915,611	1,072,427	1,000,020	
Own revenue	110,775	131,551	138,684	145,635	
Total	5,682,522	4,498,669	5,001,196	5,319,829	

Increase in Provincial Revenue :

- Equitable share increases by **R106 million** in 2006/07, an increase of 3.2% over 2005/06 main budget.
- Conditional Grants, excluding Department of Social Services grants, increased by **R420 million** in 2006/07, an increase of 65% over the 2005/06 main budget.
- Provincial Own Revenue increased by **R21 million** in 2006/07, an increase of 19% over the 2005/06 main budget.

Provincial Spending

The Provincial Government's receipts amount to **R4,5 billion** in 2006/07. Total spending amount to **R4,4 billion**, which is divided in several categories as shown in Chart 3.



Largest portion of spending goes to Social Services Sector which provide **health care services** to the people of the province, **investing in education system** and **social development**. This account for **71%** of the total provincial spending.

Economic Services spending total to **R947 million** in 2006/07. This account for 22% of the total provincial spending.

Administration and Governance Sector total to **R298 million** in 2006/07. This account for 7% of the total provincial spending.

2006 MTEF Expenditure: Social Services vs Other

