

GAUTENG PROVINCIAL GOVERNMENT

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## **PROVINCIAL APPROPRIATION BILL**

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*(As introduced in the Gauteng Legislature as a section 76 Bill)*  
*(The English text is the official text of the Bill)*

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(MEC FOR GAUTENG TREASURY)

## **B I L L**

**To provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province in the 2007/08 financial year; and to provide for subordinate matters incidental thereto.**

## **PREAMBLE**

**WHEREAS** section 226(2) of the Constitution provides that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by a provincial Act;

**AND WHEREAS** section 26 of the Public Finance Management Act, 1999 (Act 1 of 1999) provides that the Provincial Legislature must appropriate money for each financial year for the requirements of the Province;

**BE IT ENACTED** by the Provincial Legislature of the Gauteng Province, as follows:—

### **Definitions**

**1.** In this Act, unless the context indicates otherwise, any word or expression to which a meaning has been assigned in the Public Finance Management Act has the meaning assigned to it in that Act and —

**“Act”** includes the Schedule and its annexures;

***"current payments"*** means any payments made by a provincial department in respect of the operational requirements of that department, and includes, amongst others, payments for the compensation of employees, goods and services, interest, rental of immovable property and financial transactions relating to assets and liabilities, but exclude transfers and subsidies, payments for capital assets and payments made under section 73 of the Public Finance Management Act;

***"transfers and subsidies"*** means any payments made by a provincial department to another organ of state or any other person in respect of which the national department does not receive anything of similar value directly in return, and includes the payment of conditional grants;

***"payments for capital assets"*** means any payments made by a provincial department –

- (a) for assets that can be used continuously or repeatedly in production for more than one year, and from which future economic benefits or service potential is expected to flow directly to the provincial department making the payment; and
- (b) that must be classified as or deemed to be payments for capital assets in accordance with the *"Reference Guide to the new Economic Format"* (November 2003, Version 2) and the *"Asset Management Framework"* (April 2004, Version 3.3), issued by the National Treasury under section 76 of the Public Finance Management Act;

***"Public Finance Management Act"*** means the Public Finance Management Act, 1999 (Act No. 1 of 1999); and

***"conditional grants"*** means allocations to provinces, local government or municipalities from the national government's share of revenue raised nationally, provided for in section 214(1)(c) of the Constitution.

### **Appropriation of money for the requirements of the Province**

2(1) Appropriation by the Provincial Legislature of money from the Provincial Revenue Fund for the requirements of the Province in the 2007/08 financial year, to votes and main divisions within a vote, and for the specific listed purposes, is set out in the Schedule and Annexure A, B and C.

(2) Subject to section 3, spending of appropriations is subject to the Public Finance Management Act.

### **Appropriation listed as specifically and exclusively**

3. Despite the provisions of any law, appropriations to a vote or main divisions within a vote that are listed as specifically and exclusively may only be utilised for the purpose indicated and may not be used for any other purpose, unless an Act of the Provincial Legislature amends or changes the purpose for which it was allocated.

### **Short title**

4. This Act is called the Provincial Appropriation Act, 2007.

SCHEDULE							
(As a charge to the Provincial Revenue Fund)							
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Details of appropriated amount				
			Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
		R'000	R'000	R'000	R'000	R'000	R'000
<b>1</b>	<b>Office of the Premier</b>	<b>121 768</b>					
	Vision: To serve as a political nerve centre to ensure government excels in fulfilling its mandate.						
	<b>1 Administration</b>		<b>28 054</b>	<b>960</b>			<b>29 014</b>
	To provide administrative support to the Premier, the Executive Council and the Director General in fulfilling their legislative and oversight functions and to promote good corporate governance.						
	<b>2 Institutional Development</b>		<b>68 433</b>	<b>1 638</b>			<b>70 071</b>
	To improve service delivery through institutional capacity building and transformation management.						
	<b>3 Policy and Governance</b>		<b>22 335</b>	<b>348</b>			<b>22 683</b>
	To initiate the development and implementation of policies and strategies to achieve a co-ordinated approach towards sustainable provincial growth and development.						
	<b>TOTAL</b>		<b>118 822</b>	<b>2 946</b>			<b>121 768</b>
<b>2</b>	<b>Gauteng Legislature</b>	<b>164 866</b>					
	From the Gauteng Legislature's primary role in ensuring that constitutional obligations, which include law making, the exercise of oversight, ensuring co-operative governance and public participation) will (1) strive for and maintain a modern, dynamic, competent, accessible, transparent and accountable legislature in the 21st century, (2) foster ethical governance and public confidence in the legislature and (3) aim to attract and retain skilled & professional staff.						
	<b>1 Political Representation</b>		<b>30 215</b>				<b>30 215</b>
	To provide and administer facilities for Members as determined by the Legislature Services Board (LSB) and ministerial handbook, as well as facilitating work by Members of the Legislature by rewarding them in terms of the Remuneration of Public Office Bearers Act.						
	<b>2 Leadership and Governance</b>		<b>5 268</b>				<b>5 268</b>
	To provide leadership and direction to the Legislative Services Board (LSB), Strategic management of committees to ensure political outcomes and ensuring that institutional obligations are executed.						
	<b>3 Office of the Speaker and Secretary</b>		<b>7 871</b>				<b>7 871</b>
	This programme is responsible for providing administrative leadership and direction to the Gauteng Provincial legislature, secretariat support to the Board and Strategic management of committees to ensure political outcomes and ensuring that institutional obligations are executed.						
	<b>4 Parliamentary Operations</b>		<b>30 388</b>				<b>30 388</b>
	To provide effective and efficient management and administration of committees, enhance the level of procedural expertise and advice, ensure qualitative participation in the National Council of Provinces (NCOP) processes and efficient legal support to both the Corporate and Legislative processes within the GPL, Hansard and Language services, and public participation and petition services.						
	<b>5 Institutional Support Services</b>		<b>29 219</b>	<b>65</b>			<b>29 284</b>
	To provide efficient and effective financial management, human resource management and development, general administration and procurement services to the Gauteng Provincial Legislature.						
	<b>6 Operational Support Services</b>		<b>26 954</b>	<b>16 755</b>			<b>43 709</b>
	To provide technological support services for the Legislature and its work; provide efficiently co-ordinated document related services, security services and building management within the Gauteng Provincial Legislature.						
	<b>7 Information and Liaison</b>		<b>18 131</b>				<b>18 131</b>
	To co-ordinate public relations, Information Centre and Research of the Legislature.						
	<b>TOTAL</b>		<b>148 046</b>	<b>16 820</b>			<b>164 866</b>

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
<b>3 Economic Development</b>		<b>627 308</b>					
Vision: To become a centre of operational excellence, providing financial management leadership and contributing to a conducive environment for economic growth in Gauteng.							
<b>1 Administration</b>			<b>49 194</b>	<b>1 353</b>			<b>50 547</b>
To provide leadership, strategic management in accordance with legislation, regulations and policies and ensure appropriate support service to all other programmes.							
<b>2 Intergrated Economic Development</b>			<b>245 490</b>	<b>112</b>			<b>245 602</b>
To sustain economic development through shared partnerships.							
<i>of which</i>							
Transfers to departmental agencies and accounts							
Gauteng Economic Propeller					123 650		
<b>3 Trade and Industry Development</b>			<b>287 314</b>				<b>287 314</b>
To stimulate economic growth through industry development, trade and investment promotion.							
<i>of which</i>							
Transfers to departmental agencies and accounts							
Gauteng Economic Development Agency					33 500		
Gauteng Tourism Agency					34 500		
Gauteng Flim Office					3 550		
Transfers to Public corporations/Private enterprises							
Blue IQ					93 211		
<b>4 Business Regulation and Governance</b>			<b>43 700</b>	<b>145</b>			<b>43 845</b>
To ensure an equitable, socially responsible business environment that allows for predictability.							
<b>TOTAL</b>			<b>625 698</b>	<b>1 610</b>	<b>288 411</b>		<b>627 308</b>

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
<b>4 Health</b>		<b>12 052 282</b>					
Vision: Health for a better life							
<b>1 Administration</b>			<b>289 075</b>	<b>15 592</b>			<b>304 667</b>
To provide political and strategic direction and leadership to the department and ensure implementation of all goals according to norms and standards.							
<b>2 District Health Services</b>			<b>3 120 629</b>	<b>72 848</b>			<b>3 193 477</b>
To manage District Health Services (DHS) and render comprehensive Primary Health Care (PHC) services to the community on the ground.							
<i>of which</i>							
National conditional grants							
HIV/AIDS grant						399 604	
Forensic Pathology Services						83 749	
Transfers to municipalities					194 345		
Transfers to Non-profit institutions					202 170		
<b>3 Emergency Medical Services</b>			<b>455 551</b>	<b>46 790</b>			<b>502 341</b>
To ensure rapid and effective Emergency Medical Care and transport, to ensure planned patient transport, and to ensure implementation of provincial norms and standards.							
<i>of which</i>							
Transfers to municipalities					242 088		
<b>4 Provincial Hospital Services</b>			<b>2 889 689</b>	<b>118 879</b>			<b>3 008 568</b>
To render level two hospital services provided by specialists.							
<i>of which</i>							
Transfers to non-profit institutions					125 000		
<b>5 Central Hospital Services</b>			<b>3 393 175</b>	<b>122 990</b>			<b>3 516 165</b>
To, to provide a highly specialised health care service, provide a platform for the training of health workers and to serve as a specialist referral centres for neighbouring provinces and regional hospitals.							
<i>of which</i>							
National conditional grants							
National Tertiary Services						1 959 399	
Health Professions Training & Development						581 741	
<b>6 Health Training and Sciences</b>			<b>331 670</b>	<b>7 150</b>			<b>338 820</b>
To provide education, training and development for all personnel within the department of Health.							
<i>of which</i>							
Transfers to Universities and technikons					720		
<b>7 Health Care Support Services</b>			<b>119 730</b>	<b>3 251</b>			<b>122 981</b>
To render support services, non-clinical services as may be applicable for research, laundry and food supply services and efficient and effective support services to hospitals and clinics.							
<b>8 Health Facilities Management</b>			<b>383 869</b>	<b>708 394</b>			<b>1 092 263</b>
To plan, provide and equip new facilities/assets and to upgrade, rehabilitate and maintain hospitals and clinics.							
<i>of which</i>							
National conditional grants							
Hospital Revitalisation						503 284	
Provincial Infrastructure						81 699	
<b>9 Internal Charges</b>			<b>- 27 000</b>				<b>- 27 000</b>
<b>TOTAL</b>			<b>10 956 388</b>	<b>1 095 894</b>	<b>764 323</b>	<b>3 609 476</b>	<b>12 052 282</b>

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
5	<p><b>Education</b></p> <p>Vision: Our vision is a smart service delivery of quality public education, which promotes a dynamic citizenship for socio-economic growth and development in Gauteng and South Africa.</p> <p><b>1 Administration</b></p> <p>To provide overall management of the education system in accordance with the National Education Policy Act, the Public Finance Management Act, and other policies.</p> <p><b>2 Public Ordinary School Education</b></p> <p>To provide public ordinary education from Grades 1 to 12, in accordance with the South African Schools Act.</p> <p><i>of which</i></p> <p>National conditional grants</p> <p>HIV/AIDS</p> <p>Provincial Infrastructure</p> <p>Transfers to Non-Profit Institutions</p> <p><b>3 Independent Schools Education</b></p> <p>To support independent schools in accordance with the South African Schools Act.</p> <p><i>of which</i></p> <p>Transfers to Non-Profit Institutions</p> <p><b>4 Education In Specialised Schools</b></p> <p>To provide compulsory public education in special schools in accordance with the South African Schools Act and White Paper 6 on inclusive education.</p> <p><i>of which</i></p> <p>Transfers to Non-Profit Institutions</p> <p><b>5 Further Education and Training</b></p> <p>To provide Further Education and Training (FET) at public FET colleges in accordance with the Further Education and Training Act.</p> <p><i>of which</i></p> <p>National conditional grants</p> <p>Further Education and Training College Sector Recapitalisation</p> <p>Transfers to Non-Profit Institutions</p> <p><b>6 Adult Basic Education and Training</b></p> <p>To provide Adult Basic Education and Training (ABET) in accordance with the Adult Basic Education Act.</p> <p><b>7 Early Childhood Development</b></p> <p>To provide Early Childhood Education (ECD) at Grade R and earlier levels in accordance with White Paper 5.</p> <p><i>of which</i></p> <p>National conditional grants</p> <p>National School Nutrition</p> <p><b>8 Auxiliary and Associated Services</b></p> <p>To provide the education institutions as a whole with training and support.</p> <p><i>of which</i></p> <p>Transfers to Non-Profit Institutions</p> <p><b>TOTAL</b></p>	14 543 466	931 205	5 000			936 205
			10 968 824	620 023			11 588 847
						22 416	
						162 925	
					743 393		
			216 461				216 461
					215 861		
			709 353				709 353
					114 165		
			600 303				600 303
						140 509	
					191 705		
			223 052				223 052
			152 739				152 739
						114 574	
			116 506				116 506
			13 918 443	625 023	1 265 124	440 424	14 543 466



			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
<b>6 Social Development</b>		<b>1 404 413</b>					
Vision: A caring and integrated Social Development system that facilitates human development and improves the quality of life of people of Gauteng.							
<b>1 Administration</b>			<b>336 295</b>	<b>84 560</b>			<b>420 855</b>
To provide efficient and effective administrative support at all levels of the department.							
<b>2 Social Welfare Services</b>			<b>889 907</b>	<b>32 338</b>			<b>922 245</b>
To provide services and facilities for the treatment and prevention of substance abuse, protection of older persons, children in conflict with the law including social crime prevention, promotion of the wellbeing of persons living with disabilities, protection of the rights of children and women, HIV and AIDS community based care and responses to emergency needs.							
<i>of which</i>							
Transfers to Non-Profit Institutions					638 753		
<b>3 Decevelopment and Research</b>			<b>61 313</b>				<b>61 313</b>
To provides programmes and services to empower the youth, development and implementation of appropriate programmes for sustainable livelihood, support the development of institutional capacity both within the department and within communities.							
<i>of which</i>							
Transfers to Non-Profit Institutions					36 182		
<b>TOTAL</b>			<b>1 287 515</b>	<b>116 898</b>	<b>674 935</b>		<b>1 404 413</b>
<b>7 Housing</b>		<b>2 637 948</b>					
Vision: To be a province where all households inhabit quality homes in vibrant and sustainable communities							
<b>1 Administration</b>			<b>133 574</b>	<b>18 019</b>			<b>151 593</b>
The main aim of Administration programme is to provide overall management within the department in accordance with the statutory regulations and other prescripts.							
<i>of which</i>							
Housing fund (National Conditional Grant)						11 223	
<b>2 Housing Planning and Research</b>			<b>15 432</b>				<b>15 432</b>
To provide administrative and/ or transversal project management services, to provide regulatory framework for housing delivery in respect of policy guidelines, proclamation of legislation and outline the policy development and approval process, to develop provincial multi-year strategic housing plans, aligning provincial and municipal housing plans and IDP's, to conduct housing research through information gathering, analysis and reporting within specific time frames.							
<b>3 Housing Development and Implementation</b>			<b>55 433</b>	<b>2 324 000</b>			<b>2 379 433</b>
The main aim of the Housing Development Implementation is to promote effective and efficient delivery of National and Provincial Housing Programmes, and focuses on the integrated redevelopment of urban communities at scale to cultivate sustainable local economies.							
<i>of which</i>							
Housing fund (National Conditional Grant)						2 134 000	
<b>4 Housing Property Management</b>			<b>39 490</b>	<b>52 000</b>			<b>91 490</b>
The Gauteng Housing Asset Management Programme is responsible for the efficient management of provincial assets through property management.							
<i>of which</i>							
National conditional grants						52 000	
Housing fund (National Conditional Grant)							
Urban Renewal Project					125 000		
<b>TOTAL</b>			<b>243 929</b>	<b>2 394 019</b>	<b>125 000</b>	<b>2 197 223</b>	<b>2 637 948</b>

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
<b>8</b>	<b>Local Government</b> Vision: To ensure that the Gauteng province comprises viable local government and sustainable communities.  <b>1 Administration</b> To render corporate support to the department. The programme enables the business units of the department to perform efficiently by providing HR support, financial management support, strategic planning support, ITC and facilities' support.  <b>2 Local Governance</b> To support and monitor the local government in the province. It aims to ensure that municipalities are viable and sustainable to perform their constitutional responsibilities. The programme also ensures that communities have access to basic services and government services. <i>of which</i> Transfers to municipalities  <b>3 Integrated Development and Services Delivery</b> To coordinate and facilitate integrated development and planning in municipalities to ensure that a variety of services are delivered in an integrated and sustainable manner.  <b>4 Traditional Institution Management</b> The business of the programme is to promote and facilitate viable and sustainable Traditional Institutions and to support and enhance the capacity of Traditional authorities.  <b>TOTAL</b>	<b>228 441</b>					
			<b>39 057</b>	<b>500</b>			<b>39 557</b>
			<b>129 806</b>	<b>1 050</b>			<b>130 856</b>
					<b>12 047</b>		
			<b>23 331</b>	<b>30 400</b>			<b>53 731</b>
			<b>4 297</b>				<b>4 297</b>
			<b>196 491</b>	<b>31 950</b>	<b>12 047</b>		<b>228 441</b>

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
9	<b>Public Transport, Roads and Works</b>  Vision: For socio-economic growth, development, and an enhanced quality of life for all people in Gauteng.  <b>1 Administration</b> To conduct the overall management and administrative support function to the Office of the MEC and for the department.  <b>2 Public Works</b> To provide accommodation for all provincial departments, manage the provincial property portfolio for the optimum benefit of all concerned and to render maintenance, professional and technical services to departments in respect of buildings and related infrastructure.  <b>3 Roads Infrastructure</b> To plan, design, construct, maintain and protect the provincial road network, the provincial public transport network, and public transport infrastructure; to optimise revenue collection; and to implement relevant sections of the Road Traffic Act including oversight of the driver and vehicle license functions.  <i>of which</i> Transfers from National conditional Grants Provincial infrastructure Gautrain Rapidlink Transfers to municipalities  <b>4 Transport</b> To promote, regulate, and develop an integrated public transport system, incorporating transformation of the bus and taxi industries, and the integration of Gautrain into the public transport network and commuter rail system.  <i>of which</i> Transfers to municipalities  <b>5 Community-Based Programme</b> Facilitating the implementation of multi-sectoral projects across the province whereby particularly youth, women and people with disabilities are provided with relevant training and productive employment opportunities such that skills and enterprises are developed and sustained, infrastructure is developed and maintained, and local economies enhanced.  <b>TOTAL</b>	6 460 900					
			133 659	94 000			227 659
			388 111	71 330			459 441
			225 451	5 181 050			5 406 501
					2 500	275 614 3 029 411	
			131 816	2 100			133 916
					1 500		
			218 233	15 150			233 383
			1 097 270	5 363 630	4 000	3 305 025	6 460 900
10	<b>Community Safety</b>  Vision: To ensure that Gauteng is a safe and secure province.  <b>1 Management and Administration</b> To ensure efficient and effective administrative and financial management support services to the department, policy development and implementation, to assist directorates in developing enabling tools, to co-ordinate development and training.  <b>2 Promotion of Safety</b> This programme is aimed at ensuring effective crime prevention in the province.  <b>3 Civilian Oversight</b> The purpose of this programme is to provide effective oversight of law enforcement agencies in terms of their effectiveness and efficiency as well as co-operative governance to ensure effective working relationships with all role players and stakeholders, law enforcement agencies, traffic law enforcement agencies and all spheres of government.  <b>4 Traffic Management</b> This programme ensures effective traffic law enforcement.  <b>TOTAL</b>	335 416					
			40 447	250			40 697
			48 326	1 000			49 326
			26 973				26 973
			211 075	7 345			218 420
			326 821	8 595			335 416

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
<b>11</b>	<b>Agriculture, Conservation And Environment</b>  Vision: To contribute towards economic and social development, through public and private partnerships, by enhancing the quality of life and sustainable utilization of agricultural and natural resources.	<b>294 648</b>					
	<b>1 Administration</b> To ensure the effective management of the department, management, human resource management and development, facilities management services, professional legal services, compliance and enforcement services, communication and awareness as well as knowledge and project management services to the department.		<b>104 755</b>	<b>4 951</b>			<b>109 706</b>
	<b>Agriculture</b> To optimise the contribution of sustainable agriculture towards the equitable development of all communities in the Gauteng province with the aim of enhancing food security, income, employment and the quality of life, and to control and manage health risks of animal origin by ensuring livestock production, the availability and affordability of safe, healthy high quality food and animal products thus stimulating economic growth, contributing to poverty alleviation and facilitating international trade.		<b>109 612</b>	<b>2 562</b>			<b>112 174</b>
	<i>of which</i>  Transfers to local government Transfers to Public corporations and Departmental Agencies Transfers to Non-Profit Institutions Transfers from National conditional Grants Poverty Relief and Infrastructure Development Comprehensive Farmer Support Programme				1 553 2 458 4 000	3 270 19 651	
	<b>3 Conservation</b> To promote the sustainable utilisation and the conservation of biological diversity and natural processes, for the development of all communities.		<b>31 109</b>	<b>8 925</b>			<b>40 034</b>
	<b>4 Environment</b> To ensure that the Gauteng Province implements the principles of integrated waste management. The component aims to promote sustainable development and quality of life by ensuring acceptable ambient air quality and sustainable mining practices and the management of hazardous chemicals and industrial related activities.		<b>32 734</b>				<b>32 734</b>
	<i>of which</i>  Transfers to Non-profit institutions				500		
	<b>TOTAL</b>		<b>278 210</b>	<b>16 438</b>	<b>8 511</b>	<b>22 921</b>	<b>294 648</b>

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
12	<p><b>Sports, Arts, Culture and Recreation</b></p> <p>Vision: A vibrant home of champions where sport, recreation, arts and culture promote nation building, economic growth and create sustainable livelihoods through ensuring skilled, active and healthy communities.</p> <p><b>1 Administration</b></p> <p>To provide professional internal and programme-specific corporate support services to the department to facilitate excellence in service delivery and adherence to good governance principles.</p> <p><i>of which</i></p> <p>Non Profit Institutions</p> <p><b>2 Cultural Affairs</b></p> <p>Promote Gauteng as the home of champions where major arts and culture events contribute to growing Gauteng's economy and promote sustainable livelihoods for sports women and men, artists and crafters.</p> <p><i>of which</i></p> <p>Transfers to local government</p> <p>Non Profit Institutions</p> <p><b>3 Library and Information Services</b></p> <p>To provide library and information services which are free, equitable and readily accessible, provide for the information, reading and learning needs of people; and promote a culture of reading, library usage and life long learning.</p> <p><i>of which</i></p> <p>National conditional grants</p> <p>Library Services grant</p> <p>Transfers to local government</p> <p><b>4 Sports and Recreation</b></p> <p>Positioning Gauteng as the preferred venue for competitive sporting events and to coordinate and contribute to a successful 2010 FIFA World Cup through collaboration with the private sector, other provincial government departments, local and national government, especially in the building and refurbishing of stadia facilities.</p> <p><i>of which</i></p> <p>National conditional grants</p> <p>Sports and Recreation SA</p> <p>Transfers to local government</p> <p>Non Profit Institutions</p> <p><b>TOTAL</b></p>	296 665	65 757	1 358			67 115
			32 832	50	8 250		32 882
					4 000		
					6 500		
			37 586	500			38 086
						18 810	
					23 341		
			98 054	60 528			158 582
						28 091	
					5 900		
					10 300		
			234 229	62 436	58 291	46 901	296 665

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
<b>13</b>	<b>Gauteng Shared Services Centre</b> Vision: To be a provider of world-class support services in the public sector.  <b>1 Gauteng Audit Services</b> To promote corporate governance in the province by providing a full spectrum of audit services.  <b>2 Human Resources Services</b> Human Resources Services provides customer-centric, responsive, efficient and effective HR services to all the Gauteng Provincial Government (GPG) departments.  <b>3 Procurement services</b> The aim of GSSC Procurement Services is to build a team of procurement professionals, both socially conscious and driven by customer satisfaction, using simple standardized processes, enabled by state of the art technology to drive continuous improvement in delivery of goods and services to GPG customers.  <b>4 Finance Services</b> The aim of finance services unit is to provide effective enterprise-wide transversal financial service for GPG and public sector.  <b>5 Technology Support Services</b> To develop GPG-wide enterprise architecture framework in collaboration with departmental Chief Information Officers (CIOs)  <b>6 Corporate Services</b> To provide internal support services enabling the 6 externally-oriented business units so that they in turn can efficiently and cost-effectively service other GPG departments  <b>7 Programme Management Office</b> To provide project, programme, portfolio, and Geographic Information services to GPG departments, employees and the general public..	<b>1039 792</b>					
			<b>65 462</b>	<b>779</b>			<b>66 241</b>
			<b>81 372</b>	<b>778</b>			<b>82 150</b>
			<b>65 230</b>	<b>1 576</b>			<b>66 806</b>
			<b>59 175</b>	<b>1 082</b>			<b>60 257</b>
			<b>562 395</b>	<b>14 084</b>			<b>576 479</b>
			<b>105 318</b>	<b>38 399</b>			<b>143 717</b>
			<b>41 452</b>	<b>2 690</b>			<b>44 142</b>
	<b>TOTAL</b>		<b>980 404</b>	<b>59 388</b>			<b>1 039 792</b>

			Details of appropriated amount				
VOTE AND PROGRAMME DESCRIPTION		Main Appropriation	Current	Capital	Specified transfer payments	Amounts specifically and exclusively appropriated	Total
<b>14</b>	<b>Gauteng Provincial Treasury</b>  Vision: Gauteng Provincial Treasury aspires to be pioneers in financial management and fiscal discipline within the public sector in South Africa.  <b>1 Administration</b> To provide leadership, strategic management in accordance with legislation, regulations, policies and ensure appropriate support service to all other programmes.  <b>2 Sustainable Resource Management</b> To provide provincial social and economic research and analysis that informs fiscal policy development and the annual budget process contributing to the provincial growth and development strategy; Allocate resources in line with provincial government priorities and 5 year plans to contribute to economic, efficient and effective service delivery (credible budgets); Maintain fiscal discipline through policies and the monitoring and evaluation of financial performance; Provide strategic leadership and technical and strategic support in financial management and budgeting.  <i>of which</i>  Transfers from National conditional Grants  Provincial infrastructure  <b>3 Asset and Liabilities Management</b>  Provision of guidance and leadership towards the implementation of financial management reforms brought about by the implementation of both the PFMA to provincial departments and the MFMA to municipalities.  <b>4 Financial Governance</b> Implement accounting practices that will promote effective capturing of revenue, expenditure, assets and liabilities; Ensure the effective management of risks to which the Gauteng Provincial Government (GPG) is exposed to by virtue of its assets, programs and operations; Optimise liquidity requirements and maximize returns within acceptable levels of risk for the GPG and to secure sound cash management; To ensure the efficient and effective management of assets for the GPG; To ensure that the financial systems of GPG are efficient to enable GPG to perform its operations effectively.  <b>TOTAL</b>	<b>104 292</b>	<b>20 752</b>	<b>678</b>			<b>21 430</b>
			<b>29 443</b>	<b>482</b>			<b>29 925</b>
			<b>34 103</b>	<b>540</b>		4 000	<b>34 643</b>
			<b>17 839</b>	<b>455</b>			<b>18 294</b>
			<b>102 137</b>	<b>2 155</b>		<b>4 000</b>	<b>104 292</b>
	<b>TOTAL FOR THE PROVINCE</b>	<b>40 312 205</b>	<b>29 621 837</b>	<b>9 776 426</b>	<b>2 912 231</b>	<b>9 625 970</b>	<b>116 996</b>

# ANNEXURE A

## SCHEDULE ON HEALTH: PROGRAMME 4

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward estimates	
		2007/08	2008/09	2009/10
		R'000	R'000	R'000
<b>4</b>	<b>Health</b>			
	<b>Programme 4: Provincial Hospital Services</b>			
	<i>Aim: To render general and specialized hospital services, to provide chronic mental health and tuberculosis in-patient care on an agency basis for the department, to render hospital services provided by general specialists, to render oral health care services and provide a platform for the training of health workers.</i>			
	<i>of which</i>			
	<b>a. Compensation of employees</b>	<b>1 940 689</b>	<b>2 010 000</b>	<b>2 148 000</b>
	<b>b. Transfers to Hospitals</b>	<b>128 900</b>	<b>172 290</b>	<b>180 290</b>
	<b>4.1. Psychiatric/Mental Hospitals:</b>			
	Alexandra health centre	30 000	31 500	33 100
	Witkoppen clinic	3 800	3 990	4 200
	Nutrition	22 700	23 800	25 000
	Philip Moyo community health centre	7 760	8 150	8 560
	<b>c. Current payments (type, e.g. medicine costs)</b>	<b>820 100</b>	<b>936 700</b>	<b>983 800</b>
	<b>d. Payments for capital assets</b>	<b>118 879</b>	<b>72 000</b>	<b>80 000</b>



## ANNEXURE B

### SCHEDULE ON HEALTH: PROGRAMME 5

(As a charge to the Provincial Revenue Fund)

Vote	Description	Vote and main divisions	Forward estimates	
		2007/08	2008/09	2009/10
		R'000	R'000	R'000
<b>4</b>	<b>Health</b>			
	<b>Programme 5: Central Hospital Services</b>			
	<i>Aim: To provide a highly specialised health care service, a platform for the training of health workers, research and serve as specialist referral centres for regional hospitals and neighbouring provinces.</i>			
	<i>of which</i>			
	<b>a. Compensation of employees</b>	<b>2 037 171</b>	<b>2 285 000</b>	<b>2 502 000</b>
	<b>b. Transfers to Hospitals</b>	<b>6 000</b>	<b>6 300</b>	<b>6 600</b>
	<b>c. Current payments (type, e.g. medicine costs)</b>	<b>1 350 004</b>	<b>1 439 080</b>	<b>1 648 529</b>
	<b>d. Payments for capital assets</b>	<b>122 990</b>	<b>51 000</b>	<b>55 000</b>

## ANNEXURE C

### SCHEDULE ON TRANSFERS

(As a charge to the Provincial Revenue Fund)

Description	Vote and main divisions	Forward estimates	
	2007/08	2008/09	2009/10
	R'000	R'000	R'000
<b>Transfers to Municipalities:</b>			
<b>Department of Health</b>			
City of Johannesburg	132 433	142 937	150 200
City of Tshwane	62 502	67 603	71 000
Ekurhuleni	149 202	161 536	169 800
Metsweding	9 373	10 319	10 900
Sedibeng	26 788	29 647	21 200
West Rand	23 890	26 443	27 800
<b>Department of Sport, Art, Culture and Recreation</b>			
City of Johannesburg	3 400	3 400	3 400
City of Tshwane	1 800	1 800	1 800
Ekurhuleni	2 800	2 800	2 800
Mogale City	1 400	1 400	1 400
Sedibeng	500	500	500
<b>Transfers to Public Entities:</b>			
<b>Department of Economic Development</b>			
Gauteng Development Economic Agency	33 500	33 500	33 500
Gauteng Tourism Agency	34 500	34 500	34 500
Gauteng Film Office	3 550	3 550	3 550
Gauteng Enterprise Propeller	123 650	53 650	53 650
Blue IQ	93 211	138 211	138 211
<b>Department of Sport, Art, Culture and Recreation</b>			
Gauteng Youth Commission	8 000	8 400	8 820

# EXPLANATORY MEMORANDUM

## ON THE OBJECTS OF THE

### PROVINCIAL APPROPRIATION BILL, 2007

#### ESTIMATES OF REVENUE AND EXPENDITURE FOR THE FINANCIAL YEAR ENDING 31 MARCH 2008

##### 1. Purpose of the Bill

The memorandum seeks to highlight all estimates of revenue expected to be raised for each year of the 2007/08 Medium Term Expenditure Framework (MTEF) and the expenditure to be incurred by the Province. The 2007/08 MTEF budget updates the fiscal policy framework for the Province and makes further progress toward the provincial goals of sustainable economic development and poverty alleviation in key targeted areas and improved management of public finances as defined in the Provincial 5 year plan and in the 2006 Medium Term Budget Policy Statement (MTBPS).

##### 2. SUMMARY OF THE 2007/08 PROVINCIAL MAIN BUDGET

The Gauteng provincial government's (GPG) projected revenue of R39,9 billion, comprises of equitable share transfers of R28,2 billion and conditional grants of R9,6 billion from national government. Provincial own revenue amounts to R2,1 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 law. Total expenditure amounts to R40,3 billion.

The Province is anticipating that allocated budgets will exceed revenue by R336 million or 1 per cent 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.

**Table 1: Net Provincial Position**

R thousand	2007/08	2008/09	2009/10
<b>Total Revenue</b>	<b>39,976,011</b>	<b>44,777,607</b>	<b>48,759,508</b>
<b>Total Expenditure</b>	<b>40,312,205</b>	<b>43,746,607</b>	<b>46,975,653</b>
Surplus/Deficit	(336,194)	1,031,000	1,783,855
Add to expenditure: Social Development strategy	-	58,097	90,523
Unallocated: Education		330,023	660,046
<b>Total surplus/Deficit</b>	<b>(336,194)</b>	<b>642,880</b>	<b>1,033,286</b>

Financing from Surplus	336,194	-	-
<b>Net Provincial Position: GPG</b>	-	642,880	1,033,286

## 2.1. THE PROVINCIAL FISCAL ENVELOPE

A summary of the total receipts or revenue envelope is contained in Table 2, reflecting the total revenue of R39,9 billion, R44,7 billion and R48,7 billion for the financial years 2007/08, 2008/09 and 2009/10 respectively.

**Table 2: Provincial Revenue Envelope**

<b>R thousand</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
Equitable Share	28,217,485	31,878,070	35,556,007
Conditional Grants	9,625,970	10,600,905	10,731,524
<b>Total Transfers from National Government</b>	<b>37,843,455</b>	<b>42,478,975</b>	<b>46,287,531</b>
Provincial Own Revenue	2,753,779	2,982,214	3,223,860
Less Direct Charges:	621,223	683,582	751,883
<b>Total Revenue: GPG</b>	<b>39,976,011</b>	<b>44,777,607</b>	<b>48,759,508</b>

The total revenue of Provincial Revenue Fund is derived from transfers from national and provincial own revenue. Provincial revenue is projected to increase by a total of R8,7 billion (or 6,6 per cent) from 2007/08 to 2009/10, driven by substantial additions to transfers from national (R37,8 billion) and by increased provincial own revenue (R2,7 billion).

It is anticipated that provincial revenue for the MTEF will increase owing to factors such as increased motor vehicle registrations and the growth in economic activity in the Province propelled by the 2010 Soccer World Cup and Gautrain investments. It is estimated that provincial own revenue will increase by R554 million, an average of 7.8 per cent in nominal terms over the MTEF period. Tax receipts (gambling taxes and motor vehicle licences) contribute about an average of 76 per cent of the total revenue over the MTEF years, non-tax receipts (mainly patient fees) about 13 per cent of total provincial revenue, with other revenue accounting for the remaining 10 per cent.

### 2.1.1. Transfers from national

Transfers from national in the form of equitable share and conditional grants take into account the latest fiscal framework and sector pressures identified after the tabling of the 2006 Provincial MTBPS e.g. additional teachers to accommodate the increase in learner numbers, the implementation of the free schooling system, an improved pay progression system for teachers and social workers and the recruitment of health professionals, expansion of the HIV/AIDS programme rollout, the maintenance and rehabilitation of health facilities, rehabilitation of the provincial road network and the upgrading of informal settlements.

### 2.1.2. Conditional grants

Table 2 below sets out the conditional grants per department for the MTEF years that the largest portions of the grants constitute:

- The Gautrain Grant amounts to 31,5 per cent of the total conditional grants in 2007/08, but decreases to 23 per cent by 2009/10;
- The National Tertiary Services Grants for the improvement of Health Care facilities, grows by an average of 21 per cent over the MTEF period
- The Integrated Housing and Human Settlement Development Grant increases by an average of 25 per cent over the MTEF period.

**Table 3: Conditional Grants**

<b>R thousand</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
<b>AGRICULTURE</b>	<b>22,921</b>	<b>24,022</b>	<b>26,232</b>
Land Care (Poverty Relief and Infrastructure Development)	3,270	3,428	3,599
Comprehensive Agriculture Support Programme	19,651	20,595	22,633
<b>HEALTH</b>	<b>3,609,476</b>	<b>3,844,857</b>	<b>4,385,316</b>
National Tertiary Services (Central Hospitals)	1,959,399	2,161,529	2,290,054
Health Professions Training and Development	581,741	610,828	614,812
Hospital Revitalisation (Rehabilitation)	503,284	428,545	716,267
Forensic Pathology Services	83,749	77,472	69,969
Comprehensive HIV/Aids	399,604	479,502	602,885
Provincial Infrastructure	81,699	86,981	91,329
<b>EDUCATION</b>	<b>440,424</b>	<b>487,986</b>	<b>339,256</b>
Further Education and Training College Sector Recapitalisation	140,509	167,563	-
HIV/Aids (Life Skills Education)	22,416	23,886	25,253
National School Nutrition Programme	114,574	123,075	131,568
Provincial Infrastructure	162,925	173,462	182,435
<b>HOUSING</b>	<b>2,197,223</b>	<b>2,579,974</b>	<b>2,959,488</b>
Integrated Housing and Human Settlement Development	2,197,223	2,579,974	2,959,488
<b>PUBLIC TRANSPORT, ROAD and WORKS</b>	<b>3,305,025</b>	<b>3,581,072</b>	<b>2,906,430</b>
Provincial Infrastructure	275,614	315,079	399,219
Gautrain	3,029,411	3,265,993	2,507,211
<b>SPORTS, ARTS, CULTURE and RECREATION</b>	<b>46,901</b>	<b>78,795</b>	<b>110,692</b>
Sports and Recreation SA	28,091	43,474	61,995

<b>R thousand</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>
Community Library Services	18,810	35,321	48,697
<b>Total Conditional Grants: GPG</b>	<b>9,621,970</b>	<b>10,596,706</b>	<b>10,727,414</b>

## 2.1. TOTAL PROVINCIAL ALLOCATIONS FOR 2007/08 FINANCIAL YEAR

Provincial expenditure is projected to increase by 14 per cent in 2007/08, dropping to 9 per cent in the middle year and to further drop by 2 per cent in the outer year of the MTEF (Table 4). The significant increase of 14 per cent in year 1 of the MTEF is attributed to the increased real funding for the Gauteng Treasury department to increase capacity to fully execute the mandate, the additional demarcation budget estimates to the Department of Community Safety from the North West and Mpumalanga Provinces, Social Development for the implementation of the Integrated Social development Strategy and the Shared Service Centre for the implementation of the Gauteng Online programme.

The average combined share of the social sector (health, education and social development) is 69 per cent of the provincial total expenditure for the 2007/08 financial year, with the two outer years recording a 69 per cent and 71 per cent share in the provincial estimates respectively.

**Table 4: Summary of MTEF Budget Appropriations by Department**

<b>R thousand</b>	<b>2006/07 Adjusted Appropriation</b>	<b>2007/08 MTEF</b>	<b>% Change in Budget</b>	<b>2008/09 MTEF</b>	<b>% Change in Budget</b>	<b>2009/10 MTEF</b>	<b>% Change in Budget</b>
1 Office of the Premier	117,168	121,768	3.9	128,256	5.3	134,318	4.7
2 Gauteng Legislature	146,233	164,866	12.7	165,417	0.3	173,688	5.0
3 Economic Development	665,055	627,308	-5.7	763,686	21.7	843,500	10.5
4 Health	10,659,498	12,052,282	13.1	12,761,644	5.9	14,219,399	11.4
5 Education	12,458,959	14,543,466	16.7	15,966,587	9.8	17,130,958	7.3
6 Social Development	1,034,644	1,404,413	35.7	1,604,601	14.3	1,787,485	11.4
7 Housing	2,171,717	2,637,948	21.5	3,024,253	14.6	3,417,905	13.0
8 Local Government	206,163	228,441	10.8	184,570	-19.2	190,048	3.0
9 Public Transport, Roads and Works (DPTRW)	6,251,433	6,460,900	3.4	6,996,554	8.3	6,906,021	-1.3
10 Community Safety	222,395	335,416	50.8	297,461	-11.3	310,084	4.2
11 Agriculture, Conservation and Environment (DACE)	243,246	294,648	21.1	315,571	7.1	366,452	16.1
12 Sports, Arts, Culture and Recreation (SACR)	263,272	296,665	12.7	328,161	10.6	309,557	-5.7
13 Gauteng Shared Services Centre	776,886	1,039,792	33.8	1,085,191	4.4	1,055,346	-2.8

(GSSC)							
14 Gauteng Treasury	61,194	104,292	70.4	124,657	19.5	130,890	5.0
<b>Total Payments &amp; Estimates: GPG</b>	<b>35,277,863</b>	<b>40,312,204</b>	<b>14</b>	<b>43,746,608</b>	<b>9</b>	<b>46,975,652</b>	<b>7</b>

The following departments received funding in the 2007 MTEF to fund priorities as follows:

### 2.2.1. Health – R321 million

The provincial Department of Health has received additional amounts of R196,7 million, R60,7 million and R63,7 million for each respective year of the MTEF. Additional resources will be used to fund the following Health care priorities:

- Medico-legal services at the Ikhaya Lethemba centre for victims of domestic violence and abuse that were transferred to the department from the Department of Community Safety, real funding of R2 million in the first year of MTEF with inflationary adjustments for the two outer years.
- Provincialisation of TB beds –real funding in year 1 for R31, 8 million with inflationary adjustments for the two outer years
- Provincialisation of primary health care-real funding in year 1 for R12 million with inflationary adjustments for the two outer years
- Pre-pack unit at the medical supply depot- a unit that will supply ready packed medicines to patients, R7 million once-off funding for the first year.
- Transaction adviser for the implementation of PPP – appointment of consulting services for the Chris Hani Baragwanath revitalisation works, real funding only in year 1 for R12 million with inflationary adjustments for the two outer years.
- TB crises plan and communicable diseases control 2010- for the reduction and control of the tuberculosis cases and communicable diseases, once-off funding in year 1 for R17,8 million.
- Critical care beds (including ICU)-for additional critical care beds in provincial hospitals a once-off funding of R114 million.

### 2.2.2. Education – R898,6 million

Taking into account the serious challenge facing the Province with regards to the rate of population growth and its implications on demand for services, demands, the department of education has been given additional amounts of R185,3 million, R315,2 million and R398 million for each respective year of the MTEF. These will be used to fund the following priority areas:

- Public ordinary schools-Personnel – to acquire additional educators for the public schools in response to the migration of learners into the Gauteng Province from nearby Provinces.
- Public ordinary schools-Free schooling – to implement the no-fee schooling policy in public schools as part of the free education policy.

- FET colleges – to improve access to the further education and training colleges, wherein subsidies paid out to these institutions allow institutions to accommodate more learners
- ABET – to improve access to the adult basic education centres for the community.

### **2.2.3.Social Development – R1,2 billion**

GPG will continue to provide and improve on the social safety net, in the form of transfers to non-governmental organisations and other welfare services to deal with poverty in the Province. Additional amounts of R310,4 million, R427,8 million and R449 million have been allocated to social development over the MTEF years. Additional resources will be used for the following priorities:

- Early childhood development (top 20 townships) – to prioritise the establishment and development of early learning centres in the top 20 identified townships.
- Management Information System – to fund the establishment of an electronic data management system in the department to improve the management amongst other things of the information between the department and the non-governmental organisations that render social services on behalf of the department.
- Social development strategy – In order to better tackle the challenges of poverty and create future generations who are well integrated into the economic, social and cultural mainstream, this strategy will ensure that departments and the local sphere of government collaborate with each other to enable households to access a comprehensive set of services including shelter and nutrition, infrastructure and services, education and health. It aims, further, to effectively translate social development inputs into socio-economic development outcomes, by providing the necessary educational resources and social infrastructure to enable people to increase their potential for earning income.
- Social workers salaries – to attract and retain the social worker skills that have been dwindling as a result of the emigration on attractive offers from the private sector and other countries.
- Early Childhood Development & Expanded Public Works (EPW) programmes – to continue to roll-out the establishment and development of early learning centres, the EPWP in Social Development is to contribute towards the creation of work through the HIV/AIDS Community Home Based Care Program and through training and development.

### **2.2.4. Public Transport, Roads and Works – R6,2 billion**

The DPTRW received additional amounts of R1,8 billion, R1,9 billion and R2,5 billion for each respective year of the MTEF, to fund the following:

- Infrastructure Grant
- Gautrain – the Gauteng rapid rail network project
- Rehabilitation and Maintenance of R21
- Policy adjustment for Roads



### 2.2.5. Housing – R7,7 billion (conditional grants)

The department is funded primarily from a conditional grant and the total allocated amounts are R2,2 billion, R2,6 billion and R2,9 billion over the MTEF period. Increased allocations in the conditional grant will mainly be spent on the delivery of housing programmes, formalisation of informal settlements and ensuring mixed income communities on well located land.

### 2.2.6. Gauteng Provincial Treasury – R40,7 million

The funding indicated above spans the 3 years of the MTEF in order to achieve the following activities:

- Strengthening financial management to achieve operational efficiency and promote accountability in government;
- Attracting and retaining an appropriate technical skills base at Gauteng Provincial Treasury;
- Providing technical assistance including analysing, monitoring, evaluating and advising customers to enable good financial planning and management;
- Developing and implementing efficient internal systems and processes;
- Investing in and empowering Gauteng Provincial Treasury employees.

### 2.2.7. Sports, Arts, Culture and Recreation – R138 million

The funding indicated above accommodates the 3 years of the MTEF in order to achieve the following activities:

- Libraries computers (Top 20 Townships) – the installation of computer terminals in public libraries in the identified 20 priority townships
- Pale ya Rona -
- Legacy Projects
- Youth Commission

**Table 6: Summary of MTEF Budget Appropriations by Economic classification**

R thousand	2006/07 Adjusted Appropriation	2007/08 MTEF	2008/09 MTEF	2009/10 MTEF
<b>Current payments</b>	<b>23,755,670</b>	<b>26,953,201</b>	<b>29,141,429</b>	<b>31,552,091</b>
Compensation of employees	16,933,976	18,882,829	20,324,878	21,682,139
Goods and services	6,820,668	8,068,222	8,812,811	9,865,838
Interest and rent on land	845	2,150	3,740	4,114
Financial transactions in assets and liabilities	181	-	-	-
<b>Transfers and subsidies</b>	<b>9,629,752</b>	<b>10,477,837</b>	<b>11,685,576</b>	<b>12,154,577</b>
Provinces and municipalities	562,168	498,117	512,311	539,810
Departmental agencies and accounts	4,934,856	4,922,537	5,239,702	5,039,491
Universities and technikons	641	720	755	795
Public corporations & private enterprises	85,402	95,511	140,674	140,895
Foreign governments and international organisations	-	8,000	8,400	8,820
Non-profit institutions	1,799,861	2,302,283	2,774,521	3,034,420

Households	2,246,824	2,650,669	3,009,213	3,390,346
<b>Payments for Capital Assets</b>	<b>2,649,613</b>	<b>2,881,167</b>	<b>2,919,602</b>	<b>3,268,985</b>
Buildings & other fixed structures	1,909,287	2,222,877	2,348,421	2,647,037
Machinery & equipment	709,745	634,927	547,809	598,435
Cultivated assets	1	-	-	-
Software & other intangible assets	7,377	2,809	2,818	2,959
Land and subsoil assets	23,203	20,554	20,554	20,554
<i>Of which Capitalised</i>	-	-	-	-
<b>Total Payments &amp; Estimates: GPG</b>	<b>36,035,035</b>	<b>40,312,205</b>	<b>43,746,607</b>	<b>46,975,653</b>

### 2.3. PERSONNEL COSTS

Personnel expenditure grows by 11,1 per cent, 7,7 per cent and 6,7 per cent year-on-year from the 2007/08 to the 2009/10 financial year, mainly to accommodate social sector pressures.

The carry through costs of the 2005 wage agreement (pay progression for educators and administrators, incentive scheme, recognition of prior learning and promotion of maths and science) for the Department of Education accounts for a large portion of the increase in personnel expenditure over the MTEF.

Social Development has been allocated additional amounts of R15,7 million, R16,5 million and R13,3 million for each of the 2007 MTEF years to adjust the salaries of the social workers.

Gauteng Provincial Treasury will receive an increased allocation of R39,7 million for personnel over the MTEF period ; firstly, to recruit further expertise and develop internal capacity

### 2.4. INFRASTRUCTURE PROGRAMME

The Infrastructure programme for the Province includes: payments for capital assets (which is mainly departmental capital spending discussed earlier), capital transfers (mainly housing programmes and special infrastructure projects to promote economic growth and development), maintenance (routine, planned and emergency maintenance) and other capital projects. Infrastructure is re-classified from the GFS classification into: New Construction, Rehabilitation/ Upgrading, Maintenance and Other Capital projects in Table 11 below to more accurately reflect the infrastructure investment by the Province.

**Table 11: GPG MTEF Infrastructure Programme**

R thousand	2007/08				
	New Construction	Rehabilitation/Up grading	Maintenance	Other Capital projects	Total Infrastructure per Department
3 Economic	62,926	87,714	59,051	0	209,691
4 Health	582,541	125,853	376,660	0	1,085,054

5 Education	546,828	71,363	1,833	0	620,023
6 Social	92,617	0	21,000	0	113,617
7 Housing	1,165,040	696,762	30,081	301,094	2,192,977
9 DPTRW	1,584,579	2,572	178,425	122,535	1,888,111
11 DACE	3,500	2,500	1,500	1,140	8,640
12 SRAC	0	69,900	0	0	69,900
<b>Total Infrastructure per Category</b>	4,038,031	1,056,664	668,550	424,769	6,188,013

R thousand	2008/09				
	New Construction	Rehabilitation/Up grading	Maintenance	Other Capital projects	Total Infrastructure per Department
3 Economic	97,925	98,644	182,621	0	379,190
4 Health	631,440	60,463	357,149	0	1,049,052
5 Education	451,723	177,337	1,500	0	630,560
6 Social	0	0	21,000	0	21,000
7 Housing	1,542,311	476,259	30,081	346,847	2,395,138
9 DPTRW	1,774,979	131,205	257,835	0	2,164,019
11 DACE	4,500	2,650	4,500	650	12,300
12 SRAC	0	69,900	0	0	69,900
<b>Total Infrastructure per Category</b>	4,502,878	1,016,458	854,686	347,497	6,721,159

R thousand	2009/10				
	New Construction	Rehabilitation/Up grading	Maintenance	Other Capital projects	Total Infrastructure per Department
3 Economic	97,925	98,644	182,621	0	379,190
4 Health	933,846	80,582	326,694	0	1,341,122
5 Education	298,903	130,624	2,000	0	431,527
6 Social	0	0	21,000	0	21,000
7 Housing	1,542,311	476,259	30,081	346,487	2,395,138
9 DPTRW	2,261,022	146,750	260,085	0	2,667,857
11 DACE	3,000	0	5,500	500	<b>9,000</b>
12 SRAC	0	9,900	0	0	9,900
<b>Total Infrastructure per Category</b>	5,137,007	942,759	827,981	346,987	7,254,734

Estimated infrastructure expenditure over the MTEF will approximate R20,1 billion, with the largest share of the infrastructure budget accounted for by the Departments of Housing (35 per cent), Public Transport, Roads and Works (33 per cent), Health (17 per cent) and Education (8 per cent).

The budget for 2007/08 MTEF is expected to be significant largely due to the huge investment in the implementation of the Gautrain project, which as a major infrastructure development project receives an amount of R5 billion over the MTEF period.

Cabinet agreed that national government would contribute 50 per cent towards the cost of the public sector funding share of the project during its construction phase.

### **3. SOCIAL IMPACT**

The additional allocation for Health will go a long way in recruiting health professionals and creating incentives for retaining staff in the professional health category. This will also assist the Province in realising the objective of developing healthy, skilled and productive people.

The increased allocations for Social Development will expand the existing welfare services to the community of Gauteng and partially address the problem of poverty.

The combined share of the social sector (Health, Education and Social Development) is 71 per cent of the provincial total expenditure for the 2007/08 financial year; of which Education accounts for 36 per cent to provide for quality public education and promotes a dynamic citizenship for socio-economic growth and development in Gauteng. Health approximates 30 per cent of the social sector budget and provides responsive and quality health services to the citizens. Social Development accounts for the remaining 3,5 per cent of the social sector and provides social welfare services. The other 39 per cent of the total provincial allocation is used by other departments whose programmes promote growth and development, sustainable communities and ensures proper governance and accountability.

### **4. FINANCIAL IMPLICATIONS**

Provincial expenditure for 2007/08 will amount to R40,3 billion. Allocated expenditure estimates will exceed anticipated revenue by R336 million, a deficit that will be financed from the Provincial Revenue Fund reserve account.

### **5. ENVIRONMENTAL IMPACT**

No negative impact

### **6. OTHER DEPARTMENTS OR BODIES CONSULTED**

All Provincial Departments.

National Treasury.

### **7. CLAUSE BY CLAUSE DESCRIPTION**

#### **Clause 1**

Defines important words and processes.

#### **Clause 2**

Appropriates monies from the Provincial Revenue Fund for use by Province for financial year ending 31 March 2008.

**Clause 3**

Specifically appropriates monies for special and exclusive processes.

**Clause 4**

Provides for the short title of the Act

**Schedule**

Contains details of appropriation by vote as fully set out under paragraph 2 above.

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