



# **BUDGET STATEMENT NO. 1**



# BUDGET OVERVIEW

## 1. GAUTENG BUDGET STRATEGY AND AGGREGATES

### 1.1 PROVINCIAL GOVERNMENTS MAIN STRATEGIC POLICY DIRECTION

The 2007/08 Medium Term Expenditure Framework budget updates the fiscal policy framework for the province and makes further progress toward the provincial goals of long term sustainable economic development and poverty alleviation in key targeted areas through the improved management of public finances as defined in the Provincial 5 year plan and in the 2006 Medium Term Budget Policy Statement.

The Gauteng Provincial Government has embarked on a drive to ensure integrated planning across departments and all spheres of government. In Gauteng, the key policy interventions are as follows:

- Global City Region;
- Growth and Development Strategy;
- Social Development Strategy;
- Human Resource Development Strategy;
- Upgrading of the 20 identified townships
- Infrastructure development

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

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

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

#### **Fighting poverty and building safe, secure and sustainable communities**

The access to social infrastructure is necessary for meaningful participation in economic, social and political activity. GPG therefore aims to establish integrated and productive communities where economic activity is facilitated through the provision of social amenities including education, health, housing and transport infrastructure.

Among the key priorities in developing sustainable human settlements in the GCR, the province needs to continue to reverse apartheid settlement patterns and build dynamic, safe and sustainable communities. The province is implementing an integrated housing strategy to provide a variety of housing solutions for the unemployed, low and middle income earners as well as for those who need rental accommodation. An amount of R3 billion for urban renewal plans in the 20 priority townships has been reaffirmed by the Provincial Executive.

The Department of Housing will be responsible for the overall programme management of the 20 Priority Township programme to provide social and economic infrastructure and internal and external township services that will build sustainable communities and contribute to poverty alleviation.

The Gauteng Safety Strategy for 2006 to 2014 aims to address criminal activity in the province and to alleviate serious threats to quality of life and development. This comprehensive strategy has been developed to identify strategies on how to deal with crime in the province.

The strategy requires government and all law enforcement agencies to adopt a zero tolerance approach to crime. There is also a realization that the fight against crime requires the mobilization of the necessary resources towards common objectives and priorities, including the Metro Police, SAPS and the private sector.

The Expanded Public Works programme (EPWP) is a nationwide programme that aims at drawing significant numbers of unemployed people into productive work accompanied by training to increase their capacity to earn

income. As part of the implementation of EPWP for the social sector, 1,700 people have been trained as care givers and social workers. The province has set a target of creating 120,000 work opportunities by 2009 with the labour content reaching 40 percent.

### **Enabling faster economic growth and job creation**

Shared economic growth is the prerequisite in addressing poverty and achieving other development objectives. The key delivery agents that promote economic growth and development in Gauteng are the Provincial Growth and Development Strategy and the Gauteng Enterprise Propeller, which is an agency that provides financial and non-financial support to SMMEs and cooperatives in Gauteng. These interventions have also contributed towards bridging the gap between the first and the second economies and the achievement of targeted economic growth rates in Gauteng.

The province is envisaging building Gauteng as a globally competitive city region reaching 8 percent growth by 2014 and contributing to the national goal of halving poverty and unemployment. This will be achieved through the Gauteng Business Barometer (GBB). The GCR focuses on a number of key priorities including safety and security, transport infrastructure and authorities, integrated safety and transport systems, sustainable human settlements, investment and tourism promotion and infrastructure provision. Furthermore, the implementation of flagship projects including the establishment of a city-region observatory, preparations for the 2010 FIFA World Cup and the development of the creative industries sector would be fast-tracked.

One of the goals of the GCR and the GGDS is to address uneven development and equality in the province. Particular attention will be paid to stimulating high levels of economic activity in Metsweding, Sedibeng and the West Rand. Phase one of the Dinokeng Game Reserve to stimulate tourism in the Metsweding area was launched in December 2006. Priority will be given to the development of the Kaizer Chiefs football club stadium and the sporting precinct. Further development will be pursued with regard to the Cradle of Humankind sites to stimulate further investment, tourism and job creation.

A Gauteng-wide integrated transport strategy will be launched in 2007 incorporating bus, taxi and rail to provide reliable, safe and affordable public transport. The focus will be to upgrade the province's road network in underdeveloped areas. The Gautrain is the backbone of the province's rail transport network; estimated to transport more than 100,000 passengers per day. Economic development will be stimulated by the rapid rail system and will reduce congestion on the roads between Johannesburg and Tshwane.

The province together with municipalities has developed an integrated 2010 implementation plan to ensure readiness for the 2010 FIFA Soccer World Cup. The province will be the main point of entry for international arrivals and hereby will promote effective marketing and brand the province as a destination for investment, tourism, competitive sport and creative industries.

### **Developing a healthy, skilled and productive people**

The province has directed more resources towards primary health care to ensure increased access by communities to health services. The Department of Health has implemented strategies to retain health care professionals including doctors and nurses. This entails upgrading of posts; 1,510 bursaries have been awarded for critical scarce skills or designated health professionals; 2,950 health professionals have been appointed at the end of 2005/06. The Department of Health has trained 2,116 community health workers to date and has committed to train 3,000 community workers by 2007. An effort will be made by the Department of Health to reduce waiting times in most hospitals and clinics by extending hours of service.

In addressing the impact of HIV and AIDS, focus will be on prevention and reduction of the new HIV infections. Out of the 40 accredited ART sites, the Department of Health has implemented 34 sites in health facilities. Since inception more than 41,000 patients were put on ART.

The Executive Council took a decision to implement the universal access to the Early Childhood Development (ECD) programme. With respect to Grade R, the Department of Education has increased its enrolment during 2006. ECD practitioners have been trained as part of the EPWP programme in the social sectors.

The National Curriculum Statement (NCS) has been successfully implemented in Grade 10 while preparation is underway to implement the NCS in Grades 8, 9 and 11 in 2007. Implementation of a no school fees policy was implemented in 2006 in line with National Policy; this policy will be phased into quintile 1 schools first and rolled out to quintile 2 schools thereafter.

### **Building an effective and caring government**

The province has committed itself to address skilled labour and human capital constraints faced by the economy in line with ASGISA and the Joint Initiative for Priority Skills Acquisition (JIPSA). One of the primary focuses of the province over the MTEF is the need to further improve state capacity. The province has successfully implemented the Provincial Human Resource Development Strategy.

The province is supporting municipalities through recruitment and deployment of professional and technical experts. A number of engineers have already been deployed and in March 2006 the Department of Local Government signed a Memorandum of Understanding (MOU) with the South African Institute of Chartered Accountants to deploy chartered accountants.

The province will provide citizens with high quality, caring and integrated government services of which the following has been achieved:

- GSSC rolled information kiosks within the MPCCs;
- The GPG-wide call centre has been expanded to reach 800 people and the Wynberg site has been launched;
- Appointment and training of community development workers has advanced government's efforts to communicate with local communities;
- 500 CDWs and 270 CDW cadets started a learnership programme in March 2006.

### **Deepening democracy and promoting constitutional rights**

All departments within the province are playing a leading role in addressing gender disparities. A successful gender audit was done in 2006 and a final report issued in July 2006. A youth development audit on youth programmes in the province and civil society is underway. Regional women's dialogues were held in 2006 managed by the Office of the Premier in partnership with the Department of Local Government.

The province will continue to use arts and culture, sports and recreation programmes to strengthen national building and social cohesion. Government will play a greater role working with communities and non-government organisations to support and empower people who are unable to work and have special needs such as the most vulnerable, children and youth in distress, people with disabilities and those affected by the AIDS epidemic.

## **1.2 SUMMARY OF BUDGET AGGREGATES**

Table 1 below shows an overall summary of the provincial budget over the seven year period. For the years 2003/04 to 2005/06, the table reflects the outcome of these financial years based on the receipts, payments and financing for those years while 2006/07 shows the estimated actual which is based on departmental projections as at the end of November 2006. The medium term estimates shows the receipts, payments and part of the financing that will be required to finance the deficit in 2007/08 financial year.

The total projected revenue for the Gauteng Provincial Government in 2007/08 amounts to R40,312 billion. This amount consists of equitable share of R28,217 billion, conditional grants of R9,626 billion and provincial own revenue of R2,171 billion. Included in this amount is a deduction of R38,9 million for the remuneration of Public Office Bearers as stipulated in the Public Office Bearers Act.

Compared to the 2006/07 adjusted appropriation, the significant increases in equitable share and conditional grants are mainly due to the additional funds for policy adjustments, demarcation and conditional grants such as Gautrain, HIV/AIDS, infrastructure etc. Provincial own revenue also shows a substantial increase from 2006/07 financial year due to strong performance of the economy.

Total provincial payments for 2007/08 show a healthy increase of approximately R5 billion from 2006/07 adjusted appropriation. This increase is allocated to various departments to finance critical and important areas focusing on key provincial and national priorities. However, it is important to note that additional allocations for the Social Development Strategy and personnel in the Department of Education have been set aside pending further planning.

## 1.3 FINANCING

TABLE 1: PROVINCIAL BUDGET SUMMARY

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07	2007/08	2008/09
Provincial receipts									
Transfers from National									
Equitable share	17,912,287	19,660,249	20,810,204	23,361,686	23,361,686	23,361,686	28,217,485	31,878,070	35,556,007
Conditional grants	4,181,548	4,467,226	4,342,227	8,744,257	8,855,036	8,855,036	9,625,970	10,600,905	10,731,524
<b>Total transfers from National</b>	<b>22,093,835</b>	<b>24,127,475</b>	<b>25,152,431</b>	<b>32,105,943</b>	<b>32,216,722</b>	<b>32,216,722</b>	<b>37,843,455</b>	<b>42,478,975</b>	<b>46,287,531</b>
Provincial Own Receipts									
Departmental receipts	1,556,553	1,695,807	1,918,190	1,758,263	1,778,263	1,961,732	2,171,459	2,340,237	2,516,471
Less: Remuneration Of Public Office Bearers	30,212	33,216	34,003	40,417	40,417	40,417	38,903	41,605	44,494
Plus: funding from surplus (Provincial rollovers and unspent funds from previous years)	142,617	316,887	754,774		712,746	712,746			
<b>Total provincial receipts</b>	<b>23,762,793</b>	<b>26,106,953</b>	<b>27,791,392</b>	<b>33,823,789</b>	<b>34,667,314</b>	<b>34,850,783</b>	<b>39,976,011</b>	<b>44,777,607</b>	<b>48,759,508</b>
Provincial payments									
Current Payments	17,721,396	18,350,224	20,416,415	22,367,983	23,233,058	23,755,670	26,953,201	29,141,429	31,552,091
Transfers and subsidies	4,369,544	4,508,143	4,821,486	9,543,492	9,426,002	9,629,752	10,477,837	11,685,576	12,154,577
Payments for capital assets	1,557,031	1,884,656	2,196,898	2,548,263	2,618,803	2,649,613	2,881,167	2,919,602	3,268,985
<b>Total provincial payments</b>	<b>23,647,971</b>	<b>24,743,023</b>	<b>27,434,799</b>	<b>34,459,738</b>	<b>35,277,863</b>	<b>36,035,035</b>	<b>40,312,205</b>	<b>43,746,607</b>	<b>46,975,653</b>
Unallocated expenditure: Social Development strategy and education personnel				147,857				388,120	750,569
Surplus/Deficit position	114,822	1,363,930	356,593	-783,806	-610,549	-1,184,252	-336,194	642,880	1,033,286

Table 1 above also shows how the province has managed to finance the deficits from the previous financial years. As indicated in the table, there are two main sources of financing i.e. Provincial rollovers and provincial cash resources which results from accumulated unspent funds over the previous financial years and excess provincial own revenue collected in prior years.

For the 2006/07 and 2007/08 financial year, the deficit will be financed by the surplus in the Provincial

Revenue Fund. Going forward, improved budget management and efficiency in spending will be vital in ensuring that the province tables a balanced or surplus budget whilst delivering quality services to the citizens of Gauteng. The estimated deficit in 2006/07 is mainly due to the budgeted deficit and projected overspending by the Departments of Health and Education as at the end of November 2006.

The surplus budget in the outer years of the MTEF will be used to finance the unauthorised expenditure incurred in the previous financial years and unforeseen and unavoidable expenditure during the year.

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

Good budgeting is about the choices that government makes when allocating resources to spending programmes that deliver services and provide for the human and capital investments that drive economic growth. It is important to note that the budget is an instrument that government uses to achieve its strategic objectives of halving unemployment, poverty etc. The 2007 MTEF process is aimed at ensuring that planning is aligned to the GPG five year priorities and that resources are prioritised and directed to areas that will ensure maximum impact. The Gauteng budget process started with the 1st Executive Committee Retreat in April 2006 where strategic political priorities and service delivery imperatives and the MTEF budget cycle were confirmed. The members of the executive identified a number of programmes/initiatives building from the provincial priorities that the province will undertake to ensure the attainment of the provincial priorities. Priority issues identified included among others Gauteng City Region, the Growth and Development Strategy, upgrading of top 20 identified townships and infrastructure development.

This was followed by the 1st provincial Budget Lekgotla in June 2006 where indicative allocations linked to the Cabinet priorities were discussed and thereafter departments engaged in micro-prioritisation within indicative allocations. The MTEF allows departments the opportunity to present a budget proposal designed to achieve strategic objectives linked to provincial priorities for consideration by the Executive.

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

- Adequate consultation with all role players that provide political and technical advice when faced with trade-offs between competing spending priorities;
- Rigorous scrutiny of the budget submissions;
- Departments are required to make a concerted effort in reprioritising within the available resources and partially fund the new policy priorities;
- Detailed proposals for new funding;
- Assessment of business/implementation plans (including readiness & capacity considerations);
- Fiscal discipline – exercising effective control of budget allocations;
- Allocative efficiency – reviewing programme policies and services to find more effective ways of achieving desired outputs and outcomes;
- Operational efficiency – the continuous search for efficiencies in the administration of the public sector and in service delivery.

The 2nd EXCO Retreat in September 2006 afforded the Gauteng government the opportunity to consolidate and formalise strategic priorities and programmes for the coming year and the MTEF cycle. The Medium Term Expenditure Committee (MTEC) was formed for first time this year. The MTEC is a technical committee responsible for evaluating the budget submissions from departments. The Committee ensured that there is alignment of strategies to the budgets and engagement on emerging policy developments and challenges. Following the MTEC hearings held in September 2006, recommendations were made by the committee to the Premier Budget Committee (PBC). PBC is a high level committee which engages MEC's and HOD's on their budget bids. Budget allocations for the MTEF cycle were finalized in November 2006 during the 2nd Budget Lekgotla. Immediately after finalization of the budget allocations, departments were required to revise their plans and budgets in line with the approved budgets as well as preparing Budget Statement chapters.

### **2.1 SANCTIONING OF THE BUDGET**

Finalisation of the process involved the following activities:

- Consultation with Provincial Legislature
- The 2007 MTEF has gone through the Executive and was finalised in the second Budget Lekgotla
- In November, departments received allocation letters detailing Executive decisions on changes to baseline allocations for 2007 MTEF;

- Executive approval of the new MTEF for 2007/08 to 2009/10 was informed by the recommendations submitted by MTEC to the Premier Budget Committee as mentioned above;
- Preparation for the 2007 MTEF was guided by National and Provincial priorities.

In the context of many social and development challenges facing the Gauteng Province, preparation of the 2007/08 Budget was a formidable task. While the improved outlook for the economy makes it possible to increase spending strongly over the years ahead, the province still faces many pressing claims on resources that cannot all be adequately accommodated. The Gauteng Treasury had to determine the most effective way to accommodate critical priorities while maintaining sound public finances and without entirely depleting provincial resources; departments were encouraged to reprioritise to address expanding service demands.

## 2.2 BUDGET REFORMS

Ongoing reforms over the past years have resulted in a number of improvements to the way in which Gauteng Provincial Government budget is compiled. The major budget reforms introduced in the province over the past few years have been aimed at improving operational and allocative efficiency in public finances and (over the seven year reporting period) have included:

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

## 3. SOCIO-ECONOMIC OUTLOOK

The Gauteng province is one of the most vibrant regions in South Africa on both the economic and social front, mainly as a result of its economic dominance and the resultant domestic and international migration of people into the region. Using data obtained from South Africa's official data agency (Stats SA), this section highlights the social and economic dynamics within the province.

### 3.1 DEMOGRAPHIC OUTLOOK

**TABLE 2: POPULATION SIZE AND DISTRIBUTION BY REGION**

Region	Total Population (1000)	Percentage Population	Land Area in square km	Percentage share of Land Area
Western Cape	4,745,500	10.0	129,370	10,6
Eastern Cape	7,051,500	14.9	169,580	13,9
Northern Cape	910,500	1.9	361,830	29,7
Free State	2,958,800	6.2	129,480	10,6
KwaZulu Natal	9,731,800	20.5	92,100	7,6
North West	3,858,200	8.1	116,320	9,5
Gauteng	9,211,200	19.4	17,010	1,4
Mpumalanga	3,252,500	6.9	79,490	6,5
Limpopo	5,670,800	12.0	123,910	11,8
<b>South Africa</b>	<b>47,390,000</b>	<b>100.0</b>	<b>1,219,090</b>	<b>100</b>

Source: Stats SA, August 2006

Gauteng province is the smallest province in terms of its surface area (approximately 17,000 square kilometres), but is home to over 9,2 million inhabitants (about 19,4% of South Africa's population or 20,1 percent if new boundaries are taken into account), making it the most densely populated province in the country. Gauteng has about 9,211,200 residents, the majority of whom are men (Table 2).

**TABLE 3: POPULATION BREAKDOWN IN GAUTENG**

Age	Male	Female	Total	Percent of Population
0 to 4	479,100	465,100	944,200	10.25
5 to 9	402,400	394,900	797,300	8.66
10 to 14	349,800	345,600	695,400	7.55
15 to 19	347,700	349,300	697,000	7.57
20 to 24	443,500	420,600	864,100	9.38
25 to 29	552,900	477,200	1,030,100	11.18
30 to 34	541,700	452,500	994,200	10.79
35 to 39	382,200	332,700	714,900	7.76
40 to 44	302,600	280,200	582,800	6.33
45 to 49	268,700	254,500	523,200	5.68
50 to 54	207,100	203,900	411,000	4.46
55 to 59	154,700	157,100	311,800	3.39
60 to 64	127,400	131,500	258,900	2.81
65 to 69	83,600	86,100	169,700	1.84
70 to 74	50,200	55,800	106,000	1.15
75 to 79	26,900	32,000	58,900	0.64
80 +	20,600	31,100	51,700	0.56
<b>Total</b>	<b>4,741,100</b>	<b>4,470,100</b>	<b>9,211,200</b>	<b>100.00</b>

Source: Statistics South Africa, 2006

The dominance of men over women in numbers contradicts national statistics, but can be explained largely by the history of the province that is characterised by the employment of a predominantly male migrant labour force in the industrial and agricultural sectors of the provincial economy. The main sources of the migrant workers were, and still remain labour from other provinces and neighbouring states.

This trend is set to continue as people flock into the province in search of employment opportunities and better lives. The province remains the major destination of urban migration due to its vibrant industrial base. Gauteng's population dynamics with regard to both gender distribution and a youthful population base poses challenges (in terms of the provision of services such as the economic and social infrastructure, including crime prevention) and strengths (productive workforce) to policy makers within the provincial government.

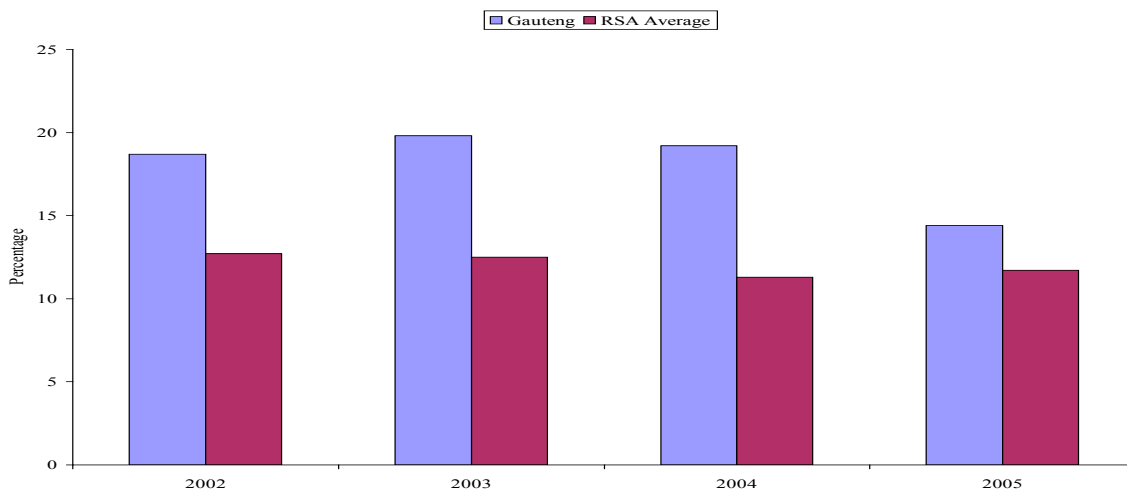
### 3.2 SOCIO-ECONOMIC INDICATORS

The Bill of Rights Chapter of the 1996 Constitution of the Republic of South Africa encapsulates, amongst other things, the rights to housing, access to clean water, health care and an environment that is not harmful to people's health and wellbeing. Section 27 of the Constitution identifies access to welfare services is an inalienable right that every person is entitled to (except for specific types of services and during circumstances where government does not have adequate resources to provide the required services). These constitutional obligations place a huge responsibility on the government to design processes that will enable all citizens of the country to access the required services.

#### 3.2.1 Housing

The provision of services such as roads, water and electricity are largely dependent on the presence of permanent residential structures. This makes the availability of houses a prerequisite for the adoption of a comprehensive program (integrated, sustainable housing infrastructure) aimed at improving lives of people. Figure 1 below shows a downward trend in the proportion of households that reside in informal settlements.

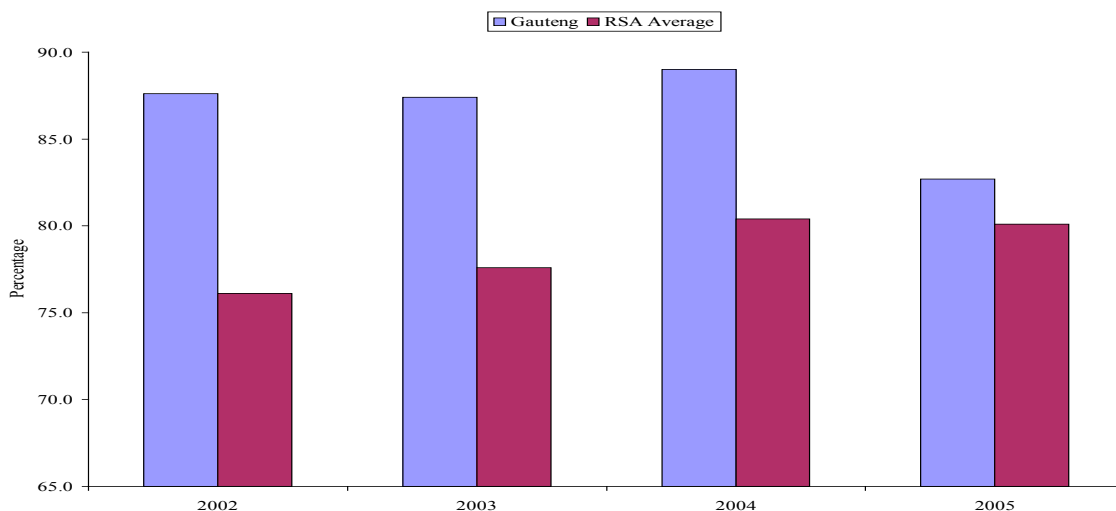
**FIGURE 1: PERCENTAGE OF HOUSEHOLDS LIVING IN INFORMAL SETTLEMENTS**



Source: Stats SA, 2006

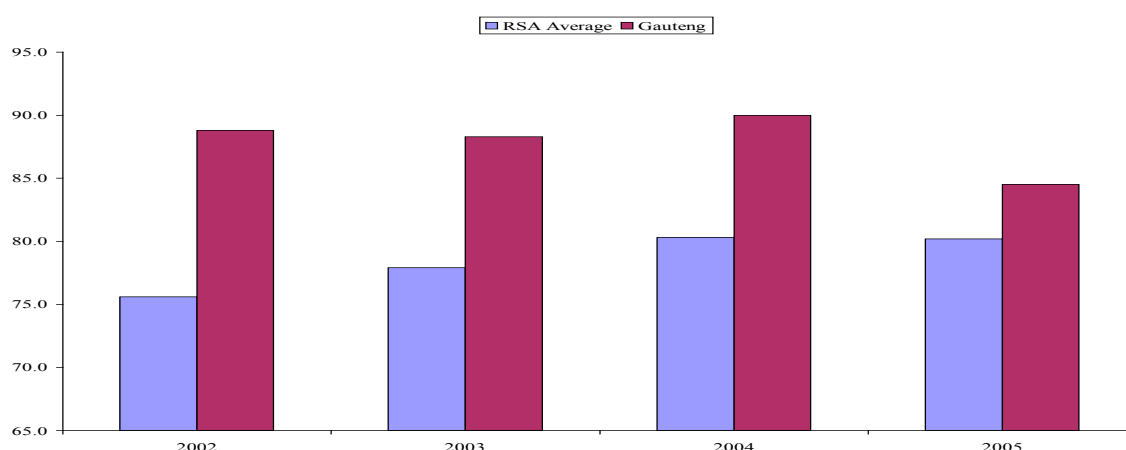
Although Gauteng has a relatively higher proportion of households in informal settlements, when compared with the national average, the province displays a faster decline in such settlements. Between 2002 and 2005 the proportion of households residing in informal settlements declined by 4,3 percent from 18 percent to 14,4 percent respectively, whereas the national average fell by 0,6 percent during the same period (Figure 1).

**FIGURE 2: PERCENTAGE OF HOUSEHOLDS CONNECTED TO THE MAIN ELECTRICITY SUPPLY**



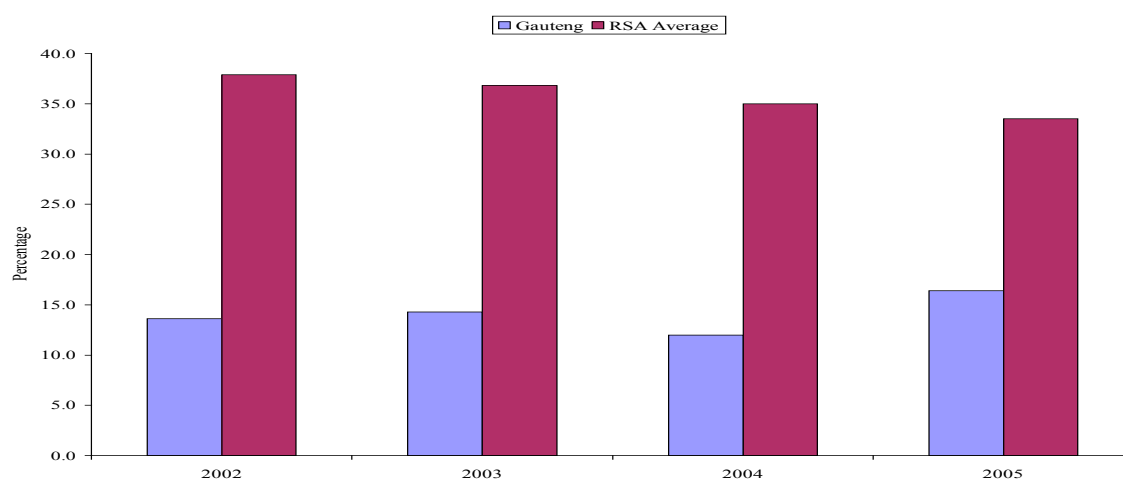
Source: Stats SA, 2006

Figure 2 indicates that there has been a steady increase in the number of households that have access to electricity. This is in line with the objectives of the government to improve the standards of South African citizens as spelt out in the constitution. Between 2002 and 2005 both national and Gauteng estimates recorded significant improvements in electrification. The Gauteng Province experienced a decline between 2004 and 2005, a phenomenon that may be attributed to migration into the province.

**FIGURE 3: PERCENTAGE OF HOUSEHOLDS THAT USE ELECTRICITY FOR LIGHTING**

Source: Stats SA, 2006

Gauteng Province leads the national average in the use of electricity for lighting (Figure 3). The percentage of households in Gauteng Province that use electricity for lighting increased from 88, 8 percent in 2002 to 90 percent in 2004, with a sharp decline to 84,5 percent in 2005. However, the use of electricity for lighting in the Gauteng Province has remained in line with national trends even though the province enjoys a higher proportion.

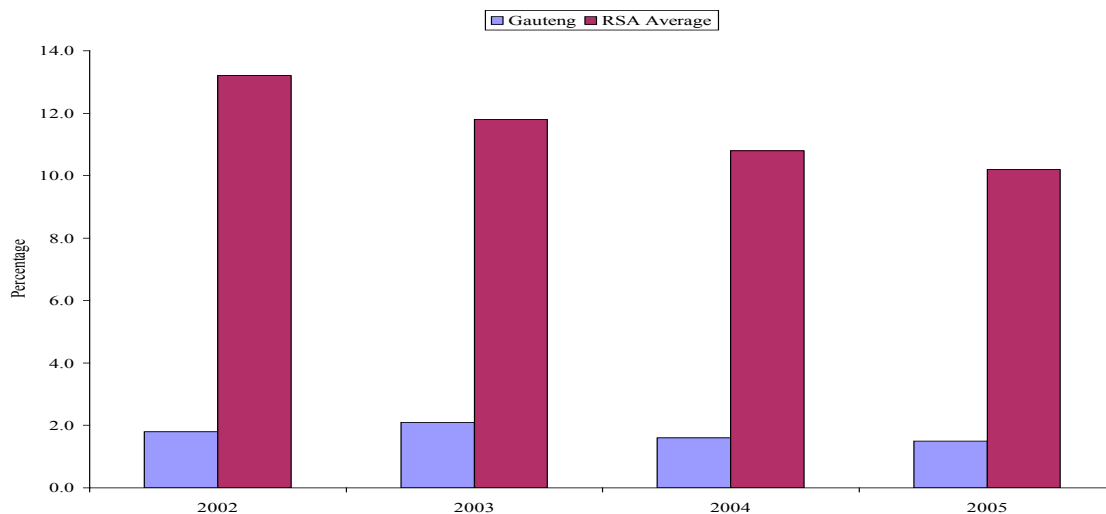
**FIGURE 4: PERCENTAGE OF HOUSEHOLDS THAT USE PARAFFIN OR WOOD FOR COOKING**

Source: Stats SA, 2006

There are fewer households in Gauteng using paraffin or wood for cooking as compared with the rest of the country. This is in line with expectations given the level of development of the Gauteng Province. The steady influx of immigrants into the province has however resulted in significant usage of paraffin and wood, especially in the informal settlements. The rise in the use of wood and paraffin for cooking in Gauteng between 2004 and 2005 corresponds with the decline in the proportion of households that are connected to electricity supply (figure 2 above) during the same period.

A very small and declining proportion of Gauteng residents are still using bucket toilets or have no toilet facility at all. These are largely residents of informal settlements. The percentage of households within this category in Gauteng has remained below 2 percent between 2002 and 2005. However, the national average, even though declining, has remained above 10 percent during the same period.

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

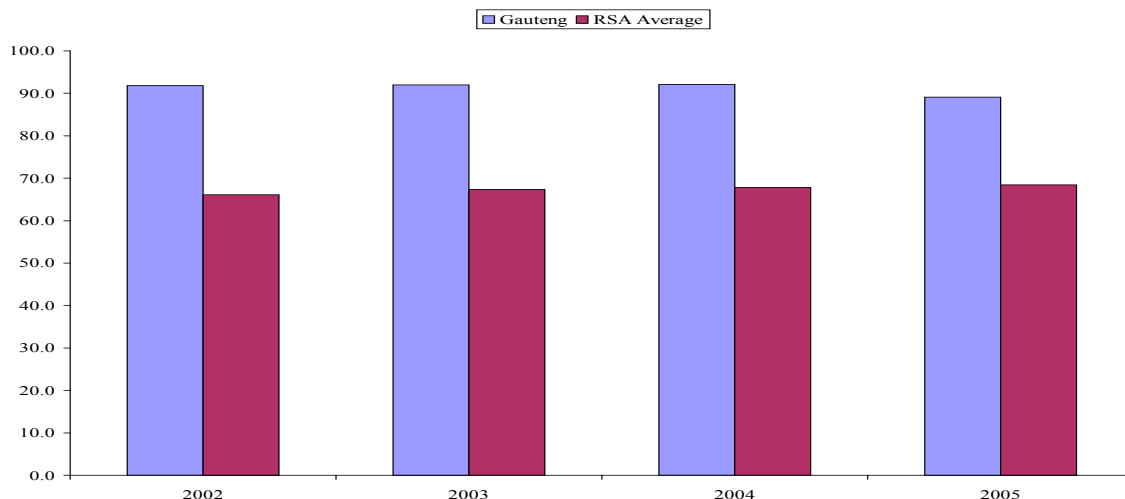


Source: Stats SA, 2006

**3.2.2 Access to water**

The availability and accessibility of clean water goes a long way in ensuring a healthier society as it prevents the outbreak of various waterborne diseases. The availability of the commodity remains high on the provincial government’s priority list, and this is confirmed by a relatively high proportion of households that has access to clean water.

**FIGURE 6: PERCENTAGE OF HOUSEHOLDS THAT HAVE ACCESS TO PIPED WATER IN THE DWELLING OR ON SITE**



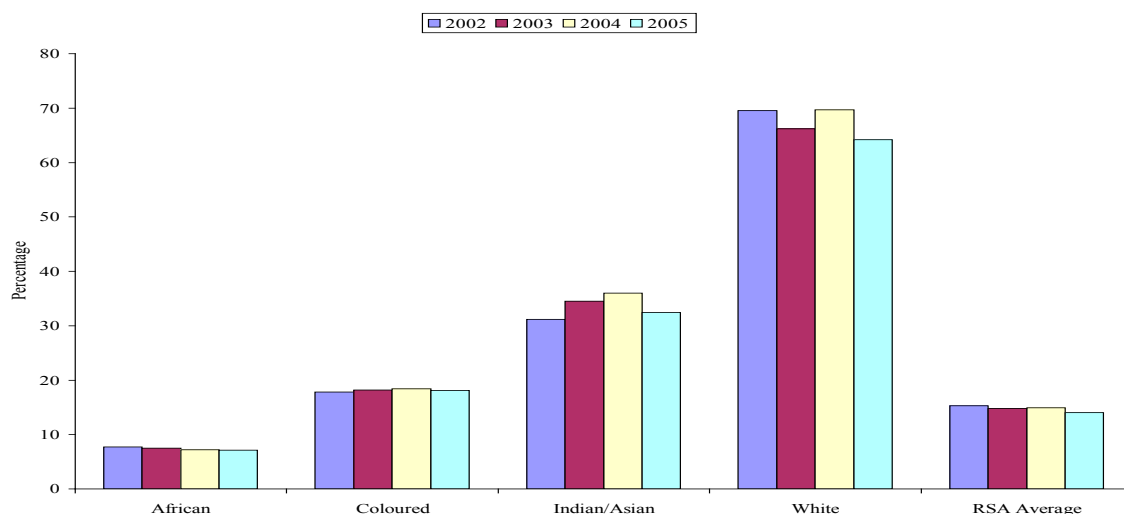
Source: Stats SA, 2006

Access to clean water in Gauteng has been increasing since 2002. Although there has been a decline from 92,1 percent in 2004 to 89,1 percent in 2005, the national average has maintained a positive trend throughout the period under review, where the percentage of households that have access to piped water increased from 66,1 percent in 2002 to 68,4 percent in 2005.

**3.2.3 Health**

Good health remains a pre-requisite in terms of any society’s wellbeing. On the economic front, ill-health, particularly due to HIV/AIDS results in productivity losses due to man-hours lost, and greatly affects the economically productive cohort. Health therefore remains high on the agenda of any government keen to realise its goals of sustainable growth.

**FIGURE 7: MEDICAL AID COVERAGE IN SOUTH AFRICA**



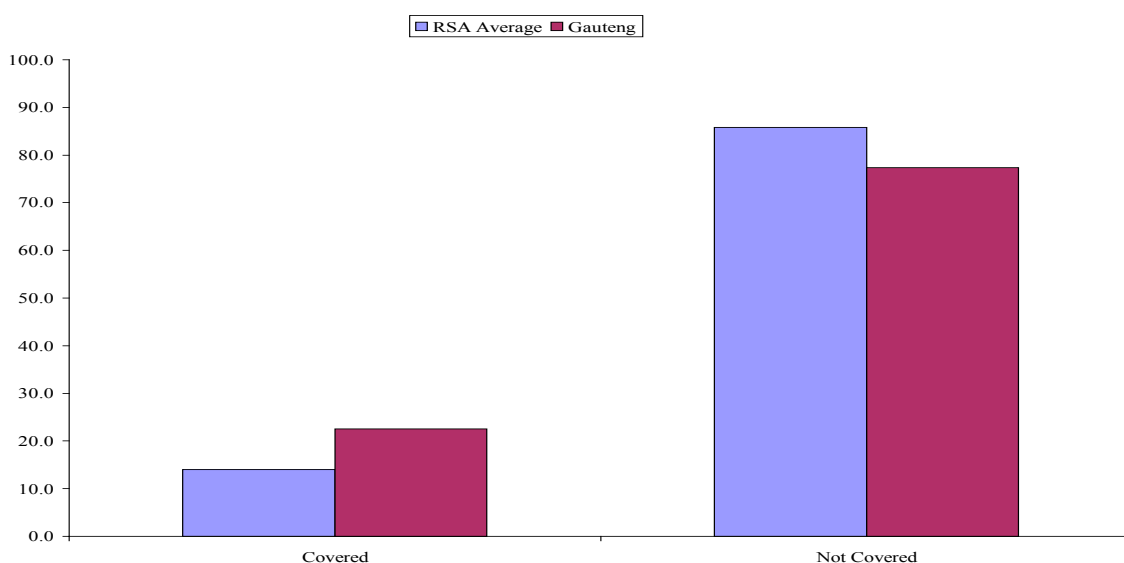
Source: Stats SA, 2005

It is therefore important that policies that are meant to promote sustainable economic growth take into account the impact of health on productivity.

Figure 7 highlights massive disparities in medical aid coverage by population group. It shows some skewness in favour of the white race. According to Stats SA about 64,2 percent of Whites had access to medical aid in 2005. The figure drops to 32,4 percent amongst the Asian community, 18,1 percent of the Coloured race, down to 7,1 percent within Africans. Another disturbing feature presented by the data is the general decline in medical aid coverage within each population group, except for the Coloured and Indian/Asian groups whose coverage rates remained higher than their 2002 levels even though they have been declining since 2004. The national coverage rate has maintained a negative trend, dropping from 15,3 percent in 2002 to 14 percent in 2005.

In 2005 Gauteng had about 22,5 percent of its population under medical aid, a much better picture when compared with the national coverage rate of 14 percent during the same period.

**FIGURE 8: MEDICAL AID COVERAGE IN GAUTENG PROVINCE**



Source: Stats SA, 2006

### 3.2.4 Education

Education forms the backbone of any progressive society, and enables humankind to cope with natural and man-made challenges in the form of diseases, floods, earthquakes and environmental degradation. The ability to cope with such disasters is enhanced by technological advancement, which is only possible through education.

**TABLE 4: POPULATION AGED 20 YEARS AND ABOVE, BY HIGHEST LEVEL OF EDUCATION IN GAUTENG PROVINCE, 2005**

Highest level of education	Gauteng Province	National total	Total percentage for National	Total percentage for Gauteng
	1 000		percent	
None	235	2 774	10.34	3.89
Grade 0/R to Grade 3/Std1	152	1 185	4.42	2.51
Grade 4/Std 2	119	823	3.07	1.97
Grade 5/Std 3	126	887	3.31	2.08
Grade 6/Std 4	177	1 196	4.46	2.93
Grade 7/Std 5	317	1 701	6.34	5.24
Grade 8/Std 6	400	2 052	7.65	6.61
Grade 9/Std 7	370	1 935	7.21	6.12
Grade 10/Std 8	688	2 700	10.06	11.38
Grade 11/Std 9	577	2 345	8.74	9.54
Grade 12/Std 10	1 741	5 883	21.92	28.79
NTC I - NTC III	65	207	0.77	1.07
Diploma/certificate with less than Grade 12/Std 10	80	293	1.09	1.32
Diploma/certificate with Grade 12/Std 10	549	1 660	6.19	9.08
Degree and higher	381	958	3.57	6.30

Source: Stats SA, 2006

Table 4 shows that the Gauteng Province has a higher proportion of people with at least grade 10/Std 8 when compared to the national statistics. On the other hand data shows that there are proportionally more people nationally with lower levels of education. The conclusion is that Gauteng Province's population is generally more educated when compared to the national standards.

## 3.3 ECONOMIC INDICATORS

### 3.3.1 Gauteng GDP

The Gauteng economy generates over 30 percent of the country's GDP. The bulk of this is generated by the tertiary sector which accounted for about 61, 4percent of the province's GDP in 2005. The manufacturing sector is the second highest contributor to the province's output is the manufacturing sector, accounting for 24,3 percent of Gauteng's GDP in 2005, with the primary sector mainly mining and quarrying contributing 3.2 percent of the province's GDP. Gauteng is increasingly dependent on the tertiary sector, with the primary and secondary sectors' contribution gradually reducing in significance. The restructuring of the provincial economy is in line with dynamics experienced by a modernizing economy.

**TABLE 5: GROSS DOMESTIC PRODUCT ACCORDING TO SECTOR: GAUTENG (1997 - 2005)**

Current prices - Percentage contributions	1997	1998	1999	2000	2001	2002	2003	2004	2005
Primary Industries	4.7	4.3	3.6	3.6	3.5	4.5	3.5	2.3	3.2
Agriculture, Forestry and Fishing	0.6	0.6	0.6	0.5	0.5	0.8	0.7	0.5	0.5
Mining and Quarrying	3.5	3.7	3.0	3.1	2.9	3.7	2.8	1.7	2.7
Secondary Industries	28.0	26.7	25.5	25.6	25.5	26.0	25.9	25.0	24.3
Manufacturing	22.0	21.3	20.3	20.6	20.8	21.4	21.1	20.5	19.7

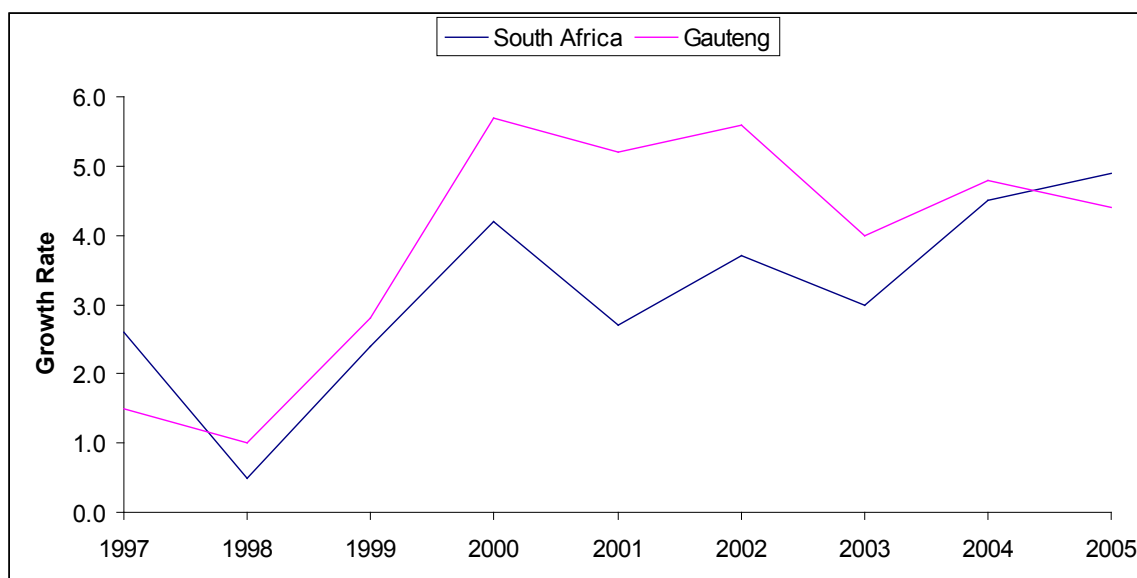
Current prices - Percentage contributions	1997	1998	1999	2000	2001	2002	2003	2004	2005
Electricity, gas and water	2.9	2.7	2.7	2.5	2.3	2.3	2.3	2.0	2.0
Construction	3.1	2.8	2.5	2.5	2.4	2.3	2.6	2.5	2.7
Tertiary Industries	59.3	59.9	61.7	61.8	62.1	60.5	61.4	62.3	61.4
Wholesale and retail trade; hotels and restaurants	12.9	12.5	13.1	13.7	13.5	12.8	13.0	13.4	12.8
Transport, storage and communication	7.2	7.4	7.6	7.9	8.0	7.8	7.9	8.2	7.9
Finance, real estate and business services	17.1	18.0	19.2	19.4	19.8	20.4	20.6	21.4	21.1
Personal services	3.6	3.7	3.8	3.9	4.4	3.8	4.0	4.0	3.9
General Government Services	18.5	18.3	18.0	16.8	16.7	15.7	15.9	15.4	15.7
All industries at basic prices	91.4	90.9	90.8	90.9	91.0	91.0	90.8	89.6	88.9
Taxes less subsidies on products	8.6	9.1	9.2	9.1	9.0	9.0	9.2	10.4	11.1
GDP at market prices	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Stats SA, 2006

### 3.3.2 Growth and Employment

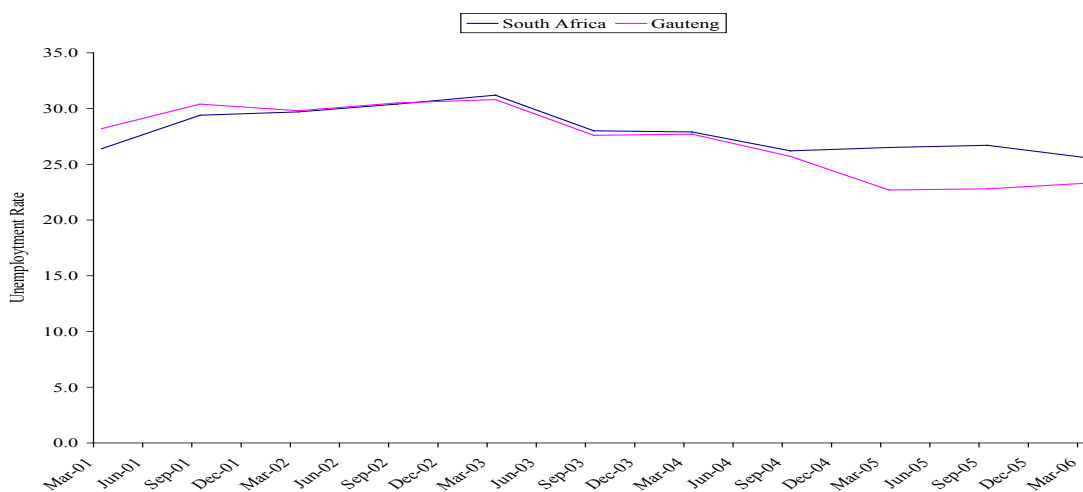
As noted previously, Gauteng Province remains the major driver of the South African economy with its GDP contribution of about 34 percent. This is confirmed by the close correlation between the growth rates as shown in the diagram below (Figure 9).

**FIGURE 9: REAL GDP GROWTH RATES YEAR-ON-YEAR AT CONSTANT 2000 PRICES**



Source: Stats SA, 2006

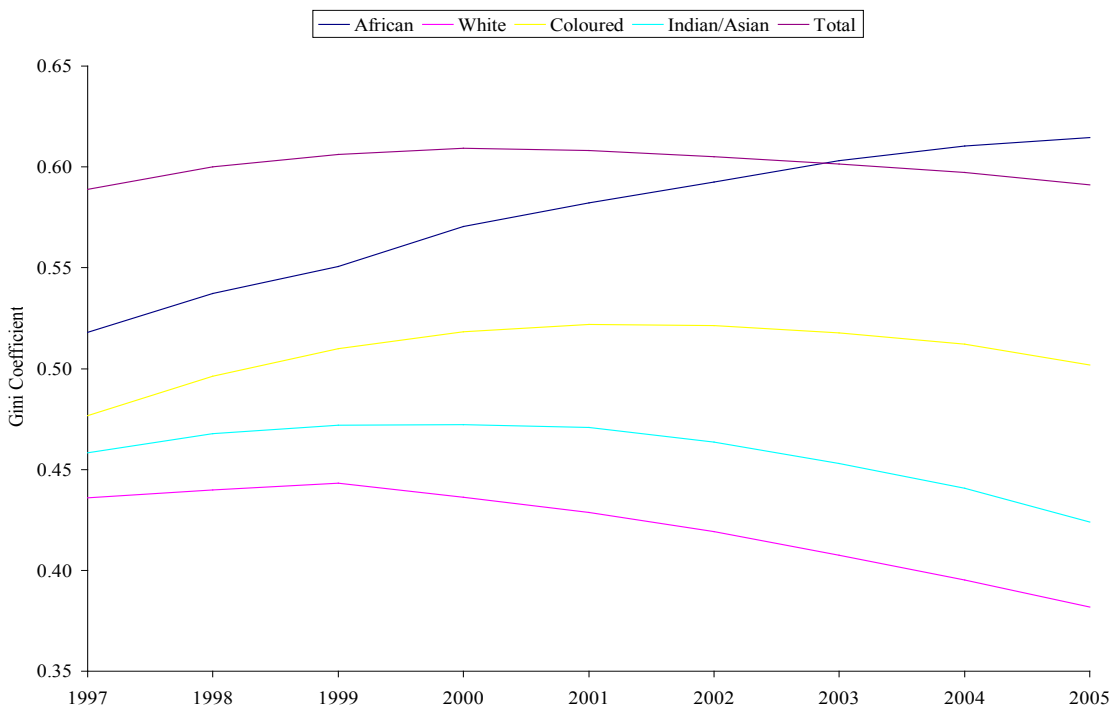
**FIGURE 10: OFFICIAL UNEMPLOYMENT RATE - SOUTH AFRICA AND GAUTENG**



Source: Stats SA, 2006

Since 1998 Gauteng’s GDP has grown faster than that of the country. There also exists a very close correlation between national and Gauteng unemployment rates (Figure 10), arising from the strong relationship that exists between the two economies. Over the last five years, Gauteng enjoyed a positive GDP growth rate, which explains the decline in the rate of unemployment in the province from 30,4 percent in September 2001 to 23,3 percent in March 2006. Equally, the national unemployment rate also declined from 29,4 percent to 25,6 percent during the same period.

**FIGURE 11: GINI COEFFICIENT MEASURES PER POPULATION GROUP - GAUTENG PROVINCE**



Source: Global Insight

The Gini coefficient is a quantitative measure of inequality in the distribution of income across the population. The coefficient ranges from zero to one, with zero representing complete equality in income distribution and one showing an extreme situation of inequality. The Gini coefficient for the Gauteng province has been improving since 2000, where the coefficient has declined from 0,61 in 2000 to 0,59 in 2005. This improvement may be attributed to the growing middle class, especially among the historically disadvantaged population in the province and intervention measures that have been adopted by the provincial government to ensure that more people have access to the wealth generated by the provincial economy.

A closer examination of income distribution by population groups paints a different picture, especially within the African community. The Gini coefficient for Black people has deteriorated from 0,52 in 1997 to 0,61 in 2005. This could be explained by rising income levels against the backdrop of high unemployment levels within the African people, and the unavoidable effects of Broad-Based Black Economic Empowerment (BBBEE) programs. The Coloured community has the second highest Gini coefficient, followed by the Indian/Asian community, with the White community having the lowest coefficient depicting the most equitable scenario.

## **4. RECEIPTS**

### **4.1 OVERALL POSITION**

The Gauteng Provincial Government relies largely on the equitable share, conditional grants and four main own revenue sources. This revenue is derived from user charges and fees made up of motor vehicle license fees, casino taxes, patient fees, the sales of goods and services other than capital assets, and interest earned. The sales of goods and services other than capital assets include patient fees generated by the Department of Health. These four main own revenue contributors are responsible for 97.5 percent of provincially generated revenue. All revenue increases by 10.7 percent from the 2006/07 budget and thereafter by 7.8 percent and 7.5 percent over the MTEF. This limited revenue base has resulted in the provincial government exploring other constitutionally and legally ways of identifying new sources revenue.

#### **Motor vehicle license fees**

The motor vehicle license fees is the largest contributor to the provincial own revenue and has shown a constant increase over the past years. This revenue item contributes 53.9 percent to the provincial revenue. From 2006/07 to 2007/08 this item shows an increase of 8.6 percent and 10.1 percent for the outer years. The average increase over the three year period is 9.6 percent. Currently, revenue estimates for licenses are based on a model that considers vehicle population and the growth of various categories of vehicles as well as fees charged for these categories reconciled with the previous financial year's actual collection of revenue plus inflationary projections. The department pays back 30 percent of the collected receipts in the form of direct charges to the agencies.

#### **Casino taxes**

The income received from casino taxes is the second biggest contributor to the provincial revenue fund with a contribution of 21.6 percent. This revenue item has shown constant increase over the past few years and projections over the MTEF show an average increase of 9.2 percent. Year-on-year increase from 2006/07 to 2007/08 shows an increase of 16.8 percent. For the outer years of the MTEF this revenue item increases by a projected 6 percent and 4.9 percent respectively. The provincial demarcation process has resulted in Morula Sun Casino becoming part of Gauteng.

#### **Sales of goods and services other than capital assets**

This revenue increases by 16.4 percent from the 2006/07 budget and thereafter by 6.2 percent and 7 percent respectively over the outer the MTEF. From the sale of goods and services, approximately 70.2 percent can be attributed to the Department of Health. To maximize collection of patient fees the Department of Health has introduced a strategy that focuses on optimum revenue collection. In addition, a revenue retention agreement between the Department and the Provincial Treasury sets out specific targets for revenue collection. Excess revenue collected over the target is allocated to the department to invest in improving its revenue collection. Sales of goods and services other than capital assets contribution to the 2007/2008 budget is 13.7 percent.

#### **Interests, dividends and rent on land**

Interest, dividends and rent on land remains one of the most unstable revenue source for the Provincial Government fluctuating from one year to the next. For the 2007/08 financial year this revenue item contributes 8.3 percent to the provincial revenue fund. This revenue item increases by 11.4 percent from 2006/07 to 2007/08 financial years. It further increases by 12.7 percent in the 2008/09 financial year and decreases by 1.5 percent thereafter. Overall this revenue item is projected to increase by 7.5 percent between 2006/07 and 2009/10 financial years. The tabling of a deficit budget in this financial year and the last financial years have affected provincial reserves and therefore excess funds that could be invested continue to decline.

**TABLE 6: SUMMARY OF PROVINCIAL RECEIPTS**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Treasury funding									
Equitable share	17,912,287	19,660,249	20,810,204	23,361,686	23,361,686	23,361,686	28,217,485	31,878,070	35,556,007
Conditional grants	4,181,548	4,467,226	4,342,227	8,744,257	8,855,036	8,855,036	9,625,970	10,600,905	10,731,524
<b>Total Treasury funding</b>	<b>22,093,835</b>	<b>24,127,475</b>	<b>25,152,431</b>	<b>32,105,943</b>	<b>32,216,722</b>	<b>32,216,722</b>	<b>37,843,455</b>	<b>42,478,975</b>	<b>46,287,531</b>
Departmental receipts									
Tax receipts	1,077,142	1,148,954	1,348,425	1,310,469	1,330,469	1,508,295	1,670,107	1,817,975	1,974,229
Casino taxes	285,448	310,653	362,882	343,342	343,342	401,093	468,319	496,418	520,912
Horse racing									
Taxes	49,531	23,646	25,966	29,076	29,076	28,592	30,820	32,669	34,629
Motor vehicle licences	742,163	814,655	959,577	938,051	958,051	1,078,610	1,170,968	1,288,888	1,418,688
Sales of goods and services other than capital assets	222,831	238,369	267,153	279,634	279,636	254,907	296,634	314,949	337,032
Transfers received		45,309	743		1,032	1,032			
Fines, penalties and forfeits	1,533	2,138	5,727	650	651	651	6,021	6,041	6,041
Interest, dividends and rent on land	227,971	175,532	229,279	159,162	161,953	162,459	181,045	183,008	180,215
Sales of capital assets	15,319	1,392	6,847	2,544	159,162	2,550	2,453	2,456	2,460
Financial transactions in assets and liabilities	11,757	84,113	60,016	5,804	5,804	31,838	15,199	15,808	16,494
<b>Total departmental receipts</b>	<b>1,556,553</b>	<b>1,695,807</b>	<b>1,918,190</b>	<b>1,758,263</b>	<b>1,778,263</b>	<b>1,961,732</b>	<b>2,171,459</b>	<b>2,340,237</b>	<b>2,516,471</b>
<b>Total receipts</b>	<b>23,650,388</b>	<b>25,823,282</b>	<b>27,070,621</b>	<b>33,864,206</b>	<b>33,994,985</b>	<b>34,178,454</b>	<b>40,014,914</b>	<b>44,819,212</b>	<b>48,804,002</b>

## 4.2 EQUITABLE SHARE

The equitable share is an unconditional transfer to the provincial governments to fund the gap that provinces are experiencing due to their limited fiscal capacity and the significant expenditure responsibilities assigned to them. The equitable share is determined through a consultative process and the formula being used places priority on the provision of social services such as education, social development and health. As a result, the formula is redistributive and biased towards the poorer provinces. The equitable share allocation year-on-year increase grows by 20.8 percent from the 2006/07 allocation. However this increase is partly due to the policy adjustments and the realignment of provincial boundaries as from 01 March 2006, which saw Gauteng incorporating Winterveld from North West and Ikangala from Mpumalanga, whilst transferring Merafong into North West. All these changes meant the equitable share had to be revised accordingly. The increase can be best explained by the demarcation process which has resulted in an increase in the population of Gauteng from 9.1 million to just over 9,5 million, thereby making Gauteng the second most populous province. The equitable share is anticipated to increase by a further 12.9 percent and 11.5 percent in the outer years representing an average increase over the three years of 5.6 percent.

## 4.3 CONDITIONAL GRANTS

Conditional grants are earmarked funds provided by national government to the provinces for the achievement of specific targets. All conditional grants have clearly stipulated conditions that recipients have to meet to fully access these grants. Conditional grants allocations are generally made in trenches and require strict reporting. They are used amongst other reasons to ensure the fulfilment of national determined policy objectives, addressing

backlogs and to effect transition through supporting capacity building and structural adjustment within recipient administrations. The conditional grant allocation for Gauteng increases by 5.6 percent from the 2006/07 allocation. Conditional grants further increases by an additional 10.1 percent and 1.2 percent in the outer years representing an average increase of 5.6 percent.

The following conditional grants constitute the largest portion of the conditional grant allocations:

- Gautrain Rapid Link conditional grant constitutes 31.5 percent of the total conditional grants allocations in 2007/08 financial year and it decreases to 30.8 percent and 23.3 percent in 2008/09 and 2009/10 financial years, respectively.
- National Tertiary Services conditional grant constitutes 20.4 percent, 20.4 percent and 21.3 percent of the total conditional grants allocations in 2007/08, 2008/09 and 2009/10 financial years, respectively.
- Integrated Housing and Human Settlement Development conditional grant constitutes 22.8 percent, 24.3 percent and 27.6 percent of the total conditional grants allocations in 2007/08, 2008/09 and 2009/10 financial years, respectively.

These grants, collectively, constitute approximately 74.2 percent of the total conditional grants allocations over the medium term.

### Revisions to the conditional grant framework

The FET College Recapitalization grant will be phased into the equitable share as from 1st April 2009. The programmes funded through this grant will become part of the Gauteng Department of Education normal responsibilities.

The shifting of library services from municipalities to provinces has resulted to the National Department of Art and Culture introducing a new conditional grant which is aimed at stepping up the library services in the provinces. Therefore, the Department of Sport, Arts and Culture received an amount of R102,828 million in total for all three years of the 2007/08 MTEF, for the Library Services conditional grant.

The Integrated Housing and Human Settlement Development grant baseline was revised upwards to R2,197 billion, R2,580 billion and R2,959 billion in 2007/08, 2008/09 and 2009/10 financial years, respectively. A further upward revisions were also made to the National Tertiary Services grant baseline to R1,959 billion, R2,161 billion and 2,290 billion in 2007/08, 2008/09 and 2009/10 financial years, respectively and to the Comprehensive HIV/Aids grant baseline to R399,6 million, R479,5 million and R602,8 million in 2007/08, 2008/09 and 2009/10 financial years, respectively.

The Mass Sport and Recreation Participation Programme grant also received an upward revision to R28,1 million, R43,474 million and R61,9 million across the three 2007 MTEF years, in order to support the proposed 2010 Leaving a Legacy Programme targeted at expanding mass sport participation and supported club structures at grassroots level.

The infrastructure grant received additional funding amounting to R118,111 million, R147,310 million and R244,683 million in 2007/08, 2008/09 and 2009/10 financial years, respectively. These funds will be used to scale up the Expanded Public Works Programme in roads infrastructure.

**TABLE 7: SUMMARY OF CONDITIONAL GRANTS**

R thousand	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
				2006/07	2007/08	2008/09
<b>Agriculture</b>	<b>9,988</b>	<b>10,323</b>	<b>10,323</b>	<b>22,921</b>	<b>24,022</b>	<b>26,232</b>
Agricultural Disaster Management						
Comprehensive Agricultural Support Programme	6,873	6,873	6,873	19,651	20,594	22,633
Land Care Programme						
Grant: Poverty Relief & Infrastructure Development	3,115	3,450	3,450	3,270	3,428	3,599
Education	389,031	389,031	389,031	440,424	487,986	338,956

R thousand	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
				2006/07	2007/08	2008/09
Early Childhood Development						
Further Education and Training College Sector						
Recapitalisation	106,000	106,000	106,000	140,509	167,563	
HIV and Aids (Life Skills Education)	20,012	20,012	20,012	22,416	23,886	25,253
National School Nutrition Programme	99,921	99,921	99,921	114,574	123,075	131,568
Provincial infrastructure	163,098	163,098	163,098	162,925	173,462	182,135
<b>Health</b>	<b>3,158,654</b>	<b>3,269,098</b>	<b>3,269,098</b>	<b>3,609,476</b>	<b>3,844,857</b>	<b>4,385,316</b>
Comprehensive HIV and Aids	252,695	270,195	270,195	399,604	479,502	602,885
Forensic Pathology Services	76,752	82,020	82,020	83,749	77,472	69,969
Health Professions Training and Development	554,039	554,039	554,039	581,741	610,828	614,812
Hospital Revitalisation	327,525	415,201	415,201	503,284	428,545	716,267
National Tertiary Services	1,866,094	1,866,094	1,866,094	1,959,399	2,161,529	2,290,054
Provincial infrastructure	81,549	81,549	81,549	81,699	86,981	91,329
<b>Housing</b>	<b>1,765,666</b>	<b>1,765,666</b>	<b>1,765,666</b>	<b>2,197,223</b>	<b>2,579,974</b>	<b>2,959,488</b>
Integrated Housing and Human Settlement Development	1,757,666	1,757,666	1,757,666	2,197,223	2,579,974	2,959,488
Land Distribution: Alexandra Urban Renewal Project	8,000	8,000	8,000			
<b>Sport, Recreation, Arts and Culture</b>	<b>16,820</b>	<b>16,820</b>	<b>16,820</b>	<b>46,901</b>	<b>78,795</b>	<b>110,692</b>
Mass Sport and Recreation Participation	16,820	16,820	16,820	28,091	43,474	61,995
Library Services				18,810	35,321	48,697
<b>Public Transport, Roads and Works</b>	<b>3,404,098</b>	<b>3,404,098</b>	<b>3,404,098</b>	<b>3,305,025</b>	<b>3,581,072</b>	<b>2,906,430</b>
Gautrain Rapid Rail Link	3,241,000	3,241,000	3,241,000	3,029,411	3,265,993	2,507,211
Provincial infrastructure	163,098	163,098	163,098	275,614	315,079	399,219
<b>Gauteng Treasury</b>				<b>4,000</b>	<b>4,200</b>	<b>4,410</b>
Provincial infrastructure				4,000	4,200	4,410
<b>Total conditional grants</b>	<b>8,744,257</b>	<b>8,855,036</b>	<b>8,855,036</b>	<b>9,625,970</b>	<b>10,600,905</b>	<b>10,731,524</b>

#### 4.4 TOTAL PROVINCIAL OWN RECEIPTS (OWN RECEIPTS)

The contribution of other Departments is projected at less than 2.5 percent of total own provincial revenue for 2007/08. Most Departments own revenue although relatively small fluctuates year on year and is made up of interest, dividends and rent on land and financial transactions in assets and liabilities. This revenue is occasionally supplemented by the once-off sale of capital assets.

The Gauteng Shared Services Centre (GSSC) contribution to the provincial revenue has been decreasing over the last three financial years. In the 2004/05 GSSC's financial transactions in assets and liabilities contributed R6, 887 million. This contribution decreased by 70.7 percent in the 2005/06. From the 2006/2007 to 2009/10

this contribution remains stagnant at R750 000. The significant drop of revenue on this item can be explained as a result of once off sale of capital assets.

Department of Agriculture, Conservation and Environment (DACE) contribution follows the same trend as GSSC with a decline in own revenue over the last three financial years, but projected to significantly increase over the MTEF. Once again this is explained by the once-off sale of capital assets. For the 2007/08 DACE projects revenue of R8, 678 million, an increase of 72.8 percent from R2,361 million collections in 2006/07 due to the implementation of the Section 24G. For 2008/09 and 2009/10 an increase of 16.7 is projected.

Department of Local Government generates revenue through the sales of goods and services other than capital assets and Interest, dividends and rent on land. In the 2003/04 the department recorded revenue of R1,368 million largely as a result of once off sales of capital assets. From 2004/05 to 2009/10 the department's revenue averages a little under R300,000.

The Office of the Premier recorded R2,569 million as own revenue in 2003/04 which decreased by 58.3 percent the following financial year, as a result of once off sale of capital assets. This trend is followed all the way up to 2009/10.

Department of Housing revenue is derived from Interest, dividends and rent on land, the sales of capital assets and financial transactions in assets and liabilities. The Department of Housing recorded R10,895 million in 2003/04 which then declines by 46.7 percent the following financial year. Between 2006/07 to 2009/10 the department average revenue is under R6 million.

Department of Education main sources of revenue are the financial transactions in assets and liabilities, Interest, dividends and rent on land, and the sales of goods and services other than capital assets. The department projected a revenue budget for 2007/08 of R15,890 which represents a drop of 50.7 percent from the revenue generated in 2004/05. This huge decline is as a result of a significant drop in financial transactions in assets and liabilities of 77.7 percent. For 2008/09 the department's budget is projected to grow by 2.9 percent.

The Department of Community Safety generates revenue from the sales of goods and services other than capital assets, financial transactions in assets and liabilities, and fines, penalties and forfeits. The department contributed R4,422 million in 2004/05 and R8,043 million in 2005/06. 2007/08 revenue is projected to be R 8,750 million, an increase of 41.70 percent from the 2006/07 budget of R5,101.

The Department of Social Development total revenue in 2004/05 was R676,000 and R1,756 million in 2005/06 representing an increase of 38.5 percent. For 2007/08 revenue is projected at R1,692 million a decrease of 65.6 percent from the R4,924 in 2006/07. The main cause of this steep decrease is a drop of 72.9 percent in financial transactions in assets and liabilities.

The Department of Sports, Recreation, Arts and Culture generates own revenue through the sales of goods and services and fines, penalties and forfeitures. From 2003/04 to 2006/07 the own revenue was constant with little fluctuation. The revenue for 2006/07 is R602 million and in 2007/08 is R317 million. From 2006/07 to 2007/08 there was a steep decline of about 52.7 percent on own revenue contribution due to the decrease in sales of goods and services projected.

**TABLE 8: SUMMARY OF ACTUAL AND BUDGETED OWN RECEIPTS BY DEPARTMENT**

R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Education	27,687	29,697	14,978	13,806	13,806	15,427	15,890	16,367	16,858
Health	198,733	264,429	254,645	199,468	213,032	213,032	221,516	234,807	251,244
Social Development	1,048	676	1,756	724	724	4,924	1,692	1,692	1,692
Office of the Premier	2,569	1,070	383	60	60	179	68	68	68
Economic Development	339,670	369,551	427,517	410,354	410,354	456,021	539,292	571,588	600,592
Housing	10,895	5,812	1,840	5,932	5,932	5,932	5,707	5,707	5,707

R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Local Government	1,368	217	386	284	284	284	296	296	296
Public Transport, Roads and Works	774,029	833,241	980,241	983,350	1,003,350	1,123,909	1,216,318	1,337,488	1,468,688
Community Safety	72	4,422	8,043	5,101	5,101	5,101	8,750	9,060	9,310
Agriculture, Conservation and Environment	7,685	3,010	2,610	4,622	4,622	2,361	8,678	10,413	12,495
Sport, Recreation, Arts and Culture	650	697	578	602	602	602	317	191	191
Gauteng Shared Service Centre	517	6,922	2,024	750	750	750	750	750	750
Gauteng Treasury	191,630	176,063	223,189	133,210	133,210	133,210	152,184	151,810	148,580
<b>Total departmental own source receipts</b>	<b>1,556,553</b>	<b>1,695,807</b>	<b>1,918,190</b>	<b>1,758,263</b>	<b>1,778,506</b>	<b>1,961,732</b>	<b>2,171,459</b>	<b>2,340,237</b>	<b>2,516,471</b>

## 5. PAYMENTS

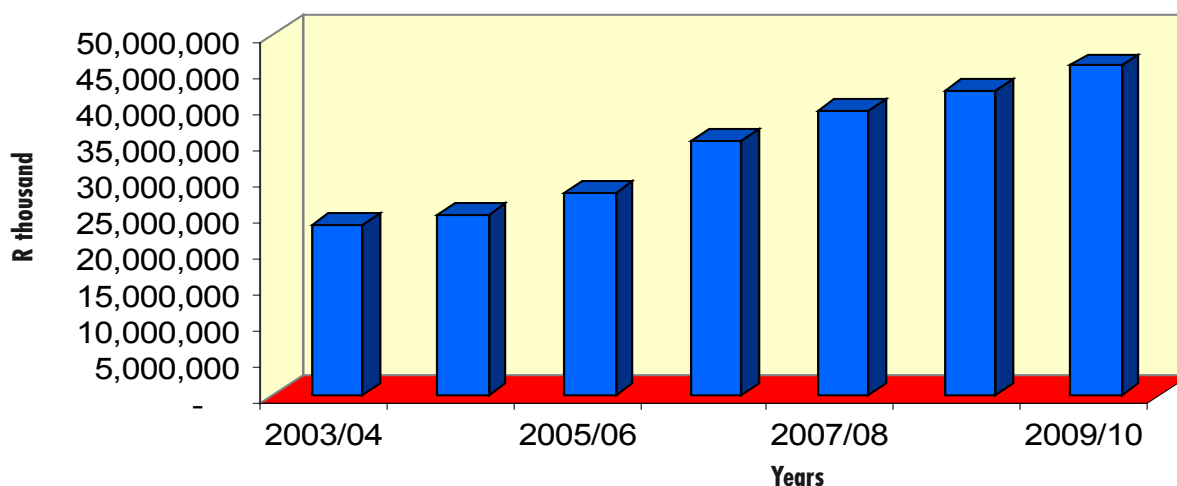
### 5.1 OVERALL POSITION

The overall position of the province takes into account the priorities of the Gauteng Provincial Government that were adopted by the Executive Committee as well as the priorities of the National Government. The 2007/08 Medium Term Expenditure Framework (MTEF) budget updates the fiscal policy framework for the province and makes further progress towards the provincial goals. Stated below are the total outlays for provincial programmes that are budgeted for during:

- Financial year 2007/08: R40, 312 billion;
- Financial year 2008/09: R43, 747 billion;
- Financial year 2009/10: R46, 976 billion.

**FIGURE 12: PROVINCIAL PAYMENTS & BUDGET ALLOCATIONS**

Provincial Payments & Budget Allocations



## 5.2 PAYMENTS BY VOTE

The trend analysis over the 7-year period indicates an annual nominal average growth of 9,2 percent in the provincial payments and estimates between 2003/04 to 2005/06. An increased allocation to Public Transport, Roads and Works contributed significantly to the nominal 25,6 percent growth in 2006/07. The growth pattern subsequently reverts to the 9,3 percent annual average rate over the MTEF.

**TABLE 9: PAYMENTS BY VOTE**

Department R thousand	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Office Of The Premier	93,272	97,304	103,238	118,431	117,168	111,184	121,768	128,256	134,318
Gauteng Provincial Legislature	80,908	87,904	114,097	129,010	146,233	146,233	164,866	165,416	173,688
Economic Development	1,220,778	862,854	539,055	572,071	665,055	659,407	627,308	763,686	843,500
Health	8,195,817	8,575,286	9,974,183	10,404,351	10,654,498	11,041,009	12,052,282	12,761,644	14,219,399
Education	9,471,854	9,834,976	10,792,959	12,281,967	12,458,959	12,839,839	14,543,466	15,966,587	17,130,958
Social Development	667,062	787,675	802,679	981,782	1,034,644	1,033,546	1,404,413	1,604,601	1,787,485
Housing	1,223,033	1,394,135	1,673,301	2,081,462	2,171,717	2,174,866	2,637,948	3,024,253	3,417,906
Local Government	210,475	213,405	128,484	160,350	206,163	206,163	228,441	184,570	190,048
Public Transport, Roads And Works	1,531,682	1,906,915	2,080,627	6,225,193	6,251,433	6,251,433	6,460,900	6,996,554	6,906,022
Community Safety	146,320	157,906	181,538	220,172	222,395	226,693	335,416	297,461	310,084
Agriculture, Conservation And Environment	186,582	195,243	217,345	241,891	243,246	243,310	294,648	315,571	366,452
Sport, Recreation, Arts And Culture	131,541	138,174	172,432	221,272	263,272	263,272	294,665	326,061	307,352
Gauteng Shared Service Centre	472,490	474,433	636,351	751,339	776,886	776,886	1,039,792	1,085,192	1,055,347
Gauteng Treasury	16,157	16,813	18,510	70,447	61,194	61,194	104,292	124,656	130,889
<b>Total payments and estimates: GPG</b>	<b>23,647,971</b>	<b>743,023</b>	<b>27,434,799</b>	<b>34,459,738</b>	<b>35,277,863</b>	<b>36,035,035</b>	<b>40,312,205</b>	<b>43,746,607</b>	<b>46,975,653</b>

## 5.3 SUMMARY OF PAYMENTS

Provincial expenditure is projected to increase by 14 percent in 2007/08, declining to 9 percent in the middle year and to further decline by 2 percent in the outer year of the MTEF. The significant increase of 14 percent in year 1 of the MTEF is attributable 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 on-line project.

Additional funding amounting to R196,7 million; R60,7 million and R63,7 million have been made available for Health priorities over the MTEF. The first year allocation represents a real growth whilst the outer years are inflationary adjustments. The medico-legal priority was transferred to Health from the Department of Community Safety to render medical services to the Ikhaya Lethemba for the victims of domestic violence. A once-off allocation for the TB crises plan and the critical care beds is made as a response to the recent TB crises.

Education priorities have been allocated R185,3 million; R315,2 million and R398,2 million over the MTEF. The Public Ordinary School priority is to fund the intake of teacher skills in shortage areas, the free schooling priority addresses the implementation and extension of the no-fee school policy in identified schools, the further education

priority increases access to these subsidised schools in order to address the skills shortage within the country and the ABET funding also increases access to these institutions to reduce the levels of illiteracy in the province and thereby increasing the pool of skills the provincial economy can tap.

The Department of Social Development received funding totalling R310,4 million; R427,8 million and R449,2 over the MTEF for the development of Early Childhood Centres in the top 20 townships, the management information to establish an electronic data management system to run the social programmes rendered by the non-governmental organizations on behalf of the department, the social development strategy for the province, to improve social worker incentives and remuneration to stem the tide of the social workers leaving the public service and the provision of school uniforms as part of the free schooling function.

Public Transport, Roads and Works received R1,826 billion; R1,876 billion and R2,489 billion for the improvement of facilities, new construction of the Gautrain rapid rail network, maintenance and rehabilitation of Route 21 to improve and maintain a good thoroughfare to the OR Tambo International Airport and the maintenance of the provincial roads network.

#### 5.4 SUMMARY OF PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION

Payments by economic classification reveal that over seven year reporting period, current payments account for approximately 71 percent, capital and current transfers at 22 percent with capital payments accounting for the remainder. Current payments are projected to increase by R3,2 million into 2007/08. It is worth noting that bulk of current payments represents compensation of employees. Personnel expenditure grows by 11 percent, 8 percent and 7 percent over the MTEF years respectively. The greater portion of the goods and services budget is used by the Departments of Health and Education.

Total transfers and subsidies allocations are inclusive of both the current and the capital transfers and subsidies. The bulk of expenditure for current transfers and subsidies represents transfers to non-government organisations who undertake services such as HIV/AIDS community home based programme, rendering services to children living in the street, support to abused women and children, health care on behalf of government as well as school funding. Capital transfers and subsidies represent expenditure by Housing for housing development programmes as well as expenditure by entities within Economic Development and Public Transport, Road and Works for infrastructure programmes such as Blue IQ projects as well as Gautrain within the province.

Allocations for spending on capital assets amount to R2,9 billion in the first year of the MTEF and increases to R3,2 billion in the outer year. The capital budget will mainly be used by the social sector for construction and maintenance of physical infrastructure in schools as well as in health facilities; as well as Public Transport, Roads and Works to accommodate new construction of roads, rehabilitation and maintenance of the existing infrastructure.

**TABLE 10: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION**

Department R thousand	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07		2007/08
<b>Current payments</b>	<b>17,721,396</b>	<b>18,350,224</b>	<b>20,416,415</b>	<b>22,367,983</b>	<b>23,228,057</b>	<b>23,755,185</b>	<b>26,943,159</b>	<b>29,140,094</b>	<b>31,550,683</b>
Compensation of employees	12,733,392	13,487,986	14,717,926	16,308,302	16,535,214	16,948,666	18,882,829	20,324,880	21,684,586
Goods and services	4,941,843	4,820,046	5,672,876	6,059,681	6,697,774	6,820,668	8,068,222	8,812,811	9,865,838
Interest and rent on land	27,359	19,903				845	2,150	3,740	4,114
Interest		25				845			
Rent on land	27,359	19,878					2,150	3,740	4,114
Financial transactions in assets and liabilities	8,802	13,874	16,057		70	181			

Department R thousand	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Unauthorised expenditure									
<b>Transfers and subsidies (Total):</b>	<b>4,369,544</b>	<b>4,508,143</b>	<b>4,821,486</b>	<b>9,543,492</b>	<b>9,426,002</b>	<b>9,629,752</b>	<b>10,477,837</b>	<b>11,685,576</b>	<b>12,154,577</b>
Provinces and municipalities (T)	444,566	665,942	574,293	535,276	561,655	561,168	498,117	512,311	539,810
Departmental agencies and accounts (T)	181,315	321,200	735,042	4,958,526	4,938,902	4,934,856	4,922,537	5,239,702	5,039,491
Universities and technikons (T)	501	3,246	69,084	690	641	641	720	755	795
Public corporations and private enterprises (T)	1,096,266	470,045	179,885	79,231	79,231	85,402	95,511	140,674	140,895
Foreign governments and international organisations (T)									
Non-profit institutions (T)	1,409,137	1,498,909	1,513,535	1,823,598	1,615,539	1,799,861	2,310,283	2,782,921	3,043,240
Households (T)	1,237,759	1,548,801	1,749,567	2,146,171	2,230,034	2,246,824	2,650,669	3,009,213	3,390,346
<b>Payments for capital assets</b>	<b>1,557,031</b>	<b>1,884,656</b>	<b>2,196,898</b>	<b>2,548,263</b>	<b>2,618,803</b>	<b>2,649,613</b>	<b>2,881,167</b>	<b>2,919,602</b>	<b>3,268,985</b>
Buildings and other fixed structures	937,089	1,454,012	1,269,703	1,849,347	1,902,931	1,909,287	2,227,877	2,353,421	2,652,037
Machinery and equipment	617,379	419,495	885,964	669,089	687,941	709,745	634,927	547,809	598,435
Cultivated assets	2,563	947							
Software and other intangible assets		9,012	23,465	9,273	7,377	7,377	2,809	2,818	2,959
Land and subsoil assets		1,190	17,287	20,554	20,554	23,203	20,554	20,554	20,554
Of which: Capitalised compensation				9,592					
<b>Total economic classification</b>	<b>23,647,971</b>	<b>24,743,023</b>	<b>27,434,799</b>	<b>34,459,738</b>	<b>35,277,863</b>	<b>36,035,035</b>	<b>40,312,205</b>	<b>43,746,607</b>	<b>46,975,653</b>

FIGURE 13: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION

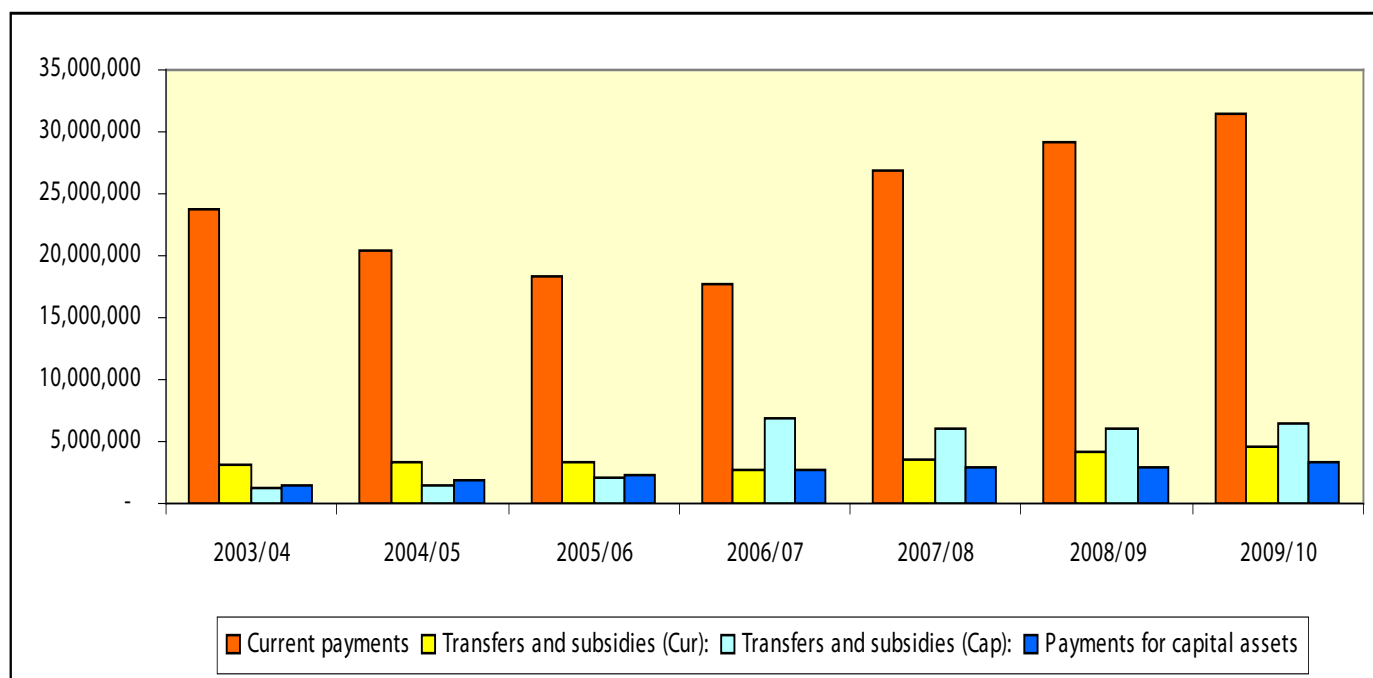


TABLE 11: PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION "of which"

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
	2003/04	2004/05	2005/06				2006/07			2007/08
<b>Current payments</b>										
Goods and services										
of which										
Consultants	136,796	131,036	130,365	190,468	214,954	217,151	216,308	208,910	235,610	
Audit and legal fees	3,859	3,741	4,058	3,885	4,907	5,145	7,683	6,421	11,445	
Communication	21,031	23,378	21,294	31,953	32,201	32,439	26,514	26,889	28,966	
Travel and subsistence	9,880	33,956	26,760	57,760	59,289	59,242	36,837	37,553	40,426	
Maintenance, repair and running costs	269,101	338,018	418,355	443,450	452,050	452,050	575,313	588,869	593,891	
Owned and leasehold property expenditure	22,285	49,166	41,113	50,701	54,195	54,525	68,540	69,552	73,119	
Inventories	7,004	13,657	15,207	20,459	22,880	23,119	23,931	25,585	29,250	
IT Expenses	12,029	8,052	7,670	3,168	3,168	3,168	45,070	6,442	6,736	
Constituency Allowance	4,380	4,380	6,570	7,227	7,227	7,227	14,454	15,177	15,860	
Advertising and marketing	9,381	7,105	13,948	14,907	39,503	42,292	48,503	39,146	42,067	
Medicine and Vaccine	707,498	767,063	912,851	912,860	1,147,117	1,147,117	1,354,233	1,478,553	1,687,545	
Medical Services	591,129	680,258	574,519	569,600	651,923	651,923	707,610	743,371	823,100	
Medical Supplies	397,678	353,951	473,396	446,490	461,013	461,013	519,252	542,246	597,331	

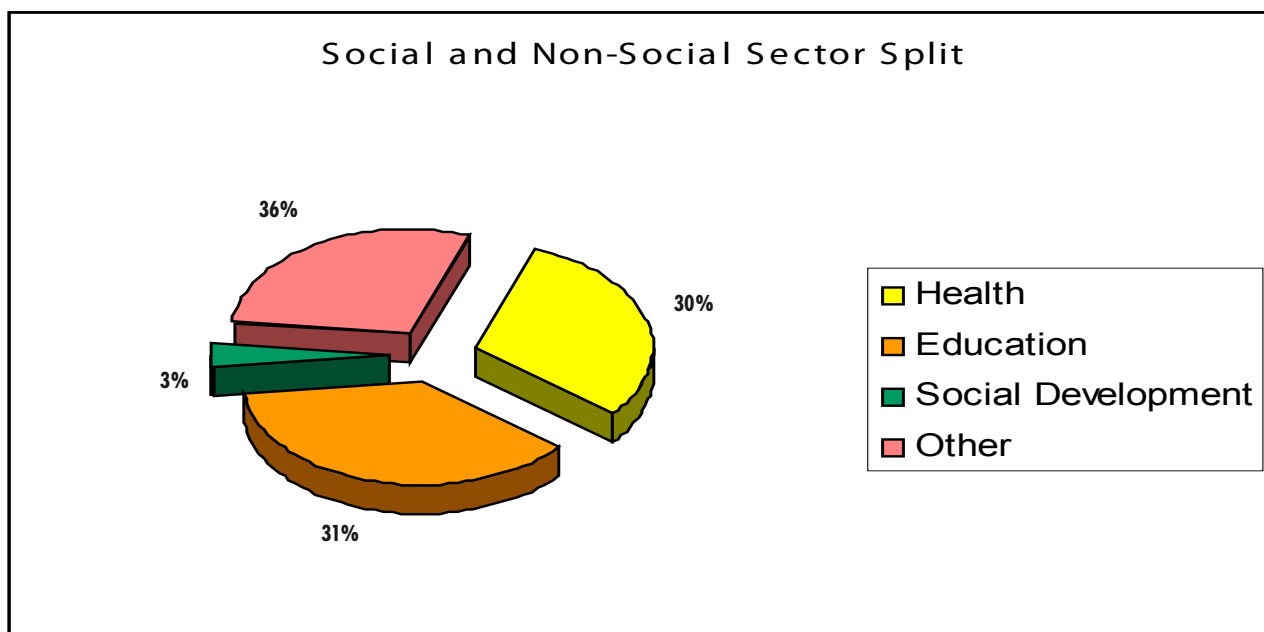
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07		
Food and Food Supplies	146	7,161	6,767	6,992	6,992	6,992	17,467	17,668	17,993
Training Development	1,949	1,015	1,020	900	900	900	3,131	3,186	3,340
Other									
<b>Total economic classification</b>									

### 5.5 SOCIAL AND NON-SOCIAL SECTOR SPLIT

The social sector overall makes up the largest portion of the provincial payments and estimates, over the seven year period, the social sector amounts to over 60 percent of the total provincial payments and estimates. The percentage split shows that Education constitutes the highest share at 31 percent, Health follows at 30 percent and Social Development is approximately 3 percent over the reporting period; the remaining 36 percent is divided amongst other departments. Social Development accounts for a small percentage over the period due a shift of the social security grants function to the South African Social Security Agency (SASSA).

Specifically to the 2007 MTEF, the average combined share of the social sector (Health, Education and Social Development) is 71 percent of the provincial total expenditure for the 2007/08 financial year, with the two outer years recording a 72 percent share in the provincial expenditure estimates respectively.

**FIGURE 14: SOCIAL AND NON-SOCIAL SECTOR SPLIT**



### 5.6 PAYMENTS BY POLICY AREA

The payments and estimates for each policy area is indicated in table below, which shows:

- Significant growth in the areas of economic affairs (R6,957 billion), education (R2,804 billion) and health (R2,208 billion) between 2003/04 to 2006/07;
- Significant growth in the areas of education (R1,693 billion), economic affairs (R666 million), health (R1,397 billion) 2006/07 and 2007/08;
- Slight increase in the area of environmental protection between 2002/03 to 2009/10 and slight increases in general public services and public order and safety;

**TABLE 12: PAYMENTS BY POLICY AREA**

	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07	2007/08	2008/09
General public services	873,302	889,859	1,000,680	1,229,577	1,307,644	1,301,660	1,659,159	1,688,091	1,684,291
Public order and safety	146,320	157,906	181,538	220,172	222,395	226,693	335,416	297,461	310,084
Economic affairs	2,907,163	3,097,868	3,414,896	7,011,206	7,137,168	7,131,584	7,349,797	8,040,752	8,077,767
Environmental protection	31,360	23,501	22,980	27,949	22,566	22,566	32,746	35,071	38,206
Housing and community amenities	1,223,033	1,394,135	1,673,301	2,081,462	2,171,717	2,174,866	2,637,948	3,024,253	3,417,905
Health	8,195,817	8,575,286	9,974,183	10,404,351	10,654,498	11,041,009	12,052,282	12,761,644	14,219,399
Recreation, culture and religion	131,541	138,174	172,432	221,272	263,272	263,272	296,665	328,161	309,557
Education	9,471,854	9,834,976	10,792,960	12,281,967	12,458,959	12,839,839	14,533,044	15,964,831	17,129,554
Social protection	667,062	787,675	802,677	981,782	1,034,643	1,033,546	1,404,413	1,604,601	1,787,485
<b>Total provincial payments and estimates by policy area</b>	<b>23,647,452</b>	<b>24,899,380</b>	<b>28,035,647</b>	<b>34,459,738</b>	<b>35,272,862</b>	<b>36,035,035</b>	<b>40,301,470</b>	<b>43,744,865</b>	<b>46,974,248</b>

## 5.7 INFRASTRUCTURE PAYMENTS

The province continues to focus on infrastructure delivery in the coming medium term as it develops, maintains infrastructure and creates jobs. Infrastructure delivery is the main vehicle that enables departments to provide appropriate infrastructure for delivery of essential services such as Department of Health, Department of Education and Department of Public Transport, Roads and Works contributes towards the goals of halving unemployment and poverty by 2014.

The provincial infrastructure allocation comprises 27 percent of the total provincial budget in 2007/08, 19 percent in 2008/09 and 22,6 percent in 2009/10. The total provincial allocation for the 2007/08 financial year increases by 19,9 percent due mainly to Public Transport, Roads and Works which receives a conditional grant from National Transport (Gautrain) amounting to R3,029 billion, in financial year 2008/09 the budget allocation decrease to 27,3 percent and increase in the financial year 2009/10 by 19,6 percent.

**TABLE 13: INFRASTRUCTURE SPENDING**

R thousand	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2006/07			2007/08	2008/09	2009/10
1 Economic Development	296,375	296,375	296,375	209,691	379,190	379,190
2 Health	871,869	871,869	871,869	1,085,054	1,049,052	1,341,122
3 Education	870,679	870,679	870,679	620,022	630,610	2,429,527
4 Social Development	26,620	26,620	26,620	113,617	21,000	21,000
5 Housing	1,814,335	1,814,335	1,814,335	2,197,223	2,400,834	2,400,834
6 Public Transport, Roads and Works	4,760,504	4,760,504	4,760,504	6,560,499	3,977,884	4,026,227
7 Agriculture, Conservation and Environment	5,770	5,770	5,770	12,300	12,300	9,000
8 Sport, Arts, Culture and Recreation	57,400	57,400	57,400	69,900	69,900	9,900
<b>Total provincial infrastructure payments and estimates by Vote</b>	<b>8,703,552</b>	<b>8,703,552</b>	<b>8,703,552</b>	<b>10,868,306</b>	<b>8,540,770</b>	<b>10,616,800</b>

**TABLE 14: PUBLIC PRIVATE PARTNERSHIP**

R thousand	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2007/08	2008/09	2009/10
Projects under implementation									
PPP unitary charge									
Advisory fees									
Revenue generated (if applicable)									
Project monitoring cost									
New projects					11,000	11,000	12,000	12,600	13,230
PPP unitary charge									
Advisory fees					11,000	11,000	12,000	12,600	13,230
Revenue generated (if applicable)									
Project monitoring cost									
<b>Total</b>					<b>11,000</b>	<b>11,000</b>	<b>12,000</b>	<b>12,600</b>	<b>13,230</b>

## 5.8 TRANSFERS

The provincial allocation amounts to R1,339 billion over the MTEF. The total provincial allocation increase by 3,5 percent; 7,6 percent and 2,7 percent for the 2007/08; 2008/09 and 2009/10 respectively. The highest allocation is for Ekurhuleni Metro which amounts to R153,5 million; R166 million and R174 million over the MTEF.

**TABLE 15: TRANSFERS TO MUNICIPALITIES**

Municipality	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07	2007/08	2008/09
<b>R thousand</b>									
<b>Category A</b>	<b>255,941</b>	<b>413,921</b>	<b>329,059</b>	<b>287,623</b>	<b>296,698</b>	<b>296,698</b>	<b>357,400</b>	<b>385,602</b>	<b>404,803</b>
Johannesburg Metro	88,302	164,030	109,225	107,891	112,736	112,736	138,148	148,660	156,065
Ekurhuleni Metro	97,736	155,351	159,335	135,063	137,293	137,293	153,500	166,059	174,338
Tshwane Metro	69,903	94,540	60,499	44,669	46,669	46,669	65,752	70,883	74,400
<b>Category C</b>	<b>92,938</b>	<b>109,343</b>	<b>149,863</b>	<b>107,957</b>	<b>107,957</b>	<b>107,957</b>	<b>61,951</b>	<b>68,309</b>	<b>61,800</b>
West Rand District Council	28,847	35,167	61,396	38,178	38,178	38,178	23,890	26,443	27,800
Sedibeng District Council	40,928	50,216	71,734	56,006	56,006	56,006	26,788	29,647	21,200
Metsweding District Council	10,618	9,881	12,726	10,873	10,873	10,873	9,373	10,319	10,900
Mogale City	3,100	4,500	40	1,400	1,400	1,400	1,400	1,400	1,400
Westonaria	950	1,000	1,400						
Sedibeng		1,000	2,500	1,500	1,500	1,500	500	500	500
Nokeng tsa Taemane	200	1,000							
Lesedi	3,950	6,500							
Kungwini		79	55						

Municipality	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
<b>R thousand</b>									
Emfuleni	1,000								
Merafong	120		2						
Randfontein	3,225		10						
<b>Total transfers to local government</b>	<b>348,879</b>	<b>523,264</b>	<b>478,922</b>	<b>395,580</b>	<b>404,655</b>	<b>404,655</b>	<b>419,351</b>	<b>453,911</b>	<b>466,603</b>

## 5.9 TRANSFER TO PUBLIC ENTITIES

Transfers to Public Entities reflect a declining trend from R823,1 million (2003/04) to R555,5 million (2006/07) and then hover in the region of R278 million during the MTEF. This trend is largely influenced by allocations to the Blue IQ. Economic Development with its 5 public entities is the major contributor the total for the province.

**TABLE 16: TRANSFER TO PUBLIC ENTITIES**

Entity name	Department	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
		Audited			Main	Adjusted	Revised estimate	Medium-term estimates		
Gauteng Youth Commission	Sports, Art, Culture and Recreation				3,800			6,000	6,300	6,615
Gauteng Economic Development Agency	Economic Development	28,900	31,000	30,600	32,500	42,500	75,177	33,500	33,500	33,500
Gauteng Tourism Agency	Economic Development	28,800	37,000	31,700	33,500	33,500	47,500	34,500	34,500	34,500
Gauteng Film Office	Economic Development		5,900	4,700	3,525	14,100	13,525	3,550	3,550	3,550
Gauteng Enterprise Propeller/ GAUMAC	Economic Development		9,000	73,000	83,575	80,000	80,000	123,650	53,650	53,650
Blue IQ	Economic Development	764,404	626,226	177,018	79,231	157,231	318,231	93,211	138,211	138,211
Gauteng Gambling Board	Economic Development					10,500	10,500			
Department of Education	Economic Development	1,000								
Gauteng Liquor Board	Economic Development					10,600	10,600			
<b>Total departmental transfers to public entities</b>		<b>823,104</b>	<b>709,126</b>	<b>317,018</b>	<b>236,131</b>	<b>348,431</b>	<b>555,533</b>	<b>294,411</b>	<b>269,711</b>	<b>270,026</b>

## 5.10 PERSONNEL NUMBERS AND COSTS

Table 17 below reflects a trend in the personnel numbers in the province. The trend gradually inclines from 2004 until it peaks in 2008 and then decline in the outer MTEF years. Personnel numbers gradually grow from 115,907 (2004) by an annual average of 2,427 (or 2,1 percent) to 125,614 (2008). Thereafter the employment declines to a region of 110,000 in the outer MTEF years. Demarcation is one of the factors influencing the reported trend. The social sector is the highest employer in the province with the estimated employees by the end of March 2007

amounting to 63,028 for Education and 45,338 for Health. Public Works, Roads and Transport being the third highest employer reflects 5,046 employees.

**TABLE 17: PERSONNEL NUMBERS AND COSTS**

Personnel numbers	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
Office Of The Premier Gauteng Provincial Legislature	147	178	177	207	207	207	207
Economic Development	96	188	311	311	311	311	311
Health	42,253	42,475	42,460	45,338	48,155	33,246	33,849
Education	64,000	65,218	63,028	63,028	63,028	63,028	63,028
Social Development	2,042	2,144	1,889	2,281	2,281	2,281	2,281
Housing	608	609	733	1,248	1,248	1,248	1,248
Local Government Public Transport, Roads And Works	4,331	2,917	3,311	5,046	5,046	5,046	5,046
Community Safety Agriculture, Conservation And Environment	57	682	739	797	1,364	1,064	1,064
Sport, Recreation, Arts And Culture	236	334	286	388	398	133	133
Gauteng Shared Service Centre	955	1,094	1,189	1,400	1,350	1,350	1,350
Gauteng Treasury	14	28	38	80	184	190	200
<b>Total</b>	<b>115,907</b>	<b>117,196</b>	<b>115,607</b>	<b>122,057</b>	<b>125,614</b>	<b>109,623</b>	<b>110,238</b>

### 5.11 PAYMENTS ON TRAINING

Table 18 below reflects a trend in the training costs in the province. Overall the trend gradually inclines from R46,6 million (2003/04) by annual average of 21,9 percent to R98,5 million (2009/10). Health, with its training cost accounting for over 50 percent per annum of the total training cost over the MTEF, is the highest contributor to the total cost of training within the province. Public Transport, Roads and Works reflects the second largest share of the total cost at a level of 20 percent per annum over the MTEF. It must however be noted that the total for the province excludes costs relating to some departments whose data was unavailable at the time of finalising the data consolidation.

**TABLE 18: PAYMENTS ON TRAINING**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07		2007/08
Office Of The Premier Gauteng Provincial Legislature	1,896	1,299	1,795	1,706	1,706	1,706	1,700	1,778	1,867
Economic Development	1,519	708	1,107	1,217	1,217	1,217	3,894	4,128	4,375
Health	31,662	6,030	30,381	43,820	43,820	43,820	48,660	50,210	50,985
Education Social Development	1,180	3,758	2,231	6,298	6,298	6,298	5,354	5,889	6,479

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07		2007/08	2008/09	2009/10	
Housing	912	2,626	1,407	2,600	1,600	1,600	2,600	4,000	4,000
Local Government	1,170								
Public Transport, Roads And Works	8,316	10,085	12,646	16,247		16,247	18,022	20,722	22,222
Community Safety									
Agriculture, Conservation And Environment		1,745	4,509	211,038	6,236	6,236	6,986	7,413	7,865
Sport, Recreation, Arts And Culture		759	3,797	742	742	742	742	742	742
Gauteng Shared Service Centre									
Gauteng Treasury									
<b>Total</b>	<b>46,655</b>	<b>27,010</b>	<b>57,873</b>	<b>283,668</b>	<b>61,619</b>	<b>77,866</b>	<b>87,958</b>	<b>94,882</b>	<b>98,535</b>

# ANNEXURE TO STATEMENT 1

**TABLE 1: DETAILS OF TOTAL PROVINCIAL OWN RECEIPTS**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Tax receipts	1,077,142	1,148,954	1,348,425	1,310,469	1,330,469	1,508,295	1,670,107	1,817,975	1,974,229
Casino taxes	285,448	310,653	362,882	343,342	343,342	401,093	468,319	496,418	520,912
Horse racing taxes	49,531	23,646	25,966	29,076	29,076	28,592	30,820	32,669	34,629
Liquor licences									
Motor vehicle licences	742,163	814,655	959,577	938,051	958,051	1,078,610	1,170,968	1,288,888	1,418,688
Sales of goods and services other than capital assets	222,831	238,369	267,153	279,634	279,634	254,907	296,634	314,949	337,032
Sale of goods and services produced by department (excluding capital assets)	222,831	237,532	266,264	279,122	279,122	254,236	295,930	314,202	336,233
Sales by market establishments		91		85	85				
Administrative fees			117	37	37	51	54	57	61
Other sales	222,831	237,441	266,147	279,000	279,000	254,185	295,876	314,146	336,172
Of which									
Health patient fees	171,177	180,645	204,642	184,537	184,537	184,026	193,227	204,821	219,158
Entrance Fees				605	605	605	66	78	94
Sales of scrap, waste, arms and other used current goods (excluding capital assets)		837	889	512	512	671	705	747	799
Transfers received from:		45,309	743			1,032			
Other governmental units									
Universities and technikons									
Foreign governments									
International organisations									
Public corporations and private enterprises		45,309	743			1,032			
Households and non-profit institutions									
Fines, penalties and forfeits	1,533	2,138	5,727	650	650	651	6,021	6,041	6,041

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Interest, dividends and rent on land	227,971	175,532	229,279	159,162	159,162	162,459	181,045	183,008	180,215
<i>Interest</i>	197,213	175,469	229,279	136,401	136,401	141,959	160,545	160,508	157,715
<i>Dividends</i>									
<i>Rent on land</i>	30,758	63		22,761	22,761	20,500	20,500	22,500	22,500
Sales of capital assets	15,319	1,392	6,847	2,544	2,544	2,550	2,453	2,456	2,460
Land and subsoil assets	10,600	240	6,739	2,500	2,500	2,500	2,400	2,400	2,400
Other capital assets	4,719	1,152	108	44	44	50	53	56	60
Financial transactions in assets and liabilities	11,757	84,113	60,016	5,804	5,804	31,838	15,199	15,808	16,494
<b>Total provincial own receipts</b>	<b>1,556,553</b>	<b>1,695,807</b>	<b>1,918,190</b>	<b>1,758,263</b>	<b>1,778,263</b>	<b>1,961,732</b>	<b>2,171,459</b>	<b>2,340,237</b>	<b>2,516,471</b>

TABLE 2: DETAILS OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
<b>Current payments</b>	<b>17,721,396</b>	<b>18,350,224</b>	<b>20,416,415</b>	<b>22,367,983</b>	<b>23,233,058</b>	<b>23,755,670</b>	<b>26,953,200</b>	<b>29,141,429</b>	<b>31,552,091</b>
Compensation of employees	12,743,392	13,496,401	14,727,482	16,308,302	16,535,214	16,933,976	18,882,829	20,324,878	21,682,139
Salaries and wages	12,535,804	13,255,337	14,493,154	16,152,566	16,387,570	16,828,097	18,648,027	20,117,235	21,469,539
Social contributions	207,588	241,064	234,328	155,736	147,644	105,879	234,802	207,643	212,600
Goods and services	4,941,843	4,820,046	5,672,876	6,059,681	6,697,774	6,820,668	8,068,221	8,812,811	9,865,838
<i>of which</i>									
Consultants	136,796	131,036	130,365	190,468	214,953	217,150	216,308	208,910	235,609
Audit and legal fees	3,859	3,741	4,058	3,885	4,907	5,145	7,683	6,421	11,445
Communication	21,031	23,378	21,294	31,953	32,201	32,438	26,514	26,888	28,965
Travel and subsistence	9,880	33,956	26,760	57,760	59,289	59,242	36,837	37,553	40,426
Maintenance, repair and running costs	269,101	338,018	418,355	443,450	452,050	452,050	575,313	588,869	593,891
Medicine and Vaccine	707,498	767,063	912,851	912,860	1,147,117	1,147,117	1,354,233	1,478,553	1,687,545
Medical Services	591,129	680,258	574,519	569,600	651,923	651,923	707,610	743,371	823,100
Medical Supplies	397,678	353,951	473,396	446,490	461,013	461,013	519,252	542,246	597,331
Interest and rent on land	27,359	19,903				845	2,150	3,740	4,114
<i>Interest</i>		25				845			
<i>Rent on land</i>	27,359	19,878					2,150	3,740	4,114

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Financial transactions in assets and liabilities	8,802	13,874	16,057		70	181			
<b>Transfers and subsidies to:</b>	<b>4,369,544</b>	<b>4,508,143</b>	<b>4,821,486</b>	<b>9,543,492</b>	<b>9,426,002</b>	<b>9,629,752</b>	<b>10,477,837</b>	<b>11,685,576</b>	<b>12,154,577</b>
Provinces and municipalities	444,566	665,942	574,293	535,276	561,655	562,168	498,117	512,311	539,810
<i>Provinces<sup>2</sup></i>									
<i>Provincial Revenue Funds</i>									
<i>Provincial agencies and funds</i>									
Municipalities <sup>3</sup>	444,566	665,942	574,293	535,276	561,655	562,168	498,117	512,311	539,810
<i>Municipalities</i>	444,566	665,942	574,293	535,276	561,655	562,168	498,117	512,311	539,810
<i>of which: Regional service council levies</i>									
<i>Municipal agencies and funds</i>									
Departmental agencies and accounts	181,315	321,200	735,042	4,958,526	4,938,902	4,934,856	4,922,537	5,239,702	5,039,491
<i>Social security funds</i>		6,630	5			488			
<i>Provide list of entities receiving transfers<sup>4</sup></i>	181,315	314,570	735,037	4,958,526	4,938,902	4,934,368	4,922,537	5,239,702	5,039,491
Universities and technikons	501	3,246	69,084	690	641	641	720	755	795
<b>Transfers and subsidies to:</b>									
<b>- continued</b>									
Public corporations and private enterprises <sup>5</sup>	1,096,266	470,045	179,955	79,231	79,231	85,402	95,511	140,674	140,895
Public corporations	1,096,266	470,045	179,885	79,231	79,231	85,402	95,511	140,674	140,895
Subsidies on production									
Other transfers	1,096,266	470,045	179,885	79,231	79,231	85,402	95,511	140,674	140,895
Private enterprises			70						
<i>Subsidies on production</i>									
<i>Other transfers</i>			70						
Foreign governments and international organisations			10						
Non-profit institutions	1,409,137	1,499,205	1,513,535	1,823,598	1,615,539	1,799,861	2,310,283	2,782,921	3,043,240
Households	1,237,759	1,548,505	1,749,567	2,146,171	2,230,034	2,246,824	2,650,669	3,009,213	3,390,346
<i>Social benefits</i>	2,299	37,093	163	215	215	238			
<i>Other transfers to households</i>	1,235,460	1,511,412	1,749,404	2,145,956	2,229,819	2,246,586	2,650,669	3,009,213	3,390,346
<b>Payments for capital assets</b>	<b>1,557,031</b>	<b>1,884,656</b>	<b>2,196,898</b>	<b>2,548,263</b>	<b>2,618,803</b>	<b>2,649,613</b>	<b>2,881,168</b>	<b>2,919,602</b>	<b>3,268,985</b>

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Buildings and other fixed structures	937,089	1,454,012	1,269,703	1,849,347	1,902,931	1,909,287	2,227,877	2,348,421	2,652,037
Buildings	936,757	1,453,967	1,242,025	1,385,440	1,424,404	1,430,760	1,526,642	1,451,790	1,761,634
Other fixed structures	332	45	27,678	463,907	478,527	478,527	701,235	896,631	890,403
Machinery and equipment	617,379	419,495	886,443	669,089	687,941	709,745	629,928	547,809	593,435
Transport equipment			479	56,500	56,500	56,500	96,534	162,714	172,757
Other machinery and equipment	617,379	419,495	885,964	612,589	631,441	653,245	533,394	385,095	420,678
Cultivated assets	2,563	947				1			
Software and other intangible assets		9,012	23,465	9,273	7,377	7,377	2,809	2,818	2,959
Land and subsoil assets		1,190	17,287	20,554	20,554	23,203	20,554	20,554	20,554
<b>Total economic classification</b>	<b>23,647,971</b>	<b>24,743,023</b>	<b>27,434,799</b>	<b>34,459,738</b>	<b>35,277,863</b>	<b>36,035,035</b>	<b>40,312,205</b>	<b>43,746,607</b>	<b>46,975,653</b>

Of which: Capitalised compensation

**TABLE 3: PAYMENTS SUMMARY BY POLICY AREA**

Function	Category	Department	Programme
General public services	Legislative	Office of the Premier	1: Administration
			2: Institutional Development
			3: Policy and Governance
		Provincial Legislature	1. Political Representation
			2. Leadership and Governance
			3. Office of the Speaker and Secretary
			4. Parliamentary Operations
	Financial and fiscal affairs	Provincial Treasury	1. Administration
			2. Sustainable Resource Management
			3. Asset and Liabilities Management
			4. Financial Governance
		Gauteng Shared Services	1. Gauteng Audit Services
			2. Human Resources Services
Local Government	3. Procurement Services		
	4. Finance Services		
	5. Technology Support Services		
	6. Corporate Services		
Public order and safety	Police services	Community Safety	1: Management and Administration
			2. Promotion Safety

Function	Category	Department	Programme
			3. Civilian Oversight
			4. Traffic Management
			Special Functions
Economic Affairs	General economic affairs	Economic Development	1 Administration
			2 Integrated Economic Development Services
			3 Trade and Industry Development
			4 Business Regulation and Governance
	Agriculture	Agriculture	1. Administration
			2. Agriculture
			3. Conservation
			5. Dinokeng
	Transport	Transport	1. Administration
			2: Public Works
			3: Road Infrastructure
			4: Transport
			5: Community-Based Programme
			Special Functions
Environmental Protection	Environmental protection	Agriculture	4. Environment
			6. WHS
Housing and community amenities	Housing development	Housing	1. Administration
			2. Housing Planning and Research
			3. Housing, Development and Implementation
			4. Housing, Property Management
Health	Outpatient service	Health	District Health Services
	Health Support Services		1. Administration
			2. Emergency Medical Services
			3. Health Training and Sciences
			4. Health Care Support Services
			5. Health Facility Management
	Hospital services		6. Provincial Hospital Services
			7. Central Hospital Services
			8. Special Functions
			9. Internal Charges
Recreation, culture and religion	Recreational and sporting services	Sport, recreation, arts and culture	Sport and Recreation
	Cultural services		1. Administration
			2. Cultural Affairs
			3. Library and Information Services
Education	Pre-primary , primary and secondary education	Education	2: Public ordinary school education
			3: Independent school education
			4: Education in specialised schools
			7: Early childhood development
	Subsidiary service to education		1: Administration
			8: Auxiliary and associated services
	Education not definable by level		5: Further education and training
			6: Adult basic education and training
			10. Teacher colleges (Discontinued prg)
			9: Special function
Social protection	Social security services	Social Development	1: Administration
			2: Social Welfare Services
			3: Development and Research

**TABLE 4: DETAILS OF PROVINCIAL PAYMENTS AND ESTIMATES BY POLICY AREA**

	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07	2007/08	2008/09
General Public Services									
Executive and Legislature	174,180	185,208	217,335	247,441	263,401	257,417	286,634	293,673	308,007
Office of the Premier	93,272	97,304	103,238	118,431	117,168	111,184	121,768	128,256	134,319
Provincial Legislature	80,908	87,904	114,097	129,010	146,233	146,233	164,866	165,417	173,688
Financial and Fiscal Services	16,157	16,813	18,510	70,447	61,194	61,194	104,292	124,656	130,889
Provincial Treasury	16,157	16,813	18,510	70,447	61,194	61,194	104,292	124,656	130,889
General Services	682,965	687,838	764,835	911,689	983,049	983,049	1,268,233	1,269,762	1,245,395
Gauteng Shared Services Centre	472,490	474,433	636,351	751,339	776,886	776,886	1,039,792	1,085,192	1,055,347
Local Government	210,475	213,405	128,484	160,350	206,163	206,163	228,441	184,570	190,048
Total: General Public Services	873,302	889,859	1,000,680	1,229,577	1,307,644	1,301,660	1,659,159	1,688,091	1,684,291
Public Order and Safety									
Police Services									
Community Safety	146,320	157,906	181,538	220,172	222,395	226,693	335,416	297,461	310,084
Total: Public Order and Safety	146,320	157,906	181,538	220,172	222,395	226,693	335,416	297,461	310,084
Economic Affairs									
General Economic Affairs									
Economic Development	1,220,259	863,028	538,890	572,071	665,055	659,407	627,308	763,686	843,500
Agriculture									
Dept of Agriculture	155,222	171,742	194,365	213,942	220,680	220,744	261,914	280,512	328,246
Transport									
Public Transport	1,531,682	1,906,915	2,080,627	6,225,193	6,251,433	6,251,433	6,460,900	6,996,554	6,906,021
Total: Economic Affairs	2,907,163	2,941,685	2,83,882	7,011,206	7,137,168	7,131,584	7,350,122	8,040,653	8,077,767
Environmental Protection									
Environmental Protection	31,360	23,501	22,980	27,949	22,566	22,566	32,746	35,078	38,206
Total: Environmental Protection	31,360	23,501	22,980	27,949	22,566	22,566	32,746	35,078	38,206
Housing and Community Amenities									
Housing Development									

	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06	2006/07		2007/08	2008/09	2009/10	
Housing	1,223,033	1,394,135	1,673,301	2,081,462	2,171,717	2,174,866	2,637,948	3,024,253	3,417,905
Total: Housing and Community Amenities	1,223,033	1,394,135	1,673,301	2,081,462	2,171,717	2,174,866	2,637,948	3,024,253	3,417,905
Health									
Outpatient services	1,743,927	1,922,347	2,152,883	2,543,562	2,487,773	2,487,773	3,193,477	3,281,001	3,685,610
Health Support Services	1,293,544	1,225,803	1,533,167	1,877,152	2,030,526	2,031,728	2,361,072	2,535,773	2,957,570
Hospital Services	5,158,346	5,427,136	6,288,133	5,983,637	6,136,199	6,521,508	6,497,733	6,944,870	7,576,219
Total: Health	8,195,817	8,575,286	9,974,183	10,404,351	10,654,498	11,041,009	12,052,282	12,761,644	14,219,399
Recreation, Culture and Religion									
Sporting and Recreational Affairs									
Sport, Arts and Culture	131,541	138,174	172,432	221,272	263,272	263,272	296,665	328,161	309,357
Total: Recreation, Culture and Religion	131,541	138,174	172,432	221,272	263,272	263,272	296,665	328,161	309,357
Education									
Pre-primary, Primary and Secondary Education Phase	7,965,501	8,413,968	9,400,539	10,548,454	10,675,163	11,056,043	12,667,400	13,837,782	14,854,258
Subsidised Services to Education	1,086,968	970,507	877,854	1,101,344	1,109,968	1,109,030	1,052,711	1,186,614	1,270,166
Education not defined by level	419,385	450,501	514,567	632,169	673,828	674,766	823,355	942,191	1,006,534
Total: Education	9,471,854	9,834,976	10,792,960	12,281,967	12,458,959	12,839,839	14,543,466	15,966,587	17,130,958
Social protection									
Social Services and Population Development	667,062	787,675	802,677	981,782	1,034,643	1,033,546	1,404,413	1,604,601	1,787,485
Total: Social protection	667,062	787,675	802,677	981,782	1,034,643	1,033,546	1,404,413	1,604,601	1,787,485
<b>Total provincial payments and estimates by policy area</b>	<b>23,647,452</b>	<b>24,743,197</b>	<b>27,434,633</b>	<b>34,459,738</b>	<b>35,272,862</b>	<b>36,035,035</b>	<b>40,312,205</b>	<b>43,746,609</b>	<b>46,975,652</b>

**TABLE 5: DETAILS OF PAYMENTS FOR INFRASTRUCTURE BY CATEGORY**

Category/ type of structure	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
				2007/08	2008/09	2009/10
R thousand	2006/07			2007/08	2008/09	2009/10
New construction (buildings and infrastructure)	7,013,271	7,013,271	7,013,271	2,539,030	3,002,928	3,137,007
Rehabilitation/upgrading	1,102,900	1,102,900	1,102,900	3,626,578	1,016,458	942,759
Maintenance	344,075	344,075	344,075	671,550	850,836	2,825,981
Other capital projects	243,306	243,306	243,306	4,031,148	3,670,548	3,711,053
<b>Total infrastructure per category</b>	<b>8,703,552</b>	<b>8,703,552</b>	<b>8,703,552</b>	<b>10,868,306</b>	<b>8,540,770</b>	<b>10,616,800</b>

**TABLE 6: TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY AND MUNICIPALITY**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2006/07	2007/08	2008/09
<b>Category A</b>	<b>255,941</b>	<b>413,921</b>	<b>329,059</b>	<b>287,623</b>	<b>296,698</b>	<b>296,698</b>	<b>357,400</b>	<b>385,602</b>	<b>404,803</b>
City of Johannesburg Metro	88,302	164,030	109,225	107,891	112,736	112,736	138,148	148,660	156,065
Ekurhuleni Metro	97,736	155,351	159,335	135,063	137,293	137,293	153,500	166,059	174,338
City of Tshwane Metro	69,903	94,540	60,499	44,669	46,669	46,669	65,752	70,883	74,400
<b>Category B</b>									
<b>Category C</b>	<b>92,938</b>	<b>109,343</b>	<b>149,863</b>	<b>107,957</b>	<b>107,957</b>	<b>107,957</b>	<b>61,951</b>	<b>68,309</b>	<b>61,800</b>
West Rand District Council	28,847	35,167	61,396	38,178	38,178	38,178	23,890	26,443	27,800
Sedibeng District Council	40,928	50,216	71,734	56,006	56,006	56,006	26,788	29,647	21,200
Metsweding District Council	10,618	9,881	12,726	10,873	10,873	10,873	9,373	10,319	10,900
Mogale City	3,100	4,500	40	1,400	1,400	1,400	1,400	1,400	1,400
Westonaria	950	1,000	1,400						
Sedibeng		1,000	2,500	1,500	1,500	1,500	500	500	500
Nokeng tsa Taemane	200	1,000							
Lesedi	3,950	6,500							
Kungwini		79	55						
Emfuleni	1,000								
Merafong	120		2						
Randfontein	3,225		10						
<b>Total provincial transfers to local government</b>	<b>348,879</b>	<b>523,264</b>	<b>478,922</b>	<b>395,580</b>	<b>404,655</b>	<b>404,655</b>	<b>419,351</b>	<b>453,911</b>	<b>466,603</b>