

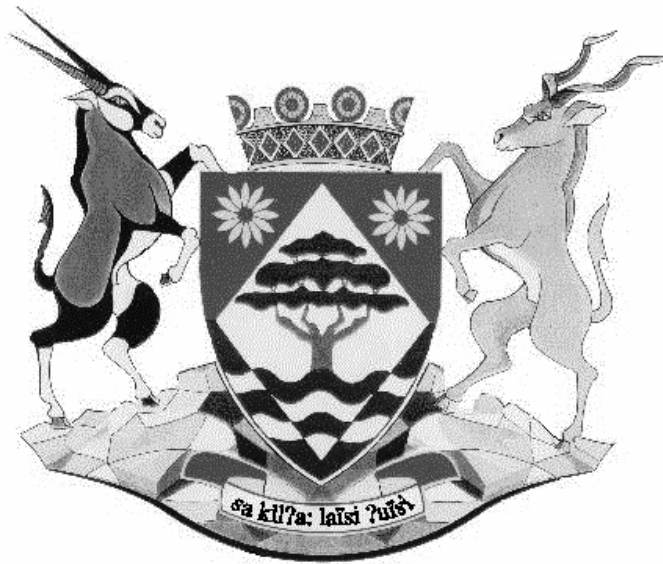
BUDGET STATEMENT 2007

MEDIUM TERM EXPENDITURE FRAMEWORK
2007/08-2009/10

OF THE

NORTHERN CAPE

PROVINCIAL GOVERNMENT



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Foreword

By

O.P Dikgetsi: MEC for Finance and Economic Affairs

The budget must illustrate the commitment that government has to address the socio-economic challenges facing the society. Accordingly, our budget seeks to fulfill two of the most important functions of a developmental state. In the first instance it aims to tackle poverty and ameliorate morally repugnant and social destructive forms of social inequality based on factors such as class, gender and ethnicity. Secondly, it entails creation of both physical and social infrastructure.

In order to effectively undertake these functions the notion of allocative efficiency must be satisfied. In this respect adequate capacity is required in order to ensure that our allocation of resources speaks directly to the priorities of government. This aspect also entails drawing the balance between the proportion of resources allocated to poverty alleviation and those deployed to expanding economic opportunities to all citizens.

Accordingly, this year as it did in the past thirteen years, government has done considerable well in the prioritisation of resources aimed at meeting the socio-economic challenges facing our country. Amongst other things more resources are deployed towards intensifying the fight against poverty and social services in general. This translates to 72 percent of the provincial budget being allocated to Education, Health and Social Development. Considerable resources are also deployed to the economic sector for purposes of accelerating economic growth rate concomitant with job creation.

The budget statement is a product of a transparent and consultative process underpinned by principles of our intergovernmental relations as enshrined in the Constitution of the Republic. This has allowed us to produce a budget that not only credible but also speaks directly to the developmental agenda of the province and the country.

Many thanks are due to all parties that cooperated with the Provincial Treasury in order to ensure that we produce a budget that speaks to the needs of our people.

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Budget Statement 1:

Budget Overview

1. BUDGET STRATEGY AND AGGREGATES

1.1 Introduction

As a province, the following will be done in order to ensure the strategic thrust derived from the PGDS and ASGISA, the province will in the coming year intensify work and harness resources for further implementation of ASGISA and JIPSA.

- *The province has finally launched the Human Resource Development Strategy which will ensure access to training to our people as well as the attraction and retention of scarce skills in the province.*
- *Further work relating to diamond beneficiation by availing land for Diamond hub in Kimberley lobby for relocation of State Diamond Trader; launch the geomology school by end of March*
- *Furthering our work in commercialisation of goat we will finalise funding from the Industrial Development Cooperation;*
- *A Biofuel initiative – feasibility studies will be completed to ensure smooth implementation of project*
- *Proposed Square Kilometre Array Telescope*

With the launch of the NCPGDS in 2005, we made the commitment that the strategy and its implementation would herald bold and decisive direction and action from government with regard to the economic and social development of our province and its inhabitants. The following primary development objectives have been identified:

- the reduction and eradication of poverty ;
- and the creation of job opportunities for all;
- Improving skills levels of our people;
- Enhancing capacity of municipalities to deliver more efficient social services .

The achievement of these primary development objectives depends on the achievement of a number of related objectives that, at a macro-level, describe necessary conditions for growth and development. These are:

- All district municipalities would have launched their District Development Growth Strategy by end of March 2007
- We have supported and registered five co-operatives in the clothing, services and other economic sectors, as well as 86 co-operatives in goat farming.
- A further number of 420 goat farmers were trained to support the above initiative

Each of these development objectives and the strategies and programmes that underpin them form a core element of the PGDS.

Major Policy Priorities

In the Medium Term Budget Policy Statement 2006, it was projected that the provincial equitable share will grow by an annual average of 7% in real terms. A larger proportion of the additional allocations to provinces is aimed at improving the quality of an access to education, health and social development through a range of targeted policy interventions, including investment in personnel. In- service training and development programmes, especially in relation to mathematics, science and life orientation will be integral part of these programmes.

The provincial fiscal framework seeks to ensure further access, improved quality and greater equity:

- *Quality of school infrastructure to be improved* : Improving the quality of education through evaluating school performance and investing in school infrastructure and equipment, with particular emphasis on school laboratories.
- *Remuneration to School Managers*: The provincial fiscal framework provides for the scaling up of the remuneration packages of school managers (principals) from 1 April 2007 and extending it to other educators over the MTEF. This also provides for remuneration and administration staff.
- *Teacher Development*: HR Systems development focuses on the implementation of HR policies and systems consisting of new personnel structures.
- *Systemic Evaluation*: To measure the performance of the system and assess progress intervention.
- *Quality Improvement*: Upgrading ABET system and targeting illiteracy.

The provincial fiscal framework seeks to further boost primary health care, the recruitment of health professionals and expand emergency medical services.

- *Human Resources*: The framework provides for the phased implementation of the Health Professionals Remuneration Review. The remuneration review targets professional nurses in the first year, doctors, dentists and pharmacists in the second year and various professional groups such as physiotherapists and occupational therapists in the third year. Details on how revised remuneration packages are to be introduced will be communicated to you once they are finalised. The allocations also provide for the creation of additional posts for health professionals to boost health professional numbers over 5 years. This is a key strategy to strengthen delivery of health care, given staffing shortfalls in many areas of the service
- *Emergency Medical Services*: Aim to expanded national ambulance model. All aspects of the ambulance service would be built up towards an ideal national target. Ambulance services will receive attention in an effort to further cut response times and improve care. Initiatives are also likely to include fleet upgrading, improved communication systems, training and better positioning of vehicles for rapid response.
- *Human Resource*: This provides for further recruitment of social workers and social auxiliary workers.
- *Expansion of social services function*: To expand provision on children's homes and centres that addresses substance abuse. The revision also supports the implementation of new social welfare legislation such as the Children's Act and the older Persons Bill.
- *Agriculture*: The key priority area that informs the revision of the equitable share is provided for the expansion of support for agriculture in the Province.
- *The Resurfacing and Maintenance of Roads*: To further improve access roads and ensure that the province maintain, renovate and rehabilitate its road portfolio.

BRIEF SERVICE DELIVERY OUTPUTS

The Barkley West and Psychiatric Hospital are progressing well and the completion is envisaged in July 2007 respectively.

The oncology department at Kimberley Hospital (KH) is currently being re-vamped in partnership with Elle Lilly and burns unit, it is going to be modernized to increase its capacity. A child health clinic is also going to be upgraded and its capacity increased at a cost of R350,000. Casualty services will be opened at Galeshewe Day Hospital (GDH) on a 24hr basis.

An internet kiosk at the specialized clinics will also be opened for clients as a mechanism of community empowerment. Furthermore, a satellite Radiology service will also be opened at the out-patient clinics, thus providing a one stop service to our clients.

Plans to open a head and neck centre at Kimberley Hospital and a dental laboratory as part of the service expansion program is in progress.

A model on commercialisation of goats has been developed and goat co-operatives and farmers were trained. The province was also privileged to host a delegation from Swaziland who was interested in commercialisation of Goats programme.

The Department of Roads and Public Works has therefore started with the process to assist with the access road to the core site of Square Kilometre Array Telescope.

Plans to upgrade the access road to the core site of Square Kilometre Array Telescope are in advance stage:

- The existing gravel roads (DR2996, DR2337 and DR2333) will be upgraded to tarred surfaces;
- The total length of road to be upgraded from gravel to tar is estimated at 77kms;
- The upgrading of Douglas-Campbell road from gravel road to a surfaced road. This road is important for Crop raising. Community conduct their businesses in Douglas.

Implementation of the 5 year strategic agenda for local government which aims to mainstream hands-on support to Local Government to improve municipal governance, performance and accountability.

Funds are made available for the implementation of the Community Library Services which is introduced to set up and institutionalize community library services and underserved areas. This programme also seeks to recapitalize library infrastructure.

1.2 Summary of budget aggregates

Table 1.1 gives a summary of the main revenue and expenditure components of the budget.

Table 1.1: Provincial budget summary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06				2006/07		
Provincial receipts									
Transfer receipts from national									
Equitable share	2,494,529	2,577,522	3,145,231	3,451,507	3,451,507	3,451,507	4,597,686	5,194,044	5,793,243
Conditional grants	424,392	559,902	694,812	915,611	915,976	915,976	1,021,568	1,180,036	1,381,294
Provincial own receipts	100,405	114,239	111,223	131,551	131,551	123,803	138,684	145,635	153,559
Total Treasury Funding	3,019,326	3,251,663	3,951,266	4,498,669	4,499,034	4,491,286	5,757,938	6,519,715	7,328,096
Provincial Payments									
Current payments	2,530,716	2,691,913	3,085,455	3,429,415	3,478,087	3,494,725	4,442,162	5,001,895	5,507,417
Transfers and subsidies	407,653	427,548	500,220	497,526	504,853	509,693	653,982	716,518	788,024
Payments for capital assets	197,673	218,547	369,937	468,395	526,674	555,324	567,148	626,477	731,737
Statutory Amount									
Unallocated Contingency									
Total provincial payments	3,136,042	3,338,008	3,955,613	4,395,336	4,509,614	4,559,742	5,663,293	6,344,890	7,027,178
Surplus before financing	(116,716)	(86,345)	(4,347)	103,333	(10,580)	(68,456)	94,645	174,825	300,918
Financing									
Roll-Overs		111,564	134,151		64,394	64,394			
Other		11,829	88,794		49,519	49,519	26,741		
Surplus (deficit) after financing	(116,716)	37,048	218,598	103,333	103,333	45,457	121,386	174,825	300,918

Total Provincial receipts are projected to increase at an average annual rate of 17% over the MTEF from R5, 757, 938 million in 2007/08 to R7, 328, 096 million in 2009/10, fuelled mainly by increasing transfers from national and the percentage increase seemed to be high. This is as a result of exclusion of demarcation in the 2006/07. At the same time, receipts sourced internally (own receipts) , increase

from R138,684 million in 2007/08 to R153, 559 million in 2009/10, representing an annual growth rate of 5% during the period.

Total provincial payments reflect a increase of 25% in 2007/08 compared to 2006/07 and this is due to the demarcation.

Financing

The province has two sources of financing, namely Provincial roll-overs and funding from own reserves. The Provincial rollover refers to funds that were appropriated and committed but not spent in that financial year. These funds are then re allocated to the relevant departments during the adjustment estimate in the following year. Amounts rolled over are dependent on the number of projects that were not finished during that particular year.

Surplus/Deficit

The province recorded deficits in the 2003/04 to 2004/05, however the Province projects a net surplus of R103, 3 million in 2006/07.

The Province projects a net surplus of R121, 4 million in 2007/08, R174, 8 million and R300, 9 million in 2009/10.

Included in the surplus are the amounts of R18, 2 million in 2007/08, R25, 6 million in 2008/09 and R56, 5 million in 2009/10 in respect of Government Employee Medical Scheme (GEMS).

The province budgeted for a surplus to finance the accumulated unauthorized expenditure which was incurred by provincial departments during the previous financial years.

2. BUDGET PROCESS AND MEDIUM-TERM EXPENDITURE FRAMEWORK

Budget process

The budget process allows government to evaluate policy priorities and implementation plans; involve role-players that provide technical and political insights when faced with budget choices; and seek the necessary authority from Executive Council to spend resources.

The tabling of strategic plans in the Provincial Legislature this year provides the point of departure for the 2007/08 medium-term budget. What provincial departments intend achieving over the next three years (2007/08 to 2009/10) has been made explicit, together with spending plans for the corresponding period.

The continuity in planning and budgeting over the medium-term is deepened by strengthening the link between the overlapping periods covered by the 2007/08 to 2009/10 strategic plans and the new 2007 MTEF. The budget process consists of five key stages, which helps to clarify this aspect:

- Provincial policy priorities;
- Preparation of new MTEF submission / Review of 2007/08- 2009/10 strategic plans;
- **Medium Term allocation process: Recommendation stage (evaluate changes in baseline in relation to priorities and spending plans);**
- Medium Term allocation process: Decision stage (Cabinet approves 2007/08 – 2009/10 allocations) and
- **Preparation of Budget Statements.**

Intergovernmental planning - the coordination of development planning across the three spheres of government is critical to realize the objective of optimal resource allocation and implementation for the state as a whole for the purposes of eradicating poverty and growing the economy.

Based upon this, in 5th of February 2005, National Cabinet approved the programme towards the alignment of the National Spatial Development Perspective (NSDP), subsequent the Provincial also approved the Provincial Growth and Development Strategy (PGDS) and the municipalities also approved their respective Integrated Development Plans (IDP's). This programme will be carried out over the next three years and will include an update of the NSDP, assessment of the PGDS and their alignment, development of the District IDP's and an introduction of a mutual assessment framework in the realization of common development goals.

The programme to align planning instruments across the spheres of government is continuing with pilot projects for complete alignment being run, which should be complete by end of this year.

At a national level, in order to realize the government's objectives of growing the economy and addressing poverty, the NSDP focuses the bulk of government fixed investment on areas with potential and need, and linked to this is the Medium Term Strategic Framework (MTSF), prepared by the Presidency and approved by National Cabinet.

At a provincial level, development planning occurs through the PGDS, and is driven through the Premier's office and adopted by Provincial Executive Council. Development planning in the Local Government sphere is conducted through the IDP's. Each municipality in terms of the Municipal Systems Act (2000) is responsible for formulating, adopting and implementing the IDP.

Role of Provincial Treasury

Provincial Treasury Guidelines issued in line with National Guidelines:

- Guidelines reminded departments that Provincial Strategic Priorities should inform both the Strategic Plans and Budget Formulation
- Clear link between National and Provincial Priorities as stated in Provincial Growth and Development Strategy
- Departments were given the opportunity to submit proposals involving changes to baseline budget Provincial MTEC held from 18 - 22 September 2006
- MEC bi- laterals held in October 2006 (Chaired by MEC for Finance)
- Provincial Budget Lekgotla convened to consider departmental budgets and proposals (Chaired by the Premier, all MEC's, HOD's, CFO's and Provincial Treasury officials)- 13 and 14 November 2006

Provincial Treasury submission was to highlight amongst others the following:

- The position of the Provincial Fiscal Framework
- Debt Redemption Strategy
- Departmental pressures as presented during bilateral meeting (PMTEC)

Budget Lekgotla supported Treasury recommendations and the following resolutions were approved:

- The implementation of strict measures to control expenditure which include budget block on BAS;
- Provincial Departments that overspend be put under administration;
- Provincial Departments continue their processes of aligning strategic plans with the PGDS and

ensure that departmental plans are incorporated in the IDP's;

- The information on the status of the province with respect to social and economic development be rigorously validated and used as a baseline for future assessment of progress. In particular with respect to the PGDS targets;
- Provincial Government continue to commit itself to the debt redemption strategy as non-negotiable.

Provincial Treasury prepared proposals for submission to the Provincial Treasury Committee with respect to the in-year budget pressures highlighted at the Budget Lekgotla. The Provincial Treasury Committee made recommendations to the Provincial Executive Council.

With respect to the funding priorities of departments over the MTEF period, Provincial Treasury made allocation proposals to the Treasury Committee. The Treasury Committee made proposals to the Executive Council. In making these proposals the Provincial Treasury has taken into the account discussions at the Lekgotla in the available funds and the commitment to the debt redemption strategy.

Medium-Term Expenditure Framework (MTEF)

Within a medium-term framework, the budget process puts in place a 3-year spending plan through early policy prioritisation, evaluation of competing policies and programmes, and disciplined matching of current and medium-term plans with available resources.

The Medium Term Expenditure Framework that is tabled each year in the Legislature is guided by the following principles:

- Within a resource constrained environment, affordable changes in resource availability should be used to force trade-offs between and within spending programmes;
- Budgeted and new resources have to be reprioritised from low priority programmes and activities

3. SOCIO-ECONOMIC OUTLOOK

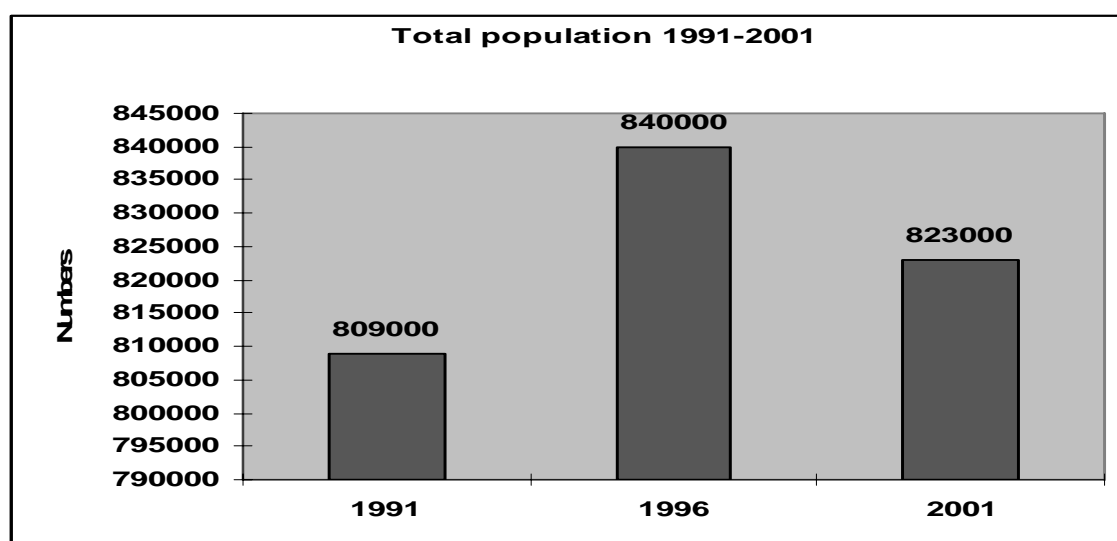
The Northern Cape is the largest province having a landmass of 361,830 km² covering approximately 30% of South Africa. Despite having the largest surface area, the Northern Cape is located in the north western part of the country and is spatially the largest province with an area of 363 400 km² or 29.7% of South Africa's land mass. Kimberley is the capital city and there are no metropolitan municipalities located within this province. Major towns include Upington, Kuruman, Colesberg and De Aar. Only 2% of the land is under cultivation and the low rainfall is a constraining factor in cultivation.

Grapes are cultivated along the Orange River. Mining activities include the mining of diamonds in the Kimberley area as well as at the mouth of the Orange River. Iron ore is mined at Sishen and transported by train to Saldanha Bay for export purposes. Tourist attractions include the Big Hole, Kgalagadi Transfrontier Park and the most beautiful flowers can be seen in Namaqualand during spring.

Demographics

Population size

The Northern Cape has the smallest population of 822 727 (Census 2001) or 1.8% of the population of South Africa. The population has declined by 2.1% from 1996 (840 321) to 2001 (822 727), resulting in a decrease in the population density, of an already sparsely populated province, from 2.32 to 2.27 persons per km². Reasons for this phenomenon are, among others, out-migration especially by males looking for employment elsewhere.



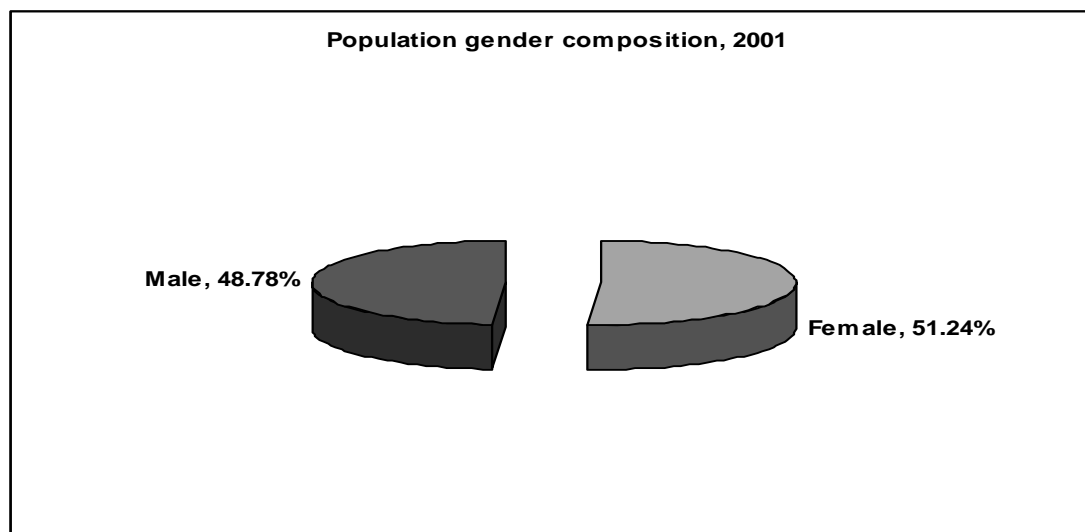
Statssa, Census 2001

Another reason for a negative growth rate that is becoming more evident currently is high fertility rates due to the incidence of HIV/Aids. The population average annual growth rate between 1991 and 1996 was 0.80%. Between 1996 and 2001, the annual growth rate drop to 0.75% which is below the national average of 2%.

The province is broken in to municipal districts namely Kgalagadi, Frances Baard, Pixley ka Seme and Namakwa. Of the five districts, Frances Baard has the largest population of 303 239. The other districts and their respective populations are Siyanda (209 889), Karoo (164 607), Namakwa (108 111), Kgalagadi (36 881).

Population aged and gender distribution

According to Census 2001, 30.7% of the population is under the age of 15 years. The high percentages at the lower ages indicate a fast growing population that would increase the future demand for services. Which means increasing pressure the Northern Cape will experience in the future in supplying enough services for its population.



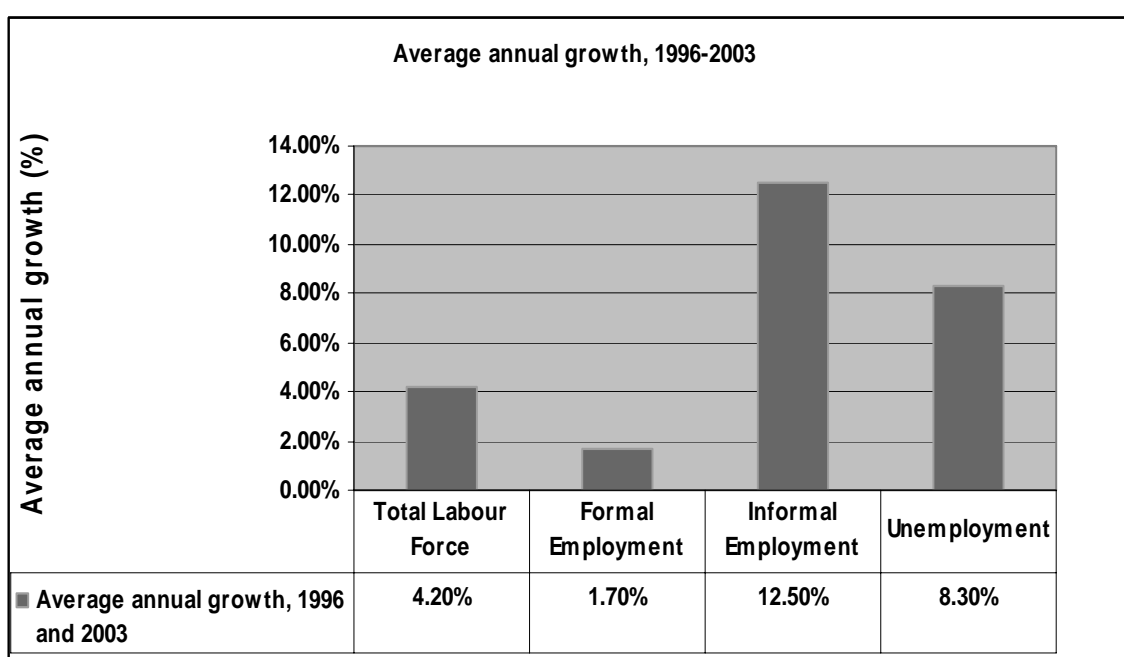
Statssa, Census 2001

The gender composition of the Northern Cape consists of 51.24% females and 48.78% male. This represents a male/female ratio of 95.0 males for every 100 females, which reveals another social problem for the Northern Cape that could impact on service delivery. The male/female ration could also be a possible indication of male out-migration to other provinces.

Labour

Average annual growth, 1996 and 2003

In 2003, 38.1% (371 000) of the population were economically active of which 57% (215 000) were formally employed, 4.4% (16 000) informally employed and 37.7% (140 000) unemployed



Source: Global Insight, 2004

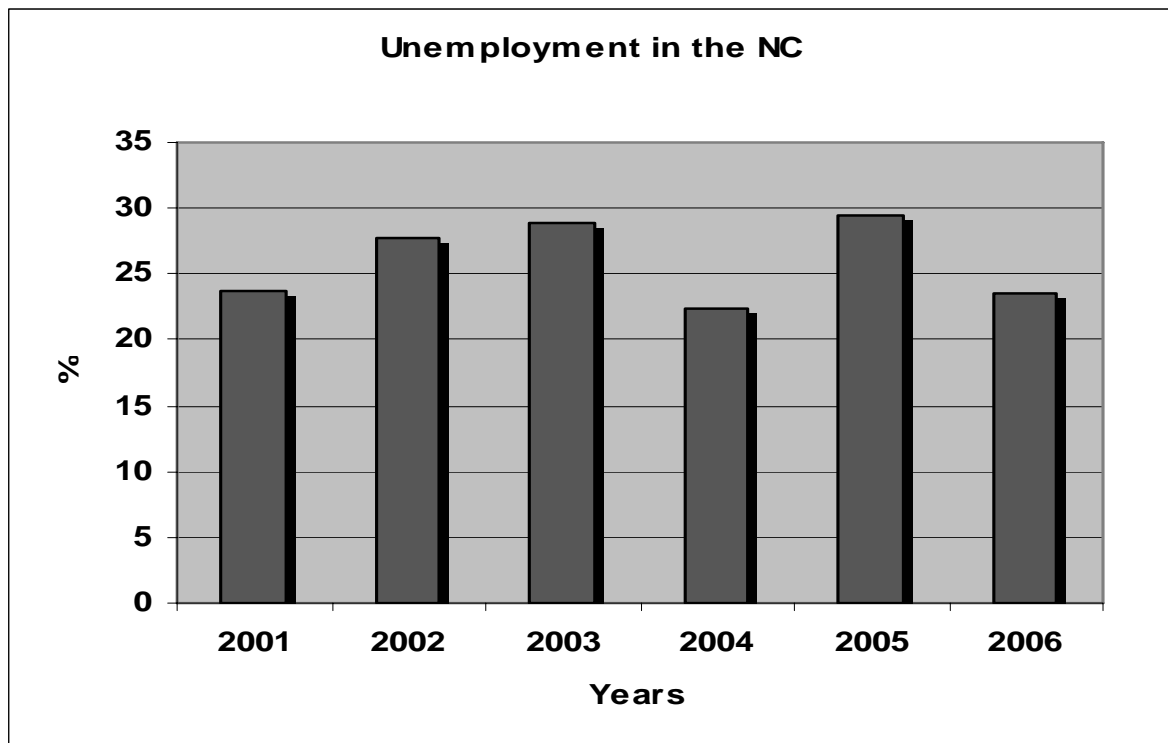
Between 1996 and 2003 the province experienced an average annual growth of 4.2% in its labour force. This high increase in the labour force resulted from normal population growth, the expectation of people to find some form of employment in the new South Africa, and a renewed entry of females and youths into the labour market of the province.

Also the most important factor to take cognizance of is the very low growth per annum in formal employment opportunities, i.e. 1.7% per annum versus 4.2% growth per annum in the labour force. The percentage of formally employed persons dropped from 68.8% in 1996 to 57.9% in 2003.

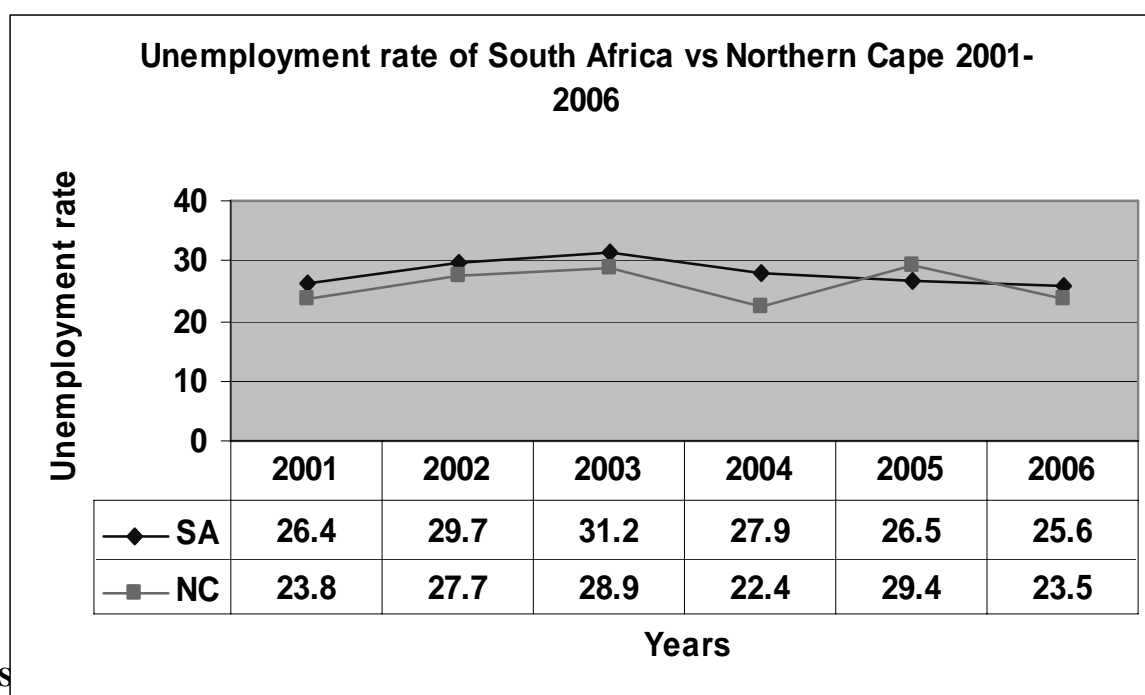
However the inability of the economy of the province to provide enough formal employment opportunities resulted in high increases in the number of people that had to resort to informal activities and the number of people that are unemployed. Employment in the informal sector grew at 13.5% per annum and employment by 8.3% per annum. Meaning that nearly half (42.1%) of the Northern Cape's labour force is outside the formal sector.

Unemployment rate

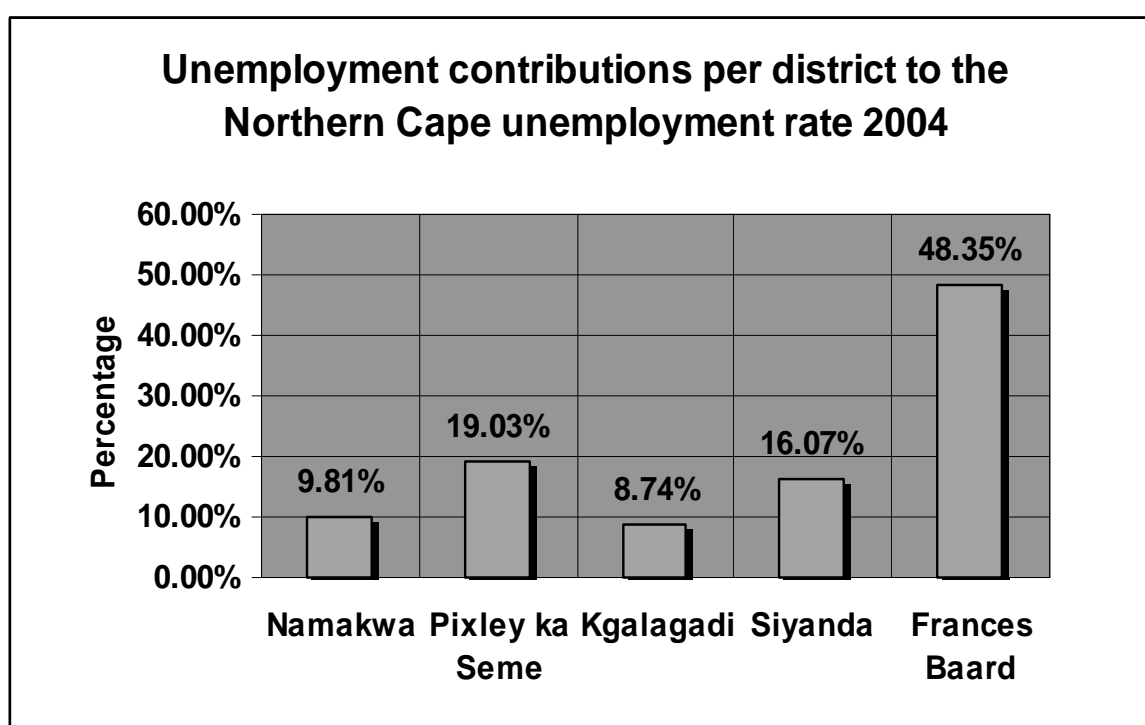
There has been a decrease in the number of people that are formally employed from 196 219 in 1996 to 193 980 in 2001. The largest decrease is found in the private households sector, showing a loss of 4859 jobs. The unemployment picture in the districts is quite different for all the five districts with Pixley Ka Seme standing at 43%, Frances Baard 40.3%, Siyanda 35%, Kgalagadi 26% and Namakwa coming in the lowest unemployment rate of 23.5% (all expanded definitions, source Global insight, 2004).



The official unemployment rate for the Northern Cape was 23.5% in March 2006, down from 29.5% in March 2005.



The official unemployment rate for the Northern Cape is currently below the national unemployment rate of 25.6%.



Source: Global Insight, 2004

In 2004, Frances Baard district was the biggest contributor to the provincial unemployment rate, with 48.35%, followed by Pixley Ka Seme 19.03%, Siyanda 16.07%, Namakwa 9.81% and Kgalagadi 8.74%.

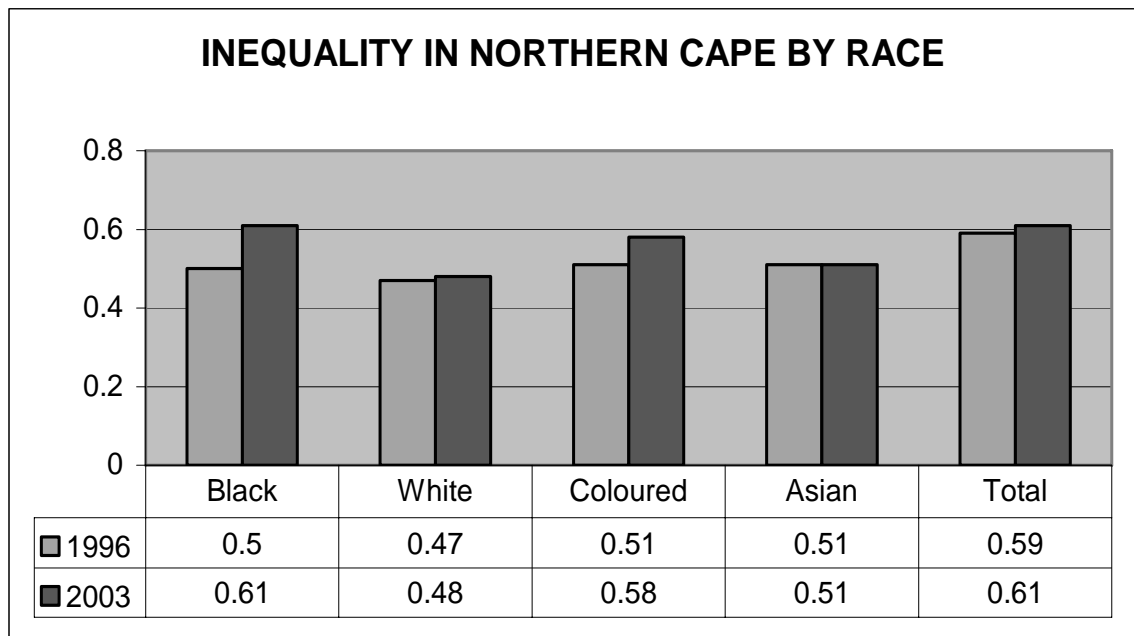
Poverty

Inequality

Income distribution is highly unequal amongst the employed in the Northern Cape. Black people show the highest inequality, which is the same as the total average inequality of the Northern Cape Province as a whole at 0.61.

Income inequality in the Province is driven by:

- Rising in employment of well-paid, highly skilled people
- Declining of employment of lower-paid, less-skilled people.
- The extent of the impact of these high levels of poverty could be seen in the low levels of human development as highlighted by the Human Development Index.



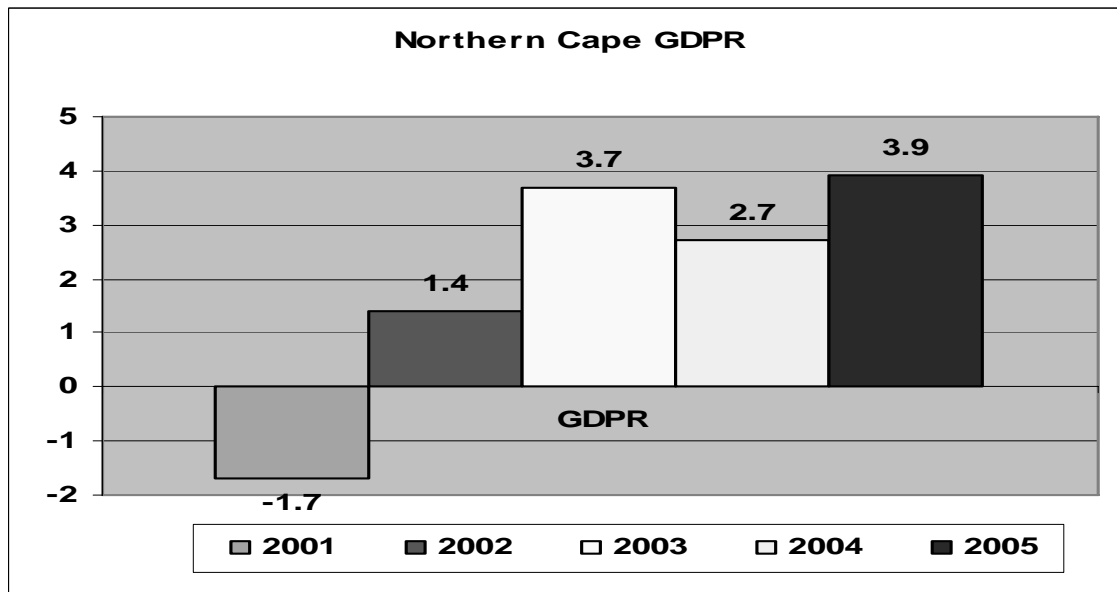
Source: DBSA (Based on Statssa, 2001)

The Human Development Indices for the major portion of the province's population remains around 0.5.

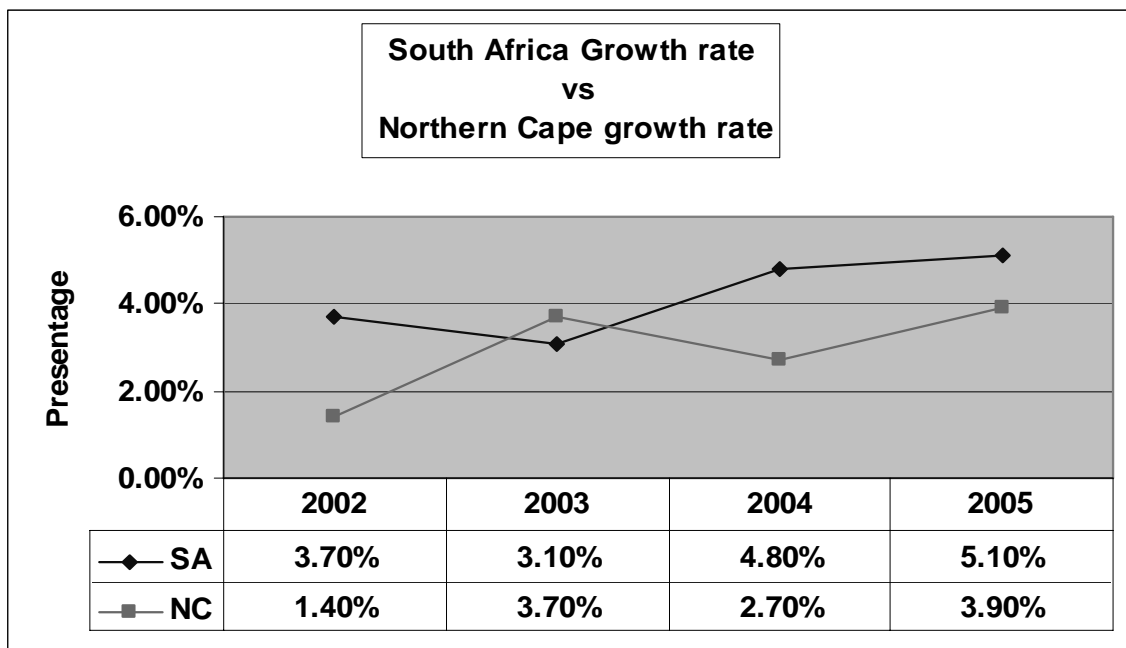
Economy

Gross domestic product

The Northern Cape is a disadvantaged province in the sense that it has a high poverty rate (44.6% in 2001) and the economy is dominated by a few very rich people. The province is under-developed and the economy relies heavily on primary production in the mining and agriculture industries.



The economic growth rate remains moderate (2.7% in 2004) and the province shows the lowest contribution to the country's GDP (just over 2% in 2004). Due to its dependence on the primary sector (agriculture and mining), the economy of the Northern Cape is extremely vulnerable to factors like the weather and the strength of the rand, e.g. drought or a strong rand could easily lead to job losses in these sectors. This is one of the reasons for the exodus of economically active people from the Northern Cape to other provinces (in search of better employment opportunities).



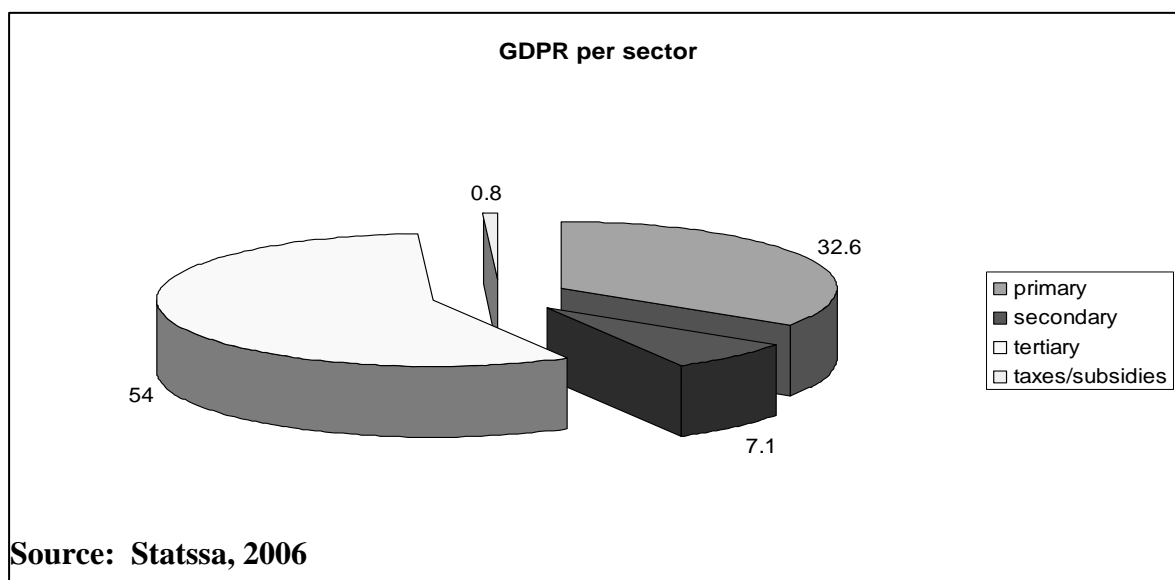
Source: Statssa, 2006

Since 2002, the Northern Cape province experience an growth rate below, the national growth rate. However, the Province still showed a strong upward trend from 2004 (2.7%) to 2005 (3.9%). In the past 15 years, a trend was also established in the tertiary sector of relocation of company head offices from the Northern Cape to the Free State, Gauteng and the Western Cape.

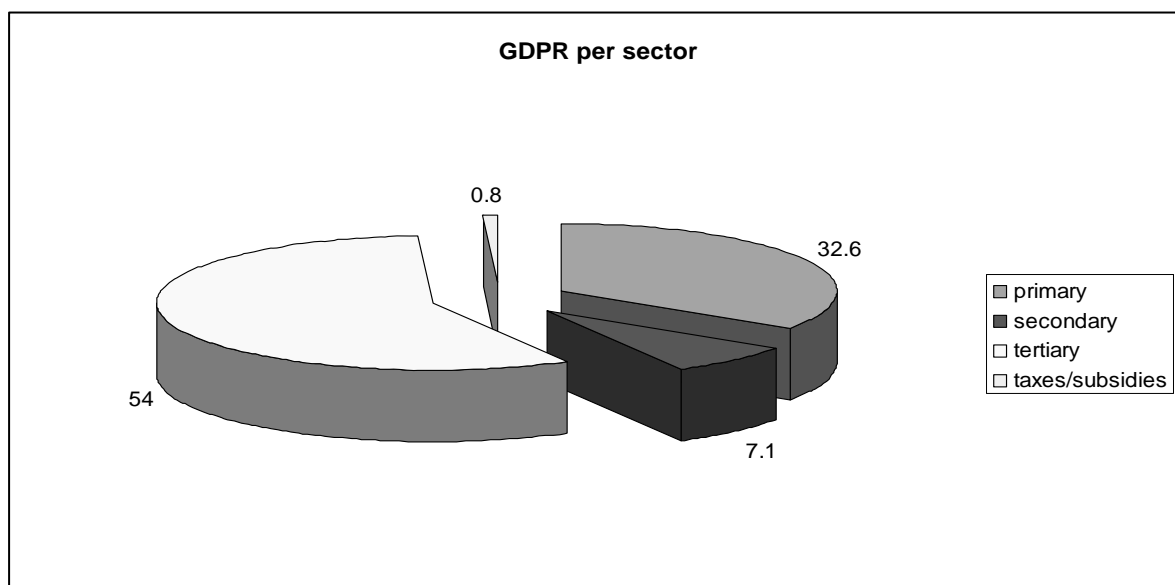
Sectoral composition of Gross domestic product

In 2005, sectoral composition of the Northern Cape Province was as follow:

- Tertiary sector contributed 54%
- Secondary sector contributed 7.1%
- Primary sector contributed 32.6%



Despite this healthy performance, the province is heavily reliant on the primary sectors, i.e. agriculture and mining, resulting in a high degree of vulnerability of the economy. This is due to the fact that the primary sectors are sensitive to exogenous factors, for instance, international commodity prices and weather conditions. The relative small size of the manufacturing sector in the province's economy is indicative of a lack of beneficiation of the primary products being produced in the province.



4. RECEIPTS

Overall position

Revenue estimates for 2007/08 are based upon National Government's Equitable Share, Conditional Grants and provincial own revenue. The total estimated revenue for the 2007/08 financial year is **R5, 757,938 million**. The amount is derived from national sources, both the equitable share and conditional grants for the Northern Cape Province amounts to **R5, 619, 254 million** for 2007/08, which is 98% of the Province's total revenue. Provincial sourced revenue is estimated to be **R138, 684 million** for 2007/08, which is 2% of the province's total revenue.

Table 4.1: Summary of Provincial Receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06				2006/07		
Transfer receipts from National									
Equitable share	2,494,529	2,577,522	3,145,231	3,451,507	3,451,507	3,451,507	4,597,686	5,194,044	5,793,243
Conditional grants	424,392	559,902	684,812	915,611	915,976	915,976	1,021,568	1,180,036	1,381,294
Other									
Total Treasury Funding	2,918,921	3,137,424	3,830,043	4,367,118	4,367,483	4,367,483	5,619,254	6,374,080	7,174,537
Departmental receipts									
Tax receipts	59,803	65,796	72,131	82,765	82,765	75,177	87,099	91,470	96,414
Sales of goods and services other than capital assets	33,049	37,162	29,752	40,181	40,181	40,841	41,930	44,028	46,450
Transfers received from:									
Fines, penalties and forfeits	4,189	2,683	2,026	4,275	4,275	3,489	4,822	5,063	5,341
Interest, dividends and rent on land	2,034	730	5,210	3,506	3,506	3,499	3,498	3,673	3,875
Sales of capital assets		1,027	923				606	636	671
Financial transactions in assets and	1,330	6,841	1,181	824	824	797	729	765	807
Total provincial own receipts	100,405	114,239	111,223	131,551	131,551	123,803	138,684	145,635	153,559
Total provincial receipts	3,019,326	3,251,663	3,941,266	4,498,669	4,499,034	4,491,286	5,757,938	6,519,715	7,328,096

4.1 Provincial Equitable Share (PES)

The Provincial Equitable Share (PES) is the major revenue source, which contributes 80 % to the revenue envelope of the Province in 2007/08.

The new equitable share formula consists of the following components. The percentage weight of the components is given in brackets:

- Education (51%) based on the size of the school- age population and the average number of learners enrolled in public ordinary schools in the past 3 years (equally weighted);
- Health (26%) based on the proportion of the population with or without medical aid (with those without medical aid weighted at four times that of those with medical aid);
- Basic component (14%) derived from each province of the total national population;
- Economic activity component (1%) based on gross domestic product by region data; and
- The newly introduced poverty component (3%) which facilitates an indirect effect of poverty on provincial expenditure.

The equitable share formula has been revised upward in order to address fiscal pressures of provinces. These funds are earmarked for social services, especially schools, primary health care services and hospitals. The overall PES formula remains redistributive in nature, aiming to correct the significant social and economic inequities that informed its initial formulation.

Although the formula has components for Education, and Health, these elements are not earmarked funding allocations, but broad indications of relative need. Provincial Executive Council has discretion regarding the provincial allocation for each function.

4.2 Conditional grants

Conditional grants are transfers to provinces to implement specific national priorities in provincial budgets, and constitute 20% of the total transfers to the province in 2007/08.

New Conditional Grants

One of the significant changes in the conditional grant is the introduction of the Community Library service grant. This grant will be used to transform urban and rural community library infrastructure, and facilities.

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Table 4.2.1: Summary of Conditional Grants by Grant

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Vote 4: Education	37,302	56,179	84,771	68,995	72,469	72,468	94,059	100,746	110,673
Financial management and quality enhancement	4,425								
Provincial infrastructure grant	29,185	32,554	53,973	26,891	27,812	27,812	48,098	52,411	67,220
National school nutrition programme grant		21,439	28,770	29,647	31,910	31,909	34,507	37,067	39,625
Early childhood development	1,900								
Further Education and Training				10,000	10,000	10,000	8,000	7,620	
HIV/Aids grant	1,792	2,186	2,028	2,457	2,747	2,747	3,454	3,648	3,828
Vote 5: Transport	29,031	97,569	113,268	155,489	157,605	157,605	257,716	281,241	324,833
Provincial infrastructure grant	29,031	97,569	113,268	155,489	157,605	157,605	257,716	281,241	324,833
Provincial Legislature building									
National Transport Transition Act									
Vote 7: Sports Arts and Culture		999	2,492	6,200	6,200	6,200	33,544	57,689	77,808
Mass sport and recreation participation programme grant		999	2,492	6,200	6,200	6,200	9,514	12,566	15,597
Community Library Services Grant							24,030	45,123	62,211
Vote 9: Provincial Housing and Local government	134,390	114,340	102,542	108,914	108,914	104,774	130,976	161,312	194,572
Integrated housing and human settlement development grant	103,940	90,360	102,542	104,774	104,774	104,774	130,976	161,312	194,572
Human settlement and redevelopment grant	1,467	3,709							
Provincial infrastructure grant	3,959	5,136		4,140	4,140				
Municipal Support Grant									
Local government capacity building fund grant	22,931	13,651							
Municipal Infrastructure grant (MIG)	1,976	1,484							
Capacity building	117								
Vote 10: Health	179,146	193,136	308,662	551,231	560,880	606,443	461,837	532,032	622,945
Hospital management & quality improvement grant	10,906	14,770	10,083						
Integrated nutrition programme grant	21,617	6,037							
Provincial infrastructure grant	10,065	10,302	23,266	11,993	11,993	12,592	36,698	46,224	52,270
Comprehensive HIV and AIDS grant	11,268	27,293	48,559	68,603	72,682	72,682	74,091	80,019	86,420
Health professional training & development grant	30,007	34,444	41,069	41,069	41,069	41,069	43,122	45,278	58,304
National tertiary services grant	32,892	35,109	76,353	92,286	92,286	92,286	110,775	121,374	130,660
Hospital revitalization grant	55,391	58,246	109,076	313,649	315,132	315,132	172,966	219,968	277,978
Forensic Pathology Service Grant			256	23,631	27,718	72,682	24,185	19,169	17,313
Medico-legal mortuaries	1,000	935							
Drought relief	6,000	6,000							
Vote 11: Social Services and Population	42,795	75,028	17,642						
Financial management and social security system	778	226							
Child support grant	17,052								
Social assistance transfers grant	12,095	819							
Social assistance administration grant									
Flagship									
Integrated Social Development Services grant									
Child support grant extension		68,020							
Food security	9,854	1,358	9,964						
Criminal justice system									
Victim empowerment programme									
HIV and AIDS (community based care) grant	3,016	4,605	7,678						
Vote 12 : Agriculture	1,728	22,651	37,934	24,782	46,201	35,327	43,436	47,016	50,463
Comprehensive agricultural support programme		7,674	9,274	15,777	22,496	22,496	28,555	29,926	32,923
Land care programme grant	1,728	1,665	1,620	5,785	8,023	8,023	6,075	6,366	5,656
Provincial infrastructure grant		1,013	3,712	3,220	4,808	4,808	8,806	10,724	11,884
Drought relief		12,299	23,328		10,874				
Total	424,392	559,902	667,311	915,611	952,269	982,817	1,021,568	1,180,036	1,381,294

Table 4.2.1 shows a summary of national conditional grants to the province by grant type and per department. In terms of allocation per department, the Department of Health is the major recipient of conditional grants. The Hospital Revitalisation Grant decreased from R315, 132 million in 2006/07 to R172, 966 million in 2007/08.

Department of Health constitutes 45% in 2007/08- 2009/10 respectively over the MTEF, followed by Department of Transport with 25% - 2007/08, 23%-2008/09 and 23, 5%. - 2009/10.

The department of Sports, Arts and Culture received an amount of R131, 364 million over the MTEF for the Community Library Service Grant.

4.3 Total Provincial Own Receipts (Own Revenue)

As a province we expect to collect an amount of R 138, 684 million from own provincial revenue for the 2007/08 financial year, which is only 2% of the total provincial receipts. This represents a growth of 5.4 % compared to the 2006/07 financial year. As for the two outer years, the province projects to collect R145,635 million and R153,558 million respectively.

With the limited sources of revenue available to provinces, there is also not much room to increase the revenue base to be able to render more services. The Province is basically reliant on national revenues to increase before service delivery can be extended and that is why so much effort is being made to ensure that the Province's concerns are addressed in the revenue-sharing formula.

The biggest sources of revenue in the Northern Cape Province are motor vehicle licenses, and hospital fees. In the light of the budget constraints facing the Province, attempts have been made to take full advantage of the limited revenue sources and ensuring that the taxes are being collected efficiently and effectively. Steps are being taken to improve the collection of own revenue, as this will also enhance the Province's ability to deliver services. A revenue section has been established in the Provincial Treasury to maximise the collection of own revenue.

Table 4.3.1: Summary of Provincial Own Receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Office of the Premier	38	91	142	47	47	47	50	53	56
Safety and Liaison	54,499	58,334	63,394	71,959	71,959	72,109	75,995	79,810	84,200
Education	3,319	4,311	2,260	2,024	2,024	2,024	2,123	2,229	2,352
Transport, Roads and Works	11,422	5,338	2,826	5,896	5,896	5,896	6,191	6,501	6,859
Economic Affairs	9,426	10,743	13,079	15,511	15,511	7,652	16,286	17,101	17,955
Sport, Arts and Culture	121	150	149	41	41	41	41	43	45
Provincial Treasury	1,708	631	1,470	2,500	2,500	2,500	2,625	2,756	2,908
Housing and Local Government	224	354		254	254	254	254	267	282
Health	17,468	30,496	21,164	30,750	30,750	30,750	32,288	33,902	35,767
Social Services and Population Development	111	1,079	4,402	730	730	730	750	788	831
Agriculture and Land Reform	2,069	2,012	2,012	839	839	800	881	925	976
Tourism, Environment and Conservation		700	325	1,000	1,000	1,000	1,200	1,260	1,329
Total provincial receipts	100,405	114,239	111,223	131,551	131,551	123,803	138,684	145,635	153,559

Table 4.3.2: Summary of Provincial receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
					2005/06				
Tax receipts	59,803	65,796	72,131	82,765	82,765	75,177	87,099	91,470	96,414
Sales of goods and services other than capital assets	33,049	37,162	29,752	40,181	40,181	40,841	41,930	44,028	46,450
Transfers received									
Fines, penalties and forfeits	4,189	2,683	2,026	4,275	4,275	3,489	4,822	5,063	5,341
Interest, dividends and rent on land	2,034	730	5,210	3,506	3,506	3,499	3,498	3,673	3,875
Sales of capital assets		1,027	923				606	636	671
Financial transactions in assets and liabilities	1,330	6,841	1,181	824	824	797	729	765	807
Total provincial receipts	100,405	114,239	111,223	131,551	131,551	123,803	138,684	145,635	153,559

Motor vehicles Licenses

This is a major provincial revenue source and the Province is heavily reliant on this revenue as it accounts for 55% of the total provincial own revenue in 2007/08. The expected revenue from this source for the 2007/08 financial year is R75, 995 million, R79, 810 million in 2008/09 and R84, 200 million in 2009/10.

Motor vehicle licenses are the biggest contributor to provincial own revenue, it continues to receive the main focus in terms of ensuring that revenue collections from this source is maximised.

Hospital fees

The estimated revenue from Health fees for the 2007/08 financial year amounts to R32,288 million, R33,902 million for the 2008/09 and R35,767 million in the final year of the MTEF. The main contributor in this case is health patient fees, which amounts to R67,338 over the MTEF

Gambling and Racing

Gambling taxes will mostly be derived from casino operations. The estimated revenue from this source for the 2007/08 financial year amounts to R16, 286 million, which represents 12% of provincial own revenue.

Interest on Investments

The equitable share and conditional grants, which constitute a major share of the provincial revenue, enable the Provincial Revenue Fund to generate interest on a daily balance. However, the tendency of departmental expenditure continuously exceeding the cash flow requisitions result in a consistent overdraft and as such in the Province being deprived of the interest receivable. An amount of R2, 6 million is the most reasonable estimate for the 2007/08 financial year.

5. PAYMENTS

5.1 Overall position

- **Financial year 2007/08: R 5, 663, 293 million**
- **Financial year 2008/09: R 6, 344, 890 million**
- **Financial year 2009/10: R 7, 027, 178 million**

5.2 Payments by Vote

Table 5.2.1 summary of the total budget per vote.

Table 5.2.1: Summary of Provincial Payments and Estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Office of the Premier	71,231	67,628	88,861	95,447	104,471	104,233	112,850	114,716	122,673
Legislature	43,901	53,832	57,439	62,719	70,130	70,130	78,224	82,548	86,843
Safety and Liason	38,985	41,778	46,421	59,496	60,023	62,374	72,974	76,899	83,395
Education	1,288,873	1,397,085	1,563,461	1,644,424	1,647,976	1,653,643	2,266,871	2,534,610	2,771,420
Transport, Roads and Works	246,680	313,344	335,028	366,775	377,183	381,230	519,128	585,919	658,625
Economic Affairs	41,012	32,557	57,117	67,571	90,546	86,760	95,513	102,060	109,483
Sport, Arts and Culture	47,343	48,930	61,509	62,249	83,983	86,864	111,726	144,076	168,668
Provincial Treasury	67,677	45,183	39,910	80,101	53,109	44,933	89,351	93,893	99,041
Housing and Local Government	245,076	235,037	252,909	260,680	261,280	261,281	294,715	334,240	377,118
Health	832,624	836,022	1,101,430	1,291,249	1,316,370	1,374,228	1,459,941	1,641,409	1,851,218
Social Services and Population Development	128,188	148,839	175,446	215,025	222,721	212,244	304,319	359,437	399,099
Agriculture and Land Reform	64,813	90,574	132,306	129,298	154,486	154,486	164,004	184,953	200,643
Tourism, Environment and Conservation	19,639	27,199	43,776	60,302	67,336	67,336	93,677	90,130	98,952
Total payments and estimates (including direct charge)	3,136,042	3,338,008	3,955,613	4,395,336	4,509,614	4,559,742	5,663,293	6,344,890	7,027,178

5.3 Payments by economic classification

Table 5.3.1 shows provincial expenditure by economic classification.

Table 5.2.2: Summary of Provincial Payments and Estimates by Economic Classification

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Current payments	2,530,716	2,691,913	3,085,455	3,429,415	3,478,087	3,494,725	4,442,162	5,001,895	5,507,417
Compensation of employees	1,724,175	1,956,685	2,136,875	2,409,568	2,399,997	2,399,188	3,114,528	3,454,639	3,779,040
Goods and services	806,473	715,138	946,311	1,019,847	1,078,090	1,094,827	1,327,634	1,547,256	1,728,377
Interest and rent on land		637	431			504			
Financial transactions in assets and liabilities	68	1,076	1,839			206			
Unauthorised expenditure		18,377							
Transfers and subsidies:	407,653	427,548	500,220	497,526	504,853	509,693	653,982	716,518	788,024
Provinces and municipalities	112,213	164,261	145,946	118,435	125,213	121,796	104,389	110,490	113,916
Departmental agencies and accounts	1,187	4,339	5,830	5,277	5,735	5,812	21,602	19,804	23,256
Universities and technikons	4,640	1,066	6,878	3,070	4,570	13,670	4,506	4,818	5,065
Public corporations and private enterprises	26,847	14,613	28,970	34,000	45,797	44,817	59,746	48,034	50,457
Foreign governments and international organisations			11						
Non-profit institutions	158,528	141,541	190,118	211,910	204,682	202,537	308,080	345,784	370,158
Households	104,238	101,728	122,467	124,834	118,856	121,061	155,659	187,588	225,172
Payments for capital assets	197,673	218,547	369,937	468,395	526,674	555,324	567,148	626,477	731,737
Buildings and other fixed structures	159,085	162,658	289,799	402,868	437,296	434,761	514,839	576,495	685,386
Machinery and equipment	38,588	55,306	77,475	63,185	86,701	116,543	49,633	47,090	43,168
Cultivated assets		177	88			870			
Software and other intangible assets		406	2,575	2,342	2,677	3,150	2,676	2,892	3,183
Land and subsoil assets									
Total economic classification (including direct charge)	3,136,042	3,338,008	3,955,613	4,395,336	4,509,614	4,559,742	5,663,293	6,344,890	7,027,178

5.4 Payments by policy area

Table 5.4.1: Summary of Provincial Payments and Estimates by Policy Area

Table 5.4.1: Summary of Provincial Payments and Estimates by Policy Area

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
General Public Services	182,809	166,643	186,210	238,267	227,710	219,296	280,425	291,157	308,557
Public Order and Safety	38,985	41,778	46,421	59,496	60,023	62,374	72,974	76,899	83,395
Economic Affairs	352,205	436,475	524,451	563,644	622,215	622,476	778,645	872,932	968,751
Environmental Protection	19,639	27,199	43,776	60,302	67,336	67,336	93,677	90,130	98,952
Housing and Community Amenities	245,076	235,037	252,909	260,680	261,280	261,281	294,715	334,240	377,118
Health	832,624	836,022	1,101,430	1,291,249	1,316,370	1,374,228	1,459,941	1,641,409	1,851,218
Recreation Culture and Religion	47,343	47,343	61,509	62,249	83,983	86,864	111,726	144,076	168,668
Education	1,288,873	1,397,085	1,563,461	1,644,424	1,647,976	1,653,643	2,266,871	2,534,610	2,771,420
Social Protection	128,488	150,426	175,446	215,025	222,721	212,244	304,319	359,437	399,099
Total	3,136,042	3,338,008	3,955,613	4,395,336	4,509,614	4,559,742	5,663,293	6,344,890	7,027,178

5.4.1. Education

An amount of R2, 266, 871 million has been allocated to Education. This represents 40 % of the total provincial budget in 2007/08 and an increase of 37 % over 2006/07.

5.4.2. Social Development

R304,319 million has been provided for Social Development for the 2007/08 financial year. This represents 5% of the total 2007/08 provincial budget.

5.4.3. Health

Health has been allocated an amount of R1, 459, 941 million for the 2007/08 financial year. This amount represents 26% of the total provincial budget for 2007/08 and is a 13% increase on the corresponding provision for Health for 2006/07.

5.4.4. Economic Affairs

The Economic Affairs Function includes the Departments of Economic Affairs, Agriculture and Land Reform, and the Roads and Transport functions of the Department of Transport, Roads and Public Works. The allocation for this function for the 2007/08 financial year amounts to R778, 645 million, which is 14% of the total provincial budget. This allocation should be sufficient to continue on the path of economic development in the Province. These functions are complemented by the activities of various public sector corporations and extra-budgetary government agencies.

5.4.5. Housing and Community Amenities

The allocation for the Department of Housing and Local Government for the 2007/08 financial year amounts to R294, 715 million, which is 5% of the total provincial budget.

5.4.6. General Public Services

The General Public Services Function consists of the Votes Premier, Legislature, and Finance. The total allocation for this function for the 2007/08 financial year is R280, 425 million.

5.4.7. Recreation, Culture and Religion

The allocation for this function for 2007/08 amounts to R111, 726 million, which is 79% more than the corresponding provision for 2006/07.

5.4.8. Public Order and Safety

The Public Order and Safety Function consist of the Department of Provincial Safety and Liaison. The total allocation for this function for the 2007/08 financial year amounts to R72, 974 million, an increase of 23% over the 2006/07 budget.

5.5 Infrastructure payments

The Infrastructure Delivery Improvement Programme (IDIP) is aimed at addressing identified problems that have undermined effective delivery of infrastructure in provinces. The IDIP technical support will be extended to the provincial departments of Public Works as part of Phase II which will focus on fast tracking improved delivery of school infrastructure.

Table 5.5.1 shows Capital Infrastructure by Vote

Table 5.5.1: Infrastructure payments and estimates by Vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06				2006/07		
R thousand							2007/08	2008/09	2009/10
Office of the Premier									
Legislature									
Safety and Liaison									
Education	48,694	174,252	57,080	26,891	27,812	18,786	68,098	85,000	121,000
Transport, Roads and Works	142,142	227,076	282,841	264,640	273,644	283,328	440,434	503,899	574,450
Economic Affairs									
Sport, Arts and Culture	3,507	5,501	16,273	11,000	23,562	23,562	4,375	10,325	5,400
Provincial Treasury									
Housing and Local Government									
Health	33,369	69,927	136,302	329,042	325,525	294,040	213,203	219,968	277,978
Social Services and Population Development									
Agriculture and Land Reform				11,495	19,471	19,471	43,130	56,392	45,600
Tourism, Environment and Conservation									
Total	227,712	476,756	492,496	643,068	670,014	639,187	769,240	875,584	1,024,428

Major projects for Health include the construction of the psychiatric hospital in Kimberley and the Barkley West Hospital. Department of Transport, Roads and Public Works will reseal and regravell various roads in the province, this include Grootmier – Rietfontein and Britstown – Vosburg. The Department of Education and Public Works will accelerate the delivery of schools infrastructure in the province. The Mayibuye Cultural Centre was completed during the 2006/07 financial year.

5.6 Transfers

5.6.1 Transfers to public entities

A summary of all transfers to public entities is presented and summarised by transferring department. The details thereof are to be presented in the relevant Vote as referred to in Section 5.5.1 of Budget Statement 2 in this document.

Table 5.6.1.1 Summary of Provincial Transfers to Public Entities by Transferring Department

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Office of the Premier							11,655	7,138	8,002
Transport, Roads and Works	807	2,013	5,030						
Economic Affairs							5,700	5,985	6,284
Tourism, Environment and Conservation	2,000	2,000	2,500	3,000	3,000	3,000	10,031	10,783	11,547
Total	2,807	4,013	7,530	3,000	3,000	3,000	27,386	23,906	25,833

5.6.2 Transfers to local government

A summary of all transfers to local government, by category, is presented here.

Table 5.6.2.1 Summary of Departmental Transfers to Local Government by Transferring Department

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Office of the Premier	979	92	107	38	32	32			
Legislature									
Safety and Liaison									
Education									
Transport, Roads and Works	29,516	68,956	64,364	49,373	49,373	49,373	51,842	54,693	57,428
Economic Affairs	4	24	85	20	20	6			
Sport, Arts and Culture	3,234	3,397	1,533	1,638	2,522	2,522	9,953	9,151	8,768
Provincial Treasury									
Housing and Local Government	63,145	54,865	57,892	51,582	51,582	51,582	21,928	20,683	20,683
Health	5,022	2,029	2,996	6,318	10,504	10,504	6,419	6,802	7,144
Social Services and Population Development		237	276	78		59			
Agriculture and Land Reform	110	220	397	148	139	139	100	105	111
Tourism, Environment and Conservation	12	32	2,487	261	31	375	1,000	1,000	1,000
Total provincial transfers	102,022	129,852	130,137	109,456	114,203	114,592	91,242	92,434	95,134

Table 5.6.2.2 Summary of Departmental Transfers to Local Government by Category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2006/07	2007/08	2008/09
	2002/03	2003/04	2004/05						
Category A	4	24	85	20	20	6			
Category B	32,303	19,714	26,547	23,849	28,486	28,845	29,038	26,600	23,540
Category C	69,715	110,114	103,505	85,587	85,697	85,741	62,204	65,834	71,594
Total provincial transfers	102,022	129,852	130,137	109,456	114,203	114,592	91,242	92,434	95,134

Definitions of municipal categories as defined in the Constitution of South Africa, Act No 108, are as follows:

- Category A:** A municipality having exclusive municipal executive and legislative authority within its area. These are often known as “metropolitan areas”. There are no metropolitan municipalities in the Northern Cape.
- Category B:** A municipality that shares municipal executive and legislative authority with a category C municipality within whose area it fall, such municipality are often referred to as “local municipalities”.
- Category C:** A municipality having municipal executive and legislative authority in an area that includes more than one municipality, such a municipalities often referred to as a “district municipalities”.

5.7 Personnel numbers and costs

Table 5.7.1 provide a summary of personnel numbers for the province

Table 5.7.1: Summary of Personnel numbers and costs by Vote

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	182	185	191	207	202	195	233
Legislature	79	93	102	134	134	134	134
Safety and Liason	177	180	221	250	248	245	302
Education	9,359	9,327	9,327	9,152	11,478	11,587	11,587
Transport, Roads and Works	395	410	384	510	717	717	717
Economic Affairs	55	64	98	102	147	149	149
Sport, Arts and Culture	147	152	154	364	364	364	452
Provincial Treasury	137	127	124	177	271	271	271
Housing and Local Government	267	342	333	519	518	518	677
Health	4,554	5,226	5,147	5,627	5,627	5,938	6,275
Social Services and Population Development	486	501	495	732	732	880	8,646
Agriculture and Land Reform	306	341	336	373	426	480	533
Tourism, Environment and Conservation	75	89	143	179	219	219	219
Total personnel numbers *	16,219	17,037	17,055	18,326	21,083	21,697	30,195
Total personnel cost (R thousand)	1,724,175	1,956,685	2,136,875	2,399,188	3,114,528	3,454,639	3,779,040
Unit cost (R thousand)	106	115	125	131	148	159	125

* Full-time equivalent

5.8.1 Payments on Training

Table 5.8.1: Summary of Provincial Payments on training by Vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Office of the Premier	247	264	280	439	439	439	586	715	800
Legislature	150	176	201	259	259	259	273	287	301
Safety and Liason	247	264	280	439	439	439	586	715	800
Education	4,718	8,774	9,081	16,354	16,354	16,354	19,283	20,879	21,921
Transport, Roads and Works		2,164	332	1,451	1,451	1,451	608	638	668
Economic Affairs	71	98	149	247	242	215	307	333	349
Sport, Arts and Culture	163	101	205	274	270	273	344	362	379
Provincial Treasury	311	521	621	510	510	510	665	738	812
Housing and Local Government	544	573	695	1,035	1,035	1,035	1,444	1,583	1,679
Health	1,555	2,475	3,613	6,243	6,243	13,958	13,048	13,770	5,837
Social Services and Population Development	1,992	1,679	1,074	7,392	7,392	5,237	7,781	8,247	8,742
Agriculture and Land Reform	345	71		471	471	471	491	516	541
Tourism, Environment and Conservation			556	549	549	457	677	705	742
Total payments on training	10,343	17,160	17,087	35,663	35,654	41,098	46,093	49,488	43,571

ANNEXURE TO BUDGET STATEMENT 1

Northern Cape Province Budget Statement 2007/08

Payments summary by policy area

Function	Category	Department	Programme
General public services	Legislative	Office of the Premier	Administration
		Provincial Legislature	Administration Member's Facilities Parliamentary Services
	Financial and fiscal affairs	Provincial Treasury	Administration Sustainable Resource Management Asset And Liabilities Management Financial Governance
	General Services	Office of the Premier	Institutional Development Policy And Governance
Public order and safety	Police services	Housing and Local Government	Local Government
Economic Affairs	General economic affairs	Economic Affairs	Administration Integrated Economic Development Services Trade And Industry Development Business Regulation And Governance Economic Planning
	Agriculture	Agriculture & land reform	Administration Sustainable Resource Management Farmer Support And Development Veterinary Services Technological Research And Development Agricultural Economics
	Transport	Transport	Administration Public Works Roads Public Transport Community Based Programme
Environmental Protection	Environmental protection	Provincial Safety and Liaison	Traffic Management
		Tourism, Environment and Conservation	Tourism
Housing and community amenities	Housing development	Housing	Administration ^a Housing Development And Planning
Health	Outpatient service	Health	District health services Primary nutrition programme
	R&D health (CS)		Health science
			Emergency Medical Services Provincial Hospital Services Health Sciences Health Care Support Services Health Facilities Management
	Hospital services		
Recreation, culture and religion	Recreational and sporting services	Sport, recreation, arts and culture	Sport and recreation
	Cultural services		Administration ^a Cultural Affairs Library And Archives Services
Education	Pre-primary and primary	Education	Pre-primary Primary
	Secondary education		Secondary
	Subsidiary service to education		Provision of subsidiary
	Education not definable by level		Administration ^a Public Ordinary School Education Independent School Education Public Special School Education Further Education And Training Adult Basic Education And Training Early Childhood Development Auxiliary And Associated Services
Social protection	Social security services	Social service and population development	Administration Social Welfare Services Development And Research

Table A.4(b): Details of provincial payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation 2006/07	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2007/08	2008/09	2009/10
General Public Services									
Executive and Legislature	115,132	121,460	146,300	158,166	174,601	174,363	191,074	197,264	209,516
Office of the Premier	71,231	67,628	88,861	95,447	104,471	104,233	112,850	114,716	122,673
Provincial Legislature	43,901	53,832	57,439	62,719	70,130	70,130	78,224	82,548	86,843
Financial and Fiscal Services									
Provincial Treasury	67,677	45,183	39,910	80,101	53,109	44,933	89,351	93,893	99,041
General Services (Public Works, Local Government)	103,548	95,971	106,652	106,877	106,377	104,377	95,650	99,606	103,185
Total: General Public Services	286,357	262,614	292,862	345,144	334,087	323,673	376,075	390,763	411,742
Public Order and Safety									
Police Services	9,222	10,438	16,361	25,261	24,757	24,872	28,308	29,891	31,528
Safety and Liaison	9,222	10,438	16,361	25,261	24,757	24,872	28,308	29,891	31,528
Total: Public Order and Safety	9,222	10,438	16,361	25,261	24,757	24,872	28,308	29,891	31,528
Economic Affairs									
General Economic Affairs	41,012	32,557	57,117	67,571	90,546	86,760	95,513	102,060	109,483
Dept of Economic Affairs	41,012	32,557	57,117	67,571	90,546	86,760	95,513	102,060	109,483
Agriculture	64,813	90,574	132,306	129,298	154,486	154,486	164,004	184,953	200,643
Dept of Agriculture Affairs	64,813	90,574	132,306	129,298	154,486	154,486	164,004	184,953	200,643
Transport	276,443	344,684	365,088	401,010	412,449	418,732	563,794	632,927	710,492
Department of Transport	276,443	344,684	365,088	401,010	412,449	418,732	563,794	632,927	710,492
Total: Economic Affairs	382,268	467,815	554,511	597,879	657,481	659,978	823,311	919,940	1,020,618
Environmental Protection									
Environmental Protection	19,639	27,199	43,776	60,302	67,336	67,336	93,677	90,130	98,952
Total: Environmental Protection	19,639	27,199	43,776	60,302	67,336	67,336	93,677	90,130	98,952
Housing and Community Amenities									
Housing Development	141,528	139,066	146,257	153,803	154,903	156,904	199,065	234,634	273,933
Department of Housing	141,528	139,066	146,257	153,803	154,903	156,904	199,065	234,634	273,933
Total: Housing and Community Amenities	141,528	139,066	146,257	153,803	154,903	156,904	199,065	234,634	273,933

Table A.4(b): Details of provincial payments and estimates by policy area (Continue)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2006/07	Revised estimate	Medium-term estimates		
	2003/04	2004/05	2005/06				2007/08	2008/09	2009/10
Health									
Outpatient services	327,842	340,865	426,160	493,064	510,966	499,516	699,703	771,762	852,626
R and D Health (CS)	11,109	17,079	26,749	33,670	30,977	24,200	23,966	25,480	26,934
Hospital Services	493,673	478,078	648,521	764,515	774,427	850,512	736,272	844,167	971,658
Total: Health	832,624	836,022	1,101,430	1,291,249	1,316,370	1,374,228	1,459,941	1,641,409	1,851,218
Recreation, Culture and Religion									
Sporting and Recreational Affairs	47,343	48,930	61,509	62,249	83,983	86,864	111,726	144,076	168,668
Sport, Arts and Culture	47,343	48,930	61,509	62,249	83,983	86,864	111,726	144,076	168,668
Total: Recreation, Culture and Religion	47,343	48,930	61,509	62,249	83,983	86,864	111,726	144,076	168,668
Education									
Pre-primary & Primary Phases	679,512	740,499	802,963	900,772	896,772	826,790	1,086,883	1,258,494	1,404,872
Secondary Education Phase	299,159	320,764	364,285	333,635	335,435	413,590	569,782	615,365	664,594
Subsidised Services to Education	21,576	19,642	19,998	24,165	24,165	24,639	25,523	27,723	29,118
Education not defined by level	288,626	316,180	376,215	385,852	391,604	388,624	584,683	633,028	672,836
Total: Education	1,288,873	1,397,085	1,563,461	1,644,424	1,647,976	1,653,643	2,266,871	2,534,610	2,771,420
Social protection									
Social Security Services									
Social Services and Population Development	128,188	148,839	175,446	215,025	222,721	212,244	304,319	359,437	399,099
Total: Social protection	128,188	148,839	175,446	215,025	222,721	212,244	304,319	359,437	399,099
Total provincial payments and estimates by policy area	3,136,042	3,338,008	3,955,613	4,395,336	4,509,614	4,559,742	5,663,293	6,344,890	7,027,178