

73% of the total provincial spending or R4,1 billion has been allocated to the **Social Services Sector**.

**Education:** Total spending amounts to **R2,3 billion** in 2007/08, an increase of 38% over the 2006/07 budget.

**Health:** Total spending amounts to **R1,5 billion** in 2007/08, an increase of 13% over the 2006/07 budget.

### Social Services and Population Development:

This department will receive a total amount of **R304 million** in 2007/08, which represents an increase of 42% over the 2006/07 budget.

**Other sectors:** Total budget for combined other sectors total to R1,5 billion, an increase by 29% over 2006/07 budget.

## Summary of Expenditure per Department

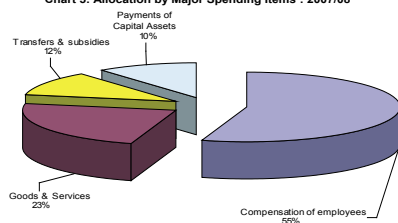
**Table 2: Summary of Expenditure by Function (Department or Vote)**

Department	2007/08	2008/09	2009/10	% Growth rates: Year to Year(Nominal)		
	Forward estimates			2006/07-2007/08	2007/08-2008/09	2008/09-2009/10
	R'000	R'000	R'000	%	%	%
Office of the Premier	112,850	114,716	122,673	18.2%	1.7%	6.9%
Legislature	78,224	82,548	86,843	24.7%	5.5%	5.2%
Safety and Liaison	72,974	76,899	83,395	22.7%	5.4%	8.4%
Education	2,266,871	2,534,610	2,771,420	37.9%	11.8%	9.3%
Transport, Roads and Works	519,128	585,919	658,625	41.5%	12.9%	12.4%
Economic Affairs	95,513	102,060	109,483	41.4%	6.9%	7.3%
Sport, Arts and Culture	111,728	144,076	168,668	79.5%	29.0%	17.1%
Provincial Treasury	89,351	93,893	99,041	11.5%	5.1%	5.5%
Housing and Local Government	294,715	334,240	377,118	13.1%	13.4%	12.8%
Health	1,459,941	1,641,409	1,851,218	13.1%	12.4%	12.8%
Social Services and Population Development	304,319	359,437	399,099	41.5%	18.1%	11.0%
Agriculture and Land Reform	164,004	184,953	200,643	26.8%	12.8%	8.5%
Tourism, Environment and Conservation	93,677	90,130	98,952	55.3%	-3.8%	9.8%
<b>Total Expenditure</b>	<b>5,663,293</b>	<b>6,344,890</b>	<b>7,027,179</b>	<b>28.8%</b>	<b>12.0%</b>	<b>10.8%</b>

**Table 3. Summary of Expenditure by Economic Classification**

R thousand	Medium Term Expenditure Estimates					
	2007/08	%	2008/09	%	2009/10	%
<b>Current payments</b>	<b>4,442,162</b>	<b>78%</b>	<b>5,001,895</b>	<b>79%</b>	<b>5,506,418</b>	<b>87%</b>
Compensation of employees	3,114,528	56%	3,454,639	54%	3,779,041	60%
Goods and Services	1,327,634	23%	1,547,256	24%	1,727,377	27%
<b>Transfers and subsidies</b>	<b>653,982</b>	<b>12%</b>	<b>716,518</b>	<b>11%</b>	<b>788,024</b>	<b>12%</b>
Provinces & Municipalities	104,389	2%	110,490	2%	113,916	2%
Other transfers	393,934	7%	418,440	7%	448,936	7%
Households	155,659	3%	187,588	3%	225,172	4%
<b>Capex</b>	<b>567,148</b>	<b>10%</b>	<b>626,477</b>	<b>10%</b>	<b>731,737</b>	<b>12%</b>
Buildings and other fixed structures	514,839	9%	576,495	9%	685,386	11%
Machinery and equipment	49,633	1%	47,090	1%	43,168	1%
Software and other intangible assets	2,676	0%	2,892	0%	3,183	0%
Land and subsoil assets	-	-	-	-	-	-
<b>Total</b>	<b>5,663,293</b>	<b>100%</b>	<b>6,344,890</b>	<b>100%</b>	<b>7,027,179</b>	<b>111%</b>

**Chart 5: Allocation by Major Spending Items : 2007/08**



### Total allocated budget in 2007/08: R5,7 billion

- Compensation of Employees account for 55% of total allocated budget.
- Goods and Service share 23% of the total allocation.
- Transfers and Subsidies represent 12% of the total allocation.
- Capital Spending account for 10% of the total spending. This represents an increase by 8% compared to 2006/07 adjusted budget.

### Policy Priorities

**Social Sector** has been allocated R644 million over the MTEF, amongst others the following priorities have been funded:

- To review remuneration of education personnel, education teacher development, education quality improvement, school rehabilitation, health professional remuneration review, additional posts for health professionals, employment of social auxiliary workers as well as additional social workers, children in children homes, and treatment of substance abuse.

**Economic Sector** has been allocated R244 million over the MTEF, amongst others the following priorities have been funded:

- Rehabilitation and maintenance of roads, SMMEs development, establishment liquor and gambling of regulatory public entities, agricultural support to farmers, marketing and branding of the province, construction of the international convention centre and tourism.

**HIV and AIDS:** More than R251 million over the MTEF has been allocated for the province to combat HIV and AIDS

### CONTACT DETAILS

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## NORTHERN CAPE PROVINCE



# 2007 BUDGET

*Our common purpose in the current trajectory is to intensify the fight against poverty*





## 1. OVERVIEW

The 2007 Budget presents to people of the Northern Cape a budget that build a stronger and better Province for all. It focuses on the strategic objectives the province set out in the Provincial Growth and Development Strategy (PGDS).

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

## 2. WHAT IS THE BUDGET?

The Provincial Budget is :

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

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

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

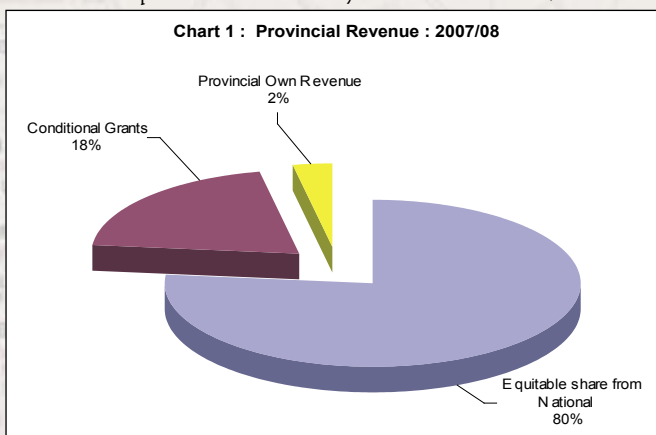
- How much revenue does it raise through different kinds of taxes?

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

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

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

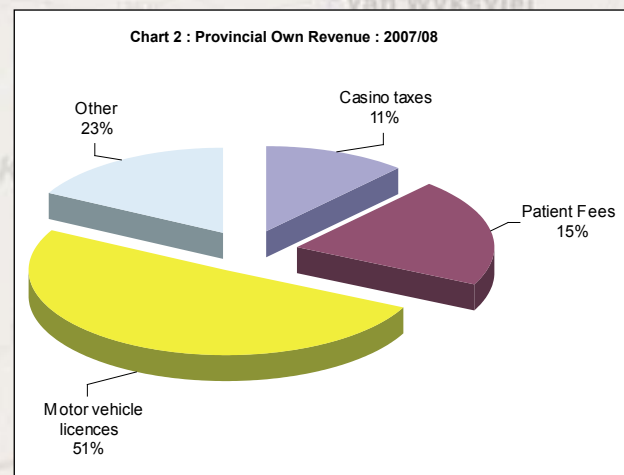
Total receipts amount to **R5,7 billion** in 2007/08.



98% of the provincial revenue comes from National Transfers (*Equitable Share and Conditional Grants*).

Provincial Own Revenue accounts for only 2%.

Major sources of own revenue collection are Motor Vehicle Licences at 51%, Hospital fees at 15%, Casino taxes at 11% and other sources of provincial own revenue at 23%



**Table 1. Provincial Revenue**

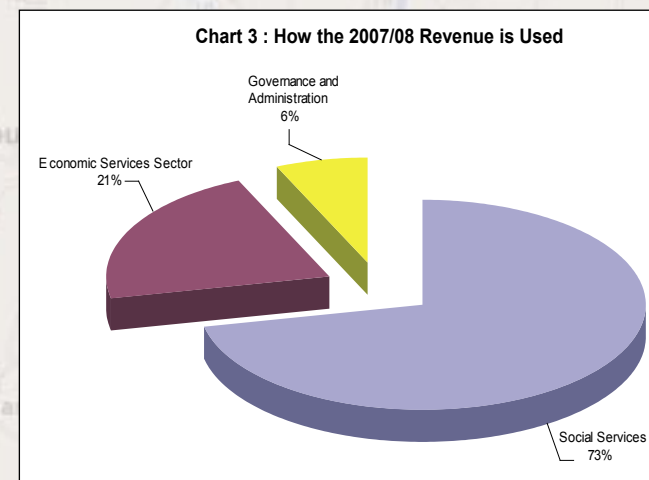
R thousand	Main Budget Estimate	Medium Term Estimates		
	2006/07	2007/08	2008/09	2009/10
<b>Provincial Receipts</b>				
Equitable share	3,345,129	4,597,686	5,194,044	5,793,243
Conditional grants	2,226,618	1,021,568	1,180,036	1,381,294
Provincial own revenue	123,803	138,684	145,635	153,559
<b>Total</b>	<b>5,695,550</b>	<b>5,757,938</b>	<b>6,519,715</b>	<b>7,328,096</b>

### Increase in Provincial Revenue :

- Equitable share increases by **R1,7 billion** in 2007/08, an increase of 33% over 2006/07 main budget.
- Conditional Grants increased by **R106 million** in 2007/08, an increase of 12% over the 2006/07 main budget.
- Provincial Own Revenue increased by **R7,1 million** in 2007/08, an increase of 5,4% over the 2006/07 main budget.

## Provincial Spending

The Provincial Government's receipts amount to **R5,8 billion** in 2007/08. Total spending amount to **R5,7 billion**, which is divided in several categories as shown in Chart 3.



Largest portion of the spending goes to Social Services Sector which provide **health care services** to the people of the province, **investing in education system** and **social development**. This accounts for 73% of the total provincial spending.

Economic Sector spending total to **R1,2 billion** in 2007/08. This accounts for 21% of the total provincial spending.

Administration and Governance Sector total to R353 million in 2007/08. This accounts for 6% of the total provincial spending

## 2007 MTEF Expenditure:

