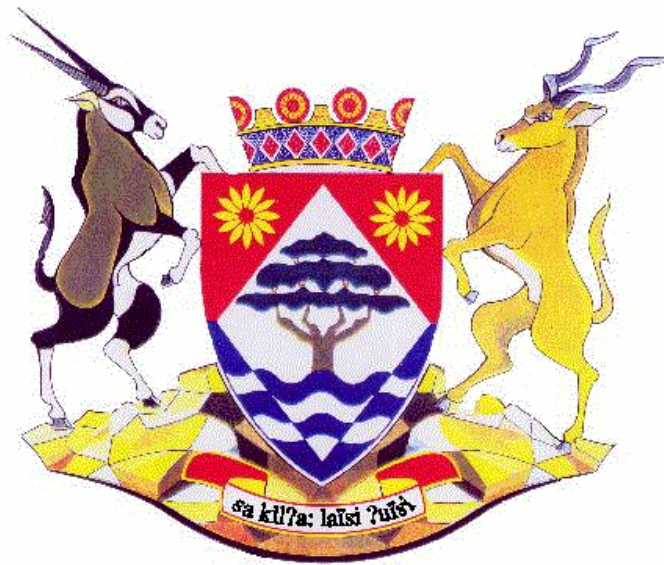


# **BUDGET STATEMENT 2008**

## **MEDIUM TERM EXPENDITURE FRAMEWORK 2008/09-2010/11**

### **OF THE NORTHERN CAPE PROVINCIAL GOVERNMENT**





Second Print  
Quantity printed: 500

Northern Cape Province  
Provincial Treasury  
9<sup>th</sup> Floor, Metlife Towers  
Market Square  
Private Bag x5054  
Kimberley  
8300  
Telephone: 053 – 830 8358  
Fax: 053 – 8315836  
Email: [smokoko@met.ncape.gov.za](mailto:smokoko@met.ncape.gov.za)

This document will also be available on the Internet at: <http://www.northern-cape.gov.za>

# Foreword

**By**

**O.P Dikgetsi: MEC for Finance**

In pursuance of the developmental agenda and strategies adopted by the provincial government which are intended at fighting poverty, the provincial government's deliberate attempt is to create a conducive environment to steer the provincial economy towards a higher trajectory.

Accordingly, the 2008/09 provincial budget framework endeavors to respond to these needs through balancing the limited resources between provincial and national priorities.

In the face of rising unemployment levels and the challenge of reaching our 4 percent target, it then becomes critical for all of us to double our efforts towards this common goal.

It should also be noted that increases on the economic sector priorities were not effected at the expense of social sector priorities. The policies of government remain biased towards the poor and the marginalized. In this respect more resources are allocated towards social services with the intention to expand access to quality health, education and welfare services. An important element in this regard is the provision for improvement of conditions of service for certain categories of personnel in the social sector. This is part of our strategies to attract and retain the much needed skills in the public sector.

The effectiveness of the budget lies in ensuring and maintaining the linkage between the development plans and spending priorities as well as an integrated and efficient spending approach. In the first instance our budget seeks to give impetus to the Northern Cape Provincial Growth Development Strategy launched in 2005 as well as contribute to the Country's achievement of the Millennium Development Goals. In order to derive value for money, emphasis will be placed on better planning resulting in logical spending patterns.

It must be said however, that in respect to the specific departmental allocations, we can confidently attest to our efforts that half the battle is won, the challenge however, is whether we will derive value for money in terms of the actual expenditure notwithstanding the capacity problems to spend the allocated funds by provincial departments.

Through the dedicated efforts of the Provincial Treasury the province formulated a budget credible in character, based on the principles of allocative efficiency and geared towards intensifying the fight against poverty and underdevelopment.

# CONTENTS

## BUDGET STATEMENT NUMBER 1

Budget Overview.....	1
Budget Strategy and Aggregates .....	2
Budget Process and MTEF.....	4
Socio Economic Outlook.....	6
Receipts.....	13
Payments.....	16

## Annexure to Budget Statement 1

Table A1: Information relating to Conditional grants.....	24
Table A2: Detail of Total provincial own receipts.....	25
Table A3: Detail of provincial payments and estimates by economic classification.....	26
Table A.4 (b): Detail of provincial payments and estimates by policy area.....	27
Payment summary by policy area.....	28

## BUDGET STATEMENT NUMBER 2

Premier.....	30
Legislature.....	27
Provincial Safety and Liaison.....	66
Education.....	82
Transport, Roads and Public Works.....	102
Economic Affairs.....	125
Sport, Arts and Culture.....	146
Provincial Treasury.....	166
Housing and Local Government.....	179
Health.....	190
Social Services and Population Development .....	208
Agriculture and Land Affairs.....	234
Tourism, Environment and Conservation .....	265

# **Budget Statement 1:**

## **Budget Overview**

# **1. BUDGET STRATEGY AND AGGREGATES**

## **Introduction**

The overall strategic framework and policy direction of the province remains fundamentally unchanged as the previous year's policy imperatives with some impetus on other provincial priorities especially with regard to the economic sector. The intention is to give effect to the attainment of the goals and objectives as set out in the Provincial Growth and Development Strategy, ASGISA, and JIPSA. It should be noted in some instances no additional funds will be allocated as it is expected that provincial departments will have to prioritise and ensure synchronisation of funding in line with the above stated policies of government without adversely affecting current levels of services delivery.

**In identifying its developmental agenda, the provincial process of funding and priority setting is informed by the following:**

- National and Provincial priorities
- A balance between National and Provincial policy imperatives
- Acceleration of infrastructure spending
- Continuing efforts to realise economic growth in the province
- Progress in implementing the identified policies
- Acceleration in implementing infrastructure projects
- Continued assessment and progress in respect of IDIP processes

The provincial framework funding is by large informed by the Medium Term Budget Policy Statement which takes into account the Government's Programme of Action which seeks to enhance social, cultural, and economic welfare of all the citizens of the province.

The strategic thrust emanating from the Medium Term Expenditure Framework, President's State of the Nation Address and the Premier's State of the Province Address is centred on the following broad objectives of the Northern Cape government:

- The Premier's Address in line with the State of the Nation's Address issued by the President;
- Deliberate investment in infrastructure to deal backlogs of infrastructure in the province;
- Direct funding where greatest development potential and need can coincide;
- Invest in training and people development to attract and retain the skills in the province;
- Funding also directed towards major provincial policy decisions that the Executive Council have publicly pronounced.

## **Major Policy Priorities**

The Medium Term Budget Policy Statement makes provision for the following policies, in Education funds have been availed for the scaling up of Grade R, including training more practitioners. Over the next three years, the Education sector is also going to devote resources to making public ordinary schools more inclusive.

Facilities will be modified to make them more accessible to learners with disabilities. To give further impetus to the implementation of the new curriculum statement, provision has been made for the procurement of textbooks for all learners in grades 10, 11, and 12. The government is exploring new and creative means of procuring these materials in a more cost-effective way.

In Social Development, the focus over the MTEF is on bolstering early childhood development, catering for those aged 0-4 (in collaboration with the education sector) expanding secure care services to children in conflict with the law and strengthening access to home- and community-based care.

A portion of the equitable share provides resources to deal with the problem of multidrug-resistant TB, and for general increase in health spending.

The Infrastructure Grant to Provinces is revised upwards to particularly address school infrastructure needs, including replacing unsafe and inappropriate school structures. This will lead to job creation and opportunities for local communities.

**Budget priorities also include the following;**

- Investment in human and physical capital to ensure long term growth
- Improving quality of education, health and other public services and targeted anti-poverty programmes
- Rural development

## 1.2 Summary of budget aggregates

Table 1. gives a summary of the main revenue and payment components of the budget.

Table 1 : Provincial budget summary

Project description R thousand	Outcome			Main appropriation	Adjusted appropriation 2007/08	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
<b>Provincial receipts</b>									
Transfer receipts from national	3,137,424	3,840,043	4,367,483	5,619,254	5,798,359	5,798,359	6,637,676	7,593,701	8,480,317
Equitable Share	2,577,522	3,145,231	3,451,507	4,597,686	4,637,822	4,637,822	5,340,965	6,027,867	6,571,247
Conditional grants	559,902	694,812	915,976	1,021,568	1,160,537	1,160,537	1,296,711	1,565,834	1,909,070
Provincial own receipts	113,834	111,073	126,915	138,684	138,684	130,931	145,635	153,559	162,056
<b>Total Provincial receipts</b>	<b>3,251,258</b>	<b>3,951,116</b>	<b>4,494,398</b>	<b>5,757,938</b>	<b>5,937,043</b>	<b>5,929,290</b>	<b>6,783,311</b>	<b>7,747,260</b>	<b>8,642,373</b>
<b>Provincial Payments</b>									
Current payments	2,691,913	3,085,455	3,456,921	4,434,160	4,493,642	4,655,061	5,204,710	5,810,233	6,374,765
transfers and subsidies	427,548	500,220	504,845	661,984	654,204	627,364	763,954	873,450	1,028,658
payments for capital assets	218,547	369,937	526,673	567,148	750,854	726,051	720,116	852,924	980,035
unallocated contingency reserves									
<b>Total Provincial receipts</b>	<b>3,338,008</b>	<b>3,955,612</b>	<b>4,488,439</b>	<b>5,663,293</b>	<b>5,898,700</b>	<b>6,008,476</b>	<b>6,688,780</b>	<b>7,536,607</b>	<b>8,383,458</b>
<b>Surplus/(deficit) before financing</b>	<b>(86,750)</b>	<b>(4,496)</b>	<b>5,959</b>	<b>94,645</b>	<b>38,343</b>	<b>(79,186)</b>	<b>94,531</b>	<b>210,653</b>	<b>258,915</b>
<b>Financing</b>									
Provincial rollovers	111,564	134,151	64,394		9,441	9,441			
Other	11,829	88,794	49,519	26,741	63,537	63,537	470		
<b>Surplus/(deficit) after financing</b>	<b>36,643</b>	<b>218,449</b>	<b>119,872</b>	<b>121,386</b>	<b>111,321</b>	<b>(6,208)</b>	<b>95,001</b>	<b>210,653</b>	<b>258,915</b>

Total Provincial receipts is projected to increase at an average annual rate of 17% over the MTEF from R6,783,311 million in 2007/08 to R8,643,090 million in 2010/11. This is mainly attributed to transfers from national. At the same time, receipts sourced internally (own receipts) increases from R145,635 million in 2007/08 to R162,773 million in 2010/11, representing an average annual growth rate of 5% .

## Financing

The province has two sources of financing, namely provincial roll-overs and funding from own reserves. The provincial roll-overs refer to funds that were appropriated and committed but not spent in that financial year. These funds are then 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**

The province projects a net surplus of R95 million in 2008/09, R186,3 million in 2009/10 and R220,8 million in 2010/11. Included in the surplus are the amounts of R56,5 million in 2009/10 and R59,9 million in 2010/11 in respect of Government Employees 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**

Section 215 of the Constitution recognises the importance of the Budget and the budget process, by stating that “national, provincial and municipal budgets and budget processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector”. Chapter 4 in both the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA) give effect to this provision, by requiring transparency in the budget process and budget documents.

Our provincial budget process is linked to the national budget process to ensure synergy during the implementation stage. To give further impetus to the credibility of the budget process, all provincial departments are required to submit their departmental budget process linked to the provincial budget process. The budget process is submitted to the Executive Council for endorsement.

The provincial budget process commenced with Provincial Treasury issuing the budget process schedule which clearly outline the responsibility of all role players towards the crafting of a credible budget. Subsequent, the provincial departments and the legislature are expected to review their annual performance plans for the MTEF period. This process involves the entire staff of the respective votes to ensure correct alignment and buying in by everybody towards the same vision.

Provincial Treasury in the reviewing of these plans, offer advisory services to ensure that the norms and standards as set out by National Treasury are adhered to and the different strategic objectives set out by the departments follow the SMART principle and are within the available resources.

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 2008 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 2008/09- 2010/11 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 2008/09- 2010/11 allocations) and
- Preparation of Budget Statements.

### **Municipal Finance Management Budget Process**

- The Municipal Finance Management Act, No. 56 of 2003 (MFMA) requires municipalities to table their budgets at least ninety (90) days before their financial year. This is preceded by an intense process of consultations with communities on the IDP review. After tabling the budget municipalities must consult with other stake-holders, i.e local communities, provincial and national government. The other stake-holders are afforded an opportunity to comment on the tabled budget. The municipality is required to consider these views before approving its budget.

- It is important that the municipal budget takes into consideration priorities as identified in the IDP, national and provincial. In determining their revenue it is important that municipalities be realistic, and ensures that the budget is fully funded.
- The council of the municipality must consider the annual budget for approval at least thirty (30) days before the start of the financial year. Should the municipal council not be able to approve the budget, council must reconsider the budget and vote on it again, within seven (7) days. This must be repeated until council approves the budget, but before the start of the financial year. Should council fail to approve the budget before the start of the financial year, the provincial executive council must intervene in the municipality in terms of section 139(4) of the Constitution. To date it has not been necessary for the province to intervene in any municipality since the promulgation of the MFMA.

**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.

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**

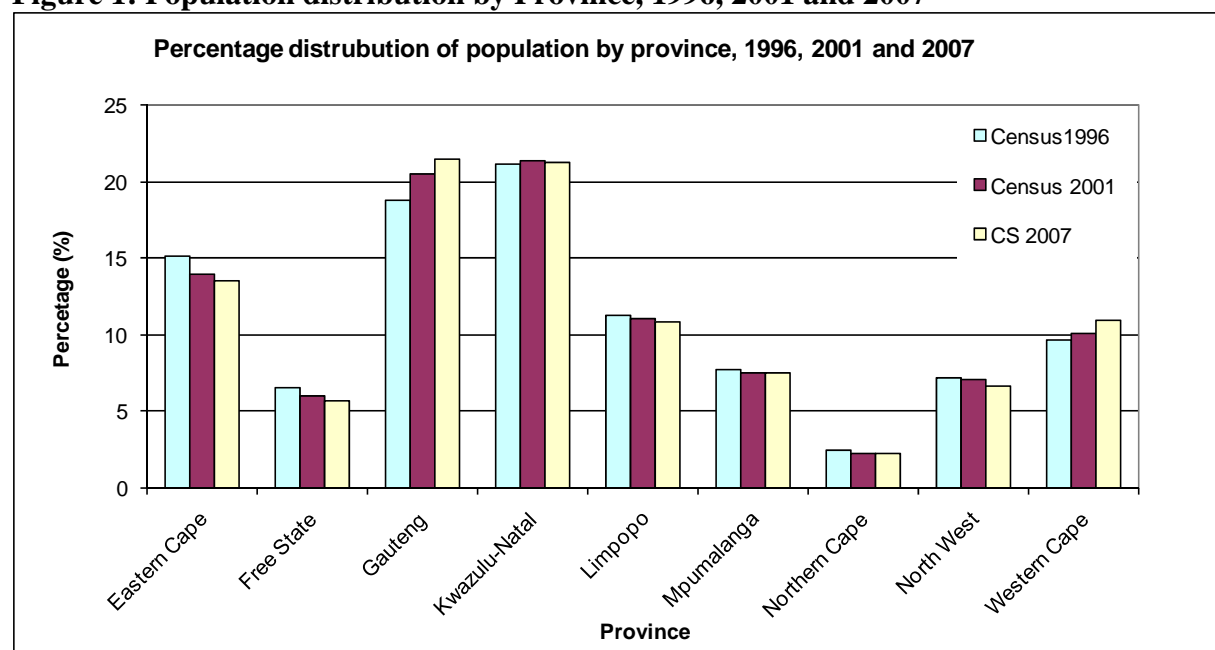
Provincial Treasury issue Guidelines issued in line with National Guidelines:

- To drive the department's strategic priorities that 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 are given the opportunity to submit proposals involving changes to their respective baseline budgets which takes place in September annually.
- Subsequent to the Provincial Medium Term Expenditure Committee meetings (PMTEC), MEC bi- laterals are held in October chaired by MEC for Finance.
- Provincial Budget Lekgotla convenes to consider departmental budgets and proposals (Chaired by the Premier, all MEC's, HOD's, CFO's and Provincial Treasury officials) in November
- Executive Council to approve and endorse the proposed allocation for the new MTEF period in line with policy imperatives as set out in the medium term budget policy statement and PGDS.

### 3. SOCIO-ECONOMIC OUTLOOK

#### Demographics profile

**Figure 1: Population distribution by Province, 1996, 2001 and 2007**



Source: Statssa, 2007

Northern Cape's provincial share of the total population is the lowest compared to all other provinces. Figure 1 above shows a decline in the percentage share of the total population in the Northern Cape (NC) in 1996, but remained constant between 2001 and 2007 Community Survey (CS). Mpumalanga province (MP) follows the same trend, while Kwazulu-Natal (KZN) has remained almost constant throughout the three period under review. Eastern Cape (EC), Free State (FS), Limpopo (LP) and North West (NW) show gradual declines in the percentage share since 1996. The percentages for Gauteng (GP) and Western Cape (WC) are gradually increasing, this explains the movement of people from smaller provinces to Western Cape and Gauteng especially.

**Table.1: Changes in the Northern Cape demographic profile, 2001-2007**

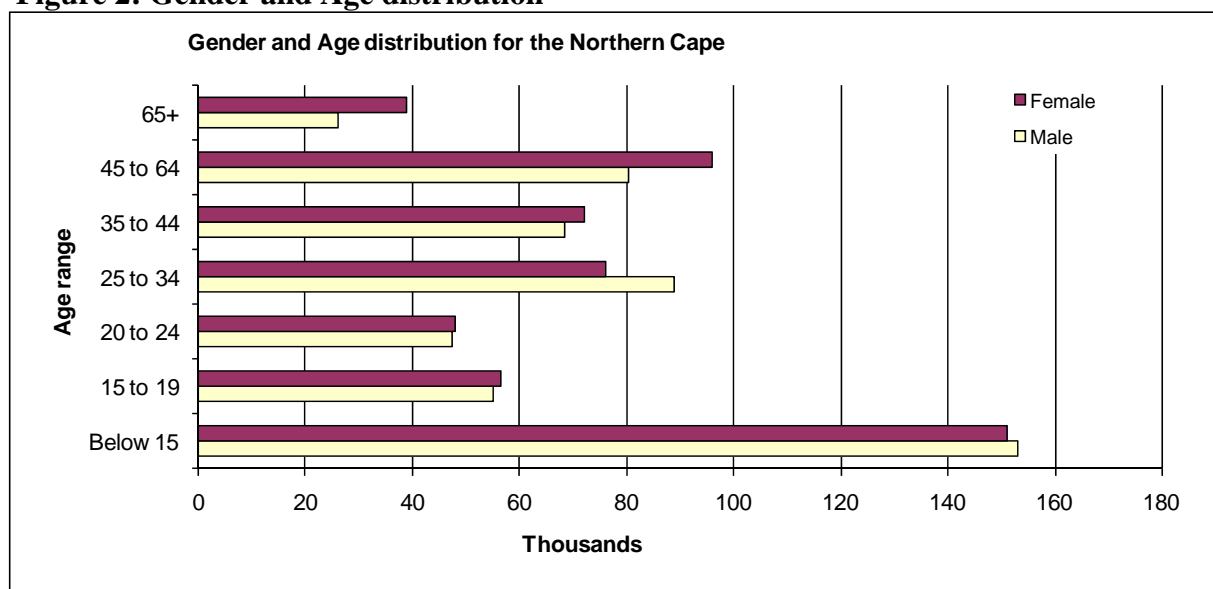
Description	Period	Effective change
Population growth	2001-2007	1% per annum, 991 919 Thousand to 1 058 060 Million
Population increase	2001-2007	Increase of 66 141 Thousand or 6.7 %
Number of households	2001 2007	245 086 Thousand 264 653 Thousand (8% increase)
Average household size	2001 2007	3.9 4.0

Source: Statssa, 2007

According to the Community Survey 2007, the Northern Cape population increased from 991 919 in 2001 to 1 058 060 in 2007 (as demonstrated in the above table). This represents 6.7 percent population increase between 2001 and 2007, reversing the negative population growth experienced

between 1996 and 2001. The significant increase between 2001 and 2007 occurred mainly as a result of new provincial demarcations that incorporated Kgalagadi and Pampierstad into the Northern Cape. Despite this growth, the provincial population as a proportion of national population remained constant at 2.2 percent between 2001 Census and 2007 Community Survey.

**Figure 2: Gender and Age distribution**



*Source: Statssa, 2007*

Figure 2 shows gender and age population distribution for the province in 2007. As age increases, the proportion of population in an age group declines. The largest share of the population falls within the age group 0-15 (children), compared to the shares falling within the age group 20-64 (economically active) and +65 (old aged). This has significant financial implications for the province in terms of child support grant payments, provision of education and sustaining a growing economy.

Contributing factors to this trend among other things include, migration rate, people migrate to other provinces for purposes of studying and in pursuit of jobs and economic opportunities. The AIDS epidemic and its impact of HIV/AIDS also has a bearing on dwindling population from age 20 upwards as research shows that mortality related to HIV/AIDS is high amongst this age cohort.

It is with observing from the above figure that the female population exceeds that of male in absolute terms.

**Table 2: Percentage of persons aged 5-24 years, by type of institution and province, 2001 and 2007**

	<i>Pre-school</i>		<i>School</i>		<i>College</i>		<i>University/ Technikon</i>		<i>ABET</i>		<i>Other</i>	
	2001	2007	2001	2007	2001	2007	2001	2007	2001	2007	2001	2007
EC	3.9	3.6	93.7	93.2	0.7	1.2	1.4	1.4	0.1	0.0	0.2	0.6
FS	3.8	3.9	92.5	90.9	1.2	2.0	1.9	2.6	0.4	0.0	0.2	0.6
GP	5.7	4.8	84.0	84.1	3.8	4.4	5.8	5.8	0.3	0.0	0.4	0.8
KZN	3.3	3.9	93.5	91.5	0.9	1.4	1.9	2.4	0.2	0.0	0.2	0.7
LP	3.6	4.1	94.8	93.1	0.6	1.0	0.8	1.2	0.1	0.0	0.2	0.5
MP	3.8	4.0	94.3	92.7	0.8	1.5	0.7	1.1	0.1	0.0	0.2	0.7
NC	4.7	4.2	93.5	93.0	0.9	1.6	0.5	0.7	0.2	0.0	0.2	0.5
NW	4.8	4.0	92.4	92.4	0.9	1.5	1.4	1.6	0.3	0.0	0.2	0.6
WC	5.4	4.2	87.7	87.7	1.9	2.7	4.3	4.8	0.2	0.0	0.4	0.7
Total	4.2	4.1	91.7	90.6	1.4	2.0	2.3	2.7	0.2	0.0	0.2	0.7

*Source: Statssa, 2007*

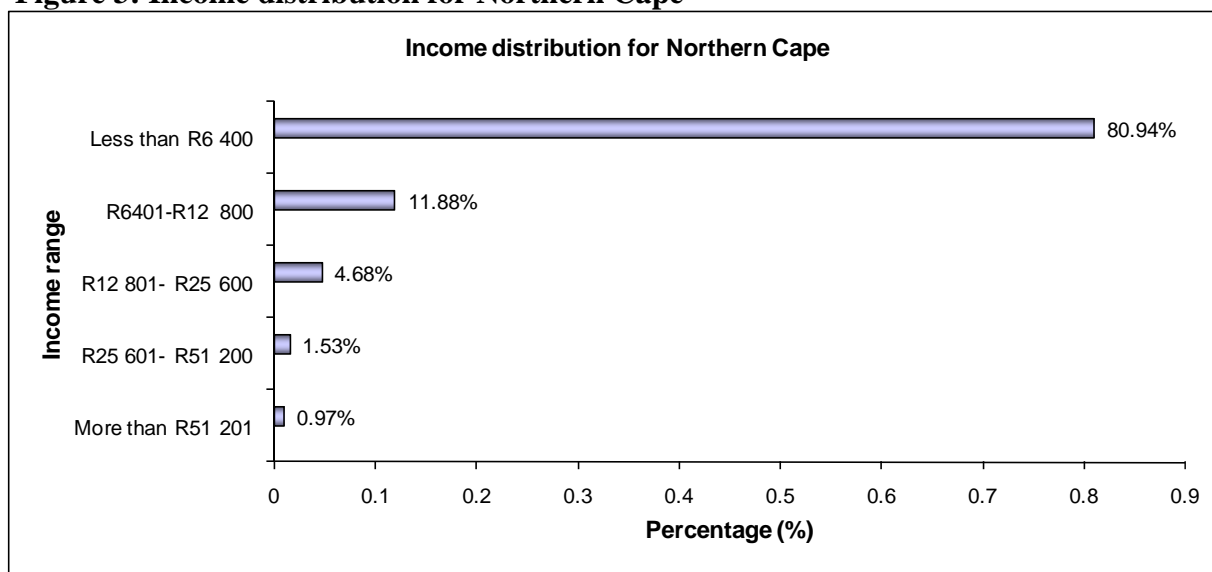
Although there is a great intake of pupils at primary and secondary school levels, about 93 percent has remained steady since 2001 to date (refer to figure 3). Attendance at institutions key to skills development such as colleges, Universities/Technikons is below the national average by 0.4 percent and 2.0 percent respectively in 2007. This may be explained partly by the declining number of matriculants with university endorsement or admission grades coupled with the difficulties of accessing Tertiary Institutions.

### **Human Development and Poverty Level**

The HDI (Human Development Index) measures the country's economic and social wellbeing in terms of life expectancy, educational attainment and adjusted real income. It is measured on a scale of zero to one. An HDI of zero shows the lowest level of development and one the highest level. The analysis of the HDI status of the Northern Cape carried out in the 2001 census reveals inequalities that exist in the province, with an HDI of about 0.68, which makes it a medium development region.

The Gini coefficient is another measure used to calculate the levels of inequality. It ranges between zero and one, with zero indicating equal distribution of income and one indicates unequal distribution. Although no recent official data for the province is available other researches show that the income distribution remains highly unequal in the province, with a reported Gini coefficient of about 0.7 (Elsenburg, 2005).

**Figure 3: Income distribution for Northern Cape**



*Source: Statssa, 2007*

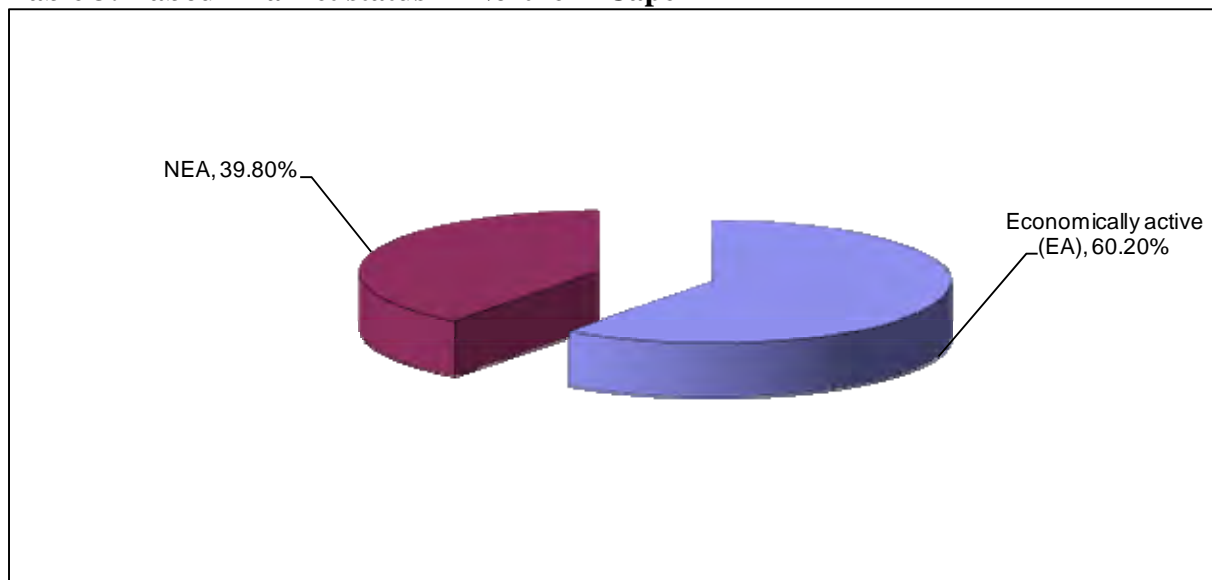
The distribution of income in the Northern Cape reflects considerable inequality, as demonstrated in figure 3 above. The current statistics reveal that over 80 percent of the working group earns less than R6 400, and there is about 11.88 percent of the working group within the range of R6 401- R12 800, and 4.68 percent within the range of R12 801- R25 600. About 1.53 percent earns within the range of R25 601-R51 201 and 0.97 percent earns more than R51 201. Causes of income inequality include differences in education and training, inequality in the distribution of wealth and an unequal distribution of market power.

The high unemployment rate is also a direct contributing factor to inequality and poverty in the province. The high rate of unemployment in the Northern Cape demonstrates that the problem of poverty and wealth inequality cannot be addressed in any meaningful way unless the unemployment issue is also tackled. The provincial government is required to make further progress in combating poverty, since the social grant system made a large contribution to the recently observed decline in poverty, is currently nearing the limits of its poverty alleviation capacity.

## Economic Indicators for the Northern Cape

**Figure 4: Labour activity status, Northern Cape (March 2007)**

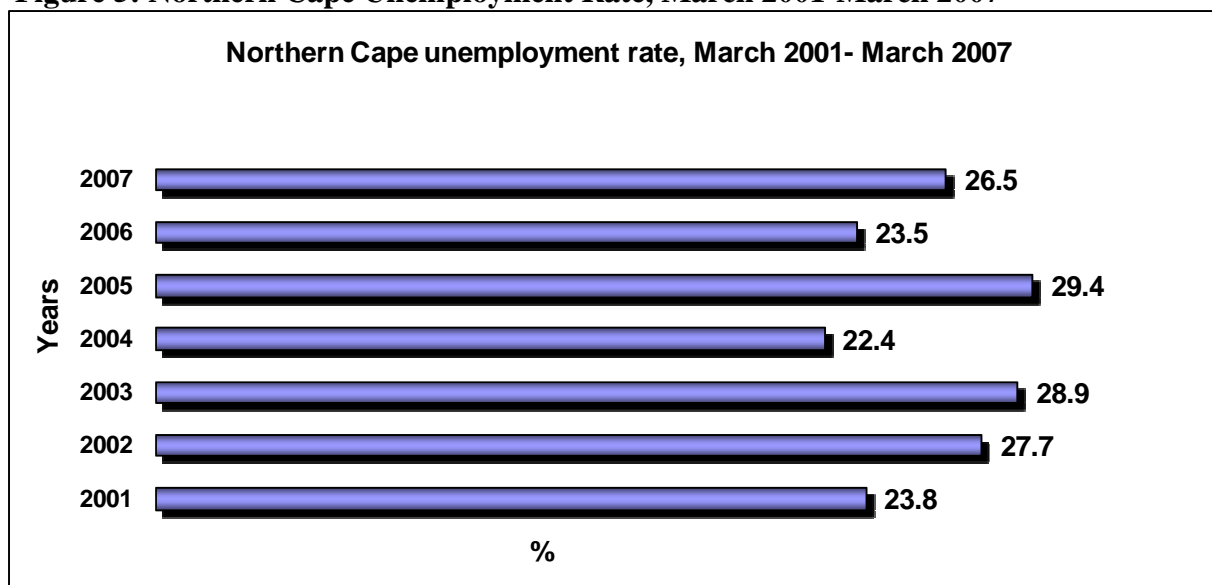
**Table 3: Labour market status in Northern Cape**



*Source: Statssa, Labour Force Survey, 2007*

Table 3 and figure 4, show the labour market status by population group, sex, for the working age (15– 65 years) in the Northern Cape. Overall 73.5 percent of the 60.2 percent of those who are economically active are employed and 26.5 percent are unemployed. About 39.8 percent of the working age is not economically active (using the official definition of unemployment). The unemployment rate for females of 35.3 percent is higher than that of males of about 20.1 percent in the province.

**Figure 5: Northern Cape Unemployment Rate, March 2001-March 2007**

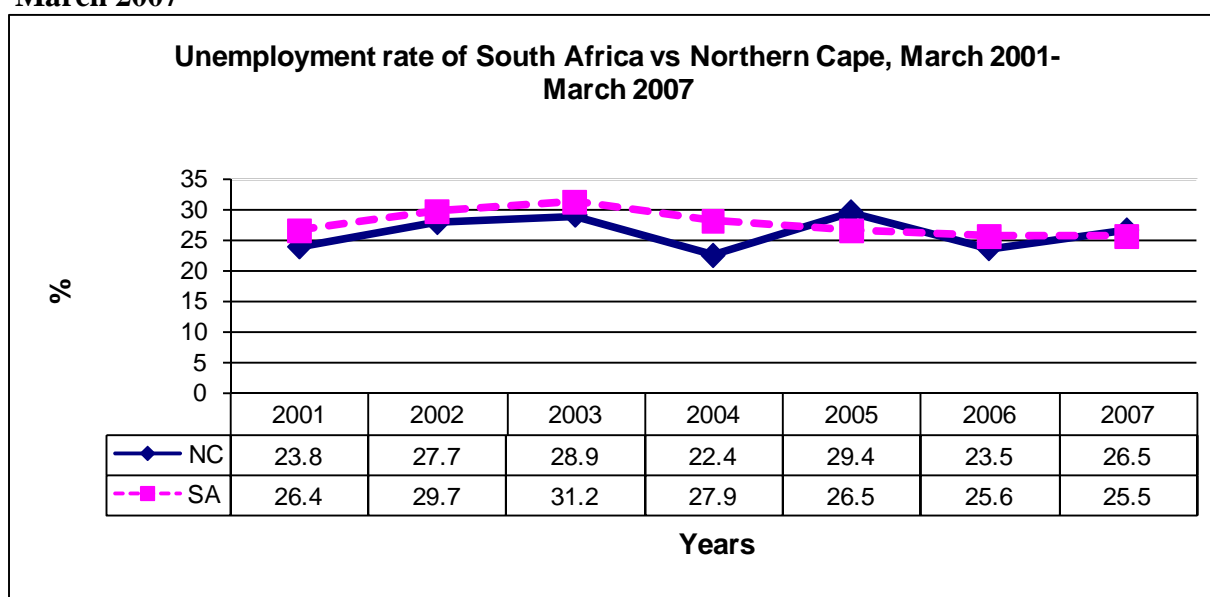


*Source: Statssa, Labour Force Survey, 2007*

Figure 5 above shows estimates of the unemployment rate in the Northern Cape from 2001 to 2007. The unemployment rate is the key measure of the business cycle: in booms unemployment is low, in depressions or low economic activity unemployment is high. The reason that the estimates bounce around so much from period to period is because of the fluctuations in the business cycle. The above figure indicates a trend of rising unemployment rate from 2000 to 2003, and again in 2005 and 2007. Such increases can be attributed to, amongst other things, rapidly growing labour force, declining formal employment, rural-urban migration, and low provincial economic growth rate. In March 2005, the unemployment rate peaked to 29.4 percent, which is above the national rate by 2.9 percent, as illustrated in figure 6 below.

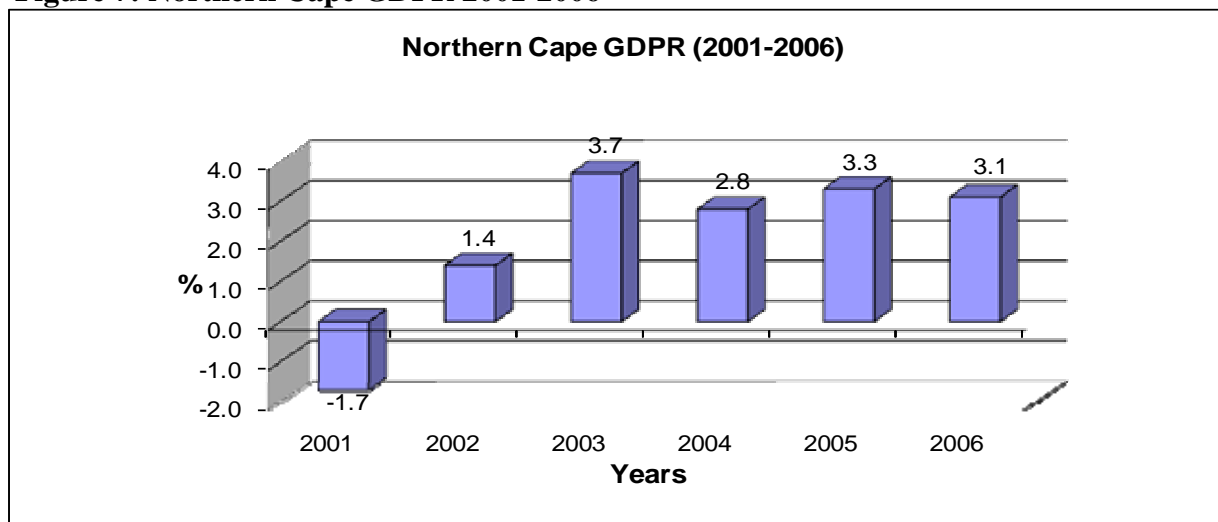
In 2004, unemployment rate declined by 6.5 percent to 22.4 percent. This is the lowest unemployment rate since March of 2001. 2006 also experienced a low unemployment rate of about 23.5 percent. The explanation for the low unemployment rates in these years involves several considerations. In 2001 part of the explanation is low economic activity, GDPR of about – 1.7 percent (refer to figure 7 below) and steady population growth rates. Other possible reasons for low unemployment rate include the tightness of the labour market, rising interest rates and election based economic cycles. Although the prospects for ongoing low unemployment are good, this remains a challenge for the province to sustain such levels, to further increase workforce participation and to improve productivity.

**Figure 6: Unemployment rate of South Africa Vs Northern Cape, March 2001 – March 2007**



Source: Statssa, Labour Force Survey, 2007

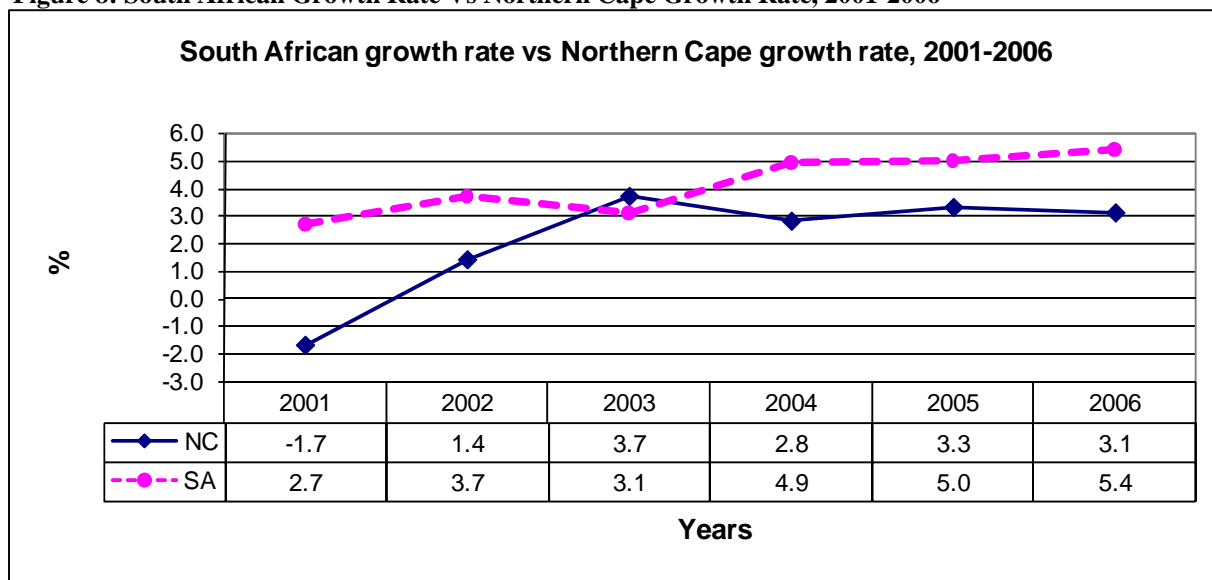
**Figure 7: Northern Cape GDP 2001-2006**



Source: Statssa, 2007

Northern Cape recorded an economic growth rate (GDP) of 3.1 percent during 2006, this follows a growth rate of 3.3 percent in 2005. The provincial economy faces a large number of growing constraints and unsustainable imbalances, pointing to a deceleration of growth in 2006. The economy has once again proved its resistance in achieving the expected growth rate of 4-6 percent, the adverse effects of unfavourable weather conditions, the strong rand, the subsequent sharp price increase in oil and other imported commodities, continue to challenge the economic performance within the province.

**Figure 8: South African Growth Rate Vs Northern Cape Growth Rate, 2001-2006**



Source: Statssa, 2007

The provincial economic growth rate although moderate within the period 2004-2006, remains on average below the national growth rate. The national economy demonstrated a growth rate of about 5.4 percent in 2006; this follows a growth rate of 5 percent in 2005. Despite the upward trend in the national growth rate between 2001-2006, inflation driven by strong domestic demand and rising oil prices, remain a concern. Contrary to the upward trend in the national economic growth rate, the Northern Cape economy experienced a declining growth rate from 3.3 percent in 2005 to 3.1 percent in 2006.

**Table 4: Gross geographic product by sector**

<b>Sector</b>	<b>Percent (%)</b>
Agriculture, forestry and fishing	7.0
Mining and quarrying	23.5
Manufacturing	3.2
Electricity and water	2.2
Construction	1.3
Wholesale and retail trade	11.3
Transport and communication	8.3
Finance, real estate and business services	13.0
Community, social and other services	8.0
General government services	10.7
Taxes less subsidies on products	11.6

*Source: Statssa, 2007*

The largest contributors to the GDP of the region in 2006 were the mining and quarrying industry by 23.5 percent. This sector is the main driver of economic growth in the Northern Cape and is regarded as the pillar of the provincial economy. The finance, real estate and business services industry contributed 13.0 percent to the provincial GDP, while wholesale, retail trade, hotels and restaurants industry contributed 11.3 percent. Agriculture, forestry and fishing performed at a growth rate of about 7 percent.

Although there has been significant growth in consumer demand for semi durable and durable goods in the last few years nationally, Northern Cape has not benefited from this. The manufacturing sector has contributed only about 3.2 percent to the provincial GDP. The construction industry contributed the least with only 1.3 percent to the GDP. The Northern Cape Province is therefore faced with the challenge of rising to the occasion and being able to take full advantage of the 2010 FIFA World Cup construction projects. Sustainable and increased growth rates in the province rely further on broadening the economic activities across sectors such as: agro processing, manufacturing, tourism and SMME (Small and Medium sized Enterprise) development.

#### **4. RECEIPTS**

##### **Overall position**

The total estimated revenue for the 2008/09 financial year is **R6, 783,781 million**. The amount is derived from national sources which are the equitable share, conditional grants , National Department of Transport which is a once off amount for upgrading of weigh bridges in the province and own revenue.

The equitable share from national constitutes 79% of the total provincial receipts whilst the conditional grants constitute 19%. Provincial own revenue makes up only 2% of the total provincial receipts. The growth on own revenue remains constant at an average of 5% over the MTEF.

Table 2 : Summary of provincial receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2007/08	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
Transfer receipts from National									
Equitable share	2,873,591	3,142,085	3,451,507	4,597,686	4,637,822	4,637,822	5,340,965	6,027,867	6,571,247
Conditional grants	603,278	566,151	915,976	1,021,568	1,160,537	1,160,537	1,296,711	1,565,834	1,909,070
<b>Total transfer receipts from National</b>	<b>3,476,869</b>	<b>3,708,236</b>	<b>4,367,483</b>	<b>5,619,254</b>	<b>5,798,359</b>	<b>5,798,359</b>	<b>6,637,676</b>	<b>7,593,701</b>	<b>8,480,317</b>
Provincial own receipts									
Tax receipts	65,796	72,131	81,306	87,099	87,099	88,048	91,470	96,413	101,481
Casino taxes	8,976	11,798	12,451	14,673	14,673	14,673	15,408	16,178	16,502
Horse racing taxes	658	393	518	619	619	619	649	681	695
Liquor licences	463	872	925	994	994	994	1,044	1,096	1,118
Motor vehicle licences	55,699	59,068	67,412	70,813	70,813	71,762	74,369	78,458	83,167
<b>Sales of goods and services other than capital assets</b>	<b>36,533</b>	<b>29,400</b>	<b>31,959</b>	<b>41,930</b>	<b>41,889</b>	<b>34,558</b>	<b>43,985</b>	<b>46,406</b>	<b>49,189</b>
Transfers received	33	3	4	-	-	28	-	-	-
Fines, penalties and forfeits	2,678	2,026	1,864	4,822	4,863	1,579	5,106	5,386	5,710
Interest, dividends and rent on land	849	5,604	1,920	3,498	3,498	2,237	3,673	3,875	4,109
Sales of capital assets	1,186	501	768	606	606	-	636	671	712
Financial transactions in assets and liabilities	6,759	1,408	9,094	729	729	4,481	765	808	855
<b>Total provincial own receipts</b>	<b>113,834</b>	<b>111,073</b>	<b>126,915</b>	<b>138,684</b>	<b>138,684</b>	<b>130,931</b>	<b>145,635</b>	<b>153,559</b>	<b>162,056</b>
<b>Total provincial receipts</b>	<b>3,590,703</b>	<b>3,819,309</b>	<b>4,494,398</b>	<b>5,757,938</b>	<b>5,937,043</b>	<b>5,929,290</b>	<b>6,783,311</b>	<b>7,747,260</b>	<b>8,642,373</b>

#### 4.1 Provincial Equitable Share (PES)

As said above the Provincial Equitable Share (PES) is the major revenue source, which contributes 79% to the revenue envelope of the Province for 2008/09 financial year. The provincial equitable share increased from R4,597,686 to R5,340,965 which is R146,921 or 3% increase from the 2007/08 MTEF.

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 national and provincial specific 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 19% of the total transfers to the province for 2008/09 financial year. The total conditional increased from R1,180,036 to R1,296,711 which is R116,675 or 10% increase from the 2007/08 MTEF.

## Changes to the Conditional Grants Framework

One of the significant changes in the conditional grant framework is the introduction of the Devolution of Property Rates Grant.

The purpose of the grant is to facilitate the transfer of property rates expenditure responsibility to provinces and to enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates.

Table 4.2.1 Summary of Conditional Grant by Grant

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
<b>Agriculture</b>	<b>21,638</b>	<b>34,222</b>	<b>41,824</b>	<b>34,630</b>	<b>79,630</b>	<b>30,853</b>	<b>43,173</b>	<b>48,902</b>	<b>58,098</b>
Comprehensive agricultural support programme grant	7,674	9,274	23,365	28,555	28,555	25,054	36,807	43,246	52,103
Land Care Programme grant: Poverty Relief and Infrastructure Development	1,665	1,620	8,215	6,075	6,075	5,799	6,366	5,656	5,995
Drought Relief	12,299	23,328	10,244		45,000				
<b>Education</b>	<b>23,625</b>	<b>30,798</b>	<b>41,563</b>	<b>45,961</b>	<b>49,054</b>	<b>49,054</b>	<b>59,751</b>	<b>58,328</b>	<b>71,717</b>
Further Education and Training College Sector Recapitalisation grant			10,000	8,000	8,000	8,000	7,620	-	-
HIV and Aids (Life skills education) grant	2,186	2,028	2,279	3,454	3,922	3,922	3,648	3,828	3,573
National School Nutrition Programme grant	21,439	28,770	29,284	34,507	37,132	37,132	48,483	54,500	68,144
<b>Health</b>	<b>182,834</b>	<b>285,396</b>	<b>458,071</b>	<b>425,139</b>	<b>515,955</b>	<b>425,139</b>	<b>554,375</b>	<b>687,364</b>	<b>860,796</b>
Comprehensive HIV and Aids grant	27,293	48,559	72,682	74,091	74,091	74,091	91,444	107,365	146,850
Forensic pathology services grant		256	15,383	24,185	36,520	24,185	19,169	20,187	22,868
Health professions training and development grant	34,444	41,069	41,069	43,122	43,122	43,122	45,278	58,304	61,802
Hospital management and quality improvement grant	14,770	10,083		-	-				
Hospital revitalisation grant	58,246	109,076	236,651	172,966	251,447	172,966	246,364	328,890	405,500
Integrated nutrition programme grant	6,037			-	-				
Medico-Legal	935			-	-				
National tertiary services grant	35,109	76,353	92,286	110,775	110,775	110,775	152,120	172,618	223,776
Drought Relief	6,000				-				
<b>Housing</b>	<b>109,204</b>	<b>102,542</b>	<b>104,714</b>	<b>130,976</b>	<b>131,036</b>	<b>131,036</b>	<b>161,312</b>	<b>199,332</b>	<b>258,638</b>
Integrated housing and human settlement development grant	90,360	102,542	104,714	130,976	131,036	131,036	161,312	199,332	258,638
Human settlement and redevelopment grant	3,709			-	-		-	-	-
Local Government capacity building fund grant	13,651			-	-		-	-	-
Municipal Infrastructure grant	1,484			-	-		-	-	-
<b>National Treasury</b>	<b>146,574</b>	<b>194,219</b>	<b>206,317</b>	<b>351,318</b>	<b>351,318</b>	<b>322,949</b>	<b>390,161</b>	<b>473,404</b>	<b>542,252</b>
Infrastructure Grant to Provinces	146,574	194,219	206,317	351,318	351,318	322,949	390,161	473,404	542,252
<b>Sport and Recreation South Africa</b>	<b>999</b>	<b>2,492</b>	<b>6,200</b>	<b>33,544</b>	<b>33,544</b>	<b>33,544</b>	<b>63,845</b>	<b>71,506</b>	<b>87,871</b>
Mass sport and recreation participation programme grant	999	2,492	6,200	9,514	9,514	9,514	18,722	12,686	21,927
Community Library Services grant				24,030	24,030	24,030	45,123	58,820	65,944
<b>Transport, Roads &amp; Public Works</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,094</b>	<b>26,998</b>	<b>29,698</b>
Devolution of Property Rate Funds grant				-	-		24,094	26,998	29,698
<b>Social Development</b>	<b>75,028</b>	<b>1,411,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial Management and social security system	226			-	-		-	-	-
Social Assistance transfers grant	819	1,294,293		-	-		-	-	-
Integrated Social Development Services grant		9,962							
Social Assistant Administration Grant		90,995							
Child support grant extension	68,020			-	-		-	-	-
Food Security	1,358	8,784		-	-		-	-	-
HIV and AIDS (community based care) grant	4,605	7,678		-	-		-	-	-
<b>Total conditional grants</b>	<b>559,902</b>	<b>2,061,381</b>	<b>858,689</b>	<b>1,021,568</b>	<b>1,160,537</b>	<b>992,575</b>	<b>1,296,711</b>	<b>1,565,834</b>	<b>1,909,070</b>

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.

Department of Health constitutes 43% in 2008/09 followed by Infrastructure Grant to Provinces which account for 30% of the total allocation of conditional grants allocations in the province.

### 4.3 Total Provincial Own Receipts (Own Revenue)

The province projects to collect an amount of R 145, 635 million for own provincial revenue for the 2008/09 financial year, which is only 2% of the total provincial receipts. For the two outer years, the province projects to collect R153, 559 million and R162, 773 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 sales of goods and services other than capital assets of which hospital fees is the largest.

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.

Table 1.9: Summary of provincial own receipts by Vote

Table 1.9: Summary of provincial own receipts by vote									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2007/08	2008/09	2009/10
Vote 01: Office of the Premier	91	142	84	50	50	63	53	56	59
Vote 02: Provincial Legislature	337	281	360	-	-	-	-	-	-
Vote 03: Safety and Liaison	58,334	63,396	73,311	75,995	75,995	77,615	79,810	84,199	89,252
Vote 04: Education	4,306	2,260	9,169	2,123	2,123	5,475	2,229	2,352	2,494
Vote 05: Transport, Roads and Public Works	5,142	2,826	2,220	6,191	6,191	2,967	6,501	6,859	7,270
Vote 06: Economic Affairs	10,743	13,079	14,022	16,286	16,286	16,286	17,101	17,955	18,314
Vote 07: Sport, Arts and Culture	150	149	131	41	41	41	43	45	48
Vote 08: Provincial Treasury	790	1,522	1,267	2,625	2,625	1,997	2,756	2,908	3,082
Vote 09: Housing and Local Government	354	940	611	254	254	378	267	282	299
Vote 10: Health	30,501	21,215	21,378	32,288	32,288	24,319	33,902	35,767	37,913
Vote 11: Social Services and Population Development	1,079	4,402	848	750	750	170	788	831	881
Vote 12: Agriculture and Land Reform	1,312	587	2,235	881	881	-	925	976	1,035
Vote 13: Tourism, Environment and Conservation	700	325	1,316	1,200	1,200	1,620	1,260	1,329	1,409
<b>Total provincial own receipts by Vote</b>	<b>113,839</b>	<b>111,124</b>	<b>126,952</b>	<b>138,684</b>	<b>138,684</b>	<b>130,931</b>	<b>145,635</b>	<b>153,559</b>	<b>162,056</b>

## 5. PAYMENTS

### 5.1 Overall position

The total payments for 2008 MTEF period are as follows;

- **Financial year 2008/09: R 6,688,781 million**
- **Financial year 2009/10: R 7,536,607 million**
- **Financial year 2010/11: R 8,383,459 million**

In real terms, the average growth rate for provincial payments over the MTEF is 14% year on year. Provincial payments continue to be informed by social sector policy priorities which are mainly determined by national government as stated in the 2007 Medium Term Budget Policy Statement (MTBPS). This is clearly reflected in table 1.10 below where Education, Health and Social Services show significant growth patterns.

Compared to the previous financial years, the Northern Cape Provincial Fiscal Framework moved towards increasing spending on provincial specific economic sector policy priorities in an attempt to stimulate the provincial economy and job creation. Hence the significant growths in spending in departments like Economic Affairs, Transport, Roads and Public Works as well as Agriculture and Land Reform.

The province also went to great lengths investing in sport development in promoting “a child in sport is a child out of court”.

## 5.2 Payments by Vote

Table 1.10 summary of the total budget per vote.

Table 1.10: Summary of provincial payments and estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
Vote 01: Office of the Premier	67,627	88,861	106,679	112,850	119,560	119,560	132,997	134,917	139,941
Vote 02: Provincial Legislature	45,676	57,439	71,634	78,224	81,903	84,203	86,157	90,494	96,042
Vote 03: Safety and Liaison	41,778	46,421	62,638	72,974	76,721	76,721	87,048	92,768	98,338
Vote 04: Education	1,397,085	1,563,461	1,642,659	2,266,871	2,286,860	2,286,860	2,601,238	2,902,401	3,159,825
Vote 05: Transport, Roads and Public Works	313,344	335,026	371,715	519,128	551,195	551,195	648,887	727,875	780,232
Vote 06: Economic Affairs	32,557	57,116	88,699	95,513	99,891	104,908	112,240	120,128	134,384
Vote 07: Sport, Arts and Culture	48,930	61,509	82,763	111,726	122,153	122,153	160,763	168,851	190,965
Vote 08: Provincial Treasury	46,796	39,910	45,356	89,351	82,551	76,872	94,422	99,612	105,575
Vote 09: Housing and Local Government	235,037	252,909	261,314	294,715	297,500	297,500	340,088	391,462	462,471
Vote 10: Health	836,022	1,096,575	1,406,473	1,459,941	1,579,993	1,703,204	1,773,588	2,071,886	2,391,116
Vote 11: Social Services and Population Development	138,618	175,446	216,793	304,319	310,214	305,391	357,302	402,653	449,944
Vote 12: Agriculture and Land Reform	90,574	132,306	148,260	164,004	209,692	199,835	198,591	228,923	257,757
Vote 13: Tourism, Environment and Conservation	27,199	43,776	61,678	93,677	80,467	80,074	95,459	104,638	116,869
<b>Total provincial payments and estimates by Vote</b>	<b>3,321,243</b>	<b>3,950,755</b>	<b>4,566,661</b>	<b>5,663,293</b>	<b>5,898,700</b>	<b>6,008,476</b>	<b>6,688,780</b>	<b>7,536,607</b>	<b>8,383,458</b>

## 5.3 Payments by economic classification

Table 1.11 shows provincial expenditure by economic classification.

Table 1.11: Summary of provincial payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
<b>Current payments</b>	<b>2,675,190</b>	<b>3,098,118</b>	<b>3,472,122</b>	<b>4,434,160</b>	<b>4,493,642</b>	<b>4,655,061</b>	<b>5,204,710</b>	<b>5,810,233</b>	<b>6,374,765</b>
Compensation of employees	1,945,526	2,127,408	2,397,781	3,095,443	3,119,444	3,220,251	3,619,498	3,941,797	4,188,537
Goods and services	727,944	968,316	1,073,361	1,338,717	1,373,198	1,433,869	1,584,500	1,867,689	2,185,436
Interest and rent on land	637	431	619	-	1,000	941	712	747	792
Financial transactions in assets and liabilities	1,083	1,964	361	-	-	-	-	-	-
<b>Transfers and subsidies to:</b>	<b>427,466</b>	<b>500,807</b>	<b>524,421</b>	<b>661,984</b>	<b>654,204</b>	<b>627,364</b>	<b>763,954</b>	<b>873,450</b>	<b>1,028,658</b>
Provinces and municipalities	164,163	150,802	124,941	104,391	104,138	101,947	117,381	124,371	131,044
Departmental agencies and accounts	4,339	5,881	4,918	27,302	29,190	23,668	30,184	31,814	29,172
Universities and technikons	1,066	6,878	14,570	12,506	12,506	14,053	15,971	8,774	9,208
Public corporations and private enterprises	15,113	29,488	45,198	54,546	41,851	41,941	47,129	48,764	50,618
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	141,048	190,376	208,282	307,580	314,411	289,216	361,255	428,103	515,967
Households	101,737	117,382	126,512	155,659	152,108	156,539	192,034	231,624	292,648
<b>Payments for capital assets</b>	<b>218,587</b>	<b>351,829</b>	<b>570,118</b>	<b>567,148</b>	<b>750,854</b>	<b>726,051</b>	<b>720,116</b>	<b>852,924</b>	<b>980,035</b>
Buildings and other fixed structures	162,695	268,661	423,990	514,839	643,772	624,190	650,458	781,643	883,679
Machinery and equipment	55,365	80,017	139,978	50,033	103,392	95,000	65,181	67,588	91,819
Cultivated assets	197	88	2,982	-	500	2,608	304	205	213
Software and other intangible assets	322	2,579	3,168	2,276	3,190	3,856	4,173	3,488	4,323
Land and subsoil assets	8	484	-	-	-	397	-	-	-
<b>Total economic classification</b>	<b>3,321,243</b>	<b>3,950,755</b>	<b>4,566,661</b>	<b>5,663,293</b>	<b>5,898,700</b>	<b>6,008,476</b>	<b>6,688,780</b>	<b>7,536,607</b>	<b>8,383,458</b>

## 5.4 Payments by policy area

Table 1.13: Summary of Provincial Payments and Estimates by Policy Area

Table 1.13: Summary of provincial payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
General public services	160,099	186,210	223,669	280,425	284,014	280,635	313,576	325,023	341,558
Public order and safety	41,778	46,421	62,638	72,974	76,721	76,721	87,048	92,768	98,338
Economic affairs	436,475	524,448	608,674	778,645	860,778	855,938	959,718	1,076,926	1,172,372
Environmental protection	27,199	43,776	61,678	93,677	80,467	80,074	95,459	104,638	116,869
Housing and community amenities	235,037	252,909	261,314	294,715	297,500	297,500	340,088	391,462	462,471
Health	836,022	1,096,575	1,406,473	1,459,941	1,579,993	1,703,204	1,773,588	2,071,886	2,391,116
Recreation, culture and religion	48,930	61,509	82,763	111,726	122,153	122,153	160,763	168,851	190,965
Education	1,397,085	1,563,461	1,642,659	2,266,871	2,286,860	2,286,860	2,601,238	2,902,401	3,159,825
Social protection	138,618	175,446	216,793	304,319	310,214	305,391	357,302	402,653	449,944
Total provincial payments and estimates by policy area	3,321,243	3,950,755	4,566,661	5,663,293	5,898,700	6,008,476	6,688,780	7,536,607	8,383,458

### 5.4.1. Education

An amount of R2, 601,238 million has been allocated to Education. This represents 39 % of the total provincial budget in 2008/09 and an increase of 15% from 2007/08 financial year.

### 5.4.2. Social Development

R357, 302 million has been provided for Social Development for the 2008/09 financial year. This represents 5% of the total provincial budget in 2008/09 and an increase of 17% from 2007/08 financial year.

### 5.4.3. Health

Health has been allocated an amount of R1,773,588 million for the 2008/09 financial year. This represents 27% of the total provincial budget in 2008/09 and an increase of 21% from 2007/08 financial year.

### 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 2008/09 financial year amounts to R959,718 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.

### 5.4.5. Housing and Community Amenities

The allocation for the Department of Housing and Local Government for the 2008/09 financial year amounts to R340, 088 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 2008/09 financial year is R313,576 million which is 5% of the total provincial budget.

### 5.4.7. Recreation, Culture and Religion

The allocation for this function for 2008/09 amounts to R160,763 million, which is 44% more than the corresponding provision for 2007/08.

### 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 2008/09 financial year amounts to R87, 048 million, an increase of 19% over the 2007/08 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 further to extended to all infrastructure departments as part of Phase II of IDIP which will focus on fast tracking improved infrastructure delivery in the province.

Total amount budgeted for infrastructure for 2008/09 financial year amount to R977,356 million which is an increase of R195,511 million or 25% from 2007/08 financial year.

Table 1.14 shows Capital Infrastructure by Vote

Table 1.14: Summary of provincial infrastructure payments and estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2007/08	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
Vote 04: Education	41,253	56,720	45,640	65,383	75,383	75,383	75,993	109,240	116,394
Vote 05: Transport, Roads and Public Works	227,076	245,770	251,901	429,275	459,475	459,475	481,097	550,387	594,168
Vote 07: Sport, Arts and Culture	5,501	16,273	23,562	4,375	6,317	6,317	29,025	5,400	5,750
Vote 10: Health	70,183	136,540	12,431	215,246	305,074	204,005	308,024	383,143	479,648
Vote 11: Social Services and Population Development	1,688	4,660	11,349	23,254	3,755	27,009	29,332	27,951	29,630
Vote 12: Agriculture and Land Reform	-	-	32,890	44,312	44,312	44,312	53,885	60,434	69,723
<b>Total provincial infrastructure payments and estimates b</b>	<b>345,701</b>	<b>459,963</b>	<b>377,773</b>	<b>781,845</b>	<b>894,316</b>	<b>816,501</b>	<b>977,356</b>	<b>1,136,555</b>	<b>1,295,313</b>

Major projects for Health include the construction of the psychiatric hospital in Kimberley of which 50% of the project has been completed and the Barkley West Hospital of which will be completed in 2008/09 financial year.

Department of Transport, Roads and Public Works will reseal and regravell various roads in the province, this include Grootmier. Other projects include the construction of the Kimberley Conference and Exhibition centre and the Squire Kilometre Array (SKA) which commenced in January 2008 and expected completion February 2009.

The Department of Education and Public Works will accelerate the delivery of schools infrastructure in the province. These include the phase two of Newtown Primary School in Postmansburg which is expected to be completed in February 2008.

Other projects include the construction of secure care centres (Springbok & De Aar), Irrigation schemes, stock handling facilities and new inpatient facility (Uppington).

## 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 1.16: Summary of provincial transfers to public entities by transferring department

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
Vote 01: Office of the Premier	-	-	-	11,655	12,655	12,655	8,954	10,552	7,930
Vote 07: Sport, Arts and Culture	2,243	4,476	3,290	8,299	9,077	9,077	10,198	9,678	8,962
<b>Total provincial transfers to public entities</b>	<b>2,871</b>	<b>4,476</b>	<b>3,290</b>	<b>25,654</b>	<b>27,432</b>	<b>21,751</b>	<b>28,401</b>	<b>29,942</b>	<b>27,187</b>

Table 1.17: Summary of provincial transfers to development corporations by entity

Entity	Provincial department	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
		2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
	Vote 05: Transport, Roads and Public Works	2,013	5,030	2,283	-	-	-	-	-	-
Economic Growth and Dev Fund	Vote 06: Economic Affairs	10,558	21,334	36,270	30,000	30,000	30,000	35,145	35,515	36,146
NCTA	Vote 13: Tourism, Environment and Conservation	2,000	2,552	6,607	24,031	10,586	10,664	10,783	12,047	13,270
<b>Total provincial transfers to development corporations</b>		<b>14,596</b>	<b>28,934</b>	<b>45,193</b>	<b>54,031</b>	<b>40,586</b>	<b>40,667</b>	<b>45,928</b>	<b>47,562</b>	<b>49,416</b>

### 5.6.2 Transfers to local government

#### Summary of transfers to local government by category

Table 1.18: Summary of provincial infrastructure payments and estimates by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
Category A	24	85	4,465	-	-	-	-	-	-
Category B	52,500	47,396	36,777	31,501	31,501	30,801	37,353	39,259	41,907
Category C	111,563	100,717	78,150	66,940	66,940	65,452	79,375	83,424	89,052
<b>Total provincial transfer to local government</b>	<b>164,087</b>	<b>148,198</b>	<b>119,392</b>	<b>98,441</b>	<b>98,441</b>	<b>96,253</b>	<b>116,728</b>	<b>122,683</b>	<b>130,959</b>

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 1.19 provide a summary of personnel numbers for the province

Table 1.19: Summary of personnel numbers and costs by Vote<sup>1</sup>

Personnel numbers	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	As at 31 March 2011
Vote 01: Office of the Premier	185	191	210	261	261	236	289
Vote 02: Provincial Legislature	93	102	127	136	141	141	159
Vote 03: Safety and Liaison	27	75	158	235	0	0	55
Vote 04: Education	9006	9006	8831	11343	11359	11359	12119
Vote 05: Transport, Roads and Public Works	410	382	394	694	694	694	945
Vote 06: Economic Affairs	64	98	100	152	155	155	157
Vote 07: Sport, Arts and Culture	152	154	364	577	577	577	627
Vote 08: Provincial Treasury	127	124	127	171	171	169	205
Vote 09: Housing and Local Government	267	338	333	519	518	518	677
Vote 10: Health	5226	5147	5425	6037	6037	6037	6284
Vote 11: Social Services and Population Development	519	541	639	732	0	733	915
Vote 12: Agriculture and Land Reform	341	336	461	512	512	512	619
Vote 13: Tourism, Environment and Conservation	86	136	190	213	213	209	221
<b>Total provincial personnel numbers</b>	<b>16503</b>	<b>16630</b>	<b>17359</b>	<b>21582</b>	<b>20638</b>	<b>21340</b>	<b>23272</b>
Total provincial personnel cost (R thousand)	1,945,526	2,127,408	2,397,781	3,095,443	3,119,444	3,220,251	3,619,498
Unit cost (R thousand)	118	128	138	143	151	151	156

1. Full-time equivalent

Table 1.20: Summary of provincial personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation 2007/08	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
<b>Total for province</b>									
Personnel numbers (head count)	16503	16630	17359	21582	20638	21340	23272	23707	23987
Personnel cost (R thousands)	1,945,526	2,127,408	2,397,781	3,095,450	3,119,451	3,220,258	3,619,508	3,941,807	4,188,547
<b>Human resources component</b>									
Personnel numbers (head count)	183	234	235	283	249	271	311	314	315
Personnel cost (R thousands)	3,579	12,906	10,335	13,240	10,437	11,982	11,528	11,881	12,565
Head count as % of total for province	1.1%	1.4%	1.4%	1.3%	1.2%	1.3%	1.3%	1.3%	1.3%
Personnel cost as % of total for province	0.2%	0.6%	0.4%	0.4%	0.3%	0.4%	0.3%	0.3%	0.3%
<b>Finance component</b>									
Personnel numbers (head count)	116	196	202	240	169	215	235	235	235
Personnel cost (R thousands)	9,588	18,988	21,273	27,434	16,482	23,390	18,710	19,448	20,494
Head count as % of total for province	0.7%	1.2%	1.2%	1.1%	0.8%	1.0%	1.0%	1.0%	1.0%
Personnel cost as % of total for province	0.5%	0.9%	0.9%	0.9%	0.5%	0.7%	0.5%	0.5%	0.5%
<b>Full time workers</b>									
Personnel numbers (head count)	5352	6048	6502	7819	6917	7562	8383	8568	8687
Personnel cost (R thousands)	109,545	182,682	208,067	311,381	195,131	276,659	356,238	382,475	406,757
Head count as % of total for province	32.4%	36.4%	37.5%	36.2%	33.5%	35.4%	36.0%	36.1%	36.2%
Personnel cost as % of total for province	5.6%	8.6%	8.7%	10.1%	6.3%	8.6%	9.8%	9.7%	9.7%
<b>Part-time workers</b>									
Personnel numbers (head count)	103	119	90	69	69	69	69	69	69
Personnel cost (R thousands)	-	-	-	-	-	-	-	-	-
Head count as % of total for province	0.6%	0.7%	0.5%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
Personnel cost as % of total for province	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Contract workers</b>									
Personnel numbers (head count)	757	518	695	954	954	954	1,008	983	1,001
Personnel cost (R thousands)	925	442	1,906	8,150	8,150	6,377	14,053	13,346	15,897
Head count as % of total for province	4.6%	3.1%	4.0%	4.4%	4.6%	4.5%	4.3%	4.1%	4.2%
Personnel cost as % of total for province	0.0%	0.0%	0.1%	0.3%	0.3%	0.2%	0.4%	0.3%	0.4%

## 5.8 Payments on Training

Table 1.21: Summary of provincial payments on training by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2007/08	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
Vote 01: Office of the Premier	2,204	343	1,521	622	682	682	717	750	800
Vote 02: Provincial Legislature	176	201	259	273	273	273	287	301	316
Vote 03: Safety and Liaison	264	280	439	586	586	586	715	800	840
Vote 04: Education	9,357	9,299	19,400	23,494	24,432	30,427	22,823	24,000	21,656
Vote 05: Transport, Roads and Public Works	2,164	24	872	728	728	728	935	981	1,031
Vote 06: Economic Affairs	98	149	245	326	326	326	313	328	348
Vote 07: Sport, Arts and Culture	101	205	270	344	344	344	450	460	510
Vote 08: Provincial Treasury	123	10	-	584	584	80	613	643	676
Vote 09: Housing and Local Government	602	247	1,984	3,177	3,177	3,177	3,367	3,569	3,569
Vote 10: Health	17,079	26,749	30,584	23,966	23,966	23,966	24,580	26,934	28,281
Vote 11: Social Services and Population Development	378	633	901	1,100	1,100	1,100	1,121	1,183	1,254
Vote 12: Agriculture and Land Reform	71	25	32	512	512	512	566	620	647
Vote 13: Tourism, Environment and Conservation	176	472	660	1,073	773	773	880	897	950
<b>Total provincial payments on training</b>	<b>32,793</b>	<b>38,637</b>	<b>57,167</b>	<b>56,785</b>	<b>57,483</b>	<b>62,974</b>	<b>57,367</b>	<b>61,466</b>	<b>60,877</b>

# **ANNEXURE TO BUDGET STATEMENT 1**

Table A.1: Information relating to Conditional grants

Vote and Grant	Purpose	Adjusted appro- priation	Actual transfer	Audited expen- diture	Adjusted appro- priation	Actual transfer	Audited expen- diture	Adjusted appro- priation	Actual transfer	Audited expen- diture	Adjusted appro-priation	Revised transfer estimate 2007/08	Revised expen- diture estimate	Medium-term estimates		
R thousand		2004/05			2005/06			2006/07						2008/09	2009/10	2010/11
<b>Agriculture</b>		<b>39,203</b>	<b>39,203</b>	<b>21,638</b>	<b>35,148</b>	<b>35,148</b>	<b>34,222</b>	<b>32,801</b>	<b>32,801</b>	<b>46,631</b>	<b>79,630</b>	<b>79,630</b>	<b>30,853</b>	<b>43,173</b>	<b>48,902</b>	<b>58,098</b>
Comprehensive agricultural support programme grant		10,518	10,518	7,674	13,148	13,148	9,274	15,777	15,777	23,365	73,555	73,555	25,054	36,807	43,246	52,103
Land Care Programme grant: Poverty Relief and Infrastructure Development		2,685	2,685	1,665	2,000	2,000	1,620	6,150	6,150	8,215	6,075	6,075	5,799	6,366	5,656	5,995
Provincial Infrastructure Grant		-	-	-	-	-	-	-	-	4,807	-	-	-	-	-	-
Poverty Relief		-	-	-	-	-	500	-	-	-	-	-	-	-	-	-
Agriculture Disaster Management Grant		26,000	26,000	12,299	20,000	20,000	-	-	-	-	-	-	-	-	-	-
Drought Relief		-	-	-	-	-	22,828	10,874	10,874	10,244	-	-	-	-	-	-
<b>Education</b>		<b>24,655</b>	<b>24,655</b>	<b>23,625</b>	<b>32,321</b>	<b>32,321</b>	<b>30,798</b>	<b>42,104</b>	<b>42,104</b>	<b>69,375</b>	<b>49,054</b>	<b>49,054</b>	<b>49,054</b>	<b>59,751</b>	<b>58,328</b>	<b>71,717</b>
Early childhood development grant		-	-	-	-	-	-	-	-	-	-	-	-	7,620	-	-
Further Education and Training College Sector Recapitalisation grant		-	-	-	-	-	-	10,000	10,000	10,000	8,000	8,000	8,000	3,648	3,828	3,573
HIV and Aids (Life skills education) grant		2,186	2,186	2,186	2,318	2,318	2,028	2,457	2,457	2,279	3,922	3,922	3,922	-	-	-
National School Nutrition Programme grant		22,469	22,469	21,439	30,003	30,003	28,770	29,647	29,647	29,284	37,132	37,132	37,132	48,483	54,500	68,144
Provincial Infrastructure Grant		-	-	-	-	-	-	-	-	27,812	-	-	-	-	-	-
<b>Health</b>		<b>172,059</b>	<b>172,059</b>	<b>182,834</b>	<b>269,569</b>	<b>269,569</b>	<b>285,396</b>	<b>539,238</b>	<b>539,238</b>	<b>458,071</b>	<b>515,955</b>	<b>515,955</b>	<b>425,139</b>	<b>554,375</b>	<b>687,364</b>	<b>860,796</b>
Comprehensive HIV and Aids grant		31,881	31,881	27,293	48,050	48,050	48,559	68,603	68,603	72,682	86,426	86,426	74,091	91,444	107,365	146,850
Forensic pathology services grant		-	-	-	4,363	4,363	256	23,631	23,631	15,383	24,185	24,185	24,185	19,169	20,187	22,868
Health professions training and development grant		34,444	34,444	34,444	41,069	41,069	41,069	41,069	41,069	41,069	43,122	43,122	43,122	45,278	58,304	61,802
Hospital management and quality improvement grant		10,490	10,490	14,770	10,083	10,083	10,083	-	-	-	-	-	-	-	-	-
Hospital revitalisation grant		57,135	57,135	58,246	89,651	89,651	109,076	313,649	313,649	236,651	251,447	251,447	172,966	246,364	328,890	405,500
Integrated nutrition programme grant		3,000	3,000	6,037	-	-	-	-	-	-	-	-	-	-	-	-
Medico-Legal		-	-	935	-	-	-	-	-	-	-	-	-	-	-	-
National tertiary services grant		35,109	35,109	35,109	76,353	76,353	76,353	92,286	92,286	92,286	110,775	110,775	110,775	152,120	172,618	223,776
Provincial Infrastructure Grant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Drought Relief		-	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
<b>Housing</b>		<b>117,140</b>	<b>117,140</b>	<b>109,204</b>	<b>79,917</b>	<b>102,542</b>	<b>102,542</b>	<b>104,774</b>	<b>104,774</b>	<b>108,814</b>	<b>131,036</b>	<b>131,036</b>	<b>131,036</b>	<b>161,312</b>	<b>199,332</b>	<b>258,638</b>
Integrated housing and human settlement development grant		89,442	89,442	90,360	79,917	102,542	102,542	104,774	104,774	104,714	131,036	131,036	131,036	161,312	199,332	258,638
Provincial Infrastructure Grant		-	-	-	-	-	-	-	-	4,100	-	-	-	-	-	-
Human settlement and redevelopment grant		3,180	3,180	3,709	-	-	-	-	-	-	-	-	-	-	-	-
Local Government capacity building fund grant		22,675	22,675	13,651	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Infrastructure grant		1,843	1,843	1,484	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sport and Recreation South Africa</b>		<b>1,000</b>	<b>1,000</b>	<b>999</b>	<b>2,640</b>	<b>2,492</b>	<b>2,492</b>	<b>6,200</b>	<b>6,200</b>	<b>6,200</b>	<b>33,544</b>	<b>33,544</b>	<b>33,544</b>	<b>63,845</b>	<b>71,506</b>	<b>87,871</b>
Mass sport and recreation participation programme grant		1,000	1,000	999	2,640	2,492	2,492	6,200	6,200	6,200	9,514	9,514	9,514	18,722	12,686	21,927
Community Library Services grant		-	-	-	-	-	-	-	-	-	24,030	24,030	24,030	45,123	58,820	65,944
<b>National Treasury</b>		<b>159,314</b>	<b>159,314</b>	<b>146,574</b>	<b>180,529</b>	<b>194,219</b>	<b>194,219</b>	<b>201,733</b>	<b>201,733</b>	<b>169,598</b>	<b>351,318</b>	<b>351,318</b>	<b>322,949</b>	<b>390,161</b>	<b>473,404</b>	<b>542,252</b>
Infrastructure Grant to Provinces		159,314	159,314	146,574	180,529	194,219	194,219	201,733	201,733	169,598	351,318	351,318	322,949	390,161	473,404	542,252
<b>Transport, Roads &amp; Public Works</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,094</b>	<b>26,998</b>	<b>29,698</b>
Provincial Infrastructure Grant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Devolution of Property Rate Funds grant		-	-	-	-	-	-	-	-	-	-	-	-	24,094	26,998	29,698
<b>Social Development</b>		<b>79,200</b>	<b>79,200</b>	<b>75,028</b>	<b>1,327,079</b>	<b>1,327,079</b>	<b>1,411,712</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Integrated Social Development Services Grant		-	-	-	-	-	9,964	-	-	-	-	-	-	-	-	-
Financial Management and Social Security System		-	-	226	-	-	-	-	-	-	-	-	-	-	-	-
Social Assistance transfers grant		-	-	819	1,232,391	1,232,391	1,294,293	-	-	-	-	-	-	-	-	-
Social Assistance Administration Grant		-	-	-	94,688	94,688	90,993	-	-	-	-	-	-	-	-	-
Child Support Extension		65,272	65,272	68,020	-	-	-	-	-	-	-	-	-	-	-	-
Food Security		9,998	9,998	1,358	-	-	8,784	-	-	-	-	-	-	-	-	-
HIV and AIDS (community based care) grant		3,930	3,930	4,605	-	-	7,678	-	-	-	-	-	-	-	-	-
<b>Total conditional grants</b>		<b>592,571</b>	<b>592,571</b>	<b>559,902</b>	<b>1,927,203</b>	<b>1,963,370</b>	<b>2,061,381</b>	<b>926,850</b>	<b>926,850</b>	<b>858,689</b>	<b>1,160,537</b>	<b>1,160,537</b>	<b>992,575</b>	<b>1,296,711</b>	<b>1,565,834</b>	<b>1,909,070</b>

Table A.2: Details of total provincial own receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07	2007/08			2008/09	2009/10	2010/11
<b>Tax receipts</b>	<b>65,796</b>	<b>72,131</b>	<b>81,306</b>	<b>87,099</b>	<b>87,099</b>	<b>88,048</b>	<b>91,470</b>	<b>96,413</b>	<b>101,481</b>
Casino taxes	8,976	11,798	12,451	14,673	14,673	14,673	15,408	16,178	16,502
Horse racing taxes	658	393	518	619	619	619	649	681	695
Liquor licences	463	872	925	994	994	994	1,044	1,096	1,118
Motor vehicle licences	55,699	59,068	67,412	70,813	70,813	71,762	74,369	78,458	83,167
<b>Sales of goods and services other than capital assets</b>	<b>36,538</b>	<b>29,451</b>	<b>31,996</b>	<b>41,930</b>	<b>41,889</b>	<b>34,558</b>	<b>43,985</b>	<b>46,406</b>	<b>49,189</b>
Sale of goods and services produced by department (excluding capital assets)	36,533	29,400	31,959	41,930	41,889	34,558	43,985	46,406	49,189
Sales by market establishments	370	86	2,229	310	310	45	327	345	365
Administrative fees	2,146	4,508	5,707	1,338	1,296	5,229	1,728	1,429	1,515
Other sales	34,017	24,806	24,023	40,283	40,283	29,284	41,930	44,632	47,309
Of which									
Health patient fees	25,212	17,363	27,119	28,475	28,475	21,157	22,638	23,543	24,249
Motor vehicle licences	55,699	59,068	67,412	70,813	70,813	71,762	74,369	78,458	83,167
Casino taxes	8,976	11,798	12,451	14,673	14,673	14,673	15,408	16,178	16,502
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	5	51	37	-	-	-	-	-	-
<b>Transfers received from:</b>	<b>33</b>	<b>3</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other governmental units	-	-	4	-	-	28	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	33	3	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	<b>2,678</b>	<b>2,026</b>	<b>1,864</b>	<b>4,822</b>	<b>4,863</b>	<b>1,579</b>	<b>5,106</b>	<b>5,386</b>	<b>5,710</b>
<b>Interest, dividends and rent on land</b>	<b>849</b>	<b>5,604</b>	<b>1,920</b>	<b>3,498</b>	<b>3,498</b>	<b>2,237</b>	<b>3,673</b>	<b>3,875</b>	<b>4,109</b>
Interest	849	5,604	1,920	3,404	3,404	2,167	3,544	3,739	3,998
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	94	94	70	129	136	111
<b>Sales of capital assets</b>	<b>1,186</b>	<b>501</b>	<b>768</b>	<b>606</b>	<b>606</b>	<b>-</b>	<b>636</b>	<b>671</b>	<b>712</b>
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	1,186	501	768	606	606	-	636	671	712
<b>Financial transactions in assets and liabilities</b>	<b>6,759</b>	<b>1,408</b>	<b>9,094</b>	<b>729</b>	<b>729</b>	<b>4,481</b>	<b>765</b>	<b>808</b>	<b>855</b>
<b>Total provincial own receipts</b>	<b>113,839</b>	<b>111,124</b>	<b>126,952</b>	<b>138,684</b>	<b>138,684</b>	<b>130,931</b>	<b>145,635</b>	<b>153,559</b>	<b>162,056</b>

Table A.3: Details of provincial payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2007/08	Revised estimate	Medium-term estimates		
	2004/05	2005/06	2006/07				2008/09	2009/10	2010/11
<b>Current payments</b>	<b>2,674,107</b>	<b>3096154.45</b>	<b>3471161</b>	<b>4434160.1</b>	<b>4493641.79</b>	<b>4655061</b>	<b>5204709.845</b>	<b>5810232.916</b>	<b>6374764.81</b>
Compensation of employees	1,945,526	2,127,408	2,397,781	3,095,443	3,119,444	3,220,251	3,619,498	3,941,797	4,188,537
Salaries and wages	1,680,518	1,855,769	2,102,884	2,682,811	2,708,521	2,831,297	3,172,515	3,466,449	3,686,347
Social contributions	265,008	271,639	294,897	412,632	410,923	388,954	446,982	475,349	502,190
<b>Goods and services</b>	<b>727,944</b>	<b>968,316</b>	<b>1,073,361</b>	<b>1,338,717</b>	<b>1,373,198</b>	<b>1,433,869</b>	<b>1,584,500</b>	<b>1,867,689</b>	<b>2,185,436</b>
<b>Interest and rent on land</b>	<b>637</b>	<b>431</b>	<b>619</b>	<b>-</b>	<b>1,000</b>	<b>941</b>	<b>712</b>	<b>747</b>	<b>792</b>
Interest									
Rent on land	637	431	619	-	1,000	941	712	747	792
Financial transactions in assets and liabilities	1,083	1,964	361	-	-	-	-	-	-
<b>Transfers and subsidies to<sup>1</sup>:</b>	<b>427,466</b>	<b>500,807</b>	<b>524,421</b>	<b>661,984</b>	<b>654,204</b>	<b>627,364</b>	<b>763,954</b>	<b>873,450</b>	<b>1,028,658</b>
Provinces and municipalities	164,163	150,802	124,941	104,391	104,138	101,947	117,381	124,371	131,044
Provinces <sup>2</sup>									
Provincial Revenue Funds	40	38	2	-	-	20	-	-	-
Provincial agencies and funds	5	79	5,198	4,950	5,030	5,000	52	52	85
Municipalities <sup>3</sup>									
Municipalities	110,240	100,508	69,992	47,095	46,762	44,581	62,102	66,328	70,073
of which: Regional service council levies									
Municipal agencies and funds	53,878	50,177	49,749	52,346	52,346	52,346	55,227	57,991	60,886
Departmental agencies and accounts	4,339	5,881	4,918	27,302	29,190	23,668	30,184	31,814	29,172
Social security funds	1,468	1,405	1,628	1,648	1,758	1,917	1,783	1,872	1,985
Provide list of entities receiving transfers <sup>4</sup>	2,871	4,476	3,290	25,654	27,432	21,751	28,401	29,942	27,187
Universities and technikons	1,066	6,878	14,570	12,506	12,506	14,053	15,971	8,774	9,208
<b>Transfers and subsidies to<sup>1</sup>: - continued</b>									
Public corporations and private enterprises <sup>5</sup>	15,113	29,488	45,198	54,546	41,851	41,941	47,129	48,764	50,618
Public corporations									
Subsidies on production	1	53	15	-	-	3	-	-	-
Other transfers	14,595	28,881	45,178	54,031	40,586	40,664	45,928	47,562	49,416
Private enterprises									
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	517	554	5	515	1,265	1,274	1,201	1,202	1,202
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	141,048	190,376	208,282	307,580	314,411	289,216	361,255	428,103	515,967
Households	101,737	117,382	126,512	155,659	152,108	156,539	192,034	231,624	292,648
Social benefits	1,517	2,208	5,846	320	440	772	965	1,020	1,065
Other transfers to households	100,220	115,174	120,666	155,339	151,668	155,767	191,069	230,604	291,583
<b>Payments for capital assets</b>	<b>218,060</b>	<b>348,678</b>	<b>563,968</b>	<b>564,872</b>	<b>747,164</b>	<b>719,190</b>	<b>715,639</b>	<b>849,231</b>	<b>975,499</b>
Buildings and other fixed structures	162,695	268,661	423,990	514,839	643,772	624,190	650,458	781,643	883,679
Buildings	66,591	158,979	281,640	257,931	377,064	353,608	378,111	463,856	484,931
Other fixed structures	96,104	109,682	142,350	256,908	266,708	270,582	272,347	317,787	398,748
Machinery and equipment	55,365	80,017	139,978	50,033	103,392	95,000	65,181	67,588	91,819
Transport equipment	12,285	21,040	31,169	8,068	8,254	7,680	10,866	11,802	12,588
Other machinery and equipment	43,080	58,977	108,809	41,965	95,138	87,320	54,315	55,786	79,231
Cultivated assets	197	88	2,982	-	500	2,608	304	205	213
Software and other intangible assets	322	2,579	3,168	2,276	3,190	3,856	4,173	3,488	4,323
Land and subsoil assets	8	484	-	-	-	397	-	-	-
<b>Total economic classification</b>	<b>3,321,243</b>	<b>3,950,755</b>	<b>4,566,661</b>	<b>5,663,293</b>	<b>5,898,700</b>	<b>6,008,476</b>	<b>6,688,780</b>	<b>7,536,607</b>	<b>8,383,458</b>
<i>Of which: Capitalised compensation<sup>6</sup></i>									

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2004/05	2005/06	2006/07		2007/08		2008/09	2009/10	2010/11
General Public Services									
Executive and Legislature	113,303	146,300	178,313	191,074	201,463	203,763	219,154	225,411	235,983
Office of the Premier	67,627	88,861	106,679	112,850	119,560	119,560	132,997	134,917	139,941
RDP									
Provincial Legislature	45,676	57,439	71,634	78,224	81,903	84,203	86,157	90,494	96,042
Financial and Fiscal Services	46,796	39,910	45,356	89,351	82,551	76,872	94,422	99,612	105,575
Provincial Treasury	46,796	39,910	45,356	89,351	82,551	76,872	94,422	99,612	105,575
General Services (Public Works, Local Government)									
Total: General Public Services	160,099	186,210	223,669	280,425	284,014	280,635	313,576	325,023	341,558
Public Order and Safety									
Police Services	41,778	46,421	62,638	72,974	76,721	76,721	87,048	92,768	98,338
Safety and Liaison	41,778	46,421	62,638	72,974	76,721	76,721	87,048	92,768	98,338
Total: Public Order and Safety	41,778	46,421	62,638	72,974	76,721	76,721	87,048	92,768	98,338
Economic Affairs									
General Economic Affairs	32,557	57,116	88,699	95,513	99,891	104,908	112,240	120,128	134,384
Dept of Economic Affairs	32,557	57,116	88,699	95,513	99,891	104,908	112,240	120,128	134,384
Agriculture	90,574	132,306	148,260	164,004	209,692	199,835	198,591	228,923	257,757
Dept of Agriculture Affairs	90,574	132,306	148,260	164,004	209,692	199,835	198,591	228,923	257,757
Transport	313,344	335,026	371,715	519,128	551,195	551,195	648,887	727,875	780,232
Department of Transport	313,344	335,026	371,715	519,128	551,195	551,195	648,887	727,875	780,232
Total: Economic Affairs	436,475	524,448	608,674	778,645	860,778	855,938	959,718	1,076,926	1,172,372
Environmental Protection									
Environmental Protection	27,199	43,776	61,678	93,677	80,467	80,074	95,459	104,638	116,869
	27,199	43,776	61,678	93,677	80,467	80,074	95,459	104,638	116,869
Total: Environmental Protection	27,199	43,776	61,678	93,677	80,467	80,074	95,459	104,638	116,869
Housing and Community Amenities									
Housing Development	235,037	252,909	261,314	294,715	297,500	297,500	340,088	391,462	462,471
Department of Housing	235,037	252,909	261,314	294,715	297,500	297,500	340,088	391,462	462,471
Total: Housing and Community Amenities	235,037	252,909	261,314	294,715	297,500	297,500	340,088	391,462	462,471
Health									
Outpatient services	340,866	421,305	526,246	699,703	720,448	708,111	830,097	943,976	1,077,549
R and D Health (CS)	17,079	26,749	30,584	23,966	23,966	23,908	28,719	30,292	31,637
Hospital Services	478,077	648,521	849,643	736,272	835,579	971,185	914,772	1,097,618	1,281,930
Total: Health	836,022	1,096,575	1,406,473	1,459,941	1,579,993	1,703,204	1,773,588	2,071,886	2,391,116
Recreation, Culture and Religion									
Sporting and Recreational Affairs	48,930	61,509	82,763	111,726	122,153	122,153	160,763	168,851	190,965
Sport, Arts and Culture	48,930	61,509	82,763	111,726	122,153	122,153	160,763	168,851	190,965
Total: Recreation, Culture and Religion	48,930	61,509	82,763	111,726	122,153	122,153	160,763	168,851	190,965
Education									
Pre-primary & Primary Phases	740,499	802,963	819,891	1,086,883	1,071,572	1,103,196	1,223,707	1,349,540	1,454,421
Secondary Education Phase	320,764	364,285	408,969	569,782	566,450	587,992	662,846	741,903	783,889
Subsidised Services to Education	19,642	19,998	23,481	25,523	27,523	32,250	27,775	29,164	30,914
Education not defined by level	316,180	376,215	390,318	584,683	621,315	563,422	686,910	781,794	890,602
Total: Education	1,397,085	1,563,461	1,642,659	2,266,871	2,286,860	2,286,860	2,601,238	2,902,401	3,159,825
Social protection									
Social Security Services									
Social Services and Population Development	138,618	175,446	216,793	304,319	310,214	305,391	357,302	402,653	449,944
Total: Social protection	138,618	175,446	216,793	304,319	310,214	305,391	357,302	402,653	449,944
Total provincial payments and estimates by policy area	3,321,243	3,950,755	4,566,661	5,663,293	5,898,700	6,008,476	6,688,780	7,536,607	8,383,458

**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 Housing and Local Government	Institutional Development Policy And Governance Local Government
Public order and safety	Police services	Provincial Safety and Liaison	Administration Civilian Secretariat
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	Communication	Provincial Safety and Liaison	Traffic Management
		Tourism, Environment and Conservation	Tourism
	Environmental protection	Tourism, Environment and Conservation	Administration Policy, Planning And Support Planning, Impact, Pollution And Waste Management Marine And Coastal Management Ecosystem, Biodiversity, Natural Heritage Management Environmental Management And Sustainable Development And Capacity Building Services
	Housing development	Housing	Administration <sup>a</sup> 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 <sup>a</sup> 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 <sup>a</sup> 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