

# Summary of Payments per Department

Table 2: Summary of Payments by Function

R'000	Main Budget	Medium Term Estimates			Annual percentage growth		
	2007/08	2008/09	2009/10	2010/11	2008/09	2009/10	2010/11
Social Services Sector	4 142 857	4 892 891	5 545 791	6 191 850	18%	13%	12%
Education	2 266 871	2 601 238	2 902 401	3 159 825	15%	12%	9%
Health	1 459 941	1 773 588	2 071 886	2 391 116	21%	17%	15%
Social Services & Population Development	304 319	357 302	402 653	449 944	17%	13%	12%
Sports, Arts & Culture	111 726	160 763	168 851	190 965	44%	5%	13%
Economic Services Sector	1 167 037	1 395 265	1 573 026	1 751 713	20%	13%	11%
Economic Affairs	95 513	112 240	120 128	134 384	18%	7%	12%
Transport, Roads & Public Works	519 128	648 887	727 875	780 232	25%	12%	7%
Housing & Local Government	294 715	340 088	391 462	462 471	15%	15%	18%
Agriculture & Land Reform	164 004	198 591	228 923	257 757	21%	15%	13%
Tourism, Environmental Affairs & Conservation	93 677	95 459	104 638	116 869	2%	10%	12%
Governance & Administration	353 399	400 624	417 791	439 896	13%	4%	5%
Office of the Premier	112 850	132 997	134 917	139 941	18%	1%	4%
Legislature	78 224	86 157	90 494	96 042	10%	5%	6%
Provincial Treasury	89 351	94 422	99 612	105 575	6%	5%	6%
Safety & Liaison	72 974	87 048	92 768	98 338	19%	7%	6%
<b>Total</b>	<b>5 663 293</b>	<b>6 688 780</b>	<b>7 536 608</b>	<b>8 383 459</b>	<b>18%</b>	<b>13%</b>	<b>11%</b>

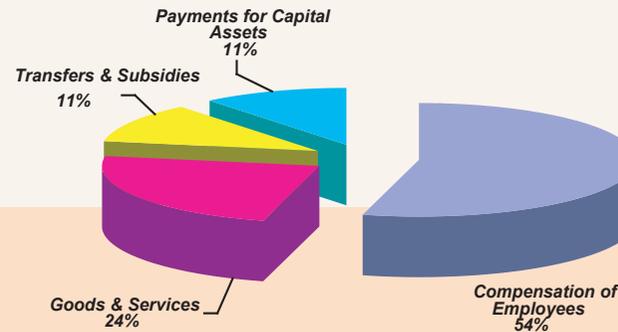
Table 3: Summary of Payments by Economic Classification

R'000	Main Budget		Medium Term Estimates					
	2007/08	% of Budget	2008/09	% of Budget	2009/10	% of Budget	2010/11	% of Budget
Current Payments	4 434 160	78%	5 204 710	78%	5 810 233	77%	6 374 765	76%
Compensation of Employees	3 095 443	55%	3 619 498	54%	3 941 797	52%	4 188 537	50%
Goods & Services	1 338 717	24%	1 584 500	24%	1 867 689	25%	2 185 436	26%
Other	0	0%	712	0%	747	0%	792	0%
Transfers & Subsidies	661 984	12%	763 954	11%	873 450	12%	1 028 657	12%
Provinces & municipalities	104 391	2%	117 381	2%	124 371	2%	131 044	2%
Public corporations & Private enterprises	60 246	1%	56 378	1%	58 476	1%	60 913	1%
Households	155 659	3%	192 034	3%	231 624	3%	292 648	3%
Non-profit Institutions	307 580	5%	361 255	5%	428 103	6%	515 967	6%
Other	34 108	1%	36 906	1%	30 876	0%	28 085	0%
Payments for Capital Assets	567 148	10%	720 116	11%	852 924	11%	980 034	12%
Buildings & Other fixed structure	514 839	9%	650 458	10%	781 643	10%	883 679	11%
Machinery & Equipment	50 033	1%	65 181	1%	67 588	1%	91 819	1%
Other	2 276	0%	4 477	0%	3 693	0%	4 536	0%
<b>Total</b>	<b>5 663 292</b>	<b>100%</b>	<b>6 688 780</b>	<b>100%</b>	<b>7 536 607</b>	<b>100%</b>	<b>8 383 456</b>	<b>100%</b>

Total allocated budget in 2008/09: R6,7 billion

- Compensation of Employees account for 54% of total allocated budget.
- Goods and Service share 24% of the total allocation.
- Transfers and Subsidies represent 11% of the total allocation.
- Capital Spending accounts for 11% of the total spending. This represents an increase of 3% compared to 2007/08 budget.

Figure 4: Allocation by major spending items 2008/09



## Policy Priorities

Social Sector has been allocated R376 million over the MTEF, the following priorities have been funded:

- Early childhood development, text books for grades 10-12, XDR and MDR, Provincial Department of Health baseline adjustment, expansion of early childhood development, developing monitoring and evaluation capacity for welfare services, expansion of home and community based care, Implementation of occupation specific dispensation for welfare services. expansion of services to children in conflict with the law.

## Infrastructure Expenditure

- Infrastructure expenditure is essential for service delivery The baseline for the provincial infrastructure grant has been revised upwards by R102,8 million. The total infrastructure budget for the province amounts to R977,356 million for 2008/09, R1,136 and R1,295 billion respectively.

**Metlife Towers, Market Square**  
**Private Bag X5054, Kimberley 8300**  
**Tel: (053) 8308358 • Fax: (053) 8317535**



Northern Cape Province

# Budget 2008

## Budget Highlights

Spending changes over the MTEF:

- R18,700 million for early childhood development
- R15,767 million for textbooks for grades 10-12 to support National Curriculum Statement.
- R44,080 million - tuberculosis(TB) Multi-Drug Resistance (MDR) and Extreme Drug Resistance (XDR)
- R36,060 million for the Expansion of early Childhood Development
- R77,1 million for the Kimberley Conferencing and Exhibition Centre
- R22,097 for the Diamond Strategy
- R15,783 million for traffic law enforcement vehicles
- R19,082 million for the community development workers
- R33,780 million for the commercialisation of goats
- R5,905 million for sport development (public swimming pools).

## Overview

The 2008 Budget present to the people of the Northern Cape is a budget that builds 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 values to taxpayers and its plan to build new job opportunities.

## What is the budget

The Provincial Budget is:

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

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

A plan of 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).

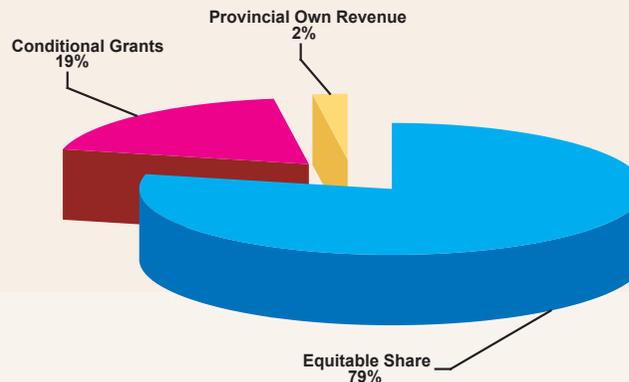
## Where does the money come from and where does it go to?

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

Table 1 : Total Provincial Revenue

	Main Budget	Medium Term Estimates		
	2007/08	2008/09	2009/10	2010/11
R'000				
Transfers from National	5 619 254	6 637 676	7 593 701	8 480 317
Equitable Share	4 597 686	5 340 965	6 027 867	6 571 247
Conditional Grants	1 021 568	1 296 711	1 565 834	1 909 070
Provincial Own Revenue	138 684	145 635	153 559	162 773
<b>Total</b>	<b>5 757 938</b>	<b>6 783 311</b>	<b>7 747 260</b>	<b>8 643 090</b>

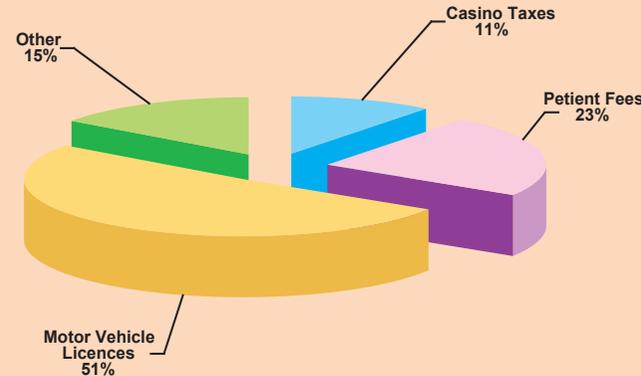
Figure 1: Provincial Revenue - Where it comes from Receipts: R6.8 billion



98% of the provincial revenue comes from National Transfers (Equitable Share and Conditional Grants). Provincial Own Revenue account for only 2%.

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

Figure 2: Composition of Provincial Own Revenue



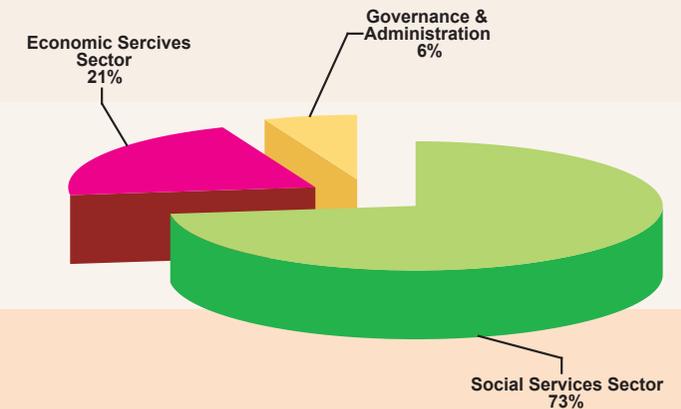
## Increase in Provincial Revenue:

- The budget for 2008/09 totals **R6,783 billion** which is **R1,025 billion** more than last year's main budget of **R5,758 billion**.
- Conditional grants increased to **R1,296 billion** an increase of **R116 million** in 2008/09 financial year.
- Provincial Own Revenue increased to **R146 million** in 2008/09, **R154** and **R163 million** respectively over the MTEF.

## Provincial Spending

The Provincial Government's receipts amount to **R6,783 billion** in 2008. Total spending amount to **R6,688 billion**, which is divided in several categories as shown in Chart 3.

Figure 3: How the Provincial Revenue is used



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

Economic Sector spending totals to **R1,4 billion** in 2008/09. This account for 21% of the total provincial spending.

Administration and Governance Sector total to **R400 million** in 2008/09. This account for 6% of the total provincial spending.

## 2008 MTEF Expenditure

73% of the total provincial spending or **R4,9 billion** has been allocated to the Social Services Sector.

Education: Total spending amount to **R2,6 billion** in 2008/09 or of 39% of the budget.

Health: Total spending amount to **R1,8 billion** in 2008/09, or 27% over the total budget.

Other sectors: Total budget for combined other sectors total to **R1,8 billion**, or 27% of the total budget for 2008/09