

# **Budget Statement 1**

## **PROVINCIAL ESTIMATES**

**2009/10**

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Province of the  
**EASTERN CAPE**  
**PROVINCIAL TREASURY**

**Budget Statement 1**

**for the**

**2009/10 Provincial Budget**

Tabled in the Provincial Legislature  
on 27 February 2009



## Foreword

The budget for 2009 is presented about five years since this government took office in 2004. It is also about the same period since the province launched its overarching framework for socio-economic and development planning, the Provincial Growth and Development Plan (PGDP). The PGDP provides quantified targets for growth and development over a 10-year period. It is therefore fitting that we reflect on achievements during this period.

Recently the Office of the Premier commissioned a study on the performance of the province in giving effect to the PGDP. While the report identifies areas for improvement, it also highlights a number of successes in the five years government took office. Similar findings are contained in our socio-economic review, the details of which are covered in section 3 of this budget statement.

From the fiscal perspective a number of initiatives were launched, mainly to recover from the financial challenges that beset government in its first days in office. It is pleasing to report that while we opened the term with an overdraft of R744 million the province is now in a sound financial position. The audit outcomes, which are key indicators of a functioning financial management system, also indicate a marked improvement, with 6 departments having obtained unqualified reports in the 2007/08 financial year. While we are pleased to report on the progress made to date, one recognizes the challenges that we still face and these provide a platform from which to build, going forward.

As in previous years, the 2009/10 Budget Statements comprise two parts: Budget Statement I, also known as the Budget Overview and the Budget Statement II (Departmental Estimates). The Budget Overview, as the name implies, presents an overview of the Budget, discusses and anticipates budget trends and developments over the current and forthcoming MTEF periods. It also provides a snapshot of the socio-economic and demographic profile of the province, while taking care to isolate salient features. Budget Statement II provides details on the funding of votes for 2009/10 financial year and the MTEF.

I would like to thank the Executive Council and Legislature for their continued guidance, and my colleagues in provincial and national departments for their cooperation and support in putting together this budget.



**Qonda Kalimashe**

**Acting Superintendent General and  
Head Official: Treasury**



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# 1. Budget strategy and aggregates

## 1.1 Introduction

The government's revised Medium-Term Strategic Framework (MTSF) outlines the policy priorities of government which focus on targeted poverty reduction, reducing vulnerability of low-income households, strengthening the capacity of the state and aligning spatial planning across the three spheres. The provincial budget for the 2009 MTEF is underpinned by the national MTSF as well the Provincial Growth and Development Plan (PGDP), which provides quantified targets for growth and development over a 10-year period. Broadly defined spending priorities for 2009 budget focus on the following:

- Enhancing the productive capacity of the economy
- Investing in economic and social infrastructure to accelerate growth
- Enhancing job creation by supporting labour intensive industries; and
- Expanding employment creating government programmes
- Investing in human development and maintaining a progressive social security net
- Improving the quality of education, health and other social services
- Intensifying targeted anti-poverty initiatives and identifying new ones where necessary

It is important to note that the budget proposals are tabled during the worst global economic downturn since the 1930s. No country is immune to the deepening economic crisis that followed last year's credit crunch. Thousands of jobs are being lost world wide. The Eastern Cape, particularly the automotive sector is set to shed more jobs as a result of this economic crisis. The economic downturn places a burden on our budget for it reduces the impact that every rand makes toward our social development goals.

Within this context the budget seeks to mitigate the impact of the current economic downturn by increasing investments in economic activities like infrastructure, while at the same time not abandoning the strategy of investing in social services, as key to achieving social transformation in the long term.

Through effective and efficient implementation of government programmes, it is hoped that the objectives underpinned by the spending priorities will be achieved.

## 1.2 Summary of budget aggregates

Table 1.1 sets out a summary of actual and estimated provincial receipts for the period 2005/06 to 2011/12.

**Table 1.1: Provincial budget summary**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates		
<b>Provincial receipts</b>									
Transfer receipts from national	24 759 723	27 545 187	30 648 272	37 172 048	36 942 383	36 942 383	41 340 837	45 445 945	48 718 753
Equitable share	22 202 309	24 642 653	27 344 125	32 716 906	32 242 354	32 242 354	35 940 398	38 983 317	41 431 044
Conditional grants	2 557 414	2 902 534	3 304 147	4 455 142	4 700 029	4 700 029	5 400 439	6 462 628	7 287 709
Provincial own receipts	663 447	799 295	1 029 085	912 683	896 611	896 611	703 651	803 393	837 558
<b>Total provincial receipts</b>	<b>25 423 170</b>	<b>28 344 482</b>	<b>31 677 357</b>	<b>38 084 730</b>	<b>37 838 994</b>	<b>37 838 994</b>	<b>42 044 488</b>	<b>46 249 338</b>	<b>49 556 311</b>
<b>Provincial payments</b>									
Current payments	19 051 258	21 974 471	24 708 349	29 723 933	31 231 198	31 719 533	33 498 218	36 353 976	39 146 585
Transfers and subsidies	3 136 075	3 054 203	3 290 860	5 128 765	5 097 061	4 873 249	5 697 299	5 683 004	6 070 507
Payments for capital assets	1 542 818	1 874 724	2 214 454	3 232 033	3 331 790	3 263 348	3 439 217	3 893 990	4 433 148
<b>Total provincial payments</b>	<b>23 730 151</b>	<b>26 903 398</b>	<b>30 213 663</b>	<b>38 084 730</b>	<b>39 660 048</b>	<b>39 856 129</b>	<b>42 634 734</b>	<b>45 930 970</b>	<b>49 650 239</b>
Surplus / (deficit)	1 693 019	1 441 084	1 463 694		(1 821 055)	(2 017 136)	(590 246)	318 368	(93 928)

The total revenue for the 2009/10 financial year is R42 billion, representing an increase of R475.6 million (1.0 per cent) from the indicative budget. Own revenue decreases by R300 million (29.9 per cent), while conditional grants increases by R173.6 million or by 3.4 per cent of the indicative budget. The main reasons for the downward revision of own revenue is due to a loss of interest revenue as surplus cash is utilized to fund the budget deficit from the 2008/09 financial year.

As a share of total revenue, equitable share remains the highest at 85.5 per cent, while conditional grants and own revenue are 12.8 per cent and 1.7 per cent, respectively. The proportion of equitable share will decline slightly to 84.3 per cent and 83.6 per cent in the 2010/11 and 2011/12 financial years, respectively, while conditional grants will increase to 14.0 per cent in 2010/11 financial year and 14.7 per cent in 2011/12 financial year.

Expenditure grows steadily from R23.7 billion in 2005/06 to R42.6 billion in 2009/10. The steep growth between the 2007/08 and 2008/09 financial years is due to a low base as the province experienced huge under expenditure in the 2007/08 financial year, while the growth in the MTEF reflects the scaling up in the funding of priorities, the majority of which are introduced later in the MTEF cycle.

## 1.3 Financing

The Province is budgeting for a deficit of R590.2 million in the 2009/10 financial year. The deficit is as a result of the cost pressures informing the provincial budget and will be financed from the accumulated revenue reserves, notably, amounts previously set aside for Government Employees Medical Aid Scheme which by now has been integrated into normal expenditure and the amount set aside for incorrect surrenders to the Provincial Revenue Fund.

## **2. Budget Process and the Medium-Term Expenditure Framework**

The main goal of the annual budget process is to, within the spirit of intergovernmental fiscal relations as embodied in the Constitution, Public Finance Management Act (PFMA) and the Intergovernmental Fiscal Relations Act, translate the derived provincial priorities as encompassed in the PGDP into departmental budgets. The Treasury is the key driver of the process, with continuous active involvement from provincial departments and their national counterparts. The detailed process is explained in 2.1 to 2.5 below with a diagrammatic presentation in 2.6.

### **2.1 Preparatory work on the budget by the government**

The preparatory work in the budget process starts around April each year with the departments reviewing their expenditure outcomes for the previous year as well as their strategic plans for the following budget year. The strategic plans are reviewed in relation to the priorities as identified by the political executive with strict alignment to the PGDP and national priorities. The departments use the MTEF baseline allocations to determine their resource envelopes and this helps with the reprioritization, which is a critical part in the budget process. The departments submit the first budget submission to Provincial Treasury around July. Budget analysts from Treasury, working closely with departments, evaluate the budget submissions for linkages with provincial and national priorities.

The submission by departments helps Provincial Treasury to review the current forecasts for the ensuing medium term expenditure framework (2009/10 - 2011/12), which is very important in the budget formulation process. The evaluation of the departmental submissions is enhanced by the clear identification of priorities, which are to be contained in the MEC letter that accompanies the departmental submission. The political priorities are translated into departmental spending plans and these form the basis of discussions and interaction between Treasury and departments on how the departmental budgets give effect to budget priorities. The evaluation of budgets also forms the basis of recommendation to the Cabinet Budget Committee, and subsequently to the Executive Council (EXCO) on how resources for the coming year should be allocated.

### **2.2 National Medium Term Budget Policy Statement**

The National Minister of Finance tables the Medium Term Budget Policy Statement (MTBPS) before Parliament at the end of October each year.

The MTBPS is a significant step forward in public transparency and accountability as it sets out Government's medium-term macroeconomic trends, fiscal parameters, revenue considerations and policy and spending plans over the next 3-years that will inform the national budget, three months before the detailed national budget is presented to National Parliament allowing Parliament and the public to actively engage with Government's medium-term priorities and spending plans before the national budget is tabled.

### **2.3 Integrated Development Planning (IDP), as a support to the budget process**

The key objective of the IDPs is to link the planning processes so that better and cost effective service delivery is achieved, through the joint implementation of projects. Within the provincial government the co-ordination of plans is managed through the clusters.

As it relates to the local government sphere, the IDP is co-ordinated through the Inter Government Forum (IGF). This is supported at high level as it is driven by the Office of the Premier. The structure consists of representatives from the national, provincial and local government spheres. The intention is to share information on the priorities and develop integrated strategy towards the realisation of those priorities. The initiative is however, still meeting challenges in terms of co-ordination and these are often caused by different planning cycles.

## 2.4 Budget Indibanos (Makgotlas)

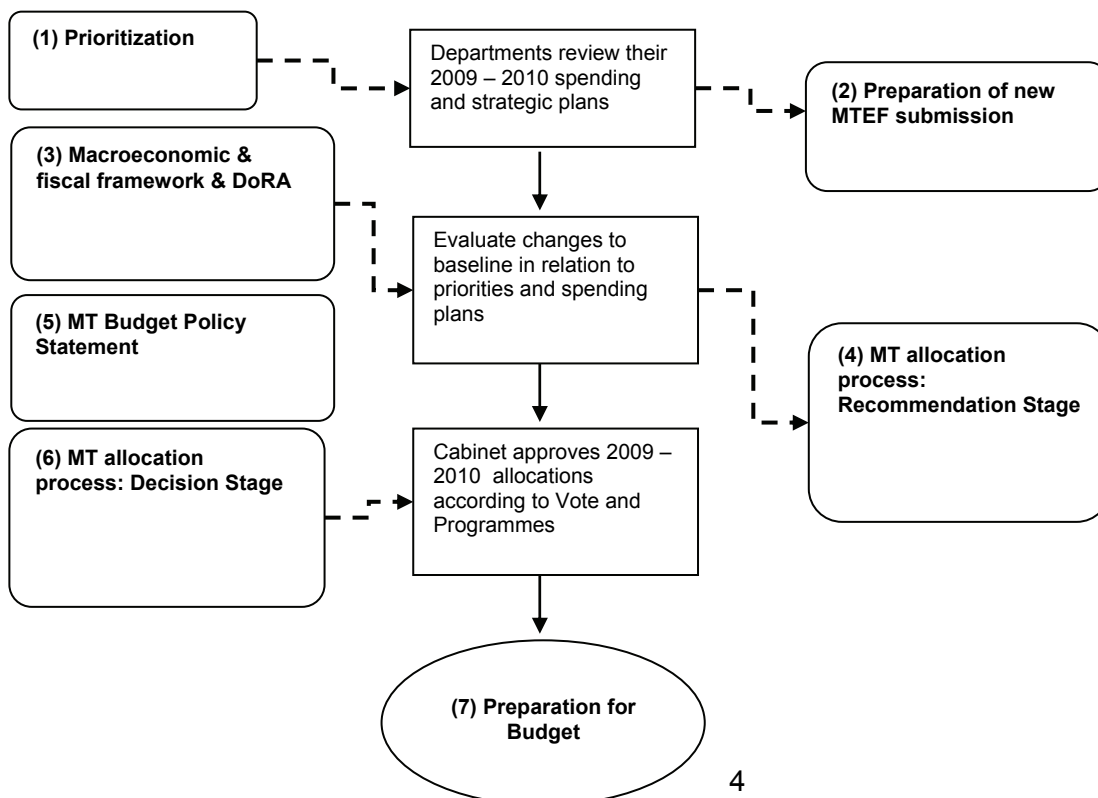
These include provincial meetings (often led by the Premier) where provincial stakeholders meet to discuss budget issues, with a view to aligning provincial budget to policies and review performance of government towards the PGDP. This is crucial in promoting consultation which is a cornerstone in the public sector budgeting.

## 2.5 Linkage to National Processes

The budgeting and planning process is fully aligned to that of the national government. The budget process makes provision for early consideration of any new spending pressures, especially where these relate to the expansion of fiscal envelope either through equitable share or conditional grants funding. It is in this context that in setting the fiscal framework, division of revenue and the provincial budget framework, the national Cabinet, the Budget Council, the sectoral Minister and Member of Executive Council Committees (MINMECs) within the political arena is supported by various technical committees play an active role in the budget process. Treasuries and national and provincial departments participates in the relevant technical committees to examine, research and formulate recommendations regarding key national and provincial spending pressures and priorities that feed into the annual division of revenue debates.

## 2.6 Diagrammatic representation of the budget process (2009/10 MTEF)

Figure 1.1: Budget process



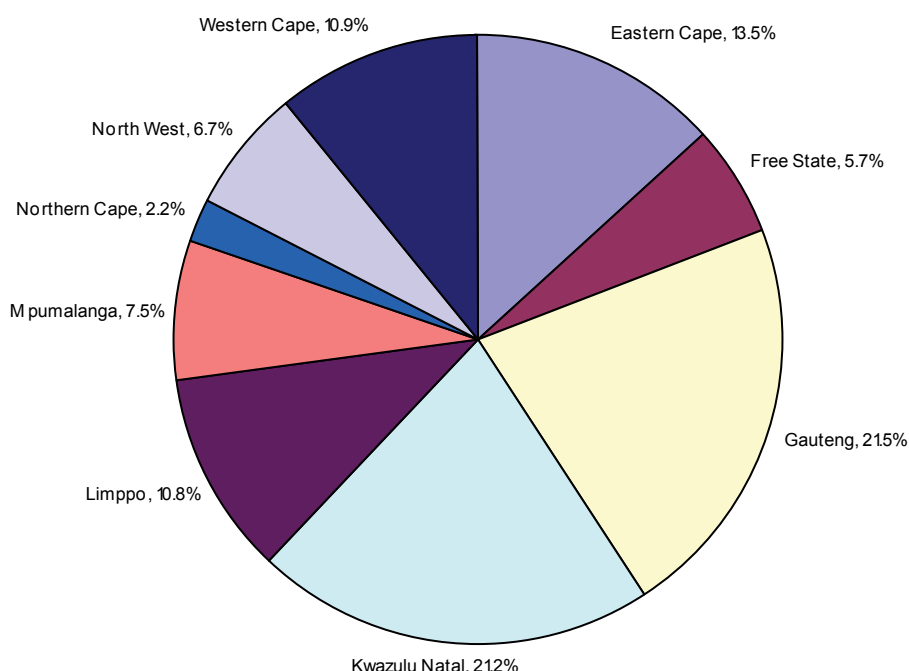
### 3 Socio-Economic Outlook

#### 3.1 Demographic Profile

##### 3.1.1 Population Size

Estimates from the 2001 Census and the 2007 Community Survey indicate that the South African population increased from approximately 44.8 million in 2001 to 48.5 million in 2007. This represented a total increase of 3.7 million. Over the same period, the Eastern Cape population is estimated to have increased by 200 thousand from 6, 3 million to 6, 5 million. However the provincial share of the national population has shrunk from 14 percent in 2001 to 13.5 per cent in 2007. This makes the Eastern Cape to be the third most populous province in the country after Gauteng (21.5 percent) and KwaZulu-Natal (21.2 percent) (figure 3.1).

Figure 3.1: Distribution of the Population by Province (Percentage), 2007



Source: Derived from Stats SA, Community Survey (2007)

##### 3.1.2 Age Distribution

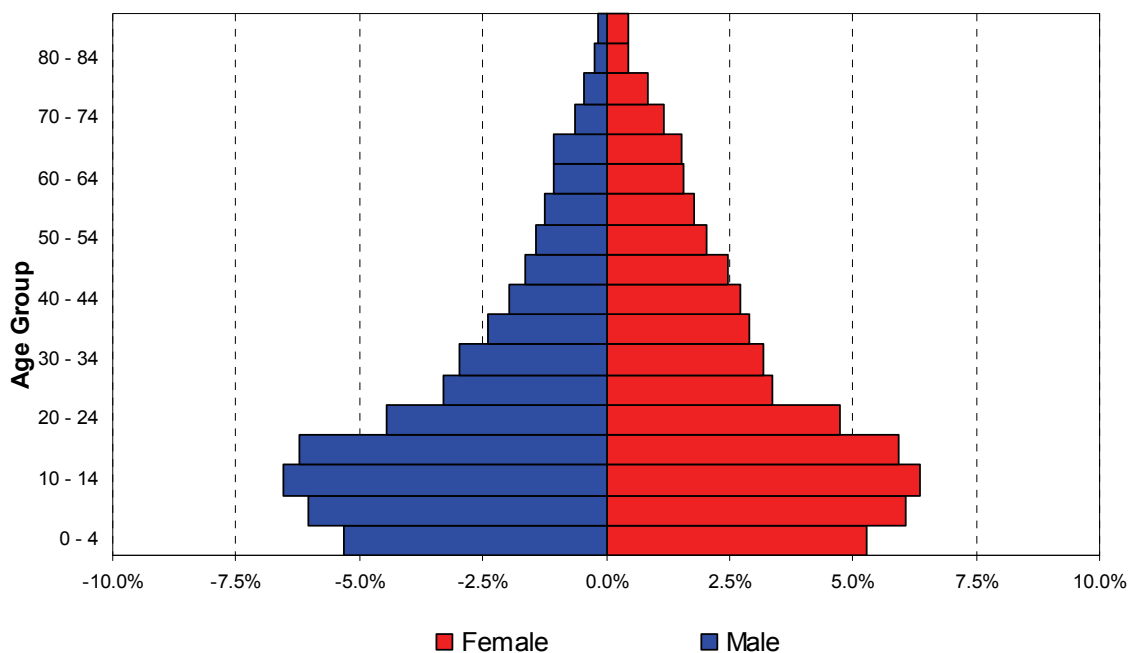
Figure 3.2 displays the estimated percentage of the Eastern Cape population by age and gender. The age distribution in fig 3.2 indicates that the largest proportion (3.1 million) of the population is mainly children aged between 0 and 19 years. Children between the ages of 0 and 14 years constitute 2.3 million or 25.6 percent of the total population in the province. Children between the ages of 15 to 19 years constitute 793 thousand or 12.2 percent to the total population of the Eastern Cape.

Figure 3.2 further reveals that there are progressively fewer people in the province from the mid age group to the 65+ age cohort. As a result, a small proportion of approximately 454 thousand people or 7 percent of the provincial population reaches old age. Although the population of the elderly in

the Eastern Cape appears to be very small, there are however obvious implications in terms of providing health and social welfare services for this age group.

The pyramid also evinces that approximately 57.4 percent (3.7 million) of the provincial population falls within the 15 to 65 years age bracket, which constitute the working age population. This means that 42.6 percent (2.8 million) of the population is distributed between the age categories (0 to 15 and 65+ years) which translate to a dependency ratio<sup>1</sup> of 74.1 percent.

Figure 3.2: Distribution of the Eastern Cape's Population by Age and Gender (percentage), 2007



Source:

Derived from Stats SA, Community Survey (2007)

### 3.1.3 Race and Gender Distribution

As far as the racial composition is concerned, a large number (5.7 million or 87.6 percent) of people in the province are mainly Black. Coloureds constitute the second highest proportion at 7.5 percent, followed by whites at 4.7 percent. Asians make up a mere 0.3 percent to the total provincial population (Table 3.1). In terms of gender, females account for about 3.4 million or 52.9 percent of the total provincial population compared to 3 million or 47.1 percent for males (Table 3.1).

Table 3.1 Eastern Cape Population by Race and Gender, 2007

	Male		Female		Total	
	Number	% of Total Male Population	Number	% of Total Female Population	Number	% of Total Population
Black	2,684,109	87.3%	3,033,202	87.9%	5,717,311	87.6%
Coloured	233,668	7.6%	255,766	7.4%	489,434	7.5%
Indian/Asian	8,773	0.3%	7,886	0.2%	16,659	0.3%
White	148,848	4.8%	155,494	4.5%	304,342	4.7%
<b>Total</b>	<b>3,075,398</b>	<b>100.0%</b>	<b>3,452,348</b>	<b>100.0%</b>	<b>6,527,746</b>	<b>100.0%</b>

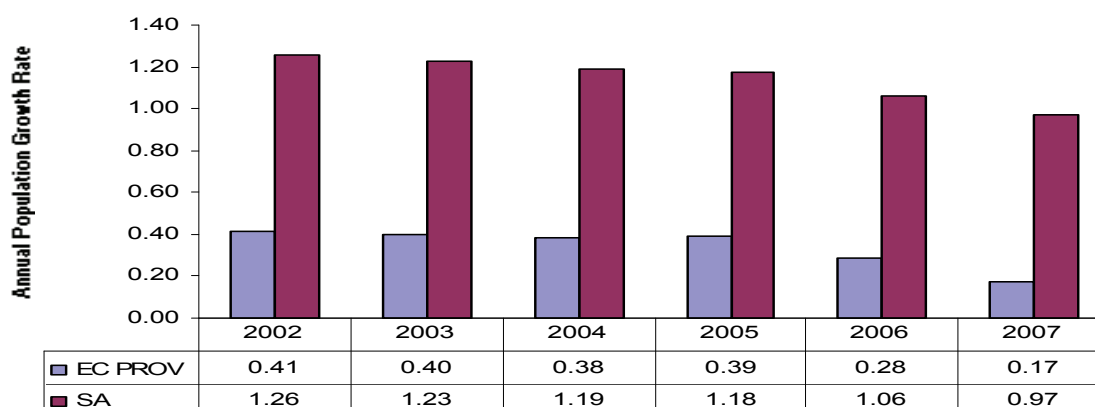
Source: Derived from Stats SA, Community Survey (2007)

<sup>1</sup> (Dependency Ratio = (number of people under 15 years) + (number of people aged 65 and over)/ (number of people between 15 and 64 years) X 100 = (2,323,290 + 454,282)/ (3,750,174) X 100 = 74.1 percent.

### 3.1.4 Population Growth

Figure 3.3 compares the estimated average annual population growth rate<sup>2</sup> of the Eastern Cape Province to that of South Africa as a whole from 2002 to 2007. It is evident from figure 3.3 that during the period under review, the population growth of the province remained static for four years between 2002 and 2005 at around 0.4 percent per annum.

Figure 3.3: Comparison of the Eastern Cape and South Africa's Annual Population Growth Rates, 2002 to 2007



Source: Stats SA, Census (2001) and Community Survey (2007)

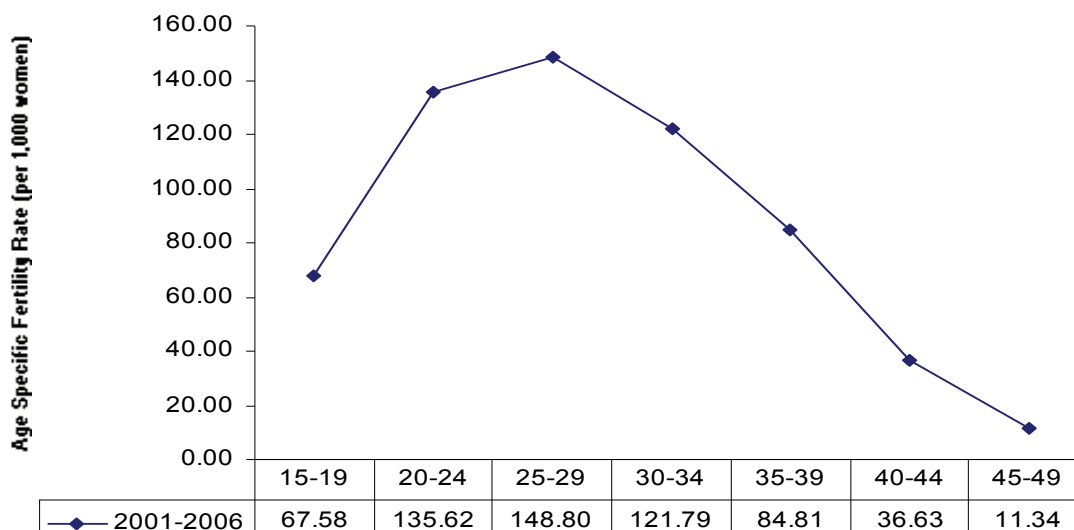
In 2006 the population growth rates dropped to 0.28 percent and further plummeted to 0.17 percent in 2007. This trend is also evident for the nation as a whole where the population growth rate stayed at just above 1 percent from 2002 to 2005 and subsequently declined to a minimum of 0.97 percent in 2007.

### 3.1.5 Fertility

The average total fertility rate (TFR) for the province of the Eastern Cape was estimated at 3.03 children per woman during the period 2001 to 2006. It is however projected to decline to 2.7 children per woman over the period 2006 to 2011 (Stats SA, 2008).

<sup>2</sup> Annual average population growth (population growth rate) is the rate at which the population is increasing or decreasing in a given year expressed as a percentage of the base population size. It takes into consideration all the components of population growth, namely births, deaths and migration. A positive growth ratio (or rate) indicates that the population is increasing, while a negative growth ratio (or rate) indicates population decline.

Figure 3.4: Provincial Average Age-Specific Fertility Rates, 2001-2006



Source: Derived from Stats SA, Mid-Year Population Estimates (2008)

A relatively convenient method of calculating fertility is the age-specific fertility rates (ASFR)<sup>3</sup>. ASFR is usually expressed as births per 1,000 women of a particular age group. Figure 3.4 shows the estimated average ASFR in the Eastern Cape Province for the period 2001-2006. The ASFR in the 15-19 age cohort stood at 67 births per 1,000. The ASFR rises to 135 births per 1,000 women in the 20-24 age group and peaks at 148 births per 1,000 women in the 20-29 age group. The ASFR declines to moderate levels in the 30-39 age group, and to low levels in the 40-49 age group.

### 3.1.6 Mortality

Table 3.2 shows that the number of registered deaths in the province has increased consistently for each year from 45,276 in 1997 to 92,912 in 2005. The accumulated number of deaths amounted to 616,592 during the 1997 to 2005 period. The highest percentage change of 13.9 percent in the number of deaths was recorded between 1999 and 2000. Between 2000 and 2004 the percentage change in the number of deaths fluctuated between 7.2 percent and 10.9 percent. The percentage in the number of deaths dropped to 5.4 percent in 2005, the lowest over the review period. Taking gender into account, it is observed that between 1997 and 2001 there were slightly more male than female deaths. However this trend was reversed between 2002 and 2005 where there were slightly more female deaths recorded in each year than males.

<sup>3</sup> ASFR is calculated by dividing the number of births to mothers of each age group by the number of females of that age group in the population.



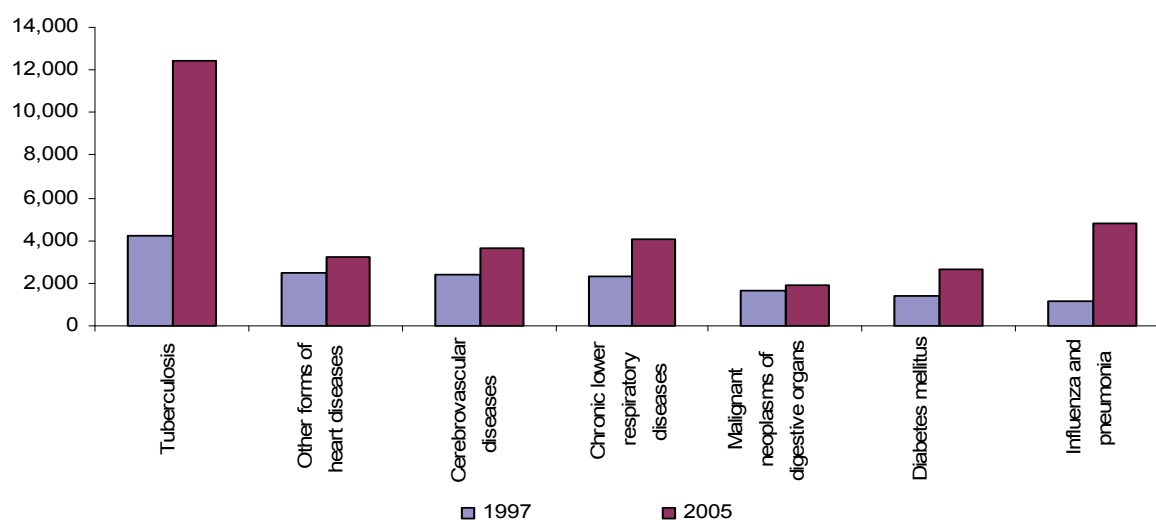
Table 3.2: Provincial Distribution of Registered Deaths by Year of Death and Gender, 1997-2005

Year	Male	Female	Total	Male % Change	Female % Change	Total % Change
1997	24,624	20,516	45,276			
1998	27,067	23,505	50,826	9.9	14.6	12.3
1999	28,692	25,033	54,106	6.0	6.5	6.5
2000	31,341	29,852	61,614	9.2	19.3	13.9
2001	33,677	32,969	67,025	7.5	10.4	8.8
2002	36,837	37,154	74,361	9.4	12.7	10.9
2003	40,529	41,384	82,285	10.0	11.4	10.7
2004	43,058	44,827	88,187	6.2	8.3	7.2
2005	45,169	47,379	92,912	4.9	5.7	5.4
Total	310,994	302,619	616,592			

Source: Derived from Stats SA, Death Notification (1997-2005)

The seven leading natural causes of death in the Eastern Cape Province for 1997 and 2005 are shown in figure 3.5. Tuberculosis (TB) was the leading cause of death in both 1997 and 2005, accounting for 4,190 or 9.3 percent and 12,414 or 13.4 percent of all deaths respectively. Though, influenza and pneumonia was the seventh in 1997, it however became the second leading cause of death in 2005. Chronic lower respiratory diseases and cerebrovascular diseases maintained their third and fourth ranking during both periods under review (Figure 3.5).

Figure 3.5: Seven Leading Causes of Natural Death in the Eastern Cape Province, 1997 and 2005



Source: Derived from Stats SA (2007), Death Notifications

Table 3.3 shows the average life expectancy for the Eastern Cape and South Africa for the two periods 2001-2006 and 2006-2011. Generally life expectancy appears to be falling over time across gender both nationally and for the province. In the Eastern Cape average life expectancy for males and females was estimated at 50.9 years and 57.5 years respectively. These figures are projected to decline to 47.2 years and 51.3 years for males and females respectively in the period 2006 to 2011. Females appear to outlive males in both time frames under review however the margin is decreasing. This trend in life expectancy at birth is also observed for South Africa as a whole.

**Table 3.3: Estimated Life Expectancy for South Africa and the Eastern Cape, 2001-2006 and 2006-2011**

	Eastern Cape		South Africa	
	Males	Females	Males	Females
2001-2006	50.9	57.5	52.6	58.1
2006-2011	47.2	51.3	50.4	54.1

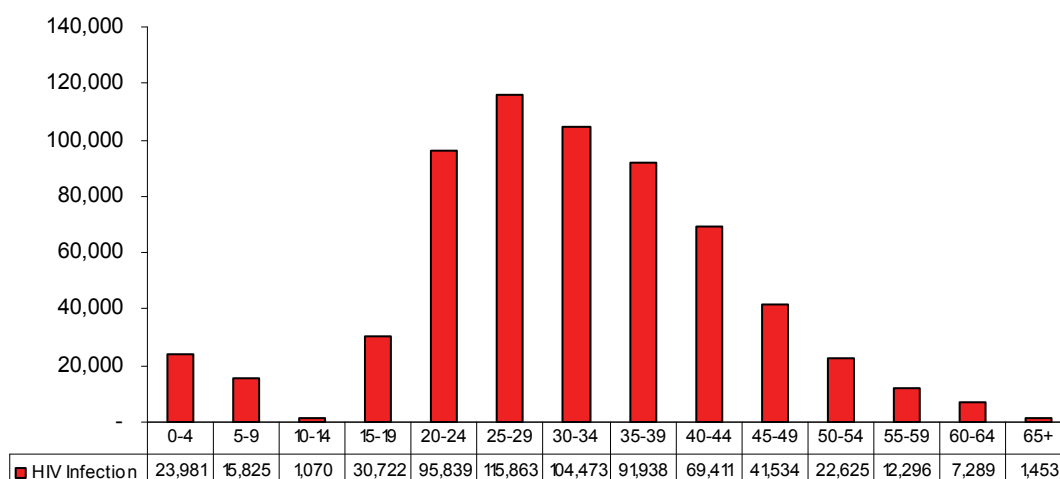
Source: Stats SA, Mid-Year Population Estimates (2008)

### 3.1.7 HIV Infection

By the end of 2007, estimates from Quantec Regional database, revealed that 634,319 people were living with HIV and AIDS in the province. Figure 3.6 shows the estimated number of people in the province that are infected with HIV by age group in 2007.

HIV prevalence is rife among the 15-54 years age group. The 15-54 years age group account for an estimated sum of 572,406 or 90.2 percent of all of those who are HIV positive. Within the age group (15-54 years) the highest infection rate is among those aged between 20-29 years at 115,863 persons or 18.3 percent of the HIV infected population. This is followed by the 30-34 age group which recorded an estimated number of 104,473 HIV infected people or 16.5 percent. The third largest estimated number of 95,839 or 15.1 percent is recorded amongst the 20-24 age group, whilst 35-39 and 40-44 age groups recorded 95,839 or 14.5 percent and 69,411 or 10.9 percent respectively. The lowest HIV infection was recorded amongst the 10-14 and 65 years and over age groups which recorded 1,070 or 0.17 percent and 1,143 or 0.23 percent respectively. Meanwhile 0-4 and 5-9 age groups recorded 23,981 or 3.8 percent and 18,825 or 2.49 percent respectively.

**Figure 3.6: The Estimated Number of HIV Infected People by Age Group, 2007**



Source: Derived from Quantec Regional Data (2008)

It is evident from table 3.4 that blacks constituted the highest percentage (95.1 percent or 605,112) of HIV infected persons. The remaining 4.9 percent consists mainly of coloureds (4 percent), Asians (0.1 percent) and Whites (0.5 percent) respectively.

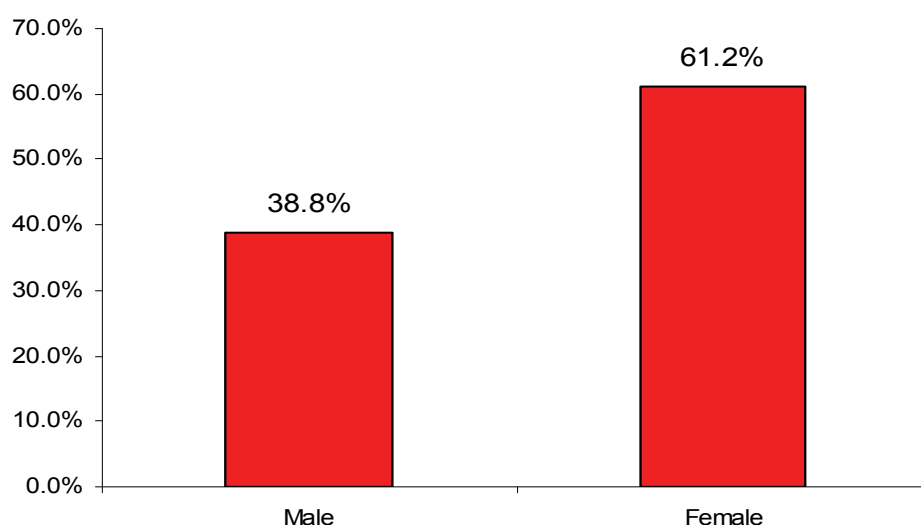
**Table 3.4: Distribution of HIV Infected People by Race Group (Percentage), 2007**

Pop Group	Percentage
Black African	95.1
Coloured	4
Indian or Asian	0.1
White	0.5
Total	100

*Source: Derived from Quantec Regional Data (2008)*

Figure 3.7 shows the estimated percentage of HIV infected population by gender. Women contribute the highest number (388,044 or 61.2 percent) of the HIV positive population in the province, while men constitute 246,275 or 38.8 percent of HIV positive population.

**Figure 3.7: Distribution of HIV Prevalence by Gender (Percentage), 2007**



*Source: Derived from Quantec Regional Data 2008*

### 3.1.8 Migration

Table 3.5 shows the estimated provincial migration streams for the two periods 2001-2006 and 2006-2011. Western Cape and Gauteng are the only two provinces that gain from inter-provincial migration. During the period 2001 to 2006, an estimated number of 454,442 people emigrated from the Eastern Cape Province, while the estimated number of immigrants stood at 132,945. This implies that the province recorded a net loss of 321,497 people to other province during the period under review. This trend is also observed during the period 2006 to 2011 in which the net loss is projected at 295,465 people.

**Table 3.5: Provincial Migration Streams, 2001-2006 and 2006-2011**

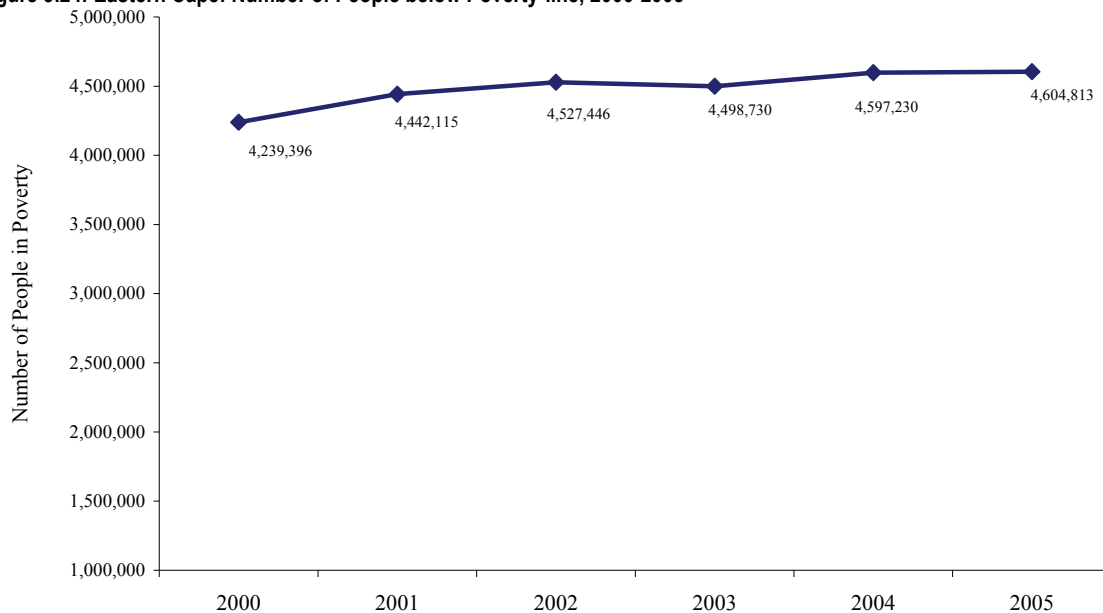
	2001-2006			2006-2011		
	Emmigrants	Immigrants	Net Gain/Loss	Emmigrants	Immigrants	Net Gain/Loss
Eastern Cape	454,442	132,945	-321,497	415,141	119,676	-295,465
Free State	162,510	101,475	-61,035	160,161	100,208	-59,953
Gauteng	350,905	862,365	511,460	342,563	815,663	473,100
Kwazulu-Natal	212,032	203,291	-8,741	192,689	196,696	4,007
Limpopo	351,267	117,592	-233,675	286,286	106,406	-179,880
Mpumalanga	192,732	132,050	-60,682	192,246	130,458	-61,788
Northern Cape	85,156	56,733	-28,423	80,470	53,366	-27,104
North West	213,534	171,713	-41,821	189,535	143,092	-46,443
Western Cape	117,060	361,476	244,416	124,407	317,933	193,526

Source: Stats SA, Mid-Year Population Estimates (2008)

### 3.1.9 Poverty and Government Income Transfers

Using the R400 a month (2005 Rands) per person as a poverty line measure, figure 3.24 provides the number of people in the Eastern Cape in absolute poverty. By this measure just above 4.6 million people in 2005 were in poverty. This represented about 70 percent of the total population in the Eastern Cape.

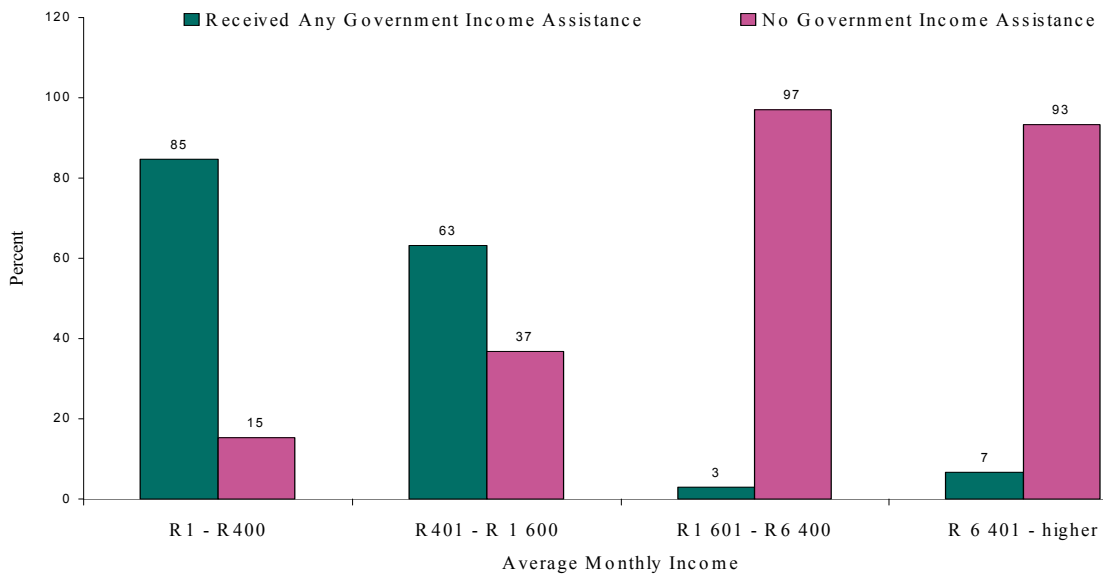
**Figure 3.24: Eastern Cape: Number of People below Poverty-line, 2000-2005**



Source: Stats SA, GHS (2000 – 2005)

### 3.1.10 Access to Social Grant and Transfers

Figure 3.25: Eastern Cape: Penetration of Government Income Transfers, by Income, 2007



Source: Stats SA, Community Survey (2007)

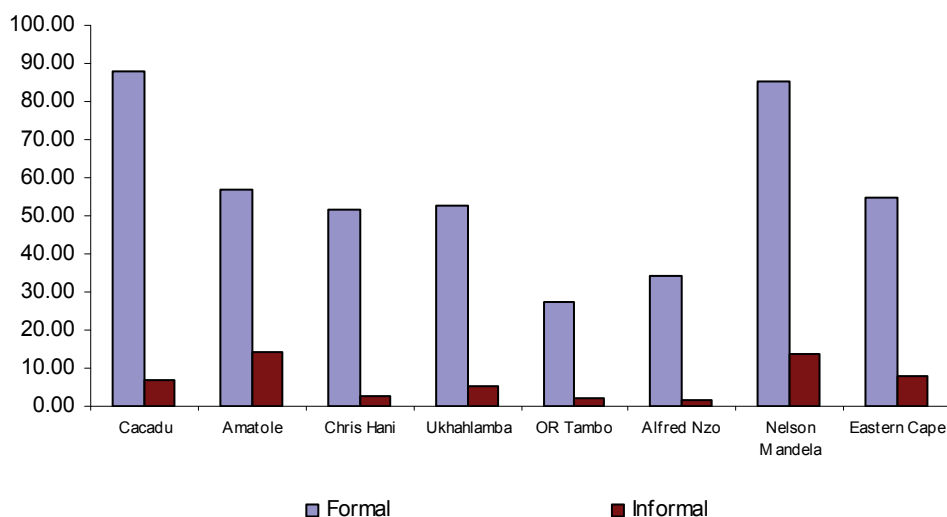
Figure 3.25 illustrates the means-tested nature of government income support programmes. Eighty five percent of households with average monthly income equal or less than R400 were able to access some form of social grants and transfers. The proportion of those with access to income support progressively declines as their monthly income levels increase.

### 3.1.11 Access to Basic Services

#### Housing

A comparison of census 2001 and community survey 2007 reveal an improvement in access to housing at a provincial level. The percentage of households living in formal dwelling increases from 52 percent in 2001 to 55 percent in 2007 while the proportion of households living in informal housing decreased from 11 percent to 8 percent over the two survey periods.

Figure 3.26: Households Living in Formal and Informal Dwellings (Percentage), 2007



Source: Community Survey (2007)

Figure 3.26 gives the percentage of households which reported living in formal (house, flat, semi-detached house, unit in a complex, room in the backyard) and informal dwellings (shack and squatter settlement) in 2007 at district level. The results show that 3 of the 7 districts recorded higher percentages of households living in formal dwellings compared to that of the Eastern Cape (54.7 percent) as a whole. These are Cacadu (88 percent), Amatole (56.9 percent), and Nelson Mandela (85.1 percent). Chris Hani (51.6 percent), Ukahlamba (52.7 percent), OR Tambo (27.2 percent) and Alfred Nzo (34.3 percent) recorded averages below that of the province.

Figure 3.26 also shows that only Amatole (14 percent) and Nelson Mandela (13.7 percent) recorded higher percentages of households living in informal dwellings as compared to that of the province (8 percent). Within Amatole district Buffalo city recorded the highest slum rate at 24.5 percent way above the district average while in Nelson Mandela Metro informal dwellings are concentrated on the margins of the city. The high prevalence of informal settlement in Buffalo city and Nelson Mandela Metro probably suggest robust in migration particularly from the predominantly rural parts of the province. The possible reasons for this trend are the perceived better job opportunities and more access to government services in the Amatole and Nelson Mandela Bay districts.

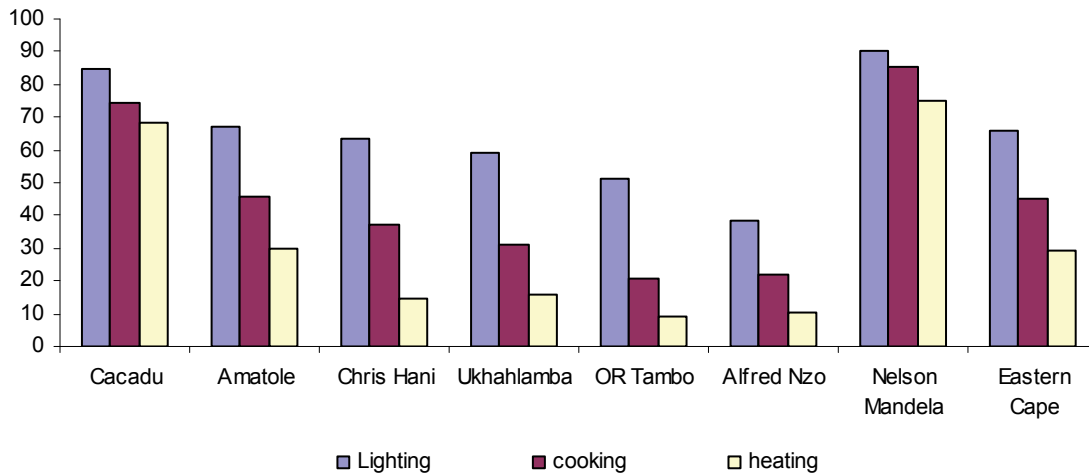
Low levels of informal housing were recorded in Alfred Nzo (1.6 percent), OR Tambo (2 percent) and Chris Hani (2.4 percent). The low incidence of informal housing in these districts does not imply that there is sufficient housing but rather an indication of the overwhelmingly rural nature of these districts. The most common form of housing is traditional dwelling, which does not fall under the definition of informal housing. The major towns in OR Tambo, Alfred Nzo and Chris Hani have serious housing shortages.

## Electricity

A comparative analysis of Census 2001 and Community survey 2007 results reveal that household access to electricity in the Eastern Cape has improved significantly over the past six years. There was an increase in the percentage of households that use electricity for lighting (50 percent to 65.9 percent), electricity for cooking (28.3 percent to 45.3 percent) and electricity for heating (23.9 percent to 29.3 percent) between Census 2001 and Community Survey 2007.

Figure 3.27 highlights the results pertaining to use of electricity as the energy source for lighting, cooking and heating in 2007. Of the 7 districts 3 recorded a higher proportion of households who used electricity for lighting as compared to the provincial average (65.9 percent) in 2007. Nelson Mandela (90.1 percent) and Cacadu (84.5 percent) recorded proportions significantly higher than the provincial average while Amatole was slightly above the provincial average (67.1 percent). The same pattern prevails when looking at the use electricity for cooking and heating. Nelson Mandela, Amatole and Cacadu recorded higher percentages than the provincial average while Chris Hani, Ukhahlamba, OR Tambo and Alfred Nzo recorded proportions lower than the provincial average.

Figure 3.27: Households Using Electricity for Lighting, Cooking and Heating (Percentage) , 2007



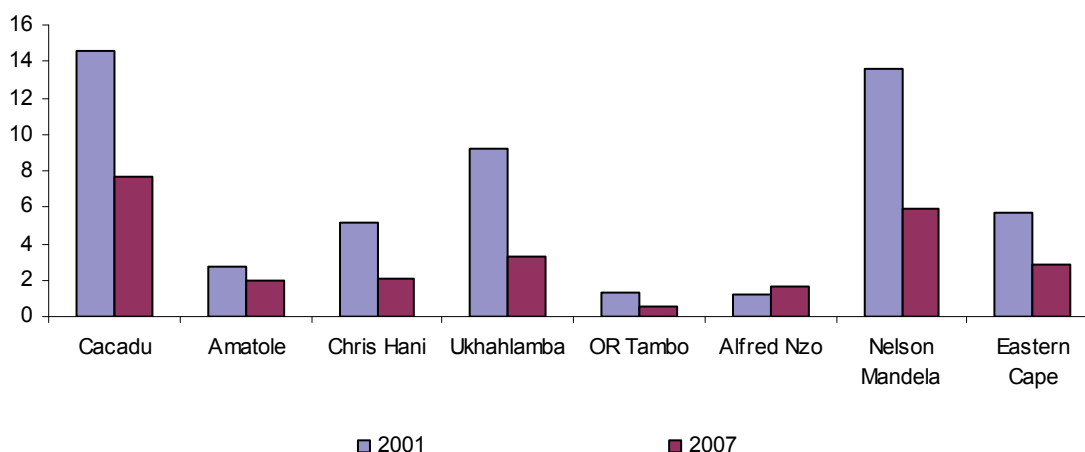
Source: Community Survey (2007)

### Sanitation

While the percentage of households with no toilet facilities in the Eastern Cape declined from to 31 percent in 2001 to 24 percent in 2007, the province remains with the largest proportion of households with no toilet facilities in the country.

However the prevalence of bucket toilets in the Eastern Cape is one of the lowest in the country at 3 percent which is an improvement from 6 percent recorded in 2001. The purpose of this section is to highlight the prevalence of the use of bucket system and the prevalence of no toilet facilities in each district of the province

Figure 3.28 Households Using Bucket Toilets (Percentage), 2001 and 2007

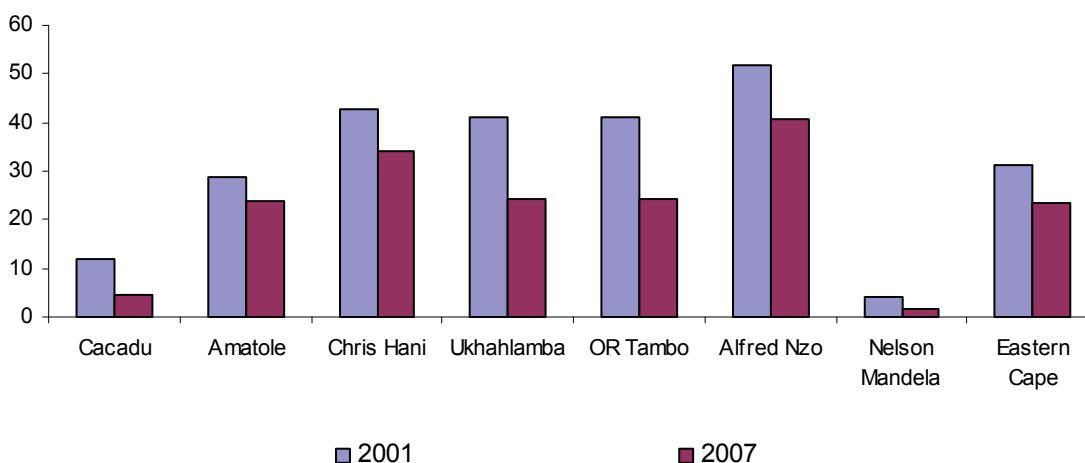


Source: Community Survey (2007) and Census (2001)

Figure 3.28 shows the percentage of households which used bucket system in each district within the Eastern Cape Province. It shows that the percentage of all households using the bucket system declined in all the districts except Alfred Nzo. In Cacadu (7.7 percent), Ukhahlamba (3.3 percent), and the Nelson Mandela (5.9 percent) the percentage of households using the bucket system was higher than the provincial average. Cacadu had the highest percentage (7.7 percent) still using the system.

Figure 3.29 give the number of households that had no form of toilet facility in each district in 2001 and 2007. The figure indicates that the percentage of households that had no toilet facility declined in all the districts. However Alfred Nzo showed the highest proportion of households that had no toilet facilities way above the provincial average of 23.5 percent.

Figure 3.29: Households with no Toilet Facilities (Percentage), 2001 and 2007



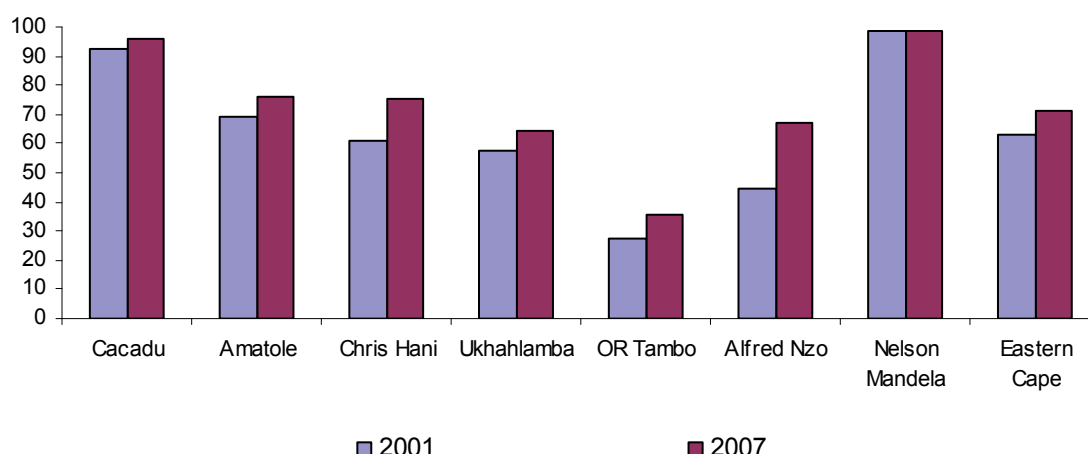
Source: Community Survey (2007) and Census (2001)

## Water

Access to piped water in the province increased from 63 percent in 2001 to 71 percent in 2007. This section highlights results pertaining to piped water by households in all the districts.



Figure 3.30: Households with Access to Piped Water (Percentage), 2007



Source: Community Survey (2007)

Figure 3.30 shows the percentage of households which had access to piped water in 2001 and 2007 at district level. The results indicate an increase in the percentage of households which had access to piped water throughout the districts since 2001. There is however variations across the provinces with the Nelson Mandela Metro leading with close to 100 percent of the households having access to piped water. Cacadu follows with 95.6 percent and Amatole and Chris Hani with 76.3 percent and 75.5 percent respectively.

OR Tambo had the least accessibility to piped water at 53.6 percent; this was way below the provincial average of 70.9 percent. Other province that performed below the provincial average was Ukhahlamba (64.4 percent) and Alfred Nzo (67 percent).

## Education

Attendance rates are one of the most common educational indicators used internationally, providing useful information on access to education, by gender, population group and region. Analysis of data on school attendance focuses on two age groups, the primary school age (7-13) and the secondary school age (14-19). The Net Attendance Ratios (NAR)<sup>4</sup> for both primary and secondary level has been calculated together with the Gender Parity Index (GPI)<sup>5</sup>.

### Primary School Attendance

According to data from the community survey 2007 the primary school NAR in the Eastern Cape was 94 percent. In other words more than 9 out of 10 children of primary school age were attending

<sup>4</sup> The primary school NAR is calculated as: Primary NAR = Number of children of primary school age in primary school or higher / Total number of children of primary school age. In countries like South Africa, where a relatively large number of children of primary school age are already in secondary school, the traditional calculation method, which only considers attendance in primary school and ignores attendance at higher levels of education, underestimates the true level of participation in the education system and overestimates the number of children out of school. By the same token the secondary school NAR is calculated as: Secondary NAR = Number of children secondary school age in secondary or higher / Total number of children of secondary school age.

<sup>5</sup> The Gender Parity Index (GPI) represents the ratio of the NAR for females to the NAR for males. It is presented for both the primary and secondary school levels and offers a summary measure to the extent to which there are gender differences in attendance rates. A GPI of 1 indicates parity between the sexes; a GPI that varies between 0 and 1 indicates a disparity in favour of boys and a GPI greater than 1 a disparity in favour of girls (UNESCO, 2003).

primary school. All the districts have an aggregate NAR of above 90 percent, which means that almost all children of primary school age are in school and the province is close to delivering universal primary education. However reaching the last 6 percent of children out of school in the province is a particular challenge, requiring rigorous policy intervention in both the demand and the supply of primary education.

There are a total of 73, 283 primary school age children that are out of school in the province; more than 60 percent of those are located in OR Tambo (25,834) and Amatole (18,154) district. Against this background, the top priority for the provincial department of education is to deepen interventions that encourage school attendance in OR Tambo and Amatole while keeping sight of education quality. Despite being one of the poor districts Alfred Nzo has the lowest number of primary school age children that are out of school both in relative and absolute terms, at 5 percent and 3,907 respectively.

**Table 3.15: Primary School Attendance Ratios, 2007**

	Male		Female		Total		GPI
	NAR	No. of children	NAR	No. of children	NAR	No. of children	
Cacadu	0.912	27,461	0.889	27068	0.901	54529	0.98
Amatole	0.937	153,161	0.943	149514	0.940	302675	1.01
Chris Hani	0.964	88,540	0.947	87144	0.955	175684	0.98
Ukhahlamba	0.946	33,144	0.929	35022	0.937	68166	0.98
O.R.Tambo	0.937	237,480	0.952	227070	0.944	464550	1.02
Alfred Nzo	0.965	59,223	0.969	58354	0.967	117577	1.00
NMM	0.939	67,126	0.946	69919	0.942	137045	1.01
Eastern Cape	0.943	666,135	0.946	654091	0.944	1320226	1.00

*Source: Community Survey (2007)*

Alfred Nzo has the highest attendance rate (97 percent) while Cacadu has the lowest at 90.1 percent. The province has posted these notable achievements despite the social challenges of HIV/AIDS, poverty and unemployment. These challenges undermine the welfare of households and disrupt the education system in various ways. HIV/AIDS has deprived schools of teachers and has forced orphaned children to assume the burden of care for the family, making school attendance impossible. Poverty and hunger affect school attendance and the performance of learners.

Table 3.15 above shows the primary school NAR by gender and district municipality. Generally for most of the districts there are less males participating at primary school level than females, although the differences are barely significant. In the province as a whole, 94.3 percent of all boys and 94.6 percent of all girls are in school. This translates to a Gender Parity Index (GPI) of one indicating that, on the whole, the province has attained gender parity in primary education. Four districts: Amatole, OR Tambo, Alfred Nzo and Nelson Mandela, also had a GPI of unit. The remaining three districts, Cacadu, Chris Hani and Ukhahlamba recorded a GPI close to unit (98 percent). The attainment of gender equity will accelerate progress towards achieving the provincial economic growth targets as per the PGDP. Increasing female education and reducing gender disparities has been found to lead to economic growth (Hanushek and Wobmann, 2007).

### **Secondary School Attendance**

Secondary education is essential for individual children to achieve their full potential, and for the province to advance social and economic development. Moreover participation in secondary education is an important indicator because at this level children acquire more specialized knowledge than in primary school. This enables them to be more competitive in the labor market

than their less educated peers. Nevertheless in the Eastern Cape more than 15% of children of the appropriate age do not attend secondary school. In Cacadu and Nelson Mandela this figure increases to 36 percent and 19 percent respectively.

Table 3.16 Secondary school Net Attendance Ratio (NAR), 2007

	Male		Female		Total		GPI
	NAR	No. of children	NAR	No. of children	NAR	No. of children	
Cacadu	0.673	17399	0.654	17850	0.663	35249	0.97
Amatole	0.841	102662	0.855	98430	0.848	201092	1.02
Chris Hani	0.851	58439	0.866	50984	0.858	109423	1.02
Ukhahlamba	0.846	21233	0.839	20227	0.843	41460	0.99
O.R.Tambo	0.851	130349	0.834	132207	0.842	262556	0.98
Alfred Nzo	0.882	35842	0.841	32769	0.862	68611	0.95
NMM	0.818	54753	0.806	51321	0.812	106074	0.99
Eastern Cape	0.839	420677	0.832	403788	0.836	824465	0.99

Source: Community Survey (2007)

Among children of secondary school age (14-18) 83.6 percent were in secondary or tertiary school at the time of the 2007 community survey. A comparison of primary school and secondary school NARs reveal that virtually all primary school children from Amatole, Chris Hani, Ukhahlamba, OR Tambo, Alfred Nzo and Nelson Mandela go on to attend secondary school. All these districts recorded a secondary school NAR of above 80 percent, in Cacadu district the NAR dropped from 90.1 percent at primary level to 66.3 percent at secondary level. Cacadu recorded the lowest NAR; the highest NAR was shared by Chris Hani and Alfred Nzo at 86 percent. Unlike for primary school none of the districts had a NAR of 90 percent and above at secondary level. This suggests that there is high number of students who repeat grades at primary school.

While the NAR for girls is higher than that for boys at primary level, boys appear to surpass girls in attendance at secondary level. This may indicate that fewer females than males are passing over from primary school phase into secondary school phase. It may also reflect that more females than males are inclined to drop-out of secondary school. This may be due to early pregnancies among girl learners in primary school.

The significant inroads in attendance that has been made in the Eastern Cape were possibly due to the province's efforts in rigorously implementing a number of national policies designed to make universal primary education a priority. Some of these policies include the no fee school policy, school nutrition program and Scholar transport policy. The elimination of school fees in particular has been found to result in huge improvements in primary school enrolments around the world (Hanushek and Wobmann, 2007). Hence the Eastern Cape government intends to increase the number of learners benefiting from the no fee school policy from 1.2 million to 1.6 million by the end of 2008.

While the above policies have proved to be one of the keys to enhance primary school attendance, the main challenge in the province has been to safeguard quality education through adequate classroom accommodation, supply of materials and sufficient numbers of qualified teachers to cope with the extra demand. It is in this light that the Eastern Cape government is in the process of implementing a set of supply side interventions in the area of education. Some of these interventions are the School Infrastructure Delivery Plan, and the Learner and Teacher Support Material Program among others.

### Learner-Educator Ratio (LER) and Learner-School Ratio (LSR)

In 2008 there were 2.1 million learners in ordinary schools in the province as a whole. Over 56% of these learners are located in Amatole (519 767) and O.R Tambo (666 694). Cacadu (90 323) recorded the lowest number of learners followed by Ukhahlamba (118 090). In the same year, there were 5885 ordinary schools in the Eastern Cape, giving a learner school ratio of 357 pupils per school.

Table 3.17: Number of Learners, Educators and Schools, and Learner-Educator Ratio (LER) and Learner-School Ratio (LSR), 2007

Province	Learners		Educators		Schools		LER	LSR
	Number	%	Number	%	Number	%		
Alfred Nzo	155,765	7.4	4,458	7.1	471	8.00	34.9	330.7
Amatole	519,767	24.7	16,951	26.9	1,764	29.97	30.7	294.7
Cacadu	90,323	4.3	3,007	4.8	317	5.39	30.0	284.9
Chris Hani	298,326	14.2	9,341	14.8	972	16.52	31.9	306.9
NMM	220,507	10.5	7,043	11.2	307	5.22	31.3	718.3
O.R. Tambo	666,694	31.7	17,762	28.1	1,550	26.34	37.5	430.1
Ukhahlamba	118,090	5.6	3,743	5.9	394	6.69	31.5	299.7
Unspecified	30,953	1.5	793	1.3	110	1.87	39.0	281.4
<b>Eastern Cape</b>	<b>2,100,425</b>		<b>63,098</b>		<b>5,885</b>		<b>33.3</b>	<b>356.9</b>

Source: National Department of Education (2007)

These schools exclude stand alone special schools, ECD sites, ABET centers and FET colleges. Amatole (1764) and O.R Tambo (1550) have the highest number of ordinary schools which collectively account for 56.2 percent of the ordinary schools in the province. This is partly a reflection of a large number of schools going people in these two districts. Despite its metropolitan status NNM had the smallest number of schools at 307 or 5.2 percent of the population of schools in the province. There were 63 098 educators in the province teaching 2.1 million learners. This translates to an average learner educator ratio of 33 pupils per teacher in the province. O.R Tambo (17 762) had the highest number of educators, followed by Amatole (16 951). The lowest number of educators was recorded in NNM (7043).

The learner-to-educator ratio is the average number of pupils per educator at a specific level of education, or for a specific type of school, in a given school year. For example, a student teacher ratio of 10:1 indicates that there are 10 students for every one teacher. On average there were almost 33.3 learners per educator in the Eastern Cape. The learner to educator ratio varies from 30 in Cacadu to 37.5 in O.R Tambo. In general the lower the learner to educator ratio, the more contact an educator may have with the learner during the learning process.

### Health

Table 3.18 below shows the different types of health facilities in the province per district municipality in 2007. Clinics appear to be the dominating type of health facility in all the districts of the province. The highest number of clinics in the province is located in Amatole district with 219 clinics, followed by Chris Hani and OR Tambo with 147 and 141 clinics respectively. Ukhahlamba (45 clinics) and NMM (55) district have the lowest number of clinics in the province.

Table 3.18: Health Facilities per District Municipality, 2007

District	District Hospital	Tertiary Hospital	Regional Hospital	Specialized Hospital			Total Facilities	Total Population	persons/ Facility
					CHC	Clinic			
Alfred Nzo	4			1	3	60	68	479,391	7,050
Amatole	14	2		5	6	219	246	1,664,753	6,767
Chris Hani	15		1	1	3	147	167	798,595	4,782
Cacadu	10			5	3	81	99	363,485	3,672
NMM	1	3		4	7	55	70	1,050,931	15,013
OR Tambo	11	3	1	2	9	141	167	1,862,224	11,151
Ukhahlamba	10			2	1	45	58	308,366	5,317
<b>Total</b>	<b>65</b>	<b>8</b>	<b>2</b>	<b>20</b>	<b>32</b>	<b>748</b>	<b>875</b>	<b>6,527,745</b>	<b>7,460</b>

Source: Eastern Cape Department of Health (2008)

District hospitals are the second most common health facility in province; these are concentrated in Chris Hani (15 district hospitals), Amatole (14) and OR Tambo (11) district. The least number of district hospitals is found in NNM, with one district hospital and Alfred Nzo, with four district hospitals. Only two districts, Cacadu and OR Tambo have at least one regional hospital each, while tertiary hospitals are only available in Amatole (2), NMM (3) and OR Tambo (3).

Most of the specialized hospitals in the provinces are located in Amatole, Cacadu and NMM, these three districts together account for 14 of the 20 specialized hospitals in the province. The highest number of CHCs in the province is in OR Tambo with 9 CHCs followed by NMM and Amatole with 7 and 6 CHCs respectively. Alfred Nzo, Chris Hani and Cacadu have 3 CHCs each while Ukhahlamba has only one CHC.

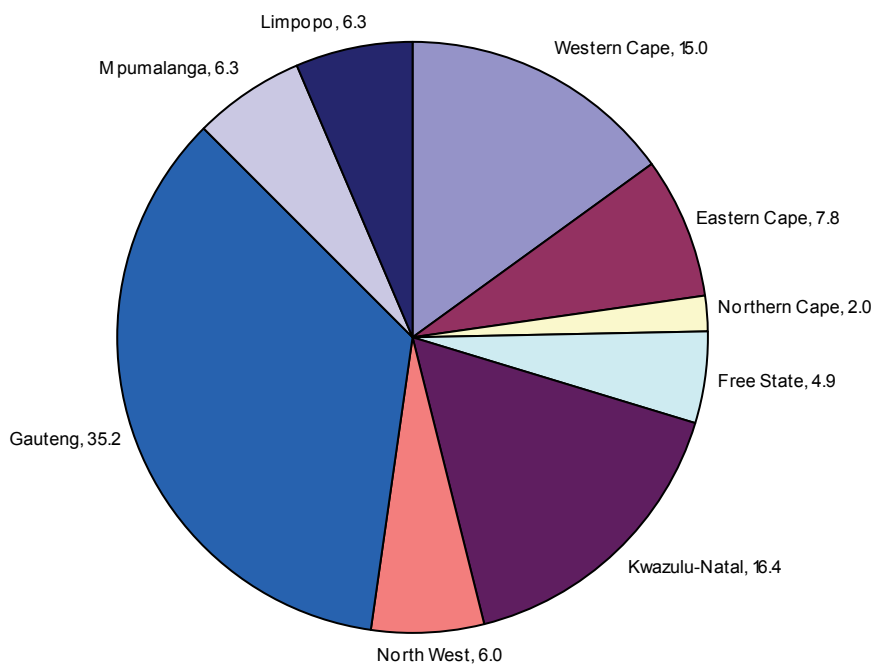
The total number of health facilities in each district is compared to the total district population to give the average number of persons that are serviced by one health facility in each district. The districts with lowest average number of persons serviced by one facility are Cacadu (3672 persons per facility) and Chris Hani (4782). The highest number of persons per facility was recorded in NMM (15013 persons per facility) and OR Tambo (11151). This suggests that the provincial department of health should increase the number of health facilities in these two districts to improve access to health services.

## 3.2 Economic indicators

### 3.2.1 Eastern Cape in a National Context

The Eastern Cape Province generated 7.8 percent of the total Gross Domestic Product (GDP) of South Africa in 2007 (figure 3.8), making it the fourth largest contributor to the national GDP after Gauteng, Western Cape and KwaZulu-Natal (figure 3.8). Nevertheless the province is far below the leading province, Gauteng, which accounts for 36 percent of South Africa's GDP. Eastern Cape's Gross Geographic Product (GGP) is just above half that of Kwa Zulu Natal (16 percent) and Western Cape (15 percent).

Figure 3.8: GDP per province at 2000 Constant Prices, 2007



Source: Quantec Regional Data (2007)

In terms of real Gross Geographic Product (GGP) per capita the Eastern Cape is the poorest province in the country, with an annual income of R13 511 per person living in the province in 2007. This is just over half of the national average of R23 203. Gauteng, Western Cape and Northern Cape provinces all have higher per capital incomes than the nation as a whole (Table 3.6).

Table 3.6: Real Per Capita GDP by Province 2000 Constant Prices, 2007

	GGP R' 000	Total population	GGP per capital
Western Cape	169,054,534	5,278,591	32,026
<b>Eastern Cape</b>	<b>88,198,923</b>	<b>6,527,746</b>	<b>13,511</b>
Northern Cape	22,530,472	1,058,057	21,294
Free State	55,135,327	2,773,066	19,882
Kwazulu-Natal	184,793,704	10,259,230	18,012
North West	67,385,134	3,271,946	20,595
Gauteng	396,214,211	10,451,709	37,909
Mpumalanga	71,194,494	3,643,435	19,540
Limpopo	70,903,700	5,238,286	13,536
South Africa	1,125,410,500	48,502,066	23,203

Source: Quantec Regional Data (2007)

The structure of the Eastern Cape economy differs from the structure of the national economy, as illustrated in table 3.7. The most striking difference is that the province has a much larger public sector (28.9 percent compared to 19.4 percent for SA), and a very small mining sector (0.1 percent compared to 6 percent for SA).

Table 3.7: Contributions to GDP by Sector Eastern Cape and South Africa (percentage), 2007

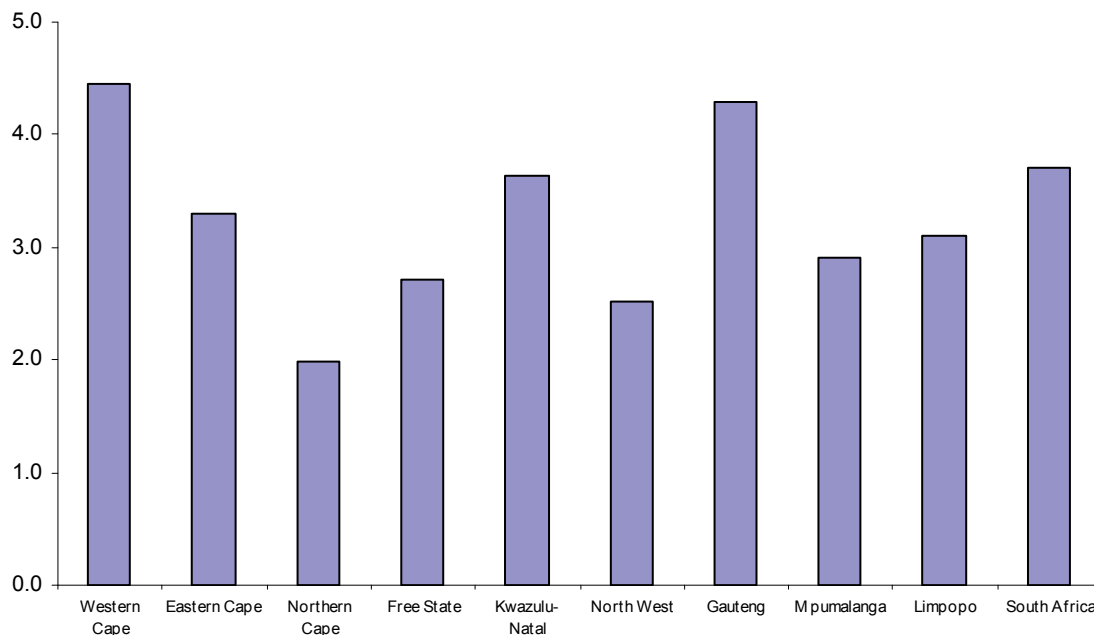
	Eastern Cape	South Africa
<b>Primary</b>	<b>2.3</b>	<b>8.5</b>
Agriculture, forestry and fishing	2.2	2.4
Mining	0.1	6.1
<b>Secondary</b>	<b>22.1</b>	<b>23.7</b>
Manufacturing	17.8	17.7
Electricity & water	1.1	2.3
Construction	3.2	3.8
<b>Tertiary</b>	<b>75.6</b>	<b>67.8</b>
Wholesale & retail trade; catering and accommodation	15.6	15.4
Transport & communication	9.4	10.7
Finance and business services	21.6	22.2
Public Sector	28.9	19.4

Source: Quantec Regional Data (2007)

In addition the province's Transport and Communication sector is smaller than the national level, though by a relatively small margin (9 percent for Eastern Cape and 11 percent for SA). However the Eastern Cape and South Africa share contributions to output of wholesale and retail, Manufacturing and Agriculture sectors are roughly the same at around 15 percent, 18 percent and 2 percent respectively (table 3.7).

Figure 3.9 reveals that at an average annual growth rate of 3.3 percent per annum, the province outperformed the Northern Cape, Free State, North West, Mpumalanga and Limpopo. The Gauteng, Kwazulu-Natal, Western Cape all recorded growth rates above that of the Eastern Cape.

Figure 3.9: Average Annual Real GGP Growth by Province, 1998-2007



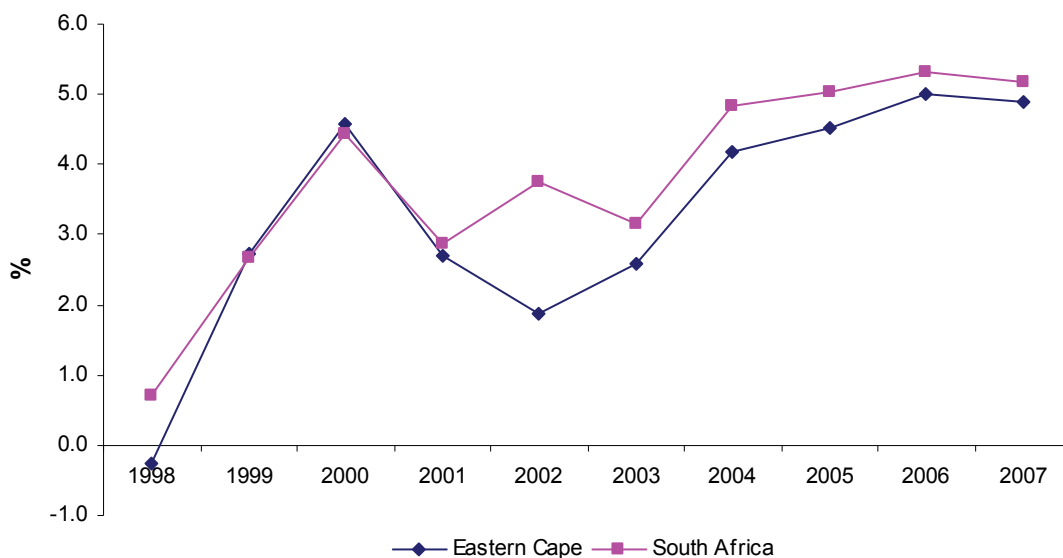
Source: Quantec Regional Data (2007)

### 3.2.2 Economic Growth

The GDP of the Eastern Cape increased from R63.8 billion in 1998 to R88.2 billion in 2007 in real terms. Figure 3.10 compares the Eastern Cape's real annual output growth rates to that of South Africa for the 10 year period from 1998 to 2007. While the Eastern Cape growth rate followed the

national growth rate very closely, the province generally performed below the national economy. The Eastern Cape grew at an annual average rate of 3.3 percent compared to 3.7 percent for the economy as a whole between 1998 and 2007.

Figure 3.10: Real GDP Growth Rates South Africa and Eastern Cape, 1998-2007



Source: Quantec Regional Data (2007)

Table 3.8 below, shows the different annual average growth rates for the three broad sectors of the provincial economy over the periods 1998 to 2007. The primary sector grew by an annual average of just over 1 percent whereas the secondary and tertiary industry averaged 4 percent and 3.2 percent respectively. Growth in the secondary sector was mainly driven by the construction and manufacturing sub sectors with annual average growth rates of 9.3 percent and 3.6 percent respectively.

Table 3.8: Eastern Cape: Average Annual Real Growth Rates of Output per Sector, 1998-2007

Industry	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	AAGR
<b>Primary</b>	<b>-4.1</b>	<b>5.6</b>	<b>-5.9</b>	<b>23.3</b>	<b>-10.7</b>	<b>-3.8</b>	<b>1.2</b>	<b>5.5</b>	<b>-7.8</b>	<b>7.4</b>	<b>1.1</b>
Agriculture, forestry and fishing	-5.7	7.2	-5.6	24.2	-11.2	-4.3	1.2	5.8	-8.2	7.8	1.2
Mining	23.9	-16.1	-11.8	7.3	0.7	5.1	1.0	0.8	-1.4	0.6	-1.6
<b>Secondary</b>	<b>-1.7</b>	<b>2.7</b>	<b>11.2</b>	<b>6.1</b>	<b>-1.2</b>	<b>1.1</b>	<b>4.1</b>	<b>4.0</b>	<b>5.7</b>	<b>7.3</b>	<b>4.0</b>
Manufacturing	-1.7	2.1	13.1	5.6	1.7	-2.2	3.7	3.3	5.7	4.3	3.6
Electricity & water	-2.4	4.6	4.3	-1.5	-22.2	11.5	2.1	0.4	3.7	-0.9	-0.2
Construction	-1.4	6.6	-0.5	17.6	-11.8	30.0	8.7	11.2	6.5	32.2	9.3
<b>Tertiary</b>	<b>0.3</b>	<b>2.6</b>	<b>3.2</b>	<b>1.0</b>	<b>3.4</b>	<b>3.2</b>	<b>4.3</b>	<b>4.6</b>	<b>5.3</b>	<b>4.1</b>	<b>3.2</b>
Wholesale & retail trade; catering and accommodation	1.4	6.6	6.7	-6.0	2.1	4.4	4.8	5.8	5.1	3.8	3.3
Transport & communication	2.4	4.9	5.2	4.7	10.9	1.6	2.8	4.1	3.0	6.0	4.3
Finance and business services	-1.0	-0.8	-1.0	9.5	3.6	5.3	7.9	5.1	8.5	4.8	4.2
Community, social and other personal services	0.0	2.2	3.3	-1.2	1.6	1.8	2.1	3.9	3.8	3.2	2.1
<b>Total</b>	<b>-0.3</b>	<b>2.7</b>	<b>4.6</b>	<b>2.7</b>	<b>1.9</b>	<b>2.6</b>	<b>4.2</b>	<b>4.5</b>	<b>5.0</b>	<b>4.9</b>	<b>3.3</b>

Source:

Quantec Regional Data (2007)

While the tertiary sector recorded an inferior annual average growth rate to the manufacturing sector between 1998 and 2007, it generates more than 75 percent of the provincial output making it the major growth driver in the province. The tertiary sector recorded the highest growth rate in transport



and communication, and financed and business services. The annual average growth rates of these two sectors were 4.3 percent and 4.2 percent exceeding the provincial annual average of 3.3 percent (table 3.8). Higher volumes of trade as a consequence of trade liberalization during the past 10 years seem to have underpinned the growth of these two sub sectors. The other steady performer was wholesale and retail which recorded an annual average growth rate of 3.3 percent.

### 3.2.3 Structure of the Economy

The structure of the Eastern Cape economy is dominated by the tertiary sector, particularly the public sector (table 3.9). The tertiary sector generated more than 75 percent of the Gross Geographic Product (GGP) in real terms in 2007. The remaining one-quarter of the provincial output was in 2007 accounted for by the primary sector (2.3 percent) and the secondary sector (22.1 percent). Within the secondary sector the single largest sub-sector is manufacturing accounting for more than 20 percent to the provincial.

Table 3.9: Sector Contributions to Provincial GGP (Percentage), 1998-2007

Industry	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Primary</b>	<b>2.9</b>	<b>3.0</b>	<b>2.7</b>	<b>3.2</b>	<b>2.8</b>	<b>2.6</b>	<b>2.5</b>	<b>2.6</b>	<b>2.3</b>	<b>2.3</b>
Agriculture, forestry and fishing	2.7	2.8	2.5	3.0	2.7	2.5	2.4	2.4	2.1	2.2
Mining	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Secondary</b>	<b>20.6</b>	<b>20.6</b>	<b>21.9</b>	<b>22.6</b>	<b>21.9</b>	<b>21.6</b>	<b>21.6</b>	<b>21.5</b>	<b>21.6</b>	<b>22.1</b>
Manufacturing	17.2	17.1	18.5	19.0	19.0	18.1	18.0	17.8	17.9	17.8
Electricity & water	1.6	1.6	1.6	1.5	1.2	1.3	1.3	1.2	1.2	1.1
Construction	1.8	1.9	1.8	2.1	1.8	2.3	2.4	2.5	2.5	3.2
<b>Tertiary</b>	<b>76.5</b>	<b>76.5</b>	<b>75.5</b>	<b>74.2</b>	<b>75.3</b>	<b>75.8</b>	<b>75.9</b>	<b>75.9</b>	<b>76.1</b>	<b>75.6</b>
Wholesale & retail trade	15.6	16.2	16.5	15.1	15.2	15.4	15.5	15.7	15.7	15.6
Transport & communication	8.6	8.7	8.8	9.0	9.8	9.7	9.5	9.5	9.3	9.4
Finance and business services	19.8	19.1	18.1	19.3	19.6	20.1	20.8	21.0	21.7	21.6
Public Sector	32.6	32.4	32.1	30.8	30.8	30.5	29.9	29.7	29.4	28.9

Source: *Quantec Regional Data (2007)*

Table 3.10: Sector Contributions to Provincial Employment (Percentage), 1998-2007

Industry	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Primary</b>	<b>10.3</b>	<b>10.1</b>	<b>9.8</b>	<b>9.5</b>	<b>9.1</b>	<b>8.8</b>	<b>8.5</b>	<b>8.3</b>	<b>8.1</b>	<b>7.7</b>
Agriculture, forestry and fishing	9.6	9.5	9.2	9.0	8.6	8.3	8.0	7.8	7.6	7.1
Mining	0.7	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>Secondary</b>	<b>23.6</b>	<b>22.8</b>	<b>22.2</b>	<b>21.7</b>	<b>21.2</b>	<b>20.8</b>	<b>20.5</b>	<b>20.5</b>	<b>20.6</b>	<b>20.2</b>
Manufacturing	17.8	17.3	17.0	16.6	16.3	15.9	15.6	15.4	15.2	14.8
Electricity & water	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Construction	5.4	5.0	4.8	4.7	4.5	4.5	4.5	4.7	5.0	4.9
<b>Tertiary</b>	<b>66.1</b>	<b>67.1</b>	<b>68.0</b>	<b>68.8</b>	<b>69.7</b>	<b>70.4</b>	<b>71.0</b>	<b>71.1</b>	<b>71.3</b>	<b>72.2</b>
Wholesale & retail trade	12.9	13.5	13.9	14.1	14.4	14.7	15.1	15.4	15.7	16.0
Transport & communication	3.3	3.1	3.0	2.9	2.9	2.9	3.0	3.0	3.1	3.0
Finance and business services	10.3	10.9	11.6	12.5	13.4	14.0	14.1	14.3	14.5	14.9
Public Sector	39.7	39.6	39.5	39.2	39.0	38.8	38.8	38.4	38.0	38.2

Source: *Quantec Regional Data (2007)*

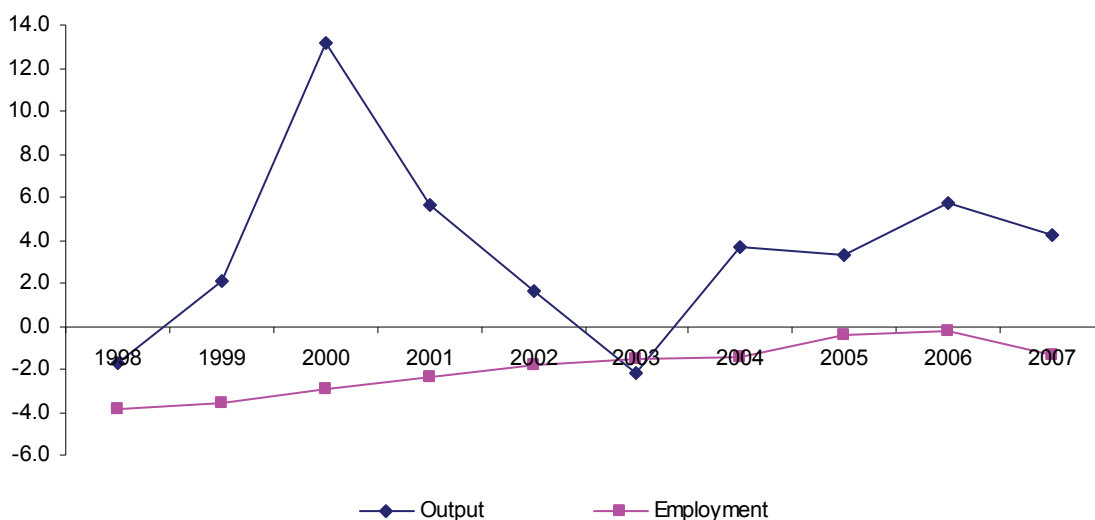
More than 70 percent of the provincial labor force in 2007 was employed in the tertiary sector (table 3.10). Employment in the tertiary sector is distributed as follows: public sector (38.2 percent), Wholesale and Retail (16 percent) Finance and Business (14.9 percent) and Transport and Communication (3 percent). The secondary sector accounted for more than 20 percent of the formal employment in 2007. A large part of the employment in this sector was in the manufacturing sub

sector which accounted for close to 15 percent of the employment in the province. Agriculture, forestry and fishing employ less than 10 percent of the provincial labor reflecting the low contribution of this sector to the GGP.

### 3.2.4 Manufacturing

The contribution of the manufacturing sector to the total provincial output has remained relatively stagnant over the period under review at around 18 percent (table 3.10). Despite this, total manufacturing output in the Eastern Cape increased in real terms from R10.9 billion in 1998 to R15.7 billion in 2007 resulting in an average annual growth rate of 3.6 percent per annum.

Figure 3.11: Annual Growth in Manufacturing Output and Employment, 1998-2007



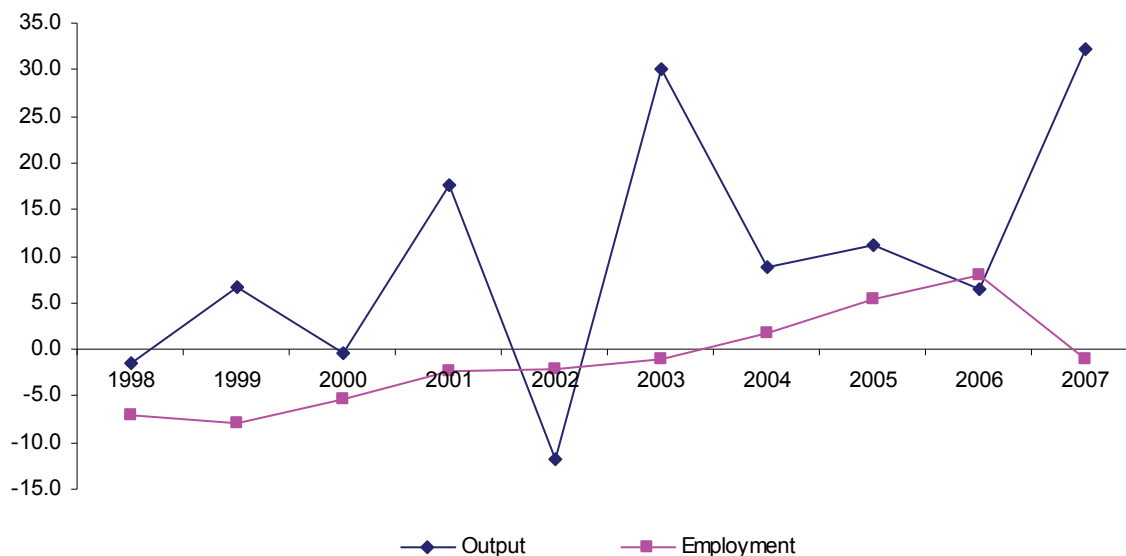
Source: Quantec Regional Data (2007)

However this average conceals several high growth years and many years in which the sector contracted (figure 3.11). The sector performed particularly poorly in 1998 and 2003 when the level of output actually declined. From 2004 to 2007 production grew by 3 percent or more in each year, with output expansion of 5.7 percent and 4.3 percent in 2006 and 2007 respectively.

### 3.2.5 Construction

The construction industry is one of the smallest sub grouping in the Eastern Cape, after agriculture, mining and electricity and water. In 2007 the industry generated R2.9 billion or just above 3 percent of the provincial output (table 3.10). However over the period 1998 to 2007 construction recorded the highest average annual production growth rate of more than 9 percent per annum. The sector has grown more than twice the size of finance and business services and that of transport and communication. Just like the manufacturing sub sectors, this average growth (9 percent) in output conceal several years of spectacular growth and many years in which output declined. The output performance of the sector was poor between 1998 and 2002 with three years of output contraction (figure 3.12). From 2003 to 2007 production expanded by at least 6 percent per annum in each year with impressive growth of 30 percent and 32 percent per annum in 2003 and 2007 respectively.

Figure 3.12: Annual Growth in Construction Output and Employment, 1998-2007



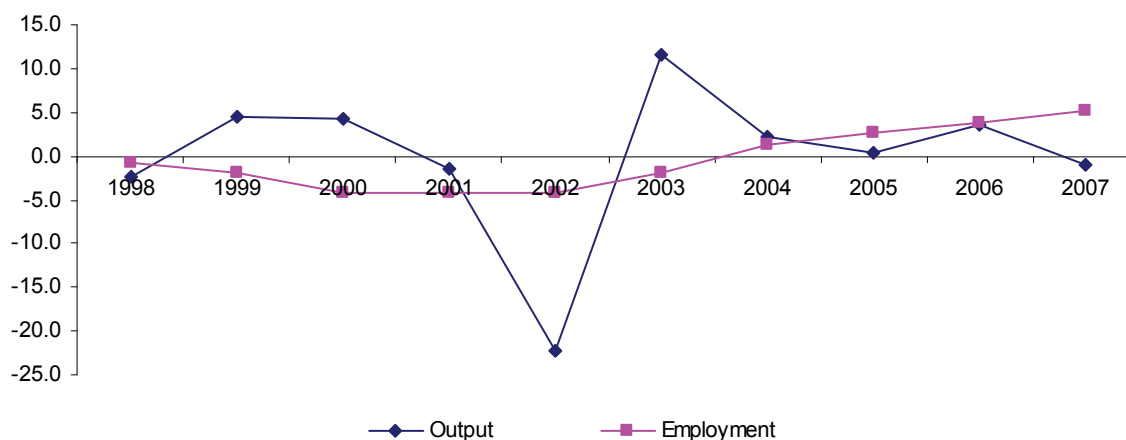
Source: *Quantec Regional Data (2007)*

The construction industry employed 37 000 of the labour force in 2007 which represent 5 percent of the employment in the province. Despite robust growth in construction output 2214 jobs were shed between 1998 and 2007 representing an average decline of 0.6 percent per annum. This is surprising given the labour intensive nature of the industry.

### 3.2.6 Electricity and Water

Electricity and water is the smallest sub sector in terms of both output and employment in the Eastern Cape. The province contributed just above 1 percent to the total output and employed less than 0.5 percent of labor force in 2007. Output and employment actually decline in this sector between 1998 and 2007 at an average rate of 0.2 percent and 0.4 percent per annum respectively.

Figure 3.13: Annual Growth in Electricity and Water Output and Employment, 1998-2007



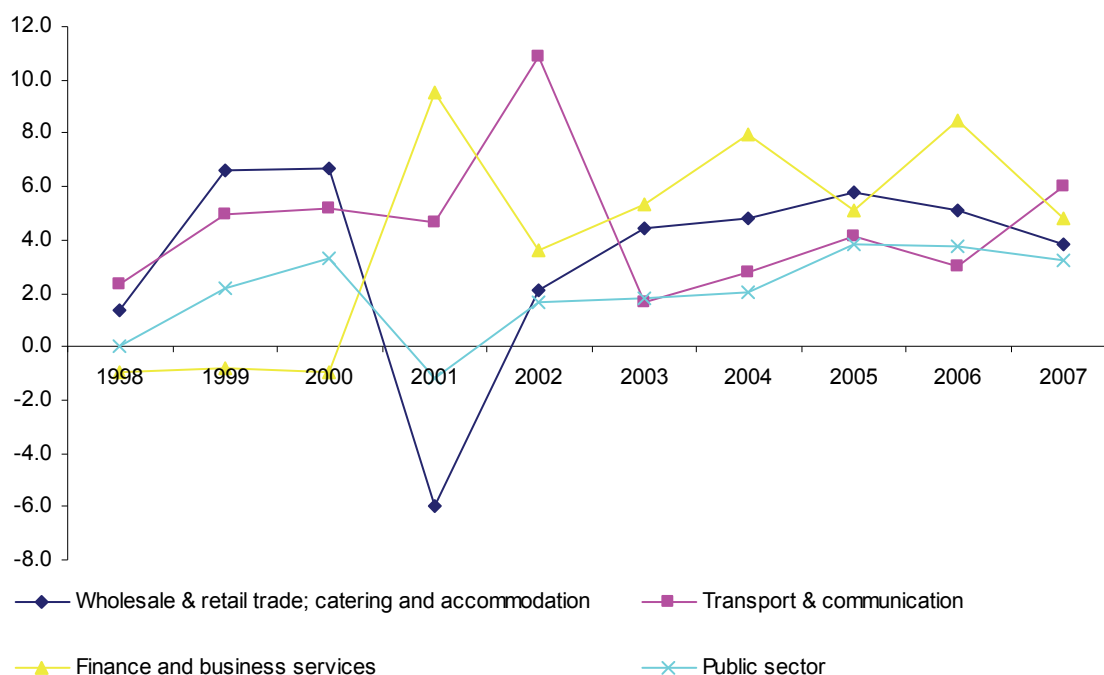
Source: *Quantec Regional Data (2007)*

### 3.2.7 Services

In 2007 the services accounted for more than three quarters of the provincial GDP. The public sector and finance and business sub sectors stand out with a share of 30 percent and 22 percent respectively. The other important sub sectors are wholesale and retail (16 percent) and transport and communication (9 percent).

Between 1998 and 2007 the strongest output expansion was experienced in transport and communication (4.3 percent) and finance and business (4.2) with average annual growth rates in excess of 4 percent per annum. The wholesale and retail sub sector grew at an average rate of 3.3 percent per annum. While the public sector consistently generated most of the output between 1988 and 2007, it posted modest long term growth at 2 percent per annum on average.

Figure 3.14: Annual Output Growth in the Tertiary Sector, 1998-2007

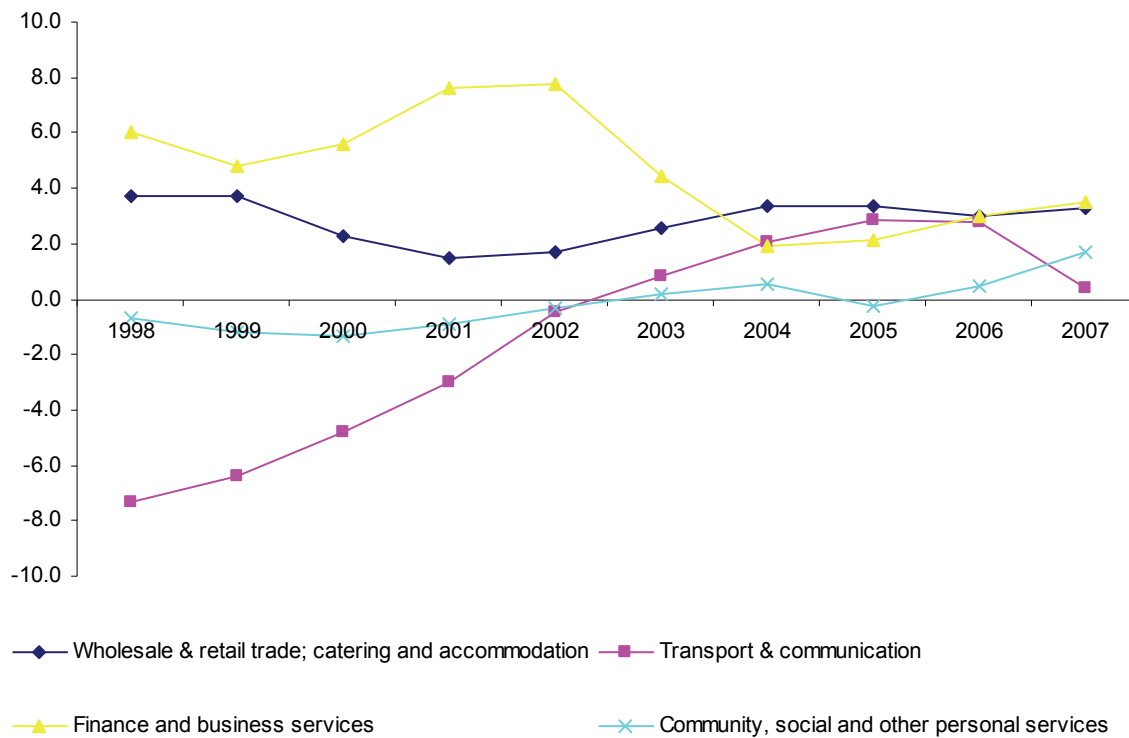


Source: Quantec Regional Data (2007)

In 2007 the service sector employed more than 538 000 people or 72 percent of the work force. Employment was highest in the public sector (38 percent); wholesale and retail (16 percent); finance and business (15 percent). The sub sectors with highest employment growth between 1998 and 2007 were finance and business services and wholesale and retail with annual average growth rates of 4 percent and 2.5 percent respectively. Between 1998 and 2007 finance and business created more than 36 000 jobs while close to 26 000 jobs were created in wholesale and retail sub sector.

This strong employment expansion reflects robust output growth experienced in these two sectors over the review period. The strong output growth in transport and communication was not accompanied by growth in employment. The sector's employment declined by an average of 0.6 percent per annum, as a result almost 1500 jobs were lost between 1998 and 2007. Jobs were also shed in the public sector (-0.2 percent), this translate to a loss of almost 3500 over the period under review.

Figure 3.15: Annual Employment Growth in the Tertiary Sector, 1998-2007



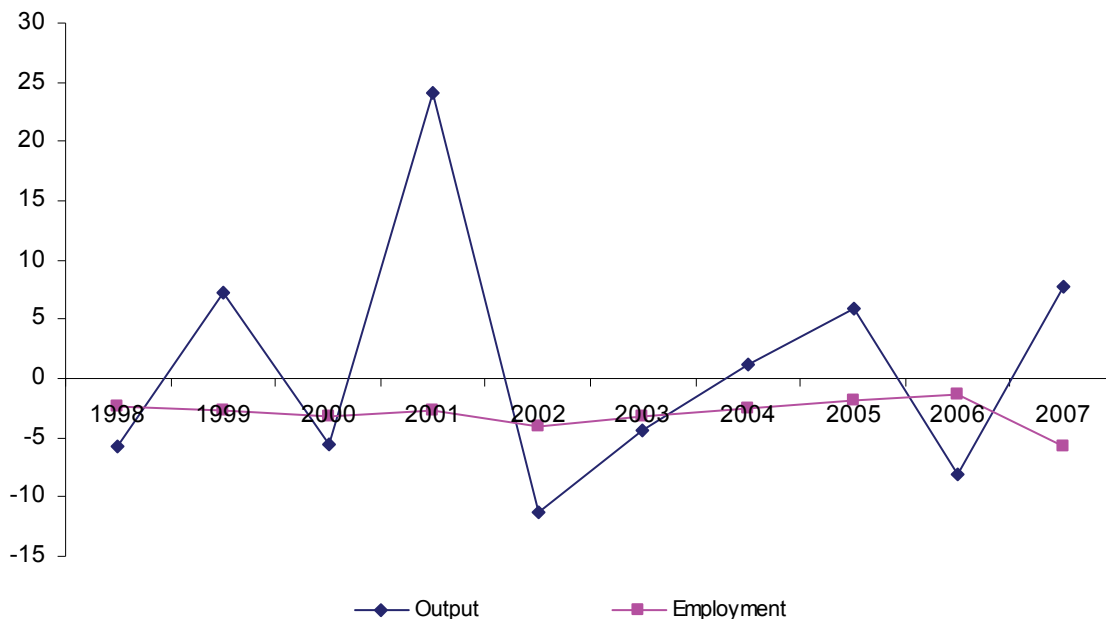
Source: *Quantec Regional Data (2007)*

### 3.2.8 Agriculture

Eastern Cape agricultural sector is not only relatively small but its contribution to the provincial GDP has been steadily declining since 1998. Agriculture contributed 2.2 percent to the province's GGP in 2007, down from 2.7 percent in 1998 (table 3.7).

The province recorded an average real decline in agricultural output of 0.1 percent per annum from 1995 to 2005 compared to an average output growth of 2.9 percent per annum for the economy as a whole. The poor output performance of the sector is a reflection of the steady decline in agricultural employment during the period under review. Agriculture employed 75 000 people in 1995, and 57 000 people in 2005, shedding 18 000 jobs.

Figure 3.16: Annual Growth in Agriculture Output and Employment, 1998-2007



Source: Quantec Regional Data (2007)

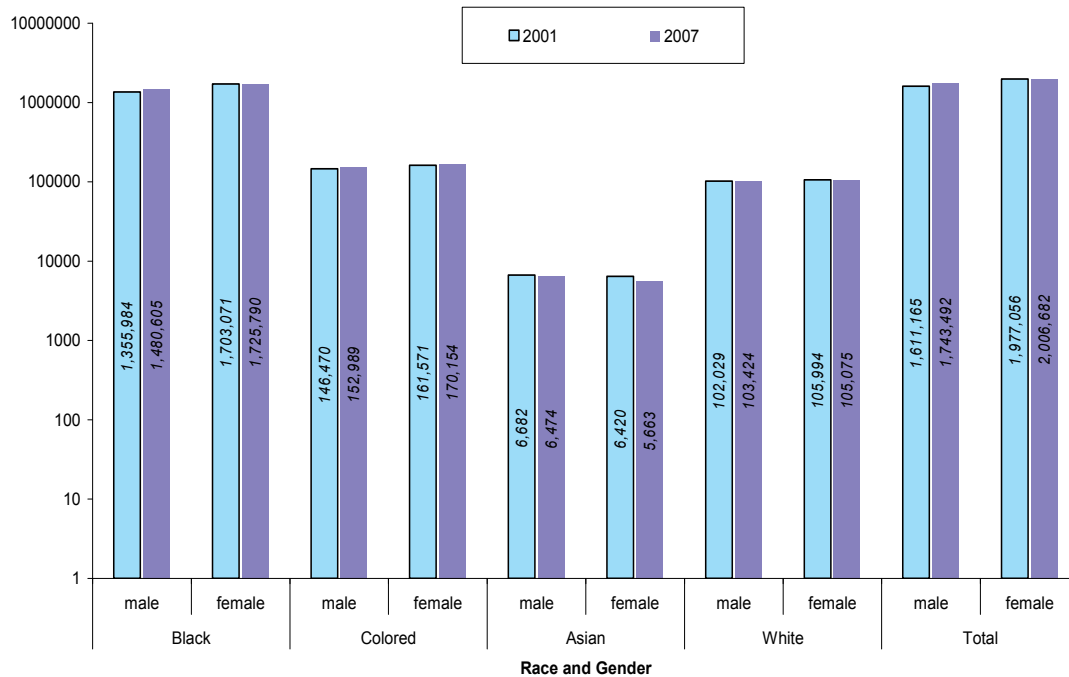
### 3.2.9 Labour Markets, Poverty and Income Inequality

#### Working Age Population

Between 2001 and 2007 there was a general increase in the number of working age people (those aged 15-65 years) from about 3.6 million to 3.8 million, a 5.6 percent increase (see figure 3.17). This increase is evident across all races and genders with the exception of the Asian group which experienced some marginal declines.

The gender and racial composition of the working age population in the province has not been uniform. Black Africans and females across all races constitute the largest share of this age group.

Figure 3.17: Eastern Cape Working Age Population by Gender and Race<sup>6</sup>, 2001 and 2007



Source: Stats SA, Census (2001), Community Survey (2007)

### Labour Force Participation Rates

For the period between 2001 and 2007 there have been consistent differences, both nationally and at the provincial level, between the labour force participation rates (LFPR) for the different races and genders.<sup>7</sup> Table 3.11 indicates that for the Eastern Cape Province in 2001 on average 41 percent of the females in the age group 15 - 65 years were economically active while only 50 percent of males in the same age group were economically active. These numbers were well below the national averages of 52 and 64 percent for females and males, respectively.

Provinces with the highest LFPR rates in 2001 were Gauteng (males 76 percent, females 65 percent) and the Western Cape (males 73 percent, females 57 percent) while the Eastern Cape had one of the lowest aggregate LFPRs (males 50 percent, females 40 percent). Race and gender groups with the lowest ratios were black African females and males across all provinces. White and Asian males had the highest labour force participation rates countrywide.

By 2007, there had been a gradual increase in the LFPR for females. Nationally the female ratio had increased to 54 percent by 2007. In the Eastern Cape the female LFPR increase was from 41 percent to 45 percent.

In general, for the period under review, there has been a steady movement towards the narrowing of these racial and gender LFPR gaps. This can be viewed as a positive development given the fact that females constitute a larger share of the working age population.

<sup>6</sup> Note that the y-axis is expressed in log scale to aid in the presentation of the numbers.

<sup>7</sup> The labour force participation rate (LFPR) is defined as the proportion of the working age population who are currently working or actively seeking employment.

**Table 3.11: Labour Force Participation Rates, 2007 and 2001<sup>a</sup>**

Province	Gender	Labour Force Participation Rates (%)				
		Black African	Coloured	Asian	White	Total
Eastern Cape	male	49 (46)	67 (67)	66 (74)	73 (72)	52 (50)
	female	44 (39)	54 (53)	57 (50)	61 (54)	45 (41)
Free State	male	65 (64)	68 (68)	88 (82)	74 (70)	66 (65)
	female	55 (55)	56 (57)	50 (51)	61 (51)	55 (54)
Gauteng	male	75 (76)	72 (73)	78 (77)	78 (77)	75 (76)
	female	67 (67)	66 (64)	57 (50)	67 (61)	67 (65)
KwaZulu-Natal	male	58 (57)	73 (71)	72 (74)	75 (75)	60 (60)
	female	50 (49)	60 (60)	46 (43)	62 (58)	50 (49)
Limpopo	male	49 (49)	69 (66)	83 (85)	79 (77)	50 (40)
	female	42 (40)	54 (54)	38 (38)	61 (55)	43 (40)
Mpumalanga	male	63 (62)	74 (70)	86 (80)	81 (76)	65 (64)
	female	52 (49)	59 (58)	43 (42)	61 (50)	53 (49)
Northern Cape	male	59 (69)	64 (66)	84 (73)	77 (76)	64 (68)
	female	46 (55)	49 (48)	63 (50)	57 (50)	49 (51)
North West	male	63 (64)	64 (64)	72 (82)	73 (73)	64 (65)
	female	48 (49)	50 (51)	47 (39)	56 (47)	49 (48)
Western Cape	male	76 (75)	72 (72)	68 (72)	73 (73)	74 (73)
	female	68 (65)	60 (57)	56 (47)	60 (54)	62 (57)
National	male	62 (62)	71 (71)	74 (76)	76 (75)	65 (64)
	female	53 (51)	58 (56)	49 (45)	63 (57)	54 (52)

a. Figures in brackets are for the year 2001

Source: Stats. S.A., Census (2001), Community Survey (2007)

### Education Attainment for the Working Age Population

Table 3.12 indicates that the education levels for black African males and females, aged 20 and over in the province<sup>8</sup>. As of 2007, approximately more than 60 percent of blacks and coloureds considered to be of prime working age had not completed grade 12. For other races the corresponding number is less than 40 percent.

For black African males, more than 40 percent of those in their working age did not have any form of secondary schooling. These numbers are in contrast to those of whites and Asians, the majority of whom have reached grade 12 or higher.

**Table 3.12: Eastern Cape: Educational Attainment for Working Age Population, 2007**

	Black African		Coloured		Asian		White	
	Male	Female	Male	Female	Male	Female	Male	Female
No schooling	11.4	14.7	5.4	5.9	4.0	1.9	0.7	0.6
Some primary	25.0	21.1	15.4	17.0	2.7	3.1	0.7	1.1
Complete primary	7.0	7.8	8.6	10.5	2.1	1.1	0.7	0.8
Some secondary	38.6	40.1	44.2	43.3	29.8	39.8	34.6	34.9
Grade 12/Std 10	10.5	9.1	16.6	15.3	33.6	21.6	31.3	32.4
Higher	4.4	5.1	6.2	6.0	22.8	28.8	28.5	25.2
Out of scope (children)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unspecified	1.3	1.4	0.9	1.0	1.5	0.2	0.2	0.4
NA/Institutions	1.8	0.8	2.7	1.0	3.4	3.6	3.2	4.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

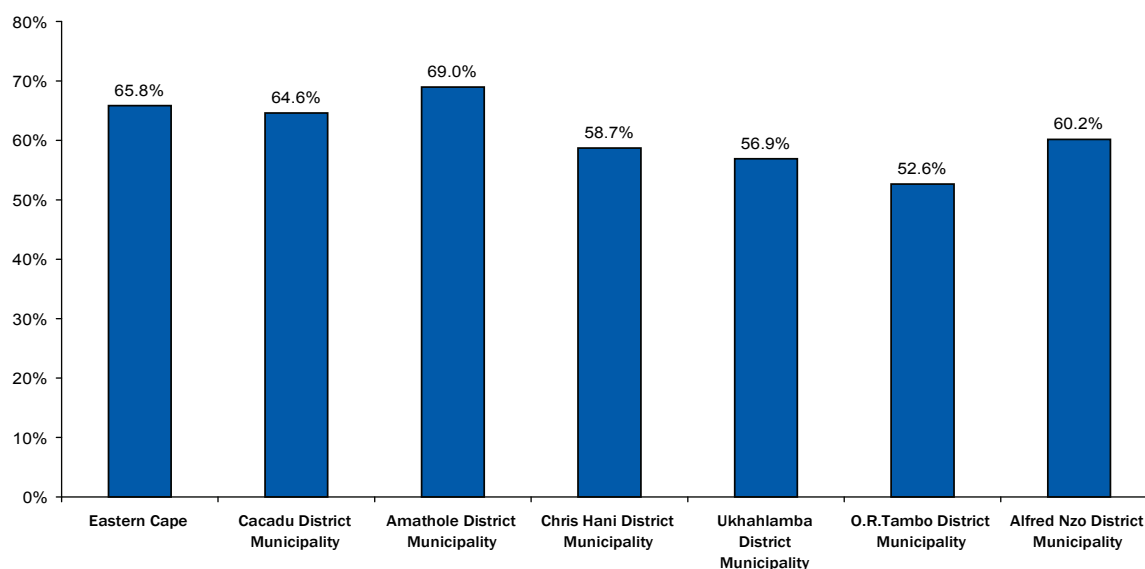
Source: Stats SA, Community Survey (2007).

<sup>8</sup> Twenty years of age is used as the minimum cut-off point as those below twenty are normally in school or under parental care, and those that choose to join the labour force constitute a very small portion of the total labour force.



Figure 3.18 provides a further break-down of education attainment in terms of functional literacy (i.e. completed primary school) at district level in the Eastern Cape for 2007. Districts with lower than average Eastern Cape working age literacy rates were OR Tambo (52.6 percent), Ukhahlamba (56.9 percent) and Chris Hani (58.7 percent) districts.

**Figure 3.18: Eastern Cape Districts: Working Age Functional Literacy-Completed Grade 7 or Higher, by (2007)**



Source: Stats SA, Community Survey (2007)

### Occupational and Skills Structure of the Labour force

Table 3.13 shows that a significant proportion (34 percent) of the formally employed black African population is concentrated in elementary occupations. This can be contrasted with the smaller proportions of Whites and Asians (8 and 9 percent, respectively) occupying similar elementary occupations.

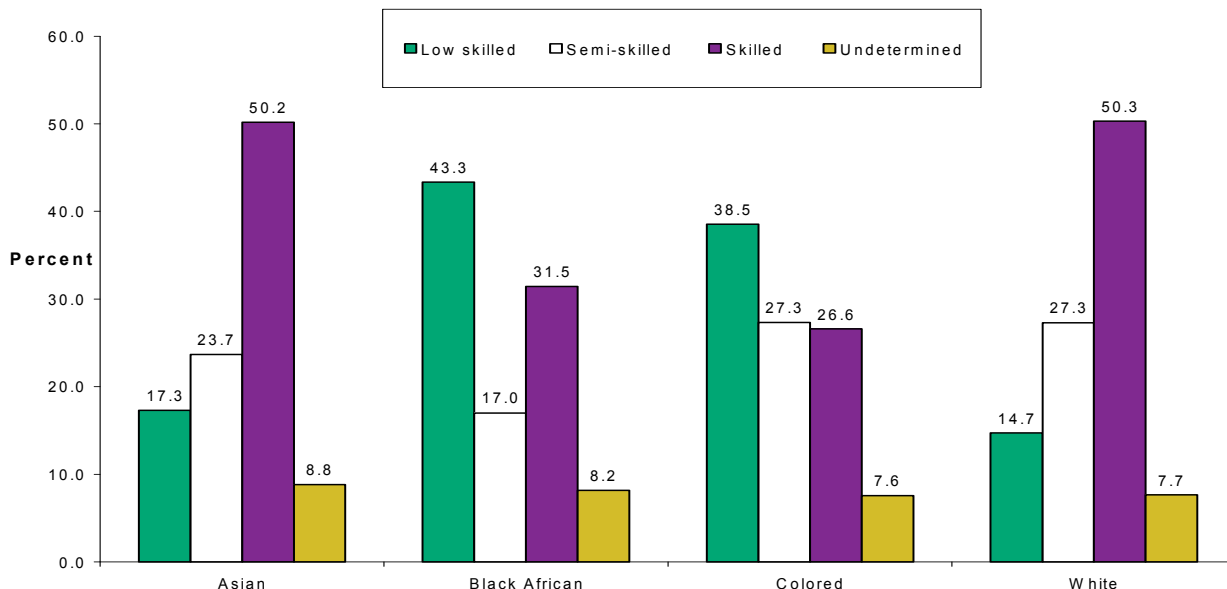
**Table 3.13: Eastern Cape: Occupational Structure of the Labour Force, 2007**

	Black African	Colored	Asian	White
Legislators; senior officials and managers	2.2	2.8	14.9	13.8
Professionals	5.3	3.4	20.1	14.4
Technicians and associate professionals	12.8	9.3	11.7	15.1
Clerks	7.5	11.5	17.2	18.8
Service workers; shop and market sales workers	9.4	9.1	13.4	12.0
Skilled agricultural and fishery workers	3.1	2.5	0.2	4.1
Craft and related trades workers	9.5	15.8	6.5	8.6
Plant and machine operators and assemblers	8.2	8.6	3.3	3.0
Elementary occupations	33.9	29.4	3.9	2.8
Undetermined	8.2	7.6	8.8	7.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Stats SA, Community Survey (2007)

Regrouping those employed in terms of skills levels Figures 3.18 and 3.19 are derived which clearly shows that the high concentration of low skilled workers are among black Africans.

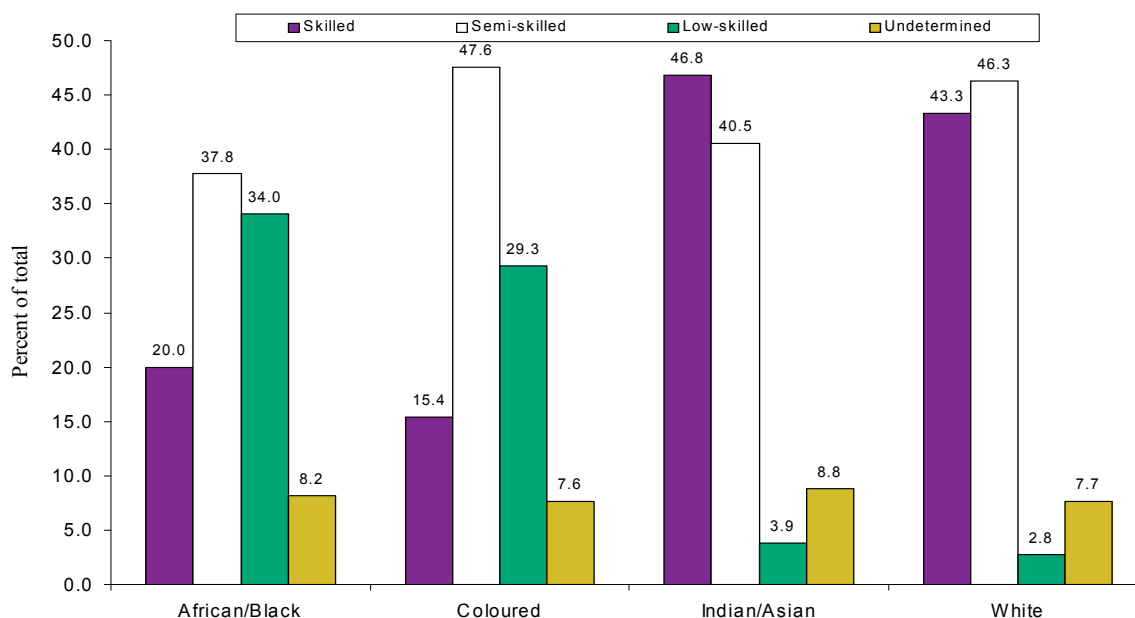
Figure 3.18: Eastern Cape: Skills Structure of the Labour Force, by Race, 2007



Source: Stats SA, Community survey (2007)

An encouraging feature from figure 3.18 and 3.19 is the fact that between 2001 and 2007 the proportion of skilled black African workers increased from 20 to 31.5 percent of the total black African workers.

Figure 3.19: Eastern Cape: Skills Structure of the Labour Force, by Race, 2001

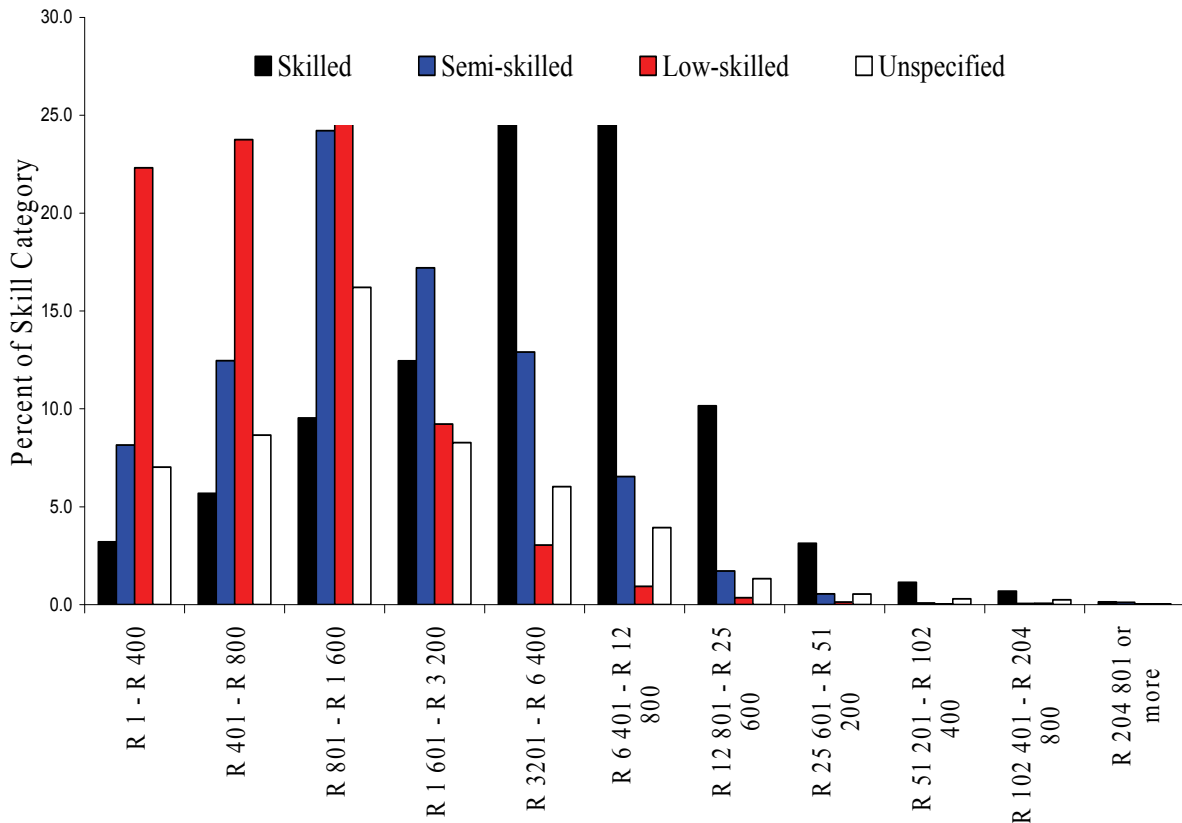


Source: Stats SA, Census (2001)

But equally discouraging is the fact that during the same period, the proportion of low skilled black African workers increased from 34 to 43.3 percent. Also the proportion of semi-skilled black African workers declined heavily from 37 percent to 17 percent of the total, remembering that this category incorporates such professions as brick-layers, electricians, artisans skills badly needed in the reconstruction and development of the province. The white workers were the highest skilled compared to all the other races for the period 2001 – 2007.

Given the increasing premium placed on education and skills level in today's labour markets these racial differences should naturally have implications for wage income distribution between races. (See figure 3.20 and 3.21).

**Figure 3.20: Eastern Cape: Skills Level Distribution by Person Monthly Income, 2007**

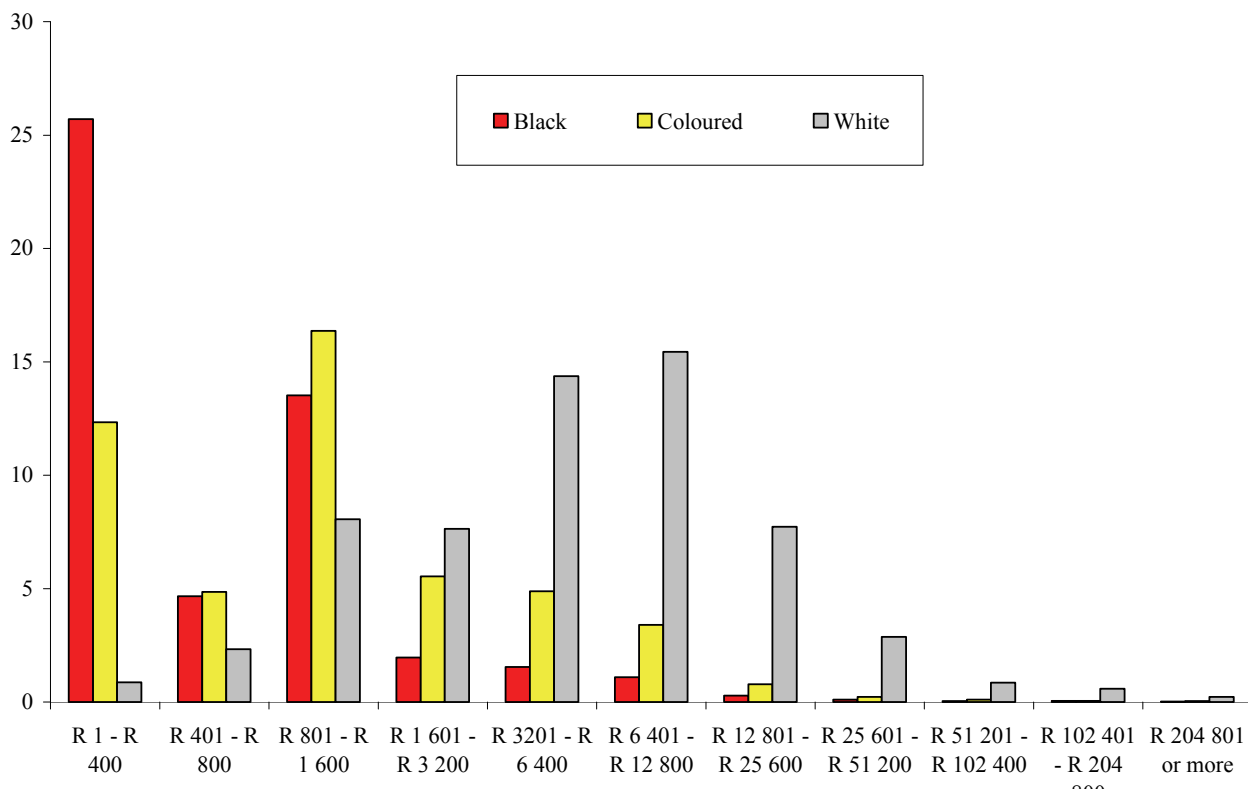


Source: Stats SA, Community Survey (2007)

As shown previously (see figures 3.18 and 3.19) a large proportion of black African workers were low-skilled while for whites a large proportion were highly skilled. The implications of these disparities on wage income inequality is highlighted in figures 3.20 and 3.21

Figure 3.20 provides a clear indication that low skilled workers are on average paid less compared to their semi-skilled and skilled counterparts. A large proportion of skilled workers in 2007 were paid an average monthly wage income between R3 200 and R12 800, whereas, low skilled workers received an average between R401 and R800.

Figure 3.21: Eastern Cape: Income Distribution by Race, 2007



Source: Stats SA, Community Survey (2007)

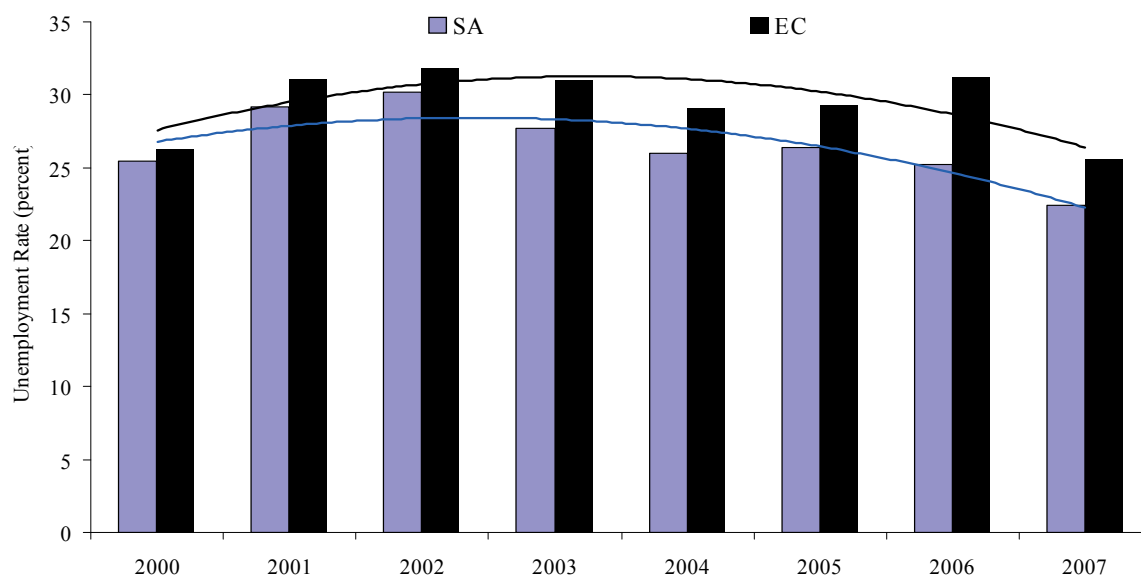
From figure 3.21 it is clear that black worker's monthly income is on average significantly lower than those of coloureds, the predominantly semi-skilled group, and those of whites, the highly skilled racial group in the Eastern Cape.

### Unemployment Rates

Figure 3.22 compares the Eastern Cape and South African unemployment rates for the period 2000 – 2007. In 2000, the aggregate unemployment rate for the Eastern Cape and South Africa were 26 and 25 percent, respectively, using the narrow official definition. By 2007, South Africa registered an unemployment rate of 22 percent while in the Eastern Cape the rate was 26 percent. Throughout the period the trend unemployment rate for both regions has been declining, with the national rate declining the most.

From a historical perspective, the years 2001 and 2002 ushered some of the highest unemployment rates since the inception of democracy in South Africa.

Figure 3.22: Eastern Cape and South Africa Unemployment Rates, 2000 – 2007



Source: Stats SA, LFS (2000 – 2007)

The differential unemployment rates across gender and race are evident in table 3.14 and figure 3.23. For black African women and men the unemployment rates were estimated at 64 percent and 60 percent, respectively, using the broad definition. These unemployment rates were the highest in the country.

Table 3.14: Unemployment rates (broad definition), by Race and Gender, 2001 and 2007<sup>b</sup>

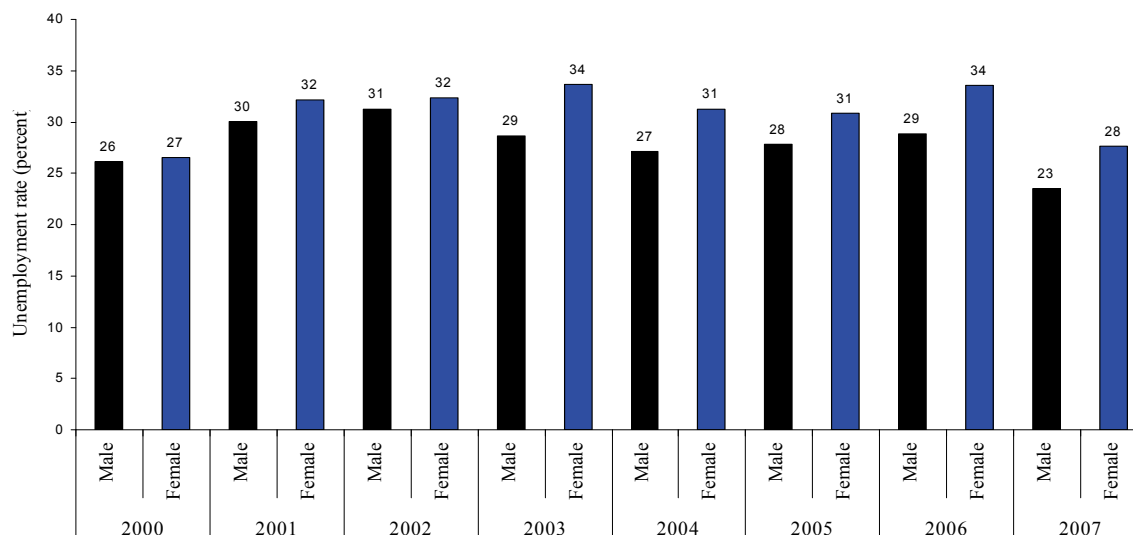
Region	gender	black african	coloured	asian	white
Eastern Cape	male	42 (60)	30 (34)	13 (13)	5 (6)
	female	45 (64)	40 (40)	16 (14)	8 (7)
National	male	33 (43)	22 (26)	12 (16)	4 (6)
	female	46 (58)	27 (29)	19 (19)	7 (7)

b. Figures in brackets are for 2001

Source: Stats SA, Census (2001), Community Survey (2007)

By 2007, unemployment rates for women stood at 28 percent compared to the 23 percent for men. These numbers were a significant improvement compared to earlier years.

Figure 3.23: Eastern Cape: Unemployment Rates by Gender, 2000 – 2007



Source: Stats SA, LFS (2000 – 2007)

The gap between the two genders progressively increased over the period under review, see figure 3.23.

## 4 Receipts

### 4.1 Overall position

The combination of equitable share, conditional grants and provincially raised revenue constitute total receipts for the province. For 2009/10 the equitable share amount of R36 billion will be the highest contributor to total receipts with a share contribution of 85 percent followed by conditional grants at R5.4 billion or 13 percent. Own receipts will contribute the least at R704 million or 2 percent of the total for the period 2009/10. (Table 4.1a)

Whilst own revenue shows a negative real growth of 27 percent in 2009/10 from R0.9 billion in 2008/09, both the equitable share and the conditional grant show positive real growth rates of 6.5 percent and 61.5 percent, respectively. (Table 4.2b)

Table 4.1a: Revenue outlook and percentage shares

R 000's	2008/09	% share	2009/10	% share	2010/11	% share	2011/12	% share
Equitable share	31 383 310	85	35 940 398	85	38 983 317	84	41 431 044	84
Conditional grants	4 548 696	12	5 400 440	13	6 462 628	14	7 287 709	15
Provincial own revenue	912 683	2	703 651	2	803 392	2	837 559	2
<b>Total</b>	<b>36 844 689</b>	<b>100</b>	<b>42 044 489</b>	<b>100</b>	<b>46 249 337</b>	<b>100</b>	<b>49 556 311</b>	<b>100</b>

Table 4.2b Percentage Growth Rates

		2009/10	2010/11	2011/2012
<b>Equitable share</b>	nominal	11.9	8.5	6.3
	real	6.5	3.1	1.5
<b>Conditional Grants</b>	nominal	69.6	19.7	12.7
	real	61.5	13.8	7.7
<b>Provincial Receipts</b>	nominal	-23.3	14.2	4.3
	real	-27.0	8.5	-0.4
<b>Total Receipts</b>	nominal	16.0	10.0	7.1
	real	10.5	4.6	2.3

Table 4.1a sets out a summary of actual and estimated provincial receipts for the period 2005/06 to 2011/12. The estimated total receipts of R42 billion for 2009/10 are R475.6 million higher than the 2008/09 indicative budget.

For the period 2006/07 to 2011/12, total provincial receipts have grown steadily from R28 billion to approximately R50 billion. This represents an annual average increase of 12 percent.<sup>9</sup> The largest contributor, on a share weighted basis, to this growth has been the growth in equitable share at about 9.3 percentage points followed by the growth in conditional grants at 2.7 percentage points.

Annual real growth in provincial own revenues has been very erratic. This has largely been due to once-off transactions in items such as sale of capital assets; interests, dividends and rent on land; and financial transactions in assets and liabilities.

**Table 4.3a: Provincial receipts**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates		
Transfer receipts from national									
Equitable share	22 202 309	24 642 653	27 344 125	32 716 906	32 242 354	32 242 354	35 940 398	38 983 317	41 431 044
Conditional grants	2 557 414	2 902 534	3 304 147	4 455 142	4 700 029	4 700 029	5 400 439	6 462 628	7 287 709
<b>Total receipts from National</b>	<b>24 759 723</b>	<b>27 545 187</b>	<b>30 648 272</b>	<b>37 172 048</b>	<b>36 942 383</b>	<b>36 942 383</b>	<b>41 340 837</b>	<b>45 445 945</b>	<b>48 718 753</b>
<b>Provincial own receipts</b>									
<b>Tax receipts</b>	367 907	312 671	333 644	446 756	374 317	372 458	<b>393 710</b>	433 123	469 615
Casino taxes	55 733	72 052	82 433	85 789	85 789	88 870	<b>94 368</b>	103 805	108 995
Motor vehicle licences	2 619	3 119	4 190	4 793	4 793	4 466	<b>5 272</b>	5 799	6 089
Horseracing	5 966	6 276	5 931	6 590	6 590	1 977	<b>7 249</b>	7 974	8 373
Other taxes	303 589	231 224	241 090	349 584	277 145	277 145	<b>286 821</b>	315 545	346 158
Sales of goods and services other than capital assets	101 776	104 631	129 977	142 216	139 025	137 142	<b>164 396</b>	180 708	191 705
Transfers received			16						
Fines, penalties and forfeits	3 805	6 002	6 255	6 807	6 080	7 080	<b>7 517</b>	8 268	9 095
Interest, dividends and rent on land	111 046	315 230	494 090	307 849	367 849	359 333	<b>132 374</b>	175 031	160 517
Sales of capital assets	<b>4 271</b>	<b>30 777</b>	<b>5 711</b>	4 803	5 088	1 541	<b>880</b>	<b>1 016</b>	<b>1 116</b>
Financial transactions in assets and liabilities	90 607	31 140	38 553	4 252	4 252	40 352	<b>4 775</b>	5 247	5 510
<b>Total provincial own receipts</b>	<b>679 412</b>	<b>800 451</b>	<b>1 008 246</b>	<b>912 683</b>	<b>896 611</b>	<b>917 906</b>	<b>703 652</b>	<b>803 393</b>	<b>837 558</b>
<b>Total provincial receipts</b>	<b>25 439 135</b>	<b>28 345 638</b>	<b>31 656 518</b>	<b>38 084 730</b>	<b>37 838 994</b>	<b>37 860 289</b>	<b>42 044 488</b>	<b>46 249 340</b>	<b>49 556 311</b>

## 4.2 Equitable Share

The provincial equitable share is divided horizontally between provinces in accordance with the provincial equitable share formula. For the period 2005/06 to 2010/11, equitable share allocations to the province have grown from R22 billion to more than R41 billion. The allocation of R36 billion during the 2009/10 financial year represents an increase of 11.9 percent from 2008/09. Equitable share is estimated to grow by 8.5 percent and 6.3 percent in 2010/11 and 2011/12 respectively.

<sup>9</sup> The average annual increase declines to 5.6 percent if one includes the financial year 2005/06 which is inclusive of social grants which have since been transferred to SASSA.

### 4.3 Conditional Grants

The conditional grant framework for the 2009 MTEF is comprised of both schedule 4 and 5 grants. Schedule 4 grants are the more general grants which are partly funded by provinces. Schedule 5 grants on the other hand are funded nationally and have specific responsibilities for both the transferring and the receiving provincial officers.

Table 1.8 shows the revisions to the provincial conditional grants framework which provides for inflation and changing policy spending priorities. The national government has in the recent past identified infrastructure provision, institutional capacity building and implementation of specific programmes such as HIV/Aids, and Nutrition as some of its key spending areas for the medium term. As a result conditional grants to the province will increase from just above R5.4 billion in 2009/10 to almost R7.3 billion in 2011/12.

The 2009/10 budget framework introduces two new conditional grants in addition to the three that were introduced over the 2008/09 Adjustments Budget. The details of the grants are listed below:

#### **New conditional grants introduced as part of the 2008 Budget**

- The *Ilima/Letsema projects grant* helps South African farming communities falling within poor economic and disaster prone areas of the country to achieve an increase of 10 to 15 per cent in agricultural production.
- The *overload control grant* for initiatives that support the preservation of road infrastructure by reducing overloading.
- *Agriculture Disaster* management to provide relief to farmers affected by natural disasters

#### **New conditional grants introduced as part of the 2009 Budget**

- The *expanded public works programme (EPWP) incentive grant*, is aimed at providing incentives for provinces and municipalities to increase labour intensive employment through programmes that maximise job creation and skills development as encapsulated in the EPWP guidelines. Payment will only be paid to provinces after stipulated EPWP targets have been met (or exceeded).
- A new conditional grant, *the public transport operations grant*, is introduced to allow for improved monitoring and control of expenditure related to bus subsidies and other transport operations. Although the payment of bus subsidies to operators was previously funded on an agency arrangement between national and provincial government, recent legal action places a greater responsibility on government to ensure contractual obligations are met.



**Table 4.3b: Summary of conditional grants by vote**

Department/Grant	Outcome			Adjusted estimate	Medium-term estimates		
	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
<b>Agriculture</b>	<b>97,444</b>	<b>104,015</b>	<b>100,365</b>	<b>112,153</b>	<b>137,591</b>	<b>173,813</b>	<b>219,801</b>
Agricultural Disaster Management Grant	10,000	24,806	20,000	2,000	4,000	-	-
Comprehensive Agricultural Support Programme Grant	73,325	63,047	69,898	102,808	120,364	145,092	170,557
Ilima/Letsema projects grant	-	-	-	-	5,000	20,000	40,000
Land Care Programme Grant: Poverty Relief & Infrastructure Development	14,119	16,162	10,467	7,345	8,227	8,721	9,244
<b>Education</b>	<b>295,349</b>	<b>352,912</b>	<b>448,891</b>	<b>557,706</b>	<b>516,863</b>	<b>735,092</b>	<b>879,252</b>
Early Childhood Development Grant	778	-	-	-	-	-	-
Financial Management and Quality Enhancement Grant	18,627	-	50,000	-	-	-	-
Further Education and Training College Sector Recapitalisation Grant	-	61,000	88,248	115,506	-	-	-
HIV and Aids (Life Skills Education) Grant	31,993	25,805	26,797	28,542	30,168	32,156	34,086
National School Nutrition Programme Grant	243,951	266,107	283,846	413,658	486,695	702,935	845,166
<b>Health</b>	<b>872,931</b>	<b>956,554</b>	<b>1,096,904</b>	<b>1,294,956</b>	<b>1,362,343</b>	<b>1,645,185</b>	<b>1,751,725</b>
Comprehensive HIV and Aids Grant	159,005	232,021	233,204	300,522	401,727	497,599	533,965
Forensic Pathology Services Grant	8,866	91,867	119,704	90,324	61,214	69,345	73,506
Health Professions Training and Development Grant	137,566	133,392	110,150	140,641	151,362	160,444	170,071
Hospital Revitalisation Grant	157,107	125,071	204,934	290,927	238,611	360,660	386,048
National Tertiary Services Grant	384,071	374,203	428,912	472,542	509,429	557,137	588,135
Integrated Nutrition Programme Grant	26,316	-	-	-	-	-	-
<b>Housing</b>	<b>607,275</b>	<b>761,994</b>	<b>509,477</b>	<b>1,251,018</b>	<b>1,313,378</b>	<b>1,598,646</b>	<b>1,802,873</b>
Integrated Housing and Human Settlement Development Grant	607,275	761,994	509,477	1,251,018	1,313,378	1,598,646	1,802,873
<b>National Treasury</b>	<b>675,330</b>	<b>742,139</b>	<b>1,123,343</b>	<b>1,317,909</b>	<b>1,661,391</b>	<b>2,028,135</b>	<b>2,341,246</b>
Provincial Infrastructure Grant	675,330	742,139	1,123,343	1,317,909	1,661,391	2,028,135	2,341,246
<i>Of which</i>	<i>675,330</i>	<i>742,139</i>	<i>1,081,823</i>	<i>1,259,662</i>	<i>1,661,391</i>	<i>2,028,135</i>	<i>2,341,246</i>
<i>Transport</i>	<i>675,330</i>	<i>742,139</i>	<i>838,937</i>	<i>877,966</i>	<i>1,124,873</i>	<i>1,130,073</i>	<i>1,135,017</i>
<i>Education</i>			<i>50,000</i>	<i>132,432</i>	<i>202,141</i>	<i>508,525</i>	<i>722,633</i>
<i>Agriculture</i>			<i>42,886</i>	<i>54,894</i>	<i>54,894</i>	<i>54,894</i>	<i>54,894</i>
<i>Health</i>			<i>150,000</i>	<i>194,370</i>	<i>279,483</i>	<i>334,643</i>	<i>428,702</i>
Unallocated	-	-	41,520	58,247	-	-	-
<b>Transport</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,540</b>	<b>5,519</b>	<b>-</b>
Overload Control Grant	-	-	-	-	-	5,519	-
Public Transport Operations Grant	-	-	-	-	126,540	-	-
<b>Provincial and Local Government</b>	<b>16,189</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disaster Relief Grant	16,189	-	-	-	-	-	-
<b>Sport and Recreation South Africa</b>	<b>2,771</b>	<b>17,187</b>	<b>28,511</b>	<b>44,895</b>	<b>62,765</b>	<b>66,531</b>	<b>70,523</b>
Mass Sport and Recreation Participation Programme Grant	2,771	17,187	28,511	44,895	62,765	66,531	70,523
<b>Trade and Industry</b>	<b>-</b>	<b>58,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Industrial Development Zones	-	58,200	-	-	-	-	-
<b>Social Development</b>	<b>758,002</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Integrated Social Development Services Grant	13,979	-	-	-	-	-	-
Social Assistance Administration Grant	94,133	-	-	-	-	-	-
Social Assistance Transfers Grant	649,890	-	-	-	-	-	-
<b>Sport, Recreation, Arts &amp; Culture</b>	<b>-</b>	<b>-</b>	<b>17,010</b>	<b>42,588</b>	<b>55,515</b>	<b>62,240</b>	<b>65,974</b>
Community Libraries	-	-	17,010	42,588	55,515	62,240	65,974
<b>Public Works</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,638</b>	<b>164,053</b>	<b>147,467</b>	<b>156,315</b>
Devolution of Property Rates Funds Grant	-	-	-	119,638	134,061	147,467	156,315
Expanded Public Works Programme Incentive Grant	-	-	-	-	29,992	-	-
<b>Total conditional grants</b>	<b>3,325,291</b>	<b>2,993,001</b>	<b>3,324,501</b>	<b>4,740,863</b>	<b>5,400,439</b>	<b>6,462,628</b>	<b>7,287,709</b>

#### 4.4 Total provincial receipts (Own revenue)

Table 4.4 shows a summary of provincially collected revenue by vote. For the period 2009/10 to 2011/12, a negative average annual growth rate is anticipated for the departments of Sports, Arts and Culture; Treasury; Health; and Social Developments. Treasury expects to collect less interest in 2009/10 because of reduced bank balances. Within the same year the Department of Health anticipates reduced collections from the Road Accident Fund due to changes in the conditions of payment. In the case of Social Development and Sport, once off payments in the form of refunds from debtors will give rise to this negative growth.

**Table 4.4: Summary of provincial receipts per Vote**

R thousand	Outcome			Main Appropriation	Adjusted Appropriation 2008/09	Revised Estimate	Medium Term Estimates		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
Vote 01: Premier	418	166	109	417	417	336	436	456	479
Vote 02: Provincial Legislature	121	180	242	-	-	-	-	-	-
Vote 03: Health	62 490	78 260	69 793	61 168	61 168	77 837	67 284	74 013	77 714
Vote 04: Social Development	1 851	2 563	4 972	906	906	20 906	997	1 044	1 086
Vote 05: Public Works	13 417	11 627	11 751	11 910	11 910	11 910	13 101	14 411	15 770
Vote 06: Education	66 225	30 412	44 982	47 697	47 697	45 136	52 467	57 713	60 310
Vote 07: Local Government and Trad.	-	-	-	-	-	1 667	-	-	-
Vote 08: Agriculture	4 579	3 565	3 938	5 221	5 221	5 075	5 743	6 317	6 633
Vote 09: Econ. Development and Environ.	93 768	90 625	99 556	101 644	101 644	97 536	111 809	122 990	129 140
Vote 10: Roads and Transport	321 590	275 647	275 646	372 072	296 000	296 000	315 263	346 830	380 572
Vote 11: Housing	9 054	15 146	9 152	11 039	11 039	11 442	12 142	13 357	14 540
Vote 12: Provincial Treasury	105 499	291 643	486 705	300 170	360 170	349 355	123 952	165 786	150 820
Vote 14: Sports, Arts and Culture	393	607	1 386	439	439	654	458	476	494
Vote 15: Safety and Liaison	7	10	14	-	-	52	-	-	-
<b>Total Provincial Own Receipts</b>	<b>679 412</b>	<b>800 451</b>	<b>1 008 246</b>	<b>912 683</b>	<b>896 611</b>	<b>917 906</b>	<b>703 651</b>	<b>803 392</b>	<b>837 558</b>

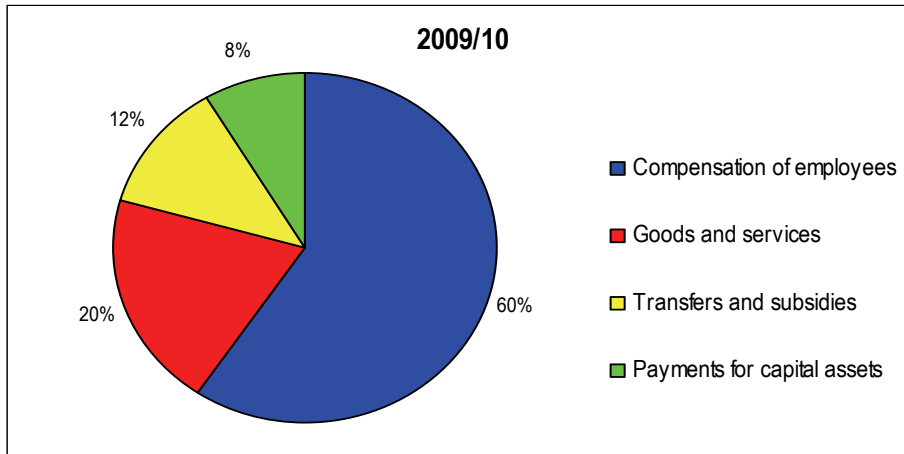
## 5 Payments

### 5.1 Overall

The provincial expenditure outlay which is aligned to government policy priorities has grown steadily over the years from R21.5 billion in the 2005/6 financial year to a revised estimate of R39.9 billion in 2008/09. This outlay is expected to increase to R49.6 billion in 2011/12 financial year.

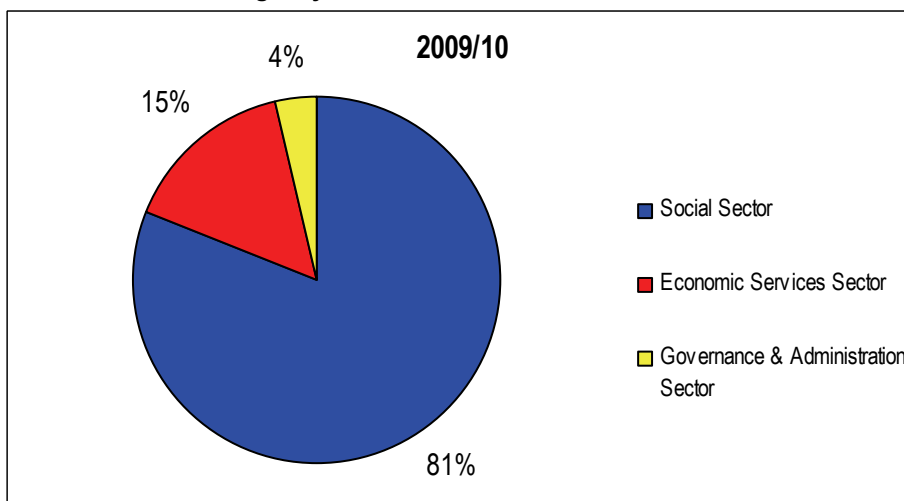
In terms of economic classification, compensation of employees accounts for R24.7 billion or 60.2 per cent of the 2009/10 budget. This grows to R28.4 billion in 2011/12 financial year. Goods and services account for R8.7 billion or 20.2 per cent of the 2009/10 budget. This grows to R9.5 billion in 2011/12 financial year. Transfers and subsidies and capital payments together account for the remaining 19.6 per cent. Chart 5.1 provides a pictorial view of the economic classification.

**Chart 5.1: 2009/10 budget by economic classification**



In terms of sectors, R33.7 billion or 81 per cent of the 2009/10 payments go to the social services sector (ie Departments of Education, Social Development and Health). This is followed by economic services sector at R6.4 billion or 15 per cent of the provincial budget. The balance of R1.5 billion or 4 per cent is attributed to Governance & Administration sector. Chart 5.2 below provides a pictorial view of the classification.

**Chart 5.2: 2009/10 Budget by Sector**



## 5.2 Payments by Vote

**Table 5.1: Summary of payments and estimates per Vote**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Office of the Premier	253,429	286,004	323,265	383,056	386,154	384,476	400,930	430,871	456,709	4.28
2. Provincial Legislature	111,042	130,912	161,517	188,094	216,976	216,976	250,122	259,127	271,306	15.28
3. Health	6 120 970	7 257 127	8 013 008	9 746 015	10 639 117	11 140 917	11 328 346	12 108 034	13 146 299	1.68
4. Social Development	539 649	730 319	880 426	1 385 123	1 396 525	1 396 525	1 434 015	1 655 389	1 830 595	2.68
5. Public Works	517 618	502 031	609 701	948 252	968 801	968 801	1 010 982	1 033 285	1 094 970	4.35
6. Education	11 523 158	12 872 743	14 475 134	17 810 197	17 920 776	17 788 988	19 447 507	21 886 987	23 771 110	9.32
7. Local Government and Traditional Affairs	416 397	397 913	608 204	551 055	603 388	638 287	659 016	640 452	678 651	3.25
8. Agriculture	787 327	871 799	1 070 680	1 174 555	1 243 641	1 271 402	1 408 766	1 379 379	1 494 331	10.80
9. Economic Development and Environmental Affairs	619 239	677 090	736 317	872 432	878 312	878 312	1 115 025	974 033	925 776	26.95
10. Roads & Transport	1 773 007	2 013 129	2 343 161	2 552 655	2 862 921	2 862 921	3 016 428	2 895 670	3 046 875	5.36
11. Housing	666 327	695 835	395 340	1 417 056	1 439 686	1 192 697	1 474 789	1 768 984	1 983 731	23.65
12. Provincial Treasury	118 992	132 659	167 371	248 773	289 160	286 608	259 972	275 551	292 063	(9.29)
14. Sport, Recreation, Arts and Culture	270 214	312 050	396 664	766 552	772 300	786 323	781 315	575 037	609 507	(0.64)
15. Safety and Liaison	12 782	23 787	32 875	40 915	42 291	42 896	47 521	48 171	48 316	10.78
<b>Total payments and estimates</b>	<b>23 730 151</b>	<b>26 903 398</b>	<b>30 213 663</b>	<b>38 084 730</b>	<b>39 660 048</b>	<b>39 856 129</b>	<b>42 634 734</b>	<b>45 930 970</b>	<b>49 650 239</b>	<b>6.97</b>

Provincial expenditure increased from R23.7 billion in 2005/06 to R30.2 billion in 2007/08 and is expected to reach R39.8 billion by the end of 2008/09 financial year. Unlike other financial years, projected expenditure outcome for 2008/09 is characterized by an additional allocation of R9.2 billion from a base line of R30.2 billion of the previous financial year. Expenditure is expected to reach R42.6 billion in 2009/10, representing a growth of 7 per cent. Of the fourteen departments, only two are not realizing a growth in their budgets, namely; Treasury and Sports, Recreation, Arts and Culture.

## 5.3 Payments by policy area

**Table 5.2: Summary of payments and estimates by policy area**

Policy area / department R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2008/09	2009/10	2010/11
Total: General public services	1,417,478	1,449,519	1,870,058	2,319,230	2,464,479	2,495,148	2,581,022	2,639,286	2,793,699
Total: Public Order and Safety	12,782	23,787	32,875	40,915	42,291	42,896	47,521	48,171	48,316
Total: Economic Affairs	3,069,906	3,439,143	4,010,989	4,437,244	4,834,351	4,862,112	5,362,746	5,005,118	5,241,511
Total: Environmental Protection	109,667	122,875	139,169	162,398	150,523	150,523	177,473	243,964	225,471
Total: Housing and Community Amenities	666,327	695,835	395,340	1,417,056	1,439,686	1,192,697	1,474,789	1,768,984	1,983,731
Total: Health	6,120,970	7,257,127	8,013,008	9,746,015	10,639,117	11,140,917	11,328,346	12,108,034	13,146,299
Total: Recreation, Culture and Religion	270,214	312,050	396,664	766,552	772,300	786,323	781,315	575,037	609,507
Total: Education	11,523,158	12,872,743	14,475,134	17,810,197	17,920,776	17,788,988	19,447,507	21,886,987	23,771,110
Total: Social protection	539,649	730,319	880,426	1,385,123	1,396,525	1,396,525	1,434,015	1,655,389	1,830,595
<b>Total provincial payments and estimates by policy area</b>	<b>23,730,151</b>	<b>26,903,398</b>	<b>30,213,663</b>	<b>38,084,730</b>	<b>39,660,048</b>	<b>39,856,129</b>	<b>42,634,734</b>	<b>45,930,970</b>	<b>49,650,239</b>

Table 5.2 summarises the provincial payments and estimates by policy area for the seven-year period under review. Funding for education and health services continue to take the largest share of provincial payments.

## 5.4 Infrastructure

The infrastructure allocations of the Eastern Cape Province have increased consistently over the past few years from R2.3 billion in 2005/06 financial year to R6.3 billion in 2011/12. Table 5.3

gives history of the infrastructure payments over the last four years and the estimated payments in the medium term.

**Table 5.3: Summary of provincial infrastructure payments and estimates by vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2008/09	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
Vote 03: Department of Health	434,159	826,295	765,821	1,129,266	1,094,072	1,094,072	1,303,032	1,511,439	1,694,544
Vote 04: Social Development	11,531	27,601	18,927	28,520	35,381	35,381	28,685	28,924	30,226
Vote 05: Public Works	82,945	78,480	170,739	305,710	301,339	301,339	234,800	272,757	285,031
Vote 06: Education	279,402	560,339	552,337	1,027,931	987,032	987,032	981,836	1,375,720	1,650,263
Vote 07: Local Government and Traditional Affairs	6,946	3,084	20,021	27,894	27,894	27,894	29,149	30,461	31,832
Vote 08: Agriculture	67,132	63,409	69,995	173,190	193,073	193,073	150,268	177,976	212,806
Vote 10: Roads and Transport	1,387,177	1,525,819	1,888,773	2,092,669	2,362,622	2,362,622	2,197,021	2,207,302	2,310,606
Vote 11: Housing	-	-	-	20,000	20,000	20,000	-	-	-
Vote 14: Sport, Recreation, Arts & Culture	12,184	16,974	33,397	276,932	276,932	276,932	257,383	43,227	45,172
<b>Total provincial infrastructure payments and estimates by Vote</b>	<b>2,281,476</b>	<b>3,102,001</b>	<b>3,520,010</b>	<b>5,082,112</b>	<b>5,298,345</b>	<b>5,298,345</b>	<b>5,182,174</b>	<b>5,647,806</b>	<b>6,260,480</b>

Over the 2009 MTEF, a total amount of R17.1 billion (Table 5.3) has been allocated for infrastructure. The bulk of this allocation is to the departments of Roads and Transport, Education and Health. Allocations to the three departments amount to R15.2 billion or 89% of the provincial infrastructure budget.

The allocations to these departments continue to fund the projects that were being implemented in the previous financial year ie:

The Department of Roads and Transport infrastructure budget is utilized for impassible/inaccessible roads, re-gravelling of roads, the Kei Rail Project and the community Based Public Works Program.

The Department of Education's infrastructure budget is utilized for schools, which includes the replacement of mud-structures.

The Department of Health's infrastructure budget is utilized for the construction of clinics, community health centres, district hospitals, regional hospitals, specialized hospitals and for the Hospital Revitalization Program.

Despite the noted increases in the infrastructure allocations, the spending of the allocated funds remains a challenge. This means that there is slow progress towards elimination of the existing backlogs let alone to start new projects. The Province is also experiencing challenges in terms of addressing its infrastructure maintenance backlogs due to the limited financial resources.

In its efforts to improve infrastructure delivery, the Province continues to participate in the National Treasury's initiative of Infrastructure Delivery Improvement Program (IDIP). The IDIP initiative is focused at instilling infrastructure best practices in those departments with infrastructure projects.

The IDIP initiative has resulted in the following developments in the 2008/09 financial year:

- Extension of the Provincial Technical Assistance Team (PTAT) contract for a further year.
- The extension of IDIP to the provincial Department of Health and the subsequent placement of a PTAT in the department.

The provision of technical assistants by National Treasury is aimed at building and developing the departments' capacity, business processes and systems for sustainable, effective and efficient planning and management of infrastructure delivery.

## 5.5 Public-private partnerships (PPP's)

To address and mitigate the limited fiscal resources against the huge demands placed on the fiscus, there is a shift from public to private delivery of infrastructure as alternative sources of funding. To this end, the Provincial Treasury is providing technical, financial, regulatory advice and support to provincial departments and municipalities that have registered PPP projects. There are currently seven registered PPP projects, at various PPP life cycle stages underway within the Province. These projects range from health, office accommodation, fleet management, as well as waste management projects. The bigger projects now underway are the fleet management, Bhisho and Mount Ayliff office accommodation.

**Table 5.4: Summary of provincial Public-Private Partnership (PPP) Projects**

Project description R thousand	Annual cost of project			Main appropriation	Adjusted appropriation 2008/09	Revised estimate	Medium-term estimates		
	Outcome 2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
<b>Projects under implementation</b>	<b>147,270</b>	<b>168,993</b>	<b>170,570</b>	<b>213,009</b>	<b>213,009</b>	<b>211,161</b>	<b>222,595</b>	<b>232,643</b>	<b>243,112</b>
PPP unitary charge	157,430	172,237	170,560	212,709	212,709	210,861	222,281	232,315	242,769
Advisory fees		100	10	300	300	300	314	328	343
Revenue generated (if applicable)	(15,468)	(3,344)							
Project monitoring cost	5,308								
<b>New projects</b>	<b>780</b>	<b>4,601</b>	<b>-</b>	<b>141,000</b>	<b>141,000</b>	<b>40,000</b>	<b>130,452</b>	<b>155,324</b>	<b>145,359</b>
PPP unitary charge		101		101,000	101,000		95,080	128,217	145,359
Advisory fees	780	4,500		40,000	40,000	40,000	35,372	27,107	28,462
Revenue generated (if applicable)									
Project monitoring cost									
<b>Total</b>	<b>148,050</b>	<b>173,594</b>	<b>170,570</b>	<b>354,009</b>	<b>354,009</b>	<b>251,161</b>	<b>353,047</b>	<b>387,967</b>	<b>388,471</b>

## 5.6 Transfers

### 5.6.1 Transfers to public entities

The Eastern Cape has twenty one entities listed in Schedule 3 of the PFMA: seventeen of these are listed as Provincial Public Entities, while four as Government Business Enterprises. Currently only eleven of these entities receive funding from the Province. The sector has received over R2.8 billion in funding over the past four years, with an estimated R2.4 billion investment planned over the MTEF.

A summary of all transfers to public entities is presented and summarised by transferring department in Table 5.5. Specific details relating to transfers to public entities are contained in the relevant Vote in Budget Statement 2.

**Table 5.5: Summary of provincial transfers to public entities by transferring department**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2008/09	Revised estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
Vote 01: Office of the Premier	45,119	49,842	59,331	63,267	64,047	64,047	66,431	69,885	73,169
Vote 08: Agriculture	17,500	20,000	52,500	40,000	25,000	25,000	45,000	52,600	55,072
Vote 09: Economic Dev. & Env. Affairs	471,132	538,673	561,855	649,565	635,976	635,976	829,688	476,769	494,177
Vote 10: Roads & Transport	54,308	41,252	50,565	34,495	34,795	34,795	50,047	44,669	46,429
Vote 14: Sport, Recreation, Arts & Culture	29,871	22,181	17,993	33,448	25,300	24,300	21,395	44,761	46,775
<b>Total provincial transfers to public entities</b>	<b>617,930</b>	<b>671,948</b>	<b>742,244</b>	<b>820,775</b>	<b>785,118</b>	<b>784,118</b>	<b>1,012,561</b>	<b>688,684</b>	<b>715,622</b>

Total transfers to public entities increase to over R1 billion in 2009/10, from a revised estimate of R784.1 million. This growth accommodates increased funding for ASGISA projects in the province, together with R140 million for the Uitenhage Logistics Park.

## 5.6.2 Transfers to development corporations

A summary of transfers to development corporations, by entity, including those transfers already incorporated in section 5.6.1 is presented here.

**Table 5.6: Summary of provincial transfers to development corporations by entity**

Entity	Provincial department	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
		2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
<b>R thousand</b>										
EC Development Corp.	Vote 01: Office of the Premier	3,300	3,000	5,800	3,560	3,560	3,560	3,738	3,932	4,117
EC Rural Finance Corp.	Vote 08: Agriculture	17,500	20,000	52,500	40,000	25,000	25,000	45,000	52,600	55,072
EC Development Corp.	Vote 09: Economic Dev. & Env. Affairs	76,066	180,131	180,210	262,288	268,699	268,699	332,899	140,873	147,494
Coega Development Corp.	Vote 09: Economic Dev. & Env. Affairs	180,000	-	25,200	-	-	-	140,000	-	-
EL IDZ	Vote 09: Economic Dev. & Env. Affairs	105,000	224,200	192,000	119,910	119,910	119,910	127,601	135,257	141,614
EC Development Corp.	Vote 10: Roads & Transport	-	10,000	16,000	-	-	-	-	-	-
Coega Development Corp.	Vote 12: Sport, Recreation, Arts & Culture.	11,670	8,462	5,000	18,648	10,500	9,500	5,170	31,542	32,961
<b>Total provincial transfers to public entities</b>		<b>393,536</b>	<b>445,793</b>	<b>476,710</b>	<b>444,406</b>	<b>427,669</b>	<b>426,669</b>	<b>654,408</b>	<b>364,204</b>	<b>381,258</b>

Transfers to development corporations account for 64,6 per cent of total transfers to public entities, with transfers to the Eastern Cape Development Corporation (ECDC) and East London Industrial Development Corporation (ELIDZ) taking the largest share. Funding allocated for ASGISA projects increases from a revised estimate of R100 million to R150 million in 2009/10.

## 5.6.3 Transfers to local government

**Table 5.7: Summary of provincial transfers to local government**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Category A	117 252	103 761	87 834	235 738	238 939	249 719	263 526	150 404	153 960	5.53
Category B	191 738	192 162	197 185	413 053	400 338	400 338	348 980	239 797	246 199	(12.83)
Category C	173 368	164 742	185 715	111 579	149 875	129 867	188 840	221 973	213 029	45.41
Unclassified	7 887	1	3			20 071		( 0 )	( 1 )	(100.00)
<b>Total transfers to local govt</b>	<b>490 245</b>	<b>460 666</b>	<b>470 737</b>	<b>760 370</b>	<b>789 152</b>	<b>799 995</b>	<b>801 346</b>	<b>612 174</b>	<b>613 188</b>	<b>0.17</b>

## 5.7 Provincial payments and estimates by category of municipality

**Table 5.8: Summary of provincial payments by district**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
Category A	397 767	431 404	353 722	2 723 288	2 724 402	4 403 079	3 962 079	4 278 960	4 490 881	(10.02)
Category B				12 395 367	12 395 367	12 371 458	13 140 709	14 085 180	14 719 013	6.22
Category C	1 348 430	1 547 362	5 573 746	6 448 966	6 542 604	15 414 260	16 720 867	18 079 839	18 957 243	8.48
Unclassified	21 983 954	24 924 632	24 286 195	16 517 108	17 997 674	7 667 332	8 811 079	9 486 991	11 483 102	14.92
<b>Total payments and estimates per district</b>	<b>23 730 151</b>	<b>26 903 398</b>	<b>30 213 663</b>	<b>38 084 730</b>	<b>39 660 048</b>	<b>39 856 129</b>	<b>42 634 734</b>	<b>45 930 970</b>	<b>49 650 239</b>	<b>6.97</b>

Table 5.8 above shows the payments and estimates per category of municipality for the 2009 MTEF period. The lack of a credible system for collecting and collating information on expenditure by district municipality has severely hampered attempts to show the spatial distribution of the

provincial expenditure. In view of this, historic information is far from credible but with the ever widening disparity in the socio-economic development of the various regions of the province it becomes imperative to give a brief overview of how the province distributes its allocated resources. Though on annual basis a conscious effort is made by the administration to ensure equitable distribution of resources to ensure that the needs of the poor and the more vulnerable in the society are progressively addressed, the current global downturn has dampened the expected closing of the poverty gap.

## 5.8 Personnel numbers and costs

**Table 5.9: Provincial personnel numbers and costs**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Total for the Province</b>										
Personnel numbers (head count)	116,996	118,800	122,650	135,404	135,772	137,174	138,940	139,451	141,892	1.29
Personnel cost (R'000)	15 155 862	16 523 100	18 612 487	22 266 854	22 778 961	22 960 654	24 998 953	27 740 141	29 956 165	8.88
<i>of which</i>										
<b>Human resources component</b>										
Personnel numbers (head count)	4 027	4 216	4 638	5 188	5 381	5 526	5 644	5 646	5 602	2.13
Personnel cost (R'000)	583 264	598 621	715 741	848 936	862 530	898 168	927 299	943 182	950 599	3.24
Head count as % of total for department	3.44	3.55	3.78	3.83	3.96	4.03	4.06	4.05	3.95	0.83
Personnel cost as % of total for department	3.85	3.62	3.85	3.81	3.79	3.91	3.71	3.40	3.17	(5.17)
<b>Finance component</b>										
Personnel numbers (head count)	1 963	1 945	2 705	2 433	2 433	2 618	2 820	2 846	2 883	7.70
Personnel cost (R'000)	273 149	320 438	417 680	381 750	384 662	409 998	455 518	481 267	499 029	11.10
Head count as % of total for department	1.68	1.64	2.21	1.80	1.79	1.91	2.03	2.04	2.03	6.34
Personnel cost as % of total for department	1.80	1.94	2.24	1.71	1.69	1.79	1.82	1.73	1.67	2.04
<b>Full time workers</b>										
Personnel numbers (head count)	108 787	110 199	112 941	118 778	118 972	120 393	122 362	125 480	128 686	1.64
Personnel cost (R'000)	14 116 265	15 422 960	17 451 898	20 232 655	20 324 291	20 720 802	21 686 357	24 076 971	25 043 629	4.66
Head count as % of total for department	92.98	92.76	92.08	87.72	87.63	87.77	88.07	89.98	90.69	0.34
Personnel cost as % of total for department	93.14	93.34	93.76	90.86	89.22	90.24	86.75	86.79	83.60	(3.87)
<b>Part-time workers</b>										
Personnel numbers (head count)	310	319	288	285	285	376	275	273	271	(26.86)
Personnel cost (R'000)	40 804	42 353	42 347	51 313	51 313	7 652 639	50 832	115 753	118 900	(99.34)
Head count as % of total for department	0.26	0.27	0.23	0.21	0.21	0.27	0.20	0.20	0.19	(27.79)
Personnel cost as % of total for department	0.27	0.26	0.23	0.23	0.23	33.33	0.20	0.42	0.40	(99.39)
<b>Contract workers</b>										
Personnel numbers (head count)	8 968	7 640	8 858	13 205	13 272	13 326	13 515	13 518	13 496	1.42
Personnel cost (R'000)	385 817	435 760	546 320	738 999	738 926	3 686 942	782 337	847 607	864 440	(78.78)
Head count as % of total for department	7.67	6.43	7.22	9.75	9.78	9.71	9.73	9.69	9.51	0.13
Personnel cost as % of total for department	2.55	2.64	2.94	3.32	3.24	16.06	3.13	3.06	2.89	(80.51)

**Table 5.10: Personnel numbers and costs by vote**

Vote R'000	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	As at 31 March 2012
1. Office of the Premier	356	411	391	414	414	414	424
2. Provincial Legislature	166	186	202	219	219	220	226
3. Health	33 119	32 504	34 560	34 164	34 164	34 164	34 165
4. Social Development	1 564	1 376	1 523	2 052	2 052	2 052	2 076
5. Public Works	491	434	488	495	495	2 009	505
6. Education	71 581	74 278	75 267	87 228	87 228	87 228	88 374
7. Local Government and Traditional Affairs	533	700	879	795	899	1 484	2 004
8. Agriculture	3 309	3 232	3 429	3 429	3 429	3 429	3 646
9. Economic Development and Environmental Affairs	1 084	1 021	565	635	809	693	700
10. Roads & Transport	3 471	3 267	3 419	3 427	3 427	3 428	3 243
11. Housing	105	132	169	240	241	243	357
12. Provincial Treasury	344	301	428	602	602	602	700
14. Sport, Recreation, Arts and Culture	873	958	1 244	1 572	1 765	1 765	1 776
15. Safety and Liaison	40	78	100	132	132	132	132
<b>Total personnel numbers</b>	117 036	118 878	122 664	135 404	135 876	137 863	138 328
Total personnel cost (R'000)	15 155 862	16 523 100	18 612 487	22 960 654	24 998 953	27 740 141	29 956 165
Unit cost (R'000)	129	139	152	170	184	201	217



## 5.9 Payments on training

Training constitutes the group of items that provide detail about staff development and the related costs in terms of external training or the development of training materials and manuals for internal training. A summary of payments on training is presented here, with Table 1.22 summarising the payments on training by vote. Detailed information on training is contained in Budget Statement 2.

**Table 5.11: Payments on training by vote**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
1. Office of the Premier	1 167	1 367	2 027	5 274	4 874	4 874	4 482	4 730	4 915	(8.04)
2. Provincial Legislature	22	23	23	23	23	23	23	23	24	
3. Health		9 827	8 687	47 889	47 889	94 016	64 683	56 243	82 989	(31.20)
4. Social Development	61 445	1 579	1 659	1 742	1 742	1 742	1 840	2 180	2 282	5.63
5. Public Works	3 733	4 930	4 155	5 113	5 113	5 113	5 343	5 583	5 834	4.50
6. Education	35 497	71 856	67 386	128 118	129 142	126 869	118 367	123 775	141 538	(6.70)
7. Local Government and Traditional Affairs	1 887	2 537	2 666	2 781	2 781	2 781	2 906	3 037	3 174	4.49
8. Agriculture	10 080	12 482	13 646	9 774	9 774	9 774	19 985	20 291	20 612	104.47
9. Economic Development and Environmental Affairs	685	2 451	3 200	4 671	4 671	4 588	4 810	5 045	5 282	4.84
10. Roads & Transport	2 163	5 185	5 336	7 106	2 963	2 963	3 285	3 468	3 679	10.87
11. Housing	667	797	965	1 200	1 200	1 200	1 500	1 900	2 150	25.00
12. Provincial Treasury	1 099	884	755	1 489	1 284	1 284	204	216	229	(84.11)
14. Sport, Recreation, Arts and Culture	2 624	2 695	2 473	5 843	5 843	5 843	6 504	6 846	7 158	11.31
15. Safety and Liaison	44	107	229	252	252	252	277	305	305	9.92
<b>Total payments on training</b>	<b>116 679</b>	<b>112 237</b>	<b>108 785</b>	<b>212 491</b>	<b>208 972</b>	<b>252 743</b>	<b>225 724</b>	<b>224 375</b>	<b>270 330</b>	<b>(10.69)</b>



## **Annexure to Budget Statement 1**

**Table A1: Details of information on conditional grants**

Department/Grant	Purpose	2005/06		2006/07		2007/08		2008/09		2009/10	2010/11	2011/12
		Total Available	Actual Payments	Total Available	Actual Payments	Total Available	Actual Payments	Total Available	Estimated Actual Payments	Medium-term estimates	Medium-term estimates	Medium-term estimates
<b>Agriculture</b>												
Agricultural Disaster Management Grant	To relief farmers from the effects of drought/veldfire, cold spell, hail storm and flood in identified areas	97,444	90,812	104,015	84,137	100,365	93,242	112,153	97,363	137,591	173,813	219,801
Comprehensive Agricultural Support Programme Grant	To create a favourable and supportive agricultural services environment for the farming community, in particular subsistence, emerging and commercial farmers. The grant is aimed at assisting previously disadvantaged South African farming communities to achieve an increase in agricultural production.	10,000	10,000	24,806	12,400	20,000	20,000	2,000	-	4,000	-	-
Ilima/Leisema projects grant		73,325	67,132	63,047	63,409	69,898	63,459	102,808	90,018	120,364	145,092	170,557
Land Care Programme Grant: Poverty Relief & Infrastructure Development	The grant aims to further expand farm infrastructure for dipping, fencing, and rehabilitation of irrigation schemes where these could be viable.	14,119	13,680	16,162	8,328	10,467	9,783	7,345	7,345	8,227	8,721	9,244
<b>Education</b>												
Early Childhood Development Grant	Provide support to early childhood development	295,349	260,447	352,912	253,621	448,891	408,040	557,706	581,074	516,863	735,092	879,252
Financial Management and Quality Enhancement Grant	This grant is to improve financial management in the education system and improve the quality of education in schools	778	778	-	-	-	-	-	-	-	-	-
Further Education and Training College Sector Recapitalisation Grant	To recapitalize FET colleges	18,627	16,741	-	-	50,000	294	-	-	-	-	-
HIV and Aids (Life Skills Education) Grant	To provide for life skills training, sexuality and HIV and Aids education in primary and secondary schools.	-	-	61,000	61,000	88,248	90,172	115,506	115,506	-	-	-
National School Nutrition Programme Grant	Seeks to improve nutrition of poor school children, enhance active learning capacity and improve attendance in schools.	31,993	31,202	25,805	25,979	26,797	26,394	28,542	27,967	30,168	32,156	34,086
		243,951	211,726	266,107	166,642	283,846	291,180	413,658	437,601	486,695	702,935	845,166
<b>Health</b>												
Comprehensive HIV and Aids Grant	Enables the health sector to develop a specific response to HIV and Aids. In addition to HIV and Aids prevention programmes, the grant supports specific interventions that include voluntary counselling and testing, prevention of mother-to-child transmission, post-exposure prophylaxis and home-based care.	872,931	855,113	956,554	940,225	1,096,904	1,111,209	1,294,956	1,270,897	1,362,343	1,645,185	1,751,725
		159,005	162,361	232,021	277,964	233,204	298,891	300,522	335,865	401,727	497,599	533,965
Forensic Pathology Services Grant	Assists with the transfer of medico-legal mortuaries from the South African Police Service to the health sector and to provide comprehensive forensic pathology services for the criminal justice system.	8,866	605	91,867	39,708	119,704	119,636	90,324	58,768	61,214	69,345	73,506

**Table A1: Details of information on conditional grants**

Department/Grant	Purpose	2005/06		2006/07		2007/08		2008/09		2009/10	2010/11	2011/12
		Total Available	Actual Payments	Total Available	Actual Payments	Total Available	Actual Payments	Total Available	Estimated Actual Payments	Medium-term estimates	Medium-term estimates	Medium-term estimates
Health Professions Training and Development Grant	Funds the costs associated with the training of health professionals, and the development and recruitment of medical specialists	137,566	131,957	133,392	134,712	110,150	109,510	140,641	141,321	151,362	160,444	170,071
Hospital Revitalisation Grant	plays a key role in transforming and modernising infrastructure and equipment in hospitals.	157,107	150,598	125,071	135,382	204,934	196,400	290,927	257,881	238,611	360,660	386,048
National Tertiary Services Grant	aims to provide strategic funding to enable provinces to plan, modernise, and transform the tertiary hospital service delivery platform in line with national policy objectives.	384,071	384,970	374,203	352,272	428,912	386,772	472,542	477,062	509,429	557,137	588,135
Integrated Nutrition Programme Grant	To implement integrated nutrition activities aimed at improving the nutritional status of South Africans.	26,316	24,622	-	187	-	-	-	-	-	-	-
<b>Housing</b>		<b>607,275</b>	<b>607,693</b>	<b>761,994</b>	<b>637,467</b>	<b>509,477</b>	<b>525,386</b>	<b>1,251,018</b>	<b>1,004,842</b>	<b>1,313,378</b>	<b>1,598,646</b>	<b>1,802,873</b>
Integrated Housing and Human Settlement Development Grant	Facilitates the establishment of habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities.	607,275	607,693	761,994	637,467	509,477	525,386	1,251,018	1,004,842	1,313,378	1,598,646	1,802,873
<b>National Treasury</b>		<b>675,330</b>	<b>675,330</b>	<b>742,139</b>	<b>742,139</b>	<b>1,123,343</b>	<b>1,007,232</b>	<b>1,317,909</b>	<b>1,063,530</b>	<b>1,661,391</b>	<b>2,028,135</b>	<b>2,341,246</b>
Provincial Infrastructure Grant	Augments provincial funding to accelerate construction, maintenance and rehabilitation of new and existing infrastructure in education, roads, health and agriculture, and also contributes to rural development.	675,330	675,330	742,139	742,139	1,123,343	1,007,232	1,317,909	1,063,530	1,661,391	2,028,135	2,341,246
<i>Of which</i>												
Transport		675,330	675,330	742,139	742,139	1,081,823	1,007,232	1,259,662	1,063,530	1,661,391	2,028,135	2,341,246
Education		675,330	675,330	742,139	742,139	838,937	838,937	877,966	877,966	1,124,873	1,130,073	1,135,017
Agriculture						50,000		132,432	51,298	202,141	508,525	722,633
Health						42,886	37,279	54,894	54,894	54,894	54,894	54,894
Unallocated		-	-	-	-	150,000	131,016	194,370	79,372	279,483	334,643	428,702
						41,520	-	58,247	-	-	-	-

**Table A1: Details of information on conditional grants**

Department/Grant	Purpose	2005/06		2006/07		2007/08		2008/09		2009/10		2010/11		2011/12			
		Total Available	Actual Payments	Total Available	Actual Payments	Total Available	Actual Payments	Total Available	Estimated Actual Payments	Total Available	Medium-term estimates	Total Available	Medium-term estimates	Total Available	Medium-term estimates		
<b>Transport</b>																	
Overload Control Grant		-	-	-	-	-	-	-	-	-	126,540	5,519	-	-			
Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	-	-	-	-	-	-	-	-	-	126,540	5,519	-	-			
<b>Provincial and Local Government</b>																	
Disaster Relief Grant	Provide relief to areas affected by disasters	16,189	16,200	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Sport and Recreation South Africa</b>																	
Mass Sport and Recreation Participation Programme Grant	promotes mass participation by historically disadvantaged communities in a selected number of developmental sporting activities.	2,771	2,644	17,187	16,918	28,511	27,010	44,895	44,895	62,765	66,531	70,523	44,895	44,895	62,765	66,531	
<b>Trade and Industry</b>																	
Industrial Development Zones	Provide for economic infrastructure in the East London IDZ	-	-	58,200	58,200	-	-	-	-	-	-	-	-	-	-	-	
<b>Social Development</b>																	
Integrated Social Development Services Grant	To support and provide appropriate social welfare services and development interventions	758,002	724,831	-	-	-	-	-	-	-	-	-	-	-	-	-	
Social Assistance Administration Grant	To fund the administration of social assistance grants.	13,979	12,644	-	-	-	-	-	-	-	-	-	-	-	-	-	
Social Assistance Transfers Grant	To fund social assistance transfer payments to eligible beneficiaries.	94,133	92,835	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Sport, Recreation, Arts &amp; Culture</b>																	
Community Libraries	To fund direct access to information and knowledge, contributing to education and self-empowerment.	649,890	619,352	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Public Works</b>																	
Devolution of Property Rates Funds Grant	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.	-	-	-	-	17,010	10,467	42,588	38,437	55,515	62,240	65,974	42,588	38,437	55,515	62,240	65,974
Expanded Public Works Programme Incentive Grant	provides incentives to provinces and municipalities to increase spending on labour-intensive programmes.	-	-	-	-	-	-	-	-	-	-	-	-	-	29,992	-	-
<b>Total conditional grants</b>		3,325,291	3,233,070	2,993,001	2,732,707	3,324,501	3,182,586	4,740,863	4,220,676	5,400,439	6,462,628	7,287,709	4,740,863	4,220,676	5,400,439	6,462,628	7,287,709

**Table A2: Details on information on provincial own receipts**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Tax receipts</b>	367 907	312 671	333 644	446 756	374 317	372 458	<b>393 710</b>	433 123	469 615	5.71
Casino taxes	55 733	72 052	82 433	85 789	85 789	88 870	<b>94 368</b>	103 805	108 995	6.19
Motor vehicle licences	2 619	3 119	4 190	4 793	4 793	4 466	<b>5 272</b>	5 799	6 089	18.05
Horsing	5 966	6 276	5 931	6 590	6 590	1 977	<b>7 249</b>	7 974	8 373	266.67
Other taxes	303 589	231 224	241 090	349 584	277 145	277 145	<b>286 821</b>	315 545	346 158	3.49
<b>Sales of goods and services other than capital assets</b>	101 776	104 631	129 977	142 216	139 025	137 142	<b>164 396</b>	180 708	191 705	19.87
Sales of goods and services produced by department	93 737	95 222	121 140	133 120	133 120	131 237	<b>154 391</b>	169 698	179 593	17.64
Sales by market establishments	32 171	30 989	2 088				<b>4 403</b>	4 844	5 610	
Administrative fees	85	89	1 697							
Other sales	61 481	64 144	117 355	133 120	133 120	131 237	<b>149 988</b>	164 854	173 983	14.29
Of which										
Boarding & Lodging	7 929	8 839	9 601	17 250	17 250	11 022	<b>20 315</b>	22 183	22 446	84.31
Commission on insurance	6 642	7 749	7 930	41 742	41 742	609	<b>45 048</b>	49 502	52 537	7297.04
External exams		499	493	777	777	1 570	<b>226</b>	269	941	(85.61)
Health patient fees	43 040	41 014	56 054	35 625	35 625	70 754	<b>55 142</b>	60 661	63 694	(22.07)
Sales	1 577	1 416	1 679	3 830	3 830		<b>4 324</b>	4 858	5 102	
Other	2 293	4 627	41 598	33 896	33 896	47 282	<b>24 933</b>	27 381	29 263	(47.27)
Sales of scrap, waste, arms and other used current goods	8 039	9 409	8 837	9 096	5 905	5 905	<b>10 005</b>	11 010	12 112	69.43
<b>Transfers received from</b>			16							
Other governmental units										
Universities and technikons										
Foreign governments										
International organisations										
Public corporations and private enterprises			16							
Households and non-profit institutions										
<b>Fines, penalties and forfeits</b>	3 805	6 002	6 255	6 807	6 080	7 080	<b>7 517</b>	8 268	9 095	6.17
<b>Interest, dividends and rent on land</b>	111 046	315 230	494 090	307 849	367 849	359 333	<b>132 374</b>	175 031	160 517	(63.16)
Interest	109 482	315 230	494 085	307 849	367 849	359 333	<b>132 374</b>	175 031	160 517	(63.16)
Dividends										
Rent on land	1 564		5							
<b>Sales of capital assets</b>	<b>4 271</b>	<b>30 777</b>	<b>5 711</b>	4 803	5 088	1 541	<b>880</b>	<b>1 016</b>	<b>1 116</b>	(42.89)
Land and subsoil assets										
Other capital assets	4 271	30 777	5 711	4 803	5 088	1 541	<b>880</b>	1 016	1 116	(42.89)
<b>Financial transactions in assets and liabilities</b>	90 607	31 140	38 553	4 252	4 252	40 352	<b>4 775</b>	5 247	5 510	(88.17)
<b>Total departmental receipts</b>	<b>679 412</b>	<b>800 451</b>	<b>1 008 246</b>	<b>912 683</b>	<b>896 611</b>	<b>917 906</b>	<b>703 652</b>	<b>803 393</b>	<b>837 558</b>	<b>(23.34)</b>

**Table A3: Details on information on payments and estimates**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Current payments</b>	19 051 258	21 974 471	24 708 349	29 723 933	31 231 198	31 719 533	<b>33 498 218</b>	36 353 976	39 146 585	5.61
Compensation of employees	15 155 862	16 523 100	18 612 487	22 266 854	22 778 961	22 960 654	<b>24 998 953</b>	27 740 141	29 956 165	8.88
Salaries and wages	12 982 741	14 190 739	16 013 642	19 299 213	19 875 049	22 597 835	<b>21 716 990</b>	24 169 327	26 238 881	(3.90)
Social contributions	2 173 121	2 332 361	2 598 845	2 967 641	2 903 913	362 819	<b>3 281 963</b>	3 570 814	3 717 284	804.57
Goods and services	3 871 452	5 445 986	6 087 321	7 451 252	8 446 409	8 753 049	<b>8 493 438</b>	8 607 452	9 183 737	(2.97)
Of which										
Administrative fees	35 964	12 593	15 629	21 974	13 644	11 111	<b>32 802</b>	53 666	56 540	195.23
Advertising	18 810	42 046	60 248	91 757	102 231	66 661	<b>74 267</b>	86 180	92 212	11.41
Assets <R5000	57 749	110 680	100 827	174 002	225 239	122 738	<b>178 385</b>	207 065	205 505	45.34
Audit cost: External	35 402	29 780	55 150	44 465	42 654	61 104	<b>64 341</b>	54 379	53 498	5.30
Bursaries (employees)	72 648	55 693	83 307	178 002	145 182	162 986	<b>161 208</b>	155 878	175 034	(1.09)
Catering: Departmental activities	8 644	43 660	92 371	115 585	548 010	575 477	<b>112 490</b>	125 293	125 477	(80.45)
Communication	134 203	159 740	188 885	161 310	175 371	240 303	<b>233 990</b>	149 217	156 485	(2.63)
Computer	126 495	180 288	166 124	186 710	154 557	192 752	<b>242 029</b>	163 225	160 802	25.56
Cons/prof.business & advisory services	376 618	764 596	574 992	587 412	636 956	590 867	<b>787 396</b>	597 708	639 279	33.26
Cons/prof. Infrastructre & planning	114 285	120 994	55 290	264 918	253 921	337 075	<b>404 268</b>	442 538	483 283	19.93
Cons/prof. Laboratory services	2 315			171 790	327 790	351 058	<b>411 009</b>	288 150	339 928	17.08
Cons/prof. Legal cost	33 532	34 241	36 420	34 181	19 504	20 446	<b>39 029</b>	40 965	52 439	90.88
Contractors	306 336	444 691	619 646	811 890	1 176 233	1 092 533	<b>929 224</b>	1 030 318	1 053 768	(14.95)
Agency & support/outourced services	9 677	7 873	6 492	216 213	225 488	232 176	<b>105 965</b>	114 179	123 268	(54.36)
Entertainment	21 444	11 139	5 842	10 615	15 002	12 833	<b>13 598</b>	24 605	24 779	5.96
Inventory:	231 400	367 103	648 107	698 638	412 401	339 994	<b>354 465</b>	401 062	425 126	4.26
Inventory: Other consumables	958 207	1 302 820	1 267 793	287 858	177 923	173 851	<b>375 287</b>	494 215	492 803	115.87
Inventory: Stationery and printing	92 364	70 454	61 572	141 035	337 938	164 933	<b>105 319</b>	125 267	138 169	(36.14)
Lease payments	60 635	263 750	262 459	342 756	385 226	595 341	<b>406 265</b>	354 289	394 457	(31.76)
Owned & leasehold property expenditure	152 577	189 284	280 648	504 565	579 264	476 813	<b>316 974</b>	341 378	379 963	(33.52)
Transport provided dept activity	49 437	112 854	262 421	381 864	386 694	541 831	<b>431 280</b>	450 478	270 816	(20.40)
Travel and subsistence	374 364	365 416	417 839	508 304	571 705	522 647	<b>520 468</b>	572 400	624 022	(0.42)
Training & staff development	25 395	55 041	58 872	128 994	147 484	180 387	<b>155 986</b>	174 912	216 740	(13.53)
Operating expenditure	106 147	130 429	111 622	91 113	138 676	114 107	<b>98 177</b>	105 275	115 691	(13.96)
Venues and facilities	29 242	48 853	45 288	71 620	63 569	49 155	<b>59 979</b>	71 393	74 047	22.02
Other		25			21 744	3 454	<b>93 759</b>	49 320	57 964	2614.50
Interest and rent on land	815	562	3 244	5 827	5 827	5 830	<b>5 827</b>	6 383	6 683	(0.05)
Interest	815	562				3				(100.00)
Rent on land			3 244	5 827	5 827	5 827	<b>5 827</b>	6 383	6 683	
Financial transactions in assets and liabilities	23 129	4 823	5 297							
Unauthorised expenditure										
<b>Transfers and subsidies to (Current)</b>	2 931 664	2 851 409	3 031 642	4 855 117	4 831 561	4 609 339	<b>5 441 629</b>	5 646 002	6 031 840	18.06
Provinces and municipalities	490 228	452 140	470 737	510 370	539 152	550 584	<b>559 346</b>	612 174	613 188	1.59
Provinces	7	1								
Provincial Revenue Funds										
Provincial agencies and funds	7	1								
Municipalities	490 221	452 139	470 737	510 370	539 152	550 584	<b>559 346</b>	612 174	613 188	1.59
Municipalities	489 487	451 538	470 369	510 370	538 152	538 215	<b>559 346</b>	612 174	613 188	3.93
Municipal agencies and funds	734	601	368		1 000	12 369				(100.00)
Departmental agencies and accounts	960 123	624 868	778 701	1 033 733	1 000 514	989 734	<b>1 296 507</b>	1 259 088	1 254 217	31.00
Social security funds	3									
Public entities receiving transfers	960 120	624 868	778 701	1 033 733	1 000 514	989 734	<b>1 296 507</b>	1 259 088	1 254 217	31.00
ECSECC	24 800	26 342	32 416	36 902	36 902	36 902	<b>38 748</b>	40 763	42 678	5.00
EC Appropriate Tech Unit	7 719	10 500	11 327	12 218	12 218	12 218	<b>12 829</b>	13 496	14 130	5.00
EC Rural Finance Corporation	17 500	20 000	52 500	40 000	25 000	25 000	<b>45 000</b>	52 600	55 072	80.00
EC Tourism Board	20 532	21 000	22 500	23 540	23 540	23 540	<b>40 050</b>	42 553	27 800	70.14
EC Gambling & Betting Board	14 364	19 251	20 233	20 690	20 690	20 690	<b>22 017</b>	23 338	31 187	6.41
Coega Development Corp	180 000		25 200				<b>140 000</b>			
EL IDZ	105 000	224 200	192 000	119 910	119 910	119 910	<b>127 601</b>	135 257	141 614	6.41
EC Development Corp	76 066	180 126	180 210	262 288	268 699	268 699	<b>332 899</b>	293 473	229 318	23.89
EC Parks Board	65 000	79 700		100 000	100 000	100 000	<b>102 500</b>	108 650	113 757	2.50
EC Liquor Board	10 170	14 391	22 305	23 137	28 137	28 137	<b>24 621</b>	26 098	32 325	(12.50)
EC Provincial Arts & Culture Council		10 719	12 993	14 800	14 800	14 800	15 225	13 084	13 538	2.87
EC Youth Commission	9 300	10 000	9 788	10 587	11 367	11 367	11 116	11 694	12 244	(2.21)
Other	429 669	8 639	197 229	369 661	339 251	328 471	<b>383 901</b>	498 082	540 554	16.88
Universities and technikon	12 730	13 000	15 720	132 693	132 693	132 693	<b>121 153</b>	113 854	119 013	(8.70)
Public corporations and private enterprises	75 378	81 440	125 809	53 464	53 764	55 695	<b>226 835</b>	69 029	71 945	307.28
Public corporations	68 805	42 712	55 381	35 173	35 473	37 404	<b>48 856</b>	45 354	47 157	30.62
Subsidies on production			4 000			1 931				(100.00)
Other transfers	68 805	42 712	51 381	35 173	35 473	35 473	<b>48 856</b>	45 354	47 157	37.73
Private enterprises	6 573	38 728	70 428	18 291	18 291	18 291	<b>177 979</b>	23 675	24 788	873.04
Subsidies on production		532								
Other transfers	6 041	38 728	70 428	18 291	18 291	18 291	<b>177 979</b>	23 675	24 788	873.04
Foreign governments and international				1 000	1 000	1 000	<b>1 045</b>	1 099	1 151	4.50
Non-profit institutions	548 497	784 766	855 856	1 369 765	1 369 401	1 369 314	<b>1 682 197</b>	1 747 155	1 913 278	22.85
Households	844 708	895 195	784 819	1 754 092	1 735 037	1 510 319	<b>1 554 546</b>	1 843 603	2 059 048	2.93
Social benefits	27 391	6 509	22 451	5 049	6 162	6 148	<b>7 526</b>	7 898	8 258	22.41
Other transfers to households	817 317	888 686	762 368	1 749 043	1 728 875	1 504 171	<b>1 547 020</b>	1 835 705	2 050 790	2.85



**Table A3: Details on information on payments and estimates (continued)**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Transfers and subsidies to (Capital)</b>	204 411	202 794	259 218	273 648	265 500	263 910	<b>255 670</b>	37 002	38 667	(3.12)
Provinces and municipalities	24	8 527		250 000	250 000	249 411	<b>242 000</b>			(2.97)
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	24	8 527		250 000	250 000	249 411	<b>242 000</b>			(2.97)
Municipalities		8 512		250 000	250 000	249 411	<b>242 000</b>			(2.97)
Municipal agencies and funds	24	15								
Departmental agencies and accounts			99 407							
Social security funds										
Public entities receiving transfers			99 407							
Universities and technikons										
Public corporations and private enterprises	177 169	183 182	169 300	5 000	5 000	5 000	<b>8 500</b>	5 460	5 706	70.00
Public corporations	177 169	183 182	169 300	5 000	5 000	5 000	<b>8 500</b>	5 460	5 706	70.00
Subsidies on production										
Other transfers	177 169	183 182	169 300	5 000	5 000	5 000	<b>8 500</b>	5 460	5 706	70.00
Foreign governments and international										
Non-profit institutions	25 304	8 462	( 9 239)	18 648	10 500	9 500	<b>5 170</b>	31 542	32 961	(45.58)
Households	1 914	2 623	( 250)			( 1)				(100.00)
Social benefits	33									
Other transfers to households	1 881	2 623	( 250)			( 1)				(100.00)
<b>Transfers and subsidies to (Total)</b>	3 136 075	3 054 203	3 290 860	5 128 765	5 097 061	4 873 249	<b>5 697 299</b>	5 683 004	6 070 507	16.91
Provinces and municipalities	490 252	460 667	470 737	760 370	789 152	799 995	<b>801 346</b>	612 174	613 188	0.17
Provinces	7	1								
Provincial Revenue Funds										
Provincial agencies and funds	7	1								
Municipalities	490 245	460 666	470 737	760 370	789 152	799 995	<b>801 346</b>	612 174	613 188	0.17
Municipalities	489 487	460 050	470 369	760 370	788 152	787 626	<b>801 346</b>	612 174	613 188	1.74
Municipal agencies and funds	758	616	368		1 000	12 369				(100.00)
Departmental agencies and accounts	960 123	624 868	878 108	1 033 733	1 000 514	989 734	<b>1 296 507</b>	1 259 088	1 254 217	31.00
Social security funds	3									
Entities receiving transfers	960 120	624 868	878 108	1 033 733	1 000 514	989 734	<b>1 296 507</b>	1 259 088	1 254 217	31.00
Universities and technikons	12 730	13 000	15 720	132 693	132 693	132 693	<b>121 153</b>	113 854	119 013	(8.70)
Public corporations and private enterprises	252 547	264 622	295 109	58 464	58 764	60 695	<b>235 335</b>	74 489	77 651	287.73
Public corporations	245 974	225 894	224 681	40 173	40 473	42 404	<b>57 356</b>	50 814	52 863	35.26
Subsidies on production			4 000			1 931				(100.00)
Other transfers	245 974	225 894	220 681	40 173	40 473	40 473	<b>57 356</b>	50 814	52 863	41.71
Private enterprises	6 573	38 728	70 428	18 291	18 291	18 291	<b>177 979</b>	23 675	24 788	873.04
Subsidies on production	532									
Other transfers	6 041	38 728	70 428	18 291	18 291	18 291	<b>177 979</b>	23 675	24 788	873.04
Foreign governments and international				1 000	1 000	1 000	<b>1 045</b>	1 099	1 151	4.50
Non-profit institutions	573 801	793 228	846 617	1 388 413	1 379 901	1 378 814	<b>1 687 367</b>	1 778 697	1 946 239	22.38
Households	846 622	897 818	784 569	1 754 092	1 735 037	1 510 318	<b>1 554 546</b>	1 843 603	2 059 048	2.93
Social benefits	27 424	6 509	22 451	5 049	6 162	6 148	<b>7 526</b>	7 898	8 258	22.41
Other transfers to households	819 198	891 309	762 118	1 749 043	1 728 875	1 504 170	<b>1 547 020</b>	1 835 705	2 050 790	2.85
<b>Payments for capital assets</b>	1 542 818	1 874 724	2 214 454	3 232 033	3 331 790	3 263 348	<b>3 439 217</b>	3 893 990	4 433 148	5.39
Buildings and other fixed structures	1 244 549	1 650 111	1 965 236	2 715 032	2 724 181	2 713 667	<b>2 787 478</b>	3 380 141	4 006 628	2.72
Buildings	563 817	971 498	1 147 219	1 688 093	1 627 292	1 597 789	<b>1 765 512</b>	2 190 460	2 733 944	10.50
Other fixed structures	680 732	678 613	818 017	1 026 939	1 096 889	1 115 878	<b>1 021 966</b>	1 189 681	1 272 684	(8.42)
Machinery and equipment	294 522	213 291	247 199	515 911	607 369	547 273	<b>644 455</b>	505 880	418 161	17.76
Transport equipment	34 893	4 083		1 000	1 000	1 000	<b>43 788</b>	1 092	1 141	4278.80
Other machinery and equipment	259 629	209 208	247 199	514 911	606 369	546 273	<b>600 667</b>	504 788	417 020	9.96
Cultivated assets	134	183	149			308	<b>2 527</b>	2 981	3 121	720.45
Software and other intangible	3 613	11 139	1 870	1 090	240	2 100	<b>4 757</b>	4 989	5 238	126.52
<b>Total economic classification</b>	<b>23 730 151</b>	<b>26 903 398</b>	<b>30 213 663</b>	<b>38 084 730</b>	<b>39 660 048</b>	<b>39 856 129</b>	<b>42 634 734</b>	<b>45 930 970</b>	<b>49 650 239</b>	<b>6.97</b>

**Table A4 (a): Details of payments by policy area**

Function	Category	Department	Programme
<b>General public services</b>	Executive and legislative	Office of the Premier	Administration Institution Building and Transformation Policy and Governance
		Provincial Legislature	Administration Facilities for Members and Political Parties Parliamentary Services Direct Charge / members salaries
	Financial and fiscal affairs	Provincial Treasury	Administration Sustainable Resource Management Asset and Liability Management Financial Governance
	General services	Public Works	Administration Public Works Community Based Public Works Programme
		Local Government & Traditional Affairs	Administration Local Governance Development and Planning Traditional Institutional Management
<b>Public order and safety</b>	Police services	Safety & Liaison	Corporate Services Community Safety Financial Management
<b>Economic Affairs</b>	General economic affairs	Economic Development & Environmental Affairs	Administration Economic Development
	Agriculture	Agriculture	Administration Sustainable Resource Management Farmer Support and Development Veterinary Services Technology Research and Development Services Agricultural Economics Structured Agricultural Training
	Transport	Roads and Transport	Administration Roads Infrastructure Public and Freight Transport Traffic Management Community Based Programme
<b>Environmental Protection</b>	Environmental protection	Economic Development & Environmental Affairs	Environmental Affairs
<b>Housing and community amenities</b>	Housing development	Housing	Administration Housing Planning and Research Housing Programme Facilitation and Administration Housing Asset Management
<b>Health</b>	Outpatient services	Health	District Health Services Emergency Medical Services
	Research & Development		Health Science and Training
	Hospital services		Provincial Hospital Services Central Hospital Services Health Care and Support Services
	General		Health Administration Health Facilities Development and Maintenance

**Table A4 (a): Details of payments by policy area (continued)**

<b>Function</b>	<b>Category</b>	<b>Department</b>	<b>Programme</b>
<b>Recreation, culture and religion</b>	Recreational & sporting services	Sport, recreation, arts & culture	Sports and Recreation
	Cultural services		Cultural Affairs Archives
	General		Administration
<b>Education</b>	Pre-primary	Education	Early Childhood Development
	Primary & secondary		Public Ordinary School Education Independent School Subsidies Public Special School Education Further Education and Training
			Subsidiary service to education
	Education not definable by level		Adult Basic Education and Training
<b>Social protection</b>	Social security services	Social Development	Administration Social Welfare Services Development and Research

**Table A4 (b): Details of payments by policy area**

Policy area / department R thousand	Outcome		Main appropriation 2007/08	Adjusted appropriation 2008/09	Revised estimate	Medium-term estimates				
	2005/06	2006/07				2009/10	2010/11	2011/12		
<b>General public services</b>										
Executive and Legislature	364,471	416,916	484,782	603,130	601,452	651,052	689,998	728,015		
Office of the Premier	253,429	286,004	323,265	386,154	384,476	400,930	430,871	456,709		
Provincial Legislature	111,042	130,912	161,517	188,094	216,976	250,122	259,127	271,306		
Financial and fiscal services	118,992	132,659	167,371	248,773	289,160	289,972	275,551	292,063		
Provincial Treasury	118,992	132,659	167,371	248,773	289,160	289,972	275,551	292,063		
General services	934,015	899,944	1,217,905	1,499,307	1,607,088	1,669,998	1,673,737	1,773,621		
Public Works	517,618	502,031	609,701	948,252	968,801	1,010,982	1,033,285	1,094,970		
Local Government & Traditional Affairs	416,397	397,913	608,204	551,055	638,287	659,016	640,452	678,651		
<b>Total: General public services</b>	<b>1,417,478</b>	<b>1,449,519</b>	<b>1,870,058</b>	<b>2,319,230</b>	<b>2,464,479</b>	<b>2,581,022</b>	<b>2,639,286</b>	<b>2,793,699</b>		
<b>Public Order and Safety</b>										
Police services	12,782	23,787	32,875	40,915	42,896	47,521	48,171	48,316		
Safety & Liaison	12,782	23,787	32,875	40,915	42,896	47,521	48,171	48,316		
<b>Total: Public Order and Safety</b>	<b>12,782</b>	<b>23,787</b>	<b>32,875</b>	<b>40,915</b>	<b>42,896</b>	<b>47,521</b>	<b>48,171</b>	<b>48,316</b>		
<b>Economic Affairs</b>										
General economic affairs	509,572	554,215	597,148	727,789	727,789	937,552	730,069	700,305		
Economic Development & Environmental Affairs	509,572	554,215	597,148	727,789	727,789	937,552	730,069	700,305		
Agriculture	787,327	871,799	1,070,680	1,243,641	1,271,402	1,408,766	1,379,379	1,494,331		
Agriculture	787,327	871,799	1,070,680	1,243,641	1,271,402	1,408,766	1,379,379	1,494,331		
Transport	1,773,007	2,013,129	2,343,161	2,552,655	2,862,921	3,016,428	2,895,670	3,046,875		
Roads and Transport	1,773,007	2,013,129	2,343,161	2,552,655	2,862,921	3,016,428	2,895,670	3,046,875		
<b>Total: Economic Affairs</b>	<b>3,069,906</b>	<b>3,439,143</b>	<b>4,010,989</b>	<b>4,437,244</b>	<b>4,862,112</b>	<b>5,362,746</b>	<b>5,005,118</b>	<b>5,241,511</b>		
<b>Environmental Protection</b>										
Environmental Protection	109,667	122,875	139,169	162,398	150,523	177,473	243,964	225,471		
Economic Development & Environmental Affairs	109,667	122,875	139,169	162,398	150,523	177,473	243,964	225,471		
<b>Total: Environmental Protection</b>	<b>109,667</b>	<b>122,875</b>	<b>139,169</b>	<b>162,398</b>	<b>150,523</b>	<b>177,473</b>	<b>243,964</b>	<b>225,471</b>		

**Table A4 (b): Details of payments by policy area (continued)**

Policy area	2005/06	2006/07	2007/08	Main appropriation	Adjusted appropriation	Revised estimate	2009/10	2010/11	2011/12
<b>Housing and Community Amenities</b>									
Housing Development	666,327	695,835	395,340	1,417,056	1,439,686	1,192,697	1,474,789	1,768,984	1,983,731
Housing	666,327	695,835	395,340	1,417,056	1,439,686	1,192,697	1,474,789	1,768,984	1,983,731
<b>Total: Housing and Community Amenities</b>	<b>666,327</b>	<b>695,835</b>	<b>395,340</b>	<b>1,417,056</b>	<b>1,439,686</b>	<b>1,192,697</b>	<b>1,474,789</b>	<b>1,768,984</b>	<b>1,983,731</b>
<b>Health</b>									
Outpatient services	3,031,063	3,559,348	4,031,359	4,633,654	5,210,689	5,617,293	5,420,159	5,930,665	6,444,636
Research & development	327,406	364,582	375,126	619,994	633,473	582,532	526,067	548,227	593,552
Hospital services	2,079,158	2,308,276	2,661,544	2,839,280	3,169,664	3,308,996	3,430,315	3,763,567	4,034,906
General	683,343	1,024,921	944,979	1,653,087	1,625,291	1,632,096	1,951,805	1,865,575	2,073,205
<b>Total: Health</b>	<b>6,120,970</b>	<b>7,257,127</b>	<b>8,013,008</b>	<b>9,746,015</b>	<b>10,639,117</b>	<b>11,140,917</b>	<b>11,328,346</b>	<b>12,108,034</b>	<b>13,146,299</b>
<b>Recreation, Culture and Religion</b>									
Recreational and sporting services	26,853	42,777	61,271	328,563	332,706	332,706	339,249	108,489	117,361
Cultural services	82,081	101,364	132,906	194,284	182,541	185,236	189,040	224,192	233,059
General	161,280	167,909	202,487	243,705	257,053	268,381	253,026	242,356	259,087
<b>Total: Recreation, Culture and Religion</b>	<b>270,214</b>	<b>312,050</b>	<b>396,664</b>	<b>766,552</b>	<b>772,300</b>	<b>786,323</b>	<b>781,315</b>	<b>575,037</b>	<b>609,507</b>
<b>Education</b>									
Pre-primary	38,823	46,313	79,298	274,397	270,067	256,996	367,316	595,864	704,324
Primary & secondary	10,405,994	11,649,695	13,014,935	15,986,914	15,965,424	15,847,762	17,007,888	19,100,752	20,777,805
Subsidiary services to education	941,993	1,020,933	1,225,888	1,396,706	1,534,605	1,524,364	1,911,006	2,020,751	2,112,168
Education not definable by level	136,348	155,802	155,013	152,180	150,680	159,866	161,297	169,620	176,813
<b>Total: Education</b>	<b>11,523,158</b>	<b>12,872,743</b>	<b>14,475,134</b>	<b>17,810,197</b>	<b>17,920,776</b>	<b>17,789,988</b>	<b>19,447,507</b>	<b>21,886,987</b>	<b>23,771,110</b>
<b>Social protection</b>									
Social security services	343,447	411,340	548,816	840,076	819,276	819,276	859,973	946,211	1,075,055
Development and research	83,070	125,789	141,437	213,151	211,019	211,019	201,856	324,361	337,854
General	113,132	193,190	190,173	331,896	366,230	366,230	372,186	384,817	417,686
<b>Total: Social protection</b>	<b>539,649</b>	<b>730,319</b>	<b>880,426</b>	<b>1,385,123</b>	<b>1,396,525</b>	<b>1,396,525</b>	<b>1,434,015</b>	<b>1,655,389</b>	<b>1,830,595</b>
<b>Total provincial payments and estimates by policy area</b>	<b>23,730,151</b>	<b>26,903,398</b>	<b>30,213,663</b>	<b>38,084,730</b>	<b>39,660,048</b>	<b>39,856,129</b>	<b>42,634,734</b>	<b>45,930,970</b>	<b>49,650,239</b>

**Table A5 (a): Details of payments on infrastructure by category**

Category/type of structure	Vote	Number of projects MTEF	Total costs MTEF	Medium-term estimates		
				2009/10	2010/11	2011/12
<b>R thousands</b>						
<b>New and Replacements</b>						
Accommodation	3	3	182,650	101,650	70,000	11,000
Specialized Hospital	3	2	70,249	-	6,000	64,249
Medical Equipment	3	1	56,610	2,550	51,510	2,550
Clinic	3	74	254,845	94,545	57,100	103,200
Community Health Centre	3	8	45,635	18,700	16,935	10,000
District Hospital	3	4	172,311	26,311	53,500	92,500
Local Service Area Office at District Hospital	3	2	46,000		8,000	38,000
Regional Hospital	3	8	351,692	20,692	165,000	166,000
Generators - District Hospitals	3		156,000	102,000	54,000	
Motuary Buildings	3	1	11,324	11,324		
Emergency Medical Services	3	3	70,604	9,000	30,635	30,969
Centre for abusers of substances	4	1	4,071	1,200	1,352	1,519
Centre for the children in need of care	4	2	9,866	2,950	3,165	3,751
Centre for the youth in trouble with the law	4	2	8,288	2,818	2,599	2,871
Home for the aged	4	2	8,119	2,362	2,589	3,168
Justice Centre	4	2	7,623	2,191	2,594	2,838
Support centre for the children affected & infected with HIV & AIDS	4	1	4,071	1,200	1,352	1,519
PPP Office Park	5	1	15,000	10,000	5,000	-
New Accommodation / Office	5	6	84,811	19,511	28,424	36,876
Fencing	6	183	30,322	30,322		-
Replacement of mud structures	6	333	1,551,095	220,497	577,494	753,104
EPWP projects	6	1	71	71	-	-
Construction of new model schools	6	10	98,509	98,509		
Special Shools	6	10	411,835	115,901	91,606	204,328
Early Childhood Development Centres	6	301	459,528	102,250	134,846	222,432
Provision of Exam Centre	6	14	108,236	34,413	36,099	37,724
House of Traditional Leaders	7	1	30,074	9,587	10,018	10,469
Traditional Council Offices	7	8	61,368	19,562	20,443	21,363
Borehole	8	4	12,249	3,070	3,991	5,188
Dipping Facility	8	19	15,781	3,955	5,142	6,684
Fencing	8	32	172,647	43,270	56,251	73,126
Irrigation	8	6	13,562	3,399	4,419	5,744
Storage and Marketing facility (Sheds)	8	7	22,420	5,619	7,305	9,496
Dams	8	3	15,197	3,809	4,951	6,437
Dairy	8	2	3,990	1,000	1,300	1,690
Equipment and planting material	8	2	6,384	1,600	2,080	2,704
Tunnels	8	2	7,330	1,837	2,388	3,105
Nursery, Orchard Establishment	8	2	3,343	838	1,089	1,416
Poultry Structures	8	6	30,524	7,650	9,945	12,929
Training and mentorship	8	3	46,880	11,100	15,500	20,280
Tarred roads / Surfaced roads	10	2	268,774	80,000	98,000	90,774
Overload Control	10	1	21,500	10,500	11,000	-
Archives	14	2	7,000		7,000	
Arts Centre	14	2	1,500	1,500		
Community Museum	14	1	4,000		4,000	
Cultural Centre	14	1	6,000		3,000	3,000
Library	14	2	8,670	2,670	6,000	
Sports academy	14	1	12,172		4,000	8,172
Stadium	14	2	242,000	242,000		
Swimming Pool	14	1	3,500	500	3,000	
<b>Total New and Replacements</b>				<b>1,484,433</b>	<b>1,680,622</b>	<b>2,071,175</b>

**Table A5 (a): Details of payments on infrastructure by category (continued)**

Category/type of structure	Vote	Number of projects MTEF	Total costs MTEF	Medium-term estimates		
				2009/10	2010/11	2011/12
<b>R thousands</b>						
<b>Upgrades and Additions</b>						
Community Health Centres	3	1	43,458	14,486	14,486	14,486
District Hospitals	3	3	318,053	49,377	130,383	138,293
Centre for the youth in trouble with the law	4	1	7,374	1,152	6,222	-
Service Office	4	6	9,007	5,400	-	3,607
Upgrades and Additions to offices and buildings	5	20	86,272	24,095	31,677	30,500
Upgrading of Schools	6	248	386,708	169,056	159,390	58,262
Mthatha Airport Upgrade	10	1	14,535	14,535	-	-
Surfacing of of Roads	10	61	669,997	118,560	290,751	260,686
Upgrading of Roads	10	29	1,560,131	484,516	464,548	611,067
Campsite	14	1	10,500	500	-	10,000
College Upgrading	14	1	14,542	-	4,542	10,000
<b>Total Upgrade and Additions</b>				<b>881,677</b>	<b>1,101,999</b>	<b>1,136,901</b>
<b>Rehabilitation, Renovations and Refurbishments</b>						
Clinic	3	6	30,310	7,310	10,000	13,000
Community Health Centre	3	3	80,950	5,950	34,000	41,000
District Hospitals	3	24	565,425	89,425	157,000	319,000
Regional Hospital	3	17	934,812	376,467	260,643	297,702
Regional Hospital - Revitalization Equipment	3	1	110,500	42,500	59,000	9,000
Professional Fees	3	7	282,081	78,333	96,700	107,048
Renovations and Refurbishments to offices and buildings	5	20	184,996	52,109	61,307	71,580
Renovations and refurbishment of clsrms	6	54	60,714	-	50,937	9,777
Provision of Emergency clsrms	6	69	17,414	2,294	15,120	-
Provision of office space	6	16	63,156	15,918	22,532	24,706
Rehabilitation of Schools and Hostels	6	13	326,333	36,966	124,857	164,510
Project Management Support	6	13	12,128	8,018	2,577	1,533
Irrigation	8	9	113,682	34,494	39,594	39,594
Woolshed	8	1	16,200	9,000	3,600	3,600
Nursery Structures	8	1	18,600	6,000	6,300	6,300
Soil conservation	8	13	26,061	8,227	8,721	9,113
Training and mentorship	8	1	16,200	5,400	5,400	5,400
Heavy Rehabilitation of Roads	10	21	557,024	177,060	196,000	183,964
Reseal / Light Rehabilitation	10	19	240,509	98,000	69,211	73,298
Rehabilitation of Bridges	10	4	63,765	39,527	24,238	-
<b>Total Rehabilitation, Renovations and Refurbishments</b>			<b>3,720,860</b>	<b>1,092,998</b>	<b>1,247,737</b>	<b>1,380,125</b>

**Table A5 (a): Details of payments on infrastructure by category (continued)**

Category/type of structure	Vote	Number of projects MTEF	Total costs MTEF	Medium-term estimates		
				2009/10	2010/11	2011/12
<b>R thousands</b>						
<b>Maintenance and Repairs</b>						
Clinic Maintenance	3	2	10,800	3,400	3,700	3,700
Maintenance of Hospitals	3	2	21,265	2,865	1,700	1,700
Maintenance of Medical Equipment	3		44,000	19,000	12,500	12,500
Maintenance - Service Ontracts	3	44	603,129	201,043	201,043	201,043
Hospital facility Audit	3	1	2,550	2,550		
Regional Hospital	3	1	6,375	2,125	2,125	2,125
Landscaping	3	8	12,012	4,004	4,004	4,004
Nursing colleges	3	1	510	170	170	170
Infrastructure Management System	3	2	5,950	5,950		
Motuaries	3	1	255	85	85	85
Water Treatment works	3	2	33,150	11,050	11,050	11,050
Emergency Medical Services	3	1	510	170	170	170
District and satellite offices	4	8	29,416	9,412	9,051	10,953
Planning for next year	5		8,850	2,900	2,950	3,000
Supply of Building Materials	5		7,500	2,000	2,700	2,800
Sundry Contracts	5		29,330	8,350	8,850	12,130
Maintenance and Repairs to Buildings and Offices	5	52	375,829	115,835	131,849	128,145
Maintenance of Schools	6		421,770	127,621	140,262	153,887
Non Grid Electricity Supply (Roshcon)	6		60,000	20,000	20,000	20,000
Overheads	10	7	743,346	273,132	222,959	247,255
Paved Roads Maintenance	10	2	3,707	1,120	1,232	1,355
Routine Roads Maintenance	10	48	1,219,866	314,050	425,200	480,616
Household Contractor Road Maintenance	10	6	259,906	78,598	88,572	92,736
EPWP projects	10	6	131,755	42,000	43,890	45,865
Road Rangers Programme	10	1	33,818	10,000	11,635	12,183
Service Level Agreement	10	4	165,000	61,000	45,000	59,000
Roads Camps Overheads	10	1	28,480	23,280	2,000	3,200
Bridge Maintenance	10	1	44,000	18,000	15,000	11,000
Head Office Consultants & DRE Support Consultants	10	1	102,714	36,800	32,000	33,914
Project Management	10	1	3,310	1,000	1,100	1,210
Road Signs	10	1	10,300	10,300	-	-
Kei Rail	10	1	24,000	24,000	-	-
Planning Overheads	10	1	24,312	15,141	6,000	3,171
Appropriate Surfacing	10	1	32,100	9,000	11,000	12,100
Design Overheads	10	1	145,219	80,601	61,448	3,170
Construction Goods & Services	10	1	70,439	70,439	-	-
Roads Infrastructure: Programme Support overheads	10	1	101,234	38,526	34,345	28,363
Center of Excellence	10	1	10,000	10,000	-	-
Project Related Personnel Costs	10	1	82,899	21,017	29,669	32,213
Head Office and Districts: Proj.Mngt and Admin; Mngmt Systems	10	1	82,289	36,319	22,504	23,466
Library maintenance	14	41	35,898	10,213	11,685	14,000
<b>Total Maintenance and Repairs</b>				<b>1,723,066</b>	<b>1,617,448</b>	<b>1,672,279</b>
<b>Total Provincial Infrastructure payments and estimates</b>				<b>5,182,174</b>	<b>5,647,806</b>	<b>6,260,480</b>



**Table A5 (b): Details of payments on infrastructure by type**

R thousand	Medium-term estimates		
	2009/10	2010/11	2011/12
<b>New and Replacement Assets</b>			
Vote 03: Department of Health	386,772	512,680	518,468
Vote 04: Social Development	12,721	13,651	15,666
Vote 05: Public Works	29,511	33,424	36,876
Vote 06: Education	601,963	840,045	1,217,588
Vote 07: Local Government and Traditional Affairs	29,149	30,461	31,832
Vote 08: Agriculture	87,147	114,361	148,799
Vote 10: Roads and Transport	90,500	109,000	90,774
Vote 11: Housing	-	-	-
Vote 14: Sport, Recreation, Arts & Culture	246,670	27,000	11,172
<b>Sub-total: New and Replacement Assets</b>	<b>1,484,433</b>	<b>1,680,622</b>	<b>2,071,175</b>
<b>Upgrades and Additions</b>			
Vote 03: Department of Health	63,863	144,869	152,779
Vote 04: Social Development	6,552	6,222	3,607
Vote 05: Public Works	24,095	31,677	30,500
Vote 06: Education	169,056	159,390	58,262
Vote 07: Local Government and Traditional Affairs	-	-	-
Vote 08: Agriculture	-	-	-
Vote 10: Roads and Transport	617,611	755,299	871,753
Vote 11: Housing	-	-	-
Vote 14: Sport, Recreation, Arts & Culture	500	4,542	20,000
<b>Sub-total: Upgrades and Additions</b>	<b>881,677</b>	<b>1,101,999</b>	<b>1,136,901</b>
<b>Rehabilitations, Renovations and Refurbishments</b>			
Vote 03: Department of Health	599,985	617,343	786,750
Vote 04: Social Development	-	-	-
Vote 05: Public Works	52,109	61,307	71,580
Vote 06: Education	63,196	216,023	200,526
Vote 07: Local Government and Traditional Affairs	-	-	-
Vote 08: Agriculture	63,121	63,615	64,007
Vote 10: Roads and Transport	314,587	289,449	257,262
Vote 11: Housing	-	-	-
Vote 14: Sport, Recreation, Arts & Culture	-	-	-
<b>Sub-total: Upgrades and Additions</b>	<b>1,092,998</b>	<b>1,247,737</b>	<b>1,380,125</b>
<b>Repairs and Maintenance</b>			
Vote 03: Department of Health	252,412	236,547	236,547
Vote 04: Social Development	9,412	9,051	10,953
Vote 05: Public Works	129,085	146,349	146,075
Vote 06: Education	147,621	160,262	173,887
Vote 07: Local Government and Traditional Affairs	-	-	-
Vote 08: Agriculture	-	-	-
Vote 10: Roads and Transport	1,174,323	1,053,554	1,090,817
Vote 11: Housing	-	-	-
Vote 14: Sport, Recreation, Arts & Culture	10,213	11,685	14,000
<b>Sub-total: Repairs and Maintenance</b>	<b>1,723,066</b>	<b>1,617,448</b>	<b>1,672,279</b>
<b>Total provincial infrastructure payments and estimates</b>	<b>5,182,174</b>	<b>5,647,806</b>	<b>6,260,480</b>

**Table A6: Details of transfers to local government**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Category A</b>	117 252	103 761	87 834	235 738	238 939	249 719	<b>263 526</b>	150 404	153 960	5.53
Nelson Mandela Metro	117 252	103 761	87 834	235 738	238 939	249 719	<b>263 526</b>	150 404	153 960	5.53
<b>Category B</b>	191 738	192 162	197 185	413 053	400 338	400 338	<b>348 980</b>	239 797	246 199	(12.83)
Amahlathi	33 945	3 537	6 115	12 104	10 885	10 885	<b>11 480</b>	12 033	12 541	5.46
Baviaans	3 956	4 409	10 461	3 879	4 344	4 344	<b>814</b>	863	890	(81.27)
Blue Crane Route	3 557	694	15 565	1 385	4 277	4 277	<b>747</b>	822	822	(82.53)
Buffalo City	15 380	17 014	9 662	82 440	100 081	100 081	<b>62 617</b>	67 046	68 710	(37.43)
Camdeboo	2 413	30 523	2 895	35 688	3 885	3 885	<b>4 869</b>	5 196	5 332	25.32
Elundini	1 795	160	318	438	830	830	<b>491</b>	540	1 012	(40.90)
Emalahleni	1 487	410	760	100	393	393	<b>112</b>	575	583	(71.50)
Engcobo	1 255	650	500	96	635	635	<b>108</b>	118	5 824	(83.07)
Gariep	2 992	4 744	6 663	5 601	4 354	4 354	<b>5 243</b>	5 543	5 735	20.42
Great Kei	10,075	2,611	5,982	512	862	862	<b>125</b>	138	138	(85.45)
Ikwezi	1 865	1 726	6 260	1 022	699	699	<b>848</b>	899	927	21.27
Ingquza				840	840	840	<b>941</b>	1 035	1 035	12.00
Inkwanca	320	520	784	404	570	570	<b>452</b>	498	498	(20.62)
Intsika Yethu	1 873	210	1 068	104	550	550	<b>116</b>	128	128	(78.82)
Inxuba Yethemba	8 867	7 955	7 423	9 872	6 800	6 800	<b>6 804</b>	7 221	7 446	0.06
King Sabata Dalindyebo	12 514	21 132	19 362	117 903	124 630	124 630	<b>143 668</b>	20 595	21 390	15.28
Kouga	8 842	2 383	1 405	2 581	2 417	2 417	<b>3 184</b>	3 048	3 154	31.73
Koukamma	19 429	27 222	20 687	29 599	341	341	<b>504</b>	532	92	47.80
Lukhanji	7 077	5 235	3 037	12 065	15 436	15 436	<b>8 579</b>	9 086	9 386	(44.42)
Makana	3 901	11 450	8 412	9 420	8 930	8 930	<b>8 756</b>	9 339	9 590	(1.95)
Maletswai	5 343	5 545	3 678	5 584	2 724	2 724	<b>3 594</b>	3 768	3 926	31.94
Matatiele		1 780	22 758		1 280	1 280	<b>2 805</b>	2 932	3 064	119.14
Mbhashe	1 505	670	715	524	2 219	2 219	<b>985</b>	5 254	602	(55.62)
Mbizana	1 275	780	660		1 768	1 768				(100.00)
Mhlontlo	2 573	180	1 430	3 267	1 420	1 420	<b>194</b>	213	213	(86.35)
Mnquma	4 293	2 714	4 426	3 149	5 084	5 084	<b>2 278</b>	2 394	2 490	(55.20)
Ndlambe	3 413	3 281	2 795	2 865	2 975	2 975	<b>3 227</b>	3 378	3 524	8.47
Ngqushwa	3 594	2 565	3 814	2 009	764	764	<b>278</b>	306	306	(63.64)
Nkonkobe	3 958	2 384	3 482	2 200	5 236	5 236	<b>5 212</b>	5 558	5 709	(0.46)
Ntabankulu	870	160	520	12 502	1 077	1 077	<b>54</b>	59	59	(95.01)
Nxuba	13 533	11 873	1 858	48 458	49 580	49 580	<b>57 004</b>	62 554	62 682	14.97
Nyandeni	1 667	120	1 200	177	1 556	1 556	<b>198</b>	218	218	(87.26)
Port St Johns	1 845	880	7 606	147	2 091	2 091	<b>1 069</b>	1 126	1 169	(48.89)
Qaukeni	1 056	8 640	1 542	1 777	1 286	1 286	<b>115</b>	127	127	(91.03)
Sakiszwe	1 961	2 252	1 653	848	1 561	1 561	<b>1 491</b>	1 567	1 631	(4.46)
Senqu	913	883	1 084	2 467	944	944	<b>1 207</b>	1 277	1 320	27.87
Sundays River Valley	677	3 158	7 858	728	21 587	21 587	<b>3 253</b>	3 445	3 560	(84.93)
Tsolwana	363	1 110	1 556	109	142	142	<b>122</b>	134	134	(14.03)
Umzimkhulu	1 056				2 210	2 210				(100.00)
Umzimvubu	300	602	1 191	189	3 075	3 075	<b>5 437</b>	233	233	76.80
Unallocated										
<b>Category C</b>	173 368	164 742	185 715	111 579	149 875	129 867	<b>188 840</b>	221 973	213 029	45.41
Alfred Nzo	19 785	8 003	8 341	10 075	12 890	12 890	<b>11 600</b>	14 797	12 681	(10.01)
Amathole	49 700	45 208	37 164	14 790	19 212	19 212	<b>43 137</b>	40 949	39 604	
Cacadu	10 524	19 317	32 858	15 503	17 454	17 454	<b>50 842</b>	65 081	60 021	191.29
Chris Hanu	27 390	40 257	37 003	32 819	33 280	33 280	<b>36 849</b>	44 674	37 979	10.72
OR Tambo	16 768	10 877	10 622	15 141	18 954	18 954	<b>15 748</b>	17 450	14 333	(16.91)
Ukhahlamba	21 534	38 077	36 292	23 251	47 085	27 085	<b>27 569</b>	35 474	33 410	1.79
Unallocated	27 667	3 003	23 435		1 000	992	<b>3 095</b>	3 548	15 001	211.99
Unallocated / unclassified	7 887	1	3			20 071		( 0 )	( 1 )	
<b>Total transfers to local government</b>	<b>490 245</b>	<b>460 666</b>	<b>470 737</b>	<b>760 370</b>	<b>789 152</b>	<b>799 995</b>	<b>801 346</b>	<b>612 174</b>	<b>613 188</b>	<b>0.17</b>

**Table A7: Details of provincial payments and estimates by district**

R' 000	2005/06	2006/07	2007/08	2008/09			2009/10	2010/11	2011/12	% change from 2008/09
	Audited			Main budget	Adjusted budget	Revised estimate	Medium-term estimates			
<b>Category A</b>	397 767	431 404	353 722	2 723 288	2 724 402	4 403 079	<b>3 962 079</b>	4 278 960	4 490 881	(10.02)
Nelson Mandela Metro	397 767	431 404	353 722	2 723 288	2 724 402	4 403 079	<b>3 962 079</b>	4 278 960	4 490 881	(10.02)
<b>Category B</b>				12 395 367	12 395 367	12 371 458	<b>13 140 709</b>	14 085 180	14 719 013	6.22
Amahlathi										
Baviaans										
Blue Crane Route				18	18	18	<b>19</b>	20	21	6.22
Buffalo City				3 505 880	3 505 880	3 499 117	<b>3 716 690</b>	3 983 823	4 163 095	6.22
Camdeboo				178 839	178 839	178 495	<b>189 593</b>	203 220	212 365	6.22
Elundini				297 260	297 260	296 687	<b>315 135</b>	337 785	352 985	6.22
Emalahleni				270 453	270 453	269 932	<b>286 716</b>	307 323	321 153	6.22
Engcobo				407 771	407 771	406 984	<b>432 290</b>	463 361	484 212	6.22
Gariep										
Great Kei				381	381	380	<b>404</b>	433	453	6.22
Ikwezi										
Inqquza										
Inkwanca										
Intsika Yethu				482 747	482 747	481 816	<b>511 775</b>	548 558	573 243	6.22
Inxuba Yethemba										
King Sabata Dalindyebo				852 329	852 329	850 685	<b>903 580</b>	968 524	1 012 108	6.22
Kouga										
Koukamma										
Lukhanji				428 263	428 263	427 437	<b>454 015</b>	486 647	508 546	6.22
Makana				219 587	219 587	219 163	<b>232 790</b>	249 522	260 750	6.22
Maletswai				35	35	35	<b>37</b>	40	42	6.22
Matatiele				991	991	990	<b>1 051</b>	1 127	1 177	6.22
Mbhashe				570 734	570 734	569 633	<b>605 052</b>	648 540	677 724	6.22
Mbizana				594 383	594 383	593 237	<b>630 124</b>	675 413	705 807	6.22
Mhlonlto				431 572	431 572	430 740	<b>457 523</b>	490 407	512 475	6.22
Mnquma				689 078	689 078	687 748	<b>730 512</b>	783 017	818 253	6.22
Ndlambe				691	691	690	<b>733</b>	786	821	6.22
Ngqushwa				435	435	434	<b>461</b>	494	516	6.22
Nkonkobe				337 558	337 558	336 907	<b>357 855</b>	383 576	400 837	6.22
Ntabankulu				402 744	402 744	401 967	<b>426 962</b>	457 649	478 243	6.22
Nxuba				193 263	193 263	192 890	<b>204 884</b>	219 610	229 492	6.22
Nyandeni				865 684	865 684	864 014	<b>917 738</b>	983 700	1 027 966	6.22
Port St Johns										
Qaukeni				785 575	785 575	784 059	<b>832 812</b>	892 669	932 839	6.22
Sakizizwe										
Senqu				381 582	381 582	380 846	<b>404 527</b>	433 601	453 113	6.22
Sundays River Valley										
Tsolwana				507	507	506	<b>537</b>	576	602	6.22
Umzimkhulu										
Umzimvubu				497 007	497 007	496 048	<b>526 892</b>	564 762	590 176	6.22
Unallocated										
<b>Category C</b>	1 348 430	1 547 362	5 573 746	6 448 966	6 542 604	15 414 260	<b>16 720 867</b>	18 079 839	18 957 243	8.48
Alfred Nzo	38 413	39 366	455 653	305 683	306 508	460 460	<b>913 984</b>	1 001 750	1 062 173	98.49
Amathole	379 721	449 695	2 408 789	3 174 557	3 174 479	7 842 993	<b>7 028 263</b>	7 398 626	7 717 450	(10.39)
Cacadu	166 520	171 157	468 898	773 556	778 919	3 208 269	<b>2 132 357</b>	2 377 178	2 486 834	(33.54)
Chris Hanani	239 524	279 634	766 228	795 973	798 464	1 562 504	<b>2 433 956</b>	2 690 839	2 828 701	55.77
OR Tambo	262 911	316 128	968 749	841 092	843 620	1 218 351	<b>2 896 873</b>	3 216 329	3 377 981	137.77
Ukhahlamba	60 103	61 484	343 912	357 769	359 062	805 250	<b>1 011 283</b>	1 111 954	1 178 431	25.59
Unallocated	201 238	229 898	161 516	200 337	281 552	316 433	<b>304 151</b>	283 162	305 672	(3.88)
Unallocated / unclassified	21 983 954	24 924 632	24 286 195	16 517 108	17 997 674	7 667 332	<b>8 811 079</b>	9 486 991	11 483 102	14.92
<b>Total payments and estimates per district</b>	<b>23 730 151</b>	<b>26 903 398</b>	<b>30 213 663</b>	<b>38 084 730</b>	<b>39 660 048</b>	<b>39 856 129</b>	<b>42 634 734</b>	<b>45 930 970</b>	<b>49 650 239</b>	<b>6.97</b>

