

EXECUTIVE SUMMARY OF THE MEDIUM TERM BUDGET STATEMENT

1. Overview of the Provincial Budget

The continued reform and improvement of the provincial budget has become imperative for successful delivery of public goods and services. Any budget reform initiated, is of paramount importance as long as it does not impair or disrupt service delivery. Any innovation or change on budgetary procedure requires considerable time for its institutionalization. If the annual provincial budgets over the past number of years are compared, it would be clear that the budget reform has taken place in a phased manner.

The North West Provincial Treasury believes that the systematic reform of the budget is more appropriate, although it calls for proper planning and professional implementation. The province followed a credible budget process with the full support of the EXCO while consulting extensively with all relevant departments and political stakeholders.

The need to introduce efficiency and effectiveness in budget spending prompted the Provincial Government to introduce Strategic Budgeting which is a combination of the zero- based and activity based budgeting while the advantages of performance budgeting are retained.

Strategic budgeting was aimed at releasing money in the budget process that could be used to fund new priorities and policies so that they sustain over a longer period term from a macroeconomic point of view and the extent to which they contribute to the policy and priority imperatives of the province.

The 2009/10 MTEF budget process includes a very important event in the history of our country, namely the 2010 Soccer World Cup. There is a concern regarding the readiness of our provincial emergency services, the state of the roads leading to soccer venues and places of accommodation for visitors and the publicity of the province as tourist destination. Like in previous financial years, the Provincial Treasury does not expect to receive additional funds for this historic event. It will be up to the provincial departments to reprioritize the unlimited needs to reconcile with their allocated budgets in order to contribute to this event.

The implementation of the new Standard Chart of Accounts (SCOA) posed a serious challenge to the province. Numerous interventions were initiated with the National Treasury in an attempt to ensure system compliance and the province made significant strides in this regard.

2. Budget strategy and aggregates

Government provides basic services and progressively aims to improve the quality of life and opportunities of all South Africans. Despite this challenge, Government is also tasked to eradicate the dualistic nature of the South African economy through effective integration, coordination and alignment of the actions of its three constituting spheres.

Over the last decade this intention has found expression in a wide range of acts, policies, strategies, development planning instruments, integration mechanisms and structures aimed at ensuring intergovernmental priority setting and resource allocation.

In implementing its development agenda, government proceeds from the premise that coordinated government priority setting, resource allocation and implementation require:

- Alignment of strategic development priorities and approaches in all planning and budgeting processes as good budgeting is about the choices we make when allocating resources to spending programmes;
- A shared agreement on the nature and characteristics of the space economy; and
- Strategic principles for infrastructure investment and development spending.

During the State of the Nation address the President pronounced that six years ago people came together in a Growth and Development Summit and reached an agreement based on tasks that should be undertaken to improve the quality of life of all South Africans, particularly to halve unemployment and poverty by 2014. These include:

- Creating more jobs, better jobs and decent work for all through higher rates of investments, public works programme, sector partnerships and strategies, local procurement, small enterprise promotion and support for co-operates;
- Addressing the investments challenge by improving savings, appropriately deploying resources from pension and provident funds, housing, financial sector contributions and black economic empowerment;
- Advancing equity, developing skills, creating economic opportunities and extending services;
- Local action and implementation for development, including provision of infrastructure and access to basic services and addition to the above added that:-
- There is a need to improve the education system;
- To provide efficient, decent and equitable health care;
- To provide rural areas and ensure food security and to
- Intensify the fight against crime and corruption.

Pending the National and Provincial election, the current government in power will endeavour to undertake the mandate as contained in the government's Programme of Action and to pay attention to the following:

- Creating the capacity necessary to improve service delivery and better integration within and across the spheres of government, including national and strategic planning;
- Continuing with the War on Poverty campaign and finalizing the draft of the Comprehensive Anti- Poverty Strategy through the public consultation;
- Implementing the comprehensive programme that was put in place of eliminating the incidence of cholera in various parts of the country;
- Continuing research and consultations on the Comprehensive Social Security System, including the matter of National Health Insurance;
- Intensifying the campaign of saving energy, so as to manage the current difficulties while at the same time speeding up the projects to build new capacity and utilize alternative energy sources;
- Integrating into the work of the relevant Clusters, the findings of research on Second Economy interventions such as the community works programme, support for small and micro- enterprises and rural development initiatives;
- Intensify efforts to revamp the criminal justice system, including better forensic capacity, rapid increase in the number of detectives, optimal utilization and communications technology, and better management of courts;
- Facilitate the processes aimed at strengthening the machineries dealing with matters of gender equality such as 50/50 representation in decision making structures, youth development, the rights of people with disability and children's rights, consultations on National Youth Policy, implementation of the African Youth Charter once it has been processed by Parliament, setting up of the National Youth Development Agency, submitting the SADC Protocol on Gender and Development to Parliament, strengthening advocacy on the rights of people with disability and extending the number of municipalities that have set up Children's Rights Focal Points beyond the current 60%.

These and the other programmes, including the Apex priorities identified in the State of the Nation address February 2008, form the bedrock of our efforts to continue the popular mandate and lay the foundation for the future.

Based on the President's speech, the Premier announced amongst others the following:-

- Governance includes the prudent management of public resources;
- Continued commitment to clean governance must be a reassurance to our people *that our vision lives on*;
- To continue to facilitate the building of a caring nation through social services;
- Building a healthy nation through the provision of health services;
- Educating the nation and developing our human resources for our economy to expand as per our PGDS goal;
- Economic development and halving poverty and unemployment by 2014 requires investment in infrastructure and the involvement of the masses of our people in the development thereof;
- Infrastructure programmes still have a massive potential to help us turn back the frontiers of poverty through job creation and the training of our people in diverse areas;
- It is through the access of basic services that government is palpably felt and provision of basic services to our people takes place within the context of our 5-Year Local Government Plan;
- On the provision of housing and human settlement our impact as a Batho Pele – people first – government has been most strongly felt;
- Our fight against poverty is personified by our integrated Poverty Eradication Strategy, which is anchored by four strategic options, including the provision of basic services, the creation of jobs, improving the effectiveness of the social security system, and implementing human development and food security interventions;
- Economic empowerment through the creation of and support for new and emerging SMME's as a job-creation intervention to reduce our high levels of poverty and draw previously disadvantaged people into the mainstream economy;
- Through the moral regeneration and social cohesion programme the province advocates a society free from racial prejudice, xenophobia, tribalism, other forms of intolerance, and the abuse of the elderly, the disabled, women and children;
- Commitment towards the successful hosting of the Confederations Cup and the 2010 FIFA World Cup; and
- Work towards the advancement of women, children, youth and people with disabilities, the eradication of all forms of gender discrimination, and the implementation of equality for everyone.

The 2009/10 MTEF budget allocations address both the national priorities and the provincial priorities. Special attention is given to fast track those that are outlined below: -

1. **FIFA WORLD CUP**
2. **PROVINCIAL INFRASTRUCTURE DELIVERY AND ASSET MANAGEMENT PROGRAMME** (IDIP with departments of Education, Health , Public Works, Transport, Agriculture & Traditional leaders)
3. **LOCAL GOVERNMENT 5-YEAR IMPLEMENTATION**
4. **PROVINCIAL POVERTY ERADICATION STRATEGY** (incorporating "War Room on poverty" campaign)
5. **GREATER MAFIKENG GROWTH AND DEVELOPMENT** (Anchor is Mafikeng Industrial Development Zone (MIDZ))
6. **EXPANDED PUBLIC WORKS AND NATIONAL YOUTH PROGRAMME** (for job creation and skills development)
7. **WESTERN FRONTIER CATTLE AND GREATER TAUNG DEVELOPMENT** (Water provision for livestock to be included)
8. **INTERDEPARTMENTAL WORKPLACE SKILLS PROGRAMME** (Focus on learnerships and internships for critical and scarce skills)
9. **STRENGTHENING THE STATE** (in respect of ICT, Monitoring & Evaluation, Policy, Planning, Programme/Project Management, Research and Knowledge management)
10. **INDUSTRIAL DEVELOPMENT AND PROCUREMENT POLICY** (development and implementation with focus on SMME & LED development)

Funding of national priorities

Given the tight fiscal framework, adjustments mainly focused on education and health. The funding of the national priorities over the 2009/10 MTEF is as follows: -

National Priorities	MTEF Allocations		
	2009/10 R' 000	2010/11 R' 000	2011/12 R' 000
<u>Inflationary Adjustments</u>			
Higher than anticipated wage settlement	326 435	349 332	365 363
Learner Teacher Support Material	8 525	9 714	5 934
Medical goods and services	47 431	57 745	35 276
<u>Policy Priorities funded through the Equitable Share</u>			
<u>Education</u>			
Extension of No Fee Policy to Q3 schools	-	56 140	70 629
Expansion of teachers to reduce teacher/learner ratio in Q1 schools	-	17 544	127 132
Support to inclusive education	-	-	21 189
<u>Health</u>			
Personnel costs (shortfalls: OSD for Nurses)	76 693	77 193	77 692
Phasing in of the OSD for doctors and specialists	34 861	70 175	105 943
Tuberculosis (XDR and MDR)	6 972	12 281	13 631
Reducing infant and child mortality	27 889	42 105	56 503
General health capacity	-	-	98 880
<u>Social Development: Early Childhood Development</u>	-	-	35 314
<u>Roads and other economic functions</u>	-	-	35 314
Total: Final Adjustment to Equitable Share	528 806	692 229	1 048 800

Funding of provincial priorities

Despite the financial pressures experience by the province as a result of the economic meltdown, the following provincial priorities were funded over the 2009/10 MTEF period.

Allocations towards Top Ten Priorities			
	2009/10 R' 000	2010/11 R' 000	2011/12 R' 000
1. FIFA World Cup			
FIFA 2010 Projects	60 000	9 800	-
Confederation Cup	50 000	-	-
Marketing and Communication Strategy: FIFA & Confederation	5 000	-	-
Medical Staff for Job Tabane and Moses Kotane Hospitals	10 000	10 620	11 225
Job Tabane Hospital: Upgrade for 2010	20 000	-	-
2. Provincial Infrastructure Delivery & Asset Management			
Asset Management & Assessment: Finance & DPW (Giama Act)	7 000	9 285	10 500
Infrastructure Maintenance	30 000	88 000	100 000
3. Local Government 5-Year Implementation			
Implementation of the MFMA	8 000	7 000	7 000
4. Provincial Poverty Eradication Strategy			
Poverty Eradication Strategy	15 000	23 000	28 000
Masupatsela Youth Pioneer Programme	1 565	2 741	3 874
5. Greater Mafikeng Growth and Development			
MIDZ	4 000	10 910	24 599
6. Expanded Public Works and National Youth Programme			
EPWP Projects/Training for provincial departments	10 000	16 000	20 000
7. Western Frontier Cattle and Greater Taung Development			
Ilima/Letsema Projects	5 000	20 000	40 000
8. Interdepartmental Workplace Skills programme			
Learnerships: Provincial Departments	10 000	14 744	18 470
9. Strengthening the State			
BAS implementation	10 000	6 000	-
Project/ Programme Management, ICT, Accounting, I/ Audit	12 000	19 000	21 000
10. Industrial Development and Procurement Policy			
Procurement Policy Development, Implementation for SMME's	5 000	4 500	4 258
Allocations towards Top Ten Priorities	262 565	241 600	288 926

Summary of budget aggregates

The North West Provincial equitable share has increased from R14 143 537 billion in 2008 to R15 499 746 in 2009, R17 813 857 in 2010 and R19 290 052 in 2011 respectively. The provincial conditional grants are the second largest revenue source. In 2008 the province received R2 874 962 which was increased to R3 160 629 in 2009, R3 783 851 in 2010 and R4 415 855 in 2011.

The provincial receipts and payments over the 2009/10 MTEF is summarized below: -

Summary of provincial receipts

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
Provincial Receipts									
Transfer receipts from national	12 638 611	14 501 824	14 727 538	16 388 106	17 205 112	17 018 499	19 281 803	21 597 708	23 703 712
Equitable Share	11 160 398	12 569 604	12 669 384	13 809 365	14 330 150	14 143 537	16 121 174	17 813 857	19 287 857
Condition grants	1 478 213	1 932 220	2 058 154	2 578 741	2 874 962	2 874 962	3 160 629	3 783 851	4 415 855
Provincial Own Receipts	492 557	517 383	465 126	549 462	571 284	571 284	584 407	597 036	627 288
Total Provincial receipts	13 131 168	15 019 207	15 192 664	16 937 569	17 776 396	17 589 783	19 866 210	22 194 744	24 331 000
Provincial Payments									
Current payments	10 432 720	11 571 398	11 805 705	13 063 973	13 455 345	13 677 920	15 143 071	16 681 842	18 106 796
Transfer and subsidies	1 713 198	2 102 758	2 218 072	2 502 826	2 821 486	2 884 859	3 106 741	3 532 179	4 032 349
Payment of capital assets	991 080	1 350 975	1 261 077	1 370 770	1 499 564	1 675 453	1 616 398	1 980 723	2 191 855
Unallocated contingency reserves	5 830	4 465	108 328						
Total Provincial Payments	13 142 828	15 029 595	15 393 182	16 937 569	17 776 396	18 238 233	19 866 210	22 194 744	24 331 000
Surplus / (deficit) before financing	- 11 660	- 10 388	- 200 518			- 648 450			
Financing									
Provincial Rollovers	483 681	273 336	240 640		27 687	27 687			
Donations and other funds received	15 167				72 344	72 344			
Surplus brought forward		523 143			33 774	33 774			
Other			905 454		52 808	52 808			
Surplus / (deficit) after financing	487 188	786 091	945 576		186 613	- 461 837			

The Budget Process and the Medium-Term Expenditure Framework

The current economic meltdown affected provincial equitable share allocations and provinces were urged to revise the personnel growth assumptions, reduce the non-core programmes in order to protect service delivery departments such as education, health, welfare services and agriculture.

The following process was followed:

- The budget process commenced with an EXCO Planning Lekgotla followed by the provincial budget circular requesting draft budget inputs from departments based on baseline and pre-benchmark allocations.
- It was important to ensure that stakeholders were aware of the challenges resulting from insufficient funding. The provincial treasury met with EXCO, heads of departments and public entities as well as chief financial officers.
- The provincial treasury identified possible areas of cost reduction on baseline allocations and departments were requested to reduce on non-core budgets.
- The provincial treasury had bilateral discussions where departments were afforded the opportunity to highlight their priorities to indicate the impact of the cost reduction measures.
- Final recommendations on the funding of the budget was submitted and discussed at EXCO and the EXCO Budget Lekgotla, where approval was obtained.

The success of the provincial budget lies in the provincial government's ability to find equilibrium between all the various conflicting demands. In addition, the provincial government must comply with constitutional social responsibilities to ensure economic growth and the creation of job opportunities for the citizens.

We have under difficult circumstances managed to find equilibrium in allocating the limited provincial resources. The challenges raised in the budget as a result of the economic crisis and the limited funds can only be overcome if we work together as a province.

3. Socio Economic Outlook

3.1 Demographic profile

The North West province is a land-locked, spatially medium-size province which is home to approximately 3 271 948 (2007), people. The province is situated at the centre of the northern border of South Africa and neighbouring provinces include the Limpopo Province in the north east, Gauteng and the Free State to the south east along the Vaal River, and the Northern Cape in the south west.

Although the North West Province consists of mostly flat landscape, it changes from semi-arid savannah to more mountainous terrain. The altitude ranges from 1000 to 2000 meters above sea level in the heights of the Magaliesberg mountain range in the east and the Pilanesberg which rise from the plains in the north.

The province is constituted into 21 local municipalities (from an original 27), that are grouped within four Districts municipalities, namely Bojanala (The Eastern part), Dr. Ruth Mompati (The Western part), Dr. Kenneth Kaunda (The Southern part) and Ngaka Modiri Molema (The Central part).

Resulting from the boundary demarcation process the following changes have been registered:

- Transfer of **NW KGALAGADI** to Northern Cape Province;
- Transfer of **NW FRANCES BAARD** to Northern Cape ;
- Transfer of **NW TSHWANE** to Gauteng Province; and
- Transfer of **GT MERAUFONG** to North West Province (Latest indications are that Merafong will resort back with Gauteng province in future)

The key implications of these changes are summarized in the next table.

Statistical and indicator description	North West before 2005	Exclusion			Inclusion		North West after 2005	Net gain/loss
		Nw	Nw Frances Baard	Nw	Gt			
		Kgalagadi	Baard	Tshwane	Merafong			
Total Population	3 669 348	140 029	21 557	458 957	149 348	3 198 153	-471 195	
Number of Households	977 950	32203	4953	115 880	74 022	898 936	-79 014	
Area in Km ²	116 180	4 485	833	322	832	111 372	-480	

Source: OOP, May 2006

Key demographic data for the province since 1996 and after the new demarcation from **2006** is summarized in the next table:

AREA AND DEMOGRAPHIC DATAS	1996	1999	2004	2006	2007	2007 (Community Survey)
Area in km ²	116,183	116,183	116,183	106,512	106,512	
Area as proportion of national figure	9.70%	9.70%	9.70%	8.72%	8.73%	
Population estimates (Mid Year)	3,354,825	3,562,280	3,807,469	3,374,200	3,394,200	3,271,948
Population as proportion of national population	8.30%	8.20%	8.20%	7.10%	7.10%	6.70%
Density per km ²	29	31.3	32.8	31.7	31.9	
Population growth rate per annum	1.40%	3.10%	0.40%	-11.80%	0.60%	-3.00%
Life expectancy in years at birth	53.1	53.1	47.2	50.7	50	50
Working Age numbers (Age 15 to 65 Years)	2,036,435	2,036,435	2,382,000	2,431,000	2,460,000	2,114, 988
Working Age population as proportion of total population	60.70%	60.70%	62.60%	72.00%	72.50%	64.60%
Population older than 65	134,977	134,977	156,748	196,100	176,800	169,887
Population in age group 0-14 years	957,775	957,775	1,211,611	1,236,500	1,075,000	987,073
Household numbers	720,502	857,930	1,041,000	1,050,000	911,120	911,120
Average household size	4.6	4.2	3.7	3.7	3.7	3.7

A few observations regarding the demographic trends are the following:

- The contribution of the North West's population to the total national population has remained more or less stable at about 7.2 % since 2001.
- The Human Development Index (HDI) of the people living in the North West improved from 0.49 in 1996 to 0.56 in 2006, thus indicating progress towards a better human well-being. The average growth rate of the HDI in the Province was 1.1% per annum over the past 9 years.
- The percentage of the population settling in urban areas in the North West province has been increasing slowly but the population living in rural areas has been decreasing. While Bojalana is experiencing high positive population growth Dr. Ruth Mompati district experienced negative growth in its population from 2001 to 2007;
- Gauteng is the main receiving province of migrants from the North West province;
- The economic participation rate in the economy declined from 56.4 % to 51.0 % in 2004 and then improved to 53.1% in 2006 illustrating some disillusionment to find work;
- This is also illustrated in the labour absorption rate in the province that remained the same between 34.9% and 34.8% in 2004 and then improved to 38.4% in 2006;
- Similarly although household sizes are reducing, the number of dependants per Economic Active individual worsened from 2.9 to 3.1 in 2004 and then improved to 2.6 in 2006;
- The GINI coefficient in the North West Province has increased over the past ten years from 0.54 to 0.62, thus indicating a negative trend towards achieving better income equality in the Province;

3.2 Socio- Economic Indicators

In 2005 the Demarcation Board approved new municipal boundaries for the country. This decision affected the area size as well as the population of the North West Province. As the project CS 2007 made use of the new boundaries, the North West Province was counted amongst some of the severely affected provinces:

Total Population of North West: Source: Stats SA, 2007 (using new boundaries)

The number of households in the North West has been on the increase since 1996 according to Stats South Africa Census, 2007

Census	Population	% change
1996	2 936 554	-
2001	3 193 676	(1996/2001) 8.8%
2007	3 271 948	(2001/2007) 2.5%

The percentage share of North West in the total number of households in South Africa is 7% in 1996, 7.3% in 2001 and 7.3% in 2007.

Population distributions by functional age-groups

These figures were based on the new boundaries and the largest increase was in the economically active group. The percentage increase between 1996 and 2007 was 16%.

Age group	1996	2001	2007
Children (0-14 yrs)	957 775	976 398	987 073
Economically active (15-64 yrs)	1 817 843	2 058 219	2 114 988
Aged (65+ years)	160 936	169 059	169 887
TOTAL	2 936 554	3 193 679	3 271 948

Education

The skill constraints of the country can be addressed by knowledge and training as acquired from specific educational institutions. It is therefore important to note the level of student's engagement with various educational institutions.

It should also be noted that the highest education participation rate is a crucial indicator of employability, labour participation and employment. During the demarcation process the distribution with education has changed slightly.

Table: Grade 12 Pass Rates in the North West Province for 2004-2008

Year	Candidate	Candidate	Pass Senior	Pass (SS) with Conditional Endorsement	Pass with	Pass
	Entered	Wrote (6+)	Certificate (SS)		Endorsement	Percentage
2004	38564	37441	16485	3134	4664 (12.4%)	64.86%
2005	38731	37709	16323	2569	4140 (11%)	63.10%
2006	39183	37943	18582	1321	5537 (14.6%)	67%
2007	32751	31786	14130	2183	5061 (15.9%)	67.20%
2008	34244	33157	22554	-	6436 (20%)	68.02%

Source: Department of Education, North West, 2008

Health

The spread of HIV/AIDS continues to have a negative impact on the development of the Province. Losses of quality personnel as well as the increase in the health budget are some of the factors that the government has to contend with. According to (Stat SA, 2007) a survey of 1056 people in the North West indicated that 10.9% of the people above 2yrs of age are HIV infected.

The Actuarial Society of South Africa (ASSA) has used a number of population variables such as fertility, migration, access to health facilities, condom use, population structure, under-five and infant mortality, amongst others to project HIV prevalence in provinces.

According to ASSA, infection in North West on HIV continue to increase from 466,730 in 2000 to 666,306 in 2007 and start to show a decline to 653,903 in 2008 to a projected figure of 612,887 in 2010. This is the major challenge that South Africa is faced with. Every financial year National Treasury revises the HIV/AIDS conditional grant upward but the allocation is never enough to deal with the challenges on board.

Poverty Rates

The poverty rate in the North West Province is currently 30% (CS- Stats, 2007) and the unemployment rate of the population is at 50%. If this trend continues, the North West Province will have 1.2 million poor people by 2014.

The population living below the poverty margin in the North West increased from 4.1% in 1996 to over 8.6% in 2005. According to Stats SA the poverty rate stood at 30% in 2007. With the current economic meltdown possibilities of creating jobs in an attempt to alleviate poverty will be very slim.

Access to Basic Services

The table below illustrates the percentages of households that have access to basic services taking into account the new demarcation of the North West Province.

NORTH WEST ACCESS TO BASIC NEEDS BASED ON NEW BOUNDARIES 2002-2007 (%)					
HOUSEHOLDS with Services	Formal Dwelling	Electricity	Piped water	Refuse removed	Sanitation above bucket system
1996	76	43.3	57	39	92.6
2001	77	71.8	70.2	45	94.9
2002	87.7	82	57	41.9	93
2003	90.7	85.8	60.4	42.5	94.8
2004	91.5	89.9	60.2	45.1	93.2
2005	79.5	84.6	60.5	47.8	90.9
2006	79.8	84.8	67.8	48.3	91.5
2007	75.7	82.3	72.5	54.8	95.8

3.3 Economic Indicators

The macro-economic performances in the province are summarized as follows: -

MACRO ECONOMY	1996	1999	2004	2005	2006
GDP at current prices (R million)	R 39,730	R 51,426	R 87,745	R 98,800	R 112,234
GDP In constant 2000 PRICES (R million)	R 58,328	R 59,005	R 66,484	R 69,786	R 72,762
GDP growth in constant 2000 prices	5.70%	2.40%	3.60%	3.60%	3.60%
GDP per capita in current prices	R 11,383	R 14,155	R 23,045	R 25,837	R 33,262
GDP as proportion of national GDP	6.40%	6.30%	6.30%	6.40%	6.40%
Primary industries share	24.10%	26.70%	26.90%	27.90%	28.40%
Mining share %	20.60%	23.20%	24.30%	25.10%	25.80%
Secondary sector share	11.60%	9.80%	10.10%	9.40%	9.50%
Tertiary industry	54.30%	54.10%	52.60%	51.70%	50.60%
General government services	13.90%	13.70%	12.10%	11.70%	11.30%
Working Age numbers (Age 15 to 65 Years)	2,036,435	No data	2,382,000	2,428,000	2,431,000
Working Age population as proportion of total population	60.70%	No data	62.60%	72.00%	72.00%
LABOUR Absorption Rate (% of Working Age that are employed)	34.90%	34.90%	34.80%	38.40%	36.20%
Officially unemployed *	374,412	391,000	325,000	354,000	410,000
	32.60%	29.50%	28.00%	27.40%	31.80%
Expanded definition of unemployed *	38.10%	41.00%	46.00%	43.70%	41.60%
AGRICULTURE	85,766	83,119	82,062	70,606	72,890
EMPLOYMENT IN MINING	142,593	118,325	141,351	141,425	179,170
MANUFACTURING	63,816	65,825	68,065	72,824	54,042
ELECTRICITY	4,516	4,334	4,593	4,762	4,443
CONSTRUCTION	25,721	39,921	48,998	57,338	50,148
TRADE	90,872	129,011	152,812	176,998	156,232
TRANSPORT	27,356	27,480	28,443	29,869	23,224
FINANCE	20,064	24,156	31,857	33,729	34,611
COMMUNITY SERVICES	119,102	143,504	163,055	165,798	135,679
HOUSEHOLDS	69,268	67,219	62,149	58,078	66,062
TOTAL	649,073	702,906	771,539	757,247	794,425
Income per household in current prices (R /annum)	R 34,059	R 40,207	R 52,556	R 55,930	R 61,698
Income per capita in current prices (R/annum)	R 7,435	R 9,495	R 13,506	R 14,584	R 16,187
Economic active population	1,148,731	1,324,778	1,215,000	1,229,000	1,291,000
Economic active as proportion of total population	32.90%	36.50%	51.00%	50.60%	53.10%
Economic participation rate	56.40%	No data	31.90%	32.10%	38.30%
Number dependants per economic active person	2.9	No data	3.1	3.1	2.6
*OFFICIALLY UNEMPLOYED: Those people within the economically active population who:			*EXPANDED UNEMPLOYED: Those people within the economically active population who:		
a) Did not work during the seven days prior to the interview,			a) Did not work during the seven days prior to the interview,		
b) Want to work and are available to start work within a week of the interview,			b) Want to work and are available to start work within a week of the interview and also includes discouraged job		
c) Have taken steps to look for work or start some form of self-employment in the four weeks prior to the interview.					

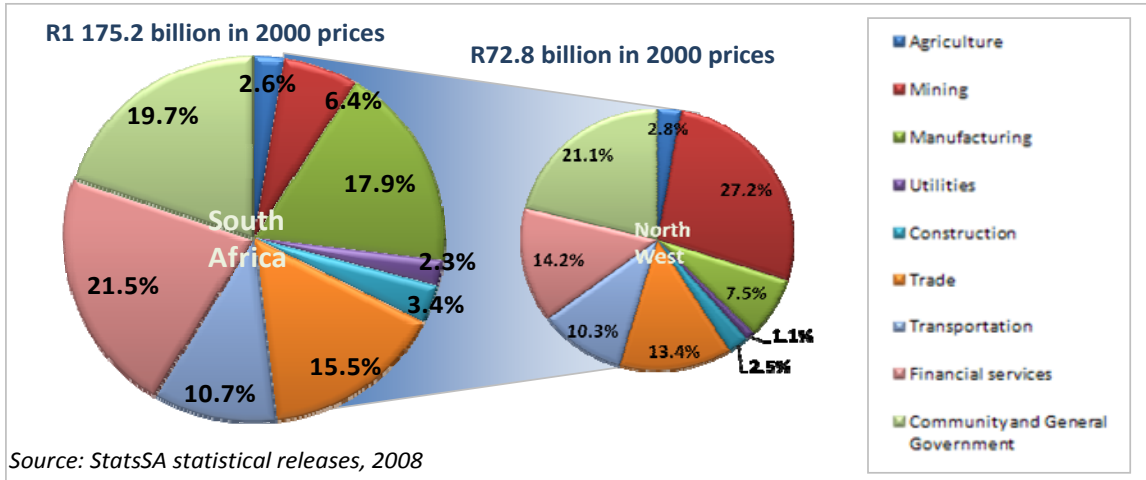
According to the latest StatsSA release, the North West Province's economy was valued at R72.8 billion, which is contributing 6.2% to the national economy. As illustrated below, the structure of the provincial economy differs considerably from the structure of the national economy.

Although the North West economy is also dominated by the tertiary sector, its primary sector, in particular the mining sector plays a crucial role in job creation in the Province generating 27.2% of the provincial GGP.

Since the main mining activities in the area are gold, diamond, and platinum mining, the provincial economy is largely dependent on the demand for the minerals created by the foreign countries and fluctuation of the commodity prices.

The second largest economic sector in the North West Province is the community and general government services (21.1%), followed by the financial services sector (14.2%) and trade sector (13.4%).

South Africa's and North West Provinces' economies



The above table depicts that the province is heavily dependent on the mining sector for its economic performance. This sector currently contributes 27.2% to the total GDP-R for the North West.

People currently employed in the North West Province mining sector constitute around 34% of the total employment in the mining sector in South Africa (Stats SA). This serves to highlight the dependence of the province on this sector and the concentration of jobs in this sector.

The Finance, real estate and business services sector in the province have also shown an increase in the growth of around 2.3% since 2004 and currently contribute 14.2% to the GDP-R of the province. Given the recent boom in the property market in and around Rustenburg, as well as that being experienced in other areas of the province, it is not surprising that this sector will continue to grow.

Manufacturing contributes 7.5% to the GDP-R of the province and is to a large extent dominated by mining related industries that consists of Metal Products and Machinery, Non Metallic Mineral Products and Chemical Products.

4. Receipts

4.1 Overall Receipts

The total provincial receipts grow at an average of 11% over the MTEF as listed below: -

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
Summary of provincial receipts									
Transfer receipts from National									
Equitable share	11 086 061	12 346 856	12 086 589	13 809 365	14 143 537	14 143 537	16 121 174	17 813 857	19 287 857
Conditional Grants	5 951 108	1 814 800	2 410 647	2 578 741	2 874 962	2 874 962	3 160 629	3 783 851	4 415 855
Total transfer receipts from National	17 037 169	14 161 656	14 497 236	16 388 106	17 018 499	17 018 499	19 281 803	21 597 708	23 703 712
Provincial own receipts									
Tax receipts	196 754	241 389	228 505	256 760	257 097	257 097	268 691	273 639	286 496
Casino taxes	50 787	69 163	58 996	50 000	56 000	56 000	57 750	60 638	63 670
Horse racing taxes	2 762		3 706	3 510	3 800	3 800	3 990	4 189	4 398
Liquor licences	2 532	2 477	2 075	550	2 097	2 097	2 201	2 312	2 428
Motor vehicle licences	140 673	169 749	163 728	202 700	195 200	195 200	204 750	206 500	216 000
Sales of goods and services other than capital assets	153 756	157 750	154 881	195 768	217 698	217 698	233 236	241 345	248 621
Transfers received from:									
Fines, penalties and forfeits	6 131	6 264	17 169	10 055	13 930	13 930	13 522	14 022	14 022
Interest, dividends and rent on land	112 953	89 555	45 706	47 075	57 015	57 015	40 788	38 860	44 639
Sales of capital assets	17 388	18 562	9 083	17 500	14 374	14 374	17 000	18 000	19 500
Financial transactions in assets and liabilities	5 575	3 863	9 782	11 050	11 170	11 170	11 170	11 170	11 815
Total departmental own receipts	492 557	517 383	465 126	538 208	571 284	571 284	584 407	597 036	625 093
Total provincial receipts	17 529 726	14 679 039	14 962 362	16 926 315	17 589 783	17 589 783	19 866 210	22 194 744	24 328 805

4.2 Equitable Share

The North West Provincial equitable share has increased from R14 143 537 billion in 2008 to R15 499 746 in 2009, R17 813 857 in 2010 and R19 290 052 in 2011 respectively. The provincial equitable share increases at an average of 10.7% over the MTEF with the outer year, 2001/12 growing with only 8%.

Summary of Provincial Receipts	Adjustment Appropriation 2008/09	MTEF Allocations		
		2009/10	2010/11	2011/12
	R' 000	R' 000	R' 000	R' 000
Baseline	13 820 620	15 499 746	16 790 006	17 797 406
Additional Funds from National Departments	322 917	528 806	692 228	1 048 803
Adjustment to baseline	-	92 622	331 623	443 843
NW Baseline Allocations	14 143 537	16 121 174	17 813 857	19 290 052
Conditional Grants	2 874 962	3 160 629	3 783 851	4 415 855
Provincial Own Revenue	571 284	584 407	597 036	625 093
Additional MTEF Funds	186 613	-	-	-
Total NWPG Allocation	17 776 396	19 866 210	22 194 744	24 331 000

4.3 Conditional Grants

The provincial conditional grants are the second largest revenue source. In 2008 the province received R2 874 962 which was increased to R3 160 629 in 2009, R3 783 851 in 2010 and R4 415 855 in 2011.

Summary of Conditional Grant per department									
Classification (R'000)	Programme Summary of Payments and Estimates								
	2005/ 2006 Outcome	2006/ 2007 Outcome	2007/ 2008 Outcome	2008/2009			2009/ 2010 MTEF	2010/ 2011 MTEF	2011/ 2012 MTEF
				Main App	Adjusted Estimate	Revised Estimate			
Agriculture	5 819	90 053	58 332	73 329	143 317	137 317	102 688	116 859	136 417
Agricultural Disaster Management		15 999	5 205		51 795	49 795	5 000		
Comprehensive Agricultural Support	4 351	67 752	47 309	68 432	85 741	81 741	91 518	110 319	129 485
Land Care:Poverty Relief & Infrastructure	1 468	6 302	5 818	4 897	5 781	5 781	6 170	6 540	6 932
Health	327 413	482 139	535 874	667 770	721 901	721 901	772 815	952 498	1 042 730
National Tertiary Services	71 283	69 380	81 409	117 317	118 433	118 433	134 416	179 280	189 648
HIV/AIDS	100 921	142 316	152 186	205 288	247 930	247 930	281 813	337 158	362 666
Forensic Pathology Services	2 230	16 686	27 913	22 158	32 531	32 531	23 334	26 433	28 019
Hospital Revitalisation	87 998	191 366	208 882	254 030	254 030	254 030	254 644	326 303	374 074
Health Professional Training	64 013	62 391	65 484	68 977	68 977	68 977	78 608	83 324	88 323
Malaria and Cholera Prevention	968								
Education	119 300	140 465	127 139	176 867	200 275	200 275	173 975	263 138	320 286
National School Nutrition Programme	106 322	101 398	87 916	103 144	125 557	125 557	161 063	249 599	305 935
HIV/AIDS (Life Skills Education)	12 978	11 067	10 498	12 229	13 224	13 224	12 912	13 539	14 351
Futher Education Training College		28 000	28 725	61 494	61 494	61 494			
National Treasury	364 491	408 373	501 478	641 035	641 035	641 035	807 577	976 571	1 122 285
Infrastructure Grant to Provinces	364 491	408 373	501 478	641 035	641 035	641 035	807 577	976 571	1 122 285
Housing	615 411	696 543	785 516	896 102	1 004 125	1 004 125	1 100 055	1 288 770	1 578 161
Integrated Housing & Human Settlement	615 411	696 543	785 516	896 102	1 004 125	1 004 125	1 100 055	1 288 770	1 578 161
Sport, Arts and Culture	2 465	9 527	16 900	24 083	24 083	24 083	31 096	34 022	36 063
Mass Sport and Recreation	2 465	9 527	16 900	24 083	24 083	24 083	31 096	34 022	36 063
Transport,Roads and Community Safety							41 252		
Public Transport Operations Grant							41 252		
Public Works							7 192		
Expanded Public Works Programme							7 192		
Other (not included above)	84 976	5 360	265 529	99 555	140 226	100 226	123 979	151 993	179 913
Community Library Services	10 891	90	15 529	40 560	41 231	41 231	52 872	59 275	62 832
Devolution of Property Rate Fund				58 995	58 995	58 995	66 107	72 718	77 081
Transitional Grant North West			250 000						
Food Emergency Relief	15 833	235							
Medico-legal	317								
TB Grant	57 935	5 035							
Ilima/Letsemma Projects				40 000			5 000	20 000	40 000
TOTAL ECONOMIC EXPENDITURE	1 519 875	1 832 460	2 290 768	2 578 741	2 874 962	2 828 962	3 160 629	3 783 851	4 415 855

4.4 Provincial Own Revenue

The overall provincial revenue budget reflects an average increase of around 3% per year over the next three years.

This increase is below the current inflation targets of between 10% and 15% and could at first glance be regarded as being an understatement. However, factors such as the current economic climate and recession fears, pressures on provincial budgets and administrative challenges will be placing tremendous pressure on the provincial revenue envelope.

We have also reached an advanced stage in the quest to finalize our Provincial Revenue Enhancement Strategy and we intend to start implementation during 2009/10 in an attempt to increase revenue collection during the current MTEF period.

The strategy would be focusing on maximizing current revenue sources by improving on administration, the annual process of tariff adjustments and service delivery to the public on the one hand and to focus on decreasing input costs where possible on the other hand. We will intensify our quest to introduce new sources of provincial revenue over the current MTEF period.

Summary of provincial receipts: -

	Outcome			2008/09			Medium-Term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08	Main appropriation	Adjusted appropriation	Revised estimate	2009/10	2010/11	2011/12
Tax receipts	196 754	241 389	228 505	256 760	257 097	257 097	268 691	273 639	286 496
Casino taxes	50 787	69 163	58 996	50 000	56 000	56 000	57 750	60 638	63 670
Horse racing taxes	2 762	-	3 706	3 510	3 800	3 800	3 990	4 189	4 398
Liquor licences	2 532	2 477	2 075	550	2 097	2 097	2 201	2 312	2 428
Motor vehicle licences	140 673	169 749	163 728	202 700	195 200	195 200	204 750	206 500	216 000
Sales of goods and services other than capital assets	153 756	157 750	154 881	195 768	217 698	217 698	233 236	241 345	248 621
Transfers received from:	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	6 131	6 264	17 169	10 055	13 930	13 930	13 522	14 022	14 022
Interest, dividends and rent on land	112 953	89 555	45 706	47 075	57 015	57 015	40 788	38 860	44 639
Sales of capital assets	17 388	18 562	9 083	17 500	14 374	14 374	17 000	18 000	19 500
Financial transactions in assets and liabilities	5 575	3 863	9 782	11 050	11 170	11 170	11 170	11 170	11 815
Total departmental own source receipts	492 557	517 383	465 126	538 208	571 284	571 284	584 407	597 036	625 093

Provincial receipts per vote: -

SUMMARY OF ACTUAL AND BUDGETED OWN SOURCE RECEIPTS BY DEPARTMENT									
	Outcome			2008/09			Medium-Term Estimates		
	Audited 2005/06	Audited 2006/07	Audited 2007/08	Main appropriation	Adjusted appropriation	Revised estimate	2009/10	2010/11	2011/12
Education	4 621	2 121	795	1 144	1 144	1 144	1 144	1 144	1 198
Health	25 650	21 174	31 961	27 620	31 772	31 772	36 164	38 413	40 334
Social Development	3 050	788	16	-	-	-	-	-	-
Premier	888	951	383	420	420	420	420	420	420
Legislature	72	-	-	-	-	-	-	-	-
Sport, Arts and Culture	779	362	192	225	450	450	381	381	381
Economic Development & Tourism	58 171	74 513	64 997	55 988	64 017	64 017	66 041	69 344	72 811
Finance	131 976	114 232	57 006	77 573	78 237	78 237	71 411	70 909	77 836
Local Government & Housing	629	538	729	721	721	721	800	880	933
Transport Roads & Community Safety	244 063	282 275	285 602	349 554	370 300	370 300	382 700	388 500	402 350
Public Works	16 848	13 228	15 190	17 000	15 810	15 810	17 100	18 650	20 200
Agriculture, Conservation & Environment	5 810	7 201	7 755	7 963	8 413	8 413	8 246	8 395	8 630
Total departmental own source receipts	492 557	517 383	465 126	538 208	571 284	571 284	584 407	597 036	625 093

5. Payments

5.1 Overall position

The North West Provincial equitable share has increased from R14 143 537 billion in 2008 to R15 499 746 in 2009, R17 813 857 in 2010 and R19 290 052 in 2011 respectively. The provincial conditional grants are the second largest revenue source. In 2008 the province received R2 874 962 which was increased to R3 160 629 in 2009, R3 783 851 in 2010 and R4 415 855 in 2011.

Summary of Provincial Receipts	Adjustment Appropriation 2008/09	MTEF Allocations		
		2009/10	2010/11	2011/12
	R' 000	R' 000	R' 000	R' 000
Baseline	13 820 620	15 499 746	16 790 006	17 797 406
Additional Funds from National Departments	322 917	528 806	692 228	1 048 803
Adjustment to baseline	-	92 622	331 623	443 843
NW Baseline Allocations	14 143 537	16 121 174	17 813 857	19 290 052
Conditional Grants	2 874 962	3 160 629	3 783 851	4 415 855
Provincial Own Revenue	571 284	584 407	597 036	625 093
Additional MTEF Funds	186 613	-	-	-
Total NWPG Allocation	17 776 396	19 866 210	22 194 744	24 331 000

5.2 Payments by Vote

Summary of provincial payments and estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2008/2009	Revised Estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
Vote 1: Office of the Premier	172 876	6 685 648	6 205 613	6 995 482	7 212 335	7 212 335	261 389	273 673	290 013
Vote 2: Provincial Legislature	67 921	3 479 307	3 847 276	4 222 549	4 445 124	4 638 641	133 282	124 493	131 938
Vote 3: Health	2 968 160	368 432	438 477	607 523	614 429	616 114	4 919 308	5 578 772	6 054 514
Vote 4: Sport, Arts and Culture	195 087	184 370	216 331	248 295	250 685	250 685	488 171	406 317	424 318
Vote 6: Economic, Development and Tourism	209 840	107 261	108 432	106 411	120 890	148 189	288 021	312 333	347 745
Vote 7: Finance	785 352	263 610	302 832	327 150	355 651	372 650	335 966	387 166	436 033
Vote 8: Education	5 950 698	229 790	272 754	233 387	259 668	259 668	8 145 319	9 223 020	10 077 609
Vote 9: Local Government and Housing	1 451 160	217 465	242 956	255 287	267 111	267 111	1 349 867	1 545 950	1 848 094
Vote 10: Transport, Roads and Community Safety	438 246	849 856	1 009 056	1 144 745	1 261 661	1 261 661	1 955 799	2 081 524	2 235 883
Vote 11: Public Works	361 869	1 624 694	1 564 110	1 661 377	1 721 185	1 990 386	653 214	753 557	816 648
Vote 12: Social Development	4 800 723	508 912	488 692	589 943	622 279	622 279	724 527	837 473	927 572
Vote 13: Agriculture, Conservation and Environment	5 830	501 320	479 997	545 420	645 378	598 513	611 347	670 466	740 633
Vote 14: Contingency Reserve	206 992	4 465	108 328						
Total Provincial payments and estimates by Vote	17 614 754	15 025 130	15 284 854	16 937 569	17 776 396	18 238 232	19 866 210	22 194 744	24 331 000

5.3 Payments by economic classification

Summary of provincial payments and estimates by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2008/2009	Revised Estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
Current payments	10 688 801	11 571 397	11 805 727	13 063 973	13 455 146	13 687 536	15 143 071	16 681 842	18 106 796
Compensation of employees	8 027 010	8 585 875	8 422 780	9 515 548	9 754 664	9 923 541	11 091 185	12 056 843	12 940 947
Goods and services	2 661 791	2 985 522	3 382 925	3 548 425	3 700 482	3 763 995	4 051 886	4 624 999	5 165 849
Interest and rent on land			22						
Transfers and subsidies to:	5 918 238	2 102 758	2 218 072	2 502 826	2 821 586	2 880 159	3 106 741	3 532 179	4 032 349
Provinces and municipalities	82 706	807 700	149 250	80 600	150 441	150 441	252 644	159 075	156 943
Departmental agencies and accounts	276 208	233 073	504 038	218 683	238 719	238 724	283 697	306 407	340 343
Universities and technikons					1 000	1 000			
Public corporations and private enterprises	397 467	446 758	368 216	354 240	371 240	487 240	432 171	456 080	485 909
Foreign governments and international organisations									
Non-profit institutions	291 586	383 357	1 039 718	641 549	645 156	701 283	813 927	1 047 978	1 144 329
Households	4 870 271	231 870	156 850	1 207 754	1 415 030	1 301 471	1 324 302	1 562 639	1 904 825
Payments for capital assets	1 007 715	1 350 975	1 261 055	1 370 770	1 499 664	1 670 538	1 616 398	1 980 723	2 191 855
Buildings and other fixed structures	800 968	1 066 260	974 552	1 059 792	1 220 881	1 391 645	1 314 737	1 618 463	1 717 981
Machinery and equipment	206 747	280 590	285 398	310 978	278 488	278 564	301 661	362 260	473 874
Cultivated assets			277						
Software and other intangible assets		4 125	828			34			
Land and subsoil assets									
Heritage assets					295	295			
Specialised military assets									
Total economic classification	17 614 754	15 025 130	15 284 854	16 937 569	17 776 396	18 238 233	19 866 210	22 194 744	24 331 000

5.4 Payments by policy area

The payments and estimated outcome over the 2009/10 MTEF by policy area is as follows: -

Policy Area	Summary of Provincial Payments and Estimates by policy area								
	2005/ 2006	2006/ 2007	2007/ 2008	2008/2009			2009/ 2010	2010/ 2011	2011/ 2012
	Outcome	Outcome	Outcome	Main App	Adjusted Estimate	Revised Estimate	MTEF	MTEF	MTEF
General Public Services	977 128	1 098 635	1 113 419	1 396 734	1 463 109	1 510 599	730 637	785 332	857 984
Public order and safety	12 080	35 476	40 179	44 262	40 562	40 562	50 537	54 426	57 383
Economic affairs	1 937 096	2 224 333	2 272 785	2 281 975	2 465 924	2 465 924	3 396 143	3 695 541	4 013 682
Environmental protection	70 849	94 537	116 509	113 947	119 746	119 746	61 701	67 913	69 844
Housing and community amenities	702 933	775 152	928 417	947 947	1 059 516	1 261 661	1 349 867	1 545 950	1 848 094
Health	2 968 160	3 479 307	3 916 628	4 222 549	4 445 124	4 638 641	4 919 308	5 578 772	6 054 514
Recreation, culture and religion	195 087	263 610	310 206	327 150	355 651	372 651	488 171	406 317	424 318
Education	5 950 698	6 685 648	6 096 036	6 995 482	7 212 335	7 212 335	8 145 319	9 223 020	10 077 609
Social protection	4 800 723	368 432	490 675	607 523	614 429	616 114	724 527	837 473	927 572
Transfer payments:	17 614 754	15 025 130	15 284 854	16 937 569	17 776 396	18 238 233	19 866 210	22 194 744	24 331 000

5.5 Infrastructure payments

The provincial infrastructure budgets grow at an average of 10% over the 2009/10 MTEF and details per vote is indicated below: -

Programme (R'000)	Provincial Summary of Payments and Estimates								
	2005/ 2006	2006/ 2007	2007/ 2008	2008/2009			2009/ 2010	2010/ 2011	2011/ 2012
	Outcome	Outcome	Outcome	Main App	Adjusted Estimate	Revised Estimate	MTEF	MTEF	MTEF
1. Office of the Premier	4 289	4 274	9 000	6 000	6 000	6 000	7 000	9 000	10 500
2. Legislature	6 557	1 186	3 482				8 000		
3. Health	179 389	359 028	400 222	391 060	395 338	395 338	427 856	515 108	581 865
4. Sport, Arts and Culture	15 789	40 557	51 342	41 400	67 281	67 281	180 472	69 075	62 832
6. Economic Development and Tourism	13 979	54 070	82 334	10 000	20 668	20 668	42 000	10 910	24 599
7. Finance									
8. Education	281 296	372 344	236 805	240 000	292 332	292 332	325 609	407 333	507 881
9. Developmental Local Government and Housing	683 371	743 973	967 749	966 102	1 076 296	1 076 296	1 170 055	1 358 770	1 648 161
10. Transport, Roads and Community Safety	352 117	550 128	542 325	578 664	582 759	582 759	634 623	665 321	704 599
11. Public Works	158 582	175 286	168 669	148 017	174 082	174 082	40 000	104 000	120 000
12. Social Development	12 300	32 699	54 194	50 000	53 000	53 000	57 000	15 000	16 500
13. Agriculture, Conservation and Environment	88 594	132 993	166 010	119 829	211 317	211 317	120 188	149 359	188 917
14. Contingency Reserve									
Total programmes	1 796 263	2 466 538	2 682 132	2 551 072	2 879 073	2 879 073	3 012 803	3 303 876	3 865 854

5.6 Transfers

Summary of transfers per municipal category

Name of recipient (R'000)	Departmental Summary of transfer payments to local government								
	2005/ 2006	2006/ 2007	2007/ 2008	2008/2009			2009/ 2010	2010/ 2011	2011/ 2012
	Outcome	Outcome	Outcome	Main App	Adjusted Estimate	Revised Estimate	MTEF	MTEF	MTEF
Category A	-	-	-	-	-	-	-	-	-
Category C	12 941	29 413	-	15 500	15 500	15 500	15 500	15 500	15 500
Unspecified	697	17 513	86 990	90 000	93 010	93 010	196 677	90 000	90 000
Total transfer payments to local governments	96 447	125 391	109 564	120 600	132 285	132 285	221 377	114 700	114 700

Details of transfer per municipality: -

Details of provincial transfer payments to local governments

Name of recipient (R'000)	Departmental Summary of transfer payments to local government								
	2005/ 2006	2006/ 2007	2007/ 2008	2008/2009			2009/ 2010	2010/ 2011	2011/ 2012
	Outcome	Outcome	Outcome	Main App	Adjusted Estimate	Revised Estimate	MTEF	MTEF	MTEF
Type of transfer/grant									
Category B									
Moses Kotane	1 400	400	1 450	400	400	400	400	400	400
Kgetleng Rivier Municipality	2 988	250	300	300	300	300	300	300	300
Rustenburg Municipality	6 454	3 681	600	5 100	5 100	5 100	600	600	600
Rustenburg Municipality - Thab Library	-	-	-	-	-	-	-	-	-
Brits/Madibeng	1 740	735	450	500	500	500	500	500	500
Moretele	1 350	-	1 350	350	1 580	1 580	250	250	250
Tshwane (Cross Border)	-	500	-	-	-	-	-	-	-
Bojanala District Municipality	13 932	5 566	4 150	6 650	7 880	7 880	2 050	2 050	2 050
Maquassi Hills	1 609	11 320	400	400	1 630	1 630	400	400	400
Merafong City	3 545	10 100	1 950	450	2 950	2 950	450	450	450
Ventersdorp	2 339	534	300	300	300	300	300	300	300
Tlokwe	5 089	6 754	1 400	400	2 285	2 285	400	400	400
Schweizer Renek TLC	505	519	-	-	-	-	-	-	-
Matlosana	27 011	10 919	2 724	450	450	450	450	450	450
Southern District	40 098	40 146	6 774	2 000	7 615	7 615	2 000	2 000	2 000
District Municipality	-	-	-	-	-	-	610	610	610
Naledi	1 470	1 253	750	460	460	460	460	460	460
Kagisano	1 650	1 261	2 516	300	300	300	250	250	250
Taung	1 350	350	600	650	650	650	500	500	500
Phokwane	150	150	-	-	-	-	-	-	-
Ga-Segonyana	280	300	-	-	-	-	-	-	-
Moshaweng	250	250	-	-	-	-	-	-	-
Mamusa	500	7 030	2 050	500	1 500	1 500	500	500	500
Molopo	200	350	250	200	200	200	150	150	150
Lekwa-Teamane	1 504	1 652	1 900	400	2 630	2 630	400	400	400
Bophirima District Municipality	7 354	12 596	8 066	2 510	5 740	5 740	2 870	2 870	2 870
Mafikeng	3 762	550	650	650	650	650	650	650	650
Ditsobotla	4 744	200	650	300	300	300	300	300	300
Tswaing	4 498	3 123	604	360	360	360	250	250	250
Ramotshere	857	350	450	500	500	500	-	-	-
Zeerust	389	570	-	-	-	-	500	500	500
Ratlou	7 030	540	1 230	730	730	730	580	580	580
Central District	145	-	-	-	-	-	-	-	-
Central District Municipality	21 425	5 333	3 584	2 540	2 540	2 540	2 280	2 280	2 280
Other Municipalities	-	14 824	-	1 400	-	-	-	-	-
Total for Category B	82 809	78 465	22 574	15 100	23 775	23 775	9 200	9 200	9 200
Category C									
Bojanala Plainum District Municipality	500	525	-	2 000	2 000	2 000	2 000	2 000	9 500
Ngaka Modiri Molema	1 565	15 525	-	2 000	2 000	2 000	2 000	9 500	2 000
Dr Ruth Mompati	9 376	12 838	-	2 000	2 000	2 000	9 500	2 000	2 000
Dr Kenneth Kaunda	1 500	525	-	9 500	9 500	9 500	2 000	2 000	2 000
Total for Category C	12 941	29 413	-	15 500	15 500	15 500	15 500	15 500	15 500
Unspecified									
Bucket Replacement/ Sanitation	-	-	69 161	70 000	70 839	70 839	70 000	70 000	70 000
Disaster Management	-	17 513	17 829	20 000	22 171	22 171	20 000	20 000	20 000
Rsc Levy	697	-	-	-	-	-	-	-	-
2010 Transfers to Municipality	-	-	-	-	-	-	106 677	-	-
Total Unspecified	697	17 513	86 990	90 000	93 010	93 010	196 677	90 000	90 000
Total transfer payments to local governments	96 447	125 391	109 564	120 600	132 285	132 285	221 377	114 700	114 700

Provincial personnel numbers per vote of the 2009/10 MTEF: -

Provincial Summary of personnel numbers

	Outcome			Main appropriation	Adjusted appropriation 2008/09	Revised Estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
1. Office of the Premier	688	686	626	670	614	614	614	614	614
2. Legislature	130	130	146	161	161	161	161	161	161
3. Health	18 063	15 891	15 685	18 037	16 233	16 233	18 545	19 042	19 042
4. Sport, Arts and Culture	451	795	800	1 114	980	980	977	980	980
6. Economic Development and Tourism	119	144	168	206	167	167	175	175	175
7. Finance	461	534	639	581	581	581	580	680	643
8. Education	37 076	37 143	31 329	33 672	33 672	33 672	33 672	33 672	35 255
9. Developmental Local Government and Housing	416	561	640	700	700	700	700	700	700
10. Transport	3 348	3 460	3 376	3 494	3 494	3 494	3 560	3 737	4 931
11. Public Works	2 027	2 169	2 107	2 106	2 106	2 106	2 086	2 071	2 071
12. Social Development	1 050	999	1 140	1 447	1 447	1 447	1 351	1 810	1 908
13. Agriculture	1 951	1 883	1 823	1 984	2 065	2 065	1 845	1 875	1 913
Total provincial personnel numbers	65 780	64 395	58 479	64 172	62 220	62 220	64 266	65 517	68 393
Total provincial personnel cost (R thousand)	7 973 575	8 573 568	8 450 045	9 500 250	9 731 760	11 723 270	11 063 504	12 030 837	12 914 818
Unit cost (R thousand)	94	103	110	112	117	118	127	137	142

Summary of personnel numbers and costs

Provincial Summary of Personnel Numbers and Costs

	Outcome			Main appropriation	Adjusted appropriation 2008/09	Revised Estimate	Medium-term estimates		
	2005/06	2006/07	2007/08				2009/10	2010/11	2011/12
Total for province									
Personnel numbers (head count)	65 780	64 395	58 479	64 172	62 220	62 220	64 266	65 517	68 393
Personnel cost (R'000)	7 973 575	8 573 568	8 450 045	9 500 250	9 731 760	11 723 270	11 063 504	12 030 837	12 914 818
Human Resource Component									
Personnel numbers (head count)	6 025	23 239	6 558	6 862	6 845	6 845	3 559	3 710	3 812
Personnel cost (R'000)	120 275	194 374	369 741	409 414	403 451	403 451	467 046	523 795	536 032
Head count as % of total	9	36	11	11	11	11	6	6	6
Cost as a % of total	2	2	4	4	4	3	4	4	4
Finance Component									
Personnel numbers (head count)	10 767	10 674	11 669	12 041	12 031	12 026	13 076	14 077	15 044
Personnel cost (R'000)	124 634	127 670	693 788	763 667	764 767	766 664	883 881	999 508	1 013 275
Head count as % of total	16	17	20	19	19	19	20	21	22
Cost as a % of total	2	1	8	8	8	7	8	8	8
Full time workers									
Personnel numbers (head count)	63 687	62 452	56 727	62 545	60 736	61 236	63 069	64 305	67 113
Personnel cost (R'000)	7 907 648	8 504 668	8 382 839	9 429 387	9 660 095	11 651 605	10 987 616	11 950 313	12 830 425
Head count as % of total	97	97	97	97	98	98	98	98	98
Cost as a % of total	99	99	99	99	99	99	99	99	99
Part-time workers									
Personnel numbers (head count)									
Personnel cost (R'000)									
Head count as % of total									
Cost as a % of total									
Contract workers									
Personnel numbers (head count)	2 093	1 943	1 752	1 627	1 484	984	1 197	1 212	1 280
Personnel cost (R'000)	65 927	68 900	67 206	70 863	71 665	71 665	75 888	80 524	84 393
Head count as % of total	3	3	3	3	2	2	2	2	2
Cost as a % of total	1	1	1	1	1	1	1	1	1

MTEF allocations per Vote

Provincial Departments	Adj Est.	MTEF Allocations		
	2008/09 R' 000	2009/10 R' 000	2010/11 R' 000	2011/12 R' 000
Office of the Premier	250 685	261 389	273 673	290 013
Provincial Legislature	120 890	133 282	124 493	131 938
Health	4 445 124	4 919 308	5 578 772	6 054 514
Sport, Arts and Culture	355 651	488 171	406 317	424 318
Economic, Development and Tourism	259 668	288 021	312 333	347 745
Finance	267 111	335 966	387 166	436 033
Education	7 212 335	8 145 319	9 223 020	10 077 609
Local Government and Housing	1 261 661	1 349 867	1 545 950	1 848 094
Transport, Roads and Community Safety	1 721 185	1 955 799	2 081 524	2 235 883
Public Works	622 279	653 214	753 557	816 648
Social Development	614 429	724 527	837 473	927 572
Agriculture, Conservation and Environment	645 378	611 347	670 466	740 633
Total Provincial MTEF allocations	17 776 396	19 866 210	22 194 744	24 331 000
<i>Percentage Growth</i>	14.26%	11.76%	11.72%	9.63%

MTEF Allocations per Standard Item

Provincial summary of payments and estimates

Classification (R'000)	Provincial Summary of Payments and Estimates								
	2005/ 2006	2006/ 2007	2007/ 2008	2008/2009			2009/ 2010	2010/ 2011	2011/ 2012
	Outcome	Outcome	Outcome	Main App	Adjusted Estimate	Revised Estimate	MTEF	MTEF	MTEF
Current:									
Compensation of employees	8 027 010	8 585 876	8 422 780	9 515 548	9 754 764	9 923 640	11 091 185	12 056 843	12 940 947
Transfer payments	5 918 238	2 102 758	2 218 072	2 502 826	2 821 486	2 884 859	3 106 741	3 532 179	4 032 349
Administrative expenditure	452 107	492 261	555 573	556 572	681 632	706 404	713 460	719 307	777 408
Stores	887 592	958 551	1 018 435	1 005 187	996 656	1 004 360	1 123 519	1 306 955	1 429 974
Professional and special services	384 952	532 333	624 421	692 693	876 010	876 010	931 919	1 222 392	1 489 942
Other goods and services	937 140	1 002 377	1 184 496	1 293 974	1 146 284	1 167 507	1 282 988	1 376 344	1 468 525
Unauthorised expenditure									
Total Current Payments	16 607 039	13 674 156	14 023 777	15 566 799	16 276 832	16 562 780	18 249 812	20 214 021	22 139 145
Capital:									
Equipment	206 747	280 590	285 697	310 978	278 683	283 513	301 661	362 260	473 874
Buildings	446 386	649 056	550 040	602 757	742 846	774 409	779 769	1 001 225	1 068 277
Infrastructure	354 582	417 204	424 512	457 035	478 035	617 236	534 968	617 238	649 704
Other capital expenditure		4 125	828			295			
Total Capital Payments	1 007 715	1 350 975	1 261 077	1 370 770	1 499 564	1 675 453	1 616 398	1 980 723	2 191 855
TOTAL ECONOMIC EXPENDITURE	17 614 754	15 025 130	15 284 854	16 937 569	17 776 396	18 238 233	19 866 210	22 194 744	24 331 000

MTEF allocation per Economic Classification

Detailed Provincial summary of payments and estimates according to economic classification

Classification (R'000)	Provincial Summary of Payments and Estimates								
	2005/ 2006 Outcome	2006/ 2007 Outcome	2007/ 2008 Outcome	2008/2009			2009/ 2010 MTEF	2010/ 2011 MTEF	2011/ 2012 MTEF
				Main App	Adjusted Estimate	Revised Estimate			
CURRENT PAYMENTS									
Compensation of employees:	8 027 010	8 585 876	8 422 780	9 515 548	9 754 764	9 923 640	11 091 185	12 056 843	12 940 947
- Salaries & related costs	6 894 913	6 892 316	7 803 576	7 473 921	7 581 886	7 752 507	8 494 174	9 096 652	9 823 597
- Overtime	79 630	80 018	101 602	92 402	92 402	92 402	71 412	87 127	90 639
- Improvement in conditions of service	89 329	258 097	39 841	482 104	616 358	616 757	951 251	1 259 254	1 333 462
- Social contributions (employer share)	963 138	1 355 445	477 761	1 467 120	1 464 118	1 461 974	1 574 347	1 613 810	1 693 249
Transfer payments:	5 918 238	2 102 758	2 218 072	2 502 826	2 821 486	2 884 859	3 106 741	3 532 179	4 032 349
Provincial agencies		135	244 993				468	500	534
Provincial Agencies:									
- Public Entities	75 660	223 603	245 530	208 667	230 235	230 235	271 172	293 122	326 199
- Other (Pseta)	7 045	7 369	6 908	9 226	6 823	6 823	12 057	12 785	13 610
Municipalities:									
- Regional service council levies	180 990	4 442	45						
- Other transfers to municipalities	95 218	802 151	148 986	80 600	150 441	150 441	252 634	159 064	156 931
Universities and technikons					1 000	1 000	10	11	12
Public Corporations:									
- Subsidies on production									
- Other	4 561	92 820	36 075						
Private Corporations:									
- Subsidies on production	367 906	353 938	323 067	354 240	364 240	480 240	428 171	452 080	480 909
- Other	25 000		9 074		7 000	7 000	4 000	4 000	5 000
Foreign governments and international trf's									
Non-profit organisations	291 586	384 147	1 040 508	642 339	643 156	643 156	813 927	1 047 978	1 144 329
Households:									
- Social Benefits	13 458	21 773	18 751	8 316	14 483	14 483	9 758	11 350	12 048
- Other	4 856 813	212 380	144 135	1 199 438	1 404 109	1 351 482	1 314 544	1 551 289	1 892 777
Goods and services:	2 661 791	2 985 522	3 382 925	3 548 425	3 700 581	3 754 280	4 051 886	4 624 998	5 165 849
- Administrative expenditure	452 107	492 261	555 573	556 572	681 632	706 404	713 460	719 307	777 408
- Rental of equipment	36 184	42 788	40 196	60 497	59 623	58 301	45 970	49 868	55 097
- Stores	887 592	958 551	1 018 435	1 005 187	996 656	1 004 360	1 123 519	1 306 955	1 429 974
- Rental of buildings	81 745	101 502	94 973	121 185	123 606	120 956	150 448	162 314	174 398
- Professional & special services	384 952	532 333	624 421	692 693	876 010	876 010	931 919	1 222 392	1 489 942
- Maintenance & repairs	274 261	367 175	360 008	492 059	427 164	427 164	512 365	548 520	586 950
- Assets less than R5 000	12 568	16 236	35 036	36 314	34 128	34 128	71 875	85 919	81 038
- Other	532 382	474 676	654 283	583 918	501 762	526 957	502 330	529 722	571 042
Unauthorised expenditure									
TOTAL CURRENT PAYMENTS	16 607 039	13 674 156	14 023 777	15 566 799	16 276 832	16 562 780	18 249 812	20 214 021	22 139 145
CAPITAL									
Machinery & equipment	206 747	280 590	285 697	310 978	278 683	283 513	301 661	362 260	473 874
Motor vehicles & other transport	60 264	80 163	88 727	77 242	46 502	46 502	59 771	61 686	70 476
Equipment:									
- Computers	42 852	96 152	46 721	53 879	46 232	46 235	60 117	57 477	56 022
- Office equipment & furniture	18 014	11 819	37 099	34 141	43 100	38 166	47 929	48 453	62 426
- Other moveable capital	85 617	92 456	113 150	145 715	142 849	152 610	133 844	194 645	284 950
Buildings and other fixed structures	800 968	1 066 260	974 552	1 059 792	1 220 881	1 391 645	1 314 737	1 618 463	1 717 981
- Buildings	446 386	649 056	550 040	602 757	742 846	774 409	779 769	1 001 225	1 068 277
- Infrastructure	354 582	417 204	424 512	457 035	478 035	617 236	534 968	617 238	649 704
Other fixed capital		4 125	828			295			
- Cultivated assets									
- Software and other intangible assets		4 125	828						
- Land and subsoil assets									
- Heritage assets						295			
- Specialised military assets									
TOTAL CAPITAL PAYMENTS	1 007 715	1 350 975	1 261 077	1 370 770	1 499 564	1 675 453	1 616 398	1 980 723	2 191 855
Current payments	16 607 039	13 674 156	14 023 777	15 566 799	16 276 832	16 562 780	18 249 812	20 214 021	22 139 145
Capital payments	1 007 715	1 350 975	1 261 077	1 370 770	1 499 564	1 675 453	1 616 398	1 980 723	2 191 855
TOTAL ECONOMIC CLASSIFICATION	17 614 754	15 025 130	15 284 854	16 937 569	17 776 396	18 238 233	19 866 210	22 194 744	24 331 000

Conditional Grant Allocations over the 2009/10 MTEF: -

Conditional Grants Per Department	Adjustment Appropriation 2008/09	MTEF Allocations		
		2009/10	2010/11	2011/12
Health	R' 000 761 901	R' 000 822 815	R' 000 1 012 498	R' 000 1 120 130
<i>Comprehensive HIV and AIDS</i>	247 930	281 813	337 158	362 666
<i>Forensic Pathology Services</i>	32 531	23 334	26 433	28 019
<i>Health Professions Training and Development</i>	68 977	78 608	83 324	88 323
<i>Hospital Revitalisation</i>	254 030	254 644	326 303	374 074
<i>Infrastructure Grant to Provinces</i>	40 000	50 000	60 000	77 400
<i>National Tertiary Services</i>	118 433	134 416	179 280	189 648
Sport, Arts and Culture	65 314	83 968	93 297	98 895
<i>Mass Sport and Recreation Participation Programme</i>	24 083	31 096	34 022	36 063
<i>Community Library Services Grant</i>	41 231	52 872	59 275	62 832
Education	350 275	404 584	570 471	723 467
<i>HIV and AIDS (Life Skills Education)</i>	13 224	12 912	13 539	14 351
<i>National School Nutrition Programme</i>	125 557	161 063	249 599	305 935
<i>Infrastructure Grant to Provinces</i>	150 000	230 609	307 333	403 181
<i>FET Recapitalization</i>	61 494	-	-	-
Local Government and Housing	1 004 125	1 100 055	1 288 770	1 578 161
<i>Integrated Housing and Human Settlement Development</i>	1 004 125	1 100 055	1 288 770	1 578 161
Transport, Roads and Community Safety	451 035	568 220	609 238	641 704
<i>Infrastructure Grant to Provinces</i>	451 035	526 968	609 238	641 704
<i>Public Transport Operations Grant</i>	-	41 252	-	-
Public Works	58 995	73 299	72 718	77 081
<i>Devolution of Property Rate Funds</i>	58 995	66 107	72 718	77 081
<i>Expanded Public Works Programme Incentive Grant</i>	-	7 192	-	-
Agriculture, Conservation and Environment	183 317	107 688	136 859	176 417
<i>Agricultural Disaster Management</i>	51 795	5 000	-	-
<i>Comprehensive Agricultural Support Programme</i>	85 741	91 518	110 319	129 485
<i>Ilima/Letsema Projects</i>	40 000	5 000	20 000	40 000
<i>Land Care Programme Grant: Poverty Relief & Infrastructure Development</i>	5 781	6 170	6 540	6 932
Conditional Grants Total	2 874 962	3 160 629	3 783 851	4 415 855

Breakdown of the Infrastructure Grant to Provinces: -

Infrastructure Grant to Provinces				
Provincial Departments	2008/09	2009/10	2010/11	2011/12
	R' 000	R' 000	R' 000	R' 000
Health	40 000	50 000	60 000	77 400
Education	150 000	230 609	307 333	403 181
<i>Baseline</i>	150 000	230 609	283 515	300 526
<i>Grade R Infrastructure - Quids UP</i>	-	-	8 260	33 041
<i>Special School Infrastructure</i>	-	-	15 558	69 614
Transport, Roads and Community Safety	451 035	526 968	609 238	641 704
Total Infrastructure Grant to Provinces	641 035	807 577	976 571	1 122 285