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Estimates Of Provincial Expenditure

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1. BUDGET STRATEGY AND AGGREGATES

1.1 Introduction

The 2010 Budget is set against an uncertain global and domestic environment. All spheres of Government, including provinces, are expected to reassess their baseline budgets and conduct a thorough reprioritization exercise in order to provide funding for new priorities.

All spheres will have to reprioritize spending to address pressures in their budgets. In addition, departments will be expected to be more prudent with their spending and cut spending on non-essential items like catering, accommodation, venues and facilities as well as travelling to some extent. The additional allocations to the provincial equitable share therefore provides for specific personnel related expenditures and policy adjustments.

When we commenced with this journey we were faced with the clearing of accruals and commitments emanating from 2008/09 financial year to the value of R2.4 billion.

As a province we had two options namely:

a) ***Doing more with less.***

Provincial Government's financial contribution to pro-poor programmes remains the same, but outputs and outcomes improve. Current budget growth remains unchanged, but provides a better platform for improved future provincial service delivery performance. This would provide for sustained provincial financial stability.

b) ***Cut non-priority spending.***

Release resources to deal with existing pressures. To this end departments not only funded own wage increases but contributed R139 million towards pressures in the Department of Education.

Accruals and outstanding creditors

Departments have managed to pay all outstanding accruals by 31 August 2009 as mandated by the Executive Council Lekgotla, which was a **great achievement** considering the magnitude of the problem. This could not have been achieved without the dedication and diligence of the collective leadership (political and otherwise) of the departments. The tight management of this has reduced future risks to provincial budgets significantly.

We were able to achieve all this as a result of the guidance and support of both the Political Task Team as well the Budget and Finance Committee under the Chairmanship of the Premier of the province, Hon Mr DD Mabuza.

Collectively, departments have redirected funding from various non-core spending areas in 2009/10 to core spending areas, particularly education and health to offset accruals from the previous financial year. In addition, departments are starting to process their payments on time in line with Treasury Regulation 6.2.3.

Provincial bank balances

With the current economic climate and the limited cash resources that departments found themselves in during the 2009/10 financial year, it has become increasingly important to monitor provincial bank balances and to forge a stronger link between the in-year monitoring system (IYM) and cash management.

Cost Containment and tight fiscal control

As a result of cost containment measures and tighter fiscal control the Budget and Finance Committee has managed to, within reason, significantly improve the projected provincial financial outlook as compared to the same period in the previous financial year.

Reporting on non financial information

Performance Management was introduced in the provincial sphere of government in 2004 as part of the budget reform process and attempts to improve and monitor departmental performances by linking and aligning planning budget and individual performance agreements with departmental programmes and objectives.

Section 27(4) of the Public Finance Management Act (PFMA) requires that: “The Accounting Officer for each department submits to Parliament or the relevant Legislature as may be appropriate, measurable objectives for each main division within a departmental vote”.

The Provincial Treasury will continue to coordinate the quarterly performance reporting process where departments report on a quarterly basis on progress made against planned annual targets per measurable objective as contained in the annual performance plans. The provincial departments need to take cognisance of the fact that the main purpose of the quarterly performance reporting model is to monitor service delivery outputs linked to budget expenditure.

During the 2010 MTEF, more emphasis will be placed on reporting on both financial and non financial information.

GOVERNMENT'S POLICY PRIORITIES FOR THE 2010 MTEF

Government's major budget priorities over the MTEF include:

Support job creation, moving resources towards labour intensive sectors and the expanded public works programme.

Enhance the quality of education and skills development, focusing on improving foundation phase literacy and numeracy, and on increasing the number of learners that passes grade 12 mathematics and science.

Improve the provision of quality health care, with particular emphasis on reducing infant, child and maternal mortality rates, and broadening access to antiretroviral- and tuberculosis treatment.

Carry out comprehensive rural development linked to land and agrarian reform

Intensify the fight against crime and corruption.

Government will continue to invest in the built environment and infrastructure over the next three years to promote access to basic services, to expand public transport and to build more schools and hospitals. These investments will support the economy's ability to grow more rapidly in future.

The division of revenue for the 2010 MTEF is supportive of pro-poor policy programmes, and in the light of the prevailing economic climate, all spheres of government are required to seek efficiency gains and shift their funding towards core government priorities. Additional resources are allocated to provinces to ensure better service conditions for teachers, doctors and therapists so as to retain skilled and experienced practitioners in these sectors. Changes are made to baselines allocated to HIV and Aids treatment to ensure the announcements made by the President on World Aids Day during December 2009 are adequately funded.

2010 BUDGET PROPOSALS

TECHNICAL ADJUSTMENTS

EQUITABLE SHARE ALLOCATIONS

Revisions to the equitable share formula

Revisions to the Equitable Share this year are informed by the data from the 2009 Mid-year Population Estimates, 2009 Education Snap Survey, 2008 General Household Survey, the 2007 GDP-R and the 2005 Income and Expenditure Survey. The adjustments will be phased in over three years. The adjustment for the re-alignment of provincial boundaries is to be implemented immediately.

Inflation assumptions

Revised inflation projections (CPIX) published in the *2009 Medium Term Budget Policy Statement* is 6.4 percent in 2010/11, 5.9 percent in 2011/12, and 5.7 percent in 2012/13.

Personnel adjustments and policy priorities

This year's fiscal framework is tight and proposed adjustments made are mainly to accommodate increased personnel costs and implement cost cutting measures. Departments are requested to note that these changes relate to non-discretionary obligations and must be adequately provided for in our respective budgets. Care should be taken to ensure that budgets provide for the full implication of personnel-related costs, including general salary adjustments, and Occupation Specific Dispensation (OSD) for all qualifying educators, doctors, and health professionals.

The budgets provide for the full implication of personnel-related costs, including general salary adjustments, Occupation Specific Dispensation (OSD) for all qualifying educators, doctors, and health professionals.

The Mpumalanga share of inflationary adjustments (wage settlements) amount to **R442.547 million in 2010/11, R490.269 million in 2011/12, and R537.701 million in 2012/13.**

Personnel inflation related adjustments

In preparing budgets for the 2010 MTEF, departments have been advised to budget for: Salary increases of **5.3 percent in 2010/11, 5.5 percent in 2011/12 and 5 percent in 2012/13.** Sufficient provision should be made for carry-through costs, including for the 11.5 percent increase for 2009/10, notch and pay progressions, increased employment, OSD, and so forth.

Non-personnel policy priorities for the 2010 Budget

R1 billion is set aside for each of the year's in the 2010 MTEF (or R3 billion over the MTEF) as a general equitable share adjustment. Mpumalanga share amounts to **R81.953 million in 2010/11, R R81.712 million in 2011/12 and R R81.470 million in 2012/13.** This amount has been earmarked for priorities in education and health and has been shared between the Department of Education and Department of Health only. The National Treasury guideline on how each of the priorities are to be sequenced over the next three years has been utilized.

The State of the Province address continues to provide us with marching orders for the year ahead. The Provincial Treasury's responsibility is that of ensuring that the provincial priorities find expression on these budgets that are being published here today.

PROVINCIAL PRIORITIES

THERE ARE DIRECTIVES THAT COULD NOT BE IMPLEMENTED DURING 2009/10 FINANCIAL YEAR

FUNCTION SHIFT ON SCHOLAR TRANSPORT FROM THE DEPARTMENT OF EDUCATION TO THE DEPARTMENT OF PUBLIC WORKS, ROADS AND TRANSPORT

The function shift on scholar transport from the Department of Education to the Department of Public Works, Roads and Transport could not be implemented due to budget pressures on this programme. The House will recall that during the adjustment budgets, R77.400 million was added to the baseline of the Department of Education to address some of the shortfalls. A further R265 million that was registered by the Department could not be funded. The Public Finance Management Act states that funds must follow functions and this could not be achieved during 2009/10. The function shift is now included in these budgets.

FUNCTION SHIFT ON ENVIRONMENTAL AFFAIRS FROM THE DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT AND LAND ADMINISTRATION

There has been numerous challenges in the Department of Agriculture, Rural Development and Land Administration with regards to compensation of employees budget. These challenges have been dealt with at the level of Budget and Finance Committee.

The function of Environment Affairs could not be implemented during 2009/10 financial year due to budget pressures on compensation of employees. Again in this case funds could not follow the function to the Department of Economic Development, Environment and Tourism. The budgets that are being tabled here provide funding for the shifting of the function.

STREAMLINING OF FLAGSHIP PROJECTS FOR BETTER ALIGNMENT AND IMPACT

Flagships have been fully integrated and institutionalized in the areas of work where they are correctly aligned with respective to the mandates of the relevant departments.

The streamlining of flagship projects meant shifting of functions to the relevant provincial departments, amongst others. This area of work commenced during the adjustments estimates period whereby the flagship budgets were shifted to the respective departments and has been concluded during February 2010 reporting period. It can be confirmed that the 2010/11 budgets have now accommodated the function shifts on scholar transport from Department of Education to Department of Public Works, Roads and Transport.

The new budgets have also accommodated the function shift on environmental affairs from the Department of Agriculture, Rural Development and Land Administration to the Department of Economic Development, Environment and Tourism.

The function shifts on the House of Traditional Leaders, Flagships were already dealt with during the adjustments budgets and the new MTEF budgets have been allocated in their new departments.

MERGER OF ENTITIES

One of the provincial priorities announced previously has been the merger of the provincial state owned enterprises, to create institutional capacity in supporting the mandate of government towards economic development. These budgets have responded to this call and merged the Mpumalanga Agricultural Development Corporation (MADC), Mpumalanga Housing Finance Company (MHFCO) with Mpumalanga Economic Growth Agency (MEGA).

NAME CHANGES TO VOTES

The adjustment process dealt with the merger of two votes namely the former department of Public Works (Vote 8) and the former Department of Roads and Transport (Vote 10). The merger has necessitated the changes in vote numbers.

The Provincial Administration has 13 votes as opposed to 14 votes in the previous financial year.

1.2 Summary of budget aggregates

Table 1.1: Provincial budget summary

| Table 1.1: Provincial Budget Summary | | | | | | | | | |
|--------------------------------------|------------|------------|------------|--------------------|-----------------------------------|------------------|-----------------------|------------|------------|
| | | Outcome | | Main appropriation | Adjusted appropriation 2008/09 | Revised estimate | Medium-term estimates | | |
| R thousand | 2005/06 | 2006/07 | 2007/08 | | | | 2009/10 | 2010/11 | 2011/12 |
| Provincial receipts | | | | | | | | | |
| Transfer receipts from national | 12 322 753 | 16 183 037 | 19 850 219 | 22 106 551 | 23 220 833 | 23 220 833 | 25 545 468 | 27 667 990 | 29 063 968 |
| Equitable share | 11 134 465 | 14 454 264 | 17 731 909 | 19 005 445 | 19 718 504 | 19 718 504 | 21 323 198 | 22 864 675 | 23 943 495 |
| Conditional grants | 1 188 288 | 1 728 773 | 2 118 310 | 3 101 106 | 3 502 329 | 3 502 329 | 4 222 270 | 4 803 315 | 5 120 473 |
| Provincial own receipts | 389 594 | 465 953 | 512 622 | 481 570 | 489 447 | 491 452 | 555 117 | 627 628 | 669 464 |
| Total provincial receipts | 12 712 347 | 16 648 990 | 20 362 841 | 22 588 121 | 23 710 280 | 23 712 285 | 26 100 585 | 28 295 618 | 29 733 432 |
| Provincial payments | | | | | | | | | |
| Current payments | 10 415 604 | 13 114 520 | 16 140 415 | 18 211 592 | 18 759 761 | 18 724 538 | 20 783 795 | 22 500 118 | 23 661 763 |
| Transfers and subsidies | 1 192 551 | 1 793 829 | 2 087 291 | 2 187 089 | 2 816 727 | 2 747 792 | 3 132 785 | 3 511 261 | 3 768 953 |
| Payments for capital assets | 1 067 777 | 1 359 463 | 1 858 448 | 2 146 773 | 2 279 556 | 2 547 418 | 2 184 005 | 2 284 239 | 2 302 716 |
| Unallocated contingency reserve | | | | | | | | | |
| Total provincial payments | 12 675 932 | 16 267 812 | 20 086 154 | 22 545 454 | 23 856 044 | 24 019 748 | 26 100 585 | 28 295 618 | 29 733 432 |
| Surplus/(deficit) before financir | 36 415 | 381 178 | 276 687 | 42 667 | (145 764) | (307 463) | 0 | 0 | 0 |
| Financing | | | | | | | | | |
| Provincial roll-overs | | | | | | | | | |
| Other (Specify) | | | | | | | | | |
| Other (Specify) | | | | | | | | | |
| Other (Specify) | | | | | | | | | |
| Surplus/(deficit) after financing | 36 415 | 381 178 | 276 687 | 42 667 | (145 764) | (307 463) | 0 | 0 | 0 |

1.3 Financing

TOTAL PROPOSED BUDGET: 2010/11

The total budget proposed to be appropriated for the 2010-2011 financial-year; to fund the requirements of the Province is 26.100 Billion. This amount will fund the following:

Departmental baselines- R 26.100 billion (Twenty six billion, one hundred million rand) .

2. BUDGET PROCESS AND THE MEDIUM TERM EXPENDITURE FRAMEWORK

On the 04 June 2009, the provincial budget process was forwarded to all Accounting Officers at an administration level and on the same date forwarded to all Executing Authorities for support at a political level during the implementation period. Workshops for Chief Financial Officers and officials for budget offices have been ongoing.

On 15 September 2009, a one on one meeting was convened to deal with cost curtailment issues in the departments of Education and Health.

The province held the Executive Council Budget Lekgotla on the 27th October 2010 at which departments outlined their budget proposals for the 2010 MTEF. Departments' presentations included the plans that underpin the proposed budgets.

A series of Budget and Finance meetings, one on one meetings, infrastructure meetings were convened in order to deal with Departments' performance with regards to the Budget and expenditure performance.

An urgent meeting was convened to deliberate on health and education infrastructure, on Friday 27 November 2009.

Infrastructure meeting between Department of Public Works, Roads and Transport, Department of Education and Department of Health was held on 08 December 2009.

The next Budget and Finance Meeting was held on 09 December 2009.

The budgets were also tabled at the Budget and Finance meeting that took place on 06 January 2010. The Budget and Finance Committee also made certain recommendations on items that must be raised during the benchmark session that were scheduled to take place at the National Treasury on 15 January 2010.

The critical date on the budget process was the 26th January 2010 on which the Budget and Finance Committee considered the benchmark report and a full report on the 2010 draft budget per vote.

The draft budgets were thereafter tabled briefly at the Executive Council Lekgotla that took place from the 07th to the 09th February 2010.

The draft budgets were then tabled at the Executive Council sitting that took place on Wednesday 24 February 2010. During this sitting the the budgets were approved for tabling at the Provincial Legislature.

The Budget process will culminate with the tabling of the provincial budgets at the Provincial Legislature on 02 March 2010.

3. *SOCIO-ECONOMIC OUTLOOK OF MPUMALANGA*

The purpose of this section is to provide an essential reference to Mpumalanga policy makers by providing provincial socio-economic statistical data and analysis. Information used in this section was collected from approved and credible sources to give a realistic picture of the socio-economic conditions in the province. The socio-economic outlook is crucial in the provincial planning and budget processes to ensure that any measures introduced by the provincial government are in line with the ever-changing socio-economic dynamics. Placing Mpumalanga on a shared growth and integrated development trajectory requires a coherent and co-ordinated public sector response to the province's socio-economic opportunities and challenges.

3.1 Demographics

The population is a cornerstone of the development process, as it affects economic growth through provision of labour and entrepreneurial skills, and forms the demand for the production output. Therefore, the analysis of its dynamics, including size, gender and age distribution as well as growth rates, is imperative understanding future trends.

3.1.1 Population figures and growth

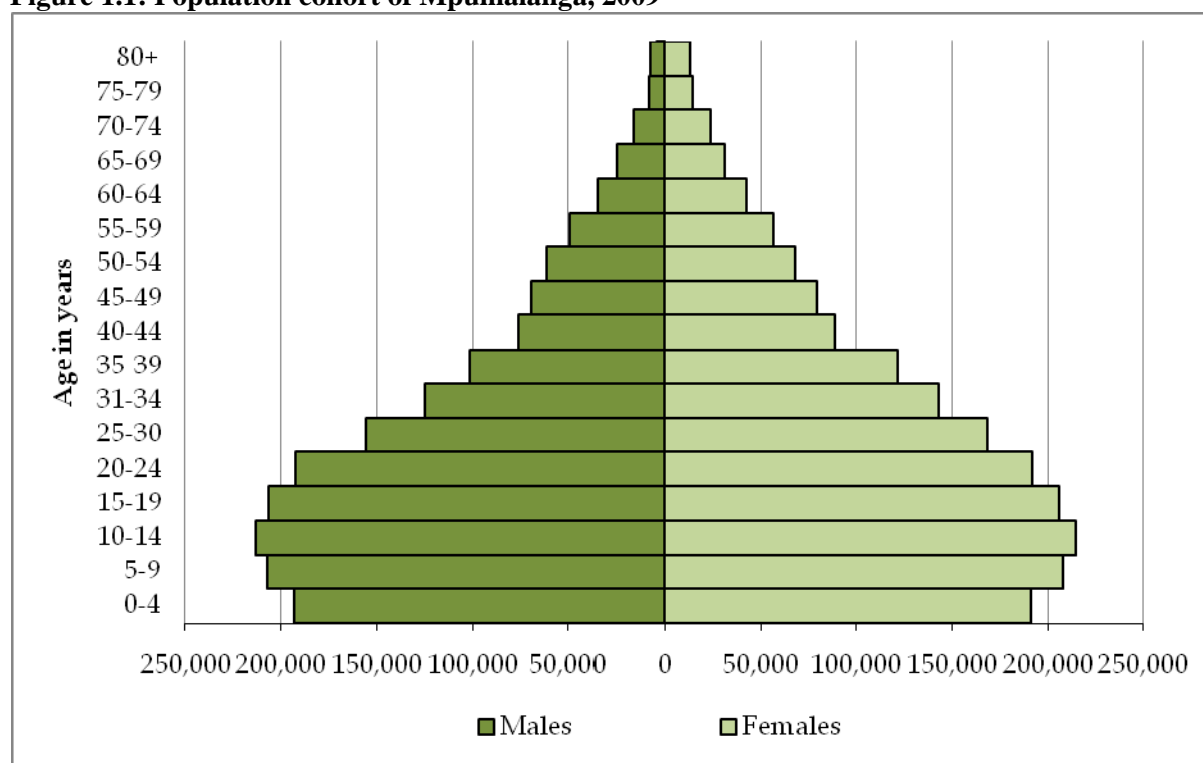
The 2009 mid-year population estimates by Statistics South Africa, indicates that the population of Mpumalanga increased from almost 3.4 million in 2001 to just over 3.6 million (Table 1.2). Mpumalanga registered the sixth largest share among the provinces at 7.3 per cent. Gauteng with 21.4 per cent was the province with the largest share of the national population, followed by KwaZulu-Natal with a 21.2 per cent share. The Northern Cape had the lowest percentage share of the national population at 2.3 per cent.

Figure 1.1 shows the population cohort of Mpumalanga according to the 2009 mid-year estimates. Females constituted nearly 1.9 million or 50.6 per cent of the provincial population distribution and males 1.8 million (49.4 per cent). The youth cohort up to 30 years made up 65.1 per cent of the total population in the province. The age group between 30 and 49 years constituted 22.3 per cent and the age group 50 years and older only 12.6 per cent. The age cohort of 10-14 years represented the most populous age group with about 427 800 individuals or 11.9 per cent of the total population.

Table 1.2: Population in South Africa by province, 2001 & 2009

| Region | 2001 (Census) | % share of total population | 2009 (Mid-year estimates) | % share of total population |
|---------------|-------------------|-----------------------------|---------------------------|-----------------------------|
| Eastern Cape | 6 278 651 | 14.0 | 6 648 600 | 13.5 |
| Free State | 2 706 776 | 6.0 | 2 902 400 | 5.9 |
| Gauteng | 9 178 873 | 20.5 | 10 531 300 | 21.4 |
| KwaZulu-Natal | 9 584 129 | 21.4 | 10 449 300 | 21.2 |
| Limpopo | 4 995 533 | 11.1 | 5 227 200 | 10.6 |
| Mpumalanga | 3 365 885 | 7.5 | 3 606 800 | 7.3 |
| Northern Cape | 991 919 | 2.2 | 1 147 600 | 2.3 |
| North-West | 3 193 678 | 7.1 | 3 450 400 | 7.0 |
| Western Cape | 4 524 334 | 10.1 | 5 356 900 | 10.9 |
| Total | 44 819 778 | 100.0 | 49 320 500 | 100.0 |

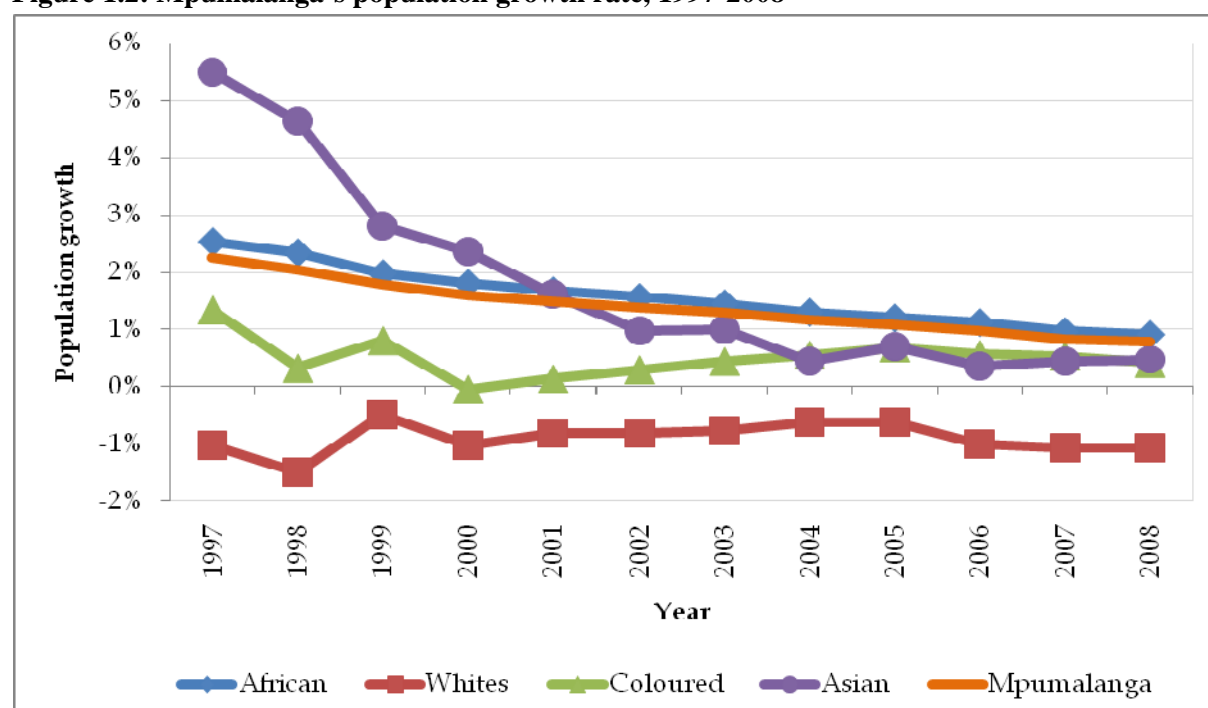
Source: Statistics South Africa – 2001 Census & 2009 Mid-year Population Estimates

Figure 1.1: Population cohort of Mpumalanga, 2009

Source: Statistics South Africa - Mid-year Population Estimates, 2009

The population growth rate is the rate at which the population is increasing or decreasing at any given year expressed as a percentage of the base population size. It takes into consideration all the components of population growth, amongst others fertility, mortality and migration. Figure 1.2 shows Mpumalanga's population growth rate decreased from 2.2 per cent in 1997 to 0.8 per cent in 2008. Africans/Blacks, with a growth rate of 0.9 per cent in 2008, exceeded that of the average provincial rate. The White population recorded a negative growth rate of -1.0 per cent in 1997 that further decreased to -1.1 per cent in 2008.

Figure 1.2: Mpumalanga's population growth rate, 1997-2008



Source: Global Insight - ReX, January 2010

The mid-year estimates do not provide the population breakdown according to districts and population groups. Therefore, the population breakdown by district and population group in Mpumalanga for 2008 according Global Insight's Regional eXplorer (ReX) is presented in Table 1.3.

Table 1.3: Mpumalanga's population by district and population group, 2008

| Region | Male | | Female | | Total Population | |
|------------------|-----------|------------|-----------|------------|------------------|------------|
| | Number | % of total | Number | % of total | Number | % of Total |
| Nkangala | 556 521 | 15.0 | 561 713 | 15.1 | 1 118 234 | 30.1 |
| Gert Sibande | 513 248 | 13.9 | 531 174 | 14.3 | 1 044 422 | 28.2 |
| Ehlanzeni | 761 187 | 20.5 | 785 928 | 21.2 | 1 547 115 | 41.7 |
| Population group | | | | | | |
| African/Black | 1 698 260 | 45.8 | 1 743 418 | 47.0 | 3 441 678 | 92.8 |
| White | 114 594 | 3.1 | 117 479 | 3.1 | 232 073 | 6.2 |
| Coloured | 10 816 | 0.3 | 11 591 | 0.3 | 22 406 | 0.6 |
| Asian | 7 287 | 0.2 | 6 327 | 0.2 | 13 614 | 0.4 |
| TOTAL | 1 830 956 | 49.4 | 1 878 815 | 50.6 | 3 709 771 | 100.0 |

Source: Global Insight - ReX, January 2010

The number of African/Black people in the province was slightly more than 3.4 million or 92.8 per cent of the total Mpumalanga population in 2008. The White population accounted for 6.2 per cent, Coloureds 0.6 per cent and Asians 0.4 per cent of the provincial population. In 2008, 41.7 per cent of the population resided in Ehlanzeni, 30.1 per cent in Nkangala and 28.2 per cent in Gert Sibande. Noticeable, the province had more females (50.6 per cent) than males (49.4 per cent).

3.1.2 Fertility

The level of fertility is used to assess population trends and the most commonly method is the fertility rate. Fertility rate is defined as the number of children the average women would have in her lifetime. South Africa's fertility rate between 2001 and 2006 was 2.74 and this is projected to decrease to 2.43 between 2006 and 2011. Not only was Mpumalanga's fertility rate (3.00) between 2001 and 2006 higher than that of South Africa, but the projected fertility rate of 2.57 between 2006 and 2011 should also eclipse the national figure. Mpumalanga recorded the fourth lowest fertility rate in the country and the projections suggest that it will hold its position between 2006 and 2011.

3.1.3 Life expectancy

Life expectancy is the expected average number of years remaining to be lived by persons of a particular age. These estimates are assumed using the rates associated with the given mortality pattern at the time.

In 2009, South Africa's male life expectancy at birth was 53.3 years according to Statistics South Africa's 2009 mid-year population estimates. Mpumalanga's life expectancy for males was lower during the period of observation and estimated at 48.5 years. The projections for the years 2006 to 2011 suggest that it will increase slightly to 48.8 years. The national average female life expectancy at birth (57.5 years) was higher than that of males (53.3 years). Mpumalanga was the province with the third lowest female life expectancy (52.7 years) between 2001 and 2006. It is estimated to decrease slightly to 52.2 years between 2006 and 2011 – the only province where a decrease is expected.

3.1.4 Migration

Migration is an important demographic determinant in shaping the age structure and the distribution of the provincial population. Migration refers to the movement of people into a specific part of the country from another part of the same country. The labour market functions through the interaction of supply and demand. A key determinant of labour supply is the size and structure of the population. The numbers and characteristics of individuals migrating into or from the province are important in determining the present and future provincial labour supply.

Table 1.4 shows the migration streams between the provinces for the period 2006 to 2011. Mpumalanga yields an outflow of 166 600 compared to the inflow of 122 800 resulting in the net loss of 43 800 citizens. Most of the provinces, including Mpumalanga, demonstrated a net outflow whilst Gauteng (446 900) and the Western Cape (137 000) registered a net inflow of the migration stream. Mpumalanga recorded the third highest net outflow among the nine provinces after the Eastern Cape (-273 600) and Limpopo (-189 200).

Table 1.4: Estimated provincial migration streams in South Africa, 2006-2011

| Region | Out migration | In migration | Net migration |
|---------------|----------------|----------------|----------------|
| Eastern Cape | 390 100 | 116 500 | -273 600 |
| Free State | 125 900 | 94 100 | -31 800 |
| Gauteng | 295 000 | 741 900 | 446 900 |
| KwaZulu-Natal | 195 200 | 207 300 | 12 100 |
| Limpopo | 286 700 | 97 500 | -189 200 |
| Mpumalanga | 166 600 | 122 800 | -43 800 |
| Northern Cape | 66 600 | 41 100 | -25 500 |
| North-West | 193 900 | 161 800 | - 32 100 |
| Western Cape | 112 800 | 249 800 | 137 000 |

Source: Statistics South Africa - Mid-year Population Estimates, 2009

3.1.5 Urbanisation

Urbanisation measures the percentage of people in a region that are living in urban areas. The urbanisation rate in Mpumalanga increased steadily from 35.4 per cent in 1996 to 39.0 per cent in 2008. The urbanisation rate in Mpumalanga was however considerably lower than the national rate (57.3 per cent) in 2008. Of the three districts in Mpumalanga, Gert Sibande (53.2 per cent) showed the highest urbanisation rate and Ehlanzeni (15.6 per cent) the lowest.

3.1.6 The impact of HIV/AIDS

Table 1.5 and Figure 1.3 show changes in the HIV prevalence of the population distribution for the 15–49 age group between 2002 and 2008. The estimated overall prevalence rate for this age group was 16.9 per cent for South Africa in 2008. The national rate rose from 15.6 per cent recorded in 2002 and 16.2 per cent in 2005. In 2008, the prevalence rate in Mpumalanga was 23.1 per cent - the second highest after KwaZulu-Natal (25.8 per cent). The figure was lower at 21.0 per cent in 2002.

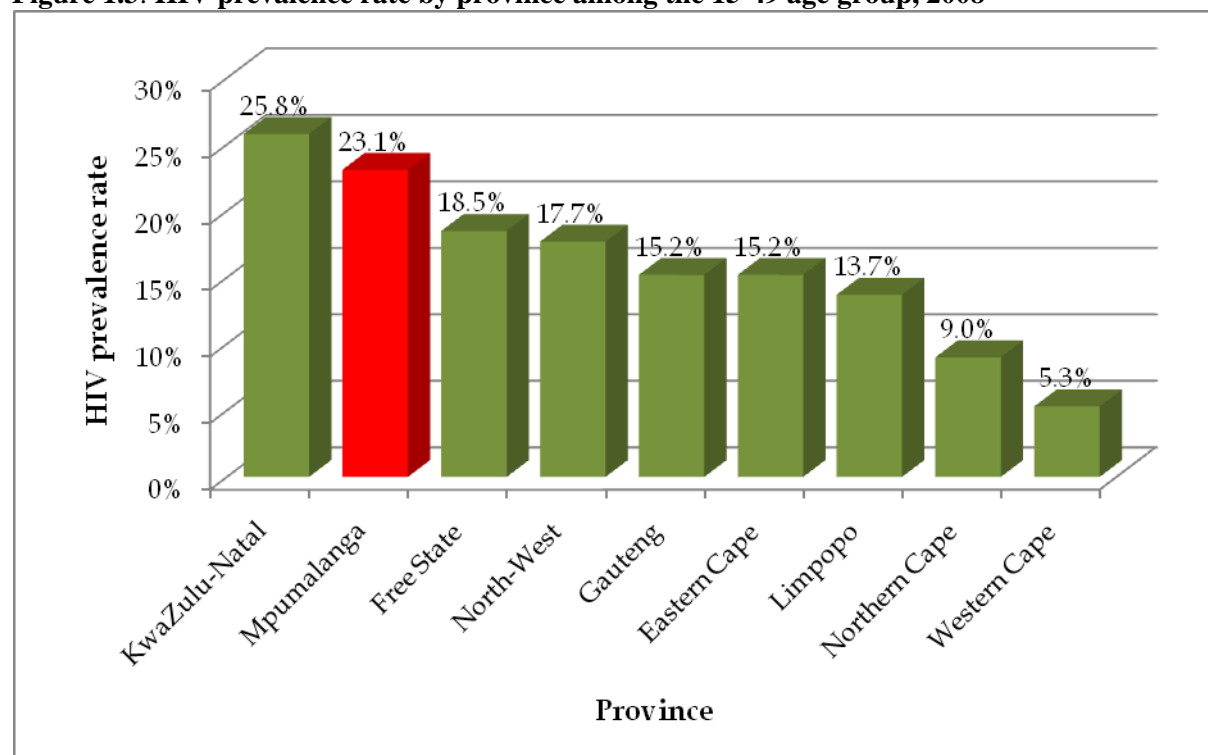
Table 1.5: HIV prevalence by province for the 15-49 age group, 2002-2008

| Region | 2002 | | | 2005 | | | 2008 | | |
|---------------|--------------|-------------|------------------|--------------|-------------|------------------|--------------|-------------|------------------|
| | n | % | 95% CI | n | % | 95% CI | n | % | 95% CI |
| Western Cape | 728 | 13.2 | 8.4-20.2 | 1 250 | 3.2 | 1.9-5.3 | 1 240 | 5.3 | 3.7-7.5 |
| Eastern Cape | 653 | 10.2 | 7.2-14.2 | 1 353 | 15.5 | 12.1-19.8 | 1 069 | 15.2 | 11.9-19.1 |
| Northern Cape | 380 | 9.6 | 6.4-14.2 | 651 | 9.0 | 6.4-12.5 | 675 | 9.0 | 6.6-12.3 |
| Free State | 318 | 19.4 | 13.7-26.8 | 629 | 19.2 | 13.3-26.9 | 554 | 18.5 | 15.2-22.4 |
| KwaZulu-Natal | 902 | 15.7 | 11.6-21.1 | 1 616 | 21.9 | 18.3-25.9 | 1 426 | 25.8 | 22.1-29.8 |
| North-West | 357 | 14.4 | 10.3-19.9 | 620 | 18.0 | 13.7-23.2 | 606 | 17.7 | 13.9-22.3 |
| Gauteng | 797 | 20.3 | 16.1-25.3 | 1 538 | 15.8 | 13.0-19.1 | 1 274 | 15.2 | 12.1-19.0 |
| Mpumalanga | 301 | 21.0 | 15.5-27.9 | 704 | 23.1 | 18.8-27.9 | 577 | 23.1 | 18.4-28.7 |
| Limpopo | 359 | 11.5 | 7.6-17.1 | 884 | 11.0 | 8.2-14.5 | 685 | 13.7 | 9.7-19.0 |
| South Africa | 4 795 | 15.6 | 13.9-17.5 | 9 245 | 16.2 | 14.8-17.7 | 8 106 | 16.9 | 15.5-18.4 |

Source: Human Science Research Council (HSRC) - South African National HIV Survey, 2009

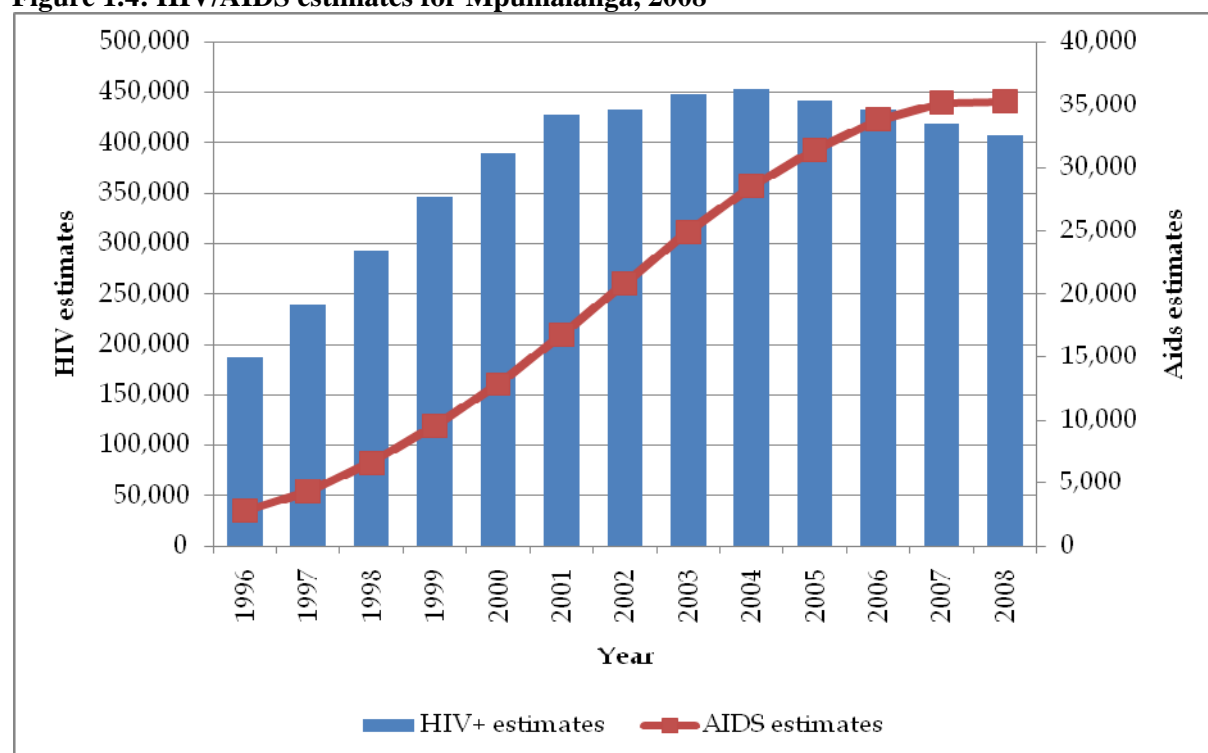
Examining change from 2005 to 2008, the Western Cape, KwaZulu-Natal and Limpopo had increases in their HIV prevalence, while in the remainder of provinces, Mpumalanga included, HIV prevalence remained at levels similar or lower than that observed in 2005.

Figure 1.3: HIV prevalence rate by province among the 15-49 age group, 2008



Source: HSRC - South African National HIV Survey, 2009

Figure 1.4: HIV/AIDS estimates for Mpumalanga, 2008



Source: Global Insight - ReX, January 2010

HIV estimates in Mpumalanga according to Global Insight, increased from 186 227 in 1996 to 406 921 in 2008 (Figure 1.4). This represents a 118.5 per cent increase over this period. There is, however, a discernable downward trend of HIV numbers in the province and on district level since 2005. The highest figures were recorded in 2004. AIDS estimates for Mpumalanga, increased from 2 824 in 1996 to 35 279 in 2008. This represents a 1 149.3 per cent increase in this period. AIDS estimates for the three districts in 2008 were 14 833 for Ehlanzeni (42.0 per cent of the province), 11 136 for Nkangala (31.6 per cent) and 9 309 for Gert Sibande (26.4 per cent).

3.2 Labour profile

An analysis of employment and unemployment statistics provides vital information pertaining to socio-economic trends in Mpumalanga. There is, however, a debate regarding which statistics to use in this regard because labour statistics differ from research institution to research institution, mainly because different definitions of unemployment are used.

3.2.1 Labour force profile

The labour force comprises of all the employed and the unemployed population in the province. Table 1.6 depicts the labour force profile of the province. South Africa endured a period of economic downturn since the end of 2008 and the evidence of employment as a lagging factor is clear, with the economy shedding jobs in especially the first three quarters of 2009. The country had employment figures of 13.8 million in the fourth quarter of 2008 which shrunk to almost 13 million by the fourth quarter of 2009. The national economy has shed 870 000 jobs in 2009. South Africa recorded an official unemployment rate (excluding discouraged workers) of 24.3 per cent in the fourth quarter of 2009. The unemployment rate according to the expanded definition (including almost 1.7 million discouraged workers) was however much higher at 34.2 per cent in the same period.

Table 1.6: Labour force profile of Mpumalanga, 2008-2009

| Indicator | Q4 2008 '000 | Q1 2009 '000 | Q2 2009 '000 | Q3 2009 '000 | Q4 2009 '000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Population 15-64 years | 2 195 | 2 203 | 2 210 | 2 218 | 2 225 |
| Labour Force/EAP | 1 214 | 1 244 | 1 221 | 1 185 | 1 200 |
| Not economically active | 1 001 | 981 | 989 | 1 033 | 1 026 |
| Discouraged work seekers | 109 | 108 | 110 | 123 | 126 |
| Unemployment rate | 23.1% | 24.7% | 26.5% | 25.7% | 26.6% |
| Labour force participation rate (EAP/pop) | 55.3% | 56.4% | 55.2% | 53.3% | 53.9% |
| Employment growth: | | | | | |
| - Mpumalanga | 934 | 936 | 897 | 881 | 881 |
| - South Africa | 13 844 | 13 636 | 13 369 | 12 885 | 12 974 |

Source: Statistics South Africa – Quarterly Labour Force Survey (QLFS), 2009 & 2010

The impact of the economic crisis is also reflected in the decrease in the employment figures of the province. The official unemployment rate of the province has increased from 23.1 per cent in the fourth quarter of 2008 to 26.6 per cent in the fourth quarter of 2009. Employment figures decreased

from 934 000 to 881 000 (job losses of 53 000) in the same period. The provincial unemployment rate according to the expanded definition increased from 34.5 to 39.0 per cent. It is a great concern that there were 319 000 unemployed people and 126 000 discouraged workers in the province by the end of the fourth quarter of 2009.

Table 1.7 shows that South Africa shed 959 000 jobs in the first three quarters of 2009. The effects of the global economic crisis filtered down to respective countries and eventually the provinces, even Mpumalanga. Most sectors in the province could not sustain the pressure of an economic downturn especially electricity, finance and agriculture.

Table 1.7: Job losses in South Africa and provinces, 2009

| Region | Q1 2009 ‘000 | Q2 2009 ‘000 | Q3 2009 ‘000 | Q4 2009 ‘000 |
|---------------|-----------------|-----------------|-----------------|-----------------|
| Western Cape | 34 | -67 | -30 | 26 |
| Eastern Cape | -47 | 42 | -95 | 5 |
| Northern Cape | -38 | 5 | -28 | 32 |
| Free State | -17 | -39 | -15 | 35 |
| KwaZulu-Natal | -117 | -57 | 1 | 32 |
| North-West | -10 | -36 | -60 | -49 |
| Gauteng | -49 | -77 | -234 | 30 |
| Mpumalanga | 2 | -39 | -16 | 0 |
| Limpopo | 35 | 1 | -7 | 11 |
| South Africa | -208 | -267 | -484 | 89 |

Source: Statistics South Africa – QLFS, 2009 & 2010

Mpumalanga’s economy shed 55 000 jobs in the second and third quarter of 2009. The majority of job losses in Mpumalanga were in the electricity/utilities, finance and agriculture sectors.

3.2.1 Employment

South Africa had almost 13 million individuals that were employed in the fourth quarter of 2009 with 70.3 per cent in the formal sector and 16.3 per cent in the informal sector. Agriculture and private households had a share of respectively 4.7 and 8.7 per cent.

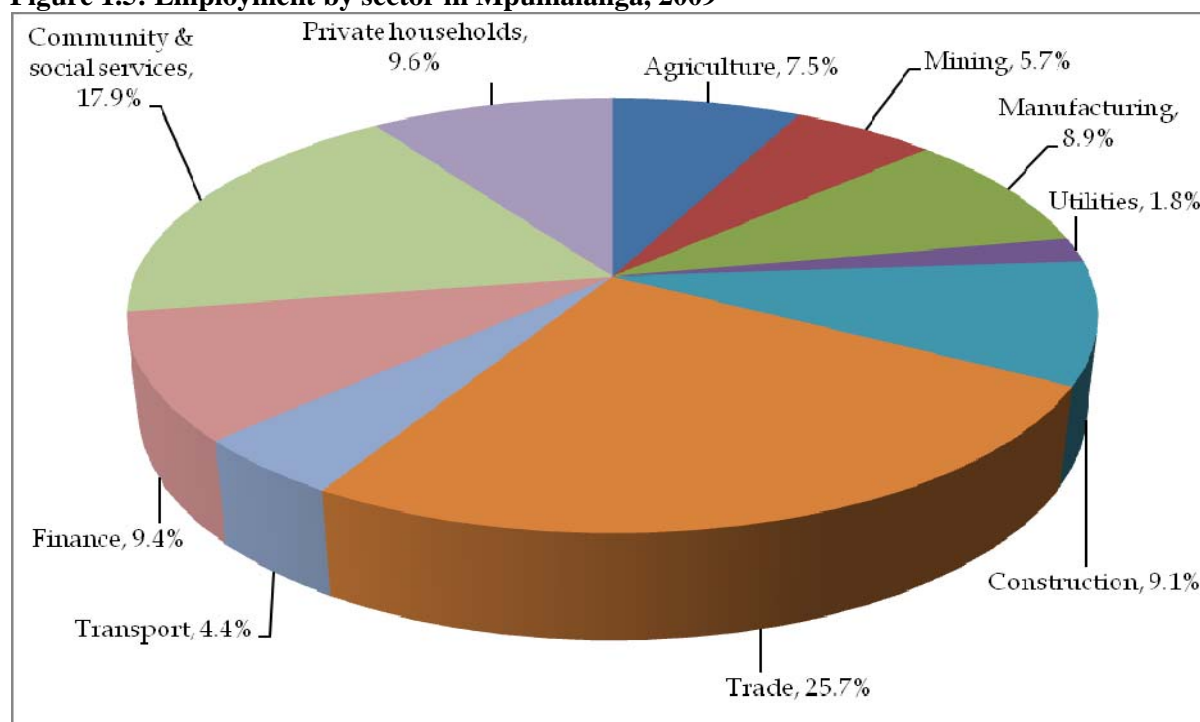
Table 1.8 shows the aggregated employment composition of employment in the province from the fourth quarter of 2008 to the fourth quarter of 2009. Mpumalanga’s total employment of 881 000 employees in the fourth quarter of 2009 remained unchanged from the third quarter. Formal employees’ share increased from 59.5 per cent in the fourth quarter of 2008 to 59.7 per cent in the fourth quarter of 2009. The informal sector’s share increased from 22.0 per cent to 23.2 per cent in the same period. Private households’ share decreased from 10.1 to 9.6 per cent. Total employment in the province constitutes 6.7 per cent of employment in the country.

Table 1.8: Aggregate employment in Mpumalanga, 2009

| Sector | Q4 2008 | | Q1 2009 | | Q2 2009 | | Q3 2009 | | Q4 2009 | |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | SA | MP | SA | MP | SA | MP | SA | MP | SA | MP |
| Formal sector | 68.9% | 59.5% | 69.3% | 59.9% | 70.0% | 59.4% | 70.4% | 59.8% | 70.3% | 59.7% |
| Informal sector | 16.2% | 22.0% | 15.8% | 21.3% | 15.8% | 22.0% | 15.5% | 20.7% | 16.3% | 23.2% |
| Agriculture | 5.5% | 8.4% | 5.4% | 8.6% | 5.3% | 8.8% | 5.1% | 8.4% | 4.7% | 7.5% |
| Private households | 9.4% | 10.1% | 9.5% | 10.1% | 8.9% | 9.8% | 9.0% | 11.1% | 8.7% | 9.6% |
| Mpumalanga | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Source: Statistics South Africa – QLFS, 2009 & 2010

Figure 1.5 shows employment by sector in Mpumalanga in 2009. The trade sector (wholesale and retail trade) employed the largest share of individuals in the province at 25.7 per cent. Community and social services (17.9 per cent) employed the second biggest number followed by private households (9.6 per cent) and finance (9.4 per cent). The sectors that contributed the least were transport (4.4 per cent) and utilities (1.8 per cent).

Figure 1.5: Employment by sector in Mpumalanga, 2009

Source: Statistics South Africa – QLFS, 2010

The trade sector's contribution to total employment in the three districts in 2009 was 19.7 per cent for Gert Sibande, 21.9 per cent for Nkangala and 24.8 per cent for Ehlanzeni. Approximately 50 per cent of the workers in the trade sector of the province are situated in Ehlanzeni.

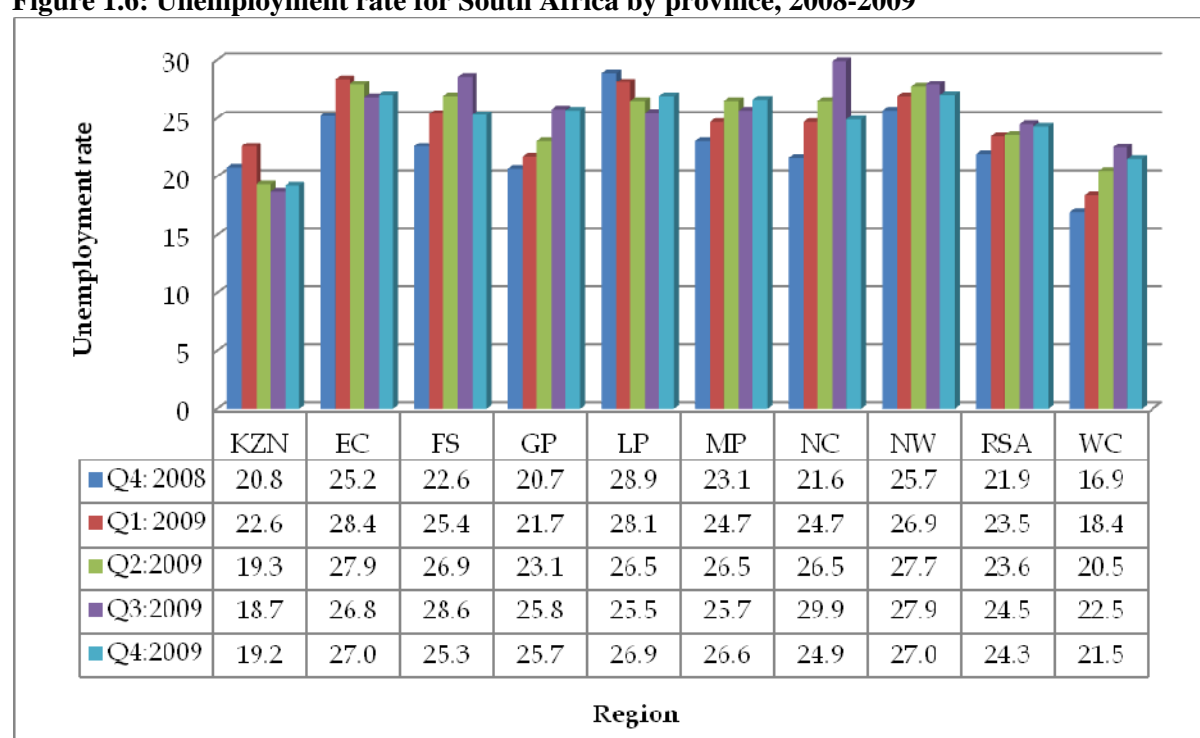
3.2.2 Unemployment

Unemployment is a major constraint to the economic growth of the province. It is also adversely related to the social ills of the communities. The lack of participation in the economy by the

unemployed means that the appropriate skills are not acquired, the existing skills are lost, and the likelihood to contribute to future employment is diminished and potential economic growth is limited for both the province and the country.

According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga in the first quarter of 2009 was 24.7 per cent and increased to 26.6 per cent in the fourth quarter of 2009. This was higher than the national average, which was recorded at 24.3 per cent in the fourth quarter of 2009. At the end of the fourth quarter of 2009, Mpumalanga's unemployment rate was the fourth highest of the nine provinces. The graphical illustration of the provincial and national unemployment figures is presented in Figure 1.6.

Figure 1.6: Unemployment rate for South Africa by province, 2008-2009



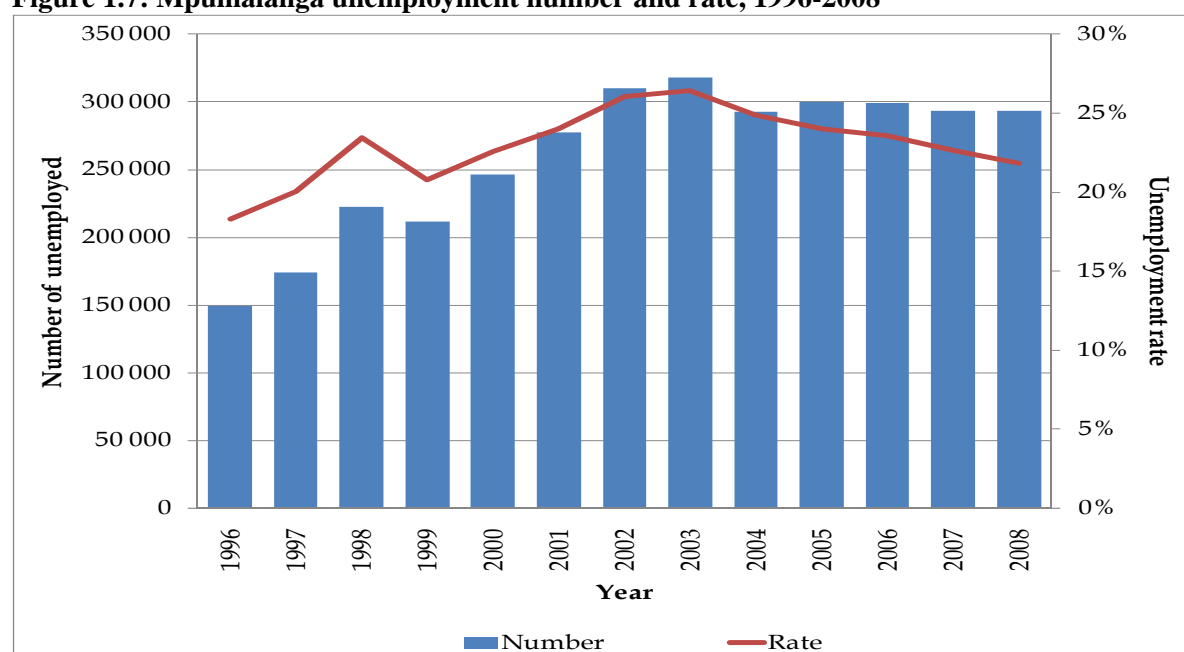
Source: Statistics South Africa – QLFS, 2009 & 2010

In 2001, South Africa had an average unemployment rate of 23.3 per cent, which was greater than Mpumalanga at 21.2 per cent. In 2008, the average unemployment rate was 23.1 per cent nationally and 21.4 per cent for Mpumalanga. Figure 1.7 depicts the provincial unemployment averages in terms of both the unemployed number of people and the unemployment rate from 1996 to 2008.

An economic research study by the Department of Finance in 2009 indicated that the Mpumalanga Provincial Government contributes significantly towards the eradication of unemployment in the province. It was estimated that the unemployment rate (strict definition) in Mpumalanga might have reached 32.3 per cent in 2008, compared with the actual average of 21.4 per cent, had it not been for the provincial government expenditure. In 2008, unemployment could have reached levels exceeding

430 000, as opposed to 289 000 observed in that year, had it not been for the direct, indirect and induced impact associated with Mpumalanga government expenditure.

Figure 1.7: Mpumalanga unemployment number and rate, 1996-2008



Source: Global Insight - ReX, 2009

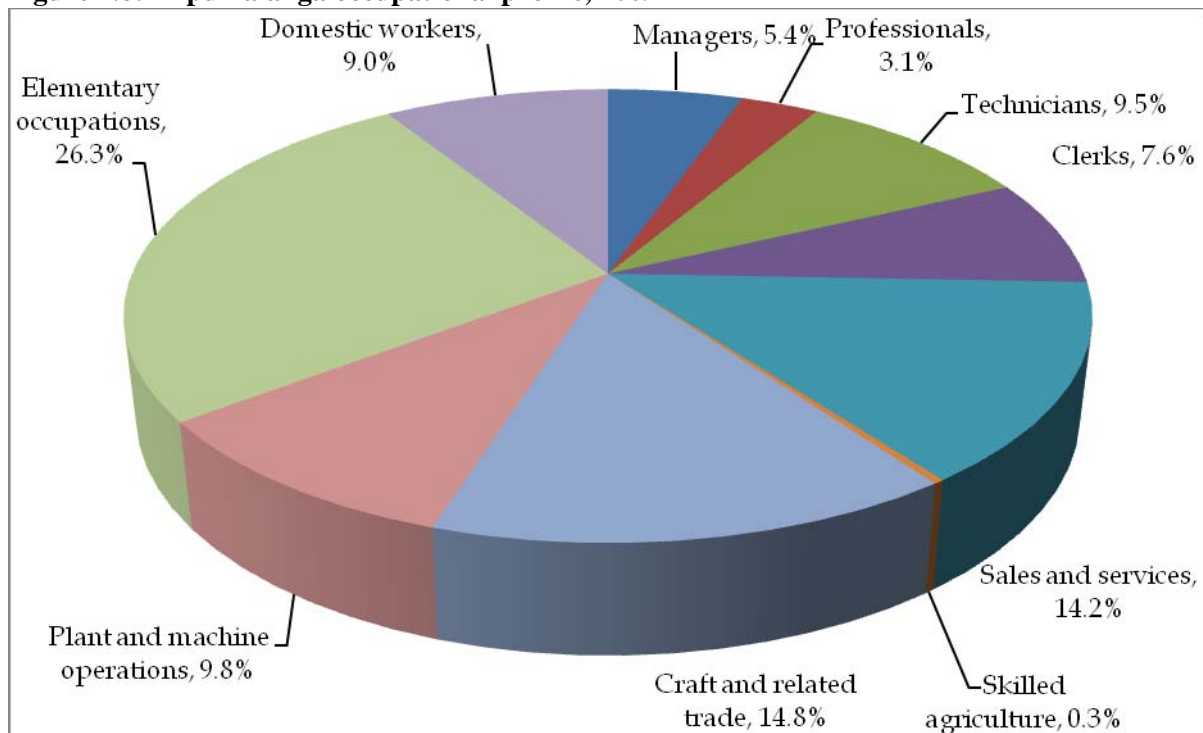
Another important finding of the economic research study was that for each R1 million spending by the Mpumalanga Provincial Government (in the 2004/05 – 2008/09 period), an average of 7.16 employment opportunities were created/sustained per annum in the province.

3.2.3 Occupational profile

The occupational profile is an indicator of the quality of the labour force. It provides information on the employability of workers and their proficiency levels and assists in identifying the shortage of skills in the economy, by matching the demand for labour with its relative supply.

Figure 1.8 illustrates the occupational profile of Mpumalanga in 2009. It is heavily skewed towards semi and unskilled occupations. The share of highly educated/skilled occupations (managers and professionals) is only 8.5 per cent. The share of the category of elementary occupations is 26.3 per cent. The majority of these people are normally unskilled or semi-skilled workers.

Figure 1.8: Mpumalanga occupational profile, 2009



Source: Statistics South Africa – QLFS, 2009

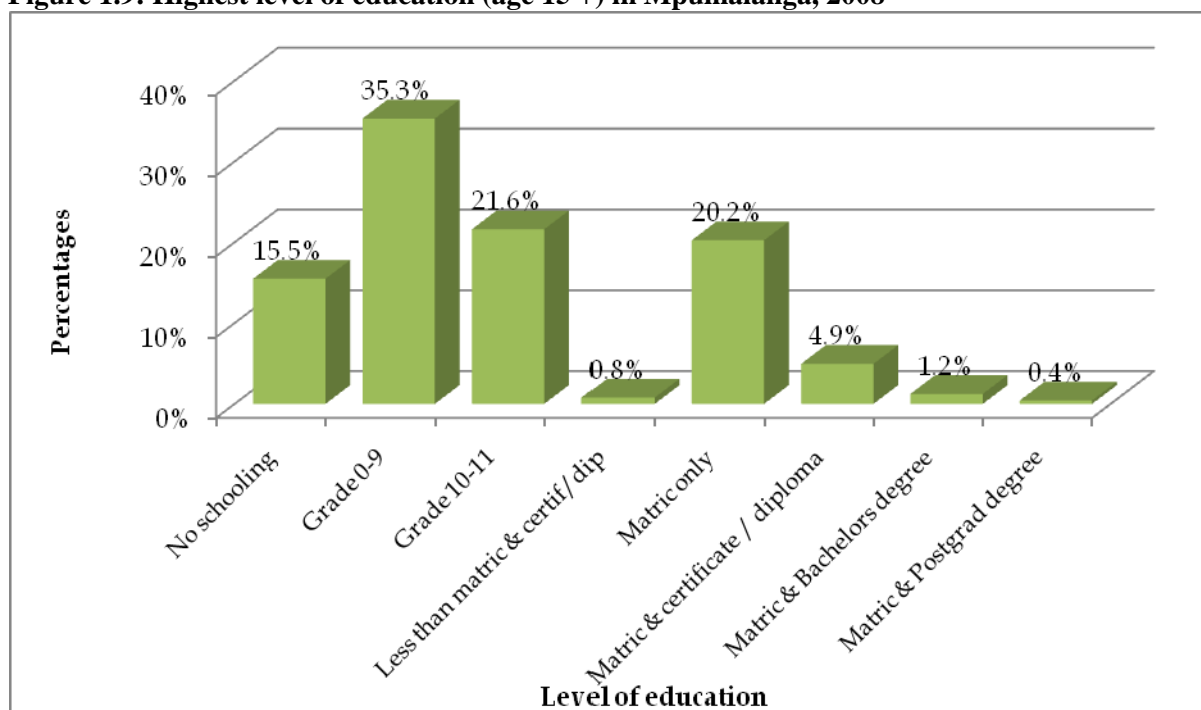
3.3 Education profile

There is a direct correlation between the educational attainment and employment growth rate. Higher employment growth rates are observed among those who have a higher level of education. An analysis of the education profile of the province therefore provides vital information pertaining to employability of the labour force, as well as insight into the potential employment growth.

Figure 1.9 illustrates the education profile of Mpumalanga. Based on information from Global Insight regarding the highest level of education, 15.5 per cent of people 15 years and older, have not received any schooling, 35.3 per cent obtained an education level of grade 0-9, 21.6 per cent grade 10-11 and 20.2 per cent a matric only. Only 6.5 per cent of the people have post matric qualifications. The following positive trends, however, can be highlighted:

- The percentage of the population with no schooling decreased from 23.3 per cent in 2001 to 15.5 per cent in 2008.
- The percentage of the population that completed secondary education (matric) increased from 15.8 per cent in 2001 to 20.2 per cent in 2008.

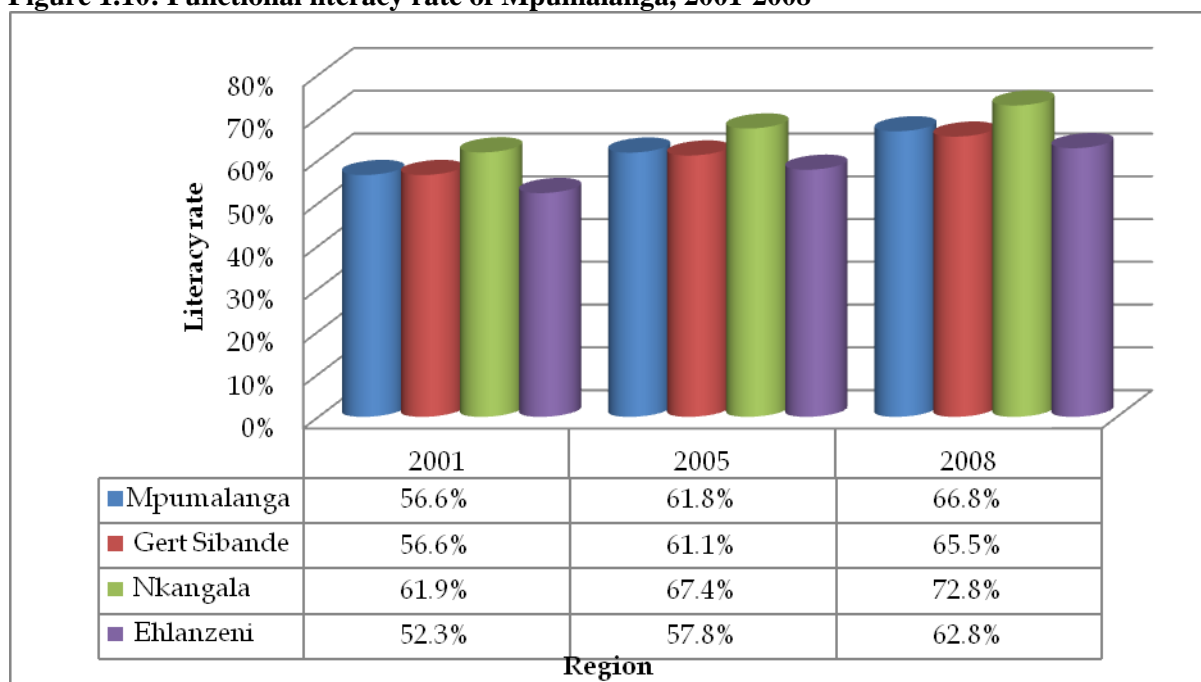
Figure 1.9: Highest level of education (age 15 +) in Mpumalanga, 2008



Source: Global Insight – ReX, January 2010

The functional literacy rate (age 20+ and completed grade 7 and higher) for Mpumalanga, increased from 56.6 per cent in 2001 to 66.8 per cent in 2008 (Figure 1.10). The functional literacy in Gert Sibande increased from 56.6 per cent to 65.5 per cent in the same period, Nkangala from 61.9 per cent to 72.8 per cent and Ehlanzeni from 52.3 per cent to 62.8 per cent.

Figure 1.10: Functional literacy rate of Mpumalanga, 2001-2008



Source: Global Insight - ReX, January 2010

Table 1.9 shows the grade 12 pass rates from 2007 to 2009. The national rate decreased from 65.2 per cent in 2007 to 60.7 per cent in 2009. Mpumalanga's pass rate declined from 60.8 per cent in 2007 to only 47.9 per cent in 2009. Mpumalanga's matric pass rate was the lowest of the nine provinces in 2009.

Table 1.9: Grade 12 comparative figures for Mpumalanga, 2007-2009

| Province | 2007 % Pass rate | 2008 % Pass rate | 2009 % Pass rate |
|------------------|---------------------|---------------------|---------------------|
| Eastern Cape | 57.1 | 50.6 | 51.1 |
| Free State | 70.5 | 71.8 | 69.4 |
| Gauteng | 74.6 | 76.4 | 71.8 |
| KwaZulu-Natal | 63.8 | 57.6 | 61.1 |
| Limpopo | 55.7 | 54.3 | 48.9 |
| Mpumalanga | 60.8 | 51.2 | 47.9 |
| Northern Cape | 70.3 | 72.7 | 61.3 |
| North West | 67.2 | 68.0 | 67.5 |
| Western Cape | 80.3 | 78.4 | 75.7 |
| National Average | 65.2 | 62.5 | 60.7 |

Source: National & Provincial Department of Education, 2010

Table 1.10 shows that Mpumalanga had 1 035 469 learners in 2009, a decrease of 16 062 learners from 2008 and a continuance of the declining trend evident since 2007. The number of educators, however, increased by 1 569 over the same period. The number of schools decreased from 1 959 in 2008 to 1 933 in 2009. Mpumalanga registered the fifth highest number of schools in the country in 2009.

Table 1.10: South Africa: learners, educators and schools, 2006-2009

| Province | Learners | | | Educators | | | Schools | | |
|---------------|-------------------|-------------------|-------------------|----------------|----------------|----------------|---------------|---------------|---------------|
| | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 | 2007 | 2008 | 2009 |
| Eastern Cape | 2 136 713 | 2 079 994 | 2 076 400 | 66 163 | 66 536 | 69 620 | 5 834 | 5 825 | 5 808 |
| Free State | 680 777 | 670 588 | 656 754 | 23 570 | 23 383 | 24 364 | 1 744 | 1 675 | 1 611 |
| Gauteng | 1 883 538 | 1 894 027 | 1 903 838 | 63 216 | 64 307 | 66 351 | 2 397 | 2 405 | 2 390 |
| KwaZulu-Natal | 2 848 652 | 2 771 420 | 2 816 974 | 88 042 | 86 983 | 88 996 | 6 057 | 5 938 | 6 066 |
| Limpopo | 1 816 230 | 1 764 669 | 1 707 280 | 54 769 | 57 083 | 58 563 | 4 140 | 4 122 | 4 105 |
| Mpumalanga | 1 054 085 | 1 051 531 | 1 035 469 | 32 276 | 33 644 | 35 213 | 1 973 | 1 959 | 1 933 |
| North West | 265 647 | 265 866 | 267 709 | 8 580 | 9 019 | 9 115 | 613 | 617 | 617 |
| Northern Cape | 747 248 | 779 260 | 777 285 | 25 701 | 26 620 | 26 697 | 1 780 | 1 784 | 1 768 |
| Western Cape | 968 327 | 962 008 | 973 136 | 31 908 | 33 378 | 32 245 | 1 527 | 1 550 | 1 569 |
| National | 12 401 217 | 12 239 363 | 12 214 845 | 394 225 | 400 953 | 411 164 | 26 065 | 25 875 | 25 867 |

Source: National Department of Education - School Realities, 2009

The teacher-learner ratio is a key indicator with respect to the quality of education provision as it outlines the measure of individual attention the teacher can give each learner. The learner-teacher ratio was lower (better) for Mpumalanga at 29.4 in relation to the national figure, which were 32.6 in 2009. Table 1.11 illustrates the learner-teacher ratio in the province in comparison to the national figure.

Table 1.11: Learner-teacher ratio in Mpumalanga and South Africa, 2007-2009

| Region | 2007 | 2008 | 2009 |
|------------|------|------|------|
| Mpumalanga | 32.8 | 31.2 | 29.4 |
| National | 31.4 | 30.6 | 32.6 |

Source: National Department of Education - School Realities, 2009

3.4 Health and social services

Health, social services and education remain key priorities for government. The profiling of these sectors is critical for planning and informing the budget process. Mpumalanga needs to increase efforts to fight dominant diseases and poverty in the province.

According to the *South African Health Review 2008* published by Health Systems Trust, over 3.1 million people in Mpumalanga had no access to a medical aid scheme in 2007. The bed utilisation rate in district hospitals increased by 5.9 percentage points to 70.2 per cent in 2007, ranking it as the second highest province in the country, while the average length of stay in a district hospital increased slightly to 4.6 days.

Nurse clinical workload has continued its downward trend from 26.1 patients per nurse per day in 2004 to 19.6 in 2007. The clinic supervision rate at 26.8 per cent was the second lowest in the country in 2007.

Tuberculosis (TB) was one of the leading causes of mortality in the province. As is evident from Figure 1.11 the death rate at 9.9 per cent in 2008 was higher than the national average of 7 per cent. A total of 22 298 cases of TB were reported in 2008, an increase of 23 per cent from the previous year. The cure rate in the province was 60 per cent in 2008 which was considerably lower than the 85 per cent achieved nationally (Figure 1.11).

The eradication of malaria is high on the agenda and the province improved its spray coverage rate from 87 per cent in 2007 to 91 per cent in 2008. The fatality rate was 0.7 per cent, which was slightly above the national average of 0.5 per cent in 2008 (Figure 1.11).

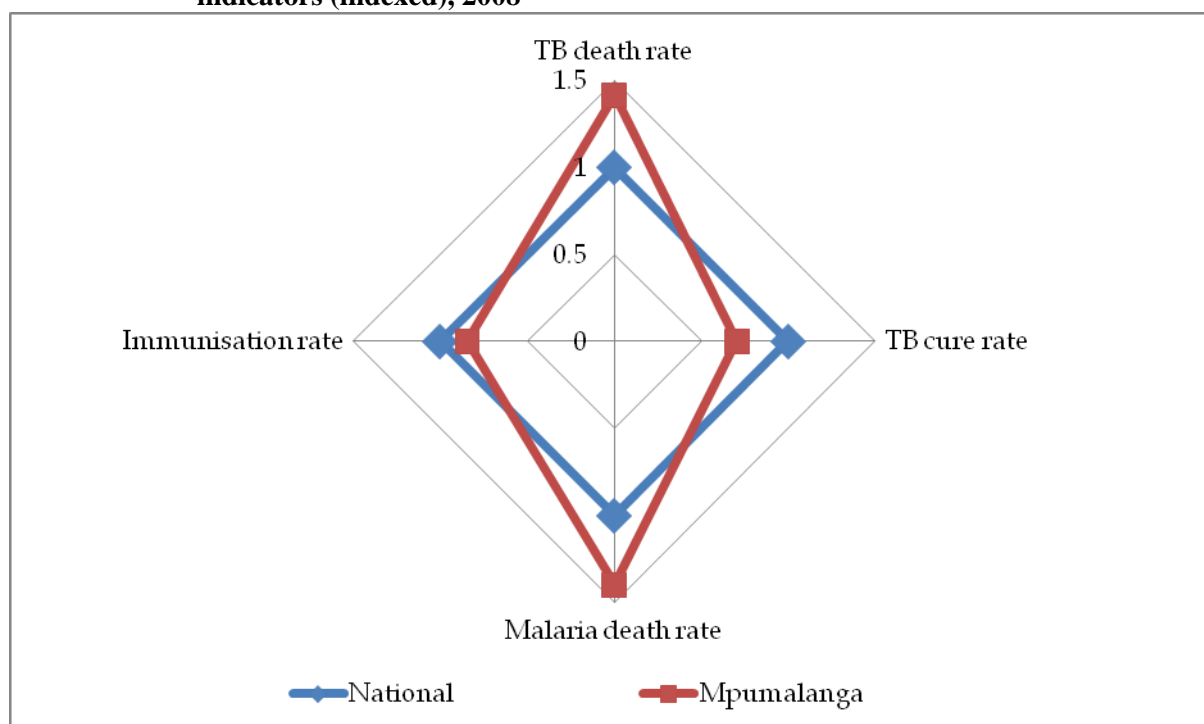
Of concern is the immunisation coverage rate of 76 per cent, which remains under the national target (90 per cent) and has decreased since 2005 (Figure 1.11). The child health programme needs to be reviewed and strategies put in place to decrease the dropout rate and increase the immunisation rate of under-1 year olds, to at least the national average.

The incidence of new sexually transmitted infections (STI) decreased from 6.1 per cent in 2003 to 3.6 per cent in 2008, which is encouraging, and this despite a slight decrease in the male condom distribution rate in the last year. It is interesting to note that Ehlanzeni has a condom distribution rate that is double that of the other two districts.

To improve access to primary healthcare (PHC) facilities in Mpumalanga, the Department of Health ensured over the past four years that the number of PHC facilities increased from 167 in 2004 to 270

in 2008. Together with the PHC facilities, 23 district hospitals provide a range of in- and outpatient services.

Figure 1.11: Comparison between South Africa and Mpumalanga of selected health indicators (indexed), 2008



Source: Health Systems Trust - SA Health Review, 2009

The importance of early childhood development (ECD) in Mpumalanga is evident from the fact that the number of ECD practitioners more than doubled from 750 in 2004 to 1 785 in 2008. In 2009, more than 950 schools were declared ‘No-Fee’ schools, benefitting more than 420 000 learners. The implementation of school nutrition programmes to mitigate the impact of poverty on learners benefitted more than 573 000 learners.

According to the South African Social Security Agency (SASSA), the total number of social grants beneficiaries in Mpumalanga grew by close to 4.0 per cent per annum from 901 400 in March 2007 to 975 700 in March 2009. The number of children benefitting from social grants grew by 4.4 per cent per annum over the same period to 723 600, whilst the number of adults benefiting from old age grants increased by 12 200 to 168 000.

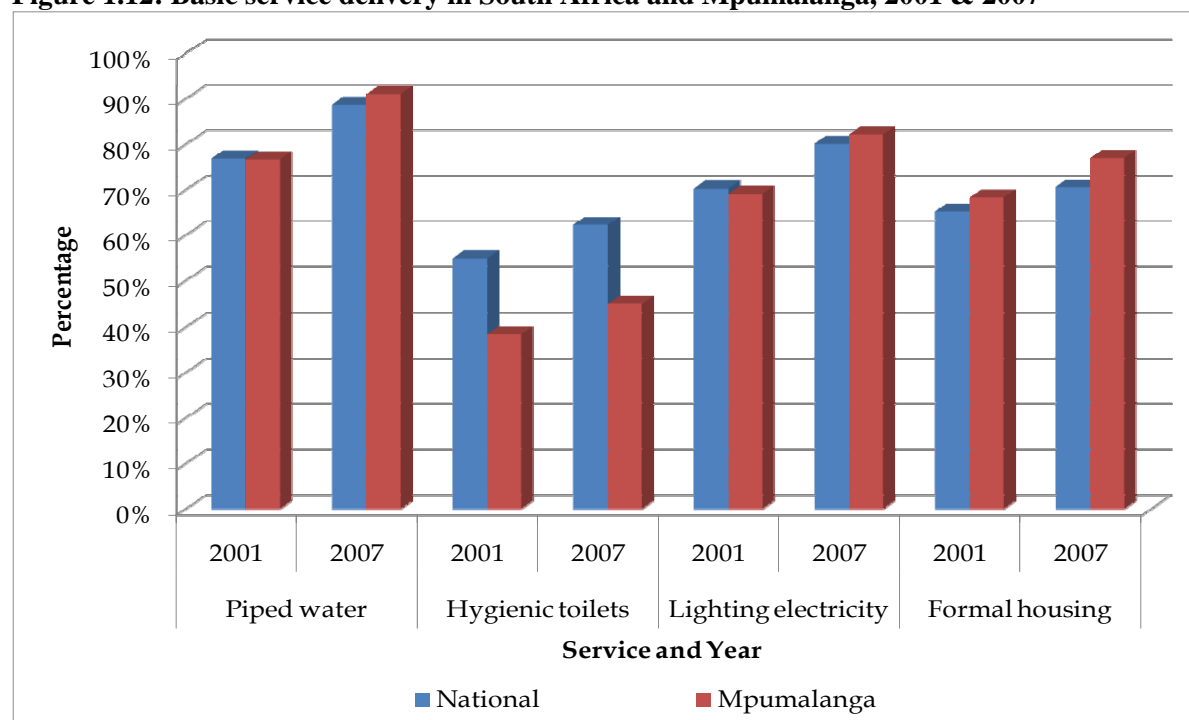
3.5 Basic service infrastructure

The delivery of basic services is essential in improving the quality of life and sustainable development for communities. In terms of water, sanitation and electricity the improvement in delivery has been apparent over the last few years.

It is evident from Figure 1.12 that the delivery of basic services in Mpumalanga improved markedly since 2001. Access to piped water, with 91.1 per cent of the province’s households having such, was

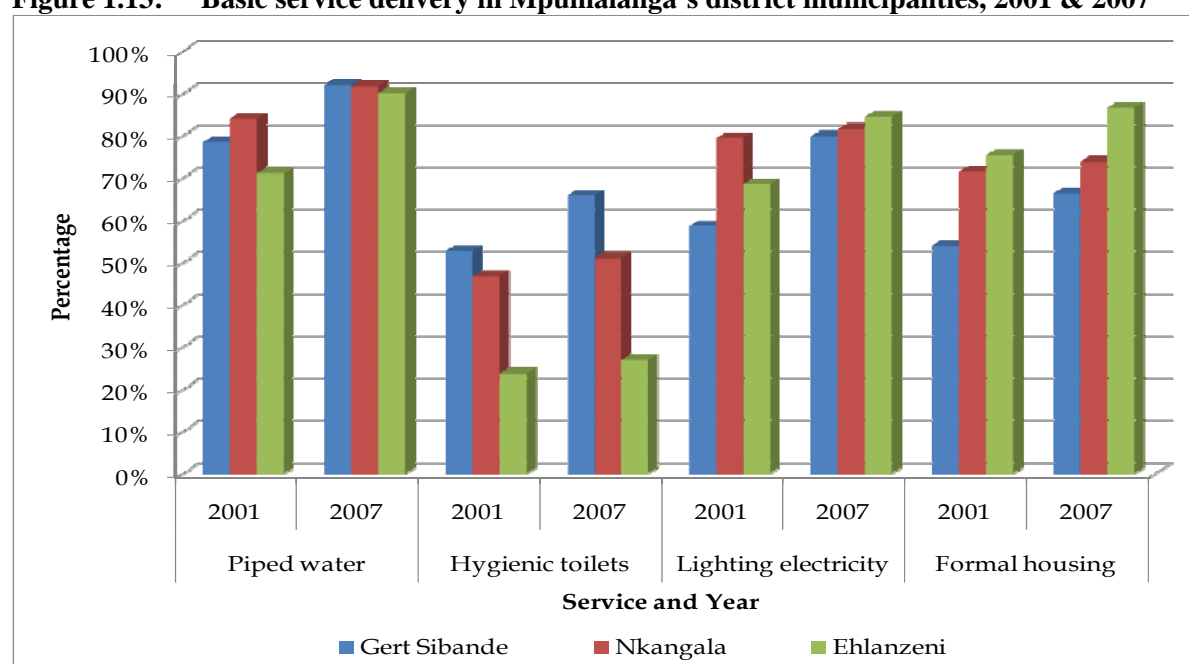
the highest performing service in 2007, and slightly higher than the national figure of 88.7 per cent. The proportion of Mpumalanga's households with access to formal houses (77.0 per cent) and electricity for lighting (82.2 per cent) were also higher than the national figures for the same services. Despite some concrete improvement in the number of households with access to hygienic toilets, the relatively low rate of 44.9 per cent in 2007 was still disappointing.

Figure 1.12: Basic service delivery in South Africa and Mpumalanga, 2001 & 2007



Source: Statistics South Africa – 2001 Census & 2007 Community Survey

Figure 1.13: Basic service delivery in Mpumalanga's district municipalities, 2001 & 2007



Source: Statistics South Africa – 2001 Census & 2007 Community Survey

Figure 1.13 presents the basic service delivery figures for the district municipalities in Mpumalanga. A larger proportion of households in Gert Sibande had access to hygienic toilets (65.7 per cent) than households in any of the other districts in 2007. Gert Sibande also led the way in terms of access to piped water with 91.9 per cent of its households provided with water via pipes. Households in Ehlanzeni had the highest access to electricity for lighting (84.2 per cent) and the highest access to formal houses (86.5 per cent).

3.6 Development and income aspects

3.6.1 Human development index

The Human development index (HDI) is a composite, relative index that attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income. According to the United Nations, the HDI is considered high when it is 0.8 and higher, medium when it ranges between 0.5 to 0.8 and an index value of 0.5 and lower, will be considered as a low rating.

Mpumalanga's HDI improved to some extent from 0.50 in 1996 to 0.51 in 2008. The provincial HDI score did not improve as fast as the national figure from 1996 to 2008 with the national figure relatively higher than that of the province. Among the three districts in the province, Nkangala had the highest HDI (0.56) score in 2008 with Ehlanzeni registering the lowest (0.48). The HDI comparison for the regions is portrayed in Table 1.12.

Table 1.12: HDI figures for South Africa, Mpumalanga and districts, 1996-2008

| Region | 1996 | 2001 | 2008 |
|--------------|------|------|------|
| South Africa | 0.56 | 0.58 | 0.57 |
| Mpumalanga | 0.50 | 0.52 | 0.51 |
| Nkangala | 0.54 | 0.56 | 0.56 |
| Gert Sibande | 0.51 | 0.52 | 0.51 |
| Ehlanzeni | 0.46 | 0.48 | 0.48 |

Source: Global Insight – ReX, January 2010

A closer inspection of the HDI figures reveals that there remains a considerable gap between the different population groups in the province (Table 1.13). It is evident that the HDI for Whites was the highest at 0.87, followed by Asians and Coloureds, whilst the HDI for Africans/Blacks was the lowest at 0.47. Coloureds and Asians in the province achieved a higher HDI score than their respective national groupings, while Africans/Blacks and Whites in Mpumalanga lagged theirs.

Table 1.13: HDI figures in Mpumalanga per population group, 1996-2008

| Population group | 1996 | 2001 | 2008 |
|------------------|------|------|------|
| African/Black | 0.43 | 0.46 | 0.47 |
| Coloured | 0.60 | 0.64 | 0.64 |
| Asian | 0.73 | 0.75 | 0.76 |
| White | 0.85 | 0.87 | 0.87 |

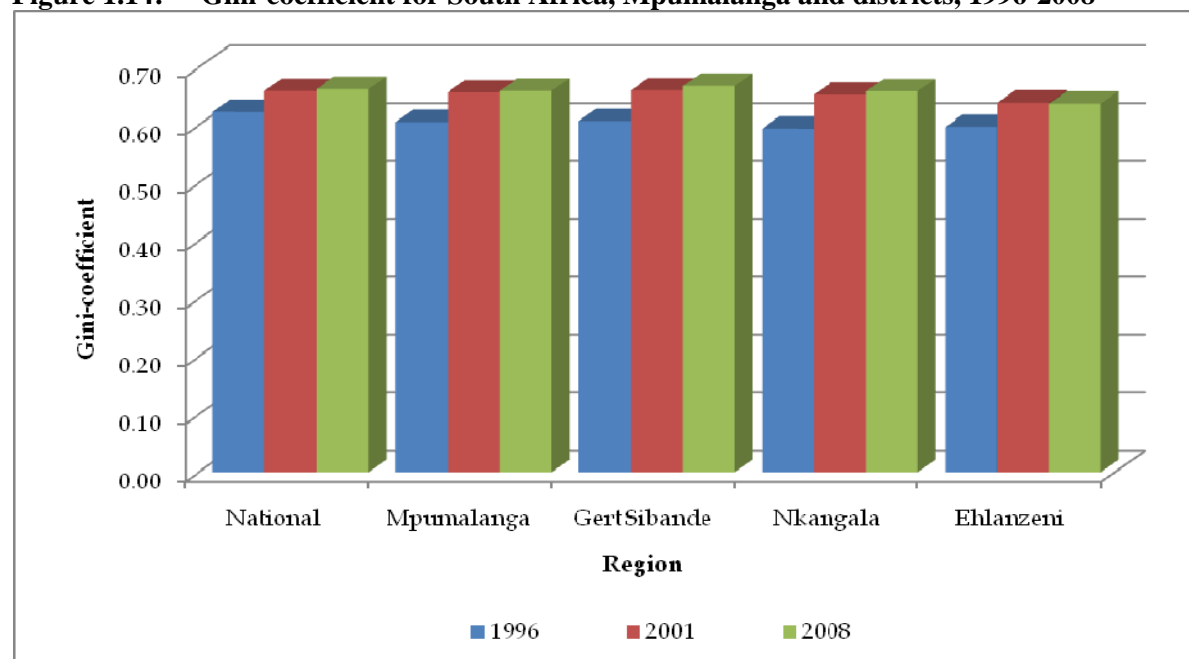
Source: Global Insight – ReX, January 2010

3.6.2 Gini-coefficient

The Gini-coefficient is a summary statistic of income inequality and is used to show the skewness of income distribution across a population. The coefficient varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income and other households earn nothing).

It is evident from Figure 1.14 that, except for Ehlanzeni, income distribution across all regions under review became more uneven over the last few years. South Africa with a Gini-coefficient of 0.663 in 2008 had one of the highest imbalanced income distributions in the world. The Gini-coefficient for Mpumalanga in 2008 at 0.659 was slightly lower (better) than the national figure, however, in 2006 and 2007 it was higher (worse). Except for Ehlanzeni, the income distributions in the districts also proved to be more skew at the end of the period under review, than in 2001. Gert Sibande and Nkangala showed the highest imbalances, with Ehlanzeni (0.64) below the national figure in 2008.

Figure 1.14: Gini-coefficient for South Africa, Mpumalanga and districts, 1996-2008



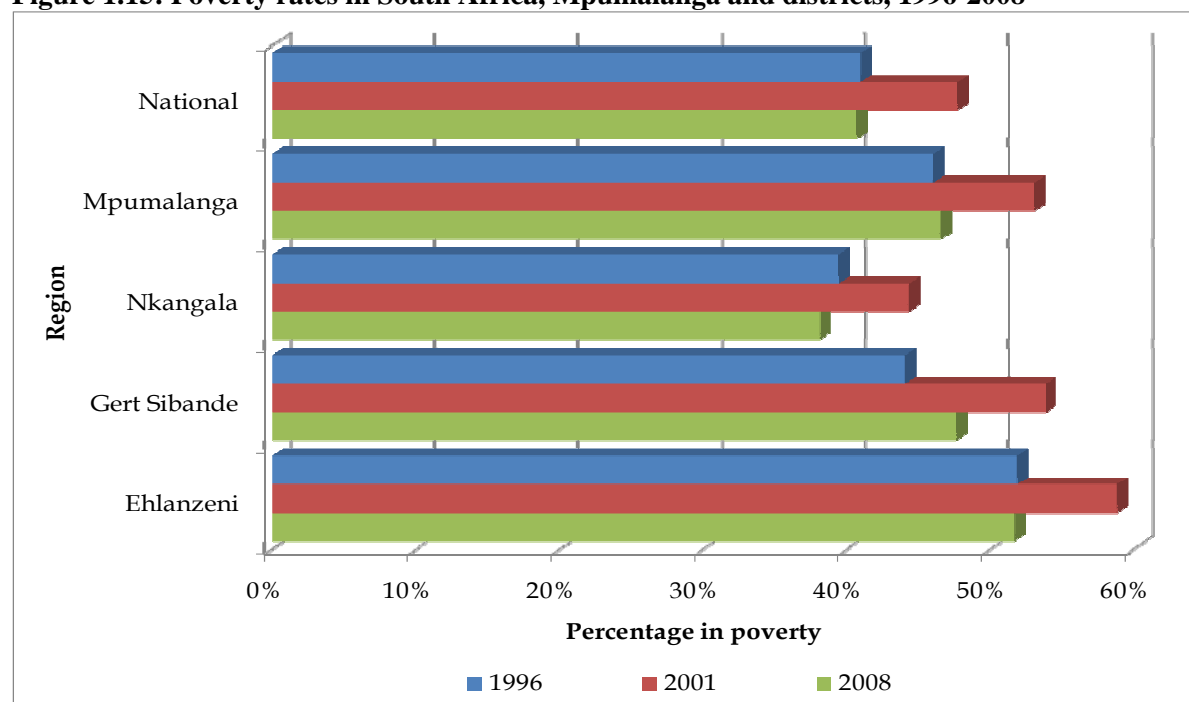
Source: Global Insight - ReX, January 2010

3.6.3 Poverty aspects

Poverty income is defined as the minimum monthly income needed to sustain a household and varies according to the size of the household. In 2008, the monthly poverty income for a household of four was R2 279 and R3 173 for a household of six. The poverty rate then, is the percentage of people living in households less than the poverty income. Mpumalanga's poverty rate was measured at 46.5 per cent in 2008, which translates to slightly more than 1.7 million citizens of the province living in poverty. Although it was lower than the record high registered in 2002 (53.4 per cent), it was still much higher than the national figure of 40.7 per cent in 2008.

Figure 1.15 illustrates the poverty rates of Mpumalanga and the three districts compared with the national total. Both Gert Sibande (47.6 per cent) and Ehlanzeni (51.6 per cent) posted poverty rates higher than the provincial poverty rate. Nkangala, with 426 000 people living below the poverty income in 2008, had the lowest number of people in poverty in the province and the lowest poverty rate at 38.1 per cent.

Figure 1.15: Poverty rates in South Africa, Mpumalanga and districts, 1996-2008



Source: Global Insight – ReX, January 2010

An economic research study conducted by the Department of Finance in 2009, showed that the Mpumalanga Provincial Government contributes significantly towards the eradication of poverty in the province. In 2004, the number of people living in poverty would have been 57.4 per cent of the total population as opposed to 53.3 per cent that was actually recorded in that year, had there not been any expenditure by the Mpumalanga Provincial Government. In 2008, the poverty rate was recorded at 46.5 per cent as opposed to 52.5 per cent that might have prevailed had provincial government expenditure not occurred.

A shortcoming of the poverty rate as an indicator of poverty is that it does not give any indication of the depth of poverty i.e. how far the poor households are below the poverty income level. Here, the poverty gap proves useful in that it measures the difference between each poor household's income and the poverty line. It thus measures the depth of poverty of each poor household. In other words, how much extra all of the poor households would have to earn to raise them up to the minimum living level?

According to this dimension of poverty measurement, the poverty gap in Mpumalanga was approximately R3.8 billion in 2008. Mpumalanga had the fifth largest poverty gap among the

provinces. Over the 12-year period under review, the poverty gap in Mpumalanga increased by 7.2 per cent annually. This was larger (worse) than the national increase of 6.5 per cent and second largest among the provinces. Amongst the three districts in the province, Ehlanzeni registered the largest poverty gap of R1.8 billion in 2008. Gert Sibande (R846 million) recorded the lowest gap followed by Nkangala with a gap close to R1.1 billion.

Another indicator of poverty levels is the percentage of people living on less than a dollar (US\$) a day. In Mpumalanga, this indicator showed much improvement from a rate of 4.7 per cent in 1996 to 1.5 per cent of the population in 2008. The national figure was slightly better at 1.4 per cent but the improvement over the 12-year period was not as large as in the province.

3.6.4 Income aspects

Personal income

Mpumalanga's annual per capita personal income in nominal terms (current prices) showed a noticeable improvement from R7 953 per annum (R663 per month) in 1996 to R23 989 per annum (R1 999 per month) in 2008. However, this figure that refers to the total income generated in the region divided by the number of residents, was still lower than the national figure. Table 1.14 reveals that the average person in Nkangala and Gert Sibande earned more than the average person in the province, albeit still lower than the national figure. Ehlanzeni recorded the lowest annual per capita income of R19 777 per annum (R1 648 per month) in 2008.

Table 1.14: Annual per capita personal income (current R-prices) in South Africa, Mpumalanga and districts, 1996-2008

| Region | 1996 | 2001 | 2008 |
|--------------|--------|--------|--------|
| South Africa | 10 834 | 16 280 | 32 559 |
| Mpumalanga | 7 953 | 12 479 | 23 989 |
| Ehlanzeni | 6 323 | 9 806 | 19 777 |
| Gert Sibande | 8 720 | 13 100 | 23 777 |
| Nkangala | 9 613 | 15 680 | 30 014 |

Source: Global Insight – ReX, January 2010

Table 1.15 illustrates the increases in the annual household income in nominal terms of South Africa and the province. Over the period under review, the average household income in the province increased from R36 746 per annum (R3 062 per month) in 1996 to R89 604 per annum (R7 467 per month) in 2008, an increase of 7.7 per cent annually. However, the province and each of the three districts were still below the national figure of R118 258 per annum (R9 854 per month) per household.

Table 1.15: Annual household personal income (current R-prices) in South Africa, Mpumalanga and districts, 1996-2008

| Region | 1996 | 2001 | 2008 |
|--------------|--------|--------|---------|
| South Africa | 48 139 | 64 323 | 118 258 |
| Mpumalanga | 36 746 | 51 204 | 89 604 |
| Ehlanzeni | 29 541 | 40 398 | 73 858 |
| Gert Sibande | 39 761 | 53 582 | 89 176 |
| Nkangala | 44 212 | 64 158 | 111 712 |

Source: Global Insight – ReX, January 2010

Disposable income

Real disposable income (income received after taxes) per capita at constant 2000 prices in Mpumalanga increased from R9 439 per annum (R787 per month) in 1996 to R13 228 per annum (R1 102 per month) in 2008. The average annual increase of 2.9 per cent over the 12-year period was slightly higher than the national figure (2.8 per cent). However, the per capita disposable income in Mpumalanga was lower than the national level of R17 825 per annum (R1 485 per month) in 2008 (Table 1.16).

In 2008, Nkangala registered the highest per capita disposable income of R16 458 per annum (R1 372 per month) and Ehlanzeni the lowest with R10 975 per annum (R915 per month). Over the 12-year period from 1996 to 2008, Nkangala registered the largest average annual increase of 3.2 per cent and Gert Sibande the lowest at 2.0 per cent.

Table 1.16: Annual per capita disposable income (constant R-prices) in South Africa, Mpumalanga and districts, 1996-2008

| Region | 1996 | 2001 | 2008 |
|--------------|--------|--------|--------|
| South Africa | 12 727 | 13 430 | 17 825 |
| Mpumalanga | 9 439 | 10 383 | 13 228 |
| Ehlanzeni | 7 593 | 8 250 | 10 975 |
| Gert Sibande | 10 302 | 10 874 | 13 108 |
| Nkangala | 11 324 | 12 940 | 16 458 |

Source: Global Insight – ReX, January 2010

Table 1.17 illustrates the increases in the annual household disposable income in real terms. Over the period under review the annual household disposable income in Mpumalanga increased from R43 612 per annum (R3 634 per month) in 1996 to R49 410 per annum (R4 118 per month) in 2008. The increase of 1.0 per cent annually was slightly lower than the national increase from 1996 to 2008, recorded at 1.1 per cent per annum. As with per capita disposable income, the province's household disposable income in 2008 was lower than that of the country at R64 743 per annum (R5 395 per month). In 2008, Nkangala recorded the highest disposable income of R61 256 per annum (R5 105 per month) and Ehlanzeni the lowest with R40 986 per annum (R3 416 per month).

Table 1.17: Annual household disposable income (constant R-prices) in South Africa, Mpumalanga and districts, 1996-2008

| Region | 1996 | 2001 | 2008 |
|--------------|--------|--------|--------|
| South Africa | 56 550 | 53 064 | 64 743 |
| Mpumalanga | 43 612 | 42 602 | 49 410 |
| Ehlanzeni | 35 476 | 33 987 | 40 986 |
| Gert Sibande | 46 976 | 44 479 | 49 161 |
| Nkangala | 52 077 | 52 947 | 61 256 |

Source: Global Insight – ReX, January 2010

Income distribution

An income distribution model that monitors and tracks the dynamic and patterns of the way people earn and spend their money is the basis for Table 1.18. The distribution model presents the number of households per income category. It is evident from the presentation that the majority (52.5 per cent) of households in Mpumalanga earned less than R42 000 per year (R3 500 per month) in 2008. Although the reality is disappointing, there was a discernible improvement over the period under review, with 75.0 per cent of the population that earned less than R42 000 per year in 1996.

Table 1.18: Household per personal income category (current R-prices) in Mpumalanga, 2008

| Income category | Number of households | % of total households | Cumulative % of total households |
|---------------------|----------------------|-----------------------|----------------------------------|
| 0-2 400 | 4 387 | 0.4 | 0.4 |
| 2 400-6 000 | 17 638 | 1.8 | 2.2 |
| 6 000-12 000 | 102 501 | 10.3 | 12.5 |
| 12 000-18 000 | 117 583 | 11.8 | 24.4 |
| 18 000-30 000 | 150 121 | 15.1 | 39.5 |
| 30 000-42 000 | 128 844 | 13.0 | 52.5 |
| 42 000-54 000 | 93 140 | 9.4 | 61.8 |
| 54 000-72 000 | 81 825 | 8.2 | 70.1 |
| 72 000-96 000 | 66 339 | 6.7 | 76.8 |
| 96 000-132 000 | 56 596 | 5.7 | 82.5 |
| 132 000-192 000 | 51 422 | 5.2 | 87.6 |
| 192 000-360 000 | 66 916 | 6.7 | 94.4 |
| 360 000-600 000 | 32 186 | 3.2 | 97.6 |
| 600 000-1 200 000 | 17 192 | 1.7 | 99.3 |
| 1 200 000-2 400 000 | 5 141 | 0.5 | 99.9 |
| 2 400 000+ | 1 368 | 0.1 | 100.0 |
| Total | 982 469 | 100.0 | 100.0 |

Source: Global Insight – ReX, January 2010

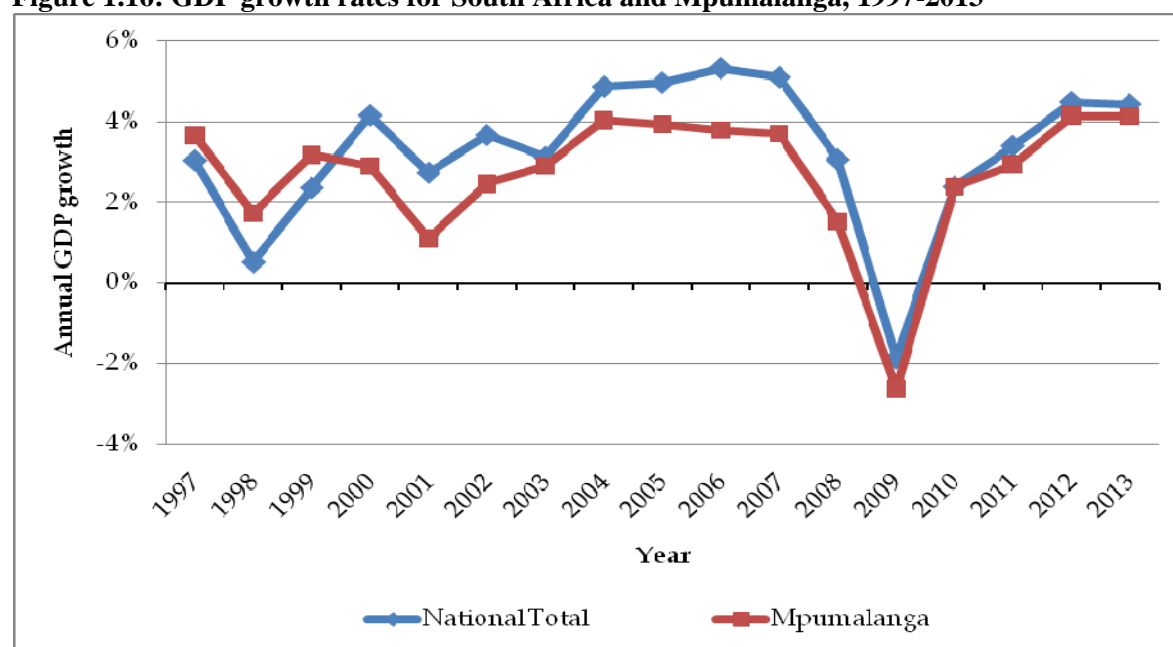
3.7 Economic sectors and performance

3.7.1 GDP growth

Mpumalanga's contribution to the South African economy showed a marginal decrease from 7.0 per cent in 1996, to 6.5 per cent in 2008. At the start of the period under review, the economic growth of

the province, as measured by real GDP growth, was higher than the national rate. However, the provincial economy has not outperformed the national economy in terms of GDP growth since 1999 (Figure 1.16).

Figure 1.16: GDP growth rates for South Africa and Mpumalanga, 1997-2013



Global Insight - ReX, January 2010

The average annual growth rate for the country and the province over the period 1996 to 2008 was 3.6 per cent and 2.9 per cent, respectively. The impact of the economic crisis is evident in the lower forecasted growth rates. Expectations are that the provincial economy contracted by 2.6 per cent in 2009 and the national economy by 1.9 per cent. Looking beyond the crisis, the forecasted growth rate for the province from 2008-2013 is 2.2 per cent and 2.5 per cent for the country as a whole (Table 1.19).

Table 1.19: Forecasted GDP growth rates for South Africa, Mpumalanga and districts, 2009-2013

| Period | National | Mpumalanga | Gert Sibande | Nkangala | Ehlanzeni |
|-----------|----------|------------|--------------|----------|-----------|
| 1996-2008 | 3.6% | 2.9% | 3.2% | 2.9% | 2.6% |
| 2009 | -1.9% | -2.6% | -2.2% | -3.2% | -2.3% |
| 2010 | 2.4% | 2.4% | 2.5% | 2.5% | 2.1% |
| 2011 | 3.4% | 2.9% | 3.1% | 2.7% | 3.0% |
| 2012 | 4.5% | 4.1% | 4.3% | 4.0% | 4.2% |
| 2013 | 4.4% | 4.1% | 4.2% | 4.0% | 4.2% |
| 2008-2013 | 2.5% | 2.2% | 2.4% | 2.0% | 2.2% |

Source: Global Insight – ReX, January 2010

Over the 12-year period 1996 to 2008, the economies of the three districts grew at a slower pace than that of the national economy. The average annual growth rate of 3.2 per cent recorded in Gert Sibande was higher than the provincial growth rate, whereas Nkangala and Ehlanzeni, with respective growth rates of 2.9 per cent and 2.6 per cent, held provincial growth back.

The global recession is also evident in the forecasted growth figures of the districts, with Gert Sibande expected to weather the storm the best. According to the forecasted figures, Gert Sibande will lead the recovery in the Mpumalanga economy with an average GDP growth rate of 2.4 per cent from 2008-2013. Ehlanzeni (2.2 per cent) and Nkangala (2.0 per cent) are expected to follow Gert Sibande closely.

Looking specifically at 2010, expectations are that the national and provincial economy will recover this year with positive economic growth rates of respectively 2.5 and 2.4 per cent. It is also expected that Gert Sibande and Nkangala will experience a GDP growth of 2.5 per cent, followed by Ehlanzeni with a growth rate of 2.1 per cent. The real gross valued added (GVA) growth forecasts for the main economic sectors of Mpumalanga for 2010, indicate positive growth rates for all the sectors of the provincial economy.

The forecasted growth rates of all the sectors are likely to be in excess of 1 per cent this year. In all probability, the leading sectors should be construction (6.3 per cent), mining (3.9 per cent), transport (2.7 per cent) and agriculture (2.7 per cent), with electricity (1.1 per cent), manufacturing (1.6 per cent) and trade (1.7 per cent) the lagging sectors, albeit still positive.

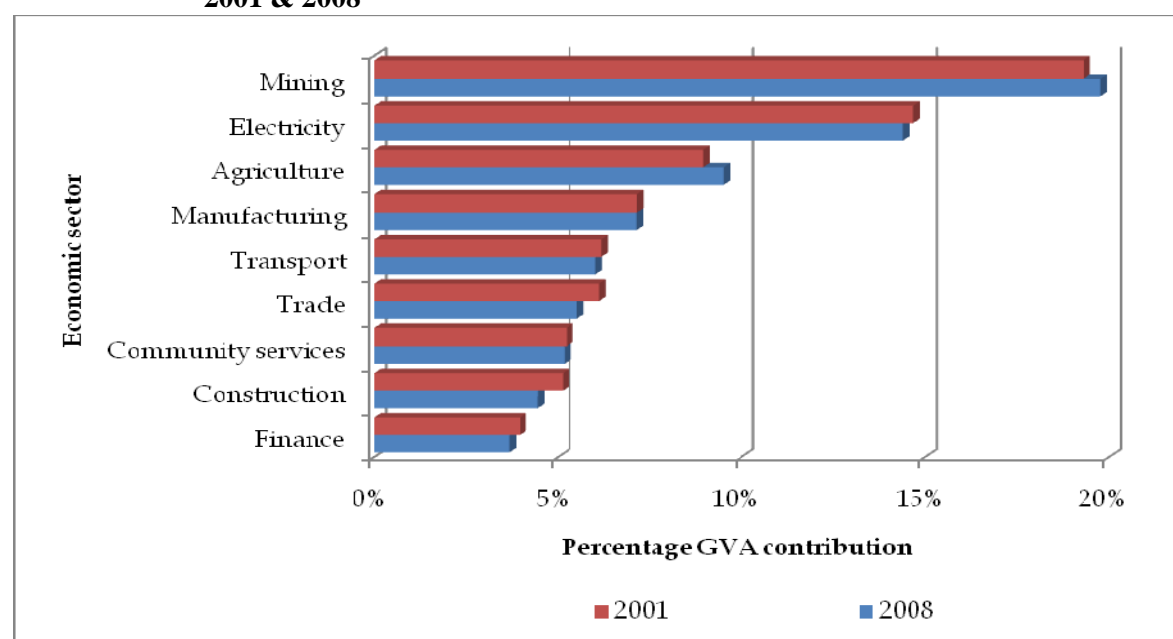
3.7.2 Regional contribution

The economic sectors are classified according to the Standard Industrial Classification of all Economic Activities (SIC). This classification system groups together economic activities that are closely related. Statistical information is then collected and classified according to the categories of economic activities which are as homogenous as possible. Statistics South Africa uses the SIC classification when collecting and reporting its information.

Figure 1.17 shows the contribution of each of the economic sectors in Mpumalanga to the national GVA in 2001 and 2008. The province was a substantial role-player (2008 figures) in the national mining (19.8 per cent) and electricity (14.4 per cent) sectors, with agriculture also adding 9.5 per cent to the national total for that sector. It is noticeable that the contribution by mining and agriculture (primary sector) increased from 2001 to 2008, whilst the secondary and tertiary sectors' contribution to the national figure, declined.

Table 1.20 exhibits the contribution by each of the three districts to the provincial GVA (by sector) in 2008. Nkangala with considerable contributions to electricity (71.4 per cent) and mining (67.8 per cent) was the largest contributor to the provincial GVA with a share of 38.9 per cent. Gert Sibande with a 31.9 per cent share was the second largest contributor followed by Ehlanzeni in third place adding 29.2 per cent to the provincial economy. Gert Sibande was the main contributor to Mpumalanga's manufacturing (55.6 per cent) and agriculture sectors (41.8 per cent), whilst Ehlanzeni played major roles in the province's community services (45.3 per cent) and trade sectors (45.3 per cent).

Figure 1.17: Mpumalanga's contribution to South Africa's GVA (constant prices) by sector, 2001 & 2008



Source: Global Insight - ReX, January 2010

Table 1.20: Regional contribution to Mpumalanga's GVA (constant prices) by sector, 2008

| Sector | Gert Sibande | Nkangala | Ehlanzeni | Total |
|---------------------------------|--------------|----------|-----------|--------|
| Agriculture ¹ | 41.8% | 25.3% | 32.9% | 100.0% |
| Mining ² | 25.3% | 67.8% | 6.9% | 100.0% |
| Manufacturing ³ | 55.6% | 24.4% | 20.0% | 100.0% |
| Electricity ⁴ | 25.8% | 71.4% | 2.7% | 100.0% |
| Construction ⁵ | 27.0% | 31.2% | 41.8% | 100.0% |
| Trade ⁶ | 25.7% | 28.9% | 45.3% | 100.0% |
| Transport ⁷ | 25.6% | 35.5% | 38.9% | 100.0% |
| Finance ⁸ | 27.4% | 37.5% | 35.0% | 100.0% |
| Community services ⁹ | 22.5% | 32.2% | 45.3% | 100.0% |
| Total | 31.9% | 38.9% | 29.2% | 100.0% |

Source: Global Insight - ReX, January 2010

3.7.3 Sectoral contribution and performance

In 2008, the three largest contributors to the provincial economy in terms of GVA were manufacturing (19.3 per cent), mining (17.0 per cent) and community services (15.8 per cent). Certain sectors achieved higher growth than the provincial average of approximately 3.0 per cent over the period 1996 to 2008. These sectors were transport (6.0 per cent), construction (4.9 per cent), trade

¹ SIC detailed description = Agriculture, forestry and fishing

² SIC detailed description = Mining and quarrying

³ SIC detailed description = Manufacturing

⁴ SIC detailed description = Electricity, gas and water

⁵ SIC detailed description = Construction

⁶ SIC detailed description = Wholesale and retail trade, catering and accommodation

⁷ SIC detailed description = Transportation, storage and communication

⁸ SIC detailed description = Finance, insurance, real estate and business services

⁹ SIC detailed description = Community, health and personal services

(3.9 per cent), finance (4.0 per cent) and manufacturing (3.4 per cent). Table 1.21 displays the share of each economic sector in the provincial and three district economies in 2008.

The primary sectors in Mpumalanga contributed 21.3 per cent, secondary sectors 27.0 per cent and tertiary sectors 51.7 per cent to the provincial GVA in 2008. The dependence on the primary sector stands in contrast to the relatively small national contribution of primary industries at 8.4 per cent. Nationally, the secondary sectors added 23.7 per cent and the tertiary sectors a hefty 67.9 per cent.

This structural difference between the provincial and national economy explains partly why the province currently achieves lower growth than the country as a whole. Provincially, the primary sector, on which the province depends for more than one-fifth of economic activity, only grew by a relatively modest 1.3 per cent annually over the 12-year period from 1996 to 2008. This is in contrast to the tertiary sector achieving growth of 3.8 per cent.

Table 1.21: Sectoral contribution to Mpumalanga's GVA (constant prices), 2008

| Sector | Mpumalanga | Gert Sibande | Nkangala | Ehlanzeni |
|---------------------|---------------|---------------|---------------|---------------|
| Agriculture | 4.3% | 5.6% | 2.8% | 4.8% |
| Mining | 17.0% | 13.5% | 29.6% | 4.0% |
| Manufacturing | 19.3% | 33.7% | 12.1% | 13.2% |
| Electricity | 4.9% | 4.0% | 9.0% | 0.5% |
| Construction | 2.8% | 2.4% | 2.3% | 4.0% |
| Trade | 13.0% | 10.5% | 9.7% | 20.1% |
| Transport | 10.3% | 8.3% | 9.4% | 13.7% |
| Finance | 12.6% | 10.8% | 12.1% | 15.1% |
| Community services | 15.8% | 11.2% | 13.1% | 24.5% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |
| - Primary sectors | 21.3% | 19.1% | 32.4% | 8.8% |
| - Secondary sectors | 27.0% | 40.1% | 23.3% | 17.7% |
| - Tertiary sectors | 51.7% | 40.8% | 44.3% | 73.4% |

Source: Global Insight – ReX, January 2010

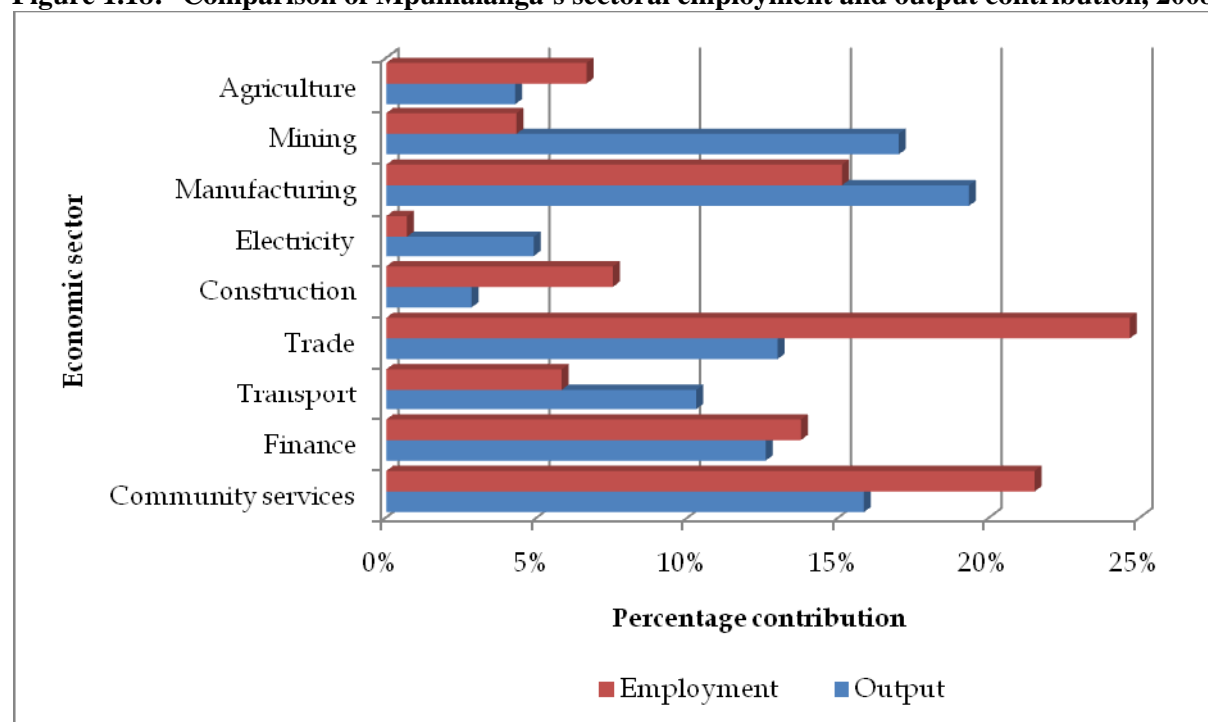
The large role that the primary industries play in the provincial economy can have a detrimental effect when international crises, such as the recent worldwide economic downturn, are experienced. The fact that commodity or primary product prices tend to fall sharply during financial distress, may impact more severely on Mpumalanga than other provincial economies that depend less on mining and agriculture.

Manufacturing dominated the district economy of Gert Sibande with a share of 33.7 per cent. Over the period under review (1996-2008), manufacturing in Gert Sibande grew by 5.8 per cent per annum. Nkangala was dominated by mining activities in the district as it added 29.6 per cent to the district's economy, whilst growing at 3.0 per cent annually. The largest contributing sector to Ehlanzeni's diverse economy, was community services with a share of 24.5 per cent. However, this sector's average annual growth at 2.3 per cent since 1996 was lower than the provincial growth rate.

3.7.4 Sectoral employment and output

Figure 1.18 provides a comparison of employment with output at sectoral level for 2008. By comparing the output generation capacity with the capacity of each of the sectors to generate employment opportunities, this comparison suggests what the labour absorption capacity for each of the sectors might be.

Figure 1.18: Comparison of Mpumalanga's sectoral employment and output contribution, 2008



Source: Global Insight – ReX, January 2010

For instance, the following four sectors in Mpumalanga exhibited higher employment shares relative to their output shares, thereby indicating a high level of labour absorptive capacity: agriculture, construction, trade, finance and community services. Nationally the same five sectors revealed a high labour absorption capacity. Mining and manufacturing used to be regarded as relatively more labour intensive, but it is evident from the chart that capital-intensive production processes are now at the order of the day.

The situation in the three districts closely resembled the provincial scenario with the same sectors showing high labour absorptive capacity, except for the community services sector in Ehlanzeni that displayed a relatively low level of labour absorption capacity. In addition, the manufacturing sector in Nkangala presented a relatively high labour absorption capacity, quite the opposite from the province and the other districts.

3.7.5 Diversification of the economy

The Tress Index measures the level of concentration or diversification in an economy. An index score of zero represents a much diversified economy, while a number closer to 100 indicates a high level of concentration.

The economy in Mpumalanga appears to be slightly more diversified than that of South Africa with an index score of 40.6 compared to 41.4 in 2008. Among the nine provinces, Mpumalanga ranked the highest in terms of a diversified economy, followed by the Free State and KwaZulu-Natal.

The three districts are not as well diversified as the province, but they complement each other when combined for the provincial total. Ehlanzeni showed the highest diversification with a score of 42.4 on the Tress Index, followed by Gert Sibande (47.4) and Nkangala (49.8).

3.7.6 Comparative advantage of the economy

The location quotient is an indication of the comparative advantage of an economy. An economy has a location quotient larger (smaller) than one, or a comparative advantage (disadvantage) in a particular sector when the share of that sector in the provincial economy is greater (less) than the share of the same sector in the national economy.

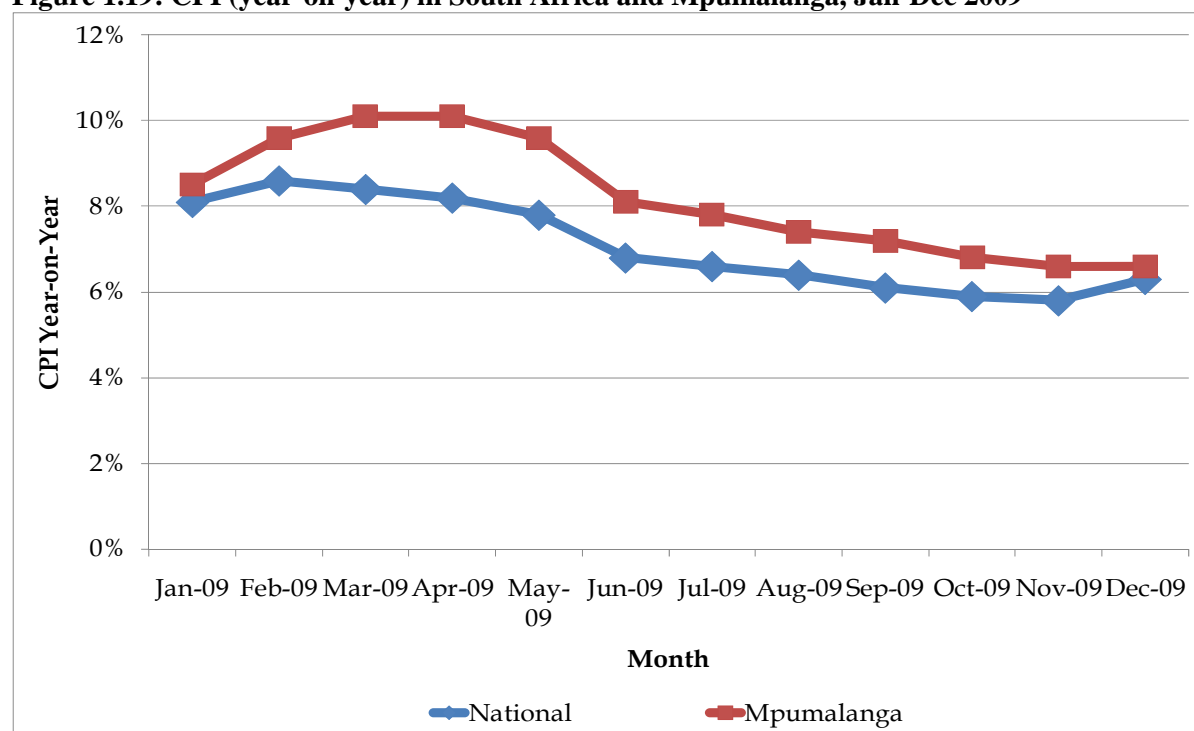
In Mpumalanga, agriculture (1.34), mining (2.65), manufacturing (1.03), and electricity (2.02), held a comparative advantage over the same sector in the national economy. The contribution by construction (0.78), trade (0.78), transport (0.85), finance (0.56) and community services (0.73) to the provincial economy, were lower than the contribution by the same sectors to the national economy.

Within the province, Gert Sibande held a comparative advantage in the same four sectors as the province. Nkangala's contribution to mining and electricity was also much higher than the contribution by the same sectors to the provincial economy. Ehlanzeni went against the grain and, except for finance, showed comparative advantage in the sectors in which the province held a disadvantage.

3.7.7 Inflation

The most common way to measure inflation is by reference to a consumer price index (CPI), which measures the changes in prices of a basket of goods and services purchased by a representative set of households. According to this measurement, the inflation rate in Mpumalanga was consistently higher than the national inflation rate over the twelve months of 2009. Mpumalanga's average annual inflation rate of 8.2 per cent was higher than the 7.1 per cent measured for the whole of South Africa in 2009. The provincial rate was also the highest among the nine provinces. The percentage change in the CPI measured over the twelve months of 2009 is displayed in Figure 1.19.

Figure 1.19: CPI (year-on-year) in South Africa and Mpumalanga, Jan-Dec 2009



Source: Statistics South Africa – CPI Additional Tables, 2009 & 2010

Table 1.22: CPI group indices & percentage change for Mpumalanga, December 2009

| Index description | Weight | Percentage change | |
|----------------------------------|--------------|-------------------|--------------|
| | | Month-on-month | Year-on-year |
| Food & non-alcoholic beverages | 21.80 | -0.2 | 3.8 |
| Alcoholic beverages and tobacco | 4.38 | -0.1 | 14.8 |
| Clothing and footwear | 4.98 | 0.2 | 8.5 |
| Housing and utilities | 15.53 | 0.7 | 9.3 |
| Household contents and services | 8.10 | -0.5 | 2.1 |
| Health | 1.25 | -0.1 | 9.7 |
| Transport | 19.13 | 0.4 | 4.8 |
| Communication | 2.96 | -0.4 | -1.8 |
| Recreation and culture | 3.79 | -0.1 | 7.3 |
| Education | 2.09 | 0.0 | 7.8 |
| Restaurants and hotels | 1.95 | 0.6 | 10.5 |
| Miscellaneous goods and services | 14.04 | 0.1 | 10.2 |
| All items | 100.0 | 0.1 | 6.6 |

Source: Statistics South Africa – CPI Additional Tables, 2010

It appears from Table 1.22 as if the two main drivers of high inflation, on a year-on-year basis, were housing and utilities (9.3 per cent) as well as miscellaneous goods and services (10.2 per cent). Another driver in the recent past, food and non-alcoholic beverages, lost momentum over the last two quarters and recorded an increase of 3.8 per cent. Higher water (11.2 per cent) and electricity prices (25.9 per cent) kept the price increases of the housing and utilities item high, whilst the prices of

miscellaneous goods and services were also driven higher mainly by insurance (10.6 per cent), personal care (10.5 per cent) and cost increases in other services (11.0 per cent).

The average annual CPI percentage change measured for 2009 in Witbank and Nelspruit was 8.4 per cent. Not only was it higher than the provincial rate of 8.2 per cent, but it was also the highest average annual inflation rate for any urban area in South Africa during the year.

3.8 International trade

Mpumalanga contributed very little to national exports and imports in 2008 with shares of only 1.7 per cent and 0.4 per cent, respectively. Mpumalanga's contribution to South Africa's total international trade was 1.5 per cent in 2001 and the province was placed seventh in terms of its contribution. Although Mpumalanga's contribution declined to only 1.0 per cent in 2008, it remained in seventh position due to the Northern Cape's sharp decline from sixth to ninth.

Despite achieving healthy average annual growth rates in exports (14.5 per cent) and imports (12.3 per cent) over the period 1996 to 2008, the province failed to exceed national trade growth rates. Among the three districts, Nkangala (49.3 per cent) was the main contributor to provincial exports in 2008 followed by Gert Sibande and Ehlanzeni with respective contributions of 28.2 per cent and 22.6 per cent. Exports from Gert Sibande (27.4 per cent) recorded the highest growth since 1996 and those from Ehlanzeni the slowest (8.4 per cent). Table 1.23 presents the districts' contribution to provincial trade as well as providing average annual growth rates for the respective flows over the 12-year period.

Table 1.23: Mpumalanga districts' contribution to provincial exports and imports, 2008

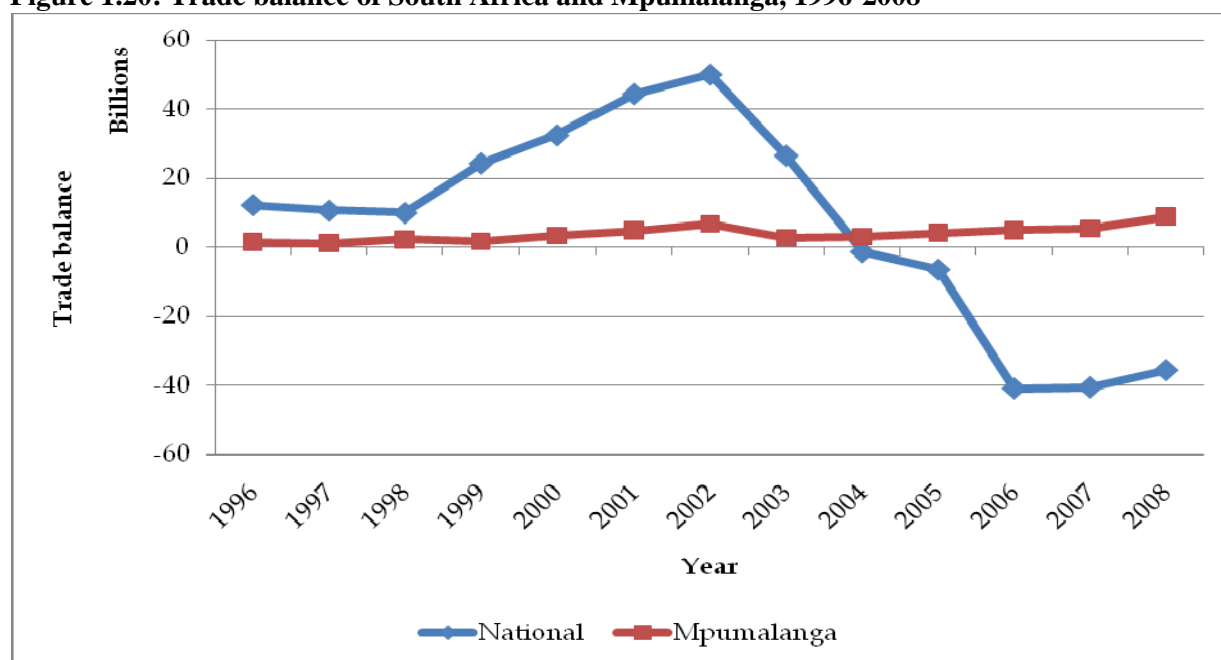
| District | Exports | | Imports | |
|--------------|------------------|--------------|------------------|--------------|
| | Provincial share | Growth 96-08 | Provincial share | Growth 96-08 |
| Gert Sibande | 28.2% | 27.4% | 37.9% | 7.9% |
| Nkangala | 49.3% | 14.6% | 44.8% | 17.3% |
| Ehlanzeni | 22.6% | 8.4% | 17.4% | 15.4% |

Source: Global Insight – ReX, January 2010

Exports exceeded imports in each of the years under review, with the province registering a positive trade balance of R8,9 billion in 2008. The trade balance of the province is displayed in Figure 1.20, where it is compared with the national trade balance. The provincial trade balance grew by 15.3 per cent per annum since 1996, the second highest growth rate among the nine provinces.

All three districts recorded positive trade balances in 2008 with the largest contribution of some R4.5 billion or 50.6 per cent coming from Nkangala. Gert Sibande was the second largest contributor to the province's positive trade balance in 2008 with a share of 25.1 per cent, followed by Ehlanzeni (24.2 per cent).

Figure 1.20: Trade balance of South Africa and Mpumalanga, 1996-2008



Source: Global Insight – ReX, January 2010

In terms of aggregated contribution, exports from Mpumalanga to the world in 2008 were dominated by manufactured goods (56.9 per cent) and primary products of mining activities (37.8 per cent). Exports of metal products and coal, dominated the basket of products exported from the province with shares of 36.6 per cent and 36.4 per cent, respectively. This was followed by chemical products with a contribution of 11.3 per cent. These three product groups accounted for 84.3 per cent of provincial exports depend principally on exhaustible resources. The fact that exports from the province revolves around these three industries is alarming because of the high dependency on very cyclical and exhaustible resources.

Imports from Mpumalanga from the world in 2008 were completely dominated by manufactured goods (96.6 per cent) with agricultural products adding a relatively low 3.3 per cent in second place. The aggregated results were slightly different from the national situation with the importation of primary mining products (19.8 per cent) playing a larger role in the national context. Imports flowing to the province were mainly metal products (48.5 per cent) as well as fuels and chemicals (21.6 per cent).

It is estimated that 56.9 per cent of Mpumalanga's exports were processed products whereas imports were virtually entirely made up of processed products (96.6 per cent). This clearly illustrates the want for more downstream beneficiation of the provinces natural resources as well as further diversification of the manufacturing industry.

3.9 Socio-economic challenges

It is evident from the brief socio-economic outlook of the province that Mpumalanga is facing many socio-economic challenges. One of the major challenges remains the increase in the provincial economic growth rate and to convert the growth into jobs and employment. Another major challenge is to improve the education and skills profile of the province, to eventually increase the employability of people and to integrate them into the economic mainstream.

The impact of the economic crisis is reflected in the 2009 economic growth rate, job losses and high unemployment figures of Mpumalanga. Collaboration between government, business, labour and civil society is critical to face the challenges of Mpumalanga's fragile economic recovery in 2010.

4. RECEPITS

4.1 Overall position

Table 1.7: Summary of provincial receipts

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2009/10 | Revised estimate | Medium-term estimates | | |
|------------------------------------|------------|------------|------------|--------------------|-----------------------------------|------------------|-----------------------|------------|------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| Transfer receipts from National | | | | | | | | | |
| Equitable share | 11 323 983 | 14 311 802 | 17 442 212 | 18 964 348 | 19 873 715 | 20 096 396 | 21 323 198 | 22 864 675 | 23 943 495 |
| Conditional grants | 1 173 613 | 1 634 332 | 2 306 650 | 3 101 106 | 3 502 329 | 3 460 242 | 4 222 270 | 4 803 315 | 5 120 473 |
| Total transfer receipts from Nat | 12 497 596 | 15 946 134 | 19 748 862 | 22 065 454 | 23 376 044 | 23 556 638 | 25 545 468 | 27 667 990 | 29 063 968 |
| Provincial own receipts | | | | | | | | | |
| Tax receipts | 198 632 | 206 605 | 254 777 | 276 264 | 298 512 | 298 512 | 314 368 | 331 549 | 349 727 |
| Casino taxes | 24 088 | 25 951 | 35 702 | 44 586 | 39 087 | 39 087 | 45 642 | 49 154 | 52 948 |
| Horse racing taxes | 4 000 | 4 000 | 4 371 | 4 725 | 4 500 | 4 500 | 4 914 | 5 307 | 5 732 |
| Liquor licences | 1 195 | 1 823 | 613 | 1 711 | 1 711 | 1 711 | 1 796 | 1 881 | 1 994 |
| Motor vehicle licences | 169 349 | 174 831 | 214 091 | 225 242 | 253 214 | 253 214 | 262 016 | 275 207 | 289 053 |
| Tourism | - | - | - | - | - | - | - | - | - |
| Commission | - | - | - | - | - | - | - | - | - |
| Sales of goods and services | 67 956 | 62 444 | 96 140 | 77 190 | 57 241 | 57 306 | 79 419 | 83 616 | 88 408 |
| Transfers received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 25 859 | 18 668 | 26 234 | 21 419 | 26 702 | 26 702 | 39 261 | 41 360 | 43 573 |
| Interest, dividends and rent on li | 82 900 | 166 335 | 106 362 | 94 715 | 95 625 | 95 205 | 107 294 | 153 883 | 161 599 |
| Sales of capital assets | 5 776 | 2 983 | 14 035 | 7 299 | 8 419 | 8 398 | 11 576 | 13 858 | 19 102 |
| Financial transactions in assets | 8 360 | 9 200 | 14 649 | 3 113 | 4 720 | 5 192 | 3 199 | 3 362 | 7 055 |
| Total provincial own receipts | 389 483 | 466 235 | 512 197 | 480 000 | 491 219 | 491 315 | 555 117 | 627 628 | 669 464 |
| Total provincial receipts | 12 887 079 | 16 412 369 | 20 261 059 | 22 545 454 | 23 867 263 | 24 047 953 | 26 100 585 | 28 295 618 | 29 733 432 |

4.2 Equitable share

The Constitution establishes national, provincial and local government as autonomous spheres, which are "distinctive, interdependent, and interrelated." It also identifies functional areas of concurrent and exclusive competence. In order to give effect to the requirements of the Constitution, budgetary procedures and other institutional arrangements have undergone dramatic changes. Budget making is the responsibility of all three spheres of government.

The Constitution requires that nationally raised revenues be divided equitably between the three spheres of government and that the provincial share be divided equitably between the nine provinces. In addition to equitable shares, provinces and local government also receive grants from the national share. National norms and standards may apply to provincial spending out of the equitable share and grant funds, which may be subject to conditions.

The allocations from national government to provinces and local government must take into account the recommendations of the Financial and Fiscal Commission (FFC) and criteria detailed in section 214(2) of the Constitution.

Revenue sharing is necessitated by the constitutional assignment of revenue-raising and expenditure responsibility. Most of the revenue is raised nationally. Although provinces have significant expenditure requirements, they have only limited revenue sources.

The equitable division of national revenues between the three spheres of government gives each the funds to provide the services and perform the functions assigned to it under the Constitution.

The provincial and local government equitable shares are further divided according to objective formulae after the recommendations of the FFC have been taken into account. The provincial formula allocates funds between the provinces according to their demographic and economic profiles taking account of the services – primarily health care, welfare and school education – for which provinces are responsible.

The local government formula is designed to enable municipalities to deliver a package of basic services to low income households at affordable cost. Both formulae have a strong equity component that takes into account the special needs of poorer areas. The province's share from nationally raised revenue for the 2010/11 is R 21.323 billion, which represents **R2.318 million** increase compared to 2009/10 main appropriation equitable share of R 19.005 billion (12.1 per cent increase).

4.3 Conditional grants

NOTES ON CONDITIONAL GRANT ALLOCATIONS

New conditional grants introduced

Four new conditional grants were introduced in the 2010 MTEF, namely the Dinaledi Schools Grant, Technical Secondary Schools Recapitalization Grant, the Further Education and Training College Sector Grant, and Expanded Public Works Programme Grant for the Social Sector.

The FET College sector is a priority sector in terms of skills development. It is thus crucial that compensation packages are attractive enough to attract highly skilled personnel, especially in key areas like engineering and information technology, to this sector and this money will be ring fenced in the grant to pay for personnel.

R56.6 million is allocated in 2010/11 to the Expanded Public Works Programme Grant for the Social Sector. This is a new grant introduced during 2010/11. The purpose of the grant is to subsidize non-profit organizations working in Home Community Based Care programmes for the Departments of Social Development and Health to ensure volunteers that currently do not receive a stipend get a minimum form of remuneration. Mpumalanga share of the **Expanded Public Works Programme Grant for the Social Sector amounts to R9.240 million in 2010/11.**

On the Expanded Public Works Incentive Grant for the Infrastructure Sector, Mpumalanga share is R18.074 million in 2010/11, and this allocation is shared between the Department of Public Works, Roads and Transport and the Department of Agriculture, Rural Development and Land Administration; R17.900 million and R0.174 million respectively.

Infrastructure grant to provinces (IGP)

Given that this grant is a Schedule 4 grant and augments infrastructure budgets for, amongst others, the education, health, roads and agriculture sectors, allocations are provided early enough in order to allow for budgeting and planning purposes.

The Infrastructure grant to provinces receives R262 million with respect to real growth in school infrastructure in the outer year of the MTEF. This is to support schools to upgrade infrastructure, secure facilities, install libraries and laboratories, and increase maintenance. Mpumalanga share R21.387 million in 2012/13.

Table 1.8: Summary of conditional grants by grant

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2009/10 | Revised estimate | Medium-term estimates | | |
|--|------------------|------------------|------------------|--------------------|--------------------------------|------------------|-----------------------|------------------|------------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| Vote 5: Agriculture, Rural Development and Land Administration | 55 219 | 63 459 | 76 536 | 134 837 | 160 514 | 58 909 | 166 894 | 204 695 | 223 642 |
| Agricultural Disaster Management Grant | - | - | 8 382 | 5 000 | 19 436 | 24 086 | - | - | - |
| Comprehensive Agricultural Support Programme Grant | 26 120 | 28 355 | 41 032 | 70 892 | 70 892 | 15 973 | 81 947 | 95 691 | 100 475 |
| Land Care Programme Grant: Poverty Relief & Infrastructure Development | 8 283 | 4 005 | 4 028 | 4 627 | 4 627 | 1 786 | 4 904 | 5 198 | 5 458 |
| Lilima/Letsema Project Grant | - | - | - | 5 000 | 5 000 | 218 | 20 000 | 40 000 | 42 000 |
| Infrastructure Grant to Provinces | 20 816 | 31 099 | 23 094 | 49 318 | 60 559 | 16 846 | 59 869 | 63 806 | 75 709 |
| Expanded Public Works Programme Grant | - | - | - | - | - | - | 174 | - | - |
| Vote 7: Education | 248 364 | 196 564 | 392 887 | 490 750 | 528 242 | 528 242 | 1 024 352 | 1 234 189 | 1 279 721 |
| Early Childhood Development Grant | - | - | - | - | - | - | - | - | - |
| Financial Management and Quality Enhancement Grant | - | - | - | - | - | - | - | - | - |
| Further Education and Training College Sector Recapitalisation Grant | 32 000 | 40 055 | 39 103 | - | - | - | 285 563 | 303 207 | 318 258 |
| HIV and Aids (Life Skills Education) Grant | 11 623 | 13 010 | 13 592 | 14 626 | 14 982 | 14 982 | 15 392 | 16 388 | 17 486 |
| National School Nutrition Programme Grant | 84 549 | 106 604 | 121 753 | 229 534 | 252 483 | 252 483 | 354 341 | 440 923 | 474 560 |
| Infrastructure Grant to Provinces | 120 192 | 36 895 | 218 439 | 246 590 | 260 777 | 260 777 | 363 187 | 458 999 | 454 011 |
| Technical Secondary Schools Recapitalisation Grant | - | - | - | - | - | - | 5 869 | 14 672 | 15 406 |
| Vote 8: Public Works, Roads and Transport | 113 959 | 272 768 | 416 762 | 776 931 | 800 155 | 797 018 | 906 902 | 951 739 | 918 637 |
| Devolution of Property Rate Funds Grants | - | - | 36 000 | 40 340 | 60 337 | 60 337 | 44 374 | 47 036 | 49 388 |
| Expanded Public Works Programme Incentive Grant | - | - | - | 5 047 | 4 525 | 5 047 | 17 900 | - | - |
| Infrastructure Grant to Provinces | 113 959 | 272 768 | 380 762 | 360 894 | 360 984 | 360 984 | 442 106 | 484 604 | 432 623 |
| Overload Control Grant | - | - | - | - | 3 659 | - | 5 519 | - | - |
| Public Transport Operations Grant | - | - | - | 370 650 | 370 650 | 370 650 | 397 003 | 420 099 | 436 626 |
| Vote 10: Health | 353 382 | 378 356 | 556 114 | 817 225 | 1 112 131 | 1 071 413 | 1 051 007 | 1 194 183 | 1 343 083 |
| Comprehensive HIV and Aids Grant | 110 710 | 121 190 | 186 623 | 200 226 | 296 430 | 296 430 | 383 646 | 484 439 | 578 384 |
| Forensic Pathology Services Grant | 23 196 | 37 141 | 65 663 | 44 233 | 44 872 | 44 872 | 50 107 | 53 114 | 55 769 |
| Health Professions Training and Development Grant | 54 363 | 56 366 | 44 822 | 71 839 | 71 839 | 71 839 | 76 149 | 80 718 | 85 208 |
| Hospital Revitalisation Grant | 72 896 | 47 290 | 104 157 | 304 441 | 498 159 | 457 441 | 331 657 | 360 557 | 381 419 |
| National Tertiary Services Grant | 45 571 | 54 995 | 46 439 | 81 410 | 81 410 | 81 410 | 91 879 | 96 858 | 101 700 |
| World Cup Health Preparation Strategy Grant | - | - | - | - | 4 345 | 4 345 | - | - | - |
| Infrastructure Grant to Provinces | 46 646 | 61 374 | 108 410 | 115 076 | 115 076 | 115 076 | 111 185 | 118 497 | 140 603 |
| Expanded Public Works Programme Grant | - | - | - | - | - | - | 6 384 | - | - |
| Vote 11: Culture, Sports and Recreation | 10 020 | 38 336 | 55 760 | 85 826 | 95 292 | 95 292 | 94 396 | 100 060 | 105 063 |
| Mass Sport and Recreation Participation Programme Grant | 10 020 | 15 763 | 22 014 | 29 870 | 29 870 | 29 870 | 31 663 | 33 563 | 35 241 |
| Community Library Service Grant | - | 22 573 | 33 746 | 55 956 | 65 422 | 65 422 | 62 733 | 66 497 | 69 822 |
| Vote 12: Social Development | - | - | - | - | - | - | 2 856 | - | - |
| Expanded Public Works Programme Grant | - | - | - | - | - | - | 2 856 | - | - |
| Vote 13: Human Settlements | 361 933 | 526 286 | 796 669 | 795 447 | 795 447 | 795 447 | 975 863 | 1 118 449 | 1 250 327 |
| Integrated Housing and Human Settlement Development Grant | 361 933 | 526 286 | 796 669 | 795 447 | 795 447 | 795 447 | 975 863 | 1 118 449 | 1 250 327 |
| Total conditional grants | 1 142 877 | 1 475 769 | 2 294 728 | 3 101 016 | 3 491 781 | 3 346 321 | 4 222 270 | 4 803 315 | 5 120 473 |

4.4 Total provincial own receipts (own revenue)

The Mpumalanga Province expects to collect an amount of R555 million from own provincial revenue for the 2010/11 financial year, which is 2.1 per cent of the total revenue.

The provinces have some tax assignment powers given to them by the Constitution but the extent of provincial own revenues is currently limited consisting mainly of a number of small taxes, user charges and fees.

The largest of which in the Mpumalanga Province are motor vehicle licenses and hospital fees. In the light of the budget constraints facing the Province attempts have been made to take full advantage of the limited revenue sources and ensuring that the taxes are being collected efficiently and effectively. Steps are being taken to improve the collection of own revenue, as this will enhance the Province's ability to deliver services.

The main sources of provincial own receipts for the 2010/11 financial years are:

- Motor vehicles licences estimated to be collected is R 262.0 million, which accounts for 47.2 per cent of the total Provincial own revenue.
- Hospital Patient Fees: the province is estimating to collect R 28.286 million from this source which accounts for 5.1 per cent.
- Gambling and betting taxes estimated to be collected are R 45.6 million which amounts to 8.2 per cent. Included in this amount are taxes received in respect of betting and totalisators from the horseracing industry.
- Revenue to be generated from other sources amounts to R 219.231 million which accounts for 39.5 per cent.

Table 1.9: Summary of provincial own receipts by Vote

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2009/10 | Revised estimate | Medium-term estimates | | |
|---|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| Vote 01: Office of the Premier | 940 | 716 | 1 752 | 560 | 560 | 1 312 | 593 | 629 | 661 |
| Vote 02: Provincial Legislature | - | - | - | - | - | - | - | - | - |
| Vote 03: Finance | 63 894 | 143 474 | 65 984 | 61 638 | 61 638 | 61 638 | 72 393 | 112 629 | 118 260 |
| Vote 04: Co-operative Governance and Traditional Affairs | 1 229 | 939 | 5 148 | 985 | 1 500 | 1 741 | 1 035 | 1 162 | 1 232 |
| Vote 05: Agriculture, Rural Development and Land Administration | 6 430 | 6 535 | 8 424 | 4 552 | 4 552 | 4 552 | 4 631 | 4 797 | 4 911 |
| Vote 06: Economic Development, Environment and Tourism | 30 247 | 32 794 | 43 566 | 55 829 | 50 105 | 48 228 | 58 409 | 63 011 | 67 539 |
| Vote 07: Education | 21 645 | 25 782 | 30 404 | 21 626 | 21 626 | 21 626 | 22 274 | 23 388 | 24 631 |
| Vote 08: Public Works, Roads and Transport | 218 981 | 212 231 | 289 230 | 289 226 | 304 283 | 305 263 | 346 977 | 370 297 | 398 049 |
| Vote 09: Safety, Security and Liaison | 145 | 284 | 428 | 192 | 192 | 192 | 384 | 436 | 366 |
| Vote 10: Health | 41 566 | 38 073 | 61 416 | 43 040 | 43 040 | 43 040 | 45 623 | 48 360 | 50 778 |
| Vote 11: Culture, Sport and Recreation | 1 243 | 1 136 | 1 407 | 897 | 897 | 897 | 941 | 983 | 1 033 |
| Vote 12: Social Development | 1 942 | 2 983 | 3 203 | 1 927 | 1 656 | 1 656 | 629 | 633 | 635 |
| Vote 13: Human Settlements | 1 145 | 1 065 | 1 115 | 1 170 | 1 170 | 1 170 | 1 228 | 1 303 | 1 369 |
| Total provincial own receipts by Vote | 389 407 | 466 012 | 512 077 | 481 642 | 491 219 | 491 315 | 555 117 | 627 628 | 669 464 |

5. PAYMENTS

5.1 Overall position

The amount to be voted in the Mpumalanga Appropriation Act, 2010 is R 26.100 billion. Details of the funds to be allocated within each vote for 2010/11, as well as the indicative MTEF allocations for 2011/12 to 2012/13 can be found in the Estimates of Provincial Expenditure. Included in the allocations to the departments are the amounts of estimated own revenue, which fund provincial spending pressures that could not be accommodated within the provincial equitable share.

Total outlays for the provincial programmes are budgeted at:

Financial year 2010/11: R 26.100 billion

Financial year 2011/12: R 28.296 billion

Financial year 2012/13: R 29.733 billion

5.2 Payments by vote

Table 1.10: Summary of provincial payments and estimates by Vote

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|--|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| | | | | | 2009/10 | | | | |
| Vote 01: Office of the Premier | 109 244 | 169 887 | 201 061 | 196 689 | 179 019 | 181 595 | 158 728 | 157 850 | 167 177 |
| Vote 02: Provincial Legislature | 68 492 | 89 738 | 125 484 | 158 838 | 171 782 | 147 258 | 169 655 | 180 018 | 187 109 |
| Vote 03: Finance | 131 861 | 139 774 | 357 445 | 236 397 | 221 397 | 221 397 | 232 773 | 245 641 | 259 747 |
| Vote 04: Co-operative Governance and Traditional Affairs | 145 596 | 177 086 | 327 659 | 414 775 | 423 056 | 420 248 | 404 093 | 442 058 | 467 911 |
| Vote 05: Agriculture, Rural Development and Land Adminis | 353 841 | 503 365 | 631 757 | 677 017 | 744 897 | 799 571 | 737 936 | 811 508 | 872 565 |
| Vote 06: Economic Development, Environment and Touris | 417 299 | 466 830 | 576 606 | 613 061 | 645 520 | 653 620 | 643 000 | 684 494 | 699 991 |
| Vote 07: Education | 6 272 885 | 7 823 399 | 9 360 979 | 10 073 199 | 10 683 793 | 10 803 793 | 11 530 252 | 12 516 782 | 13 262 430 |
| Vote 08: Public Works, Roads and Transport | 1 272 211 | 1 822 985 | 2 179 654 | 2 615 845 | 2 627 611 | 2 590 523 | 3 330 801 | 3 545 710 | 3 536 415 |
| Vote 09: Safety, Security and Liaison | 40 272 | 44 324 | 68 057 | 90 415 | 90 415 | 90 415 | 111 438 | 115 142 | 123 590 |
| Vote 10: Health | 3 013 110 | 3 657 799 | 4 452 526 | 5 429 452 | 6 047 714 | 6 100 196 | 6 420 715 | 7 013 846 | 7 344 839 |
| Vote 11: Culture, Sport and Recreation | 121 574 | 168 920 | 235 635 | 278 696 | 283 178 | 283 178 | 282 253 | 301 719 | 322 275 |
| Vote 12: Social Development | 319 218 | 459 721 | 657 025 | 792 343 | 768 343 | 758 629 | 881 447 | 973 462 | 1 027 776 |
| Vote 13: Human Settlements | 410 329 | 743 984 | 912 266 | 968 727 | 969 319 | 969 402 | 1 197 494 | 1 307 388 | 1 461 607 |
| Total provincial payments and estimates by Vote | 12 675 932 | 16 267 812 | 20 086 154 | 22 545 454 | 23 856 044 | 24 019 825 | 26 100 585 | 28 295 618 | 29 733 432 |

5.3 Payment by economic classification

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| | | | | | 2009/10 | | | | |
| Current payments | 10 415 604 | 13 114 520 | 16 140 415 | 18 211 592 | 18 759 761 | 18 724 538 | 20 783 795 | 22 500 118 | 23 661 763 |
| Compensation of employees | 7 497 549 | 9 372 885 | 11 752 642 | 13 100 816 | 13 692 112 | 13 486 098 | 15 320 160 | 16 463 256 | 17 612 607 |
| Goods and services | 2 918 055 | 3 739 733 | 4 387 516 | 5 110 776 | 5 067 613 | 5 238 396 | 5 463 335 | 6 036 777 | 6 049 156 |
| Interest and rent on land | - | 1 524 | - | - | - | 8 | 300 | 85 | - |
| Financial transactions in assets and liabilities | - | 378 | 257 | - | 36 | 36 | - | - | - |
| Unauthorised Expenditure | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies to: | 1 192 551 | 1 793 829 | 2 087 291 | 2 187 089 | 2 816 727 | 2 747 792 | 3 132 785 | 3 511 261 | 3 768 953 |
| Provinces and municipalities | 33 447 | 18 291 | 101 405 | 70 387 | 89 902 | 81 431 | 57 374 | 65 760 | 66 888 |
| Departmental agencies and accounts | 4 443 | 31 333 | 3 991 | 5 000 | 275 441 | 274 741 | 397 923 | 420 563 | 422 025 |
| Universities and technikons | - | - | - | - | - | 10 | 1 200 | 1 200 | 1 200 |
| Public corporations and private enterprises | 136 604 | 152 344 | 151 388 | 141 808 | 513 458 | 520 795 | 429 724 | 496 441 | 521 717 |
| Foreign governments and international organisations | - | - | 1 000 | - | - | - | - | - | - |
| Non-profit institutions | 439 117 | 606 420 | 900 099 | 1 070 018 | 990 733 | 994 518 | 1 104 643 | 1 193 379 | 1 271 982 |
| Households | 578 940 | 985 441 | 929 408 | 899 876 | 947 193 | 876 297 | 1 141 921 | 1 333 918 | 1 485 141 |
| Payments for capital assets | 1 067 777 | 1 359 463 | 1 858 448 | 2 146 773 | 2 279 556 | 2 547 418 | 2 184 005 | 2 284 239 | 2 302 716 |
| Buildings and other fixed structures | 873 943 | 1 111 507 | 1 465 769 | 1 704 891 | 1 869 171 | 2 201 165 | 1 810 804 | 1 866 101 | 1 975 444 |
| Machinery and equipment | 192 903 | 243 764 | 385 621 | 439 717 | 399 565 | 335 364 | 370 482 | 416 620 | 325 591 |
| Cultivated assets | - | 40 | - | 2 065 | 2 065 | 2 034 | 214 | 218 | 231 |
| Software and other intangible assets | 931 | 3 044 | 7 058 | 100 | - | 100 | 2 505 | 1 300 | 1 450 |
| Land and subsoil assets | - | 1 108 | - | - | 8 755 | 8 755 | - | - | - |
| Total economic classification | 12 675 932 | 16 267 812 | 20 086 154 | 22 545 454 | 23 856 044 | 24 019 748 | 26 100 585 | 28 295 618 | 29 733 432 |

5.4 Payments by policy area

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| | | | | | 2009/10 | | | | |
| General public services | | | | | | | | | |
| Public order and safety | 40 272 | 44 324 | 68 057 | 90 415 | 90 415 | 90 415 | 111 438 | 115 142 | 123 590 |
| Economic affairs and Environmental protection | 417 299 | 466 830 | 576 606 | 613 061 | 645 520 | 653 620 | 643 000 | 684 494 | 699 991 |
| Housing and community amenities | 410 329 | 743 984 | 912 266 | 968 727 | 969 319 | 969 402 | 1 197 494 | 1 307 388 | 1 461 607 |
| Health | 3 013 110 | 3 657 799 | 4 452 526 | 5 429 452 | 6 047 714 | 6 100 196 | 6 420 715 | 7 013 846 | 7 344 839 |
| Recreation, culture and religion | 121 574 | 168 920 | 235 635 | 278 696 | 283 178 | 283 178 | 282 253 | 301 719 | 322 275 |
| Education | 6 272 885 | 7 823 399 | 9 360 979 | 10 073 199 | 10 683 793 | 10 803 793 | 11 530 252 | 12 516 782 | 13 262 430 |
| Social protection | 319 218 | 459 721 | 657 025 | 792 343 | 768 343 | 758 629 | 881 447 | 973 462 | 1 027 776 |
| Total provincial payments and estimates by policy area | 10 594 687 | 13 364 977 | 16 263 094 | 18 245 893 | 19 488 282 | 19 659 233 | 21 066 599 | 22 912 833 | 24 242 508 |

5.5 Infrastructure payments

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates | | |
|---|----------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| Vote 05: Agriculture, Rural Development and Land Administration | 24 111 | 9 277 | 94 016 | 183 616 | 183 616 | 243 699 | 126 974 | 158 682 | 61 433 |
| Vote 07: Education | 300 525 | 246 212 | 347 362 | 378 105 | 379 325 | 379 325 | 434 995 | 537 037 | 550 616 |
| Vote 08: Public Works, Roads and Transport | 390 203 | 688 386 | 1 041 622 | 930 615 | 915 003 | 928 118 | 1 054 000 | 1 048 237 | 1 085 823 |
| Vote 10: Health | 44 350 | 238 043 | 271 696 | 345 738 | 539 656 | 526 450 | 448 308 | 397 531 | 470 103 |
| Vote 12: Social Development | - | - | - | 57 456 | 54 856 | 54 856 | 66 430 | 66 979 | 68 284 |
| Vote 13: Culture, Sport and Recreation | 14 130 | 10 736 | 29 999 | 38 874 | 71 796 | 71 796 | 62 882 | 67 805 | 22 571 |
| Total | 773 319 | 1 192 654 | 1 784 695 | 1 934 404 | 2 144 252 | 2 204 244 | 2 193 589 | 2 276 271 | 2 258 830 |

1. Departmental amounts should include new constructions, rehabilitation/upgrading, other capital projects and recurrent maintenance.

Table 1.14(b): Summary of provincial infrastructure payments and estimates by category and Vote

| Table 1.14(b): Summary of provincial infrastructure payments and estimates by category and vote | | | | | | | | | |
|---|----------------|------------------|------------------|--------------------|-----------------------------------|------------------|-----------------------|------------------|------------------|
| Outcome | | | | Main appropriation | Adjusted appropriation 2009/10 | Revised estimate | Medium-term estimates | | |
| R thousand | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| New construction (buildings and infrastructure) | | | | | | | | | |
| Vote 05: Agriculture, Rural Development and Land Administration | 20 000 | - | - | 134 098 | 134 098 | 134 098 | 74 458 | 1 594 | 1 690 |
| Vote 07: Education | 111 258 | 87 358 | 106 067 | 70 000 | 70 000 | 70 000 | 54 933 | 57 820 | 85 148 |
| Vote 08: Public Works, Roads and Transport | - | 14 249 | 252 529 | - | - | - | 193 800 | 138 306 | 140 221 |
| Vote 10: Health | - | 2 464 | 85 320 | 107 202 | 301 120 | 213 943 | 78 218 | 86 339 | 91 783 |
| Vote 12: Social Development | - | - | - | 57 456 | 54 856 | 54 856 | 66 430 | 66 979 | 68 284 |
| Vote 13: Culture, Sport and Recreation | 14 130 | 4 334 | 23 475 | 32 777 | 52 481 | 52 481 | 45 802 | 56 002 | 10 230 |
| Sub-total: New construction (buildings and infrastructure) | 145 388 | 108 405 | 467 391 | 401 533 | 612 555 | 525 378 | 513 641 | 407 040 | 397 356 |
| Recurrent maintenance | | | | | | | | | |
| Vote 05: Agriculture, Rural Development and Land Administration | 1 611 | 1 283 | 2 064 | 5 970 | 5 970 | 66 053 | - | - | - |
| Vote 07: Education | 108 263 | 79 113 | 145 394 | 96 541 | 96 541 | 96 541 | 62 962 | 64 773 | 73 450 |
| Vote 08: Public Works, Roads and Transport | 31 657 | 36 177 | 292 324 | 296 303 | 296 303 | 332 156 | 383 416 | 400 694 | 408 864 |
| Vote 10: Health | 2 160 | 3 338 | 2 360 | 90 678 | 3 678 | 24 | 5 900 | 6 254 | 6 629 |
| Vote 12: Social Development | - | - | - | - | - | - | - | - | - |
| Vote 13: Culture, Sport and Recreation | - | - | - | - | - | - | - | - | - |
| Sub-total: Recurrent maintenance | 143 691 | 119 911 | 442 142 | 489 492 | 402 492 | 494 774 | 452 278 | 471 721 | 488 943 |
| Upgrade and additions | | | | | | | | | |
| Vote 05: Agriculture, Rural Development and Land Administration | 2 500 | 7 994 | 91 952 | 6 119 | 6 119 | 6 119 | 30 580 | 152 369 | 54 752 |
| Vote 07: Education | 45 879 | 58 239 | 70 771 | 10 011 | 11 231 | 11 231 | 18 908 | 26 063 | 27 500 |
| Vote 08: Public Works, Roads and Transport | - | - | - | - | - | - | 298 044 | 318 907 | 334 852 |
| Vote 10: Health | 42 190 | 232 241 | 184 016 | 147 858 | 234 858 | 312 483 | 288 190 | 226 938 | 291 691 |
| Vote 12: Social Development | - | - | - | - | - | - | - | - | - |
| Vote 13: Culture, Sport and Recreation | - | 6 402 | 6 524 | 6 097 | 19 315 | 19 315 | 8 970 | 4 088 | 6 925 |
| Sub-total: Upgrade and additions | 90 569 | 304 876 | 353 263 | 170 085 | 271 523 | 349 148 | 644 692 | 728 365 | 715 720 |
| Rehabilitation and refurbishment | | | | | | | | | |
| Vote 05: Agriculture, Rural Development and Land Administration | - | - | - | 37 429 | 37 429 | 37 429 | 21 936 | 4 719 | 4 991 |
| Vote 07: Education | 35 125 | 21 502 | 25 130 | 201 553 | 201 553 | 201 553 | 298 192 | 388 381 | 364 518 |
| Vote 08: Public Works, Roads and Transport | 358 546 | 637 960 | 496 769 | 634 312 | 618 700 | 595 962 | 178 740 | 190 330 | 201 886 |
| Vote 10: Health | - | - | - | - | - | - | 76 000 | 78 000 | 80 000 |
| Vote 12: Social Development | - | - | - | - | - | - | - | - | - |
| Vote 13: Culture, Sport and Recreation | - | - | - | - | - | - | 8 110 | 7 715 | 5 416 |
| Sub-total: Rehabilitation and refurbishment | 393 671 | 659 462 | 521 899 | 873 294 | 857 682 | 834 944 | 582 978 | 669 145 | 656 811 |
| Other capital projects | | | | | | | | | |
| Vote 05: Agriculture and Land Administration | - | - | - | - | - | - | - | - | - |
| Vote 12: Culture, Sport and Recreation | - | - | - | - | - | - | - | - | - |
| Sub-total: Other capital projects | - | - | - | - | - | - | - | - | - |
| Total provincial infrastructure payments and estimates | 773 319 | 1 192 654 | 1 784 695 | 1 934 404 | 2 144 252 | 2 204 244 | 2 193 589 | 2 276 271 | 2 258 830 |

1. Total provincial infrastructure is the sum of "Capital" plus "Recurrent maintenance".

5.6 Transfers

5.6.1 Transfers to public entities

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

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2009/10 | Revised estimate | Medium-term estimates | | |
|--|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| Vote 01: Office of the Premier | - | 91 | 8 102 | - | - | - | - | - | - |
| Vote 05: Agriculture, Rural Development and Land Adminis | - | - | - | - | - | - | - | - | - |
| Vote 06: Economic Development, Environment and Touris | 276 166 | 300 237 | 358 145 | 373 004 | 402 936 | 402 176 | 393 446 | 415 812 | 417 028 |
| Vote 07: Education | 21 000 | 29 000 | 23 000 | 23 470 | 23 470 | 23 470 | 29 594 | 30 370 | 31 207 |
| Vote 10: Health | - | - | - | - | - | - | - | - | - |
| Vote 13: Human Settlements | 14 667 | 17 733 | 22 000 | 18 850 | 18 850 | 18 850 | - | - | - |
| Total provincial transfers to public entities | 311 833 | 347 061 | 411 247 | 415 324 | 445 256 | 444 496 | 423 040 | 446 182 | 448 235 |

Transfers to local government

Table 1.18: Summary of provincial transfers to local government by category

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2009/10 | Revised estimate | Medium-term estimates | | |
|---|---------------|---------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|---------------|---------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| Category A | 27 | - | 48 000 | - | - | - | - | - | - |
| Category B | 22 829 | 5 704 | 52 903 | 70 387 | 89 682 | 89 682 | 57 374 | 65 760 | 68 888 |
| Category C | 1 351 | 8 676 | 13 | - | - | - | - | - | - |
| Total provincial transfers to local government | 24 207 | 14 380 | 100 916 | 70 387 | 89 682 | 89 682 | 57 374 | 65 760 | 68 888 |

5.7 Personnel numbers

Table 1.19: Summary of personnel numbers and costs by Vote¹

| Personnel numbers | As at 31 March 2005 | As at 31 March 2006 | As at 31 March 2007 | As at 31 March 2008 | As at 31 March 2009 | As at 31 March 2010 | As at 31 March 2011 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Vote 01: Office of the Premier | 290 | 316 | 313 | 346 | 466 | 466 | 466 |
| Vote 02: Provincial Legislature | 154 | 155 | 151 | 182 | 209 | 209 | 209 |
| Vote 03: Finance | 286 | 282 | 331 | 331 | 433 | 433 | 433 |
| Vote 04: Co-operative Governance and Tradi | 461 | 626 | 672 | 1 023 | 1 015 | 1 022 | 1 078 |
| Vote 05: Agriculture, Rural Development and | 1 505 | 1 468 | 1 549 | 1 687 | 1 958 | 1 954 | 1 956 |
| Vote 06: Economic Development, Environme | 390 | 413 | 469 | 495 | 538 | 540 | 545 |
| Vote 07: Education | 35 785 | 41 443 | 44 804 | 45 040 | 46 010 | 46 173 | 46 239 |
| Vote 08: Public Works, Roads and Transport | 4 603 | 4 928 | 4 903 | 6 082 | 5 312 | 5 312 | 5 312 |
| Vote 09: Safety, Security and Liaison | 112 | 122 | 151 | 184 | 248 | 248 | 248 |
| Vote 10: Health | 15 548 | 15 848 | 16 012 | 16 012 | 18 272 | 19 349 | 20 465 |
| Vote 11: Culture, Sport and Recreation | 267 | 278 | 602 | 695 | 327 | 357 | 430 |
| Vote 12: Social Development | 716 | 1 129 | 1 518 | 1 590 | 1 959 | 1 999 | 2 058 |
| Vote 13: Human Settlements | 535 | 645 | 272 | 645 | 645 | 645 | 645 |
| Total provincial personnel numbers | 60 652 | 67 653 | 71 747 | 74 312 | 77 392 | 78 707 | 80 084 |
| Total provincial personnel cost (R thousand) | 7 489 592 | 9 387 481 | 11 756 226 | 13 329 342 | 15 257 453 | 16 381 578 | 17 552 749 |
| Unit cost (R thousand) | 123 | 139 | 164 | 179 | 197 | 208 | 219 |

1. Full-time equivalent

Table 1.20: Summary of provincial personnel numbers and costs

| | Outcome | | | Main appropriation | Adjusted appropriation 2009/10 | Revised estimate | Medium-term estimates | | |
|---|-----------|-----------|------------|--------------------|-----------------------------------|------------------|-----------------------|------------|------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| Total for province | | | | | | | | | |
| Personnel numbers (head count) | 61 184 | 68 631 | 72 824 | 74 183 | 74 750 | 74 754 | 77 514 | 78 833 | 80 130 |
| Personnel cost (R thousands) | 7 516 158 | 9 409 525 | 11 743 743 | 13 173 041 | 13 619 502 | 13 420 599 | 15 299 272 | 16 447 404 | 17 600 982 |
| Human resources component | | | | | | | | | |
| Personnel numbers (head count) | 762 | 787 | 1 202 | 1 286 | 1 280 | 1 280 | 1 374 | 1 394 | 1 422 |
| Personnel cost (R thousands) | 102 027 | 101 557 | 126 100 | 150 738 | 147 931 | 142 328 | 151 585 | 164 438 | 173 406 |
| Head count as % of total for province | 1.2% | 1.1% | 1.7% | 1.7% | 1.7% | 1.7% | 1.8% | 1.8% | 1.8% |
| Personnel cost as % of total for province | 1.4% | 1.1% | 1.1% | 1.1% | 1.1% | 1.1% | 1.0% | 1.0% | 1.0% |
| Finance component | | | | | | | | | |
| Personnel numbers (head count) | 781 | 814 | 1 181 | 1 405 | 1 404 | 1 408 | 1 410 | 1 484 | 1 524 |
| Personnel cost (R thousands) | 103 629 | 111 642 | 141 490 | 174 668 | 173 958 | 170 608 | 209 978 | 233 983 | 241 112 |
| Head count as % of total for province | 1.3% | 1.2% | 1.6% | 1.9% | 1.9% | 1.9% | 1.8% | 1.9% | 1.9% |
| Personnel cost as % of total for province | 1.4% | 1.2% | 1.2% | 1.3% | 1.3% | 1.3% | 1.4% | 1.4% | 1.4% |
| Full time workers | | | | | | | | | |
| Personnel numbers (head count) | 59 210 | 66 397 | 71 517 | 73 305 | 74 162 | 73 932 | 76 647 | 78 198 | 79 431 |
| Personnel cost (R thousands) | 6 782 461 | 8 425 510 | 10 546 233 | 11 579 955 | 12 181 155 | 11 938 047 | 13 576 994 | 14 526 709 | 15 325 982 |
| Head count as % of total for province | 97% | 97% | 98% | 99% | 99% | 99% | 99% | 99% | 99% |
| Personnel cost as % of total for province | 90% | 90% | 90% | 88% | 89% | 89% | 89% | 88% | 87% |
| Part-time workers | | | | | | | | | |
| Personnel numbers (head count) | - | - | 617 | 307 | 307 | 305 | 492 | 492 | 492 |
| Personnel cost (R thousands) | - | - | - | 70 300 | 74 300 | 74 180 | 78 635 | 83 825 | 88 855 |
| Head count as % of total for province | 0.0% | 0.0% | 0.8% | 0.4% | 0.4% | 0.4% | 0.6% | 0.6% | 0.6% |
| Personnel cost as % of total for province | 0.0% | 0.0% | 0.0% | 0.5% | 0.5% | 0.6% | 0.5% | 0.5% | 0.5% |
| Contract workers | | | | | | | | | |
| Personnel numbers (head count) | 16 | 45 | 654 | 799 | 599 | 599 | 562 | 597 | 646 |
| Personnel cost (R thousands) | 4 907 | 16 230 | 24 018 | 41 135 | 41 135 | 39 684 | 35 620 | 37 700 | 38 906 |
| Head count as % of total for province | 0.0% | 0.1% | 0.9% | 1.1% | 0.8% | 0.8% | 0.7% | 0.8% | 0.8% |
| Personnel cost as % of total for province | 0.1% | 0.2% | 0.2% | 0.3% | 0.3% | 0.3% | 0.2% | 0.2% | 0.2% |

5.8 Payments on training

Table 1.21: Summary of provincial payments on training by Vote

| R thousand | Outcome | | | Main appropriation | Adjusted appropriation 2009/10 | Revised estimate | Medium-term estimates | | |
|--|----------------|----------------|----------------|--------------------|-----------------------------------|------------------|-----------------------|----------------|----------------|
| | 2006/07 | 2007/08 | 2008/09 | | | | 2010/11 | 2011/12 | 2012/13 |
| Vote 01: Office of the Premier | 695 | 705 | 3 238 | 3 433 | 3 433 | 3 433 | 3 639 | 3 856 | 4 050 |
| Vote 02: Provincial Legislature | 604 | 653 | 1 112 | 1 118 | 1 118 | 839 | 1 200 | 1 350 | 1 540 |
| Vote 03: Finance | 13 602 | 2 821 | 3 524 | 3 679 | 3 679 | 3 679 | 4 460 | 4 533 | 4 779 |
| Vote 04: Co-operative Governance and Traditional | 1 121 | 1 457 | 1 563 | 508 | 508 | 508 | 537 | 568 | 597 |
| Vote 05: Agriculture, Rural Development and Land | 2 365 | 2 990 | 4 315 | 4 522 | 4 412 | 5 099 | 5 080 | 5 347 | 4 825 |
| Vote 06: Economic Development, Environment and | 351 | 351 | 400 | 550 | 550 | 550 | 650 | 750 | 800 |
| Vote 07: Education | 41 147 | 37 135 | 18 644 | 42 500 | 42 500 | 42 500 | 43 784 | 45 648 | 47 769 |
| Vote 08: Public Works, Roads and Transport | 46 853 | 64 266 | 83 259 | 89 480 | 89 480 | 77 555 | 39 493 | 34 715 | 31 268 |
| Vote 09: Safety, Security and Liaison | 729 | 729 | 670 | 712 | 712 | - | 880 | 1 020 | 1 100 |
| Vote 10: Health | 40 389 | 34 388 | 51 653 | 73 625 | 73 625 | 73 625 | 84 944 | 97 970 | 103 848 |
| Vote 11: Culture, Sport and Recreation | 319 | 339 | 700 | 700 | 700 | 700 | 785 | 874 | 919 |
| Vote 12: Social Development | - | - | 25 765 | 14 026 | 14 026 | 14 026 | 15 429 | 16 355 | 17 990 |
| Vote 13: Human Settlements | 389 | 767 | 559 | 1 036 | 1 045 | 2 019 | 1 888 | 2 171 | 2 631 |
| Total provincial payments on training | 148 564 | 146 601 | 195 402 | 235 889 | 235 788 | 224 533 | 202 769 | 215 157 | 222 116 |