

Private Bag X 11205
Nelspruit
1200
No. 7 Government Boulevard
Building No 4 Upper Ground
Riverside Park, Extension 2
Nelspruit, 1200

Tel: 013 766 4437
fax: 013 766 9449

PR58/2011
ISBN: 978-0-621-39952-3



Budget
**ESTIMATES OF PROVINCIAL
REVENUE AND EXPENDITURE
2011**



finance

Department
Finance

MPUMALANGA PROVINCIAL GOVERNMENT

FOREWORD

Government has identified five strategic priorities that will inform role players in charting a way towards realising an envisaged society free from hunger, unemployment and underdevelopment. In addition to the latter, 12 national outcomes were identified, which outcomes have been carefully and strategically identified to ensure that the strategic priorities become a reality.

Therefore, when compiling the budget for 2011, the provincial government was mindful of the envisaged society and this being further to ensuring alignment of programmes to the 12 national outcomes and confirming the possibility of delivery through allocation of resources to can then deliver on the five strategic priorities of government.

A key consideration during the 2011/12 financial year, is to ensure that these budget priorities, especially the biasness towards creation of quality jobs, is something which will provide a lasting assurance that the quality of life of our people will be improved.

This is in tandem with the declaration of 2011 as the year of true economic transformation, a year in which we must move forward convincingly towards creation of jobs and economic and income generating opportunities for all our people.

I believe that this is a budget that demonstrates the determination to address the challenges on infrastructure delivery in the province.

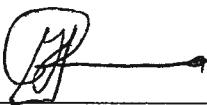
It is a budget that further underlines our commitment to improved governance, that is, from government departments to ancillary institutions that are funded through the public resources that are made available through this budget.

Once again, this budget shows the provincial government's commitment to investing in the future by committing more resources to education and skills development.

We invite all the people of Mpumalanga to engage with the information provided in this publication of the Estimates of Provincial Revenue and Expenditure (EPRE) in order to hold the executives and administration accountable for delivery *"as we believe that nothing about the communities without the communities"*.

Let me take the opportunity to thank my colleagues in the Executive Council for their support throughout the process of producing the provincial budget for 2011.

A special word of appreciation goes to all the officials who contributed positively to the process of compiling this document which is intended to promote transparency and accountability in the provincial government.



Mrs YN Phosa (MPL)
MEC for Finance

TABLE OF CONTENTS

Estimates of Provincial Revenue and Expenditure

1: Budget Overview

Budget strategy and aggregates.....	4
Introduction.....	4
Summary of budget aggregates.....	9
Financing.....	10
Budget process and the Medium Term Expenditure Framework.....	10
Socio-economic outlook	11

Receipts.....

43

Overall position	43
Equitable share	43
Conditional grants.....	44
Total Provincial own revenue.....	45

Payments 46

Overall position	46
Payments by vote	47
Payments by economic classification	47
Payments by policy area.....	47
Infrastructure Payments.....	48
Transfers to public entities.....	49
Transfers to local government.....	49

Estimates of Provincial Expenditure

VOTES

VOTE 1 Office of the Premier 51

Overview	51
Review of the current financial year	52
Outlook for the coming financial year.....	52
Receipts and financing.....	53
Payment summary.....	53
Programme description	55

VOTE 2 Provincial Legislature	65
Overview.....	65
Review of the current financial year.....	66
Outlook for the coming financial year.....	67
Receipts and financing.....	68
Payment summary.....	69
Receipts and retentions.....	70
Programme description.....	72
 VOTE 3 Finance	 80
Overview.....	80
Review of the current financial year.....	81
Outlook for the coming financial year.....	83
Receipts and financing.....	85
Payment summary.....	85
Programme description.....	87
 VOTE 4 Co-operative Governance and Traditional Affairs	 95
Overview.....	95
Review of the current financial year	96
Outlook for the coming financial year.....	96
Receipts and financing	97
Payment summary.....	97
Programme description.....	98
 VOTE 5 Agriculture, Rural Development and Land Administration	 109
Overview	109
Review of the current financial year.....	111
Outlook for the coming financial year.....	114
Receipts and financing.....	116
Payment summary.....	117
Programme description.....	119
 VOTE 6 Economic Development, Environment and Tourism	
146 Overview.....	
146	
Review of the current financial year.....	148
Outlook for the coming financial year.....	151
Receipts and financing.....	154
Payment summary.....	155
Programme description.....	156

VOTE 7 Education	171
Overview.....	171
Review of the current financial year.....	172
Outlook for the coming financial year.....	173
Receipts and financing.....	174
Payment summary.....	174
Programme description.....	178
 VOTE 8 Public Works, Roads and Transport	 207
Overview.....	207
Review of the current financial year.....	208
Outlook for the coming financial year.....	212
Receipts and financing.....	213
Payment summary.....	214
Programme description.....	215
 VOTE 9 Safety, Security and Liaison	 235
Overview.....	235
Review of the current financial year.....	237
Outlook for the coming financial year.....	237
Receipts and financing.....	238
Payment summary.....	239
Programme description.....	241
 VOTE 10 Health	 253
Overview.....	253
Review of the current financial year.....	259
Outlook for the coming financial year.....	260
Receipts and financing.....	262
Payment summary.....	264
Programme description.....	267
 VOTE 11 Culture, Sport and Recreation	 294
Overview.....	294
Review of the current financial year.....	296
Outlook for the coming financial year.....	296
Receipts and financing.....	297
Payment summary.....	298
Programme description.....	301

VOTE 12 Social Development	312
Overview.....	312
Review of the current financial year.....	314
Outlook for the coming financial year.....	316
Receipts and financing.....	317
Payment summary.....	318
Programme description.....	321
 VOTE 13 Human Settlements	 352
Overview.....	352
Review of the current financial year.....	355
Outlook for the coming financial year.....	355
Receipts and financing.....	356
Payment summary.....	357
Programme description.....	358

1. BUDGET STRATEGY AND AGGREGATES

1.1 Introduction

The 2011 Budget is set against an uncertain global and domestic environment. While conditions have improved since a year ago, a lot of government spending is financed through borrowing which requires a commitment to continually manage spending prudently to avoid unsustainable levels of debt repayment. Departments have been advised to continue to reprioritize spending on frontline government services.

Following extensive intergovernmental consultations and meetings and functional groups, Makgotla, MTEC engagements, Benchmark session at National Treasury, pre and post benchmark engagements in the province the Budget and Finance Committee of 14 March 2011 as well as Executive Council of 15 March 2011 endorsed a preliminary allocation for the period 2011/12 to 2013/14.

Provincial Treasury updated the provincial fiscal framework (provincial receipts) in line with the latest allocation letter received from the National Treasury and kept the expenditure as per the December 2010 in year monitoring report submissions by departments; the projected outcome as at 31 December 2010 for the 2010/11 financial year was used as a base to calculate year on year growth.

The province has experienced 4 reductions in the equitable share allocation;

- a) The **first reduction** of R989.364 million over the MTEF (R142.425 million in 2011/12, R299.195 million in 2012/13, and R547.744 million in 2013/14), due to data changes has been shared by all the votes by using the equitable share formula. The first reduction has been necessitated by the changes in the population sizes of certain provinces such as Gauteng, North West where boundaries have been re-demarcated,
- b) The **second reduction** R214.073 million over the MTEF (R68.235 million in 2011/12, R71.218 million in 2012/13, and R74.620 million in 2013/14), is effected in order to raise R6 billion at a National level for bursaries in the institutions of higher learning. The second reduction per allocation letter of 15 December 2010 has been effected from the funds that were earmarked for the purchase of office buildings. This is a proposal that the Provincial Treasury made to the Budget and Finance Committee and was supported given that the baselines of departments had already funded the initial reduction that is indicated in (a) above,
- c) The **third reduction** R1 999.990 billion over the MTEF (R628.027 million in 2011/12, R669.675 million in 2012/13, and R702.288 million in 2013/14), has been implemented provincially where all own revenue budget allocations have been withdrawn in order to fund provincial priorities.
- d) The **fourth reduction** amounting to R234.902 million is on compensation of employees in order to stabilise the compensation of employees' budgets. The growth on compensation of employees has been set at 5.5 per cent in line with guideline received from National Treasury. Only votes that have received special funding have been allowed to grow their budgets in excess of 5.5 per cent guideline amount.
- e) The funding generated from own revenue generation and compensation of employees budgets reductions will fund the following provincial priorities ,amongst

others basic functionality of schools, governance issues in schools, construction of a comprehensive school with boarding facilities in Nkangala district, TB and HIV and Aids programme, funding of 4 Community Health Centres that will be commissioned during the first quarter. Water and Crime prevention programmes have also received additional funding.

- f) Given all these reductions the budgets are under tremendous pressure and departments can only function if **cost curtailment strategies** introduced in 2009 are adhered to.

This reality therefore meant that the provincial government had to be more creative in re-prioritising the existing baselines to release resources needed to finance service delivery programmes. Executive Council approved that funds raised from the withdrawal of own revenue and compensation of employees budgets be directed to fund, provincial priorities which are mainly: Education, Health, Comprehensive Rural Development, Water provision, and Crime prevention, amongst others.

- g) **Infrastructure grant to provinces has been phased out** in the Agriculture sector and replaced with Equitable share allocation from Education and Roads as the two sectors received huge increases in the grant funding;
- h) *EPWP Incentive grant for both infrastructure and social sectors has not been allocated given the nature of the grant as it is only transferred to provinces when they have exceeded their targets. This amount will be dealt with during adjustment budgets.*

Specific areas that will warrant urgent attention include:

Efficient management of human resources in departments: In this regard a better balance needs to be struck between administrative and professional staff at the coal face of delivery;

- a) Provincial departments are expected to reprioritize spending to realign their budgets to ensure targeted spending on frontline government services.
- b) All spheres of government are also required to re-assess their baseline budgets and reprioritize their budgets in preparation for the 2011 MTEF.
- c) The filling of critical positions with suitably qualified and experienced staff in key departments like education and health requires urgent attention.
- d) Appointments of Chief Financial Officers have been made in the following departments: Office of the Premier, Finance, Economic Development, Environment and Tourism, Education and Health as well as Social Development. These officials are entrusted with a responsibility to ensure effective and efficient financial management in these departments.
- e) A progress has been made in some departments to realign departmental budgets to priorities. This progress needs to be enhanced.
- f) In 2011 the province has stepped up efforts to ensure that the cost reduction strategies are implemented.

2011 BUDGET PROPOSALS

TECHNICAL ADJUSTMENTS

EQUITABLE SHARE ALLOCATIONS

NOTES ON EQUITABLE SHARE ALLOCATIONS

Revisions to the equitable share formula

Revisions to the equitable share this year are informed by the data from the 2010 Mid-year Population Estimates, 2010 Education Snap Survey, the 2008 GDP-R, District Health Information services patient day data for 2008 and 2009 and the Risk Equalization Fund, 2005 Income and Expenditure Survey. The adjustments will be phased in over a period of three years.

During 2010, our province participated in various discussions on the review of the provincial equitable share which resulted in the endorsement of a new formula for health and a change of weights to the health, education and basic components. The components of the new health formula capture all expenditure needs of the health sector including previous add-ons for occupation specific dispensation (OSD) and primary health care. These are therefore phased into the provincial equitable share over the 2011 MTEF.

Inflation assumptions

Revised inflation projections (CPIX) published in the 2010 Medium Term Budget Policy Statement are as follows: 4.8 per cent in 2011/12, 5.1 per cent in 2012/13 and 5.2 per cent in 2013/14. We have not been able to achieve this in some departments as the funds have been directed to the priority areas of government.

Personnel adjustments and policy priorities

The MTEF's proposed adjustments are mainly to accommodate increased personnel costs and address infrastructure backlogs. It has been emphasized in the Budget Council that provinces must ensure that budgets provide for the full implications of personnel -related costs, including improved condition of service and housing allowance and Occupation Specific Dispensation (OSD).

R434.815 million has been made available by the National Treasury for the carry through effects on general increases in terms of the 2010 wage agreements, R 446.297 million in 2012/13 and R458.603 million in 2013/14. This is to cover the above inflation portion of the wage agreement (2.2 per cent) and the increased housing allowance of R300, which was not budgeted for.

Education Personnel

In addition to the inflation-related wage adjustments, R129.917 million in 2011/12, R 144.797 million in 2012/13 and R159.376 million in 2013/14 is added to address the carry through effects and shortfalls in OSD in education. This finalizes all education OSD related expenditure.

Health Personnel

A further R111.647 million in 2011/12, R 231.756 million in 2012/13 and R246.395 million in 2013/14 is added for health therapeutic OSD and Doctors OSD.

Personnel inflation related adjustments

In preparing budgets for the 2011 MTEF, department have been advised to budget for:

Salary increases of 5.5 per cent in 2011/12, 5.0 per cent in 2012/13 and 5.5 per cent in the 2013/14 financial year. Sufficient provision should be made for carry through costs of wage agreements in 2009/10 and 2010/11. These costs include increases during these two years, notch and pay progressions, housing allowances, increased employment and OSD.

TECHNICAL ADJUSTMENTS

SPECIAL ALLOCATIONS TO THE HEALTH SECTOR

As part of the national budget process, submissions for the health sector were considered by National MTEC Committee, discussed at Technical Committee on Finance and Budget Council, and approved by the Ministers Committee on Budgets (MinCombud) and Cabinet.

This section aims at providing greater detail on the purpose and nature of the health allocations approved by MinCombud and is provided partly to make available greater detail than provided previously in which many of the approved health priorities were summarised and grouped in a doctor OSD etc. category.

It is fully recognised that Provincial Equitable Share allocations are subject to provincial discretion in terms of the constitution. However to improve alignment of national priorities and provincial budgeting it is important that the province is fully aware of the national sphere's objectives and policy priorities for the year ahead. It is partly for this reason that the policy areas are briefly explained below.

Additional proposed allocations from the policy reserve are also discussed in this memorandum.

Provincial equitable share

Personnel and goods and services baseline adjustment (R42.385m, R86.315m, R99.064m)

Personnel and goods and services items have been under substantial pressure in provincial health departments. These allocations are made to contribute to stabilising these baselines, especially in hospital and primary health care services. Provinces are requested to stabilise Health budgets and to continue supporting Departments of Health with improving financial management.

OSD Therapeutic groups (R29.475m, R34.269m, R30.833m)

These amounts are to allow for an improved offer on this OSD for 40 categories of health professionals (physiotherapists, occupational therapists etc.) in the Bargaining Council. The original offer tabled was not accepted by Unions. This makes provision for the improved offer which has now been negotiated and signed to be implemented. The amount is over and above the original allocations for this OSD.

Doctor OSD Annexure A (R8.932m, R9.573m, R8.654m)

The amount which is in line with the Department of Health (DOH) bid is to cover the already signed agreement for improvement in the doctor OSD which provided approximately 2 notch increases for mid-level doctors over-and above the original OSD.

Health technology (R1.624m, R2.413m, R2.744m)

To upgrade clinical engineering workshops, employ additional clinical engineers and maintain clinical equipment. Currently medical equipment is not well maintained, is often not working optimally and has short lifespan. This is part of a bigger process in the health sector to improve health technology, have appropriate asset registers and to maintain and repair medical equipment.

Nursing College recapitalisation (R2.598m, R2.574m, R2.195m)

In line with the request from DOH following the successful nursing college audit, funding for the first stage of upgrading and recapitalisation is proposed. This stage includes immediate maintenance needs and detailed planning for infrastructure upgrading projects in Phase 2. Provided this work proceeds according to plan the larger part of nursing college recapitalisation programme will be supported in the next budget, should this phase prove successful.

Maternal and child health (R18.513m, R40.302m, R48.023m)

This is a key delivery agreement area in which a number of key outcome measures must be improved. The recent national Maternal and Child Health Plan indicates a set of activities. A number of these will be prioritised here including community-based post-natal checks which also involves community health workers, training and supervision of obstetric and paediatric services in district hospitals, development of school health services partly in preparation for introduction of HPV vaccine (to prevent cancer of cervix). This priority is in keeping with the Millennium Development Goals and priorities of Health Portfolio Committee. Provinces need to focus on turning around child and maternal mortality outcomes and implement the national Maternal and Child Health Plan (MCH) plan. Provinces should strengthen their monitoring to ensure that key child health indicators are actually improving.

Registrars and other critical posts (R8.120m, R16.089m, R20.581m)

The province has a large doctor shortfall.

The National Department of Health wishes to fill a number of registrar (trainee specialist) posts in a range of disciplines including paediatric and obstetric services in provinces. This project has strong backing from the College of Medicine. Funds could also be used to fund other critical posts which are a substantial issue in provincial Departments of Health and our province is not an exception.

HIV/AIDS cd4 350 treatment threshold (R0, R40.221m, R34.302m)

In last years budget the sector moved to the earlier treatment threshold for pregnant mothers and persons with TB. The WHO now recommends initiating treatment at cd4 of 350 for all patients. This will need to be introduced gradually because total costs will be significantly higher than the allocation. For the first time aids treatment costs are being introduced via the Provincial Equitable Share rather than the conditional grant. This is partly to begin progressively supporting a shift in financing of personnel from the grant into the Provincial Equitable Share.

Two new allocations are proposed from the policy reserve:

National Cabinet further agreed that savings, together with funds available in the policy reserve, be directed towards the stepping up of funding targeted towards priority government programmes.

Out of the policy reserve of R27 billion over the MTEF period, National Cabinet approved that the equitable share to provinces be increased by R2.5 billion over the MTEF to fund priorities in the health sector.

Our province's equitable share has accordingly been adjusted upwards by **R27.5 million in 2011/12, R71.2 million in 2012/13 and R98 million in 2013/14.**

The breakdown of this additional funding is indicated below:

Family health teams and PHC reengineering (R8.079 m, R32.141 m, R55.689 m)

This funding is a first attempt to begin transforming primary health services towards an improved model for National Health Insurance (NHI). The intention is to support the development of family health teams including greater involvement of doctors and community health workers in the current largely nurse-driven teams. The Department of Health has requested that these funds be conditionalised and the possibility of a new conditional grant is being considered.

Public hospital norms and standards (R19.390 m, R39.052 m, R42.324 m)

This funding is aimed at progressively addressing norms and standards for public hospitals, including those put out by the Office of Standards compliance. It is also intended to support the strengthening of public hospitals in preparation for NHI.

Funding for hospitals should be gradually directed towards hospitals with higher workloads in keeping with the report on hospital funding undertaken by Oxford Policy and jointly approved. Increasingly funds for hospitals should "follow the patient". Funds may be used to improve staffing towards achieving staffing norms and other relevant purposes.

The allocation for improvements of conditions of service (ICS i.e. annual wage adjustments (**R100.382m, R103.035m and R105.876m**) is additional to the policy recommendations specified above).

Other issues

Shift of forensic pathology grant into Provincial Equitable Share (PES) (R49.875 m in 2012/13, and R52.116 m in 2013/14)

Although this grant is shifted into the *Provincial Equitable Share (PES)* from the middle year (12/13) provinces have been cautioned to ensure that transition is handled smoothly, that funds are retained in the relevant (forensic pathology) subprogramme and the capital upgrading of mortuaries continues.

Savings on Hospital Revitalisation (allocation of R39.844 m only in 2013/14)

The savings have been effected in the third year only because of the slow spending on this programme. As capacity improves and these projects accelerate it is likely that this grant will grow further. The Provincial Treasury will continue to support the Department of Health to improve the delivery of large infrastructure projects.

It cannot be over emphasised that the funds provided must be used to support the national priorities which have been identified.

FUNDING OF PROVINCIAL PRIORITIES

REVISION OF 2011 /12 MTEF DEPARTMENTAL BASELINES FOR THE FUNDING OF PROVINCIAL PRIORITIES

The Budget and Finance Committee during its meeting of 21 February 2011 resolved that departmental baselines must be reduced downwards in order to make funds available for the funding of provincial priorities.

The reduction is taking place on two specific areas:

- a) It was resolved that the budget for Compensation of Employees must be fixed at the level that is proposed on the column marked proposed growth. All departments are expected to grow the budgets as indicated on table 1 below.

Compensation of Employees						
Name of Department			5 5%			
R'000	2010/11	2011/12	Proposed Growth	% Increase	New growth	Difference
	R'000	R'000	R'000	R'000	R'000	R'000
Education	9 246 185	10 148 902	10 028 725	9 8%	8 5%	120 177
Health	3 579 957	3 862 849	3 862 849	7 9%	7 9%	-
Social Development	329 310	374 354	359 492	13 7%	9 2%	14 862
Office Of The Premier	109 422	130 894	115 440	19 6%	5 5%	15 454
Mpumalanga Provincial Legislature	79 900	95 022	84 295	18 9%	5 5%	
Finance	110 350	146 050	118 819	32 4%	7 7%	27 231
Cooperative Governance And Traditional Affairs	212 678	237 955	224 375	11 9%	5 5%	13 580
Agriculture, Rural Development And Land Administrati	361 835	391 774	381 736	8 3%	5 5%	10 038
Economic Development,Environment And Tourism	149 143	167 730	157 346	12 5%	5 5%	10 384
Public Works Roads And Transport	948 372	999 358	1 000 532	5 4%	5 5%	
Safety Security And Liaison	62 578	70 476	67 720	12 6%	8 2%	2 756
Culture,Sport And Recreation	100 739	112 140	106 280	11 3%	5 5%	5 860
Human Settlements	115 442	136 351	121 791	18 1%	5 5%	14 560
	15 405 911	16 873 855	16 629 400			234 902

- (b) Own Revenue allocations be withdrawn with immediate effect from all votes in order to allow the Executive Council to direct funding towards specific provincial priorities.

SPECIAL ALLOCATION TO EDUCATION			
	R'000		
Additional funding to MRTT	21 000	Creation of jobs - EPWP element	Executive Council meeting at Govan Mbeki resolved that additional funding must be made available to MRTT
Additional funding on LTSM (TOP UP)	35 000	Basic Functionality of schools	workbooks - 334128 learners and 3668 educators
Appointment of bookkeepers for each school on a permanent basis	22 500	Basic Functionality of schools - creation of jobs	Preparation of AFS and record keeping
Increase the % of Grade 3,6,9 learners functionality at the required level in Literacy and numeracy	33 000	Implementation of the STARS Programme	Department must undertake regular assessment to track progress. Operational budget available for the visits that will be undertaken
Improve early childhood development	33 000	Implementation of the STARS Programme	Accelerate provisioning of ECD friendly classrooms in public schools
Improve the quality of teaching and learning	52 000	Basic Functionality of schools, creation of jobs, EPWP element	Completion of the Witbank Farm Comprehensive school
Purchase of CAPS LTSM - Grade 10 learners and educators	67 000	Basic Functionality of schools	5900 Foundation phase and 3668 Grade 10 educators
Strengthening of the Matric Improvement programme	51 000	Implementation of the STARS Programme	There is a need to sustain the Matric Improvement programme
No fee schools	15 000	Basic Functionality of schools	To improve the school funding norm
Total special allocation to Education	329 500		
SPECIAL ALLOCATION TO THE DEPARTMENT OF FINANCE			
Governance issues -Appointment of audit firms	7 500	Basic Functionality of schools	Audit of no fee and section 21 schools, infrastructure, NPOs, NGOs in Social Development
Total special allocation	337 000		

SPECIAL ALLOCATION TO THE DEPARTMENT OF HEALTH			
	R'000		
TB and HIV and AIDS	20 000	For the provision of stipends and stationery to the Health workers and Direct Observatory Treatment (DOT) supporters who assist the department in collecting data on the patients, trace defaulters and conduct visits to each household	creation of jobs and contribution towards achievement of outcome 2 - currently DOT supporters been using NGO ones, UV lights in all 345 facilities currently ,open now as well as vehicles for transporting the DOT supporters
Funding of the 4 Additional CHC s.	56 710	Compensation of Employees budget amounting to R41.404 million is required for staffing of the new CHCs as well as Goods and services and equipment of R15 360 million	The Department of Health Vote 10 has currently completed four Community Health Centers (CHC's) which must be opened in the next financial year. The facilities were constructed to ensure improved access to health services by community of Mpumalanga. It is critical for the Department that those facilities are utilized to ensure efficiency of immovable assets.
Waste management	21 000	Item not budgeted for adequately - creation of jobs	For the funding of the Waste Management tender the department requires R42 million (available on current budget R21 million with a shortfall of R20 million
Security	50 000	creation of jobs	Security Services requirement R182 million (available on current budget R132 million shortfall R50 million) Own Revenue allocation of R50 million that was cut recently has affected the funding of the security item.
Funding for outreach programmes	3 000	creation of jobs	Whenever Executive Council goes out on Outreach programmes, the Department of Health will provide services in the communities that the Executive Council reaches out to
	150 710		

At the special Cabinet in Govan Mbeki local municipality, the Department indicated that R100 million was available for the purchase of mobile clinics. The Executive Council indicated that mobile clinics should not be purchased.

The Budget and Finance Committee of 10 March 2011 directed that the R100 million be directed towards construction of 5 community health centers in the CRDP sites. This allocation is available for CRDP programme over and above the R150.710 million.

COMPREHENSIVE RURAL DEVELOPMENT PROGRAMME (CRDP)

In line with the call to job creation, the Mpumalanga provincial government has committed in realising this goal through one of our key programmes "The Comprehensive Rural Development Programme". This programme allows all departments to collaborate and intervene in an integrated manner.

We have been piloting the CRDP in Mkhondo and with the experiences, we are now ready to roll out the programme to other six municipalities as specifically all wards in Mkhondo Local Municipality; Chief Albert Luthuli (wards 11 & 18); Pixley Isaka Seme (wards 6 & 10); Nkomazi (wards 16 & 17); Dr JS Moroka (wards 20, 21 and 24); Thembisile Hani (wards 8 & 9) and Bushbuckridge.

The departments have worked together with the local municipalities and the private sector to come up with interventions that are aimed at job creation through infrastructure development and provision of basic services in these poverty stricken wards. Together the departments have managed to prioritise the roll out of CRDP and committed about R1 billion to fund various initiatives in these wards.

Human Settlement has put aside R284 million to allow people to participate in building their houses in line with the PHP programme. About R150 million has been prioritised to focus of the provision of an effective primary health services in these rural areas through the provision of 24-hr clinic centres.

The infrastructure development requires the necessary skills; hence the province has put MRTT at the centre to develop these skills. In response to the SOPA, the Provincial Treasury has made a special allocation of R22 million to train 585 mainly young people and women in building related trades to enable them to have the pre-requisite skills to participate. The Department of Agriculture, Rural Development and Land Administration received a special allocation of R150 million to upscale Masibuyele Emasimini, drill boreholes for both food gardens and domestic purposes, revitalize irrigation schemes, carry out the fencing programme, and renovate Marapyane College of Agriculture.

Through these initiatives, the province is targeting the creation of more than 15,000 temporal jobs while 5,000 permanent jobs are expected.

WATER PROVISION

While we are mindful of the fact that water provision is a mandate of the two spheres of government namely National and Local Government, however as a provincial government we will intervene in 2011/12 financial year in order to assist the province in areas where there is no water.

In order to achieve the 2014 Millennium Development Goal of universal access to basic water supply in the Province, municipalities have been allocated funding in the Division of Revenue Act through the Regional Bulk Infrastructure Grant (RBIG) and through the Municipal Infrastructure Grant (MIG) to construct both internal and external bulk infrastructure.

Access to water remains a challenge that continues to impact negatively on the quality of life of our citizens in rural areas.

The challenges in the province lie in ageing water infrastructure, the poor state of water treatment and waste water works as well as the lack of skilled operations and maintenance staff.

Whilst the Bulk Water Infrastructure Master Plan is being developed by Provincial Government, Municipalities, Water Affairs and Water Boards alongside this, pressing challenges of bulk water supply to ensure the communities have access to basic water services, **R100 million** is made available in this regard in order to address critical areas identified in the Bulk Water Plan.

We would like to appeal to the municipalities to correct low spending that is reported on the allocations made towards water provision from the 2010 Division of Revenue Act and begin

to gear themselves for the implementation of projects that are funded in the 2011 Division of Revenue Act.

As a Province, we are committed to creating an environment that promotes the development of talent in various sporting codes so that we open up opportunities for the development of world-class professional athletes.

This is done in order to sustain the legacy of hosting the 2010 FIFA Soccer World Cup. During the 2011/12 financial year, we will commence with the establishment of the Sports Academy.

During the State of Province address it was indicated that suitable land has already been identified and secured in Emakhazeni Local Municipality.

The Province has entered into a partnership with Portugal to learn from their experiences on how sport contributes to nation building and social cohesion.

Portugal will also provide assistance with expertise and skills transfer in the establishment and operations of the Sports Academy.

A special allocation is made towards construction of a Sports Academy amounting to **R50 million**.

FUNDING OF PROVINCIAL PRIORITIES

Funding of provincial priorities	2011/12
Unallocated equitable share	31 765
Own Revenue	627 828
Reduction from compensation of employees	234 902
Total	894 495
Allocation to Provincial Legislature own revenue allocation included in R627 million above allocation reinstated due to separation of powers	21 761
Allocation of R48 million to Human Settlements during adjustments- R19 973 million allocated in 2010/11 and balance of R28.807 million to be funded in 2011/12 financial year- Mangosuthu (400 units) , Lekwa Farm project (200 units) and Pixley Isaka Seme(200 units)	28 807
Funding of Priorities in the Department of Education - Outcome 1	329 500
Funding of Priorities in the Department of Health - Outcome 2	150 710
Provincial Contribution towards water provision in the various municipalities - allocated to the Department of Human Settlements	100 000
Funds allocated towards Comprehensive Rural Development Programme- DARDLA	150 000
Social Development - Outreach programmes	2 000
Special allocation for storm damages in the province	30 000
Infrastructure improvement in rural communities - PWRT - included in the CRDP business plan	10 000
Stabilisation of goods and services- Office of the Premier	4 217
Commemoration on the Liberation Route - Statute of Pixley Isaka Seme	5 000
Construction of the Sports Academy	50 000
Special allocation to the Department of Finance on governance issues in Education and Social Development	7 500
Safety, Security and Liaison - additional funding towards crime prevention programmes	5 000
	-

1.2 Summary of budget aggregates

R thousand	Outcome			Main appropriation	Adjusted appropriation 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Provincial receipts									
Transfer receipts from national	16 183 037	19 850 219	23 376 044	25 545 468	26 298 756	26 298 756	28 576 049	30 204 349	31 926 174
Equitable share	14 454 264	17 731 909	19 873 715	21 323 198	21 969 063	21 969 063	23 378 714	24 570 021	25 786 476
Conditional grants	1 728 773	2 118 310	3 502 329	4 222 270	4 329 693	4 329 693	5 197 335	5 634 328	6 139 698
Provincial own receipts	466 203	513 053	465 631	550 791	546 355	563 012	644 799	669 675	702 288
Total provincial receipts	16 649 240	20 363 272	23 841 675	26 096 259	26 845 111	26 861 768	29 220 848	30 874 024	32 628 462
Provincial payments									
Current payments	13 120 412	16 151 375	18 936 416	20 784 225	21 122 951	21 114 304	22 704 232	24 135 045	25 508 036
Transfers and subsidies	1 793 783	2 087 324	2 676 657	3 132 785	3 338 788	3 374 580	3 741 590	3 884 666	4 075 962
Payments for capital assets	1 359 514	1 859 042	2 007 276	2 183 575	2 311 021	2 139 394	2 752 133	2 838 225	3 025 157
Payments for financial assets	1 271	345	9 216	0	10 844	86	0	0	0
Unallocated contingency reserve									
Total provincial payments	16 274 980	20 098 086	23 629 565	26 100 585	26 783 604	26 628 364	29 197 955	30 857 936	32 609 155
Surplus/(deficit) before financing	374 260	265 186	212 110	(4 326)	61 507	233 404	22 893	16 088	19 307
Financing									
Provincial roll-overs									
Other (Specify)									
Other (Specify)									
Other (Specify)									
Surplus/(deficit) after financing	374 260	265 186	212 110	(4 326)	61 507	233 404	22 893	16 088	19 307

1.3 Financing

TOTAL PROPOSED BUDGET: 2011/12

The 2011 Provincial Fiscal Framework makes available the total amount of R29.221 billion made up of Equitable Share (R23.379 billion), Conditional Grants (R5.197 billion), Own Receipts (R645 million). Included in the R645 million is R16.772 million received from the National Department of Rural Development and Land Reform as a contribution towards the Comprehensive Rural Development Programme. The commitment made by the National Departments amounts to R50 million however what is being appropriated at this stage is the amount that has been transferred to the province during 2010/11 financial year.

Of the total available R29.221 billion, R29.198 billion is allocated to the provincial departments to fund the 2011 MTEF national and provincial priorities.

The balance of R22.893 million in 2011/12 that is earmarked for the province in EPWP incentives on jobs that will be created especially in the social services sector, be retained in the Provincial Revenue Fund. This amount will be confirmed by the National Department of Public Works and thereafter will be included in the adjustment appropriation if the province qualifies on jobs creation initiative.

2. BUDGET PROCESS AND THE MEDIUM TERM EXPENDITURE FRAMEWORK

- The Budget Process schedule was developed and distributed to all stakeholders during June 2010. The Budget Process schedule was presented to the CFO forum, Provincial Management Committee which is a technical committee of Heads of Departments and finally at the Executive Council meeting during July 2010.
- The National Cabinet Lekgotla key issues and resolutions guided the setting of priorities during the planning of Executive Council Lekgotla that took place from 17-19 August 2010

where departments coordinating outcomes were instructed to ensure that all relevant stakeholders contribute to the achievement of the outcomes. The Executive Council Lekgotla also assessed draft Delivery Agreements. Government's change agenda was spelled out during session with departments presenting 2011 MTEF plans using the Outcome Based Approach.

- c) The Executive Council meeting of 26-28 October 2010 provided an opportunity for departments to present their refined MTEF plans as well as draft budgets for 2011 MTEF period (first draft budget submissions).
- d) The Provincial Treasury with the assistance of the Office of Presidency convened a workshop for the Provincial Legislature on the Outcome Based Approach in order to pave a way for the assessment of Annual Performance Plans as per Treasury Regulation 5.
- e) The first and second draft budget submissions were presented to the Budget and Finance Committee meetings that are chaired by the Premier of the Province. The Budget and Finance Committee is a sub-committee of the Executive Council and is tasked with a responsibility of overseeing the finances in the province.
- f) The province held Medium Term Expenditure Committee hearings with all the departments in line with the budget process schedule between September and October 2010.
- g) Adjustments Estimates were finalised after a number of engagements were held under the guidance of the Budget and Finance Committee. The adjustment budgets were tabled on 26 November 2010 and the Mpumalanga Adjustments Appropriation Bill was assented to on 06 December 2010 by the Honourable Premier of the province to an Act of Provincial Legislature, Act No. 5 of 2010.
- h) The Benchmark session held on 14 January 2011 provided us with an opportunity to refine the databases in preparation for the final submission. A second benchmark session was held on 17 March 2011 as provincial budgets were reconfigured after the Budget and Finance Committee meetings of 20 and 21 February 2011. Executive Council at Govan Mbeki on 1 March 2011 directed that consultation with communities on the Comprehensive Rural Development Strategy must take place between 7-9 March 2011.
- i) An amended budget process schedule reflecting a schedule of critical dates was circulated in order to ensure that the budgets are tabled on 24 March 2011.
- j) The final budget and Finance Committee endorsed the draft budgets on 10 March 2011 which were approved by the Executive Council on 15 March 2011.
- k) A second benchmark session was held with National Treasury on 17 March 2011 as provincial budgets were reconfigured after the Benchmark report was already endorsed by Budget Council.
- l) These processes are now concluded and the 2011 MTEF budgets will be tabled on the 24 March 2011, a period which is unfortunately 14 days beyond the deadline. The Provincial Treasury will do whatever in its power to ensure adherence to the budget process schedule.

3. SOCIO-ECONOMIC REVIEW AND OUTLOOK OF MPUMALANGA

This section reflects on important socio-economic statistics in Mpumalanga. Information used in this section was collected from approved and credible sources to provide a realistic picture of the socio-economic conditions in the province. The socio-economic outlook is crucial in the planning and budget process 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

3.1.1 Population figures and growth

According to Statistics South Africa's mid-year estimates of 2010, Mpumalanga's percentage share of the national population of nearly 50 million was 7.2 per cent or 3.6 million (Table 3.1). Mpumalanga registered the sixth largest share among the provinces. Gauteng with 22.4 per cent was the province with the largest share of the national population, followed by KwaZulu-Natal with a 21.3 per cent share. Northern Cape recorded the lowest percentage share of the national population at 2.2 per cent.

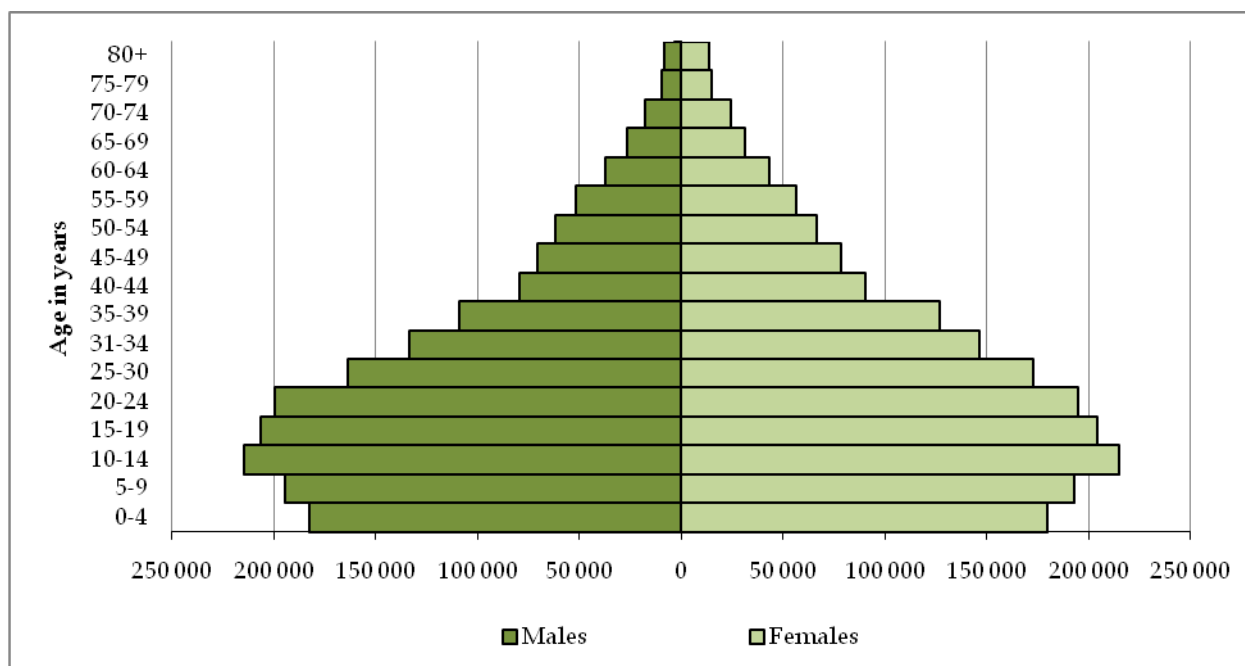
Table 3.1: Population in South Africa by province, 2001 & 2010

Region	2001 Census		2010 Mid-year estimates	
	Number	% share of national	Number	% share of national
Eastern Cape	6 278 651	14.0	6 743 800	13.5
Free State	2 706 776	6.0	2 824 500	5.7
Gauteng	9 178 873	20.5	11 191 700	22.4
KwaZulu-Natal	9 584 129	21.4	10 645 400	21.3
Limpopo	4 995 533	11.1	5 439 600	10.9
Mpumalanga	3 365 885	7.5	3 617 600	7.2
Northern Cape	991 919	2.2	1 103 900	2.2
North-West	3 193 678	7.1	3 200 900	6.4
Western Cape	4 524 334	10.1	5 223 900	10.4
Total	44 819 778	100.0	49 991 300	100.0

Source: Statistics South Africa – 2001 Census & 2010 Mid-year Population Estimates

Figure 3.1 shows the population cohort of Mpumalanga according to the mid-year estimates. Females constituted 1.85 million or 51.2 per cent of the provincial population distribution and males 1.76 million (48.8 per cent). The youth cohort (0-34 years) made up 71.9 per cent of the total population in the province and the age group 60 years and older, only 6.3 per cent. In South Africa, the youth cohort made up 68.6 per cent of the total population and the age group 60 years and older, 7.6 per cent. The age cohort of 10-14 years represented the most populous age cohort with 429 300 individuals or some 11.9 per cent of the provincial population. Nationally the most populous age cohort was the 15-19 years group that represented some 10.5 per cent of the population.

Figure 3.1: Population cohort of Mpumalanga, 2010



Source: Statistics South Africa – 2010 Mid-year Population Estimates

The population growth rate of South Africa and Mpumalanga declined over the period 2002 to 2010. The average annual population growth rate for Mpumalanga between 2002 and 2009 was 0.9 per cent compared with the 1.2 per cent recorded nationally. In Mpumalanga, the population growth rate of males exceeded that of females in each of the nine years. The average annual population growth rate for males and females in the province was 1.0 per cent and 0.7 per cent, respectively.

The majority of Mpumalanga's population in 2009 was African (92.9 per cent) with Whites contributing 6.1 per cent. Coloureds (0.6 per cent) and Asians (0.4 per cent) jointly contributed 1 per cent to the total population in 2009. In 2009, 41.6 per cent of the provincial population resided in Ehlanzeni, 30.1 per cent in Nkangala and 28.2 per cent in Gert Sibande.

3.1.2 Fertility

South Africa's fertility rate for the period 2001-2006 was 2.75 and this is projected to decrease to 2.48 in the period 2006-2011. Mpumalanga's fertility rate was higher (2.79) than the national rate for the period 2001-2006, but the projected fertility rate of 2.47 for the period 2006-2011 is slightly lower than the corresponding national rate. In terms of the highest fertility rate level, it is expected that Mpumalanga will remain in fifth position among the nine provinces for the period 2006-2011.

3.1.3 Life expectancy

South Africa's male life expectancy at birth for the period 2001-2006 was 51.2 years. Mpumalanga's life expectancy was lower during the period of observation and was estimated at 49.6 years. The projections for the period 2006-2011 suggest that it will increase to 50.3 years, however, the increase will not be as large as the national increase of 1 year to

52.2 years. Mpumalanga's male life expectancy for the period 2001-2006 was the fourth lowest and for the period 2006-2011, Mpumalanga (50.3 years) is again expected to be the fourth lowest.

The national average female life expectancy at birth for the period 2001-2006 was 54.2 years and higher than that of males. As with male life expectancy, Mpumalanga was the province with the fourth lowest female life expectancy (51.5 years) for the period 2001-2006. The provincial figure is projected to increase to 51.6 years for the period 2006-2011, which will see to it that Mpumalanga remain with the fourth lowest female life expectancy. According to the South African Government's Outcomes Approach, the life expectancy of all South Africans is targeted to be 58-60 years by 2014/15.

3.1.4 Migration

Table 3.2 portray the migration streams between the provinces over the period 2006 to 2011. Mpumalanga registered an outflow of 164 900 compared to the inflow of 120 700, resulting in a net migration of -44 200. Most of the provinces, including Mpumalanga, demonstrated a negative net migration, whilst Gauteng (364 400), Western Cape (94 600) and KwaZulu-Natal (1 800) registered a positive net migration. Mpumalanga recorded the third highest net outflow among the nine provinces behind Eastern Cape (-211 600) and Limpopo (-141 000).

Table 3.2: Estimated provincial migration streams in South Africa, 2006-2011

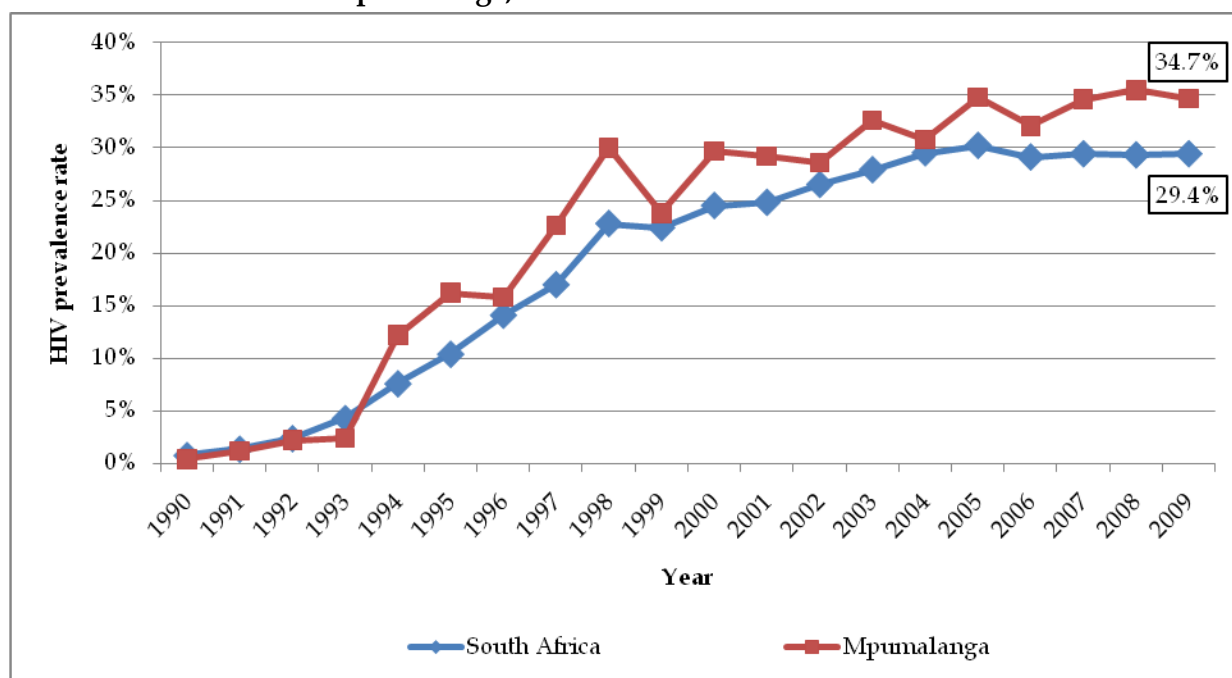
Region	Out migration	In migration	Net migration
Eastern Cape	327 200	115 500	-211 600
Free State	122 000	92 600	-29 400
Gauteng	309 300	673 700	364 400
KwaZulu-Natal	196 100	197 900	1 800
Limpopo	237 400	96 300	-141 000
Mpumalanga	164 900	120 700	-44 200
Northern Cape	61 500	43 000	-18 500
North-West	177 100	161 000	-16 000
Western Cape	111 500	206 100	94 600

Source: Statistics South Africa – 2010 Mid-year Population Estimates

3.1.5 The impact of HIV and AIDS

Changes in the HIV prevalence of the female population distribution for the 15–49 age group in the province and nationally between 1990 and 2009 is depicted in Figure 3.2. The estimated overall prevalence rate for this age group was 29.4 per cent for South Africa and 34.7 per cent for Mpumalanga in 2009. With the exception of the first few results in the early nineties, the prevalence rate in Mpumalanga was consistently higher than the average recorded nationally.

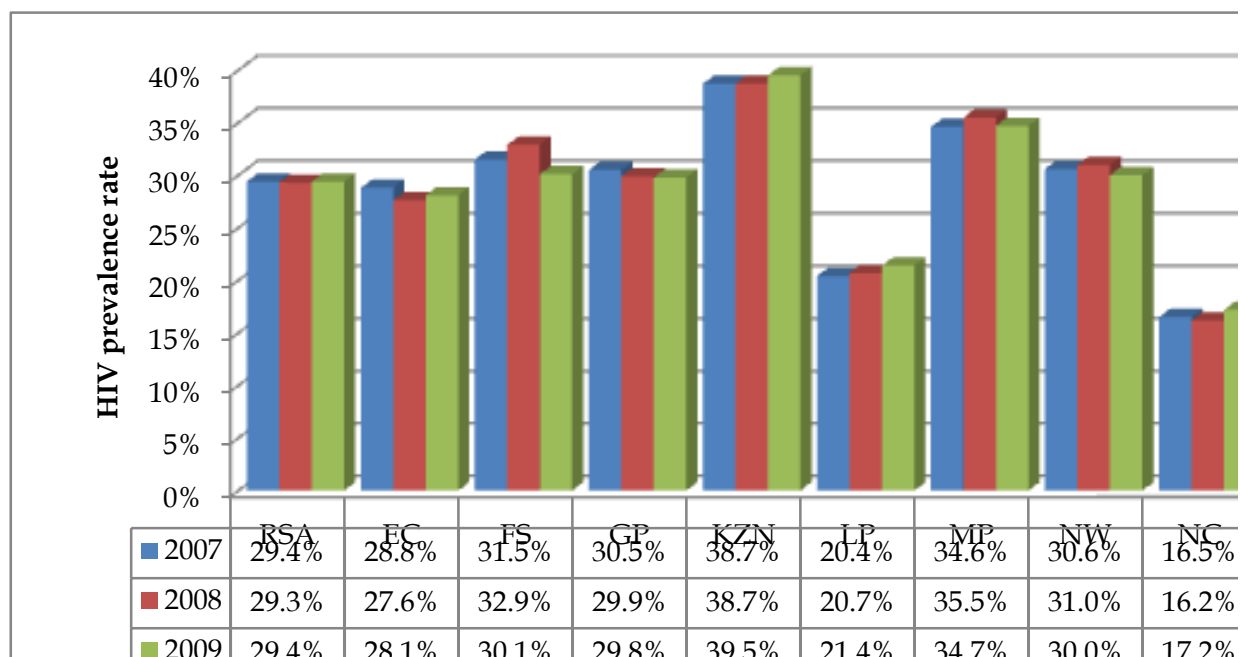
Figure 3.2: Comparison of HIV prevalence rate among females aged 15-49 in South Africa and Mpumalanga, 1990-2009



Source: National Department of Health – 2009 National HIV and Syphilis Prevalence Survey

The 2009 prevalence rate in Mpumalanga was the second highest after KwaZulu-Natal (39.5 per cent). Mpumalanga recorded a decrease of 0.8 percentage points between 2008 and 2009, the third largest decrease among the nine provinces, however, between 2007 and 2009 Mpumalanga experienced an increase of 0.1 percentage points. The HIV prevalence rate for female aged 15-49 in the various provinces is compared in Figure 3.3.

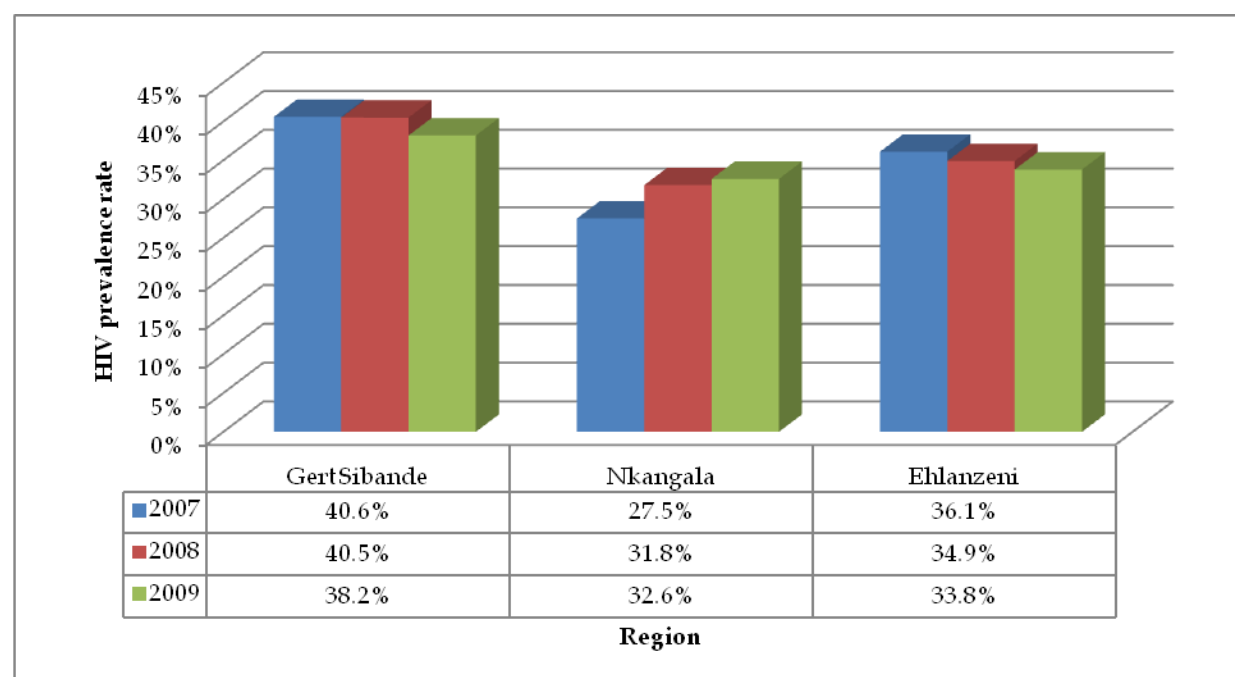
Figure 3.3: HIV prevalence rate by province among females aged 15-49, 2007-2009



Source: National Department of Health - 2009 National HIV and Syphilis Prevalence Survey

When comparing districts (Figure 3.4), the highest HIV prevalence rate for females aged 15-49 in Mpumalanga was recorded in Gert Sibande (38.2 per cent) and the lowest in Nkangala (32.6 per cent). Nkangala, however, recorded an increase between 2007 and 2009 of 5.1 percentage points whereas Ehlanzeni and Gert Sibande registered respective declines of 2.3 percentage points and 2.4 percentage points over the same period. Among the 52 health districts nationally, Gert Sibande recorded the seventh highest prevalence rate in 2009 followed by Ehlanzeni and Nkangala in 14th and 17th place, respectively.

Figure 3.4: HIV prevalence rate by district in Mpumalanga among females aged 15-49, 2007-2009



Source: National Department of Health – 2009 National HIV and Syphilis Prevalence Survey

3.2 LABOUR PROFILE

3.2.1 Labour force profile

The labour force comprises of all the employed and the unemployed population in the province. The South African labour market still endures hardship from the recent recession and, despite economic recovery in gross domestic product (GDP) terms, evidence of employment as a lagging indicator is clear. This is evident in that the national labour force shrunk by 102 000 between the end of the third quarter 2010 and the end of the fourth quarter 2010. Despite this, the national economy managed to create 157 000 jobs over the same period, albeit a large share should, in the next quarter, prove to be seasonal in nature. The resultant unemployment rate declined (improved) from 25.3 per cent in the third quarter 2010 to 24.0 per cent in the fourth quarter 2010. Despite the slight improvement, 1 in every 4 members of the national labour force was still unemployed at the end of the fourth quarter 2010.

The national labour absorption rate was 40.8 per cent at the end of the fourth quarter 2010, which was marginally higher than the 40.5 per cent registered at the end of the third quarter 2010. According to Government's Outcomes Approach, the South African economy must become more labour absorbing and a level of 45 per cent is envisaged by 2014/15. Conversely, the labour force participation rate at the end of the fourth quarter 2010 (53.6 per cent) was lower than the rate recorded at the end of the third quarter 2010 (54.2 per cent).

The labour market in Mpumalanga also remains under pressure although the economic recession has lifted. The provincial labour force of around 1.2 million individuals was some

15 000 lower at the end of the fourth quarter 2010 than at the end of the third quarter 2010. The number of employed at 876 000 at the end of the fourth quarter 2010 was also 14 000 lower than at the end of the third quarter 2010. The number of employed was also 34 000 lower than the 910 000 employed one year ago, at the end of the fourth quarter 2009. The number of unemployed decreased by 1 000 to 352 000 between the end of the third quarter 2010 to the end of the fourth quarter 2010. On the other hand, the number of discouraged workers increased by 14 000 over the two most recent quarters. Table 3.3 depicts the labour force profile of the province.

Table 3.3: Labour force profile of Mpumalanga, 2009-2010

Indicator	Q4 2009	Q3 2010	Q4 2010	Q3 2010 to Q4 2010 change	Year-on- year change
	'000	'000	'000	'000	'000
- Population 15-64 years	2 267	2 297	2 307	10	40
- Labour Force/EAP	1 234	1 243	1 228	-15	-6
- Employed	910	890	876	-14	-34
- Unemployed	324	353	352	-1	28
- Not economically active	1 033	1 055	1 079	24	46
- Discouraged work seekers	126	193	207	14	81
Rates	%	%	%	%	%
- Unemployment rate (strict definition)	26.3	28.4	28.7	0.3	2.4
- Unemployment rate (expanded definition)	38.5	43.2	44.3	1.1	5.8
- Employed/population ratio (absorption rate)	40.1	38.7	38.0	-0.7	-2.1
- Labour force participation rate	54.4	54.1	53.2	-0.9	-1.2

Source: Statistics South Africa – QLFS, 2011

Although the unemployment rate (strict definition) was higher at the end of the fourth quarter 2010 (28.7 per cent) than at the end of the fourth quarter 2009 (26.3 per cent), it was still below the 28.9 per cent measured at the end of the first quarter 2010. The unemployment rate according to the expanded definition increased to 44.3 per cent at the end of the fourth quarter 2010, up from 43.2 per cent at the end of the third quarter 2010 and 5.8 percentage points higher than 12 months earlier. Between the two most recent quarters, the labour absorption rate declined from 38.7 per cent to 38.0 per cent, whilst the labour force participation rate declined slightly to 53.2 per cent.

3.2.2 Employment

Table 3.4 shows that despite an increase of 157 000 in the employment numbers in the fourth quarter of 2010, the labour market shed 118 000 jobs over the last year. In total over the last year, Mpumalanga recorded 34 000 job losses of which 14 000 were registered in the fourth quarter 2010. On a year-on-year basis, Western Cape (-45 000) lost the most jobs. Gauteng (-5 000) and Mpumalanga (-14 000) were the only two provinces to record declining employment numbers between the third and fourth quarters of 2010. Total employment in the province constituted 6.7 per cent of employment in the country.

Table 3.4: Changes in employment in South Africa and provinces, 2009-2010

Region	Q4 2009	Q3 2009	Q4 2010	Q3 2010 to Q4 2010 change	Year-on-year change
	'000	'000	'000	'000	'000
Western Cape	1 817	1 754	1 772	18	-45
Eastern Cape	1 291	1 306	1 328	22	37
Northern Cape	292	276	278	2	-14
Free State	791	768	785	17	-6
KwaZulu-Natal	2 476	2 401	2 439	38	-39
North-West	728	714	740	26	12
Gauteng	3 996	3 958	3 953	-5	-43
Mpumalanga	910	890	876	-14	-34
Limpopo	949	905	962	57	13
South Africa	13 250	12 975	13 132	157	-118

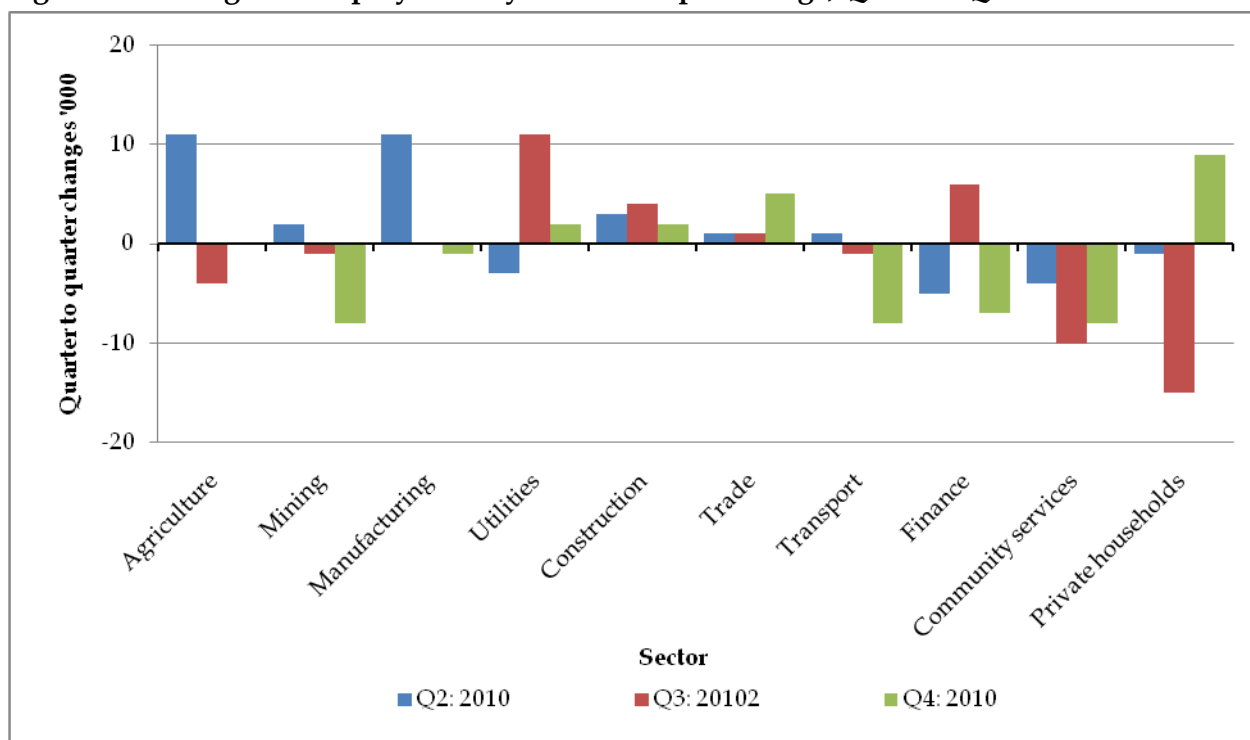
Source: Statistics South Africa – QLFS, 2011

Note: Due to rounding, numbers do not necessarily add up to totals

The majority of job losses during the last three quarters in Mpumalanga were in the community services (-22 000), transport (-8 000), and mining (-7 000) sectors. According to Figure 3.5, manufacturing (10 000), utilities (10 000) and construction (9 000) were the three sectors that recorded the highest positive employment changes over the last three quarters of 2010.

Table 3.5 shows the aggregated employment composition of employment in the province from the end of the fourth quarter 2009 to the end of the fourth quarter 2010. In Mpumalanga, the formal employees' share of total employment increased from 60.6 per cent at end of the fourth quarter 2009 to 61.2 per cent at the end of the fourth quarter 2010. The informal sector's share declined from 22.8 per cent to 21.2 per cent over the same period. Private households' share remained constant at 9.1 per cent, whereas agriculture's share increased from 7.5 per cent to 8.4 per cent.

Figure 3.5: Changes in employment by sector in Mpumalanga, Q2: 2010-Q4: 2010



Source: Statistics South Africa - QLFS, 2011

Table 3.5: Aggregate employment in Mpumalanga, 2009-2010

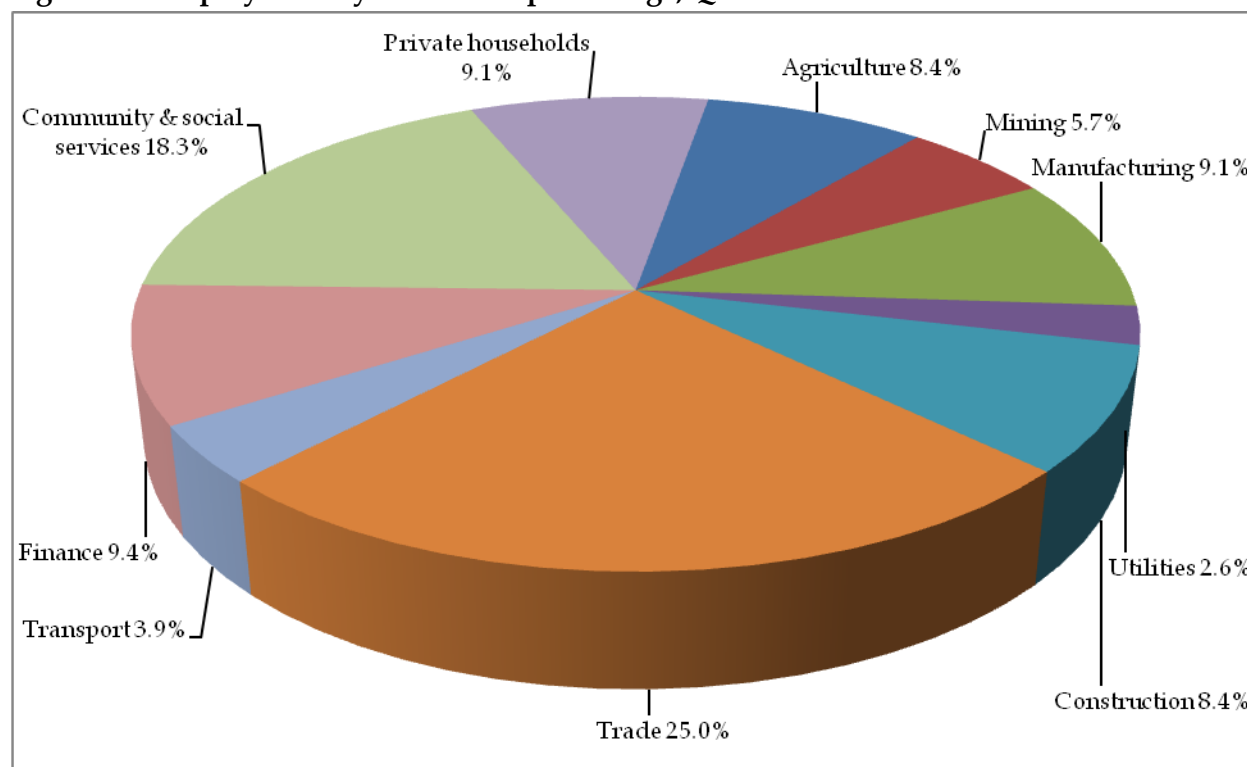
Sector	Q4 2009		Q3 2010		Q4 2010	
	SA	MP	SA	MP	SA	MP
Formal sector	70.5%	60.6%	69.7%	62.7%	69.8%	61.2%
Informal sector	16.3%	22.8%	16.7%	21.0%	16.9%	21.2%
Agriculture	4.7%	7.5%	4.9%	8.3%	4.8%	8.4%
Private households	8.5%	9.1%	8.6%	8.0%	8.5%	9.1%
Mpumalanga	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Statistics South Africa - QLFS, 2011

Note: Due to rounding, numbers do not necessarily add up to totals

Figure 3.6 shows employment by sector in Mpumalanga in the fourth quarter of 2010. The trade sector (wholesale and retail trade) employed the largest share of individuals in the province at 25.0 per cent. Community and social services (18.3 per cent) was the second biggest employer followed by finance (9.4 per cent) and manufacturing (9.1 per cent). The sectors that contributed the least were transport (3.9 per cent) and utilities (2.6 per cent).

Figure 3.6: Employment by sector in Mpumalanga, Q4 2010



Source: Statistics South Africa – QLFS, 2011

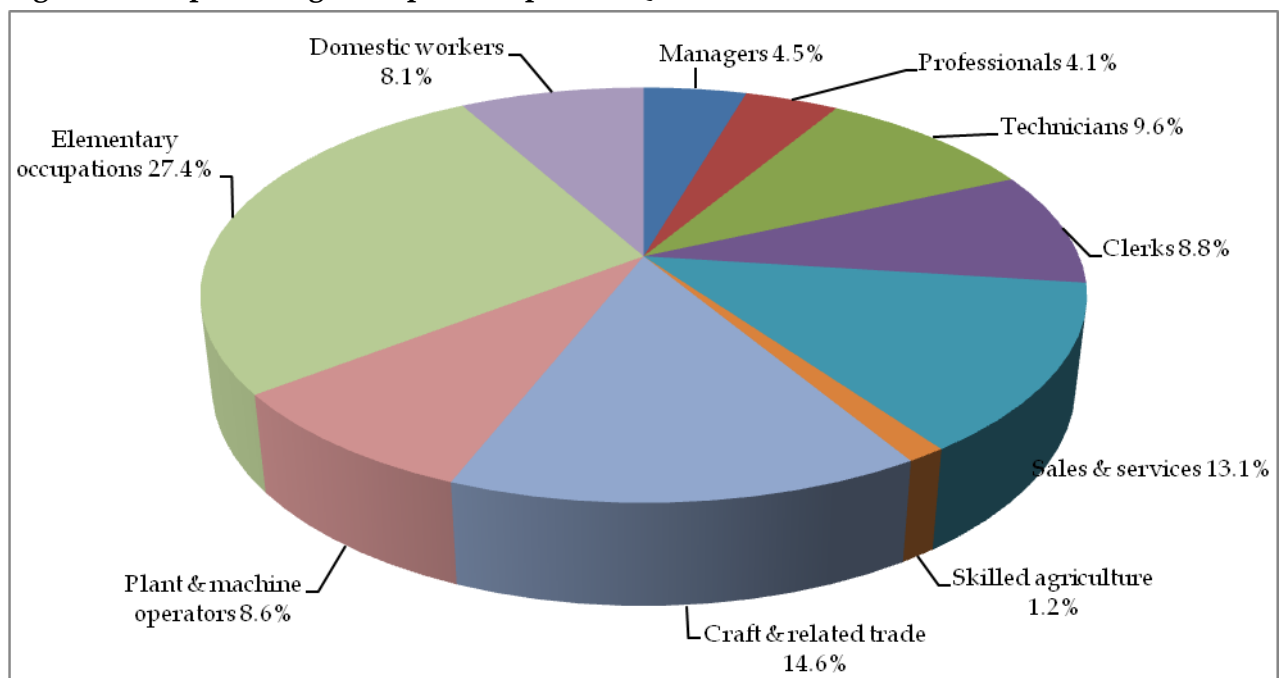
According to Statistics South Africa's QLFS, 56.1 per cent of the employed found themselves employed in the urban areas of the province, whereas the remainder (43.9 per cent) worked in rural areas. The age group of 30-34 years was the highest represented among the number of employed with a share of 18.5 per cent. The youth cohort (15-34 years) made up some 45.9 per cent of the number of employed.

3.2.3 Occupational profile

Mpumalanga's occupational profile was heavily skewed towards semi- and unskilled occupations. The share of highly educated or skilled occupations (managers and professionals) was only 8.6 per cent. The share of the category of elementary occupations was 27.4 per cent. The majority of these people are normally unskilled or semi-skilled workers. Figure 3.8 illustrates the occupational profile of Mpumalanga in the fourth quarter of 2010.

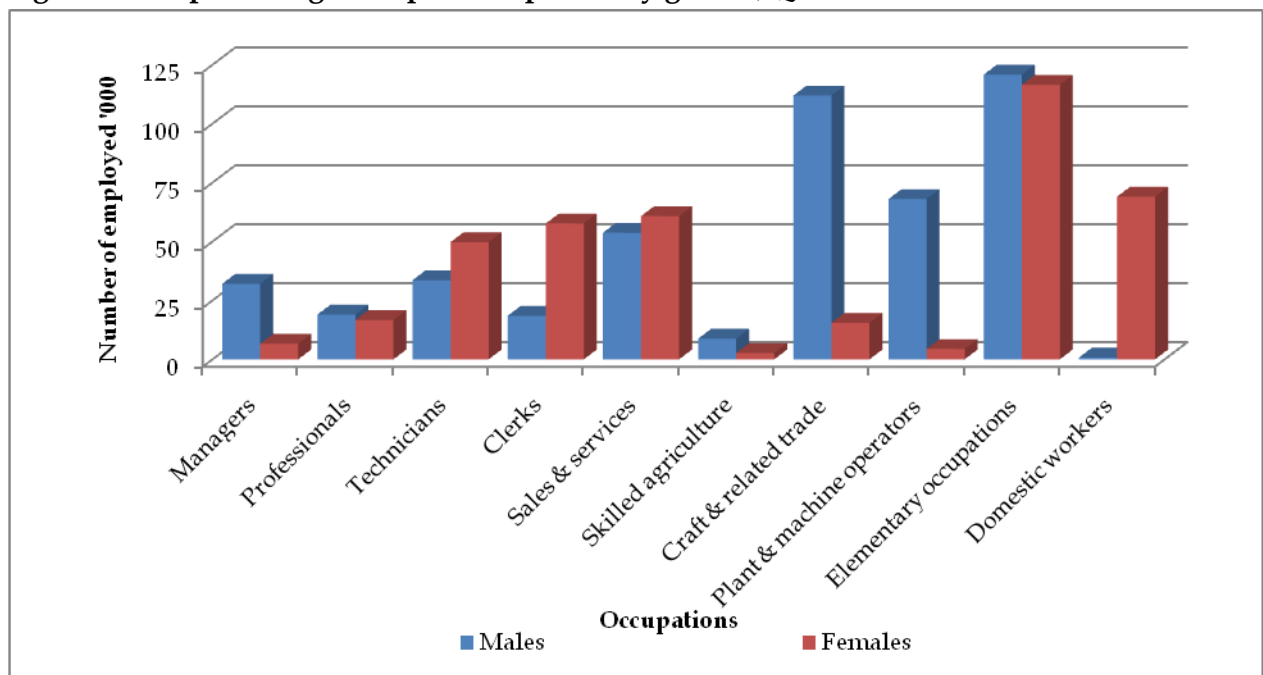
Disaggregation according to gender reveals that more males (57.7 per cent) than females (42.3 per cent) were employed in Mpumalanga. Figure 3.9 depicts the occupational profile of the province by gender at the end of the fourth quarter of 2010. In general, females dominated the following occupational categories; technicians, clerks, sales and services occupations as well as domestic workers.

Figure 3.8: Mpumalanga occupational profile, Q3 2010



Source: Statistics South Africa - QLFS, 2011

Figure 3.9: Mpumalanga occupational profile by gender, Q3 2010



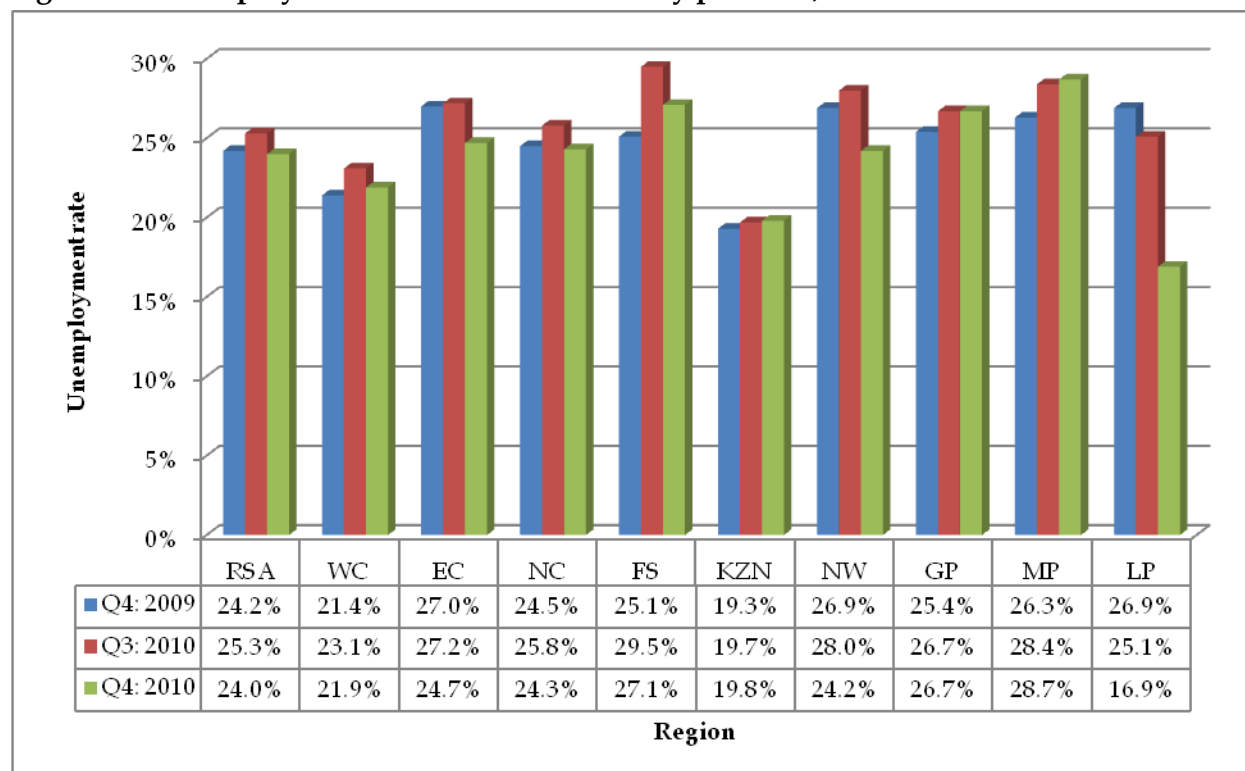
Source: Statistics South Africa - QLFS, 2011

3.2.3 Unemployment

According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga was 26.3 per cent at the end of the fourth quarter 2009 and increased to 28.7 per cent at the end of the fourth quarter 2010. This was higher than the national average, which was recorded at 24.0 per cent at the end of the fourth quarter 2010. Mpumalanga, recorded the highest unemployment rate among the nine provinces followed by Free State (27.1 per cent). The

graphical illustration of the provincial and national unemployment figures is presented in Figure 3.7.

Figure 3.7: Unemployment rate for South Africa by province, 2009-2010



Source: Statistics South Africa – QLFS, 2011

The unemployment rate of females (32.0 per cent) was 6.5 percentage points higher than that of males (25.5 per cent) in the province. Females, with 177 400, contributed some 50.3 per cent to the total number of employed, although only contributing 44.6 per cent to the labour force. The age group of 20-24 years (males and females) was the highest represented among the number of unemployed with a share of 29.0 per cent. The youth cohort (15-34 years) with 258 000 unemployed individuals made up nearly three quarters (73.2 per cent) of the number of unemployed. The unemployment rate of the youth cohort was 38.7 per cent, some 10.3 percentage points higher than the provincial average unemployment rate.

Geographically, the number of unemployed was skewed towards rural areas with 55.2 per cent of the unemployed in the province found there. The unemployment rate of rural areas at 33.3 per cent was higher than the provincial rate as well as that of urban areas (24.0 per cent).

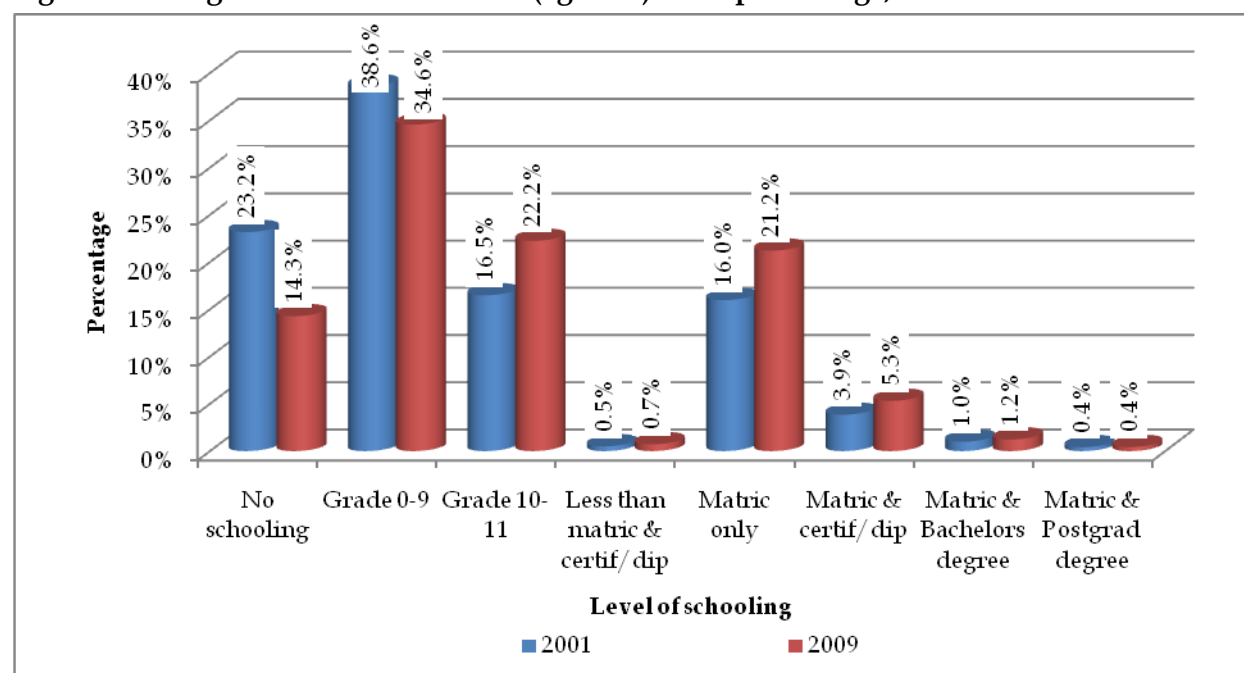
A worrying reality is the long term nature of unemployment in the province with some 70.4 per cent of the unemployed in Mpumalanga that have been seeking employment for one year and longer. This was marginally higher than the corresponding national figure of 65.8 per cent, a figure that emphasises the notion of the systemic and entrenched nature of unemployment in the country.

3.3 EDUCATION PROFILE

When the highest level of schooling in 2009 is compared with figures of 2001, it is evident

that the situation regarding the level of education in Mpumalanga improved over the 8-year period. For example in 2009, 14.3 per cent or some 355 300 of the people 15 years and older have not received any schooling compared to the unacceptably high level of 23.2 per cent or some 507 500 in 2001 (Figure 3.10). Although it was still below the national level of 9.3 per cent in 2009, the 8.9 percentage point improvement over the 8-year period was only bettered by Limpopo with a 10.0 percentage point improvement.

Figure 3.10: Highest level of education (age 15+) for Mpumalanga, 2001-2009



Source: Global Insight - ReX, January 2011

The percentage of the population that completed secondary education (matric) in Mpumalanga increased from 16.0 per cent in 2001 to 21.2 per cent in 2009. The improvement of 5.2 percentage points was the highest among the nine provinces and higher than the national improvement of 4.6 per cent. However, the percentage of the population that obtained a post matric qualification increased only from 5.3 per cent in 2001 to 7.0 per cent in 2009. The 1.7 percentage point improvement was lower than the national improvement and only the sixth highest improvement among the nine provinces.

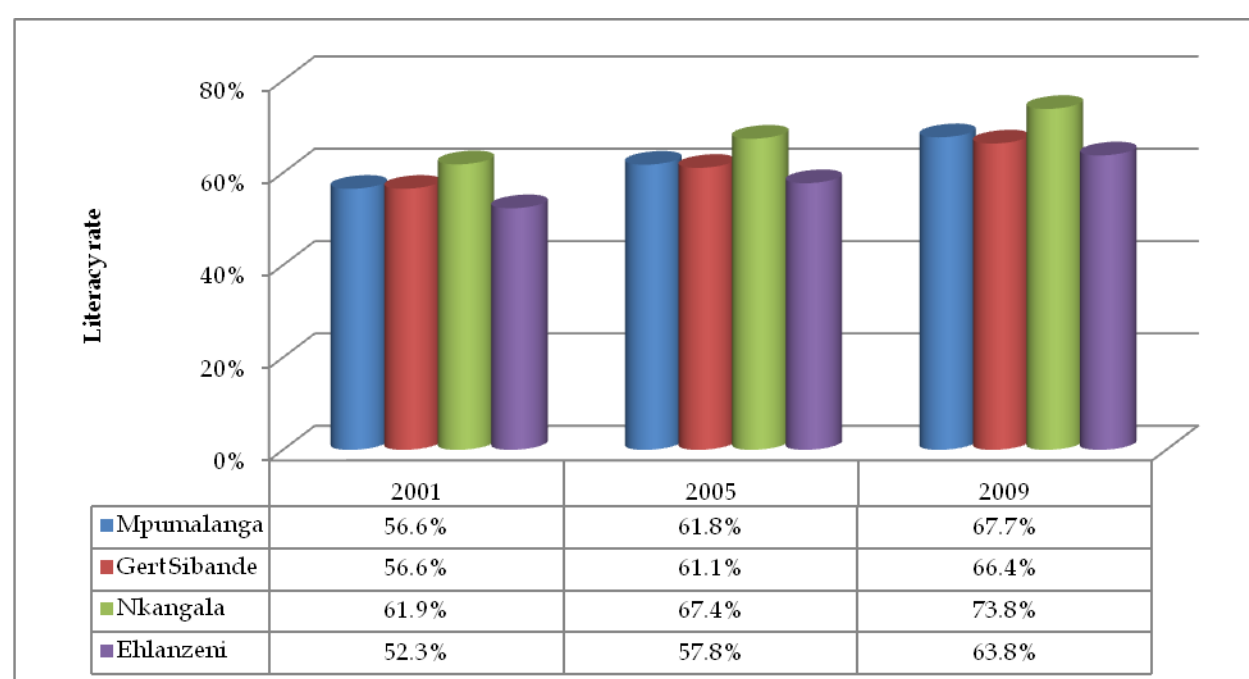
Nkangala (12.0 per cent) recorded the lowest percentage of people 15 years and older that have not received any schooling among the three districts in 2009 and Ehlanzeni (16.5 per cent) the highest. In 2009, the percentage of the population that completed secondary education (matric) was the highest in Nkangala (23.5 per cent) and the lowest in Gert Sibande (19.6 per cent). In 2009, Ehlanzeni (7.4 per cent) recorded the highest percentage of the population 15 years and older that obtained a post matric qualification, whilst Gert Sibande (6.3 per cent) recorded the lowest share.

The functional literacy rate is defined as the proportion of persons aged 20 and above that has completed Grade 7 and higher. In Mpumalanga, this rate increased from 55.8 per cent in 1996 to 67.7 per cent in 2009 (Figure 3.11). In actual numbers it was an increase from 890 000 in 1996 to 1.4 million individuals in 2009. However, it was still 6 percentage points below the national level of 73.7 per cent in 2009. In 2009, Nkangala reported the highest functional

literacy rate of 73.8 per cent with Gert Sibande and Ehlanzeni recording rates of 66.4 per cent and 63.8 per cent, respectively.

Table 3.6 compares the grade 12 pass rates among the various provinces from 2003 to 2010. The national pass rate of matriculants decreased from 73.3 per cent in 2003 to 67.8 per cent in 2010. In the last academic year, however, the national rate improved by 7.2 percentage points from 60.6 per cent in 2009. Similarly, Mpumalanga's pass rate also suffered a decline between 2003 and 2010 despite recording an increase by 8.9 percentage points between 2009 and 2010. Although Mpumalanga showed the fourth highest improvement between 2009 and 2010, the provincial matric pass rate was still the lowest of the nine provinces in 2010.

Figure 3.11: Functional literacy rate of Mpumalanga, 2001-2009



Source: Global Insight - ReX, January 2011

Table 3.6: Comparative grade 12 results for South Africa and provinces, 2003-2010

Province	2003 % Pass rate	2004 % Pass rate	2005 % Pass rate	2006 % Pass rate	2007 % Pass rate	2008 % Pass rate	2009 % Pass rate	2010 % Pass rate
Eastern Cape	60.0	53.5	56.7	59.3	57.1	50.6	51.0	58.3
Free State	80.0	78.7	77.8	72.2	70.5	71.6	69.4	70.7
Gauteng	81.5	76.8	74.9	78.3	74.6	76.3	71.8	78.6
KwaZulu-Natal	77.2	74.0	70.5	65.7	63.8	57.2	61.1	70.7
Limpopo	70.0	70.6	64.9	55.7	58.0	54.7	48.9	57.9
Mpumalanga	58.2	61.8	58.6	65.3	60.7	51.8	47.9	56.8
Northern Cape	90.7	83.4	78.9	76.8	70.3	72.7	61.3	72.3
North West	70.5	64.9	63.0	67.0	67.2	67.9	67.5	75.7
Western Cape	87.1	85.0	84.4	83.7	80.0	78.7	75.7	76.8
National Average	73.3	70.7	68.3	66.6	65.2	62.2	60.6	67.8

Source: National & Provincial Department of Education, 2011

Gert Sibande registered the top grade 12 pass rate in 2010 at 59.3 per cent and Ehlanzeni the lowest at 54.7 per cent (Table 3.7). Both Gert Sibande and Nkangala (59.0 per cent) recorded higher pass rates than the provincial average. Among the three districts, Ehlanzeni, with an 8.8 percentage point improvement, achieved the highest improvement between 2008 and 2010.

According to the Department of Education's *Education Realities* report of 2010, there were 1 036 432 learners in ordinary public and independent schools in Mpumalanga, who attended 1 939 schools and were served by 34 575 educators. The learner-educator ratio (LER) of Mpumalanga improved from 33 learners per educator in 2007 to 31 in 2010 (Table 3.8). This was slightly higher (worse) than the national level of 30 learners per educator. The learner-school ration (LSR) of Mpumalanga was higher than the national figure of 483 in 2010 and increased from 463 learners per school in 2005 to 552 in 2010. According to the educator-school ratio (ESR), the number of educators per school increased from 14 per school in 2005 to 18 in 2010. The latter ratio was also higher than the national level for 2010.

Table 3.7: Comparative grade 12 results for districts in Mpumalanga, 2008-2010

District	2008 % Pass rate	2009 % Pass rate	2010 % Pass rate
Ehlanzeni (excluding Bohlabela)	58.4	57.0	67.5
Ehlanzeni (including Bohlabela)	45.9	43.4	54.7
Gert Sibande	54.3	52.2	59.3
Nkangala	59.2	53.6	59.0

Source: Provincial Department of Education, 2011

Table 3.8: Comparison of education ratios in South Africa and provinces, 2005-2010

Province	LER			LSR			ESR		
	2005	2007	2010	2005	2007	2010	2005	2007	2010
Eastern Cape	33	32	30	348	366	358	11	11	12
Free State	29	29	28	351	390	449	12	14	16
Gauteng	29	30	31	773	786	883	27	26	29
KwaZulu-Natal	34	32	31	469	470	463	14	15	15
Limpopo	34	33	30	448	437	419	13	13	14
Mpumalanga	33	33	31	463	535	552	14	16	18
North-West	31	29	30	410	421	446	13	14	15
Northern Cape	32	31	31	489	432	453	15	14	14
Western Cape	30	30	30	620	634	660	21	21	22
National	32	31	30	459	476	483	14	15	16

Source: Department of Education - 2005, 2007 & 2010 Education Realities

3.4 HEALTH AND SOCIAL SERVICES

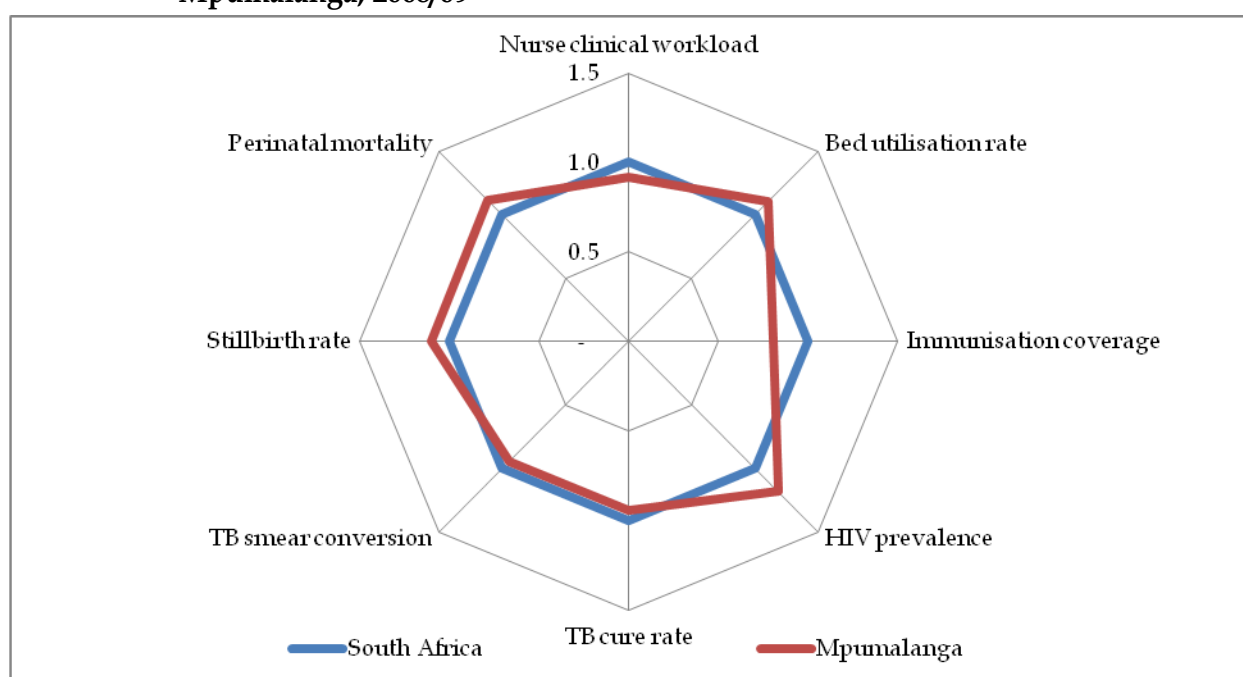
According to the *District Health Barometer 2008/09* published by Health Systems Trust a non-profit organisation that support the transformation of the health system in a democratic South Africa, there was an increase in the total primary health care (PHC) expenditure in Mpumalanga for the 2008/09 financial year to a per capita figure of R760. However, the provincial figure remained lower than the national figure of R794 per capita and ranked the third lowest in the country. The non-hospital expenditure on PHC of R281 per capita in

2008/09 was the lowest in the country, despite steady increases at an average annual growth rate of 12.4 per cent over the period 2005/06 to 2008/09.

Mpumalanga's bed utilisation rate for district hospitals increased by 3.6 percentage points to 73.8 per cent in 2008/09, ranking it the second highest in the country for the second successive year. The average length of stay in a district hospital increased slightly to 4.7 days, the third highest in the country. Figure 3.12 compares some of Mpumalanga's health indicators with the national average level, whereas Figure 3.13 compares the same indicators between the three districts.

The significant increase in the clinic supervision rate in 2008/09 by 17.5 percentage points to 44.3 per cent is commendable, although this was still below the South African average of 61.4 per cent, ranking the province second lowest in the country. There was also an increase in the PHC utilisation rate from 2.0 visits per person per year in 2007/08 to 2.2 in 2008/09. This increase was accompanied by a simultaneous increase in the nurse clinical workload from 19.6 to 21.4 patients per nurse per day.

Figure 3.12: Comparison of selected health indicators (indexed) between South Africa and Mpumalanga, 2008/09



Source: Health Systems Trust - District Health Barometer 2008/09, 2010

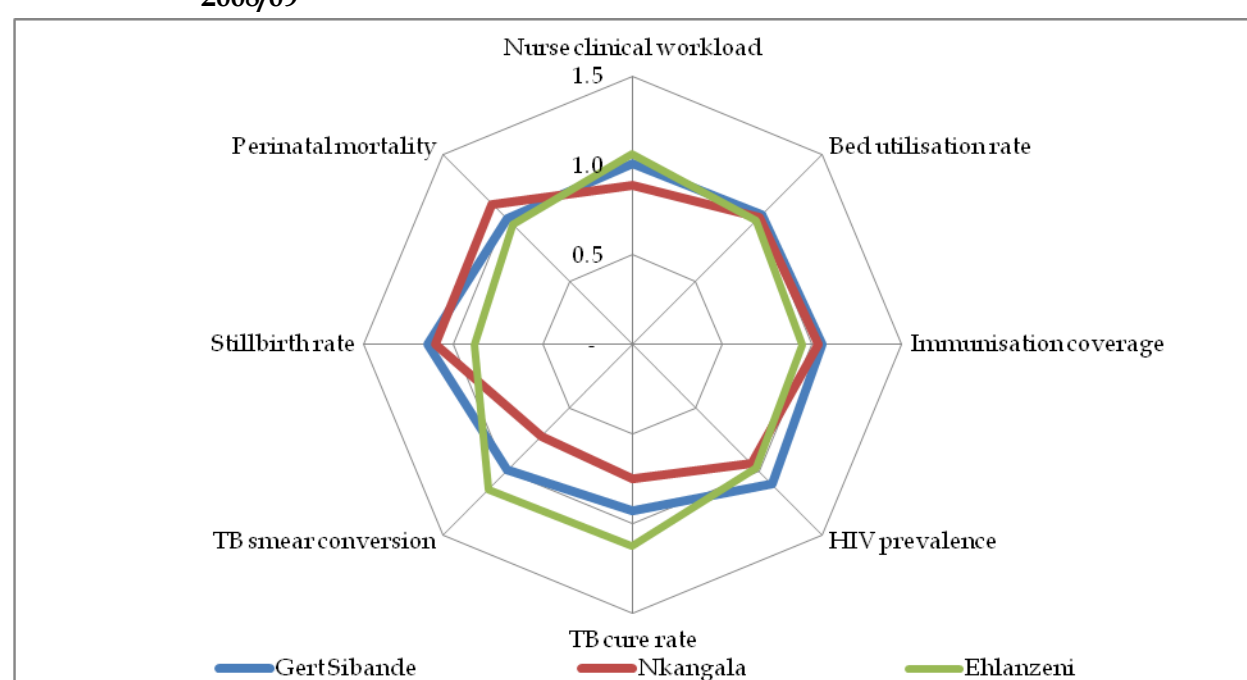
With the exception of Mpumalanga, the immunisation coverage across all other provinces increased. Mpumalanga was the only province, which maintained a consistent downward trend in the immunisation coverage from 83.4 per cent in 2005/06 down to 72.4 per cent in 2008/09. The measles 1st dose coverage for the province was the lowest in the country at 77.6 per cent and considerably lower than the national average of 91.8 per cent.

The tuberculosis (TB) cure rate and smear conversion rate in the province increased slowly over the last four years. Between 2006/07 and 2007/08, the TB cure rate increased from 56.1 per cent to 60.4 per cent, however the national figure at 64.0 was still higher. The smear conversion rate increased from 57.8 per cent to 59.0 per cent between 2007/08 and 2008/09

although it was still lower than the national average of 62.5 per cent. However, greater prioritisation is needed on monitoring TB outcomes in the Nkangala, which ranks as the second lowest performing district in the country on both these indicators.

According to the 2009 *National HIV and Syphilis Prevalence Survey*, Mpumalanga province had the second highest HIV and AIDS prevalence rate in the country at 34.7 per cent, ranging from 38.2 per cent in Gert Sibande to 32.6 per cent in Nkangala. Mpumalanga's incidence of new sexually transmitted infection's (STIs) in 2008/09 was 4.1 per cent, which was close to the national average of 4.6 per cent. Of concern was the high variability between districts ranging from a low of 2.1 per cent in Nkangala to a high of 5.7 per cent in Ehlanzeni.

Figure 3.13: Comparison of selected health indicators (indexed) between three districts, 2008/09



Source: Health Systems Trust - District Health Barometer 2008/09, 2010

Contrary to expectation, Nkangala had the lowest distribution of condoms per male 15 years and older at 6.6 condoms, compared to Ehlanzeni at 17.7 condoms distributed. Given that Mpumalanga recorded the second highest HIV prevalence rate in the country, the data for 2008/09 points to the need for further investigation and research in the area of STIs to strengthen the evidence base.

The Caesarean section rate in district hospitals increased by 1.6 percentage points to 14.1 per cent in 2008/09, however it was still 2 percentage points lower than the national average. The delivery rate in facility at 84.4 per cent was slightly below the SA average of 86.6 per cent, ranging from 77.6 per cent in Nkangala to 90.4 per cent in Ehlanzeni. The stillbirth and perinatal mortality rates for 2008/09 were amongst the highest in the country at 24.5 and 34.9 per 1000 births, respectively. The national averages for the respective indicators were 22.3 and 31.4 per 1000 births.

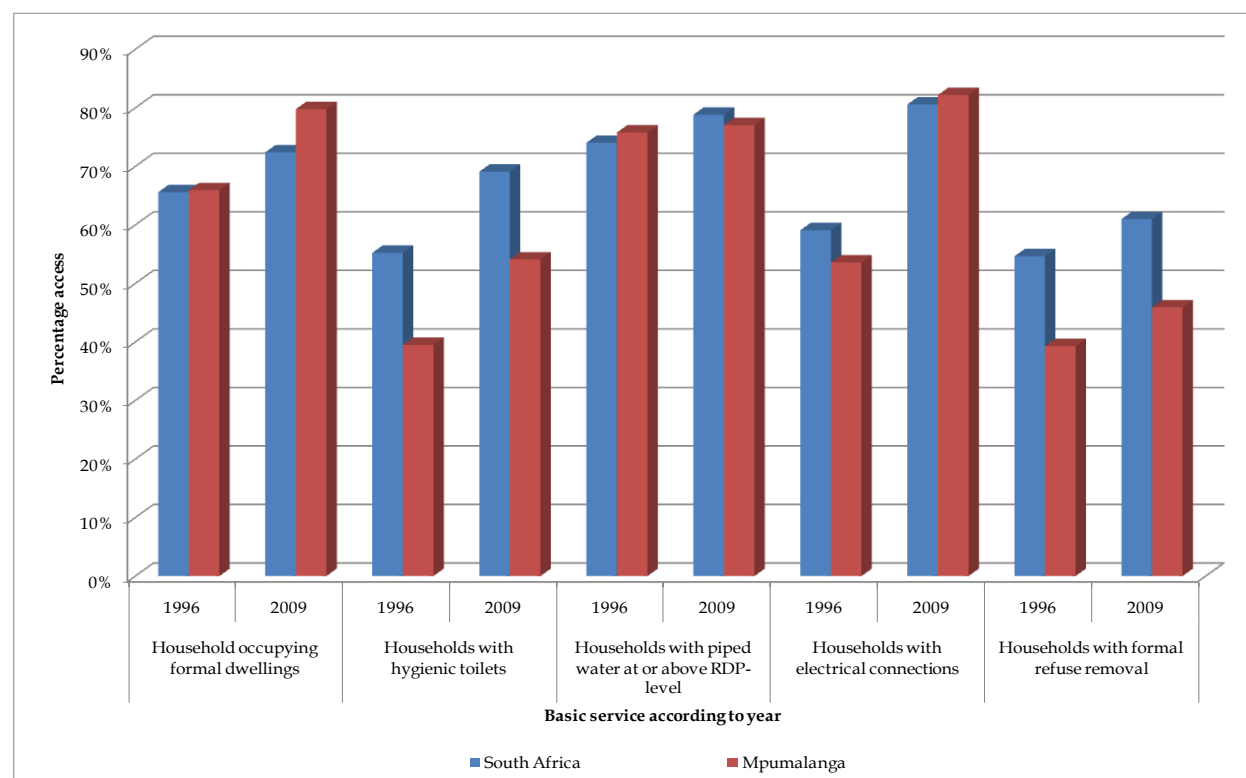
In 2009, only 28.0 per cent of the provincial population aged 0–4 years attended an early childhood development (ECD) centre, however, it was not much lower than the national figure of 29.9 per cent. According to the 2009 *General Household Survey (GHS)*, 33.6 per cent of children aged 5 years and older who attend educational institutions, attended no fee schools in 2009. This was an increase of 7.3 percentage points over 2008, however, it was lower than the national average of 44.5 per cent in 2009. In 2009, 67.3 per cent of children attending public schools benefitted from the school nutrition programme. This was higher than the national norm (61.6 per cent) and Mpumalanga ranked fourth highest among the nine provinces.

3.5. BASIC SERVICE INFRASTRUCTURE

Households with electrical connections was/is the indicator that recorded the highest level of delivery in Mpumalanga at 82.2 per cent (Figure 3.14). The provincial figure increased from 56.3 per cent in 1996 and was higher than the national level (80.6 per cent) in 2009.

A larger share of households in Mpumalanga (79.8 per cent) occupied formal houses compared to the national figure of 72.4 per cent in 2009. The proportion of Mpumalanga's households with formal refuse removal (45.9 per cent) was considerably lower than the national figure of 61.0 per cent. Households with hygienic toilets improved from 39.5 per cent in 1996 to 54.1 per cent in 2009, however, it was still below the national figure of 69.1 per cent. Mpumalanga (77.1 per cent) performed admirably in terms of households with access to piped water at or above RDP level and was just slightly lower than the national figure of 78.8 per cent.

Figure 3.14: Access to basic service delivery in South Africa and Mpumalanga, 1996 & 2009



Source: *Global Insight – ReX, January 2011*

Table 3.9 illustrates the basic services delivery backlog in South Africa and Mpumalanga. Refuse removal (544 327 households) registered the highest backlog in Mpumalanga, whilst electricity (179 136 households) recorded the lowest backlog in 2009. The targets set out according to the Outcomes Approach of Government, although attainable by 2014/15, appear very ambitious given the low level of improvement that occurred from 1996 to 2009, both nationally and provincially.

The provincial infrastructure index level (0 indicates no delivery and 1 indicates full delivery) was at 0.65, which was slightly lower than the national index at 0.69. Ehlanzeni recorded the highest backlog number for water, refuse removal, sanitation and electricity in 2009. Among the three districts in the province, Gert Sibande registered the highest infrastructure index level at 0.71, whilst Ehlanzeni with an index level of 0.60 ranked the lowest.

Table 3.9: Basic service delivery backlog in South Africa and Mpumalanga, 2009

Indicator	National		Mpumalanga	Gert Sibande	Nkangala	Ehlanzeni
	Level	2014/15 Target				
% of households occupying formal houses	72.4%	-	79.8%	71.0%	74.4%	89.6%
Housing backlog – number of households	3 711 528	-	203 480	81 954	78 029	43 497
% of households with hygienic toilets	69.1%	100%	54.1%	75.7%	49.4%	42.9%
Sanitation backlog – number of households	4 156 325	-	462 029	68 774	154 065	239 189
% of households with water at or above RDP-level	78.8%	100%	77.1%	84.5%	83.0%	67.8%
Water backlog – number of households	2 847 569	-	230 978	43 995	51 883	135 101
% of households with electrical connections	80.6%	92%	82.2%	80.4%	84.8%	81.5%
Electricity backlog – number of households	2 611 459	-	179 136	55 338	46 190	77 607
% of households with formal refuse removal	61.0%	75%	45.9%	59.9%	48.5%	34.6%
Refuse backlog – number of households	5 247 071	-	544 327	113 581	156 655	274 091
Infrastructure index	0.69	-	0.65	0.71	0.65	0.60

Source: Global Insight – ReX, January 2011

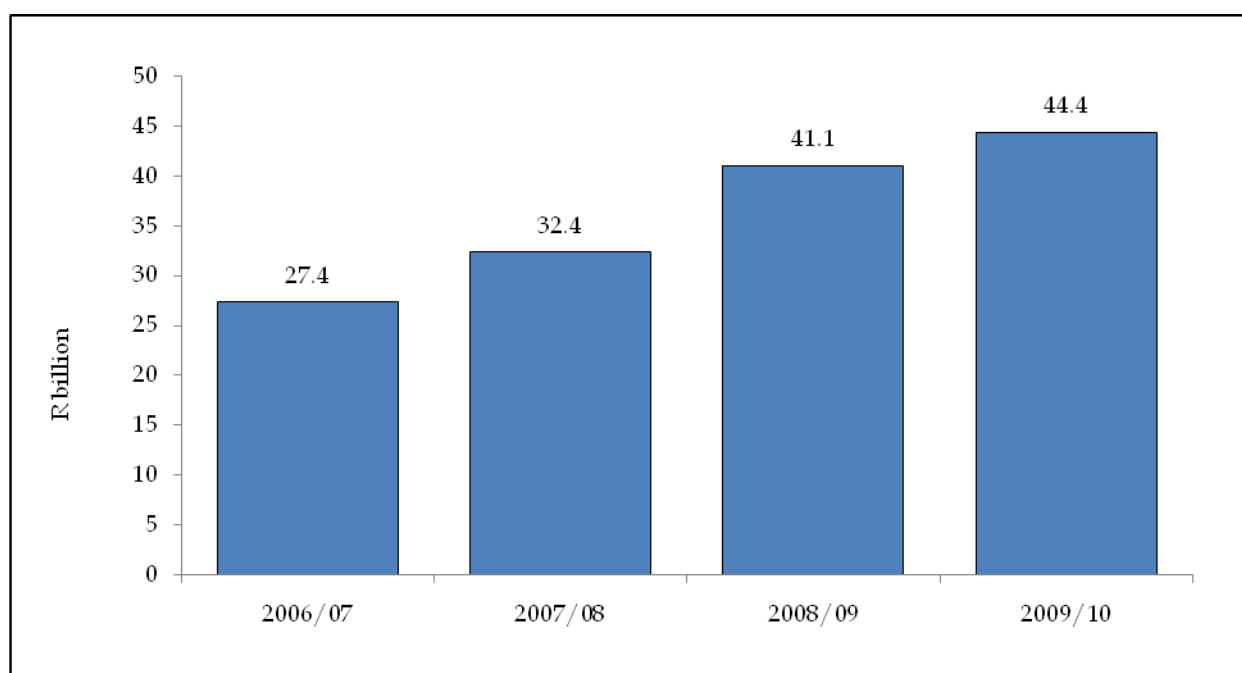
Inter-provincial comparison of infrastructure expenditure

The combined infrastructure budget for provincial governments in South Africa is shown in Figure 3.15 and displays an upward trend increasing from R27.4 billion in 2006/07 to R44.4 billion in 2009/10. Infrastructure was identified as a key strategic priority and as such, budgetary allocations followed suit, with the National Treasury allocating R787 billion to infrastructure expenditure over the 2009/10 to 2011/12 period.

Figure 3.16 shows provincial expenditure on infrastructure from 2006/07 to 2009/10. Mpumalanga ranks 8th in terms of total provincial infrastructure spend accounting for 2 per cent in 2006/07 and 4 per cent in the subsequent two years, increasing to 5 per cent in 2009/10. Gauteng ranked first for the entire period under review and accounted for between 29 per cent and 34 per cent of infrastructure spending

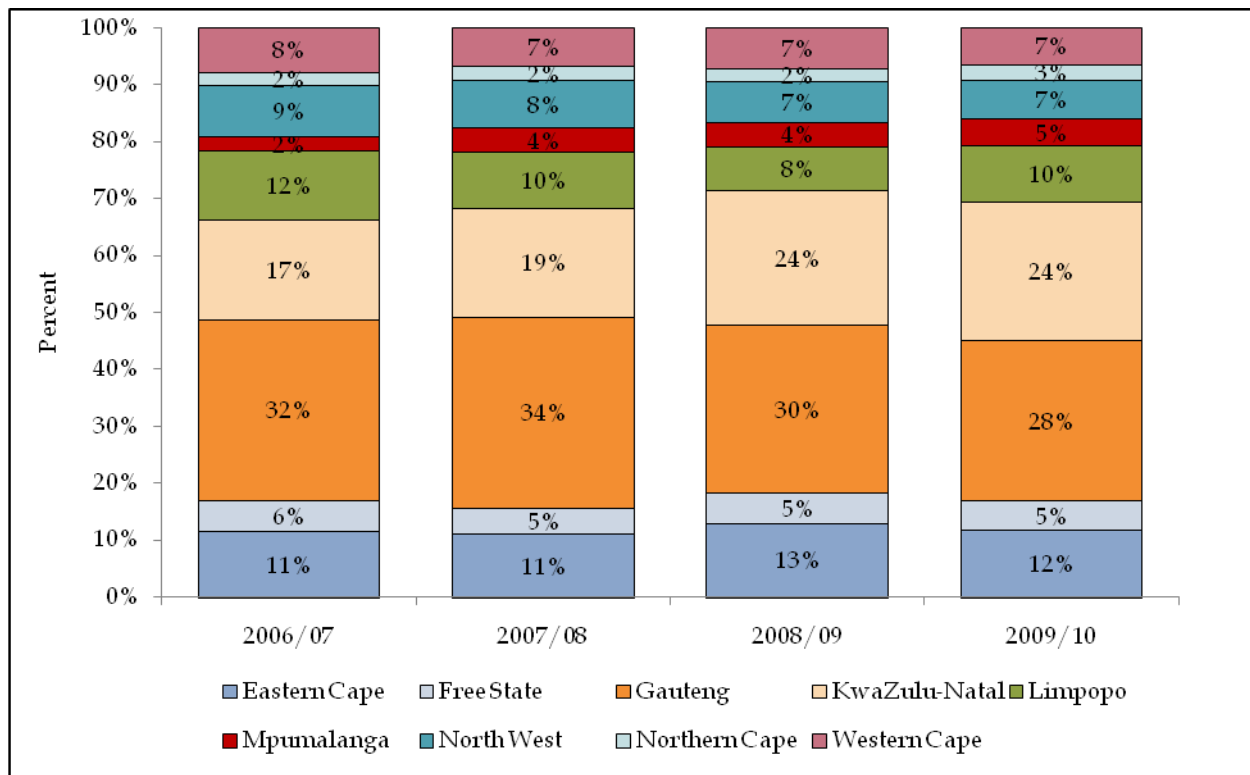
Figure 3.17 provides an inter-provincial comparison of infrastructure spending per person in 2009/10. Relative to the other provinces, Mpumalanga recorded the second lowest expenditure per person for the period shown, with approximately R590 spent on infrastructure per person.

Figure 3.15: Total infrastructure budget for provincial governments in South Africa, 2006/07-2009/10



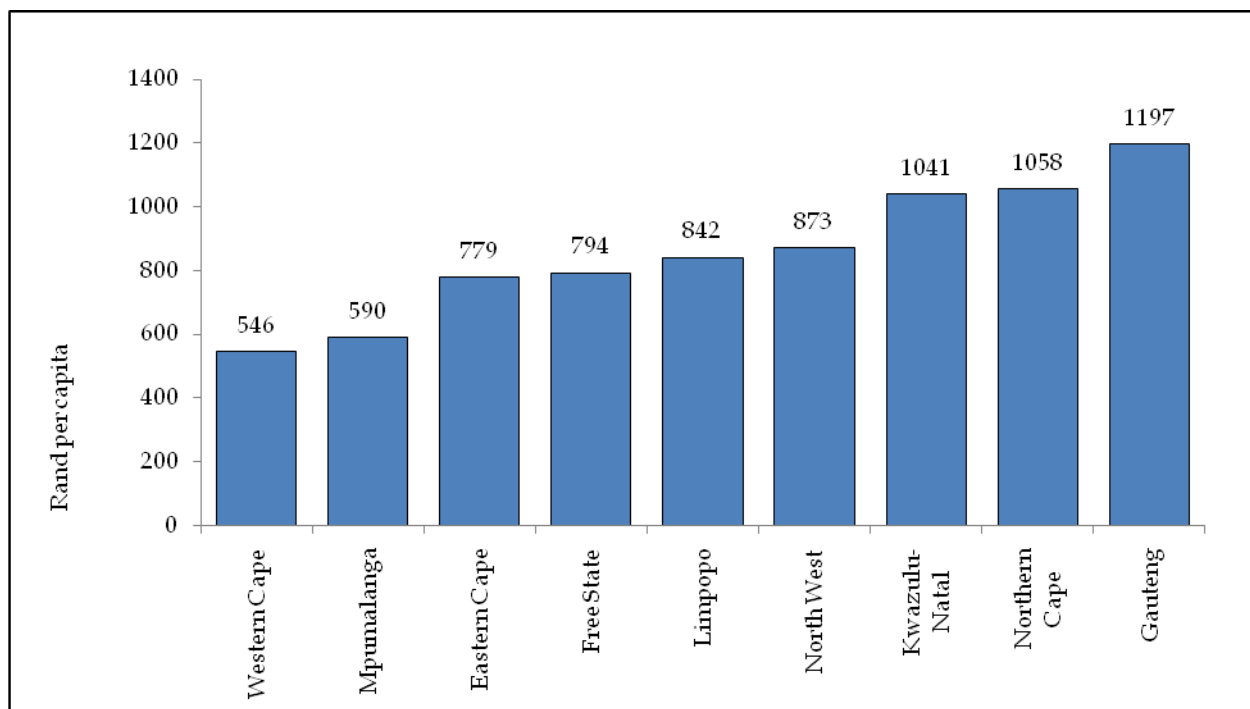
Source: Provincial Budget Statements, 2008/09 & 2009/10

Figure 3.16: Inter-provincial comparison of infrastructure expenditure, 2006/07-2009/10



Source: Provincial budget statements, 2008/09 & 2009/10

Figure 3.17: Per capita infrastructure expenditure by province, 2009/10



Source: Provincial budget statements 2009/10, Statistics South Africa 2009

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.

In 2009, Mpumalanga recorded an HDI score of 0.51 – a marginal improvement from the 0.50 level achieved in 1996. The province's HDI level was consistently lower than the national figure over the 13-year period. Of particular concern is that the provincial and national HDI levels declined from 2001 to 2009 (Table 3.10). Mpumalanga recorded the third lowest HDI level among the nine provinces in 2009. Of the three districts in the province, Nkangala recorded the highest HDI level of 0.56 in 2009, Ehlanzeni the lowest at 0.48 and Gert Sibande's HDI level was recorded at 0.51.

When the HDI levels of the various population groups in Mpumalanga are analysed, it is evident that the White population recorded the highest HDI level of 0.88 in 2009. Asians and Coloureds followed with HDI levels of 0.76 and 0.63, respectively. The Africans population registered the lowest HDI level of 0.47 (Table 3.11). On a national level, Whites, Coloureds and Asians achieved similar HDI levels as the provincial population groups, while Africans (0.49) at the national level achieved higher HDI levels than the provincial grouping.

Table 3.10: HDI figures for South Africa, Mpumalanga and districts, 1996-2009

Region	1996	2001	2009
South Africa	0.56	0.58	0.57
Mpumalanga	0.50	0.52	0.51
Nkangala	0.51	0.52	0.51
Gert Sibande	0.54	0.56	0.56
Ehlanzeni	0.46	0.48	0.48

Source: Global Insight – ReX, January 2011

Table 3.11: HDI by population group in Mpumalanga, 1996-2009

Population group	1996	2001	2009
African	0.43	0.46	0.47
White	0.85	0.87	0.88
Coloured	0.60	0.63	0.63
Asian	0.73	0.75	0.76
Total	0.50	0.52	0.51

Source: Global Insight – ReX, January 2011

3.6.2 Gini-coefficient

The Gini-coefficient is one of the most commonly used measures of inequality since it is very easy to understand and interpret. The crucial drawback of the Gini-coefficient is that it is

not additively decomposable. This means that while it is easy to interpret, the overall Gini-coefficient is not a sum of or average of the respective subgroup Gini-coefficients. In other words, it is not possible to combine the various provincial Gini-coefficients to obtain the national Gini-coefficient.

The Gini-coefficient is derived from the Lorenz curve, which is a graphical depiction of income distribution. The Lorenz curve is a graphical presentation of the relationship between the cumulative percentage of income and the cumulative percentage of population. Thus, in practise, one would be able to say the poorest 20 per cent of the population earn, for example, 5 per cent of total income, while the poorest 40 per cent of the population earn 15 per cent of the income. 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).

South Africa has one of the highest imbalanced income distributions in the world. The national Gini-coefficient was calculated to be between 0.653 and 0.702 in 2009 depending on the data source (Table 3.12). Since 1995, the national level has deteriorated from between 0.640 and 0.674 to the current levels. The national government through its outcome approach has targeted the national Gini-coefficient to improve to 0.59 by 2014. It is evident from Table 3.12 that the provincial income distribution (between 0.65 and 0.68 in 2009) followed the national scenario and became more unequal from 1996 to 2009. Nkangala and Gert Sibande both registered a Gini-coefficient of 0.65, whereas Ehlanzeni (0.62) recorded a lower level of inequality.

Table 3.12: Gini-coefficient measurements for South Africa and Mpumalanga, 1995-2009

Measurement source	1995	1996	2000	2005	2008	2009
South Africa						
IES	0.640	-	0.680	0.690	0.679	0.679
AMPS	0.674	0.678	0.682	0.683	0.666	-
GHS - Income	-	-	-	0.712	-	0.702
GHS - Expenditure	-	-	-	0.686	-	0.683
ReX	-	0.623	0.650	0.666	0.661	0.652
Mpumalanga						
NIDS - Income	-	-	-	-	-	0.680
NIDS - Expenditure	-	-	-	-	-	0.650
ReX	-	0.606	0.644	0.660	0.654	0.646

*Sources: Presidency - Development Indicators, 2010
Global Insight - ReX, 2010*

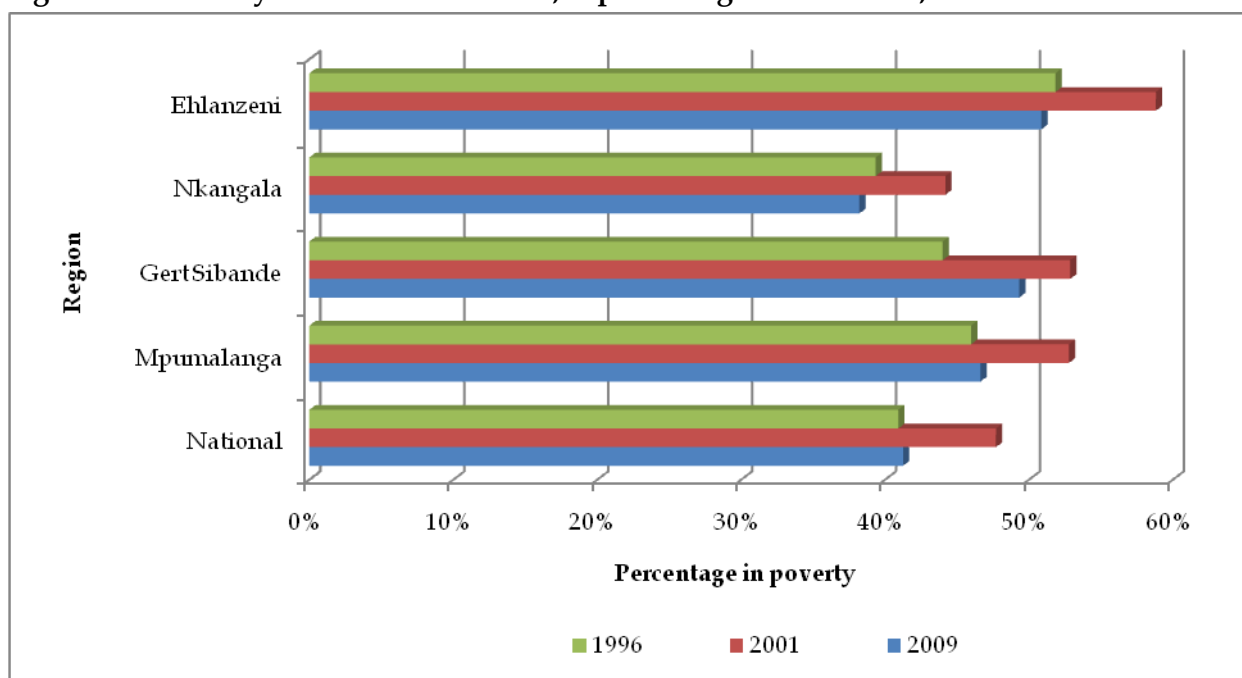
The main data sources used for the calculation of the Gini-coefficient are the Income and Expenditure Surveys (IES) for 2000 and 2005, the General Household Surveys (GHS) for 2005 and 2009, the All Media and Products Surveys (AMPS) for 1993-2008 as well as the National Income Dynamics Study (NIDS) for 2009. The income sources that are included in the per capita income variable are wage income, income derived from self-employment, state transfers, private pensions and residual income (i.e. letting property, insurance claims).

3.6.3 Poverty aspects

Poverty income is defined as the minimum income needed to sustain a household and varies according to the size of the household. For example, the monthly poverty income in 2009 for a household of four, as calculated by the Bureau for Market Research (BMR), was R2 440 and R3 396 for a household of six. The poverty rate then is the percentage of people living in households with an income less than the poverty income.

In 2009, Mpumalanga's poverty rate of 46.6 per cent was higher than the national rate of 41.3 per cent (Figure 3.18). Mpumalanga's poverty rate was the fifth highest (worst) among the nine provinces. It was estimated that 1.74 million of Mpumalanga's citizens lived in households with an income less than the poverty income. Over the 13-year period from 1996 to 2009, the poverty rate in Mpumalanga deteriorated (increased) by 0.6 percentage point, which was more than the 0.4 percentage points at which the poverty rate increased by nationally. Among the three districts, both Ehlanzeni (50.9 per cent) and Gert Sibande (49.3 per cent) registered poverty above the provincial rate, whilst Nkangala recorded the lowest rate of 38.2 per cent. Nkangala, with 430 000 people living below the poverty income in 2009, had the lowest number of people in poverty in the province and Ehlanzeni with 791 000, the highest.

Figure 3.18: Poverty rates in South Africa, Mpumalanga and districts, 1996-2009



Source: Global Insight – ReX, January 2011

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. The aggregate poverty gap is calculated by summing the poverty gaps of each poor household. It is thus equivalent to the total amount by which the incomes of poor households need to be raised each year to bring all households up to the poverty line and hence out of poverty.

According to this dimension of poverty measurement, the poverty gap in Mpumalanga was R5.6 billion in 2009. As might be expected from a country experiencing an economic recession the poverty gap in South Africa increased (deteriorated) by 1.6 per cent between 2008 and 2009. Mpumalanga's (4.5 per cent) poverty gap increased the fastest, marginally ahead of Limpopo that deteriorated by 4.3 per cent. Over the 13-year period under review, the national poverty gap deteriorated by 7.9 per cent annually. Mpumalanga's increase was even worse with a 10.0 per cent annual deterioration between 1996 and 2009.

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 0.9 per cent of the population in 2009. The national figure was equal to Mpumalanga in 2009, but the improvement over the 13-year period was not as large as in the province.

Indigent households

The term indigent means lacking the necessities of life. The South African Constitution provides a guide in this regard, leading to the view that the following goods and services are considered as necessities for an individual to survive:

- Sufficient water,
- Basic sanitation,
- Refuse removal in denser settlements,
- Environmental health,
- Basic energy,
- Health care,
- Housing, and
- Food and clothing.

Anyone who does not have access to these goods and services is considered indigent.

It is notable that this list of goods and services is not intended to represent the full range of requirements that people need to live a full life. Individuals, supported by government and the private sector, need to progressively enhance their circumstances. However, it remains important for an essential package of goods and services to be identified as a benchmark for determining the condition of being indigent and to allow national and provincial efforts to be focused on a primary goal of supporting individuals to get beyond this point.

Further, it should be noted that this definition explicitly excludes a household income condition. This is partly due to the difficulties of measuring income but, more importantly, it relates to the fact that the condition of being indigent is experienced by the lack of these basic goods and services, their uneven cost as well as the variable way they are provided in different locations across South Africa.

In 2009, Statistics South Africa attempted for the first time to measure the number of indigent households in its annual 2009 GHS. Households that were surveyed had to indicate whether they are registered as an indigent household with their local municipality or not. According to the results obtained, 14.6 per cent of households in Mpumalanga were registered as indigent households with their local municipality in 2009. This was higher

than the national level of 9.4 per cent and along with the Northern Cape (14.6 per cent) the second highest incidence after the Free State (18.0 per cent). Table 3.13 presents the comparison of Mpumalanga with the national figure and that of the other eight provinces.

Table 3.13: Comparison of indigent households in South Africa and provinces, 2009

Region	% of households registered as indigents	Share of national indigent households	Share of national total households
Western Cape	8.0%	9.1%	10.7%
Eastern Cape	12.2%	16.3%	12.6%
Northern Cape	14.6%	3.5%	2.3%
Free State	18.0%	12.0%	6.3%
KwaZulu-Natal	5.8%	11.7%	18.9%
North-West	10.4%	7.6%	6.8%
Gauteng	9.0%	24.6%	25.6%
Mpumalanga	14.6%	11.1%	7.2%
Limpopo	4.0%	4.1%	9.7%
South Africa	9.4%	100.0%	100.0%

Source: Statistics South Africa – 2009 GHS

According to the survey, 11.1 per cent of the total indigent households in South Africa were registered in Mpumalanga. This was more than Mpumalanga's 7.2 per cent share of the total households in South Africa. The Eastern Cape, Northern Cape, Free State and North-West also registered higher shares of total indigent households than their respective shares of total households would suggest. The data was not disaggregated further to district or municipal level.

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 996 per annum (R666 per month) in 1996 to R25 581 per annum (R2 132 per month) in 2009. 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 (R34 237). Table 3.14 reveals that the average person in Nkangala (R31 932) 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 R21 145 per annum (R1 762 per month) in 2009.

Table 3.14: Annual per capita personal income (current R-prices) in South Africa, Mpumalanga and districts, 1996-2009

Region	1996	2001	2009
South Africa	10 892	16 303	34 237
Mpumalanga	7 996	12 488	25 581
Gert Sibande	8 766	13 080	25 344
Nkangala	9 665	15 708	31 932
Ehlanzeni	6 357	9 819	21 145

Source: Global Insight – ReX, January 2011

Table 3.15 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 943 per annum (R3 079 per month) in 1996 to R94 890 per annum (R7 908 per month) in 2009, an average annual increase of 7.5 per cent.

However, the province and each of the three districts were still below the national figure of R123 570 per annum (R10 298 per month) per household.

Table 3.15: Annual household personal income (current R-prices) in South Africa, Mpumalanga and districts, 1996-2009

Region	1996	2001	2009
South Africa	48 396	64 416	123 570
Mpumalanga	36 943	51 240	94 890
Gert Sibande	39 972	53 501	94 449
Nkangala	44 451	64 272	118 020
Ehlanzeni	29 699	40 453	78 399

Source: Global Insight – ReX, January 2011

Disposable income

Real disposable income (income received after taxes) per capita at constant 2005 prices in Mpumalanga increased from R13 010 per annum (R1 084 per month) in 1996 to R17 198 per annum (R1 433 per month) in 2009. The average annual increase of 2.2 per cent over the 13-year period was slightly higher than the national increase (2.0 per cent). However, the per capita disposable income in Mpumalanga was lower than the national level of R22 794 per annum (R1 900 per month) in 2009 (Table 3.16).

In 2009, Nkangala registered the highest per capita disposable income of R21 311 per annum (R1 776 per month) and Ehlanzeni the lowest with R14 353 per annum (R1 196 per month). Over the 13-year period from 1996 to 2009, Ehlanzeni registered the largest average annual increase of 2.5 per cent and Gert Sibande the lowest at 1.4 per cent.

Table 3.16: Annual per capita disposable income (constant R-prices) in South Africa, Mpumalanga and districts, 1996-2009

Region	1996	2001	2009
South Africa	17 544	18 420	22 794
Mpumalanga	13 010	14 230	17 198
Gert Sibande	14 200	14 873	17 005
Nkangala	15 609	17 755	21 311
Ehlanzeni	10 464	11 313	14 353

Source: Global Insight – ReX, January 2011

Table 3.17 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 R60 111 per annum (R5 009 per month) in 1996 to R63 795 per annum (R5 316 per month) in 2009. The increase of 0.5 per cent annually was slightly higher than the national increase from 1996 to 2009, recorded at 0.4 per cent per annum.

Table 3.17: Annual household disposable income (constant R-prices) in South Africa, Mpumalanga and districts, 1996-2009

Region	1996	2001	2009
South Africa	77 955	72 781	82 272
Mpumalanga	60 111	58 390	63 795
Gert Sibande	64 749	60 834	63 371
Nkangala	71 787	72 646	78 763
Ehlanzeni	48 890	46 608	53 217

Source: Global Insight – ReX, January 2011

As with per capita disposable income, the province's household disposable income in 2009 was lower than that of the country at R82 272 per annum (R6 856 per month). In 2009, Nkangala recorded the highest disposable income than that of the province, of R78 763 per annum (R6 856 per month) and Ehlanzeni the lowest with R53 217 per annum (R4 435 per month).

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 3.18. The distribution model presents the number of households per income category.

It is evident from the presentation that a major share of households (48.9 per cent) in Mpumalanga earned less than R42 000 per year (R3 500 per month) in 2009. Although the reality is disappointing, there has been a discernible improvement over the period under review, with 74.9 per cent of the population that earned less than R42 000 per year in 1996. In 2009, Ehlanzeni (53.9 per cent) recorded the highest percentage of households earning less than R42 000 per annum. Nkangala (40.4 per cent) registered a figure below the provincial rate while that of Gert Sibande (50.9 per cent) was slightly higher than the provincial figure.

Table 3.18: Household per personal income category (current R-prices) in Mpumalanga, 2009

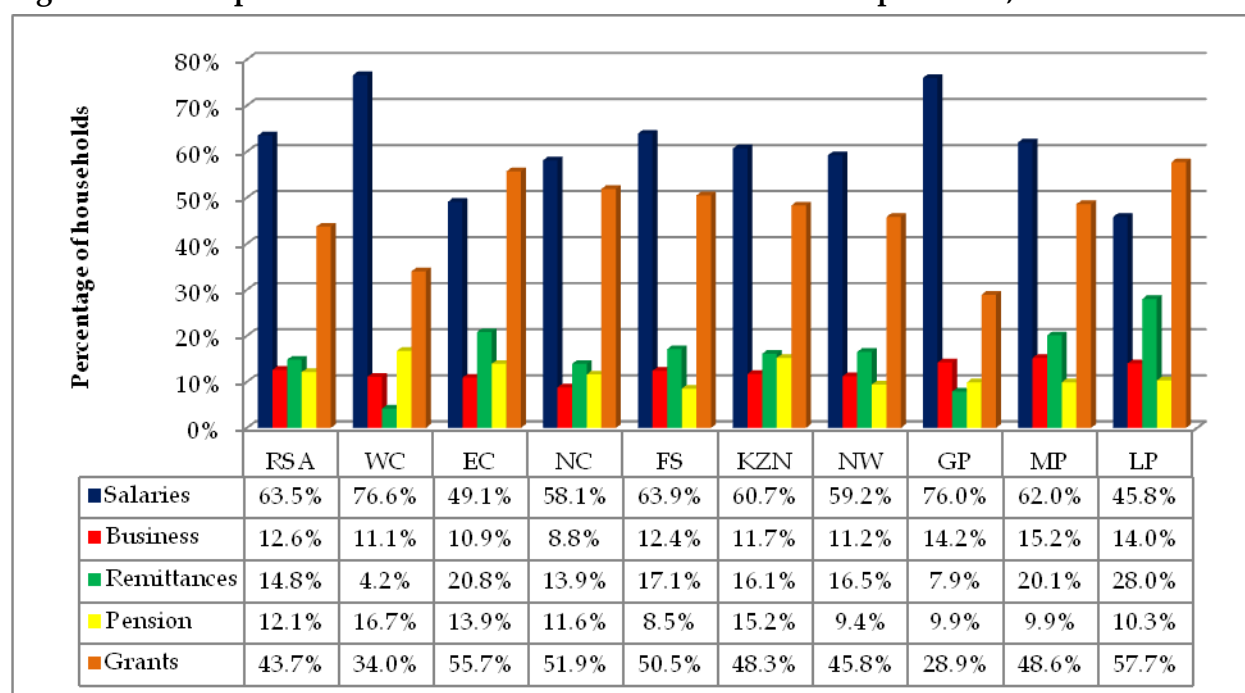
Income category	Number of households	% of total households	Cumulative % of total households
0-2 400	2 731	0.3%	0.3%
2 400-6 000	8 414	0.8%	1.1%
6 000-12 000	86 752	8.6%	9.7%
12 000-18 000	108 886	10.8%	20.5%
18 000-30 000	149 039	14.8%	35.4%
30 000-42 000	136 849	13.6%	48.9%
42 000-54 000	100 816	10.0%	59.0%
54 000-72 000	88 425	8.8%	67.7%
72 000-96 000	73 300	7.3%	75.0%
96 000-132 000	62 639	6.2%	81.3%
132 000-192 000	56 143	5.6%	86.8%
192 000-360 000	72 150	7.2%	94.0%
360 000-600 000	35 244	3.5%	97.5%
600 000-1 200 000	18 363	1.8%	99.3%
1 200 000-2 400 000	5 432	0.5%	99.9%
2 400 000+	1 336	0.1%	100.0%
Total	1 006 519	100.0%	-

Source: Global Insight – ReX, January 2011

Household income sources

The majority of households in South Africa are dependent on incomes from salaries. Nationally, 63.5 per cent of households received an income from salaries in 2009. In Mpumalanga 62.0 per cent of households received an income from salaries. In 2009, 43.7 per cent and 48.6 per cent of respective households in South Africa and Mpumalanga obtained income from grants. Grants were more prevalent than salaries as a source of household income in Limpopo (57.7 per cent), whilst only 28.9 per cent of households in Gauteng received income from grants. Comparative figures of household income sources are presented in Figure 3.19.

Figure 3.19: Comparative sources of income¹ in South Africa and provinces, 2009



Source: Statistics South Africa – 2009 GHS

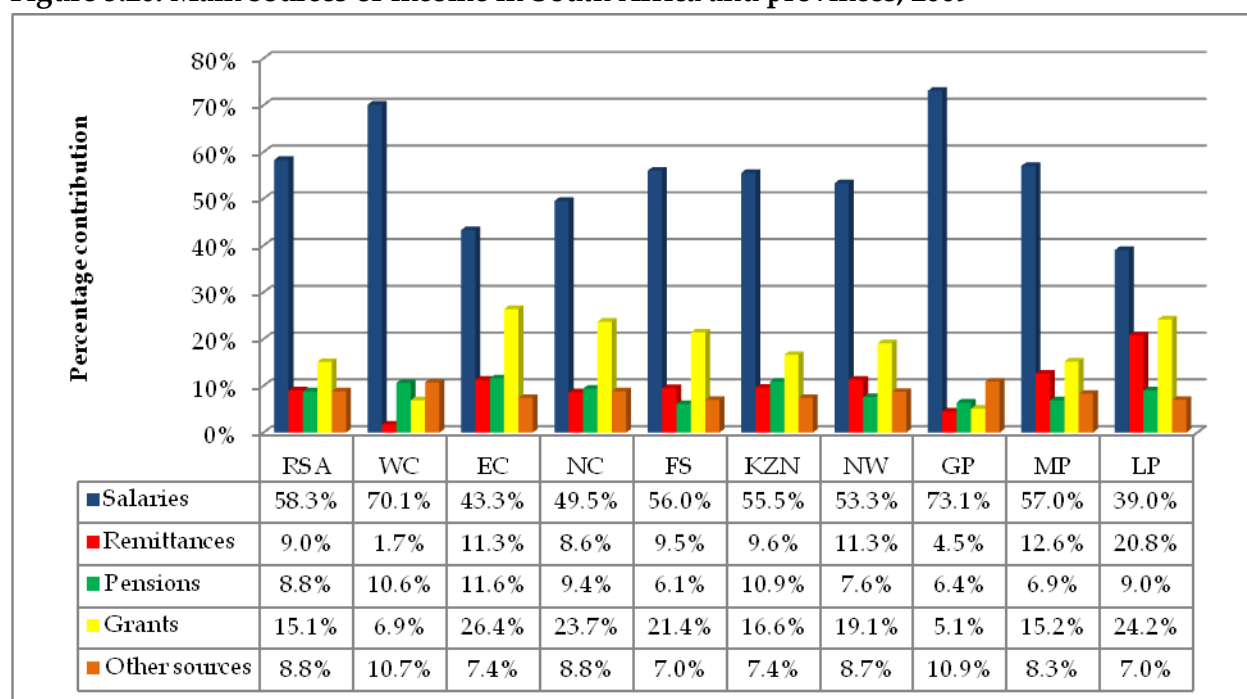
Of particular importance to Mpumalanga policy makers, are the facts that:

- more households in Mpumalanga received income from business (15.2 per cent) than households in South Africa (12.6 per cent) or any of the other eight provinces;
- remittances (20.1 per cent) made a substantial contribution to household income in Mpumalanga, and
- nearly 10 per cent of households in Mpumalanga recorded pensions as a source of income in 2009.

As part of the 2009 GHS, households were asked to indicate their main source of income and salaries was indicated to be the main source for 58.3 per cent of households nationally, whereas grants were the main source for 15.1 per cent of households (Figure 3.20). In Mpumalanga, salaries were also the main source for the majority (57.0 per cent) of households, whilst grants were the main source for 15.2 per cent of households in the province. There were considerable provincial variations, especially in terms of dependence on grants as the main source of income with more than one fifth of households in the following provinces stating that their main source of income was grants: Eastern Cape (26.4 per cent), Limpopo (24.2 per cent), Northern Cape (23.7 per cent) and Free State (21.4 per cent).

¹ Households can have more than one source of income, thus percentages do not total to 100 per cent.

Figure 3.20: Main sources of income in South Africa and provinces, 2009



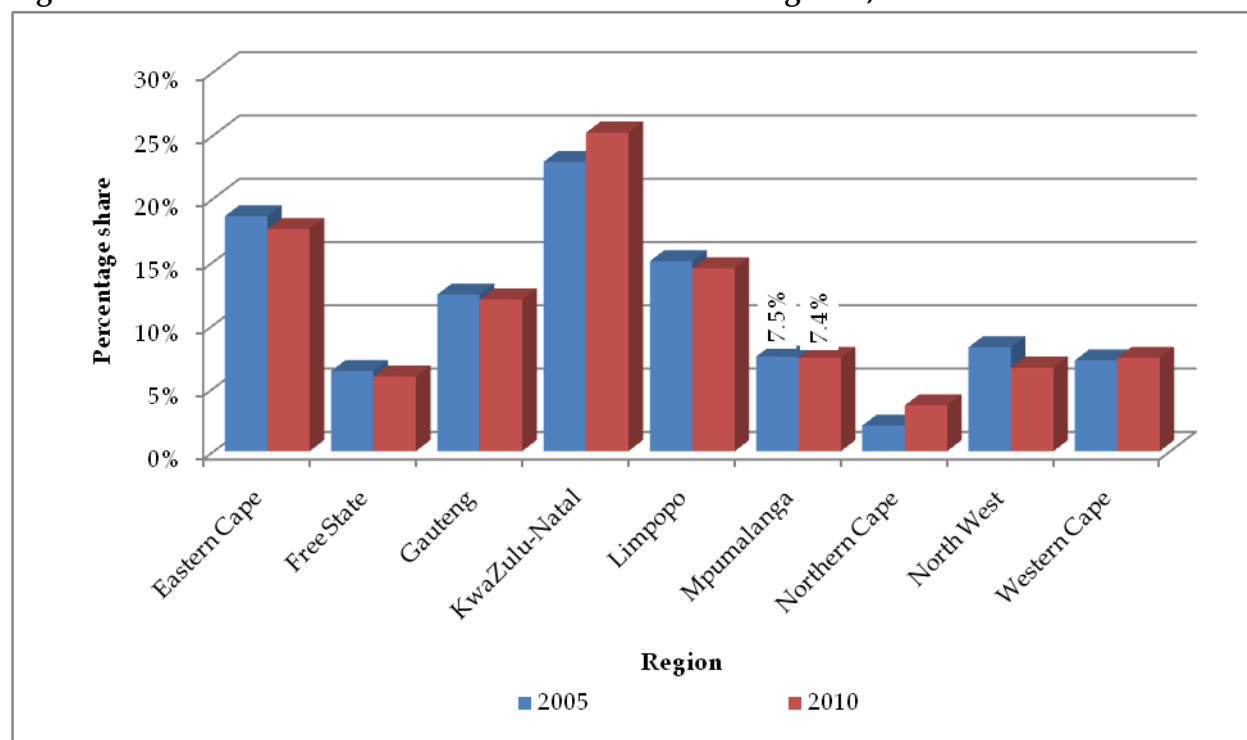
Source: Statistics South Africa – 2009 GHS

Social assistance grants

According to the South African Social Security Agency (SASSA), the number of South Africans that received social assistance grants increased from 9.4 million in March 2005 to 14.1 million in March 2010, an increase of 8.3 per cent per annum over the 5-year period. The R44.9 billion paid out nationally as social assistance grants in 2004/5 was equal to 3.1 per cent of national GDP and rose to R79.3 billion in 2009/10 or 4.4 per cent of national GDP. In monetary terms, social assistance payments increased by 12.0 per cent annually over the 5-year period.

In March 2005, 703 400 citizens of Mpumalanga received social assistance grants. This was equal to a 7.5 per cent share of the total national grant recipients in 2005. By March 2010, the number of recipients in Mpumalanga increased to 1.04 million or 7.4 per cent of the total number of national grant recipients. Mpumalanga registered the fifth highest number of social assistance recipients among the nine provinces (Figure 3.21). The number of recipients in Mpumalanga increased by an average annual 8.1 per cent per annum, which was lower than the national increase of 8.3 per cent per annum and the fifth highest among the nine provinces. The number of recipients of social grant in Northern Cape increased by 21.7 per cent per annum over the 5-year period for the largest annual average increase.

Figure 3.21: Provincial shares of national social assistance grants, 2005-2010

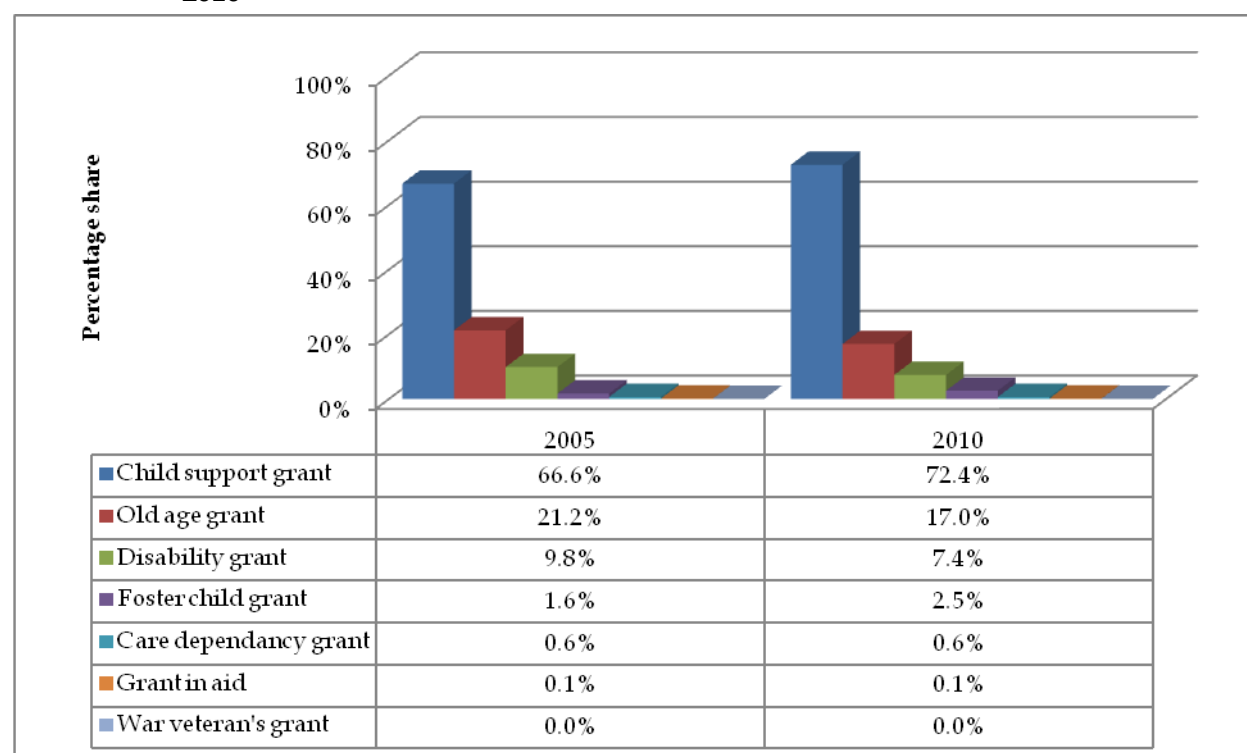


Source: SASSA - SOCPEN system, 2010

It is evident from Figure 3.22 that 72.4 per cent of Mpumalanga's total social assistance grants in 2010 were child support grants, which was higher than the 66.6 per cent share in 2005. In actual numbers, child support grant beneficiaries increased from 468 500 in 2005 to 750 700 in 2010. Although the number of old age grant beneficiaries increased from 149 200 in 2005 to 176 000 in 2010, their share of the total number of grant beneficiaries decreased from 21.2 per cent in 2005 to 17.0 per cent in 2010.

This was due to the much larger increase recorded in child support grant recipients over the same period. From 2005 to 2010, the number of child support grant recipients increased by 9.9 per cent per annum, compared with old age grant beneficiaries that increased annually by only 3.4 per cent. Accordingly, disability grant recipients only increased by an annual average of 2.0 per cent per annum and therefore recorded a smaller share in 2010 (7.4 per cent) of the total number of assistance grant beneficiaries than in 2005 (9.8 per cent) despite an increase in numbers from 69 200 to 76 600.

Figure 3.22: Distribution of various types of social assistance grants in Mpumalanga, 2005-2010



Source: SASSA - SOCPEN system, 2010

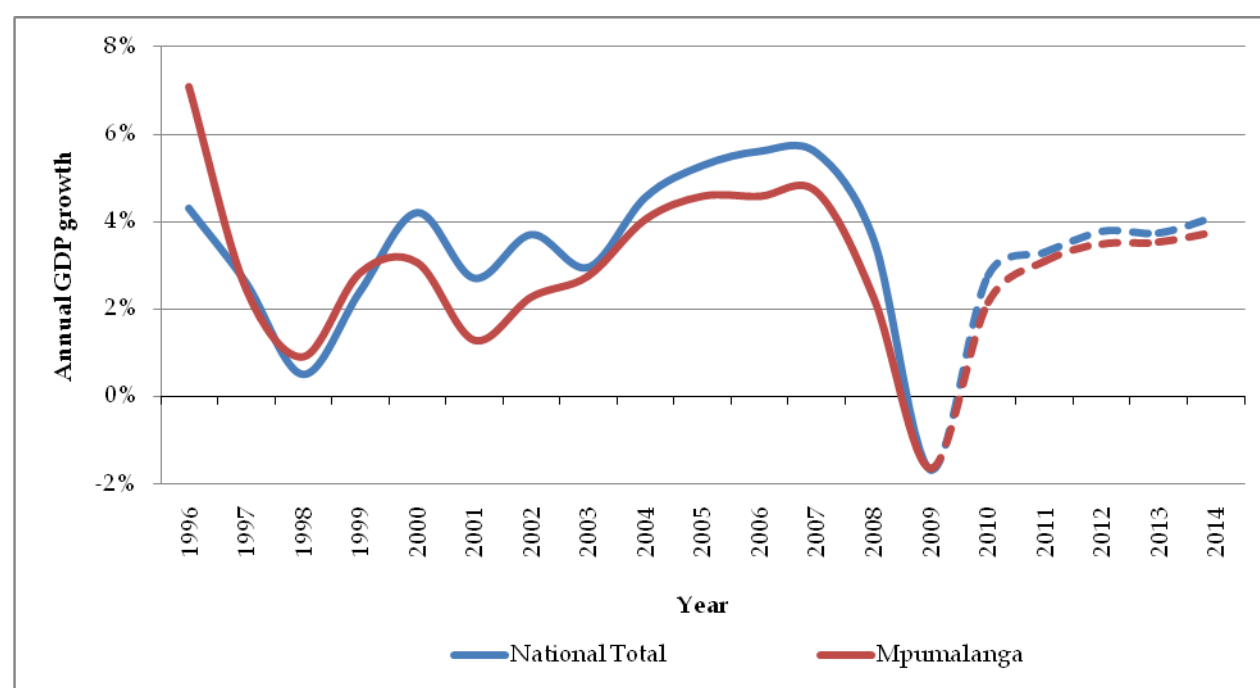
3.7. ECONOMIC SECTORS AND PERFORMANCE

3.7.1 GDP growth

In 2009, Mpumalanga contributed R169.9 billion in current prices and R114.7 billion at constant 2005 prices to the GDP of South Africa. Mpumalanga's contribution was the fifth largest among the nine provinces and registered a marginal decrease from a 6.9 per cent contribution in 1996, to 6.4 per cent in 2009. 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 3.23). The economic recession that stretched from the end of 2008 until midway through 2009, resulted in both South Africa and Mpumalanga recording negative GDP growth for 2009 of 1.7 per cent.

The average annual growth rate for the country and Mpumalanga over the period 1996 to 2009 was 3.2 per cent and 2.6 per cent, respectively. Expectations are that the economies of South Africa and Mpumalanga will grow by 2.8 per cent and 2.1 per cent, respectively, in 2010 after the contraction in 2009. Looking towards the future, the forecasted annual average growth rates for South Africa and Mpumalanga from 2009 to 2014 is 3.5 per cent and 3.2 per cent, respectively (Table 3.19). According to expectations, Gert Sibande is expected to record annual average growth from 2009-2014 of 3.5 per cent followed by Nkangala (3.1 per cent) and Ehlanzeni (3.0 per cent).

Figure 3.23: GDP (constant 2005 prices) growth rates for South Africa and Mpumalanga, 1996-2014



Sources: Statistics South Africa - GDP Q3, 2010 (Historic growth 1997-2009)

Global Insight - ReX, January 2011 (Forecasted growth 2010-2014)

Table 3.19: Historic and forecasted GDP growth rates for South Africa, Mpumalanga and districts, 1996-2014

Period	National	Mpumalanga	Gert Sibande	Nkangala	Ehlanzeni
1996-2009	3.2%	2.6%	-	-	-
2009	-1.7%	-1.7%	-	-	-
2010	2.8%	2.1%	3.7%	1.4%	1.4%
2011	3.3%	3.1%	3.0%	3.3%	2.9%
2012	3.8%	3.5%	3.3%	3.7%	3.4%
2013	3.7%	3.5%	3.8%	3.5%	3.4%
2014	4.1%	3.8%	3.9%	3.7%	3.8%
2009-2014	3.5%	3.2%	3.5%	3.1%	3.0%

Sources: Statistics South Africa - GDP Q3, 2010 (Historic growth 1997-2009)

Global Insight - ReX, January 2011 (Forecasted growth 2010-2014)

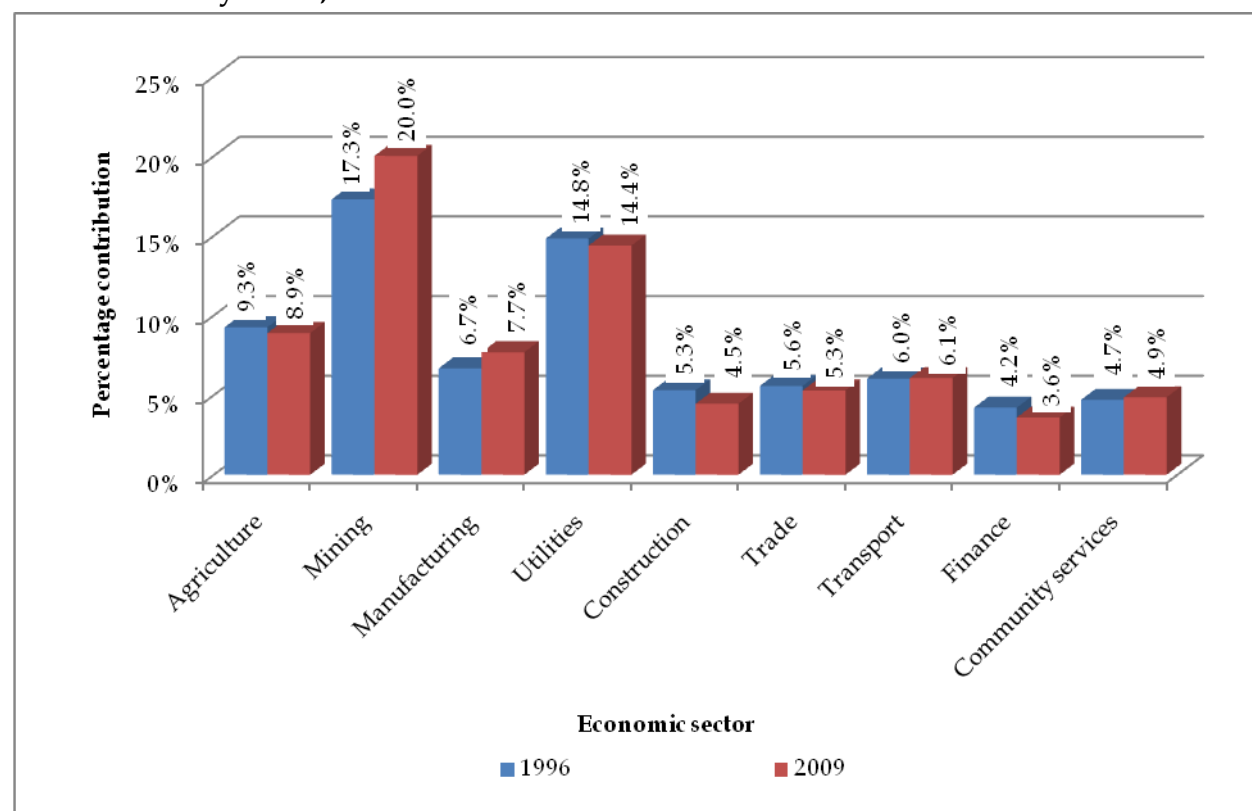
3.7.2 Regional contribution

The economic sectors are classified according to the International Standard Industrial Classification of all Economic Activities (ISIC). 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 3.24 depicts the contribution of each of the economic sectors in Mpumalanga to the national GDP in 1996 and 2009. In 2009, the province was a substantial role-player in the

national mining and utilities (mainly electricity) sectors, with respective shares of 20.0 per cent and 14.4 per cent. It is noticeable that the contribution by mining (from 17.3 per cent to 20.0 per cent), manufacturing (from 6.7 per cent to 7.7 per cent), transport (from 6.0 per cent to 6.1 per cent) and community services (from 4.7 per cent to 4.9 per cent) increased between 1996 and 2009, whilst the other sectors' contribution to the national figure, declined.

Figure 3.24: Mpumalanga's contribution to South Africa's GVA (constant 2005 prices) by sector, 1996-2009



Sources: Statistics South Africa - GDP Q3, 2010

Table 3.20 exhibits the contribution by each of the three districts to the provincial GVA by sector in 1996 and 2009. Nkangala was the largest contributor to the provincial GVA with a share of 37.8 per cent in 1996 and 39.7 per cent in 2009. Nkangala made considerable contributions to the province's utilities (71.6 per cent) and mining (67.4 per cent) sectors in 2009. Gert Sibande with a 31.8 per cent share in both 1996 and 2009 was the second largest contributor followed by Ehlanzeni in third place adding 30.3 per cent in 1996 and 28.5 per cent in 2009 to the provincial economy. In 2009, Gert Sibande was the main contributor to Mpumalanga's manufacturing (55.8 per cent) and agriculture sectors (41.2 per cent), whilst Ehlanzeni played major roles in the province's community services (45.3 per cent) and trade sectors (44.6 per cent).

Table 3.20: Regional contribution to Mpumalanga's GVA (constant 2005 prices) by sector, 1996-2009

Sector	Gert Sibande		Nkangala		Ehlanzeni	
	1996	2009	1996	2009	1996	2009
Agriculture ²	41.5%	41.2%	24.0%	23.0%	34.6%	35.8%
Mining ³	36.3%	25.7%	49.1%	67.4%	14.6%	6.9%
Manufacturing ⁴	42.8%	55.8%	31.4%	25.5%	25.8%	18.7%
Utilities ⁵	26.2%	25.7%	70.0%	71.6%	3.9%	2.7%
Construction ⁶	24.7%	26.7%	30.3%	31.8%	45.0%	41.5%
Trade ⁷	26.3%	25.7%	27.3%	29.7%	46.4%	44.6%
Transport ⁸	27.2%	25.0%	33.6%	36.5%	39.2%	38.5%
Finance ⁹	28.2%	27.6%	36.0%	38.3%	35.8%	34.1%
Community services ¹⁰	22.4%	22.6%	32.0%	32.2%	45.6%	45.3%
Total	31.8%	31.8%	37.8%	39.7%	30.3%	28.5%

Source: Global Insight – ReX, January 2011

3.7.3 Sectoral contribution and performance

In 2009, the primary sectors in Mpumalanga contributed 22.2 per cent, secondary sectors 27.3 per cent and tertiary sectors 50.5 per cent to the provincial GVA. Although the economy depended less on the primary sector in 2009 than in 1996 (28.3 per cent), it continued to stand in contrast to the national primary sectors' small contribution of 8.5 per cent in 2009. Nationally, the secondary sectors added 22.5 per cent and the tertiary sectors 69.0 per cent in 2009.

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, grew only by a modest 0.9 per cent annually over the 13-year period under review. This is in contrast to the tertiary sector that achieved average annual growth of 3.6 per cent per annum. It is apparent that the economic contributions of the primary sectors and secondary sectors, with the exception of manufacturing and construction, decreased between 1996 and 2009. On the other hand, the economic contributions of the tertiary sectors, with the exception of community services, increased between 1996 and 2009.

In 2009, the three largest contributors to the provincial economy were manufacturing (20.1 per cent), mining (18.6 per cent) and community services (16.4 per cent). This was slightly different from 1996, when mining (24.1 per cent) was the leading sector followed by manufacturing (18.6 per cent) and community services (17.1 per cent). Figure 3.25 displays the share of each economic sector in the provincial economy in 1996 and 2009.

² ISIC detailed description = Agriculture, forestry and fishing

³ ISIC detailed description = Mining and quarrying

⁴ ISIC detailed description = Manufacturing

⁵ ISIC detailed description = Electricity, gas and water

⁶ ISIC detailed description = Construction

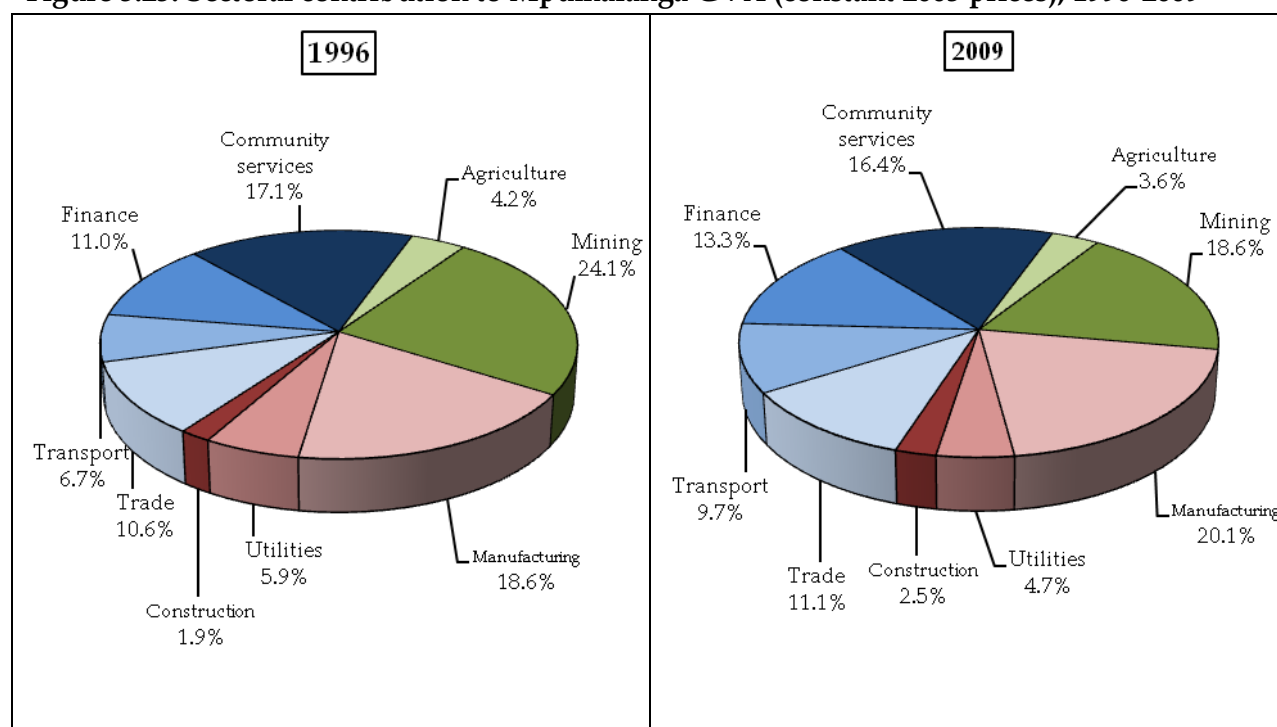
⁷ ISIC detailed description = Wholesale and retail trade, catering and accommodation

⁸ ISIC detailed description = Transportation, storage and communication

⁹ ISIC detailed description = Finance, insurance, real estate and business services

¹⁰ ISIC detailed description = Community, health and personal services

Figure 3.25: Sectoral contribution to Mpumalanga GVA (constant 2005 prices), 1996-2009



Sources: Statistics South Africa - GDP Q3, 2010

Table 3.21 displays the share of each economic sector in the three districts' economies in 1996 and 2009. The manufacturing sector dominated the district economy of Gert Sibande in 2009 with a 34.3 per cent share. Mining activities dominated the Nkangala economy as it added 30.6 per cent to the district's economy in 2009. The largest contributing sector in Ehlanzeni in 2009 was community services with a share of 26.7 per cent.

Similar to what became apparent in the provincial analysis, the contributions by all the primary sectors in all three districts declined from 1996 to 2009. With the exception of manufacturing in Gert Sibande and construction in all three districts, the economic contributions of the secondary sectors also declined. In contrast, the economic contribution by all the tertiary sectors, with the exception of community services in Nkangala and Gert Sibande, improved over the 13-year period from 1996 to 2009.

Table 3.21: Sectoral contribution to individual districts' GVA (constant 2005 prices), 1996-2009

Sector	Gert Sibande		Nkangala		Ehlanzeni	
	1996	2009	1996	2009	1996	2009
Agriculture	5.4%	4.5%	2.6%	2.0%	4.7%	4.4%
Mining	27.0%	14.6%	30.7%	30.6%	11.4%	4.4%
<i>Primary industries</i>	32.4%	19.1%	33.3%	32.7%	16.1%	8.8%
Manufacturing	24.5%	34.3%	15.1%	12.5%	15.5%	12.8%
Utilities	4.8%	3.8%	10.9%	8.4%	0.8%	0.4%
Construction	1.6%	2.1%	1.6%	2.0%	3.0%	3.7%
<i>Secondary industries</i>	30.9%	40.1%	27.6%	23.0%	19.2%	17.0%
Trade	8.9%	9.6%	7.8%	8.9%	16.6%	18.6%
Transport	5.6%	7.5%	5.8%	8.8%	8.5%	12.8%
Finance	9.8%	11.7%	10.5%	13.0%	13.1%	16.1%
Community services	12.4%	12.0%	14.9%	13.7%	26.6%	26.7%
<i>Tertiary industries</i>	36.7%	40.8%	39.1%	44.4%	64.7%	74.3%
Total industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Global Insight - ReX, January 2011

The GVA growth forecast for the economic sectors of Mpumalanga is presented in Table 3.22. In 2010, the leading sectors in terms of GVA growth should be manufacturing (5.0 per cent) and trade (4.6 per cent). Over the period 2009-2014, it is expected that transport will record the highest average annual GVA growth of 4.4 per cent per annum followed by manufacturing (3.8 per cent) and utilities (3.7 per cent).

Table 3.22: Historic and forecasted GVA (constant 2005 prices) growth rates for Mpumalanga's economic sectors, 1996-2014

Sector	1996-2009	2010	2011	2012	2013	2014	2009-2014
Agriculture	1.4%	-4.1%	1.2%	1.5%	1.6%	2.1%	0.4%
Mining	0.8%	0.4%	2.5%	3.0%	2.6%	2.3%	2.1%
Manufacturing	3.4%	5.0%	3.3%	3.3%	3.4%	3.8%	3.8%
Utilities	1.0%	2.1%	3.9%	4.1%	4.0%	4.4%	3.7%
Construction	4.9%	2.1%	0.8%	3.6%	3.7%	4.1%	2.9%
Trade	3.1%	4.6%	2.7%	3.2%	3.2%	3.9%	3.5%
Transport	5.7%	3.8%	4.2%	4.6%	4.5%	4.9%	4.4%
Finance	4.3%	0.8%	3.3%	4.2%	4.1%	4.5%	3.4%
Community services	2.5%	2.7%	3.2%	3.6%	3.6%	3.9%	3.4%
Total industries	2.8%	2.5%	3.1%	3.5%	3.4%	3.7%	3.3%

*Sources: Statistics South Africa - GDP Q3, 2010 (Historic growth 1997-2009)
Global Insight - ReX, January 2011 (Forecasted growth 2010-2014)*

According to Table 3.23, the manufacturing (1.0 per cent) and trade (0.6 per cent) sectors can be regarded as the main drivers of the provincial GVA growth for 2010. Transport (0.4 per cent), and community services (0.4 per cent) are expected to aid provincial growth to a

lesser degree, whereas agriculture (-0.1 per cent) is expected to hold provincial growth back in 2010.

Table 3.23: Sectoral contribution to GVA growth (constant 2005 prices) in Mpumalanga, 2010

Sector	Forecasted GVA share 2010	Forecasted sectoral GVA growth 2010	Estimated contribution to provincial GVA growth 2010
Agriculture	3.3%	-4.1%	-0.1%
Mining	17.7%	0.4%	0.1%
Manufacturing	20.0%	5.0%	1.0%
Utilities	4.6%	2.1%	0.1%
Construction	2.5%	2.1%	0.1%
Trade	12.1%	4.6%	0.6%
Transport	9.6%	3.8%	0.4%
Finance	13.3%	0.8%	0.1%
Community services	16.9%	2.7%	0.4%

Source: Global Insight – ReX, January 2011

3.7.4 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 37.2 compared to 39.7 in 2009. Among the nine provinces, Mpumalanga ranked first in terms of the most diversified economy, followed by Free State (38.7) and KwaZulu-Natal (41.8).

3.7.5 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 (1.26), mining (2.69), manufacturing (1.01) and utilities (2.08) held a comparative advantage over the same sector in the national economy in 2009. Table 3.24 provides the location quotients of the various sectors, indicating their respective comparative advantages.

3.7.6 Labour intensity

Labour intensive sectors are identified by comparing the output generation capacity with the utilisation of labour by each of the sectors. In 2009, the following four sectors in Mpumalanga exhibited higher employment shares relative to their output shares, thereby indicating a high level of labour intensity: agriculture, construction, trade and community services. Nationally the same four sectors revealed a high labour intensity. Table 3.24 provides a comparison of employment with output at sectoral level for 2009.

3.7.7 Employment elasticity

The rate of employment growth in an economy, or in any sector of it, is determined by many factors operating simultaneously, one of which is how fast the economy grows. An employment elasticity provides an indication of the historic rate of employment growth as determined by the historic economic growth. Such an employment elasticity of a sector can be calculated by dividing the observed growth rate of employment during any past period by the observed growth rate of GVA during the same past period.

In Mpumalanga, the trade sector recorded the highest employment elasticity of 1.75 over the period 1996 to 2009. Therefore on average over the 13-year period, every 1 per cent of real GVA growth in the province's trade sector translated into a 1.75 per cent increase in employment in the trade sector. The employment growth in agriculture was negative over the 13-year period and therefore the sector achieved the only negative employment elasticity (-0.43) of all nine sectors. Table 3.24 provides the historic employment elasticities of the various sectors.

8.8 Labour productivity

Productivity can be measured by relating changes in output to changes in one or more input to production. The most common measure is labour productivity that calculates the GDP per hour worked. In the absence of data on hours worked per employee and provincial GDP per sector, the number of employees (formal and informal) per sector as well as GVA per sector were used as the respective proxies. Should an industry achieve a score of more than unity (1) then that industry is regarded as experiencing higher labour productivity than all industries combined.

When comparing Mpumalanga's sectoral labour productivity with that of the province's total industries, it is evident that five industries achieved higher labour productivity than the total industries combined in 2009 (Table 3.24). However, it must be highlighted that only three of these, manufacturing, utilities and transport, achieved a higher labour productivity index value in 2009 than in 1996.

Table 3.24: Essential economic ratio's by sector in Mpumalanga, 2009

Sector	Comparative advantage	Labour intensity	Employment elasticity	Labour productivity
Agriculture	1.26	3.68	(0.43)	0.30
Mining	2.69	0.58	1.68	1.89
Manufacturing	1.01	0.67	0.62	1.65
Utilities	2.08	0.30	0.45	3.61
Construction	0.72	3.02	0.96	0.36
Trade	0.82	2.04	1.75	0.54
Transport	0.82	0.45	0.34	2.41
Finance	0.60	0.54	1.71	2.02
Community services	0.75	1.10	1.59	0.99
Total	1.00	-	1.05	1.00

Source: Global Insight – ReX, January 2011

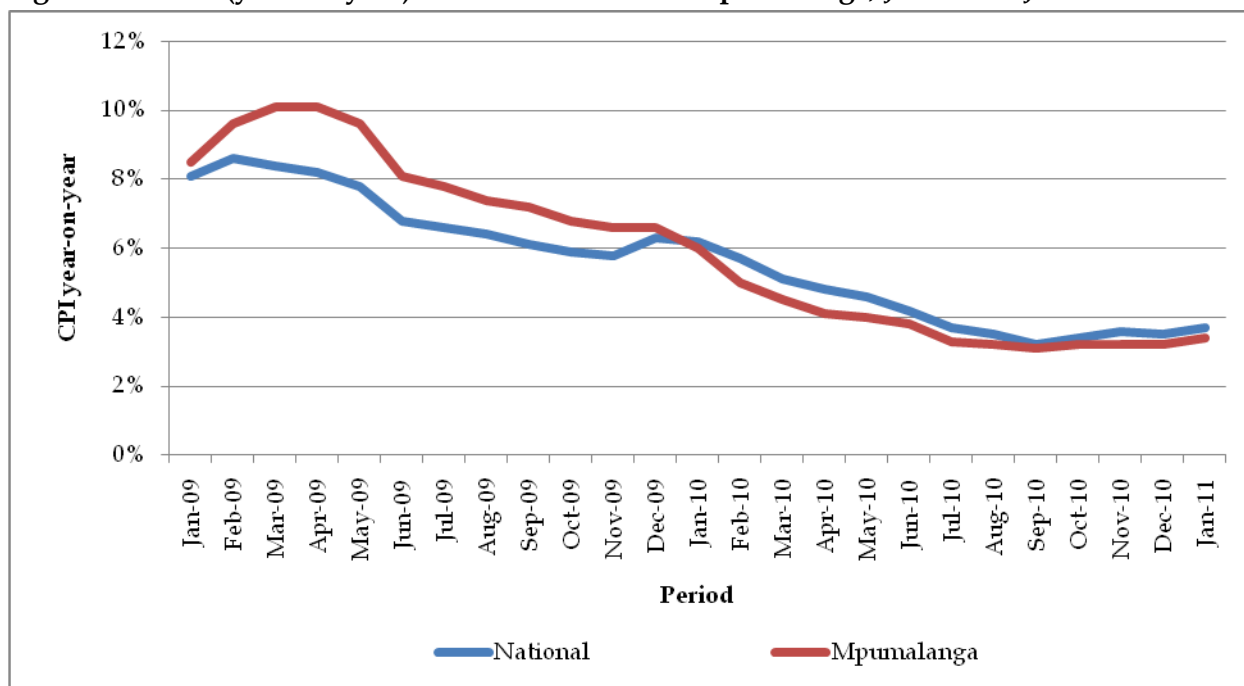
3.7.9 Inflation

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. The provincial average annual inflation rate for 2010 was 3.9 per cent, which was lower than the average for South Africa (4.3 per cent) and the fifth lowest overall.

The January 2011 inflation measurement in Mpumalanga of 3.4 per cent was marginally lower than the national level of 3.7 per cent. Mpumalanga moved down to the province with the second lowest inflation rate in January 2011. The comparative percentage change in the CPI for South Africa and Mpumalanga from January 2009 to January 2011 is displayed in Figure 3.26.

The average annual inflation measured for 2010 in Witbank/Nelspruit¹¹ was 4.6 per cent, which was jointly the eight lowest among the major urban areas of South Africa. The January 2011 inflation measurement at 3.8 per cent in Witbank/Nelspruit, although higher than the provincial rate, placed the combined urban area in sixth position out of thirteen major urban areas in South Africa.

Figure 3.26: CPI (year-on-year) in South Africa and Mpumalanga, Jan 2009 – Jan 2011



Source: Statistics South Africa – CPI Additional Tables, 2009-2011

The main determinants of inflation in Mpumalanga based on their respective weightings, as provided in Table 3.25, are price changes in food and non-alcoholic beverages, housing and utilities, transport as well as miscellaneous goods and services. These four broad determinants, in terms of the weighting, contribute more than 70 per cent to the level of inflation and inflation movements in Mpumalanga.

¹¹ Official description by Statistics South Africa for the urban areas of Emalahleni and Mbombela

It appears from Table 3.25 that only two of the four main determinants of inflation, housing and utilities (6.9 per cent) as well as miscellaneous goods and services (5.4 per cent), provided upward pressure on the average level of prices in the province in January. In the housing and utilities index, higher electricity (16.0 per cent) and water (12.6 per cent) prices were the two main contributing product groups to the increase in price levels. Higher insurance cost (8.0 per cent) was the predominant cause of the higher price level in the miscellaneous goods and services index.

The largest of the four main inflation determinants in terms of weighting, food and non-alcoholic beverages recorded an inflation rate of 1.8 per cent. The main product group of this index, namely meat (0.7 per cent), recorded an average price increase, whereas cereals, as the second largest product group, recorded an increase of 2.7 per cent.

Table 3.25: CPI group indices & percentage change for Mpumalanga, January 2011

Index description	Weight	Percentage change	
		Month-on-month	Year-on-year
Food & non-alcoholic beverages	21.80	+2.2	+1.8
Alcoholic beverages and tobacco	4.38	+0.0	+7.6
Clothing and footwear	4.98	+0.3	+2.2
Housing and utilities	15.53	-0.2	+6.9
Household contents and services	8.10	-0.9	-0.7
Health	1.25	+0.2	+7.5
Transport	19.13	+0.6	+3.0
Communication	2.96	-0.3	-4.3
Recreation and culture	3.79	-0.5	-2.8
Education	2.09	+0.0	+8.2
Restaurants and hotels	1.95	+1.4	+6.3
Miscellaneous goods and services	14.04	+0.7	+5.4
All items	100.0	+0.6	+3.4

Source: Statistics South Africa – CPI Additional Tables, 2011

The domestic inflation trajectory is still expected to remain within the target range over the entire forecast period to the end of 2012. Inflation is now expected to average 4.6 per cent in 2011 and 5.3 per cent in 2012. The upward adjustment is mainly due to revised assumptions of the international oil price over the forecast period.

3.8. INTERNATIONAL TRADE

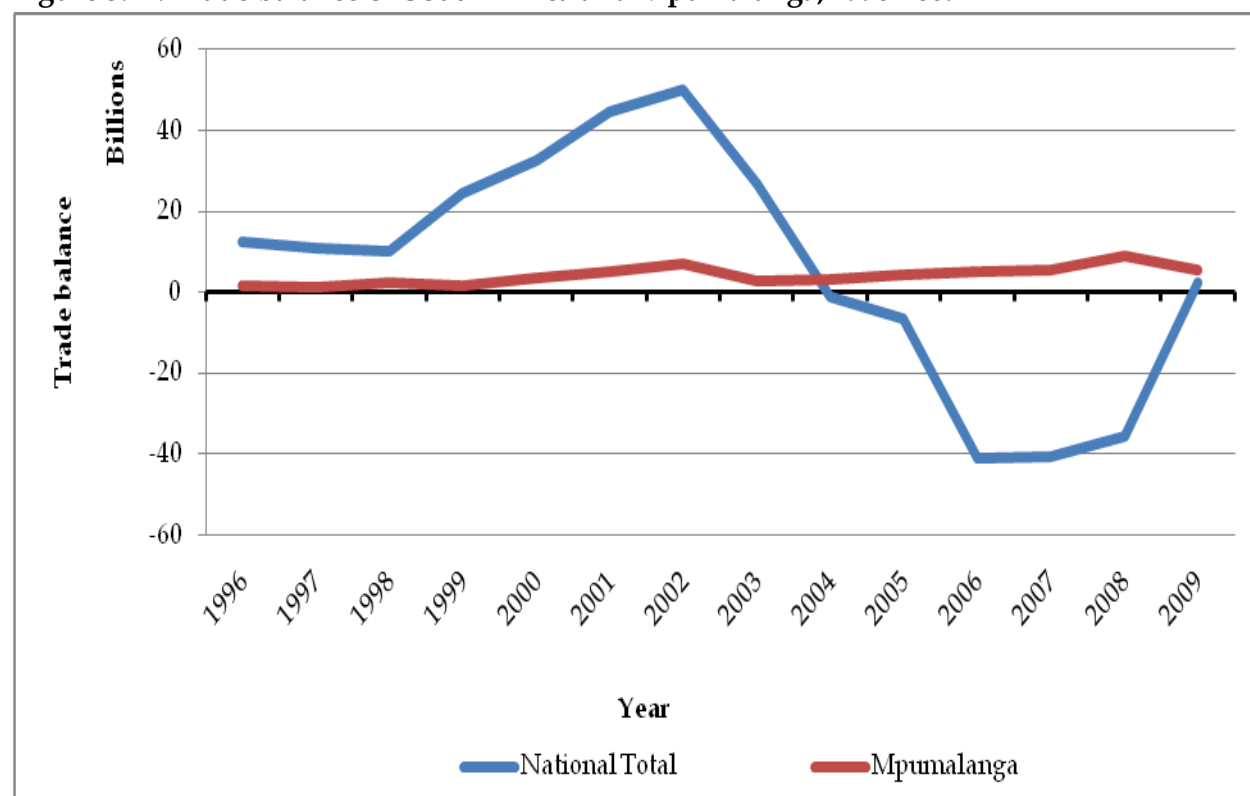
Mpumalanga's contribution to total national trade was 1.2 per cent in 2009, down from 1.5 per cent in 2001. Mpumalanga contributed 1.6 per cent and 0.7 per cent to national exports and national imports, respectively. The two leading provinces, in terms of total trade contribution in 2009, were Gauteng with a share of 62.8 per cent and the Western Cape (15.9 per cent).

Mpumalanga recorded vigorous average annual growth in terms of exports (11.0 per cent) and imports (13.7 per cent) from 1996 to 2009. Despite surpassing the comparative national import growth rate, the province failed to grow exports faster than the country as a whole

over the 13-year period. Mpumalanga occupied the sixth position and third position in terms of export and import growth, respectively.

Mpumalanga registered a positive trade balance of R5.3 billion in 2009, continuing the trend of exports exceeding imports since the start of the period under review in 1996. During the same period, the trade balance of South Africa fluctuated between positive and negative territory, finishing 2009 at R2.3 billion. A comparison of Mpumalanga's trade balance with the national trade balance is displayed in Figure 3.27. Mpumalanga was the province with the fourth highest positive trade balance in 2009 after Gauteng, North-West and Limpopo.

Figure 3.27: Trade balance of South Africa and Mpumalanga, 1996-2009



Source: Global Insight – ReX, January 2011

Among the three districts, Nkangala (44.1 per cent) was the main contributor to provincial exports in 2009 followed by Ehlanzeni and Gert Sibande with respective contributions of 31.5 per cent and 24.4 per cent. Exports from Gert Sibande (21.2 per cent) recorded the highest growth since 1996 and those from Ehlanzeni the slowest (8.3 per cent). Gert Sibande attracted 68.0 per cent of Mpumalanga's imports in 2009, followed by Nkangala and Ehlanzeni. Imports flowing to Gert Sibande recorded the highest growth rate (14.7 per cent) over the 13-year period and those to Ehlanzeni the lowest (10.8 per cent). Table 3.26 presents the districts' contribution to provincial trade as well as providing average annual growth rates for the respective flows over the 13-year period.

Among the three districts, Nkangala recorded the largest positive trade balance of R3.1 billion in 2009, followed by Ehlanzeni (R2.5 billion). Gert Sibande recorded a negative trade balance in 2009 of R328 million and are the only district in Mpumalanga to sporadically record negative trade balances, the previous time before 2009 being in 2005.

Table 3.26: Mpumalanga districts' contribution to provincial exports and imports, 2009

District	Exports		Imports	
	Provincial share	Growth 96-09	Provincial share	Growth 96-09
Gert Sibande	24.4%	21.2%	68.0%	14.7%
Nkangala	44.1%	10.2%	23.1%	12.6%
Ehlanzeni	31.5%	8.3%	8.9%	10.8%

Source: *Global Insight – ReX, January 2011*

In 2009, exports from Mpumalanga to the world were dominated by manufactured goods (54.4 per cent) and primary products of mining activities (36.0 per cent). Exports of manufactured goods consisted primarily of metal products, machinery and household appliances, whilst exports of mining products consisted mainly of coal. The composition of exports was virtually similar to the national situation. Exports from Gert Sibande were dominated by primary mining products (77.0 per cent), Nkangala by manufactured goods (57.1 per cent) and Ehlanzeni similarly by manufactured goods (79.5 per cent).

In 2009, imports from Mpumalanga to the world were dominated by manufactured goods (97.6 per cent). These manufactured goods consisted primarily of metal products, machinery and household appliances as well as electrical machinery and apparatus. Imports destined for Gert Sibande (99.4 per cent), Nkangala (99.0 per cent) and Ehlanzeni (80.1 per cent) were largely manufactured goods.

3. RECEIPTS

3.1 Overall position

Table 1.7: Summary of provincial receipts									
R thousand	Outcome			Main appropriation	Adjusted appropriation 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Transfer receipts from National									
Equitable share	14 310 846	17 420 555	20 107 423	21 323 198	21 897 395	21 834 696	23 378 714	24 570 021	25 786 476
Conditional grants	1 634 481	2 328 368	3 217 923	4 222 270	4 329 693	4 220 137	5 174 442	5 618 240	6 120 392
Total transfer receipts from National	15 945 327	19 748 923	23 325 346	25 545 468	26 227 088	26 054 833	28 553 156	30 188 261	31 906 868
Provincial own receipts									
Tax receipts	206 605	254 777	283 668	315 502	305 909	311 969	331 549	349 727	366 690
Casino taxes	25 951	35 702	39 087	45 642	36 139	42 723	49 154	52 948	54 862
Horse racing taxes	4 000	4 371	4 500	4 914	4 914	4 653	5 307	5 732	6 271
Liquor licences	1 823	613	1 711	2 930	2 840	2 577	1 881	1 994	2 051
Motor vehicle licences	174 831	214 091	238 370	262 016	262 016	262 016	275 207	289 053	303 506
Tourism	-	-	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-	-
Sales of goods and services other than capital assets	62 444	96 140	85 939	78 242	78 809	80 482	81 760	85 493	90 140
Transfers received	-	-	-	-	-	-	16 772	-	-
Fines, penalties and forfeits	18 668	26 234	32 572	39 267	39 267	40 302	98 802	104 664	112 513
Interest, dividends and rent on land	166 335	106 362	81 426	107 293	105 692	111 363	96 844	101 427	103 279
Sales of capital assets	2 983	14 859	6 359	7 250	11 880	11 995	13 989	19 421	20 453
Financial transactions in assets and liabilities	9 200	14 649	9 891	3 237	4 798	7 175	5 083	8 943	9 214
Total provincial own receipts	466 235	513 021	499 855	550 791	546 355	563 286	644 799	669 675	702 288
Other funding	-	-	-	-	1 399	1 399	-	-	-
Total provincial receipts	16 411 562	20 261 944	23 825 201	26 096 259	26 774 842	26 619 518	29 197 955	30 857 936	32 609 156

Equitable share

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Vote 01: Office of the Premier	169 887	201 061	169 426	151 869	159 553	159 553	141 464	160 275	167 462
Vote 02: Provincial Legislature	89 738	124 081	130 394	161 083	214 182	234 182	172 213	180 750	188 875
Vote 03: Finance	139 774	357 445	204 664	232 773	230 814	218 527	209 073	254 300	265 981
Vote 04: Co-operative Governance and Traditional Affairs	170 186	320 282	422 071	320 235	320 235	311 040	325 444	356 910	372 932
Vote 05: Agriculture, Rural Development and Land Administration	412 923	520 721	572 907	563 809	600 409	600 409	654 209	713 539	745 963
Vote 06: Economic Development, Environment and Tourism	446 830	555 222	567 383	618 058	686 771	681 407	647 741	668 685	698 824
Vote 07: Education	7 524 818	8 871 364	10 418 676	10 388 080	10 788 056	10 788 056	11 347 165	12 090 688	12 651 558
Vote 08: Public Works, Roads and Transport	1 397 017	1 590 951	1 634 301	2 222 203	2 039 484	2 039 484	2 265 359	2 217 592	2 316 567
Vote 09: Safety, Security and Liaison	39 324	62 657	84 034	105 139	105 139	105 139	122 553	121 735	126 959
Vote 10: Health	3 278 842	3 896 413	4 848 881	5 327 658	5 477 612	5 439 070	6 146 133	6 403 119	6 780 872
Vote 11: Culture, Sport and Recreation	98 374	161 271	167 337	168 837	175 396	183 207	232 223	196 606	205 439
Vote 12: Social Development	459 398	651 625	742 731	871 806	871 806	846 814	956 057	1 016 041	1 061 783
Vote 13: Human Settlement	83 735	107 462	144 618	191 648	227 938	227 808	159 080	189 781	203 261
Total provincial own receipts by Vote	14 310 846	17 420 555	20 107 423	21 323 198	21 897 395	21 834 696	23 378 714	24 570 021	25 786 476

The above table reflects equitable share allocated to each vote in the 2011 MTEF period..

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Vote 01: Office of the Premier	-	-	6 708	6 859	6 859	6 859	-	-	-
Vote 02: Provincial Legislature	-	1 403	7 939	8 572	8 572	8 572	21 761	32 850	34 461
Vote 03: Finance	-	-	-	-	-	-	7 500	7 673	8 072
Vote 04: Co-operative Governance and Traditional Affairs	6 900	7 377	985	83 858	83 858	83 858	199	212	210
Vote 05: Agriculture, Rural Development and Land Administration	5 800	4 792	6 697	7 233	7 233	7 233	166 772	157 650	165 848
Vote 06: Economic Development, Environment and Tourism	20 000	21 384	23 095	24 942	24 942	24 942	-	-	-
Vote 07: Education	90 468	96 728	24 281	117 820	117 820	117 820	329 500	346 514	364 533
Vote 08: Public Works, Roads and Transport	153 200	167 543	192 946	201 696	201 696	201 696	-	-	-
Vote 09: Safety, Security and Liaison	5 000	5 400	5 832	6 299	6 299	6 299	-	-	-
Vote 10: Health	-	-	2 219	42 050	42 050	42 050	-	124 776	129 163
Vote 11: Culture, Sport and Recreation	32 210	18 604	18 491	19 020	19 020	19 020	-	-	-
Vote 12: Social Development	-	5 400	5 832	6 785	6 785	6 785	-	-	-
Vote 13: Human Settlement	8 100	8 661	14 462	29 983	29 983	29 983	119 067	-	-
Total provincial own receipts by Vote	321 678	337 292	309 487	555 117	555 117	555 117	644 799	669 675	702 287

The table above reflects own revenue allocated to each vote in the 2011 MTEF period.

3.2 Conditional grants

REVISION TO CONDITIONAL GRANTS

Human Settlements Development Grant

A portion of the Human Settlements Development Grant has been deducted from the grant and is now directly transferred to the metros through the new Urban Settlements Development Grant to accelerate the eradication of informal settlements.

Infrastructure Grant to Provinces

The Infrastructure Grant to Provinces has been restructured into separate grants for education, health and provincial roads. This is to ensure that infrastructure funding is appropriate to the needs of each sector.

Schools Backlogs Infrastructure Grant

National Department of Education will administer this grant as a grant-i-aid to accelerate the eradication of backlogs in schools. Section 19(2) of the Division of Revenue Bill enables the national department to transfer a province's portion of this grant through the Education Infrastructure Grant if the province has a proven track record that it has the capacity to implement infrastructure projects

Conditional Grants allocations per vote.

Table 1.8: Summary of conditional grants by grant

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Vote 5: Agriculture, Rural Development and Land Administration	84 642	106 244	169 585	166 894	166 894	166 894	148 130	167 787	186 043
Agricultural Disaster Management Grant	8 382	18 156	30 172	-	-	-	-	-	-
Comprehensive Agricultural Support Programme Grant	41 133	53 035	70 067	81 947	81 947	81 947	102 932	114 829	131 484
Land Care Programme Grant: Poverty Relief & Infrastructure Development	4 028	4 407	4 627	4 904	4 904	4 904	5 198	10 958	10 249
Llimal/Letsema Project Grant	-	-	5 000	20 000	20 000	20 000	40 000	42 000	44 310
Infrastructure Grant to Provinces	31 099	23 094	59 232	59 869	59 869	59 869	-	-	-
Food Security Grant	-	7 552	-	-	-	-	-	-	-
Expanded Public Works Programme Grant	-	-	487	174	174	174	-	-	-
Vote 7: Education	208 113	392 887	497 132	1 024 352	1 055 996	1 055 996	1 275 088	1 324 613	1 408 208
Further Education and Training College Sector Recapitalisation Grant	48 271	39 103	-	285 563	286 097	286 097	320 378	341 147	370 651
HIV and Aids (Life Skills Education) Grant	12 443	13 592	13 191	15 392	17 183	17 183	16 388	17 486	18 448
National School Nutrition Programme Grant	110 504	121 753	231 261	354 341	375 563	375 563	440 923	474 560	500 661
Education Infrastructure Grant	36 895	218 439	252 680	363 187	371 284	371 284	472 881	463 237	488 715
Dinaledi Schools Grant	-	-	-	-	-	-	6 440	9 200	9 706
Technical Secondary Schools Recapitalisation Grant	-	-	-	5 869	5 869	5 869	18 078	18 983	20 027
Vote 8: Public Works, Roads and Transport	272 768	421 160	798 164	906 902	920 143	920 143	1 510 666	1 767 837	1 989 318
Devolution of Property Rate Funds Grants	-	36 000	58 473	44 374	57 615	57 615	73 964	77 647	84 601
Expanded Public Works Programme Incentive Grant	-	-	4 521	17 900	17 900	17 900	-	-	-
Provincial Roads Maintenance Grant	272 768	380 868	360 984	442 106	442 106	442 106	1 016 603	1 253 564	1 449 002
Overload Control Grant	-	4 292	3 659	5 519	5 519	5 519	-	-	-
Public Transport Operations Grant	-	-	370 527	397 003	397 003	397 003	420 099	436 626	455 715
Vote 10: Health	378 356	556 114	907 722	1 051 007	1 070 164	968 819	1 219 002	1 290 662	1 410 778
Comprehensive HIV and Aids Grant	121 190	186 623	289 929	383 646	394 147	394 147	490 366	578 087	694 264
Forensic Pathology Services Grant	37 141	66 663	44 702	50 107	50 276	45 276	53 114	-	-
Health Professions Training and Development Grant	56 366	44 822	45 648	76 149	77 550	70 550	80 718	85 208	89 894
Hospital Revitalisation Grant	47 290	104 157	343 743	331 657	331 657	251 657	356 557	378 014	355 081
National Tertiary Services Grant	54 995	46 439	68 624	91 879	94 620	89 620	91 879	105 970	120 270
World Cup Health Preparation Strategy Grant	-	-	-	-	4 345	-	-	-	-
Health Infrastructure Grant	61 374	108 410	115 076	111 185	111 185	111 185	146 368	143 383	151 269
Expanded Public Works Programme Grant	-	-	-	6 384	6 384	6 384	-	-	-
Vote 11: Culture, Sports and Recreation	38 336	55 760	86 068	94 396	102 607	94 396	104 879	110 123	116 180
Mass Sport and Recreation Participation Programme Grant	22 573	33 746	56 535	62 733	70 944	62 733	66 497	69 822	73 662
Community Library Service Grant	15 763	22 014	29 533	31 663	31 663	31 663	38 382	40 301	42 518
Vote 12: Social Development	-	-	-	2 856	2 856	2 856	-	-	-
Expanded Public Works Programme Grant	-	-	-	2 856	2 856	2 856	-	-	-
Vote 13: Human Settlements	652 266	796 203	759 252	975 863	1 011 033	1 011 033	916 677	957 218	1 009 865
Integrated Housing and Human Settlement Development Grant	652 266	796 203	759 252	975 863	1 011 033	1 011 033	916 677	957 218	1 009 865
Total conditional grants	1 634 481	2 328 368	3 217 923	4 222 270	4 329 693	4 220 137	5 174 442	5 618 240	6 120 392

3.3 Total provincial own receipts (own revenue)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Vote 01: Office of the Premier	716	1 752	1 351	593	593	987	629	661	698
Vote 02: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 03: Finance	143 474	65 984	52 688	72 393	72 393	77 784	55 187	57 169	58 003
Vote 04: Co-operative Governance and Traditional Affairs	939	5 148	1 759	1 035	1 035	1 960	1 162	1 232	1 293
Vote 05: Agriculture, Rural Development and Land Administration	6 535	9 248	5 883	4 632	4 632	4 632	21 569	4 911	5 157
Vote 06: Economic Development, Environment and Tourism	32 794	43 566	48 228	58 408	47 000	54 464	63 011	67 539	71 400
Vote 07: Education	25 782	30 404	21 626	22 274	22 274	22 274	23 388	24 631	23 785
Vote 08: Public Works, Roads and Transport	212 231	289 230	307 125	346 977	346 977	346 977	427 739	459 140	484 712
Vote 09: Safety, Security and Liaison	507	548	515	384	384	429	436	455	474
Vote 10: Health	38 073	61 416	55 078	41 297	45 623	45 623	46 243	47 516	50 368
Vote 11: Culture, Sport and Recreation	1 136	1 407	1 123	941	941	941	983	1 033	1 090
Vote 12: Social Development	2 983	3 203	1 816	629	3 275	3 276	1 602	1 643	1 714
Vote 13: Human Settlement	1 065	1 115	2 663	1 228	1 228	3 939	2 850	3 745	3 594
Total provincial own receipts by Vote	466 235	513 021	499 855	550 791	546 355	563 286	644 799	669 675	702 288

The table above reflects projections of provincial own revenue that departments will collect in the 2011 MTEF period. There is a slight upward increment of collection reflecting an improvement from the previous years in which the collection was affected by the economic turmoil.

4. PAYMENTS

4.1 Overall position

4.2 Payments by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Vote 01: Office of the Premier	169 887	201 061	176 134	158 728	166 412	166 412	141 464	160 275	167 462
Vote 02: Provincial Legislature	89 738	125 484	138 333	169 655	222 754	242 754	193 974	213 600	223 336
Vote 03: Finance	139 774	357 445	204 664	232 773	230 814	218 527	216 573	261 973	274 053
Vote 04: Co-operative Governance and Traditional Affairs	185 061	339 530	417 758	404 093	404 093	394 898	325 643	357 122	373 142
Vote 05: Agriculture, Rural Development and Land Administration	503 365	631 757	749 189	737 936	774 536	774 536	969 111	1 038 976	1 097 854
Vote 06: Economic Development, Environment and Tourism	466 830	576 606	590 478	643 000	711 713	706 349	647 741	668 685	698 824
Vote 07: Education	7 823 399	9 360 979	10 940 089	11 530 252	11 961 872	11 961 872	12 951 753	13 761 815	14 424 299
Vote 08: Public Works, Roads and Transport	1 822 985	2 179 654	2 625 441	3 330 801	3 161 323	3 178 338	3 776 025	3 985 429	4 305 885
Vote 09: Safety, Security and Liaison	44 324	68 057	89 866	111 438	111 438	111 438	122 553	121 735	126 959
Vote 10: Health	3 657 198	4 452 527	5 758 822	6 420 715	6 591 225	6 451 338	7 365 135	7 818 557	8 320 813
Vote 11: Culture, Sport and Recreation	168 920	235 635	271 896	282 253	297 023	296 623	337 102	306 729	321 619
Vote 12: Social Development	459 398	657 025	748 563	881 447	881 447	856 455	956 057	1 016 041	1 061 783
Vote 13: Human Settlement	744 101	912 326	918 332	1 197 494	1 268 954	1 268 824	1 194 824	1 146 999	1 213 126
Total provincial payments and estimates by Vote	16 274 980	20 098 086	23 629 565	26 100 585	26 783 604	26 628 364	29 197 955	30 857 936	32 609 155

The table above provide estimates of expenditure per vote in the 2011 MTEF period.

Payment by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Current payments	13 120 412	16 151 375	18 936 416	20 784 225	21 122 951	21 114 304	22 704 232	24 135 045	25 508 036
Compensation of employees	9 427 574	11 758 526	13 664 061	15 320 160	15 382 934	15 406 240	16 721 656	17 852 173	18 796 911
Goods and services	3 691 314	4 392 780	5 272 270	5 463 765	5 740 017	5 707 684	5 982 576	6 282 872	6 711 125
Interest and rent on land	1 524	69	85	300	-	380	-	-	-
Transfers and subsidies to:	1 793 783	2 087 324	2 676 657	3 132 785	3 338 788	3 374 580	3 741 590	3 884 666	4 075 962
Provinces and municipalities	18 314	101 379	81 324	57 374	76 441	74 215	86 964	91 427	99 208
Departmental agencies and accounts	31 368	3 991	325 093	397 923	446 344	446 344	421 178	418 114	430 754
Universities and technikons	-	-	-	1 200	1 090	666	1 600	1 300	1 300
Foreign governments and international organisations	3 225	1 000	370 527	423 183	415 003	407 443	440 699	459 076	462 797
Public corporations and private enterprises	149 119	176 891	18 875	-	-	-	-	-	-
Non-profit institutions	606 385	874 394	957 255	1 111 184	1 175 533	1 198 428	1 343 935	1 410 202	1 471 905
Households	985 372	929 669	923 583	1 141 921	1 224 377	1 247 484	1 447 214	1 504 547	1 609 998
Payments of capital assets	1 359 514	1 859 042	2 007 276	2 183 575	2 311 021	2 139 394	2 752 133	2 838 225	3 025 157
Buildings and other fixed structures	1 110 193	1 465 769	1 755 495	1 810 374	1 882 041	1 773 367	2 364 166	2 520 662	2 699 751
Machinery and equipment	246 023	387 698	241 447	372 937	417 608	349 969	371 509	317 254	324 906
Heritage assets	-	-	-	64	64	64	20	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	40	-	58	-	-	-	-	-	-
Land and sub-soil assets	1 108	-	8 755	-	-	-	-	-	-
Software and other intangible assets	2 150	5 575	1 521	200	11 308	15 994	16 438	309	500
Payments for financial assets	1 271	345	9 216	-	10 844	86	-	-	-
Total economic classification	16 274 980	20 098 086	23 629 565	26 100 585	26 783 604	26 628 364	29 197 955	30 857 936	32 609 155

The table above reflects summary provincial payments and of estimates by economic classification.

The following tables reflecting estimates of expenditure according to economic classification per vote through the 2011 MTEF period.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Vote 01: Office of the Premier	74 428	94 374	95 782	122 699	110 549	106 319	114 428	120 740	130 042
Vote 02: Provincial Legislature	41 326	59 502	70 725	90 660	79 900	79 900	95 022	102 826	115 323
Vote 03: Finance	64 094	82 032	99 112	132 290	115 634	110 350	118 741	155 543	166 431
Vote 04: Co-operative Governance and Traditional Affairs	98 665	131 467	177 611	216 717	207 777	217 328	224 375	235 594	248 551
Vote 05: Agriculture, Rural Development and Land Administration	223 709	266 617	294 598	352 606	362 014	362 014	381 578	402 790	423 105
Vote 06: Economic Development, Environment and Tourism	90 879	98 671	129 342	135 838	142 758	149 143	157 345	165 212	174 298
Vote 07: Education	5 996 332	7 364 952	8 416 034	9 217 097	9 246 479	9 246 185	10 022 528	10 701 452	11 231 698
Vote 08: Public Works, Roads and Transport	542 317	694 818	811 902	958 928	938 209	948 372	1 000 532	1 069 277	1 146 412
Vote 09: Safety, Security and Liaison	25 496	37 172	47 524	54 990	62 578	62 578	69 420	72 918	76 959
Vote 10: Health	2 039 918	2 603 406	3 073 377	3 476 417	3 579 957	3 579 957	3 950 125	4 189 515	4 415 914
Vote 11: Culture, Sport and Recreation	56 693	70 051	82 355	102 913	91 866	100 339	106 280	111 594	117 732
Vote 12: Social Development	127 312	198 882	276 842	329 311	329 311	328 498	359 492	396 832	415 532
Vote 13: Human Settlement	46 405	56 582	88 857	129 694	115 902	115 257	121 790	127 880	134 914
Total provincial payments and estimates by Vote	9 427 574	11 758 526	13 664 061	15 320 160	15 382 934	15 406 240	16 721 656	17 852 173	18 796 911

Table 1.11 (b): Summary of provincial goods and services by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Vote 01: Office of the Premier	90 294	99 675	74 646	35 439	54 820	58 295	26 636	39 387	37 300
Vote 02: Provincial Legislature	27 062	37 439	48 426	57 718	92 648	96 648	60 237	85 643	86 223
Vote 03: Finance	73 164	222 773	103 320	93 464	105 511	99 006	91 012	99 958	101 221
Vote 04: Co-operative Governance and Traditional Affairs	67 994	156 338	95 535	129 094	107 182	105 030	83 668	89 445	91 886
Vote 05: Agriculture, Rural Development and Land Administration	124 530	198 453	322 144	258 987	282 847	282 847	205 455	185 369	185 024
Vote 06: Economic Development, Environment and Tourism	72 813	114 171	136 499	100 596	112 959	105 351	65 373	77 567	85 144
Vote 07: Education	1 216 586	1 239 381	1 570 623	1 171 211	1 345 387	1 304 244	1 416 801	1 500 725	1 567 941
Vote 08: Public Works, Roads and Transport	496 294	605 862	674 432	1 259 335	1 143 904	1 180 487	1 252 085	1 228 439	1 341 374
Vote 09: Safety, Security and Liaison	17 787	29 170	40 237	53 433	45 459	45 459	48 193	46 937	48 770
Vote 10: Health	1 288 297	1 374 915	1 896 339	2 010 359	2 124 840	2 102 808	2 427 936	2 590 050	2 808 930
Vote 11: Culture, Sport and Recreation	86 889	121 851	116 502	109 143	122 802	121 828	120 775	133 973	143 240
Vote 12: Social Development	112 750	167 485	151 017	138 649	147 694	151 257	163 977	169 564	178 319
Vote 13: Human Settlement	16 854	25 267	42 550	46 337	53 964	54 424	20 428	35 815	35 753
Total provincial payments and estimates by Vote	3 691 314	4 392 780	5 272 270	5 463 765	5 740 017	5 707 684	5 982 576	6 282 872	6 711 125

The above table presents allocation on goods and services per vote. There has been a remarkable reduction in the allocation in all votes except in two votes, namely vote 7 (Education) and 10 (Health) due to the province's decision to reduce amounts allocated to this item and fund core businesses of government.

Table 1.11 (c): Summary of provincial transfers and subsidies by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Vote 01: Office of the Premier	91	1 200	334	-	198	204	-	-	-
Vote 02: Provincial Legislature	6 539	23 705	12 294	16 800	30 667	30 667	17 640	18 522	19 540
Vote 03: Finance	83	48 044	142	1 200	1 300	1 273	1 300	1 400	1 600
Vote 04: Co-operative Governance and Traditional Affairs	6 166	4 687	15 153	7 580	32 580	17 633	9 600	10 081	10 584
Vote 05: Agriculture, Rural Development and Land Administration	139 190	84 414	101 685	102 878	109 262	109 311	302 769	432 684	473 953
Vote 06: Economic Development, Environment and Tourism	300 418	358 505	321 512	393 446	442 876	442 594	414 285	414 517	426 882
Vote 07: Education	342 352	366 626	625 091	684 219	710 634	750 744	866 005	897 666	939 232
Vote 08: Public Works, Roads and Transport	16 948	33 633	439 695	473 083	478 242	474 998	525 313	547 941	559 142
Vote 09: Safety, Security and Liaison	37	232	133	100	100	-	100	100	100
Vote 10: Health	105 293	86 233	108 356	142 781	152 226	171 476	188 621	208 246	217 845
Vote 11: Culture, Sport and Recreation	8 284	7 960	8 963	4 848	6 698	5 454	13 050	13 278	14 362
Vote 12: Social Development	190 666	253 356	264 982	323 446	323 446	319 612	350 301	367 209	381 171
Vote 13: Human Settlement	677 716	818 729	778 317	982 404	1 050 559	1 050 614	1 052 606	973 022	1 031 551
Total provincial payments and estimates by Vote	1 793 783	2 087 324	2 676 657	3 132 785	3 338 788	3 374 580	3 741 590	3 884 666	4 075 962

Table 1.11 (d): Summary of provincial payments of capital assets by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Vote 01: Office of the Premier	5 070	5 812	5 372	590	845	1 594	400	148	120
Vote 02: Provincial Legislature	14 542	4 650	6 833	4 477	19 514	35 514	21 075	6 609	2 250
Vote 03: Finance	2 433	4 596	2 090	5 819	8 369	7 898	5 520	5 072	4 801
Vote 04: Co-operative Governance and Traditional Affairs	12 236	47 038	129 459	50 702	56 554	54 907	8 000	22 002	22 121
Vote 05: Agriculture, Rural Development and Land Administration	15 936	82 273	30 762	23 465	20 413	20 364	79 309	18 133	15 772
Vote 06: Economic Development, Environment and Tourism	2 720	5 259	3 125	13 120	13 120	9 261	10 738	11 389	12 500
Vote 07: Education	268 129	390 020	328 341	457 725	659 372	660 699	646 419	661 972	685 428
Vote 08: Public Works, Roads and Transport	765 027	845 341	698 276	639 455	590 149	574 469	998 095	1 139 772	1 258 957
Vote 09: Safety, Security and Liaison	1 004	1 483	1 972	2 615	3 301	3 301	4 840	1 780	1 130
Vote 10: Health	223 672	387 816	672 640	791 158	734 202	596 768	798 453	830 746	878 124
Vote 11: Culture, Sport and Recreation	17 054	35 773	64 076	65 349	75 657	69 002	96 997	47 884	46 285
Vote 12: Social Development	28 565	37 233	55 722	90 041	80 996	57 088	82 287	82 436	86 761
Vote 13: Human Settlement	3 126	11 748	8 608	39 059	48 529	48 529	-	10 282	10 908
Total provincial payments and estimates by Vote	1 359 514	1 859 042	2 007 276	2 183 575	2 311 021	2 139 394	2 752 133	2 838 225	3 025 157

4.3 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		
	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
General public services	2 910 810	3 834 931	4 311 519	5 033 986	4 959 932	4 975 465	5 622 790	6 017 375	6 441 732
Public order and safety	44 324	68 057	89 866	111 438	111 438	111 438	122 553	121 735	126 959
Economic affairs and Environmental protection	466 830	576 606	590 478	643 000	711 713	706 349	647 741	668 685	698 824
Housing and community amenities	744 101	912 326	918 332	1 197 494	1 268 954	1 268 824	1 194 824	1 146 999	1 213 126
Health	3 657 198	4 452 527	5 758 822	6 420 715	6 591 225	6 451 338	7 365 135	7 818 557	8 320 813
Recreation, culture and religion	168 920	235 635	271 896	282 253	297 023	296 623	337 102	306 729	321 619
Education	7 823 399	9 360 979	10 940 089	11 530 252	11 961 872	11 961 872	12 951 753	13 761 815	14 424 299
Social protection	459 398	657 025	748 563	881 447	881 447	856 455	956 057	1 016 041	1 061 783
Total provincial payments and estimates by policy area	16 274 980	20 098 086	23 629 565	26 100 585	26 783 604	26 628 364	29 197 955	30 857 936	32 609 155

4.4 Infrastructure payments

The following table reflects estimates of infrastructure projects for those votes that have capital projects. This table reflects amounts that have been allocated to improve infrastructure in the province as well as creating work and training in the province.

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Vote 04:Co-operative Governance and Traditional Affairs	7 432	37 910	132 491	45 502	40 646	41 014	7 600	18 899	18 717
Vote 05:Agriculture, Rural Development and Land Administration	127 651	162 586	116 248	215 969	105 666	105 666	218 206	281 125	318 711
Vote 06:Economic Development, Environment and Tourism	-	27	25	8 092	8 092	6 142	8 532	9 389	9 500
Vote 07:Education	246 805	361 516	307 965	434 995	667 988	668 088	620 959	634 053	654 917
Vote 08:Public Works, Roads and Transport	404 452	709 140	1 041 622	875 346	875 781	893 543	1 344 106	1 322 251	1 507 008
Vote 10:Health	238 043	271 696	578 107	448 308	614 878	636 343	699 873	698 244	740 139
Vote 11:Culture, Sport and Recreation	12 646	30 628	56 449	59 398	59 398	72 673	90 997	41 240	38 999
Vote 12:Social Development	13 364	18 458	35 000	66 430	66 430	66 430	66 979	68 284	72 040
Total	1 050 393	1 591 961	2 267 907	2 154 040	2 438 879	2 488 899	3 057 252	3 073 485	3 360 031

Outcome				Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
New construction (buildings and infrastructure)									
Vote 04:Co-operative Governance and Traditional Affairs	7 026	35 646	123 282	38 002	27 664	28 455	-	10 919	10 337
Vote 05:Agriculture, Rural Development and Land Administration	-	-	8 090	-	3 857	3 857	4 685	1 690	1 783
Vote 06:Economic Development, Environment and Tourism	-	-	-	-	-	-	-	-	-
Vote 07:Education	111 258	87 358	106 067	120 799	152 933	152 933	288 967	302 652	305 494
Vote 08:Public Works, Roads and Transport	14 249	-	252 529	-	-	-	52 284	40 836	42 959
Vote 10:Health	2 464	85 320	272 058	78 218	179 191	179 191	138 814	123 293	130 691
Vote 11:Culture, Sport and Recreation	3 555	23 786	53 516	49 662	49 662	66 379	82 897	21 840	20 640
Vote 12:Social Development	13 364	18 458	35 000	66 430	66 430	66 430	66 979	67 745	72 040
Sub-total: New construction (buildings and infrastructure)	151 916	250 568	850 542	353 111	479 737	497 245	634 626	568 975	583 944
Recurrent maintenance									
Vote 04:Co-operative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 05:Agriculture, Rural Development and Land Administration	1 283	2 064	-	65 493	-	-	-	-	-
Vote 06:Economic Development, Environment and Tourism	-	-	-	-	-	-	-	-	-
Vote 07:Education	35 125	17 472	21 213	26 541	18 908	18 908	25 779	26 000	26 000
Vote 08:Public Works, Roads and Transport	31 657	36 177	292 324	296 303	296 303	332 156	475 908	459 047	531 314
Vote 10:Health	3 338	2 360	-	5 900	47 912	47 912	87 946	78 417	83 122
Vote 11:Culture, Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 12:Social Development	-	-	-	-	-	-	-	539	-
Sub-total: Recurrent maintenance	71 403	58 073	313 537	394 237	363 123	398 976	589 633	564 003	640 436
Upgrade and additions									
Vote 04:Co-operative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 05:Agriculture, Rural Development and Land Administration	7 994	86 195	99 364	29 286	6 655	6 655	-	12 308	12 308
Vote 06:Economic Development, Environment and Tourism	-	-	-	-	-	-	-	-	-
Vote 07:Education	45 879	58 239	70 711	75 458	298 192	298 192	28 026	32 580	32 580
Vote 08:Public Works, Roads and Transport	-	-	-	5 200	5 200	9 895	274 914	286 358	368 852
Vote 10:Health	232 241	184 016	305 969	288 190	267 540	289 005	455 113	477 454	506 101
Vote 11:Culture, Sport and Recreation	9 091	6 842	2 933	9 736	9 736	6 294	8 100	19 400	18 359
Vote 12:Social Development	-	-	-	-	-	-	-	-	-
Sub-total: Upgrade and additions	295 205	335 292	478 977	407 870	587 323	610 041	766 153	828 100	938 200

Table 1.14(b): Summary of provincial infrastructure payments and estimates by category and Vote									
Outcome				Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Rehabilitation and refurbishment									
Vote 04:Co-operative Governance and Traditional Affairs	406	2 264	9 209	7 500	12 982	12 559	7 600	7 980	8 380
Vote 05:Agriculture, Rural Development and Land Administration	-	-	2 661	21 777	1 975	1 975	27 090	-	-
Vote 06:Economic Development, Environment and Tourism	-	27	25	8 092	8 092	6 142	8 532	9 389	9 500
Vote 07:Education	54 543	198 447	109 974	212 197	197 955	198 055	278 187	272 821	290 843
Vote 08:Public Works, Roads and Transport	358 546	672 963	496 769	573 843	574 278	551 492	541 000	536 010	563 883
Vote 10:Health	-	-	80	76 000	120 235	120 235	18 000	19 080	20 225
Vote 11:Culture, Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 12:Social Development	-	-	-	-	-	-	-	-	-
Sub-total: Rehabilitation and refurbishment	413 495	873 701	618 718	899 409	915 517	890 458	880 409	845 280	892 831
Other capital projects									
Vote 05:Agriculture and Land Administration	118 374	74 327	6 133	99 413	93 179	93 179	186 431	267 127	304 620
Vote 12: Culture, Sport and Recreation	-	-	-	-	-	-	-	-	-
Sub-total: Other capital projects	118 374	74 327	6 133	99 413	93 179	93 179	186 431	267 127	304 620
Total provincial infrastructure payments and estimates	1 050 393	1 591 961	2 267 907	2 154 040	2 438 879	2 489 899	3 057 252	3 073 485	3 360 031
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 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Vote 01: Office of the Premier	91	-	-	-	-	-	-	-	-
Vote 06: Economic Development, Environment and Tourism	300 337	358 145	320 767	393 446	441 786	441 786	412 585	413 117	425 482
Vote 07: Education	29 000	23 000	23 470	29 594	29 549	29 594	61 370	63 278	66 142
Vote 13: Human Settlement	17 733	22 000	18 850	-	-	-	-	-	-
Total provincial transfers to public entities	347 161	403 145	363 087	423 040	471 335	471 380	473 955	476 395	491 624

Table 1.16 reflects departments that have transfers that are made to public entities. The province has only two departments that are making such transfers.

Transfers to local government

Table 1.18: Summary of provincial transfers to local government by category									
Outcome				Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2007/08	2008/09	2009/10		2010/11		2011/12	2012/13	2013/14
Category A	-	48 000	-	-	-	-	-	-	-
Category B	29 746	26 910	8 307	13 000	18 526	13 300	13 000	13 780	14 607
Category C	1 200	13	-	-	-	-	-	-	-
Total provincial transfers to local government	30 946	74 923	8 307	13 000	18 526	13 300	13 000	13 780	14 607

The above table shows transfers that are made to local government. Only Department of Health is transferring funds to local government for purposes of supporting municipal clinics.

5.7 Personnel numbers

Table 1.19: Summary of personnel numbers and costs by Vote ¹							
Personnel numbers	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014
Vote 01: Office of the Premier	316	313	293	288	319	319	319
Vote 02: Provincial Legislature	154	155	151	185	234	234	234
Vote 03: Finance	282	331	325	334	373	422	416
Vote 04: Co-operative Governance and Tradi	461	626	671	1 111	1 171	1 176	1 176
Vote 05: Agriculture, Rural Development and	1 725	1 702	1 614	1 683	1 688	1 792	1 821
Vote 06: Economic Development, Environme	458	516	572	492	507	507	507
Vote 07: Education	42 187	44 006	43 138	45 172	45 970	45 999	46 029
Vote 08: Public Works, Roads and Transport	5 466	6 044	6 026	6 565	6 743	6 749	6 753
Vote 09: Safety, Security and Liaison	92	158	178	183	201	201	207
Vote 10: Health	15 846	16 110	17 105	17 417	18 167	18 450	18 737
Vote 11: Culture, Sport and Recreation	778	876	876	874	879	879	879
Vote 12: Social Development	1 129	1 518	1 825	2 085	2 304	2 478	2 630
Vote 13: Human Settlement	242	251	260	351	397	432	454
Total provincial personnel numbers	69 136	72 606	73 034	76 740	78 953	79 638	80 162
Total provincial personnel cost (R thousand)	9 427 865	11 758 526	13 664 062	15 401 590	16 721 655	17 854 802	18 802 082
Unit cost (R thousand)	136	162	187	201	212	224	235

1. Full-time equivalent

Table 1.20: Summary of provincial personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Total for province									
Personnel numbers (head count)	69 136	72 606	73 034	76 870	76 888	76 740	78 953	79 638	80 162
Personnel cost (R thousands)	9 427 865	11 758 526	13 664 062	15 320 160	15 382 682	15 401 590	16 721 655	17 854 802	18 802 082
Human resources component									
Personnel numbers (head count)	891	917	1 232	1 295	1 296	1 296	1 598	1 649	1 654
Personnel cost (R thousands)	117 287	122 635	148 977	202 360	201 994	194 623	355 477	376 865	466 820
Head count as % of total for province	1.3%	1.3%	1.7%	1.7%	1.7%	1.7%	2.0%	2.1%	2.1%
Personnel cost as % of total for province	1.2%	1.0%	1.1%	1.3%	1.3%	1.3%	2.1%	2.1%	2.5%
Finance component									
Personnel numbers (head count)	967	971	1 178	1 317	1 338	1 342	1 538	1 597	1 621
Personnel cost (R thousands)	141 955	159 310	214 348	293 033	290 504	274 026	379 166	405 655	429 495
Head count as % of total for province	1.4%	1.3%	1.6%	1.7%	1.7%	1.7%	1.9%	2.0%	2.0%
Personnel cost as % of total for province	1.5%	1.4%	1.6%	1.9%	1.9%	1.8%	2.3%	2.3%	2.3%
Full time workers									
Personnel numbers (head count)	68 681	71 870	72 544	76 097	76 102	76 141	78 261	78 972	79 543
Personnel cost (R thousands)	9 348 769	11 730 841	13 540 158	15 209 451	15 185 960	15 305 409	16 598 832	17 707 586	18 452 758
Head count as % of total for province	99%	99%	99%	99%	99%	99%	99%	99%	99%
Personnel cost as % of total for province	99%	100%	99%	99%	99%	99%	99%	99%	98%
Part-time workers									
Personnel numbers (head count)	44	52	61	70	70	29	4 529	4 549	4 590
Personnel cost (R thousands)	5 862	6 651	92 180	90 294	92 458	93 506	98 765	104 130	109 405
Head count as % of total for province	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	5.7%	5.7%	5.7%
Personnel cost as % of total for province	0.1%	0.1%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
Contract workers									
Personnel numbers (head count)	441	651	674	608	586	568	470	477	452
Personnel cost (R thousands)	22 748	31 427	34 499	54 980	50 711	50 186	42 962	44 273	36 178
Head count as % of total for province	0.6%	0.9%	0.9%	0.8%	0.8%	0.7%	0.6%	0.6%	0.6%
Personnel cost as % of total for province	0.2%	0.3%	0.3%	0.4%	0.3%	0.3%	0.3%	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 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
Vote 01: Office of the Premier	695	705	3 238	3 433	3 433	3 433	1 390	1 570	1 750
Vote 02: Provincial Legislature	653	1 112	1 118	1 200	1 200	1 200	1 350	1 540	1 545
Vote 03: Finance	10 530	17 962	7 216	21 332	15 650	15 477	13 996	21 172	21 052
Vote 04: Co-operative Governance and Traditional	1 457	1 563	508	537	537	1 673	568	597	625
Vote 05: Agriculture, Rural Development and Land	3 374	4 199	1 998	4 233	4 123	4 810	5 293	5 578	5 085
Vote 06: Economic Development, Environment and	1 263	1 718	1 249	768	768	500	1 000	1 000	1 300
Vote 07: Education	26 713	28 049	29 092	29 720	29 720	29 720	29 933	50 646	53 812
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	988	712	880	880	916	1 020	1 100	1 210
Vote 10: Health	108 643	140 713	205 631	277 122	285 211	262 077	268 200	276 646	292 730
Vote 11: Culture, Sport and Recreation	339	700	638	785	785	785	874	919	1 057
Vote 12: Social Development	3 994	1 412	1 846	1 530	1 618	1 843	3 585	3 797	3 986
Vote 13: Human Settlement	1 106	1 312	1 083	3 298	3 298	534	2 940	2 840	2 970
Total provincial payments on training	206 349	264 699	337 588	434 318	436 703	400 523	369 642	402 120	418 390