

**Provincial Government Western Cape  
Provincial Treasury**

**Budget**

**Overview of Provincial Revenue  
and Expenditure**

**2011**



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# Foreword

The 2011 Budget choices highlight the daunting social and economic challenges that lie ahead. It is about sharing the benefits of inclusive and faster economic growth through our increased investment in strategic and economic infrastructure, including roads, public transport and housing. Furthermore Government's committed investment in Education, Health and Social Development aim to improve quality of life and extend access to much needed Government services.

The Provincial Government of the Western Cape has made a choice for growth. Economic growth is considered the foundation of all successful development but can mainly only be sustainably delivered by the business sector operating within a conducive set of parameters. Based on such a paradigm, the role of the State is to create and maintain an enabling environment for business and to provide for the right balance of a supply and demand-led, private sector growth.

Intrinsic to economic growth and poverty alleviation is sustainable employment creation as a priority objective with Government having a key role to play in successfully addressing the structural constraints to economic growth and unemployment.

Steady upward trending of economic growth and the alleviation of poverty through job creation are therefore high on the policy agenda. Government will have to double its efforts to achieve such a desirable state by removing constraints and by ultimately creating an enabling environment that will attract investment and grow entrepreneurship.

The 2011 MTEF budget is a result of extensive consultation amongst various stakeholders within the Province and nationally. The success of our current budget by its cooperative and participatory nature has led to significant improvements in transparency and quality of budgetary information. My sincere appreciation goes to all who has made Budget 2011 possible.



**DR JC STEGMANN**  
**HEAD OFFICIAL: PROVINCIAL TREASURY**

**DATE: 1 MARCH 2011**



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## Abbreviations

AARTO	Administrative Adjudication of Road Traffic Offences Act
ABET	Adult Basic Education and Training
ACE	Advanced Certificate in Education
AET	Agricultural Education and Training
AFR	Asset Financing Reserve
AOs	Accounting Officers
ART	Anti-retroviral treatment
BCI	Business Confidence Index
BER	Bureau for Economic Research
BESP	Built Environment Support Programme
BPO	Business Process Outsourcing
C-AMP	Custodian User Asset Management Plan
CapeNature	Western Cape Nature Conservation Board
CASIDRA	Cape Agency for Sustainable Development in Rural Areas
CASP	Comprehensive Agricultural Support Programme
CBD	Central Business District
CCI	Consumer Confidence Index
CDW	Community Development Worker
CFO	Chief Financial Officer
CIAT	Cape Institute for Agricultural Training
CoCT	City of Cape Town
COE	Compensation of employees
CPI	Consumer Price Index
CSBA	Certificate in School Business Administration
CSG	Child Support Grant
CTLI	Cape Teaching and Leadership Institute
DHS	District Health Services
DLTCs	Driving License Testing Centres
DORA	Division of Revenue Act
DSD	Department of Social Development
ECD	Early Childhood Development
EEDBS	Enhanced Extended Discount Benefit scheme
EPWP	Expanded Public Works Programme
FASD	Fetal Alcohol Spectrum Disorder
FET	Further Education and Training
FFC	Financial and Fiscal Commission
FHCE	Final Household Consumption Expenditure
FIFA	Federation of International Football Association
FSD	Farmer Support and Development
GDE	Gross Domestic Expenditure
GDP	Gross Domestic Product
GDP-R	Gross Domestic Production per Region



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GFCF	Gross Fixed Capital Formation
GFS	Government Financial Statistics
GIAMA	Government Immovable Asset Management Act
GMT	Government Motor Transport
GRAP	Generally Recognised Accounting Practice
HCT	HIV Counseling and Testing
HIV/Aids	Human Immune Virus/Acquired Immune Deficiency Syndrome
HPV	(Chapter 2)
HRM	Human Resource Management
HSDG	Human Settlement Development Grant
ICOP	Integrated Community Outreach Programme
ICS	Improvement of Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDP	Integrated Development Plans
IGP	Infrastructure Grant to Provinces
IGR	Intergovernmental Relations
IMF	International Monetary Fund
ISDM	Infrastructure Service Delivery Model
IT	Information Technology
IWRM	Integrated Water Resource Management
IYM	In-Year Monitoring
LARP	Land and Agrarian Reform Programme
LG MTEC	Local Government MTEC
LGMTEC	Local Government Medium Term Expenditure Committee
LICS	Low-Income Countries
LTSM	Learner and Teacher Support Material
MA	Methamphetamine
MDGs	Millennium Development Goals
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MMR	Maternal Mortality Rate
MSRPP	Mass Sport and Recreation Participation Programme
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MVLF	Motor Vehicle Licence Fees
NHI	National Health Insurance
NHW	Neighbourhood Watch
NPF	National Policy Framework
NSDP	National Spatial Development Perspective
NTSG	National Tertiary Services Grant
OH&S	Occupational Health and Safety Act
OSD	Occupational Specific Dispensation

PDC	Provincial Development Council
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PGWC	Provincial Government of the Western Cape
PHC	Primary Health Care
PHPs	People's Housing Projects
PMI	Purchasing Manager's Index
PPI	Producer Price Index
PPP	Public Private Partnerships
PRF	Provincial Revenue Fund
PSBC	Public Service Bargaining Council
PSDF	Provincial Spatial Development Framework
PSDF	Provincial Skills Development Forum
PSETA	Public Service Education and Training Authority
QLFS	Quarterly Labour Force Survey
RAs	Registering Authorities
RED	Real Enterprise Development
SAPS	South African Police Service
SARB	South African Reserve Bank
SASSA	South African Social Security Agency
SCOA	Standard Chart of Accounts
SDFs	Spatial Development Frameworks
SDIP	Service Delivery Improvement Plan
SETA	Sectoral Education and Training Authorities
SGBs	School Governing Bodies
SIP	Strategic Infrastructure Plan
Stats SA	Statistics South Africa
TB	Tuberculosis
UISP	Upgrading of Informal Settlement Programme
USDG	Urban Settlement Development Grant
VTs	Vehicle Testing Centres
WC	Western Cape
WCED	Western Cape Education Department
WCPP	Western Cape Provincial Parliament
WCPSDF	Western Cape Provincial Spatial Development Framework
WCR	Working Capital Reserve
Wesgro	Western Cape Investment and Trade Promotion Agency

# 1

## Economic Outlook

### Introduction

This chapter provides a snapshot of the economic developments in the global and local economies since the second quarter of 2010 as well as an overview of selected socio-economic indicators for the Province.

After a shaky start to 2010 following sovereign debt concerns in the Euro zone, global economic conditions have improved dramatically with growth related data turning out better than expected for most advanced and emerging market economies. However, over the short term it is expected that global growth will moderate as key developments in advanced and emerging markets unfold.

On the national front, Gross Domestic Product (GDP) growth accelerated more than expected in the fourth quarter of 2010. Growth is expected to continue over the medium term, led by greater household consumption and private sector investment.

The outlook for the Western Cape economy is more optimistic and it is expected that the Western Cape economy will again outperform the national economy in 2011. The main drivers of this growth should come from the services orientated sectors such as wholesale, retail trade, catering and accommodation, finance, insurance, real estate and business services and to a lesser extent community and personal services.

A number of socio-economic challenges remain despite confidence in the provincial economy. This chapter also provides a picture of the social conditions within the Province particularly as it relates to key health, education, safety and social development indicators, which inform government's planning and investment strategy toward achieving growth and development outcomes.

## **Macroeconomic outlook**

### **Global economic outlook**

The second half of 2010 saw global economic activity outpace expectations despite continued stress within the Euro zone. The International Monetary Fund (IMF) now projects improved economic growth of 5 per cent in 2010 with a slight easing in economic activity in 2011.

A large part of the more optimistic outlook stems from developments in the USA, still the world's largest economy, following the announcement in December 2010 of a new fiscal package. This package includes a delay in the scrapping of tax cuts for high-income earners (which was due to expire in 2011), a reduction in some other taxes as well as the extension of unemployment benefits. As a result of the changes to US fiscal policy the IMF has upgraded its forecast for economic growth and now expects the US economy to expand by 3 per cent in 2011, 0.7 percentage points higher than their October 2009 forecast.

*Moderate growth expected in the US and Europe*

In Europe the picture remains uncertain, with countries such as Greece, Ireland, Portugal and Spain in particular continuing to experience sovereign debt problems. In contrast, the German<sup>1</sup> economy has continued its strong run, growing by an estimated 3.5 per cent<sup>2</sup> in 2010 - the strongest performance since German re-unification in the early 1990's. However, like many other European countries, fiscal austerity packages are expected to contribute to growth moderation over the short to medium term. The IMF forecasts economic growth in the Euro zone of 1.8 per cent in 2010 with a moderation (much like in the US) to 1.5 per cent in 2012.

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<sup>1</sup> Germany is the largest economy in the Eurozone area

<sup>2</sup> Preliminary estimate

Emerging market economies remain the biggest driver of economic growth and are estimated to have grown by more than 7 per cent in 2010 compared to 3 per cent in advanced economies. Asian countries such as China and India have been on the forefront of this surge in economic activity growing by 10.3 per cent and 9.7 per cent respectively. This trend, of differing economic growth rates for developing and emerging markets are what the IMF refers to as a “two-speed” recovery, is expected to continue with emerging market growth projected to outperform the developed world. Growth is nonetheless expected to moderate.

*Emerging markets projected to outperform the developed world*

**Table 1.1 Global economic growth outlook: 2010 - 2012**

	2010	2011	2012		2010	2011	2012
<b>Industrial countries</b>				<b>Developing countries</b>			
Advanced economies	3	2.5	2.5	Developing Asia	9.3	8.4	8.4
USA	2.8	3	2.7	China	10.3	9.6	9.5
Japan	4.3	1.6	1.8	India	9.7	8.4	8
Euroland <sup>1</sup>	1.8	1.5	1.7	Latin America	5.9	4.3	4.1
Germany	3.6	2.2	2	Emerging Europe <sup>2</sup>	4.2	3.6	4
UK	1.7	2	2.3	Sub-Saharan Africa	5	5.5	5.8

<sup>1</sup> The 16 Euro countries

<sup>2</sup> Central & Eastern Europe

According to the IMF's January 2011 World Economic Outlook update, most countries in sub-Saharan Africa have recovered quickly from the global financial crisis, with the region projecting to grow by 5.5 per cent in 2011. However, the pace of the recovery has varied within the region. According to the IMF, “output growth in most oil exporters and low-income countries (LICs) is now close to pre-crisis highs. However, the recovery in South Africa and its neighbours has been more subdued, reflecting the more severe impact of the collapse in world trade and elevated unemployment levels that are proving difficult to reduce” (IMF World Economic Outlook Update, January 2011).

After increasing by a modest 0.1 per cent in advanced economies and 5.2 per cent in emerging and developing countries during 2009, consumer prices started to pick up in 2010. In addition, the IMF forecasts inflation to have reached 1.5 per cent in advanced economies and 6.3 per cent in emerging and developing countries during 2010. The IMF expects the trend of higher inflation to continue with inflation risks being more pronounced in emerging markets and

*Inflation risks higher in emerging and developing countries than in advanced economies*

impetus for the higher inflation comes from higher food and commodity prices combined with rapid growth in emerging markets.

A number of risks to the global economic outlook remain. In Europe, sovereign debt problems may resurface from time to time, dealing a blow to investor confidence. The US continues to struggle with a relatively high unemployment rate – which in January was recorded at 9.0 per cent, raising questions on the sustainability of the consumer recovery, especially once the unprecedented monetary and fiscal support is withdrawn. In emerging markets, the threat of higher inflation could lead to increased monetary tightening thereby influencing economic growth.

### **Developments in the South African economy**

South Africa exited the recession in the middle of 2009, and has since continued recovering albeit at a moderate pace. The recovery has also coincided with increases in overall business and consumer confidence.

*SA GDP growth recorded at 2.8 per cent for 2010 after 1.7 contraction in 2009*

South African GDP<sup>3</sup> growth accelerated more than expected in the fourth quarter of 2010, increasing by 4.4 per cent quarter-on-quarter<sup>4</sup> (Bloomberg consensus expected slightly lower growth of 4.2 per cent) compared to 2.7 per cent during quarter 3 of 2010. Relative to the fourth quarter of 2009, real growth in the fourth quarter of 2010 accelerated to 3.7 per cent from 3.4 per cent year-on-year in the third quarter of 2010. This means that for 2010 as a whole, growth of 2.8 per cent was recorded after the 1.7 per cent contraction in 2009. The main drivers of growth during the fourth quarter of 2010 were mining and quarrying (17.1 per cent) and agriculture (12.5 per cent). Growth in the manufacturing sector also showed a marked improvement, gaining some ground following the sharp contraction in the third quarter of 2010 largely driven by the vehicle sector strikes during August and September.

*Real consumer spending accelerates*

According to the South African Reserve Bank (SARB), real consumer spending accelerated from 2.4 per cent year-on-year during the first quarter of 2010 to 5.0 per cent year-on-year during the second quarter, and further by a robust 5.8 per cent during the third quarter. Real consumer spending on durable goods (e.g. passenger cars, furniture and household

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<sup>3</sup> These figures are based on the StatsSA Statistical Release: Gross domestic product, Fourth quarter 2010, released 22 February 2011.

<sup>4</sup> Seasonally adjusted annualized.

appliances) and services (e.g. rent, medical services as well as transport and communication services) saw the largest upward revisions. A small downward revision was made to the estimate of real consumer spending on non-durable goods (e.g. food and beverages) during the first quarter of 2010. Furthermore, real disposable income growth measured 5.6 per cent year-on-year during the third quarter, up from a revised growth rate of 5.0 per cent year-on-year during the second quarter (previously estimated at 2.8 per cent year-on-year) and 2.7 per cent year-on-year in the first quarter (previously 0.3 per cent). The strong income growth during 2010 was mainly due to very high formal sector wage increases (close to 7 percentage points over and above inflation) and a significant increase in government transfers (e.g. social grants) to households (increasing by an estimate 6.5 per cent in real terms).

The employment picture improved slightly during the fourth quarter of 2010. According to StatsSA's Quarterly Labour Force Survey (QLFS), 157 000 jobs were created during the last quarter of 2010. However unemployment<sup>5</sup> in South Africa remains stubbornly high. After reaching a low of 21.9 per cent in the fourth quarter of 2008, unemployment rose to 25.3 per cent during the third quarter of 2010 before receding to 24.0 per cent in the fourth quarter as a result of an increase in employment during that quarter. The reduction in unemployment however masks a more negative occurrence in the increase in the number of discouraged workers<sup>6</sup> by 117 000 during the fourth quarter.

On a less optimistic note, the SARB revised the level of real fixed investment in 2009 downwards by R10.1 billion. In percentage terms this changed the investment picture dramatically. An initial 2.4 per cent increase for overall fixed investment during 2009 is now recorded as a decline of 2.2 per cent, the first fall in overall fixed investment for a calendar year since the -7.6 per cent in 1999. The data for the first half of 2010 was also revised downward with overall fixed investment declining by 6.5 per cent year-on-year compared with an initially reported -2 per cent. The annual contraction moderated to -1.4 per cent year-

*Contraction in overall fixed investment for second consecutive year*

<sup>5</sup> The unemployment rate is the proportion of the labour force that is unemployed. (Source: StatsSA)

<sup>6</sup> Discouraged work-seeker is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: no jobs available in the area; unable to find work requiring his/her skills; lost hope of finding any kind of work. (Source: StatsSA)

on-year during the third quarter of 2010, but 2010 will still see a decline for the full year, representing the first time since the early 1990s that overall fixed investment contracted for two consecutive years.

### **Medium term growth outlook**

Over the medium term the Bureau for Economic Research (BER) projects a slight deceleration in the growth in real consumer spending to 4.3 per cent during 2011 and 4.5 per cent during 2012. Real disposable income growth is forecast to moderate marginally to 4.7 per cent and 4.6 per cent during 2011 and 2012 respectively. Employment growth is expected to continue lagging the overall economic recovery, partly as a result of the high wage settlements. Furthermore, in light of the sharp decline in formal sector employment during the first quarter of 2010, the average employment number for 2010 is expected to remain below that of 2009.

*Average employment expected to remain below the 2009 levels*

Gross fixed capital formation is expected to grow by 2.2 per cent in 2011 and 4.8 per cent in 2012 on the back of increased private sector and government investment.

The GDP growth forecast for 2011 has been revised upwards by 0.4 percentage points to 3.8 per cent. The improved outlook stems mainly from a more optimistic forecast of household consumption expenditure (4.3 per cent versus 3.7 per cent expected in October 2010). The result is that Gross Domestic Expenditure (GDE), the broadest measure of domestic spending that includes fixed investment, government expenditure and inventory investment, accelerates to growth of 4.8 per cent from a projected 4.3 per cent in 2010.

*GDP growth figures revised upwards*

GDP growth is expected to remain just below 4 per cent at 3.9 per cent for 2012, a marginal upward adjustment from the 3.7 per cent expected previously. Consumer spending growth is set for a further marginal acceleration in 2012, with private business fixed investment expected to pick up at a faster pace.



**Table 1.2 RSA medium economic forecast (selected variables)**

	Actual		Projections	
	2009	2010	2011	2012
<b>Real GDP growth (real y-o-y %)</b>				
Final household consumption expenditure	-3.50	4.60	4.30	4.50
Government consumption expenditure	4.70	4.60	4.30	4.20
Gross fixed capital formation	2.90	-3.60	2.20	4.80
<b>Real GDE</b>	<b>-1.80</b>	<b>4.30</b>	<b>4.80</b>	<b>4.60</b>
Total exports	-20.10	4.90	4.80	5.10
Total imports	-17.80	10.70	8.30	7.20
<b>Real GDP</b>	<b>-1.80</b>	<b>2.70</b>	<b>3.80</b>	<b>3.90</b>
<b>Inflation (annual averages)</b>				
CPI (Headline)	7.10	4.30	4.70	5.70
PPI (All items)		6.00	6.10	5.00
<b>Exchange rates (annual averages)</b>				
R/US\$	8.39	7.30	7.09	7.54
R/Euro	11.63	9.69	9.26	9.62
R/Pound sterling	13.06	11.28	11.07	11.66

## Inflation developments and outlook

Although the general price level is slowly rising, SA Consumer Price Inflation (CPI) remains well within the SARB's 3 to 6 per cent target band. After reaching a low of 3.2 per cent year-on-year in September 2010, CPI accelerated to 3.6 per cent year-on-year during November before falling back marginally to 3.5 per cent in December.

*Inflation remains within inflation target range of 3 to 6 per cent*

Goods inflation (representing 54.2 per cent of the inflation basket) rose by only 2 per cent year-on-year in December 2010 as food prices (rising by 1.4 per cent year-on-year) remained muted and the continued strength of the rand exchange rate drove down the prices of durable (-2.3 per cent year-on-year) and semi-durable goods (-0.2 per cent). Services inflation remained at a higher level, measuring 5.1 per cent year-on-year in December 2010, down from 5.3 per cent in the previous month. Furthermore, food inflation remained lower than overall inflation during December 2010, increasing by 1.5 per cent year-on-year<sup>7</sup>, remaining unchanged between November and December 2010.

Going forward, the SA inflation environment is expected to be less benign given the low base in 2010, the impact of a projected weaker rand exchange rate, and (importantly) higher commodity prices feeding into local price pressures. The major upward momentum is expected in the second half of 2011.

<sup>7</sup> This category is denoted as CPI food and non-alcoholic beverages by StatsSA.

Going forward, the SA inflation environment is expected to be less benign given the low base in 2010, the impact of a projected weaker rand exchange rate, and (importantly) higher commodity prices feeding into local price pressures. The major upward momentum is expected in the second half of 2011.

*A food price gain of only 2.4 per cent for the year*

The BER expects consumer inflation to remain well contained during the first half of 2011 at a projected average of 4 per cent against 3.5 per cent during the fourth quarter of 2010. Price pressures are set to build in the second half with CPI expected to come in just below the 6 per cent mark by the end of 2011, giving a CPI average of 4.7 per cent for 2011. The forecast incorporates a food price gain of only 2.4 per cent for the year, with the growing risk that the outcome could be substantially higher.

In terms of producer prices (PPI), a new measure is expected to be introduced in 2012. The new gauge is set to be focused more on manufactured prices, which should remove the dominance of commodity price movements in the current PPI and may lead to more moderate gains in 2012. Producer inflation is forecast to average 6.1 per cent in 2011, before easing to a projected 5 per cent during 2012.

### **Economic outlook for the Western Cape**

*Western Cape economy consistently outperforms the national economy*

Economic activity in the Western Cape contracted by 1.5 per cent<sup>8</sup> year-on-year in 2009, following growth of 4.3 per cent year-on-year recorded in 2008. The extent of the economic slowdown in the Province was less than that recorded for the South African economy as a whole (-1.7 per cent year-on-year) and is consistent with past economic growth trends which has seen the Western Cape economy consistently outperform the national economy. The biggest decline in economic activity during 2009 was recorded by the manufacturing sector (-8.9 per cent year-on-year) followed by the agriculture, forestry and fishing sector (-5.5 per cent year-on-year). The construction sector which contributes approximately 4.7 per cent to the Western Cape economy, grew by 6.1 per cent year-on-year during 2009.

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<sup>8</sup> At constant 2005 prices

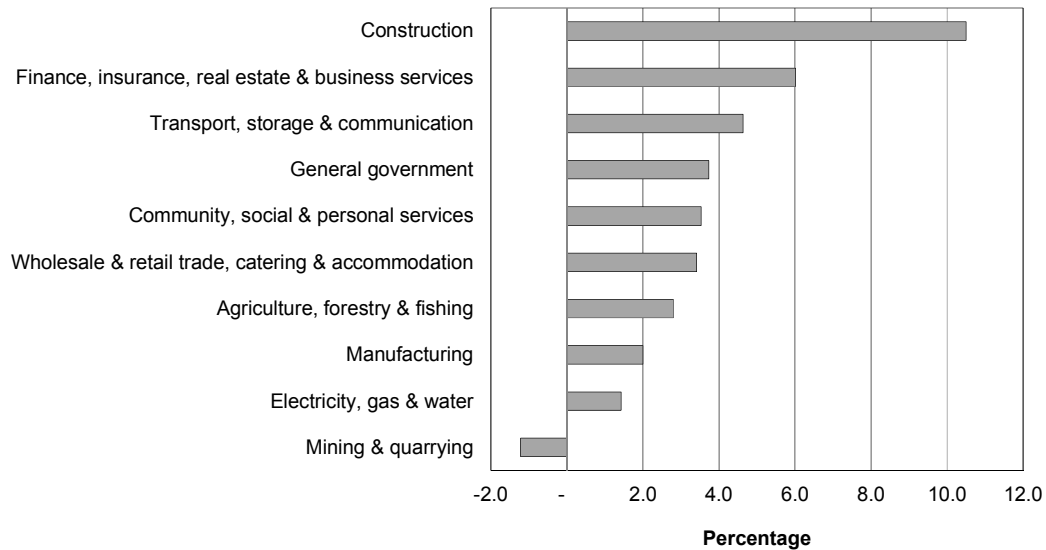
**Table 1.3 Sectoral breakdown of Western Cape economic growth and contribution - 2009**

Sector	Y-o-Y % Change	% Contribution
Agriculture, forestry & fishing	-5.5	4.0
Mining & quarrying	0.5	0.2
Manufacturing	-8.9	16.9
Electricity, gas & water	0.5	1.5
Construction	6.1	4.7
Wholesale & retail trade, catering & accommodation	-2.8	14.6
Transport, storage & communication	0.7	10.1
Finance, insurance, real estate & business services	0.5	32.5
Community, social & personal services	-0.5	5.3
General government	3.9	10.1
<b>Total @basic prices</b>	<b>-1.4</b>	<b>100.0</b>

Over the past few years economic growth in the Western Cape has been relatively stable, with the regional economy expanding by an average of 4.3 per cent between 2005 and 2009. This is encouraging as it reflects strong economic growth over the period despite the contraction in economic activity recorded in 2009. From a sectoral perspective (see Figure 1) the fastest growing sector over this period was the construction sector with average annual growth of 10.5 per cent, followed by the finance, insurance, real estate and business services sector which expanded by an average rate of 6.0 per cent (which represents 32.5 per cent of GDP). The performance by the construction sector during 2009 can in part be ascribed to increased social and other infrastructure spending linked to the 2010 FIFA World Cup.

*Construction sector recorded the fastest growing sector between 2005 and 2009*

The only sector to have contracted over the 5-year period was the mining and quarrying sector, a sector which represents a small and ever declining portion of overall regional GDP.

**Figure 1 Five (5) year average growth per sector (2005 - 2009)**

*Western Cape economy expected to grow by 4.1 per cent from 2010 to 2015*

The outlook for the Western Cape economy over the next few years remains optimistic. Table 1.4 shows the forecasted economic growth rates for the Western Cape (growth in GDPR)<sup>9</sup> 2010 – 2015. Following the economic contraction of 2009, the regional economy is expected to record positive economic growth for 2010 and to grow at an average rate of 4.1 per cent for 2010 – 2015. The Western Cape economy fared slightly better than the national economy in 2009. The recovery in 2010 is therefore expected to be more subdued partly as a result of base effects i.e. the contraction in Western Cape economic growth was less than that recorded nationally; therefore the “bounceback” is not expected to be as pronounced. However, Western Cape economic growth is forecast to exceed national economic growth again from 2011.

<sup>9</sup> GDPR is defined as the value of the final goods and services produced within particular region in a period of a year.

**Table 1.4 Growth Forecast for GDP; 2010 - 2015 at constant 2005 prices**

Description	Y-o-Y % change					
	2010	2011	2012	2013	2014	2015
	%	%	%	%	%	%
Agriculture, forestry & fishing	-4.83	2.94	4.56	5.50	6.00	6.10
Mining & quarrying	9.21	-5.3	0.59	1.40	1.70	1.90
Manufacturing	6.20	3.50	3.00	3.10	3.30	3.30
Electricity, gas & water	4.50	5.20	4.80	5.10	5.00	5.20
Construction	1.20	4.15	4.90	5.50	5.60	6.00
Wholesale & retail trade, catering & accommodation	2.20	4.30	4.80	5.10	4.90	5.10
Transport, storage & communication	3.15	5.40	5.22	6.20	5.70	6.20
Finance, insurance, real estate & business services	1.50	4.80	4.50	4.90	5.10	5.00
Community, social & personal services	.20	3.35	3.38	3.76	3.62	4.01
General government	3.00	2.57	3.19	3.50	3.70	3.70
<b>Total</b>	<b>2.44</b>	<b>4.15</b>	<b>4.19</b>	<b>4.60</b>	<b>4.66</b>	<b>4.77</b>

### Risks to the outlook

Although the economic outlook for the Province has improved, a number of risks remain. On the international front, the expected growth moderation in the short term in Europe (following the implementation of austerity packages in a number of Euro zone countries) and in China (as a result of possible further monetary policy tightening) will influence the Western Cape's ability to export as these remain two key markets. Continued rand strengthening would also likely have this effect.

*Growth moderation in Europe and China expected to influence WC exports*

Nationally, the pedestrian pace at which jobs are being created threatens the sustainability of the recovery, especially in light of the regional economy's dependence on consumer driven sectors such as wholesale and retail trade. This is further hampered by the current environment of above inflation wage demands. Current problems within the agricultural sector could continue into 2011 and may spill over into the manufacturing sector via agribusiness, a sector which to some degree dominates manufacturing in the Western Cape.

*Slow job creation threatens sustainability of economic recovery*

### The socio-economic context in the Western Cape

A number of development indicators and data outlining the social context have been selected to depict the socio economic context within the Province.<sup>10</sup> Amongst others, key

<sup>10</sup> Information presented in this section, has in some instances, been sourced from the Department of Health and Social Development 2011/12 draft Annual Performance Plan amongst other sources.

health, education and population indicators are explored to illustrate the social realities experienced in the Province.

### The Western Cape population profile

According to Statistics South Africa 2010 Mid-year Population Estimates, the Western Cape population currently stands at approximately 5.2 million or 10.4 per cent of the national population.

Table 1.5 shows that in 2010 there were 93 men for every 100 women in the Western Cape compared to 95 men for every 100 women nationally. Upon exploration of the age profile, it was found that children under the age of 15 account for 29.5 per cent of the total Provincial population, while those aged 15 - 24 years account for 17.2 per cent. Youth, defined as people aged 15 – 34 years, represent 34.9 per cent of the Province's total population. People older than 65 years of age constituted only 5.7 per cent of the total Western Cape population.

**Table 1.5 Western Cape Mid-year Population Estimates, 2010**

Age	Western Cape			All provinces			Percentage of total national population
	Male	Female	Total	Male	Female	Total	
0 - 4	274 200	276 700	541 900	2 579 300	2 541 400	5 120 700	10.24
5 - 9	263 700	261 200	524 900	2 608 700	2 572 500	5 181 200	10.36
10 - 14	235 400	239 100	474 500	2 619 300	2 583 000	5 202 300	10.41
15 - 19	223 400	233 300	456 700	2 627 800	2 598 400	5 226 200	10.45
20 - 24	231 700	239 900	471 600	2 521 400	2 497 100	5 018 500	10.04
25 - 29	219 800	247 000	466 800	2 180 300	2 338 500	4 518 800	9.04
30 - 34	205 900	225 500	431 400	1 957 200	2 078 500	4 035 700	8.07
35 - 39	186 300	202 900	389 200	1 660 100	1 805 100	3 465 200	6.93
40 - 44	144 800	158 400	303 200	1 205 100	1 319 100	2 524 200	5.05
45 - 49	126 000	140 600	266 600	1 052 700	1 177 900	2 230 600	4.46
50 - 54	110 900	129 700	240 600	941 700	1 077 400	2 019 100	4.04
55 - 59	89 900	105 500	195 400	764 700	889 000	1 653 700	3.31
60 - 64	72 100	89 300	161 400	590 600	729 100	1 319 700	2.64
65 - 69	54 500	67 600	122 100	432 900	552 300	985 200	1.97
70 - 74	37 100	45 000	82 100	288 900	406 000	694 900	1.39
75 - 79	23 400	30 500	53 900	173 100	268 300	441 400	0.88
80+	15 800	25 800	41 600	125 200	228 700	353 900	0.71
<b>Total</b>	<b>2 514 900</b>	<b>2 709 000</b>	<b>5 223 900</b>	<b>24 329 000</b>	<b>25 662 300</b>	<b>49 991 300</b>	<b>100.00</b>

Source: Statistics South Africa

All numbers have been rounded off to the nearest hundred.

Migration has again impacted on population figures for the Western Cape, with estimated net in-migration, i.e. more people entering than leaving the Province, of almost 95 000 people between 2006 and 2011. Approximately 206 000 people are expected to migrate to the Province during this period, with the majority coming from the Eastern Cape (103 400), Gauteng (49 100) and KwaZulu Natal (17 300), while almost 112 000 people are expected to leave the Province, primarily for Gauteng (40 300), the Eastern Cape (30 100) and KwaZulu Natal (13 300). Nationally, Gauteng dominates net in-migration at 364 400, followed by the Western Cape and KwaZulu Natal at 1 800. The remaining provinces are all estimated to experience net out-migration.

*WC projected to experience second highest net in-migration*

The Province is divided into five district municipalities, i.e. Eden, Cape Winelands, Central Karoo, Overberg and the West Coast, and one metropolitan district, the City of Cape Town. Based on the outcome of the Community Survey 2007, the Cape Town Metro district accommodates approximately 66 per cent of the population of the Western Cape.

### **Access to Basic Services**

Access to basic services not only impacts on quality of life, but also health and education outcomes.

According to the Statistics South Africa General Household Survey 2009, 99.6 per cent of the Western Cape had access to piped water or tap water either at the dwelling, on site or offsite, while 73.6 per cent of households had their refuse removed by the municipality. Only a small percentage of households (4.2 per cent) reported not having access to a toilet facility or were using a bucket toilet. It was also found that 90 per cent of households in the Western Cape were connected to grid electricity, while 6.9 per cent of households still used paraffin or wood for cooking.

*Over 90 per cent of WC population have access to piped water and grid electricity*

Although the Western Cape has relatively good access to basic amenities compared to the rest of the provinces, access does tend to differ between and within districts.

### **Life expectancy and Mortality rates**

It is estimated that approximately 78 per cent of the Western Cape population do not have medical insurance. Access to quality health services plays a crucial role in improving living standards of the population.

*Highest projected life expectancy for Western Cape population than other provinces*

At 57.6 years for males and 60.8 years for females the Western Cape population continues to enjoy the highest projected life expectancy rates for 2006 - 2011 than any other Province. The projected national life expectancy rates for the same period come in at 52.2 years for males and 54.3 years for females. The leading causes of mortality and morbidity in the Western Cape are HIV/Aids, TB, injuries from violence and traffic accidents, non-communicable diseases such as cardio vascular disease, high blood pressure, asthma, cancers and mental illnesses and childhood illnesses.

Child and maternal mortality are key social indicators. As such the reduction of child and maternal mortality rates has been identified as Millennium Development Goals (MDGs).

The infant mortality rate, which is mortality amongst children less than 1 year old, in the Western Cape has declined from 37.1 per 1 000 live births in 2000 to 26 per 1 000 live births in 2006. The latter also came in lower than the national rate of 48 per 1 000 live births. Similarly the child mortality rate (i.e. mortality amongst children less than 5 years old) has declined in the Province from 46.3 per 1 000 live births in 2000 to 39 per 1 000 live births in 2006. This again is lower than the national rate of 73 per 1 000 live births in 2006. Improved child health measures such as expanded vaccination schedules and improved monitoring of child health has been credited with the improvements.

*Declining infant, child and maternal mortality*

Maternal mortality as measured by the Health Department's Institutional maternal mortality ratio (MMR) has also improved over time in the Western Cape with the rate of 86.2 per 1000 live births for 2002 - 2004 declining to 67.7 per 1 000 live births for 2005 - 2007. Maternal mortality has been measured over a three year period as maternal deaths are relatively low. Although the Institutional MMR declined slightly between 2002 - 2004 and 2005 - 2007, it is still high in comparison to other middle income countries. Improved strategies to prevent together with the introduction of guidelines to manage causes of maternal death are amongst the measures that have led to improved outcomes.

### **HIV/AIDS and TB**

The Millenium Development Goals have emphasised health outcomes on the developmental agenda.

A health related Millenium Development Goal is to combat HIV and AIDS, malaria and other diseases such as tuberculosis. HIV prevalence in the Western Cape was estimated at 16.9 per cent in 2009. The highest prevalence estimates remained



amongst the 25 - 29 and 30 - 34 years age categories. While all districts in the Western Cape have consistently remained below national prevalence estimates, the Khayelitsha sub-district consistently has had a HIV prevalence estimate higher than national (29.4 per cent) since 2004.

The greatest risk to the effective treatment of TB is concurrent HIV co-infection. The Western Cape's new case incidence of TB currently stands at 909 cases per 100 000, giving the Province the third highest incidence of TB in South Africa after KwaZulu Natal and the Eastern Cape. The incidence of new TB cases has however been declining steadily since 2005. In 2009 the Western Cape achieved a new smear positive TB cure rate of 79.4 per cent – the highest cure rate in South Africa. The TB defaulter rate has also declined, albeit slowly, over the past few years to 8.2 per cent in 2010.

*Western Cape has third highest incidence and also highest cure rate of TB in South Africa*

### **Learner enrolment in schools**

In 2010, there were 12 260 099 learners in public ordinary and independent schools in South Africa, who attended 25 850 schools and were served by 418 109 educators. Of the 12 260 099 learners in South Africa, 49 619 were in the Pre-Grade R phase, 3 791 190 were in the foundation phase, 2 959 644 were in the intermediate phase and 2 991 254 were in the senior phase.

In the Western Cape a total of 919 936 learners were counted in public primary (597 392) and public secondary (322 544) schools and were served by 16 848 educators in public primary and 10 192 educators in public secondary schools.

### **Literacy and numeracy rates**

Provincial literacy and numeracy testing of Grades 3 and 6 learners in alternate years was introduced in 2006 in order to diagnose difficulties with and track improvements in literacy and numeracy. In November 2009, mathematics and language tests were conducted on 83 921 Grade 6 learners. The results, published in February 2010, showed an improvement in the language pass rate of 13.6 per cent from 35 per cent in 2003 to 48.6 per cent in 2009. Mathematics scores were also up from 15.6 per cent to 17.4 per cent. Although low, these results exceed the Provincial targets for improving performance levels in literacy (target 45 per cent) and numeracy (target 15 per cent) in 2010. The Provincial targets for literacy at Grade 6 level in 2014 have increased to 65 per cent and for numeracy it is 50 per cent. The 2008 Grade 3 literacy and numeracy test

*Improvements in language and mathematics scores*

results indicate a numeracy pass rate of 35.0 per cent and a literacy pass rate of 53.5 per cent. The 2009 Grade 3 test results are currently being validated and will be published during 2011.

## **Social Welfare challenges**

### **Substance Abuse**

Between 2002 and 2004 the Western Cape had the second highest (7.1 per cent) 12 month prevalence of substance use disorders and the highest (18.5 per cent) lifetime prevalence of substance use disorders in the country. Approximately two-thirds of patients in treatment centres in the Western Cape are under the age of 25 years. Methamphetamine (MA) is the primary drug of abuse, as reported to treatment centres in the Western Cape, and has remained unchanged between 2008 and 2009 at 35 per cent. The use of MA as a primary or secondary substance of choice has increased amongst patients under the age of 20 years old, rising from 46 per cent in 2008 to 52 per cent in 2009.

*High levels of substance abuse and prevalence of harmful drinking during pregnancy*

The Western Cape also has the highest incidence of risky drinking at 16 per cent compared to other provinces, with high levels of problem drinking existing among women. The Western Cape has the second highest prevalence of harmful drinking during pregnancy nationally and continues to have one of the highest rates of Fetal Alcohol Spectrum Disorders (FASD) in the world. The incidence of binge drinking in the Province remains higher in rural than urban areas. A link between heavy drinking and mortality and morbidity rates has been established, particularly in respect of injuries incurred as a result of violent behavior and road traffic accidents.

### **Vulnerability of children in the Western Cape**

Almost 37 per cent of children in the Province were living in income poverty (in households with monthly income of less than R350) in 2008, while almost 11 per cent of children were living in households without an employed adult during that period. Furthermore, 13 per cent of children in the Province were living in households wherein hunger was reported. In the same year only 54.4 per cent of children in the Western Cape were living with both parents, with 31.9 per cent of children living with their mother only.

Although children in the Province are at risk of various forms of maltreatment, research has indicated that neglect in its various forms was the main reason for the statutory removal of children in 2006. This research also identified children in the 0 to 4 years age group as being the most vulnerable category of children. It was found that the majority of perpetrators of physical child maltreatment were male and household members, with the majority of intentional assaults perpetrated by the child's father or another family member. In all cases of unintentional assaults the perpetrator was male. It was also found that 85 per cent of the assaults were committed in the child's own home. More recently an increase in extreme and violent forms of child abandonment and maternal child homicide has been observed.

*Children between the ages of 0 and 4 the most vulnerable*

### **Crime**

According to the South African Police Service's Crime Statistics report, the Western Cape and the country have been successful in reducing contact crime between 2003/04 and 2009/10. This in turn led to reduced residential and business robberies and car hijacking.

Reported murder cases has decreased in the Province from 2 839 in 2003/04 to 2 274 in 2009/10. Burglary at residential areas, theft out of motor vehicles and common robbery incidents have increased between 2008/09 and 2009/10 but a longer term trend from 2003/04 shows an overall reduction.

Over the same period, drug-related crime cases increased from 19 940 to 60 409 in the Province and driving under the influence of alcohol and drugs increased with reported cases increasing from 4 957 to 15 644. Similar trends have been experienced nationally. In contrast with the situation nationally, the illegal possession of firearms and ammunition in the Province has increased from 1 912 in 2003/04 to 2 181 in 2009/10.

*Driving under the influence of alcohol and drugs increased*

### **Conclusion**

The global economic outlook has improved significantly over the past few months. However, risks to the outlook remain as problems regarding Euro zone sovereign debt have not yet been resolved and higher inflation (especially in emerging markets) is of greater concern. On the national front, economic growth is expected to improve in the short to medium term on the back of higher household consumption and increased private sector investment. Western Cape's economic growth is expected to move in line with that of the national economy in

2010 and again exceed national economic growth in 2011. The Western Cape economy is expected to grow at an average of 4.1 per cent between 2010 and 2015.

In the longer run, in addition to developments in the international and national economy, growth of the Western Cape economy will depend on the development of the dominant sectors of the regional economy and on the structural changes in changing sector patterns of growth. The economic outlook will also depend on government's efforts to encourage and facilitate an enabling environment for growth apart from promoting the overall development of the Province.

Investments made in the social sector has provided some returns through improved educational outcomes, decreased child and maternal mortality rates and expanding treatment for HIV/Aids and TB. These gains should however be viewed within the bigger context of stable HIV/Aids incidence rates, increasing substance abuse and increased violence against children.

Targeted government interventions and investment in respect of improving education outcomes of the labour force, skills development and increasing wellness amongst the population are expected to support long term and sustainable economic growth. This in turn will aid in reducing unemployment rates and alleviating poverty, both of which are the root cause of a number of social challenges within the Province.

# 2

## Medium Term Fiscal Policy Context

### Introduction

The social challenges facing the Province remain daunting and are in the main attributed to factors such as population growth, in-migration and the growth in the labour supply that exceeds the growth in the availability of employment opportunities.

Poverty in the Province is predominantly in urban areas and there are growing numbers of people that find shelter in informal settlements. This has implications for basic service delivery and in providing formal housing. Simultaneously, service delivery forms part of a broader policy approach to encouraging faster economic growth and development for the benefit of all.

In addressing these and other social challenges, the Provincial Government of the Western Cape will focus efforts to implement its adopted 12 Provincial Strategic Objectives, develop programmes to ensure the necessary synergy and alignment across votes in priority setting; and foster greater alignment between policy development and the budget formulation process.

Key amongst these Provincial Strategic Objectives are:

- Creating opportunities for growth and jobs;
- Improving education outcomes;
- Increasing wellness;
- Increasing safety;
- Developing integrated and sustainable human settlements;

- Mainstreaming sustainability and optimising resource-use efficiency;
- Poverty reduction and alleviation;
- Increasing social cohesion;
- Integrated service delivery for maximum impact; increasing opportunities for growth and development in rural areas; and
- Building the best-run provincial government in the world.

These strategic objectives are workable areas consisting of clusters of projects or programmes that together are significant public sector commitments aimed to bring about a new Western Cape developmental trajectory.

The Provincial Strategic Objectives represent the objectives for the entire Provincial Government and departments have aligned their strategic and annual performance plans to these Provincial Strategic Objectives.

National Government has also identified 12 national outcomes, which include to:

- Improve the quality of basic education;
- Create decent employment through inclusive economic growth;
- Develop a skilled and capable workforce;
- Improve healthcare and life expectancy among all South Africans and build a safer country;
- Support an efficient, competitive and responsive economic infrastructure network;
- Develop vibrant, equitable and sustainable rural communities that contribute to adequate food supply;
- Protect our environment and natural resources;
- Build a responsive, accountable, effective and efficient local government system;
- Create a better South Africa, a better Africa and a better world; and
- Generate an efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship.

The 12 Provincial Strategic Objectives are strongly aligned to the national outcomes, as they may apply to concurrent functions. Both the national and provincial approaches seek to better coordinate different plans, activities and budgets across spheres and departments. The focus of the outcomes approach is on sectors and the achievement of their outcomes and the intergovernmental implications, as opposed to the focus on individual department activities.

*Strong alignment between Provincial Strategic Objectives and national outcomes*

This chapter takes account of some of the key policy thrusts that underpin the Western Cape Provincial Government's 2011 MTEF allocations and can be divided into three broad categories: economic, governance and social sector priorities.

### **Budget Process**

The Budget Policy Committee under the leadership of the MEC for Finance, Economic Development and Tourism plays a key role in the Provincial Government's budget process. The processes provide for a healthy mix of technical and political processes, which are inextricably linked. In the Western Cape these funding choices are informed by the Premier's State of the Province address and further guided by the 12 National Outcomes, the Provincial Strategic Objectives, which responds to the current and anticipated economic, social, environmental and spatial trends within the Province.

The budget that the Province ultimately tables is a result of extensive consultation amongst the Province and National Government. The success of our current budget by its cooperative and participatory nature has led to significant improvements in transparency and quality of budgetary information.

The 2011 Budget choices highlight the pressing social and economic challenges that lie ahead. It is about sharing the benefits of inclusive and faster economic growth through our increased investment in strategic and economic infrastructure, including roads, public transport and housing. Furthermore Government's committed investment in Education, Health and Social Development aim to improve quality of and extend access to much needed Government services.

Allocations to departments serve as mechanisms to achieve increased levels of economic growth, job creation and a shared economy by focusing on improvements in our human capital.

## **Thrust of the 2011 MTEF Provincial Budget**

The Western Cape Government, in search of economic development and job creation and economic growth, also considers improvements in education, health services, protection against crime and an expanding social infrastructure (such as housing for the poor) as vital elements to the overall development of people in the Province.

The Provincial Government of the Western Cape has made a choice for growth. Economic growth and the alleviation of poverty through job creation are therefore high on the policy agenda. Government will focus efforts to contribute to economic growth through creating an enabling environment that will attract investment and grow businesses.

The 'new growth path' announced by the National Government provides a broad framework, which places employment at the centre of economic policy. The new growth path includes a focus on at least six key sectors, including infrastructure development, agriculture, mining, the "green" economy, manufacturing and tourism, all of which have been identified as having potential to unlock employment opportunities.

Co-opting key social partners, business and government is a key element to address structural challenges in the economy. The plan further aims to have an industrialisation policy that promotes labour-absorbing industrial sectors, with a particular emphasis on tradable labour-absorbing goods and services, and economic linkages that promote job creation.

Government has identified Provincial Strategic Objective 1 as its leading objective. This objective is about growing the economy and job creation through a range of strategic objectives achieved by:

- Increasing opportunities for economic and employment growth, thus reducing poverty;
- Ensuring the sustainability of development through the optimal use of resources and investment in infrastructure;
- Encouraging growth and development of rural areas;
- Improving social welfare and investment in human capital through improved education outcomes, safe and efficient transport, community safety and wellness in integrated and sustainable settlements, social cohesion and optimal service delivery;



- Sound and sustainable economic growth as the foundation of successful development;
- The importance of the private sector, both small and large business, in driving economic growth in a market environment that is globally competitive; and
- The role of corruption-free government in creating and maintaining a business friendly regulatory environment.

### **Economic Priorities**

The inability to address poverty and persistently high unemployment rates, have in most instances, been the root cause of the many social ills plaguing the Province and the Country. Economic growth is considered the foundation of all successful development and is driven primarily by the business sector operating in a conducive environment. Based on such a paradigm, the role of the State is to create and maintain an enabling environment for business and provide for demand-led, private sector growth.

Prior to the recent recession, economic growth in the Western Cape was relatively stable, growing at an average of 4.3 per cent between 2005 and 2009. Even at these levels of growth, the economy was not creating enough jobs to address the high unemployment levels. With the current forecasts looking to achieve similar levels of growth, government is aware of the risks to this outlook as well as the fact that the fortunes of the provincial economy are tied to that of the global and national economic environment.

Nonetheless, the Western Cape regards economic growth and poverty alleviation through sustainable employment creation as priority objectives and believes that Government has a key role to play in addressing the structural constraints to economic growth and unemployment.

*Economic and job growth are key priority objectives*

Evidence from countries have shown success in growing the economy and alleviating poverty, supports a view that targeting regions where the potential for growth exists can accelerate growth and economic development.

Regions of growth and potential growth areas were identified by the updated "Growth Potential Study of Towns in the Western Cape". The Province therefore has a crucial role to play in identifying and promoting accelerated growth in specific areas, based on comparative advantage through for

example, for instance focusing on cities/towns/regions specialising in the export sectors.

The engine of economic development lies at the local and regional levels. Cities and regions grow where the conditions are favourable.

It is believed that Government will achieve greater economic growth through: infrastructure investment in regions of economic agglomeration; the establishment of institutional arrangements aimed at improving coordination of State and Private sector initiatives to grow the economy and job creation (Economic Development Agency); the removing of constraints that hinder the required skills mix in various sectors of the economy; and by reducing bureaucratic red tape that hinders investment and entrepreneurial contributions to the economy of the Province.

*Province has a crucial role to play in promoting accelerated growth*

### **Infrastructure investment**

Investment in infrastructure such as roads, ports, IT infrastructure, building infrastructure, etc. can all contribute to a higher economic growth trajectory.

*Investments in infrastructure to contribute to economic growth*

Funding infrastructure at the Provincial level is sourced from national transfers (Provincial Equitable Share and conditional grants), Provincial Own Receipts and financing through the Asset Financing Reserve.

A number of national conditional grants have been introduced to ensure that provinces invest in infrastructure crucial for the overall development of the country. At the provincial level these include: roads, school and health infrastructure, agricultural necessities, stadiums, etc. Grants include: the Hospital Revitalisation Grant, Provincial Roads Maintenance Grant, Infrastructure Disaster Management and Human Settlements Grant.

These conditional grants, in terms of the annual Division of Revenue Act, are classified either as a schedule 4 or 5 grant. The schedule 4 grant is subject to the Province co-funding national infrastructure investment in the Province, while schedule 5 conditional grant funding is allocated without co-funding requirements.

The introduction of the **Infrastructure Grant to Provinces (IGP)** in 2001 was in response to the flood disasters across provinces at that time. Since then, substantial government investment has

gone into provincial infrastructure such as roads, stadiums, school and health facilities and other sector needs.

These investments have not happened without significant challenges as it relates to planning, project management, implementation, rising demand and maintenance backlogs and constrained capacity to spend allocated infrastructure budgets.

A rethink of infrastructure investment and incentives to spend the budget efficiently have resulted in the restructuring of the Infrastructure Grant to Provinces (IGP). The Grant is now separated into three areas that focus on education, health and provincial roads. This restructuring has resulted in a change in infrastructure funding, taking into account the aggregate national need of each sector. The existing Infrastructure Grant to Provinces baselines has been split: with 45 per cent of the allocation going to Roads, 42 per cent to Education and 13 per cent to Health.

**Roads infrastructure** provides opportunities to improve the economic prospects of the country and contribute to many socio-economic benefits. These include amongst others: access to markets, social integration and cohesion, safe and reliable transport, transformation in procurement and delivery through preferential procurement, contractor development and graduation of contractors, skills development and employment.

The focal areas for the roads infrastructure allocation include keeping roads well maintained and upgraded, but also to improve the condition of roads that are in a poor condition, but that have socio-economic significance.

*Emphasis on keeping roads in good condition*

The investment in roads aims to facilitate the rehabilitation of various large road capital projects based on road condition, safety and geometric needs that have been identified for immediate construction. A number of Gravel Road Upgrade Projects in the rural portions of the proclaimed road network have been identified. More projects are identified from local economic, street network and integrated transport plans for those regions, and will form the basis of a response to the National Rural Access Framework.

The identification of municipal Main Road Projects for rehabilitation forms part of an intensive collaborative process of decision-making which involves local and district municipalities and Provincial Government.

*Investment into the construction of new roads*

The Province aims to augment investment into the construction of new roads over the 2011 MTEF, with the aim of co-opting the private sector and relevant municipalities in pursuing projects that will sustainably stimulate the Western Cape economy.

The Education Infrastructure Grant will supplement the existing **education infrastructure** budget in funding the construction of new educational facilities, maintenance and upgrading of schools, classrooms, school halls and administration facilities at schools. Further development with regard to education infrastructure delivery include the introduction of the Schools Infrastructure Backlog Grant, which is a grant-in-kind aimed at targeting inappropriate school infrastructure and incentivise good infrastructure planning, delivery and spending.

**Health facilities'** maintenance is envisaged to spur on improvements in the functioning of health institutions and will facilitate the provision of quality health services and lay a basis for the introduction of the National Health Insurance scheme.

The ability to absorb the required technical capacity for infrastructure delivery at district, workshop and institution levels are factors that are considered before allocations are sanctioned.

Government's **immovable property portfolio** consists of owned and leased properties. Both require maintenance to keep buildings in a functional condition and to ensure compliance with the regulatory framework and agreements. The regulatory environment include amongst others: the Public Finance Management Act (PFMA), Occupational Health and Safety Act (OH&S) and Government Immovable Asset Management Act (GIAMA).

The maintenance of infrastructure can also contribute to urban regeneration and provides opportunities to use government procurement to advance transformation of the economy, particularly as it relates to improvement in the country's skills base, contractor development, BBBEE, EPWP, etc.

Owned properties require that maintenance is undertaken on an annual, or at least a regular basis. The cost of maintenance is accordingly calculated as a percentage of the estimated annualised replacement cost over a 50 year period (i.e.  $1/50 = 2$  per cent).

Funding over the 2011 MTEF for the **Central Business District Redevelopment** will aim to maximise the socio-economic footprint in terms of inner city renewal. The Redevelopment also aims to bring about synergy with other mooted projects within the broader inner city precinct and have an added advantage of minimising the burgeoning rental costs for office accommodation. This programme will use provincial properties as strategic catalysts to mobilise new investments in the central city by key stakeholders, the City of Cape Town, private sector and state-owned enterprises.

*Use of provincial properties to mobilise new investments in the City*

The introduction of the **Infrastructure EPWP Incentive Grant** to the provinces provides opportunity to apply labour intensive methods to the construction and maintenance of infrastructure. This grant not only provides funding for infrastructure delivery but also provides an incentive to assist provincial and local government to boost job creation initiatives.

*Entrenching labour intensive methods in infrastructure delivery*

Provisions in the 2011 Division of Revenue Bill have been introduced to enhance compliance with the requirements of the Infrastructure Development Improvement Programme (IDIP). This requirement aims to improve transparency as well to encourage proper infrastructure planning, project management and monitoring and evaluation principles.

**Skills development** would be demand-led, both in respect of the immediate needs of business and the medium-term needs of the economy. Given the general requirement for skills development and the need for interventions to maximise results, skills development initiatives will be prioritised. Skills development programmes will in the first instance attain prominence through the Department of Economic Development and Tourism's sector based initiatives.

To this end, and in accordance with the Skills Development Act of 2008, the Western Cape government will establish a Provincial Skills Development Forum (PSDF) that will include representation from all relevant role-players. The Forum will provide a mechanism where business, government, institutions of learning and skills development agencies can collaborate on skills development programmes and projects, the aim of which will be to provide industry and government with the skills necessary for growth. The Forum will also provide a mechanism through which the medium and long-term skills needs of the Western Cape economy can be researched and identified in order to better inform the strategies of institutions of learning and skills development agencies.

*Establishment of a Provincial Skills Development Forum to provide skills necessary for growth*

The establishment of an **Economic Development Agency** to coordinate and achieve synergies across the private sector and government as well as creating opportunities for economic growth and jobs in the Western Cape is being investigated.

A further element in creating a favourable business environment is to manage the regulatory environment by keeping compliance costs to a minimum, but without loss of any real regulatory benefits. Efforts will also be made to reduce ineffective and time consuming administration, regulations, rules and procedures that delay businesses from making profits.

### **Governance priorities**

In enhancing the institutional capacity of the developmental state, a range of transversal policies, service delivery improvement initiatives, systems and procedures were developed in pursuit of institutional excellence.

The departments of the Premier, Provincial Treasury and Local Government have prioritised strategic investment in strengthening the provincial government internally, especially its Information Communication Technology (ICT) capacity, Intergovernmental Relations (IGR) structures and sector committee engagements for greater interdepartmental co-operation and collaboration, thus improving its capacity to deliver more efficiently.

The strategic driving and coordination of the Provincial Strategic Objectives, the implementation of financial management reforms in provincial departments and municipalities and the intensifying of hands on support to municipalities will also continue over the 2011 MTEF. Within the broad umbrella of responsive and good holistic governance, the focus of the Administration and Intergovernmental Strategic Sector Committee will be on providing institutional support to the Provincial Government of the Western Cape in terms of the following core areas:

- Intergovernmental Relations (IGR) and partnerships; Monitoring and Evaluation; Communication internally and externally; Building internal human capital; Building internal social capital; Developing excellent institutional performance; Rendering quality labour relations service; Providing ICT services; Rendering quality legal services; and Combating economic crime.

Savings realised from the establishment of the Corporate Services Centre have been reallocated to address funding needs resulting from corporate modernisation and in particular to strengthen governance functions within the Province.

*Strengthening corporate governance*

The Province will over the 2011 MTEF also invest in the development of **telecommunications infrastructure**, which will assist provincial departments to achieve greater effectiveness and efficiencies in government service delivery in the Province. High speed internet access is an essential element for the development of a global competitive environment. It provides an ideal enabling environment for innovation, economic growth, particularly in key economic sectors, industries and SMMEs and entrepreneurship development.

The readiness to adopt new technologies, innovative capacity and first class infrastructure and services are essential if a region is to attract and retain inward investment, stimulate job creation and ensure a fully inclusive society.

### **Social Priorities**

Allocations from the Provincial Equitable Share and conditional grants are intended to strengthen the ability of the Western Cape to improve access to and quality of public services; address vulnerability and inequality through proper targeting of services; increase investment in communities to ensure sustainable livelihoods; and develop the skills needed for the economy through enhanced education and training.

*Improving access to and the quality of social services*

Below are some of the key social services priority areas that informed the allocations to the Province.

**Education sector** priorities at the national level target interventions that aim to: ensure that the Occupational Specific Dispensation for teachers are funded and implemented; that the national School Nutrition Programme achieve its targeted objectives; teachers are appropriately trained; Further Education and Training facilities are appropriately funded; technical schools are capacitated; appropriate infrastructure is constructed and maintained at educational institutions; and that learner: educator ratios are reduced to enhance the transmission of teaching.

The policy objectives of the Education Department are aimed at improving literacy and numeracy outcomes by directing sufficient resources (both human and financial) to the first three years of schooling; improve the accountability of role-players in the provision of education in the province; achieve faster

*Improving literacy and numeracy outcomes*

response times for support from the WCED; improve teacher morale; ensure that poor learners at least receive some form of school nutrition and are safe at school; direct its human and financial resources to those districts and schools that have historically experienced under-investment; and have targeted management training and in-school support to all members of school management and School Governing Bodies (SGBs).

A number of **policy priorities in Health** to improve the quality of healthcare will be funded over the 2011 MTEF. The National Health priorities aim to provide stability to the public health system and to mitigate the impact of increased demand for and improve the quality of Health services and provide for specific personnel interventions agreed within the sector.

At the national level priority areas include: stabilising hospital and primary health care services and to continue supporting improvements in financial management; maintaining medical equipment and extend their lifespan; upgrading clinical engineering workshops and employing additional clinical engineers as part of a bigger process in the health sector to improve health technology; having appropriate asset registers and maintaining and repairing medical equipment.

*A plan for maternal and child health*

The recently adopted national Maternal and Child Health Plan provides for a set of initiatives, including community-based post-natal checks and development of school health services partly in preparation for introduction of HPV vaccine (to prevent cancer of the cervix).

*Putting in place standards for public hospitals*

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 the National Health Insurance

In the Province, health will continue with a two-pronged approach which aims to improve wellness; improvements in the quality of care both at clinical level and patient care experiences; and the implementation of the District Health Services model that allows for targeted health care customised to the needs of a population in a defined geographic space.

*Addressing key social challenges through a focus on Early Childhood Development, Poverty alleviation and children at risk*

Priorities to address **social welfare challenges** include deepening the quality of social welfare services; the provision for Early Childhood Development; alleviating poverty through the Province's transversal policy to reduce poverty; strategy on secure care facilities for children in conflict with the law; and to train "home and community based" caregivers; and focus on



poverty alleviation through the Expanded Public Works Programme.

### **Other Priorities**

**Library services** at the provincial level are shared by provincial government and municipalities. The Provincial Government, as it relates to community libraries is responsible for: the selection, funding, ordering and processing of library material; the provision of an information service; and the promotion and use of library materials and libraries.

Municipalities employ staff, fund libraries (except books), manage the operations of libraries and the maintenance of library buildings. There are also occasions where maintenance work is carried out by the Province.

*Strengthening library services*

A survey of library users conducted by the Department of Cultural Affairs and Sport (as per the PALS library information system) highlighted that the Western Cape has approximately 1.2 million library users, and 70 per cent of those that used community libraries in 2004 were younger than 35 years old with 45 per cent younger than 18 years old, while approximately 62 per cent were female. This finding has major implications for learners using these facilities for studying and completing school assignments.

Targeted funding for smaller municipalities under specific conditions would provide a lifeline while the appropriate delivery mechanism for library services are deliberated. Funding will support the more vulnerable municipalities (C1 and B3) to enable them to deal with the costs of staffing, providing physical facilities and the maintenance of libraries.

Some of the other policy objectives that receive dedicated resources over the MTEF include:

- Enhancing Traffic Law Enforcement to increase road safety and preparations for the implementation of the Administrative Adjudication of Road Traffic Offences Act (AARTO);
- Providing preventative maintenance funds to newly built health care facilities with the aim of keeping facilities in a good condition according to the condition assessment;

- Strengthening policy coordination and environmental planning to assist with the integration of environment objectives in national, provincial and local government planning, including provincial growth and development strategies, and local economic development plans and integrated development plans;
- Strengthening Information Technology in CapeNature to comply with good IT governance principles;
- Supporting and expanding research and development efforts with the objectives of increasing agricultural production and developing climate change adaptation and mitigation plans;
- Supporting arts and culture organisations to give effect to the social cohesion objectives;
- Enhancing museum services to upgrade the infrastructure of exhibitions and expand the collections supported by curriculum related educational programmes; and
- Increasing the capacity of the Department of Local Government to assist front-line service support to municipalities.

## **Conclusion**

The development goals of the Western Cape Government are taken up in the 12 Provincial Strategic Objectives. These find expression in departmental strategies over the medium term. It recognises that economic development is key to addressing the many challenges facing the Province and the adopted strategies subscribe to the paradigm that there cannot be development without economic development.

In pursuit of economic development the focus not only falls on job creation and economic growth. Improvements in education, health services, increasing safety and an expanding social infrastructure (such as housing for the poor) are also considered vital.

However, pursuing economic growth is imperative to address poverty and persistent high unemployment rates that in most instances are the root cause of the social ills plaguing the Province.

The Province therefore has a key role to play in addressing the structural constraints that will make the country internationally competitive, remove constraints to economic growth, develop human capital, create an investor friendly environment, direct invest and reduce unemployment.

Investment in economic infrastructure such as in roads, buildings and ICT contributes to creating an investor friendly environment.

Efforts to bring about a greater balance in funding across the three priority areas: economic, governance and administration and social are expected to yield a different result as opposed to periods where almost all of the provincial funding was targeted towards interventions mainly to address access and coverage in social services.



# 3

## Receipts

### Introduction

The Western Cape Government finances its expenditure via three sources, i.e. national transfers (Provincial Equitable Share and conditional grants, which together contribute 94.26 per cent of the budget in 2011/12); Provincial Own Receipts (taxes and fees/user charges, which account for 5.00 per cent); and the Asset Financing Reserve (AFR) which contributes less than 1 per cent in the 2011/12 financial year.

Despite the constrained fiscal envelope, the total Provincial Revenue envelope relative to the 2010/11 revised estimate is revised upwards by R2.051 billion in 2011/12, R2.130 billion in 2012/13, and R2.694 billion in 2013/14.

Total Provincial Receipts are set to grow at an annual average rate of 6.16 per cent over the 2011 MTEF from R34.984 billion in 2010/11 (revised estimate) to R37.036 billion in 2011/12, R39.166 billion in 2012/13 and R41.860 billion in 2013/14.

*Total Provincial Receipts grow by an annual average of 6.16 per cent over the 2011 MTEF*

Transfers from National Government (i.e. Provincial Equitable Share and conditional grants) increase by R2.266 billion or 6.94 per cent from a revised estimate R32.645 billion in 2010/11 to R34.910 billion in 2011/12 and are estimated to grow to R37.253 billion in 2012/13 and R39.924 billion in 2013/14, thereby growing at an annual average rate of 6.94 per cent over the 2011 MTEF.

**Table 3.1 Summary of Provincial Receipts**

Receipts R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited	Audited	Audited				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10						
<b>Transfer receipts from National</b>	19 538 369	23 053 690	28 064 895	31 695 756	32 644 905	32 644 905	<b>34 910 403</b>	37 252 759	39 924 238
Equitable share	15 482 582	18 241 996	21 762 635	24 026 091	24 455 824	24 455 824	<b>26 754 333</b>	28 505 403	30 344 499
Conditional grants	4 055 787	4 811 694	6 302 260	7 669 665	8 189 081	8 189 081	<b>8 156 070</b>	8 747 356	9 579 739
Financing	466 358	1 162 830	810 877	292 754	498 626	498 626	<b>273 749</b>	3 000	
Asset Finance Reserve	395 115	943 275	667 536	215 864	215 864	215 864	<b>273 749</b>	3 000	
Provincial Revenue Fund	71 243	219 555	143 341	76 890	282 762	282 762			
<b>National receipts and financing</b>	<b>20 004 727</b>	<b>24 216 520</b>	<b>28 875 772</b>	<b>31 988 510</b>	<b>33 143 531</b>	<b>33 143 531</b>	<b>35 184 152</b>	37 255 759	39 924 238
<b>Provincial own receipts</b>									
Tax receipts	1 123 411	1 193 734	1 208 864	1 146 216	1 146 216	1 147 927	<b>1 214 949</b>	1 233 207	1 251 830
Sales of goods and services other than capital assets	434 674	414 011	391 854	383 002	408 899	433 815	<b>376 172</b>	379 759	380 828
Transfers received	138 421	142 905	93 878	22 257	111 644	108 643	<b>178 006</b>	214 553	220 932
Fines, penalties and forfeits	1 392	2 596	3 008	1 008	1 458	2 149	<b>1 111</b>	1 220	1 335
Interest, dividends and rent on land	50 695	59 833	63 416	58 914	58 541	59 345	<b>4 456</b>	4 457	4 458
Sales of capital assets	56 418	17 375	892	29	274	458	<b>24</b>	24	24
Financial transactions in assets and liabilities	214 194	104 549	175 503	76 391	81 524	88 619	<b>76 800</b>	76 870	76 964
<b>Provincial own receipts</b>	<b>2 019 205</b>	<b>1 935 003</b>	<b>1 937 415</b>	<b>1 687 817</b>	<b>1 808 556</b>	<b>1 840 956</b>	<b>1 851 518</b>	1 910 090	1 935 925
<b>Total provincial receipts</b>	<b>22 023 932</b>	<b>26 151 523</b>	<b>30 813 187</b>	<b>33 676 327</b>	<b>34 952 087</b>	<b>34 984 487</b>	<b>37 035 670</b>	39 165 849	41 860 163
<b>Transfers from National</b>	<b>88.71%</b>	<b>88.15%</b>	<b>91.08%</b>	<b>94.12%</b>	<b>93.40%</b>	<b>93.31%</b>	<b>94.26%</b>	<b>95.12%</b>	<b>95.38%</b>
Equitable share	70.30%	69.76%	70.63%	71.34%	69.97%	69.90%	72.24%	72.78%	72.49%
Conditional grants	18.42%	18.40%	20.45%	22.77%	23.43%	23.41%	22.02%	22.33%	22.89%
<b>Own receipts</b>	<b>9.17%</b>	<b>7.40%</b>	<b>6.29%</b>	<b>5.01%</b>	<b>5.17%</b>	<b>5.26%</b>	<b>5.00%</b>	<b>4.88%</b>	<b>4.62%</b>
<b>Asset Financing Reserve</b>	<b>1.79%</b>	<b>3.61%</b>	<b>2.17%</b>	<b>0.64%</b>	<b>0.62%</b>	<b>0.62%</b>	<b>0.74%</b>	<b>0.01%</b>	<b>0.00%</b>
<b>PRF Financing</b>	<b>0.32%</b>	<b>0.84%</b>	<b>0.47%</b>	<b>0.23%</b>	<b>0.81%</b>	<b>0.81%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Provincial Own Receipts show minimal growth from a revised estimate of R1.841 billion in 2010/11 to R1.852 billion in 2011/12, increasing to R1.910 billion in 2012/13 and R1.936 billion in 2013/14.

Allocations from the AFR, which is used to fund infrastructure related expenditure, increases from R215.864 million in 2010/11 to R273.749 million for 2011/12.

## Fiscal Transfer System

The fiscal transfer system is a dominant feature of provincial and local government revenue and expenditure in South Africa. National transfers (Provincial Equitable Share and conditional grants) are the main contributors to provincial expenditure.

The choice of fiscal transfer system and the balance between different funding mechanisms has implications for equity, incentives and distribution. Furthermore, the extent to which conditions are attached to the funding source (Provincial Equitable Share and conditional grants) can influence the

autonomy of sub national governments in using their discretion in making budget allocations and pursuing specific policy objectives.

Since the introduction of conditional grants into the South African intergovernmental system in 1998/99, there has been a proliferation in the number of conditional grants. Over time, some conditional grants have been merged with others; a few terminated and their priorities funded through the Provincial Equitable Share, while others have remained in existence for significant periods of time.

The Province's share of national revenue derived from conditional grants has increased from 20.76 per cent in 2007/08 to 23.36 per cent in 2011/12. Over this period, conditional grants have shown healthy growth at an annual average rate of 19.08 per cent compared with the growth of 14.65 per cent for the equitable share.

*Conditional grants contribute an increasing share of provincial revenue*

## **Provincial Equitable Share (PES)**

The Provincial Equitable Share contributes on average 72.51 per cent of the total revenue envelope for the Western Cape over the 2011 MTEF. The equitable share is a redistributive formula-driven unconditional transfer, which is allocated to provinces.

Following a review process of the Provincial Equitable Share a number of changes have been introduced to the Provincial Equitable Share formula which include the revision of the health formula and changes to the relative weights of the education, health and basic components.

Annual updates of demographic and socio-economic data together with the phasing-in of two conditional grants (Forensic Pathology Services Grant and Hospital Revitalisation Grant) into the Provincial Equitable Share have resulted in changes to the Provincial Equitable Share allocations to the Province.

The Provincial Equitable Share is comprised of the following six components with their respective weights:

- *An education component (48 per cent) based on school age cohort (5 - 17 years) and school enrolment data;*
- *A health component (27 per cent) using a risk adjusted capitation index based on the Risk Equalisation Fund and output data from public hospitals;*
- *A basic component (16 per cent) derived from each province's share of the national population;*

- A poverty component (3 per cent) based on the population income per province;
- An institutional component (5 per cent) divided equally between provinces to fund institutional requirements of provinces; and
- An economic activity component (1 per cent) based on Gross Domestic Product per Region (GDP-R).

*WC share of Provincial Equitable Share increase from 9.23 per cent to 9.37 per cent over new MTEF*

The Provincial Equitable Share components and relative weights are presented in Table 3.2. These are compared taking account of the 2010 and 2011 MTEF relative weights. The Western Cape's share of the Provincial Equitable Share shows an increase from 9.23 per cent over the 2010 MTEF to 9.37 per cent over the 2011 MTEF. This increase is due to data revisions, the new health formula and changes in the weights assigned to each of the components. These revisions to the Provincial Equitable Share will be phased-in over three years.

**Table 3.2 Changes in Provincial Equitable Share component shares**

	Old Weight	New Weight	2010		Variance
			MTEF	2011 MTEF	
	%	%	%	%	
Education	51	48	8.22	8.31	0.10
Health	26	27	10.11	10.49	0.39
Basic	14	16	10.86	10.45	-0.41
Poverty	3	3	6.24	6.00	-0.24
Institutional	5	5	11.11	11.11	0.00
Economic activity	1	1	14.54	14.33	-0.21
<b>Final share</b>	<b>100</b>	<b>100</b>	<b>9.23</b>	<b>9.37</b>	<b>0.15</b>

Provincial Equitable Share transfers increase by an annual average of 7.46 per cent from R24.456 billion in 2010/11 (revised estimate) to R26.754 billion in 2011/12, R28.505 billion in 2012/13 and R30.344 billion in 2013/14.

#### **Inflationary adjustments to the Provincial Equitable Share**

Inflation adjustments are intended to protect the real value of spending. Provincial Equitable Share inflation adjustments cater for the carry-through costs of the 2010 salary improvements of 7.5 per cent and the addition to the housing allowance from R500 to R800 per month for qualifying employees following the Public Service Bargaining Council (PSBC) Resolution 4 of 2010.



### **Policy priorities funded through the Provincial Equitable Share**

Over the 2011 MTEF, policy priorities funded through the Provincial Equitable Share are mainly for health, which includes additional resources to assist provinces to cover the cost of Occupation Specific Dispensation (OSD) agreements, to provide for public hospital norms and standards and the piloting of family health teams. Interventions are aimed to provide for general policy adjustments, improving infant, maternal and child mortality outcomes, further progress in preventing and controlling HIV and Aids, filling critical posts and the recapitalisation of nursing colleges.

*Additional funding mainly for health and education related priorities*

Within education, provision is also made for the second phase of the OSD for educators.

Overall, additional amounts of R626.607 million in 2011/12, R834.957 million in 2012/13 and R1.152 billion in 2013/14 have been provided.

### **Conditional Grants**

Conditional grants to the Western Cape increase by an annual average of 5.37 per cent from R8.189 billion in the 2010/11 revised estimate to R8.156 billion in 2011/12, R8.747 billion in 2012/13, and R9.580 billion in 2013/14. This represents a baseline increase of R345.674 million over the 2011 MTEF.

*Conditional grants increase by an annual average of 5.37 per cent over the 2011 MTEF*

As part of the funding envelope, conditional grants supplement various programmes partly funded by Provinces (Schedule 4 Division of Revenue Act (DORA) grants) such as the national tertiary services grant (Health), as well as specifically directed grants (Schedule 5 DORA grants) such as the national school nutrition programme (Education). Schedule 7 DORA grants are used to specify allocations-in-kind to provinces for designated special programmes. The new grant to deal with infrastructure backlogs in education is an example of a grant-in-kind.

The Social Sector Expanded Public Works Programme (EPWP) Incentive Grant for Provinces is an example of a Schedule 8 DORA grant whereby incentives for good performance and set conditions for improvements are rewarded. In this way conditional grants are used to fund national priorities, such as HIV/Aids, and to deal with horizontal and vertical fiscal spillovers or externalities for example, the Health Professionals Training Grant and to address backlogs and regional disparities in infrastructure such as the School Infrastructure Backlogs Grant.

As stated above the Provincial Equitable Share is an unconditional transfer which in the main is population driven. Conditional grants however are intended to achieve specific objectives, which may not necessarily be achieved through the Provincial Equitable Share. The decision to introduce a conditional grant requires a significant amount of planning, availability of quality data used to determine the allocations as well as in-depth knowledge regarding provincial peculiarities. Monitoring and evaluation measures need to be well developed and are dependent on the availability of credible data.

### **Revisions to Conditional Grants over the 2011 MTEF**

#### *Infrastructure Grants*

*Infrastructure Grant to Provinces to be restructured into three separate grants*

The Infrastructure Grant to Provinces (IGP) has been restructured into three separate infrastructure grants for education, health, and provincial roads. The restructuring is meant to ensure that funding is appropriate to the needs of each sector. The existing IGP baselines will be split 45 per cent for roads, 42 per cent for education and 13 per cent for health.

The allocation for the Provincial Roads Maintenance Grant over the 2011 MTEF is R1.416 billion. The respective amounts are R411.141 million in 2011/12, R483.437 million in 2012/13, and R521.720 million in 2013/14 financial years. National Treasury together with the National Department of Transport is in the process of developing key performance indicators and incentives in order to reward provinces that manage the needs of their roads network in an economically optimally efficient and productive manner.

Over the 2011 MTEF, R1.258 billion is allocated for the Education Infrastructure Grant to be used to address education infrastructure needs. The purpose of the grant is to help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in education as well as to enhance capacity to deliver infrastructure in education. The grant will supplement the existing infrastructure budget in Education.

The Health Infrastructure Grant, for which R389.228 million over the 2011 MTEF is allocated, will be used to supplement existing health infrastructure related expenditure inclusive of the Hospital Revitalisation Grant for which R1.454 billion is allocated.

### *Human Settlements Development Grants*

A portion of the Human Settlements Development Grant (HSDG) to provinces has been deducted from the grant and is now transferred directly to the metros through the new Urban Settlements Development Grant (USDG). The USDG merges with the former Municipal Infrastructure Grant (MIG) (Cities). This has resulted in a decline of R1.098 billion to the province over the MTEF. However, the City of Cape Town will receive an estimated extra R310 million, R322.9 million and R340.7 million over the next three financial years. Provinces are required to continue funding the Human Settlements Development Grant for the remaining portion (i.e. top structures) of the housing needs of municipalities receiving the USDG. The net effect of these changes, whereby the City of Cape Town will receive a direct transfer from National Treasury, should not have a significant negative impact on the delivery of housing opportunities in the Province.

*A portion of the HSDG transferred directly to the Metros*

### *EPWP Grants*

The Infrastructure EPWP Incentive Grant to Provinces have only been appropriated in 2011/12. For this purpose, an amount of R22.587 million has been allocated and has been split between Environment Affairs and Development Planning (CapeNature), Cultural Affairs and Sport and Transport and Public Works. Depending on spending performance against this grant, provinces may apply for additional funding from the Jobs fund through the 2011 adjusted estimates process.

The Social Sector EPWP Incentive Grant to Provinces has been revised from a Schedule 5 grant to an incentive grant (Schedule 8). The grant is meant to support the expansion of social sector EPWP employment in various social services programmes. Over the MTEF allocations of R16.734 million in 2011/12, R20.394 million in 2012/13 and R23.903 million in 2013/14 are split among the Departments of Community Safety, Education, Health and Social Development.

### *Other Grants*

When comparing the 2010 and 2011 MTEFs, the following revisions to conditional grants have been made:

- *Dinaledi Schools Grant*: Allocations of R6.720 million in 2011/12, R9.600 million in 2012/13 and R10.128 million in 2013/14. These additions are to ensure the improved performance in the teaching and learning of mathematics and physical science in underprivileged schools;

Province to receive a proportionally larger share of additions to NTSG

- *FET College Grant*: Additions of R52.962 million, R78.604 million and R124.179 million in 2011/12, 2012/13 and 2013/14 respectively. The total additions of R256.285 million over the 2011 MTEF are for covering the cost of wage agreements and to provide for increased demand for enrolment. The grant also aims to ensure the successful transfer of the FET College function to the Department of Higher Education and Training;
- *Comprehensive HIV/AIDS Grant*: R174.247 million has been added over the 2011 MTEF to meet increased demand for prevention and treatment largely driven by the raising of the CD4 count threshold for treatment. This implies annual additions of R12.300 million in 2011/12, R5.151 million in 2012/13 and R156.796 million in 2013/14. The grant also aims to enable the health sector to develop an effective response to HIV and AIDS including universal access to HIV counseling and testing (HCT);
- *National Tertiary Services Grant (NTSG)*: increases by R78.447 million in 2011/12, R193.053 million in 2012/13 and R395.504 million in 2013/14. The R667.004 million increase over the 2011 MTEF is aimed at progressively addressing norms and standards for public hospitals, including those issued by the Office of Standards. The NTS grant aims to compensate tertiary facilities for the additional costs associated with spillover effects and ensuring adequate provision of health services for all South African citizens. The Province has received a proportionally larger share of the additions to this grant post the 2010 National Medium Term Budget Policy Statement (MTBPS);
- *Hospital Revitalisation Grant*: Downward adjustments of R4 million in 2011/12, R5.267 million in 2012/13 and R62.816 million in 2013/14. These adjustments are a result of savings effected on the conditional grant baseline and a shift to the equitable share in 2013/14;
- *Forensic Pathology Services Grant*: Downward adjustment of R73.737 million in 2012/13 and R77.793 million in 2013/14 as this grant is being phased into the equitable share from 2012/13.
- *Devolution of Property rates*: Increase by R99.049 million in 2011/12, R120.886 million in 2012/13, and R139.018 million in 2013/14. The R358.953 million additions over the 2011 MTEF are to enable provinces to cover the cost of municipal property rates according to submitted and verified invoices by municipalities. The grant aims to facilitate the transfer of

property rates expenditure and payment of provincial property rates;

- *Comprehensive Agriculture Support Service Grant (CASP)*: Additions of R3.870 million, R9.464 million, and R18.257 million in 2011/12, 2012/13 and 2013/14, respectively. The total additions of R31.591 million over the 2011 MTEF are for building capacity so that newly settled and emerging farmers can receive quality extension services; and
- *Land Care Programme Grant*: An amount of R7.493 million is added over the 2011 MTEF to the Land Care Programme Grant to fund fencing projects.

Table 3.3 provides a summary of conditional grants by vote and grant over the 2011 MTEF.

**Table 3.3 Summary of conditional grants by vote and grant**

Vote and grant R'000	Outcome			Main appropriation 2010/11	Adjusted appropriation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited	Audited	Audited				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10						
<b>Vote 1: Department of the Premier</b>		5 000							
Internally Displaced People Management Grant		5 000							
<b>Vote 4: Community Safety</b>		2 690					543	661	775
Internally Displaced People Management Grant		2 690							
Social Sector EPWP Incentive Grant for Provinces							543	661	775
<b>Vote 5: Education</b>	271 718	292 811	302 353	893 572	894 103	894 103	1 176 991	1 288 612	1 402 088
Education Infrastructure Grant <sup>Note</sup>	125 642	120 478	169 976	255 062	255 062	255 062	385 039	424 558	447 909
Dinaledi Schools Grant							6 720	9 600	10 128
HIV and Aids (Life Skills Education) Grant	13 001	13 727	14 626	15 392	15 392	15 392	16 388	17 486	18 448
Further Education and Training Colleges Grant	80 000	77 305		446 512	447 043	447 043	527 117	576 220	649 704
National School Nutrition Programme Grant	53 075	81 301	117 751	173 318	173 318	173 318	227 433	244 784	258 247
Technical Secondary Schools Recapitalisation Grant				3 288	3 288	3 288	8 619	9 045	9 542
Social Sector EPWP Incentive Grant for Provinces							5 675	6 919	8 110
<b>Vote 6: Health</b>	2 259 588	2 492 177	2 851 754	3 481 521	3 575 203	3 575 203	3 718 253	3 993 423	4 499 825
Health Infrastructure Grant <sup>Note</sup>	79 429	63 933	73 658	131 529	174 035	174 035	119 179	131 411	138 638
Hospital Revitalisation Grant	192 159	232 748	377 286	580 554	623 328	623 328	481 501	501 096	471 397
National Tertiary Services Grant	1 335 544	1 500 193	1 583 991	1 763 234	1 763 234	1 763 234	1 973 127	2 182 468	2 494 337
Health Professions Training and Development Grant	339 442	356 414	362 935	384 711	384 711	384 711	407 794	428 120	451 667
Comprehensive HIV and Aids Grant	200 562	268 931	383 531	554 054	555 054	555 054	660 614	743 249	935 489
Forensic Pathology Services Grant	112 452	69 958	67 141	66 251	73 653	73 653	70 226		
Social Sector EPWP Incentive Grant for Provinces				1 188	1 188	1 188	5 812	7 079	8 297
World Cup Health Preparation Strategy Grant			3 212						
<b>Vote 7: Social Development</b>		5 000					4 704	5 734	6 721
Internally Displaced People Management Grant		5 000							
Social Sector EPWP Incentive Grant for Provinces							4 704	5 734	6 721
<b>Vote 8: Human Settlements</b>	1 121 708	1 305 862	1 497 437	1 869 343	1 953 221	1 953 221	1 638 845	1 711 035	1 804 785
Human Settlements Development Grant	1 121 708	1 305 862	1 497 437	1 868 843	1 952 721	1 952 721	1 638 845	1 711 035	1 804 785
Disaster Relief Grant									
Expanded Public Works Programme Incentive Grant for Provinces				500	500	500			

**Table 3.3 Summary of conditional grants by vote and grant (continued)**

Vote and grant R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2012/13	2013/14
<b>Vote 9: Environmental Affairs and Development Planning</b>							6 000		
Expanded Public Works Programme Incentive Grant for Provinces							6 000		
<b>Vote 10: Transport and Public Works</b>	296 630	591 145	1 412 764	1 244 725	1 533 405	1 533 405	1 381 264	1 496 647	1 592 143
Provincial Roads Maintenance Grant <sup>Note</sup>	296 630	299 002	364 644	408 254	408 254	408 254	411 141	483 437	521 720
Devolution of Property Rate Funds Grant		147 094	250 285	181 351	283 041	283 041	291 281	322 730	351 963
Disaster Management Grant: Transport		145 049	204 061		186 490	186 490			
Expanded Public Works Programme Incentive Grant for Provinces				22 718	23 218	23 218	12 587		
Public Transport Operations Grant			593 774	632 402	632 402	632 402	666 255	690 480	718 460
<b>Vote 11: Agriculture</b>	71 290	58 320	158 816	90 334	142 979	142 979	133 812	150 003	165 593
Land Care Programme Grant: Poverty Relief and Infrastructure Development	3 268	3 428	3 085	3 270	3 270	3 270	3 466	7 740	7 233
Drought Relief/Agriculture Disaster Management Grant	34 656								
Comprehensive Agriculture Support Programme Grant	33 366	49 205	57 598	63 064	63 064	63 064	82 346	91 863	105 188
Disaster Management Grant: Agriculture Ilima/Letsema Projects Grant		5 687	92 143 5 990	24 000	52 645 24 000	52 645 24 000	48 000	50 400	53 172
<b>Vote 13: Cultural Affairs and Sport</b>	34 853	58 689	79 136	90 170	90 170	90 170	95 658	101 241	107 809
Mass Participation and Sport Development Grant	18 205	27 401	38 063	40 532	40 532	40 532	42 964	45 112	47 593
Community Library Services Grant	16 648	31 288	41 073	49 638	49 638	49 638	48 694	56 129	60 216
Expanded Public Works Programme Incentive Grant for Provinces							4 000		
<b>Total Conditional grants</b>	4 055 787	4 811 694	6 302 260	7 669 665	8 189 081	8 189 081	8 156 070	8 747 356	9 579 739

Note: Pre 2011/12: This conditional grant was previously known as the Infrastructure Grant to Provinces.

### Total Provincial Own Receipts

*Provincial Own Receipts contribute 5 per cent of the 2011/12 total provincial receipts*

Sections 228 and 229 of the Constitution practically limit sources of own revenue for provincial governments to narrow tax bases such as Motor Vehicle License Fees, health patient fees and gambling taxes. Broader tax bases such as personal income tax, corporate tax, value added tax and customs duty are in the domain of the national government. These limited sources of Provincial Own Receipts are very small relative to the expenditure needs of provinces.

Despite the high expenditure needs, current Provincial Own Receipt estimates are projected to decline in 2010/11 (compared to the audited outcome for 2009/10) and are expected to remain at more or less the 2010 level over the 2011 MTEF. This projected decline is mainly due to the economic challenges experienced in 2010, which impacted negatively on own revenue to the fiscus. However, in the 2011 MTEF, the economy is expected to register higher positive growth, which may impact positively on government revenue, albeit at a slower pace than would be desired.

In aggregate, Provincial Own Receipts will increase from R1.841 billion in the 2010/11 revised estimates to R1.852 billion in 2011/12, R1.910 billion in 2011/12, and to R1.936 billion in 2012/13.

Table 3.4 shows the estimated contributions by the different votes to Provincial Own Receipts.

**Table 3.4 Summary of Provincial Own Receipts by vote**

Vote R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
1. Department of the Premier	780	664	1 593	563	563	1 062	591	(44.35)	613	613
2. Provincial Parliament	387	269	233	52	52	132	52	(60.61)	52	52
3. Provincial Treasury	382 292	385 682	366 991	349 397	349 397	353 529	298 262	(15.63)	298 262	298 262
4. Community Safety	2 304	3 093	3 406	2 406	2 676	2 676	2 586	(3.36)	2 783	2 952
5. Education	31 392	22 545	26 747	22 874	22 874	22 874	24 025	5.03	24 533	25 065
6. Health	497 846	437 143	413 813	337 253	423 590	423 590	483 191	14.07	519 738	526 117
7. Social Development	28 541	2 516	7 981	385	1 385	2 003	565	(71.79)	593	615
8. Human Settlements	86 562	80 845	97 329	60 000	60 000	60 000	60 000		60 000	60 000
9. Environmental Affairs and Development Planning	254	740	1 044	156	606	778	318	(59.13)	318	318
10. Transport and Public Works	955 014	968 286	981 059	886 814	915 175	942 664	951 587	0.95	971 535	990 158
11. Agriculture	21 969	25 518	24 255	23 088	23 812	23 812	24 242	1.81	25 454	25 454
12. Economic Development and Tourism	10 548	5 944	11 921	4 068	4 068	6 019	5 334	(11.38)	5 334	5 334
13. Cultural Affairs and Sport	1 316	1 758	1 043	761	3 761	1 101	715	(35.06)	825	935
14. Local Government					597	716	50	(93.02)	50	50
<b>Total provincial own receipts</b>	2 019 205	1 935 003	1 937 415	1 687 817	1 808 556	1 840 956	1 851 518	0.57	1 910 090	1 935 925

Table 3.4 shows the total annual Provincial Own Receipts budgets by source between 2010/11 (adjusted appropriation) and 2013/14. Motor Vehicle Licence Fees, casino taxes and hospital fees (included in the sales of goods and services, other than capital assets as per economic classification) continue to be the major sources of Provincial Own Receipts.

**Table 3.5 Western Cape Own Receipts by source 2010/11 – 2013/14**

Source R'000	2010/11	2011/12	2012/13	2013/14
	Adjusted appropriation	Medium-term estimate		
<b>Tax receipts</b>	<b>1 147 927</b>	<b>1 214 949</b>	<b>1 233 207</b>	<b>1 251 830</b>
Casino taxes	275 123	277 000	277 000	277 000
Motor vehicle licences	848 072	912 885	931 143	949 766
Horse racing taxes	19 223	20 000	20 000	20 000
Other taxes (Liquor licence fees)	5 509	5 064	5 064	5 064
<b>Sales of goods and services other than capital assets</b>	<b>433 815</b>	<b>376 172</b>	<b>379 759</b>	<b>380 382</b>
<b>Transfers received</b>	<b>108 643</b>	<b>178 006</b>	<b>214 553</b>	<b>220 932</b>
<b>Fines, penalties and forfeits</b>	<b>2 149</b>	<b>1 111</b>	<b>1 220</b>	<b>1 335</b>
<b>Interest, dividends and rent on land</b>	<b>59 345</b>	<b>4 456</b>	<b>4 457</b>	<b>4 458</b>
<b>Sales of capital assets</b>	<b>458</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Financial transactions in assets and liabilities</b>	<b>88 619</b>	<b>76 800</b>	<b>76 870</b>	<b>76 964</b>
<b>Total provincial own receipts</b>	<b>1 840 956</b>	<b>1 851 518</b>	<b>1 910 090</b>	<b>1 935 925</b>

### Casino and horse racing taxes

Casino taxes are expected to contribute R275.123 million in 2010/11 (adjusted appropriation), down by R9.405 million from the actual collection of R284.528 million in 2009/10. The forecasted reduction in casino revenue can be attributed to a sluggish recovery from the 2009 economic recession.

Although it is anticipated that economic conditions will improve, projections for casino taxes in 2011/12 remain conservative at around R277 million and for each of the two outer years of the 2011 MTEF.

Horse racing taxes remain flat with R19.223 million revenue projected for 2010/11 and are projected to contribute R20 million each year over the 2011 MTEF.

*Possible relocation of one of the outlying casinos to the metro*

Provincial Treasury is investigating options to increase revenue from casino taxes. The ending of the exclusivity period within the Western Cape Metro creates an opportunity for one of the existing outlying casinos to possibly relocate to the metro.

### Motor Vehicle Licence Fees (MVLFF)

Motor Vehicle License Fees are projected to contribute R848.072 million to Provincial Own Receipts in 2010/11. Over the 2011 MTEF period revenue from MVLFF is projected to increase to R912.885 million in 2011/12, R931.143 million in 2012/13 and R949.766 million in 2013/14. The increases are mainly as a result of anticipated growth in the number of registered passenger vehicles over the MTEF period.



Motor Vehicle License Fees is one of the main sources of funding for road maintenance and upgrading and due to the low increases (only allowing for growth in the motor vehicle population) year-on-year, will result in real reduction in roads funding from this source.

### **Hospital fees and donations form the Global Fund**

Hospital fees (incorporated under 'Sales of Goods and Services, other than capital assets' in Table 3.5) are expected to contribute R281.811 million to Provincial Own Receipts in 2010/11. This amount is projected to decline by R9.811 million to R272 million per annum over the 2011 MTEF.

*Hospital fees will amount to R272 million per annum over the 2011 MTEF*

The marginal decline can be attributed to the sluggish economic climate, the cessation of the bulk settlement agreement with the Road Accident Fund and the extension of free health services as prescribed by the National Health Act.

The Global Fund has approved an additional six years of funding under the Rolling Continuation Channel. Over the 2011 MTEF, an estimated R578.859 million has been committed for strengthening, expanding and sustaining the provinces HIV/Aids prevention, treatment and care programme.

### **Interest, dividends and rent on land**

The budget provision for revenue from interest, dividends and rent on land has been adjusted in order to mitigate the risk to the fiscus due to the variability in revenue from this source. Revenue derived from interest, dividends and rent on land will be transferred directly from the Provincial Revenue Fund (PRF) into the Asset Finance Reserve (AFR) to be utilised for infrastructure related projects.

### **Revenue from the sale of immovable assets**

Revenue attributed to the sale of immovable assets is by its very nature uncertain and subject to delays in being actually realised. For this reason any revenue from this source is only taken up in the Estimates (Adjusted or Main) Budget post the actual receipt of revenue from the sale of immovable assets.

*Asset Financing Reserve enables increased spending on key infrastructure projects.*

## **Financing**

The Asset Financing Reserve (AFR), will provide funding exclusively for long-term infrastructure related projects. Funds have been specifically set aside for roads infrastructure and Inner City Regeneration projects in order to leverage economic growth in the Province. Allocations from the AFR amount to R273.749 million in 2011/12 representing an increase of 26.82 per cent from the 2010/11 revised estimate. Over the MTEF, funds have been kept in reserve with their allocation subject to the submission of sound business and implementation plans and recommendations by the Economic and Infrastructure Strategic Sector Committee to the Budget Policy Committee.

## **Conclusion**

The revenue envelope over the 2011 MTEF remains tight with limited additional allocations from the Provincial Equitable Share, revisions to the conditional grants framework to cater for specific national priorities and reduced Provincial Own Revenue inflows.

Marginal increases to the revenue envelope are specifically targeted at catering for increased personnel costs related to the general salary increments and provisions for OSD for certain categories of health professionals and the second phase of the OSD roll out for educators. Limited additional resources via the Provincial Equitable Share and conditional grants have been added to target specific policy priorities. A concerted effort has been made at the provincial level to provide additional funding for infrastructure related expenditure through the AFR which will be utilised as a catalyst for economic growth and job creation.

# 4

## Payments by Vote

### Introduction

Recent challenges in the international economic situation, structural domestic economic patterns and the mismatch between the skills supply of our labour force versus demand have resulted in continued high unemployment levels. Furthermore, the many social challenges plaguing the citizens of the Province require government intervention. The Western Cape will therefore have to accelerate its development path in order to address its socio-economic situation. In response, the policy priorities of the Western Cape are to target economic growth, job creation and improved governance to deliver on government's mandate amid objectives relating to a number of social and cultural objectives which collectively form the 12 Provincial Strategic Objectives<sup>1</sup>.

This chapter outlines the payments of the provincial and individual departments' and Provincial Parliament's budgets towards achieving these key policy objectives. This chapter also highlights some of the more pertinent departmental expenditure plans and outputs over the medium term that represents the key thrusts or goals of the 2011 budget. The chapter also summarises the provincial allocations and transfers to Provincial Public Entities over the 2011 MTEF.

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<sup>1</sup> Creating opportunities for growth and jobs; Improving Education Outcomes; Increasing access to safe and efficient transport; Increasing wellness; Increasing Safety; Developing integrated and sustainable Human Settlements; Mainstreaming Sustainability and Optimising Resource-use Efficiency; Increasing Social Cohesion; Poverty reduction and alleviation; Integrating service delivery for maximum impact; Increasing opportunities for growth and development in rural areas and Building the best-run provincial government in the world.

The provincial budget as the whole and each individual departments' and Provincial Parliament's budgets align to the national, provincial and departmental priorities and strategies as espoused in the 12 National Outcomes (Medium Term Strategic Framework - MTSF), the 12 Provincial Strategic Objectives and the various sectoral strategies, plans and policies.

## Expenditure by Department

Table 4.1 provides a snapshot of past expenditure trends from the 2007/08 financial year to the estimates over the new MTEF. In 2011/12, the provincial budget grows to R36.809 billion from a revised estimate of R34.249 billion in 2010/11 and is expected to grow further to over R41.539 billion by 2013/14. The largest beneficiaries of the 2011/12 budget are Health (36.4 per cent share), Education (36.2 per cent share), Transport and Public Works (11.2 per cent share) and Human Settlements (5 per cent share).

**Table 4.1 Summary of provincial payments and estimates by vote**

Vote R'000	Outcome			Medium-term estimate						
	Audited 2007/08	Audited 2008/09	Audited 2009/10	Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
1. Department of the Premier	370 538	429 493	478 089	545 168	623 369	623 369	<b>697 197</b>	11.84	695 601	751 117
2. Provincial Parliament	46 327	62 323	64 054	77 382	74 982	74 982	<b>88 242</b>	17.68	93 036	98 647
3. Provincial Treasury	115 124	120 950	138 371	160 470	131 504	131 504	<b>144 976</b>	10.24	153 356	163 455
4. Community Safety	203 201	242 329	272 623	287 808	288 911	288 911	<b>310 978</b>	7.64	348 864	367 743
5. Education	7 737 750	9 192 478	10 613 313	11 845 691	11 998 212	11 998 212	<b>13 331 843</b>	11.12	14 074 353	14 898 037
6. Health	7 497 868	8 655 845	10 371 034	11 962 863	12 408 383	12 376 883	<b>13 395 060</b>	8.23	14 390 940	15 666 204
7. Social Development	901 363	1 215 245	1 165 389	1 219 287	1 233 817	1 233 817	<b>1 331 611</b>	7.93	1 399 686	1 477 118
8. Human Settlements	1 289 936	1 539 212	1 701 333	2 060 623	2 192 395	2 192 395	<b>1 836 006</b>	(16.26)	1 897 019	1 997 605
9. Environmental Affairs and Development Planning	182 477	204 584	263 330	304 949	301 425	301 425	<b>351 262</b>	16.53	369 851	387 033
10. Transport and Public Works	2 344 477	2 766 228	3 872 191	3 686 548	4 000 096	3 897 827	<b>4 116 260</b>	5.60	4 154 026	4 358 668
11. Agriculture	325 623	355 699	490 117	428 995	483 987	483 987	<b>501 718</b>	3.66	547 781	583 764
12. Economic Development and Tourism	203 197	229 921	263 217	241 478	237 544	237 544	<b>254 414</b>	7.10	266 862	281 200
13. Cultural Affairs and Sport	223 138	499 970	301 730	289 241	294 704	294 705	<b>313 158</b>	6.26	336 923	354 255
14. Local Government	63 897	76 423	81 121	102 638	113 009	113 009	<b>135 974</b>	20.32	146 398	154 533
<b>Total provincial payments and estimates by vote</b>	<b>21 504 916</b>	<b>25 590 700</b>	<b>30 075 912</b>	<b>33 213 141</b>	<b>34 382 338</b>	<b>34 248 570</b>	<b>36 808 699</b>	7.48	38 874 696	41 539 379

Note: This table excludes direct charges.

## Vote 1: Department of the Premier

The Department of the Premier receives R697.197 million in 2011/12 and R695.601 million and R751.117 million in 2012/13 and 2013/14 respectively. In striving towards building the best run regional government in the world, a key focus area of the Department of the Premier over the 2011 MTEF is the successful implementation of the modernisation programme. The modernisation programme is aimed at improving service delivery by ensuring that the level of good corporate governance is improved across the provincial government. This involved co-ordination, monitoring and evaluation, accountability and standardisation across all the provincial departments, which will result in transversal provincial efficiency gains and improved effectiveness.

*Successful implementation of the Modernisation programme*

One of the key mandates of the Department is to support the Executive in governing the Province. A core aspect is the implementing of the Provincial Transversal Management System. This system will provide a mechanism to coordinate the deliverables of all provincial departments through a programme and project management approach that underpins the implementation of the 12 Provincial Strategic Objectives as contained in the draft Provincial Strategic Plan. Key deliverables include improving the levels of maturity in provincial programme and project management as well as spatial information management, to ensure that Executive decision making is informed by accurate strategic management information.

*Key deliverable is the implementation of the Provincial Transversal Management System*

Information Communication Technology (ICT) plays an important role in facilitating growth and development. The Centre for e-Innovation will endeavour to improve the level of ICT governance maturity<sup>2</sup>. It will reflect performance in areas such as policy, strategy, norms and standards. Additional resources amounting to R44 million over the 2011 MTEF have been allocated particularly for the PGWC to partner with the City of Cape Town (CoCT) on its fibre optic infrastructure to provide connectivity within the Cape Town metropolitan area. The CoCT and PGWC believe that such connectivity will greatly enhance the operation and management of the provincial government and of local schools, health facilities and educational institutions.

*Improving the level of ICT governance maturity*

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<sup>2</sup> Measured annually on a 5-point scale by way of an internationally accepted instrument.

*Ensuring an acceptable level of maturity for risk management and good, clean governance*

Budget allocations to the Department of the Premier supports the development and implementation of policies, systems, processes and related support functions rendered by the Department that would enhance governance of the Province (at both executive and administrative levels). The Department is to ensure that the provincial government manages its business in a manner that is risk and compliance directed and has a zero tolerance to fraud and corruption. In this regard, the strengthening of Forensic and Legal services and the improved level of Enterprise Risk Management maturity across the provincial government are significant deliverables.

*Strengthening the rights of citizens*

For the Province to uphold the Bill of Rights, six projects aimed at strengthening the rights of citizens have been identified. These projects relate to the enforcement of payment of child maintenance, implementation of the provincial sexual harassment policy, a teenage pregnancy intervention plan, a disability access programme, a human trafficking intervention and the development of a human rights case management framework.

## **Vote 2: Provincial Parliament**

*Continue to give effect to Constitutional mandate*

Over the 2011 MTEF period, the Western Cape Provincial Parliament (WCPP) will continue to give effect to its constitutional mandate. One specific area of focus that will be strengthened is oversight over the annual reports of departments and oversight reports of local government. Subject to the direction of the Constitutional Court, the WCPP aims to finalise its financial management legislation and make provision for relevant structures to successfully implement this legislation.

Provincial Parliament will continue with vigorous oversight over the Executive and the provincial organs of state, as well as ensuring that the public is educated on the workings of the WCPP and actively participate in its processes and procedures. The budget to be appropriated for this vote (excluding direct charges) amounts to R279.925 million over the three years of the 2011 MTEF.

## **Vote 3: Provincial Treasury**

In line with its mandate, the Western Cape Provincial Treasury is tasked to support efforts to improve allocative efficiency, enforce fiscal discipline and improve operational efficiency. For these purposes the Provincial Treasury is allocated a budget of R144.976 million in 2011/12, R153.356 million for 2012/13 and

R163.455 million in 2013/14. The focus of the 2011 budget builds on promoting the optimal use of provincial and municipal financial resources and strengthening financial governance practices taking into account national and provincial government's desired outcomes. Key performance areas towards achieving these are:

- Strengthening of revenue and cash management inclusive of promoting optimum collection of all potential revenue sources; and effective and efficient development of revenue streams;
- Developing of responsive departmental, municipal and entity budgets that contribute to improvements in socio-economic outcomes; and better monitoring of financial and service delivery performance, the latter in liaison with the Departments of the Premier and Local Government;
- Improving expenditure and revenue management and monitoring of budget implementation to improve sustainability and credibility of provincial, municipal and entity budgets; and introducing steps that would enhance operational efficiency, targeting, and delivery on annual plans;
- Raising the level of infrastructure delivery in liaison with key provincial departments, a process that includes better planning and determining the most efficient procurement methodologies;
- Developing, driving, assessing and assisting departments, entities and municipalities in the effective and efficient management of supply chain and movable asset management;
- Improving financial system management and ensuring that system users are appropriately trained and effective user account management is maintained. Initiatives also include the further development of Provincial Treasury integrated training interventions and the acquisition and implementation of a supply chain management system;
- Improving the standards of accounting and financial reporting that incorporates the roll-out of the latest Generally Recognised Accounting Practice (GRAP) standards within municipalities and the latest accounting policy framework for provincial

departments. Initiatives to further improve the integrity of financial data will be carried forward in 2011/12; and

- Strengthening the capacity of CFO offices to contribute to improved financial management capabilities is a key objective over the MTEF.

The **Western Cape Gambling and Racing Board** is tasked with regulating all gambling, racing and any other activities incidental thereto in the Province. The Board has been self-financing since 2005/06 and to date has not required any financial assistance or transfers from the Provincial Government, although this might change in future years.

#### **Vote 4: Community Safety**

Over the 2011 MTEF the Department of Community Safety receives total allocations of R310.978 million in 2011/12, R348.864 million in 2012/13 and R367.743 million in 2013/14.

The Western Cape Government's objective is to make every community in the Province a safe place in which to live and work. This would be achieved through an effective civilian oversight over the South African Police Service (SAPS) and other law enforcement agencies, facilitation and coordination of crime prevention initiatives, improved safeguarding of Provincial Government Western Cape (PGWC) assets and personnel and continued optimisation of road safety.

*Paradigm shift from reacting to crime to preventing it*

In order to ensure that the police stations meet the needs of our communities and that the SAPS is rendering an improved and quality service, it is essential to put more emphasis on evidence-based strategic research and policy advice that informs civilian oversight needs. It is also imperative to monitor, evaluate and report on police performance and accountability and enhance partnerships with all stakeholders.

*Strategic research to address the policing needs and priorities of communities*

In the fight against crime, the Department places a greater focus on improving community police relations and encouraging the communities to actively participate in promoting public safety and make safety everyone's responsibility. The Department will continue to strengthen and develop the Neighbourhood Watch (NHW) Expansion Framework which will set provincial norms and standards for NHW structures and to increase the NHW capacity in high priority areas through training and resource allocation.



Over the medium term, the Department intends to ensure better utilisation of divergent traffic resources and influence the behavior of road users to optimise road safety. Amongst others, the Department will increase law enforcement presence at weighbridges, preserve the 24 hour/7 day week patrol cycle and the 24 hour operation of all 12 provincial traffic centres and expand the traffic law enforcement establishment. Specific budgetary amounts have been made available to enhance Traffic Law Enforcement to increase road safety and to prepare for the implementation of the Administrative Adjudication of Road Traffic Offences Act (AARTO). The Department will further institutionalise road safety education into the school curriculum to broaden the knowledge of road safety from a young age and increase skilled staff to optimise road safety education in the Western Cape.

*Strengthening traffic law enforcement to increase road safety*

Central to the PGWC being able to deliver to its citizens is the need for a safe and secure service delivery environment. The Provincial accountability and compliance framework will be implemented in departments to consolidate the responsibility of Accounting Officers (AOs) with specialised capacity to support compliance with the security risk regulatory environment. The enhancement of the electronic access control system will enable the provision of access control reports to departments as a management tool. Furthermore, security appraisals will be conducted within the PGWC to determine the levels of security and make recommendations to AOs for implementation of counter measures.

*Safeguarding and protection of employees, information and assets*

## **Vote 5: Education**

The Western Cape Education Department (WCED) is allocated an amount of R42.303 billion over the 2011 MTEF, with allocations of R13.332 billion in 2011/12, R14.074 billion in 2012/13 and R14.898 billion in 2013/14.

The expenditure on education in the Province has grown by, on average, 14.6 per cent per annum in nominal terms since 2007/08. The Department's share of the Provincial budget has increased from 35.8 per cent for the 2010/11 financial year to 36.2 per cent for 2011/12 financial year.

*Education receives 36.2 per cent of the Provincial budget for 2011/12*

The largest portion of the increased funding provides for the Occupational Specific Dispensation (OSD) for Educators as well as Education Sector priorities, that target the National School Nutrition Programme; Teacher Development; School infrastructure to deal with backlogs; FET Colleges funding; Social sector EPWP; Dinaledi Schools; Recapitalisation of technical

*Improving education outcomes will be the major focus area*

secondary schools; and Lowering of learner: educator ratios/class size.

The improvement of education outcomes remain a key priority of the Department over the 2011 MTEF. The Department will continue to drive its 3 goals of improving performance in Literacy and Numeracy, improving National Senior Certificate Results and reducing the number of under-performing high schools. The Department has identified seven key focus areas as its main mechanisms for ensuring further improvement which are Knowledge Management; Curriculum and Assessment; Finances; Human resources; Infrastructure; Textbooks and other Learning Material and Health and Support and Safety of learners.

*Emphasis on improved academic performance, excellent management of schools, good supply of textbooks and use of technology*

The broad policies, priorities and strategic goals of the Department are clearly expressed in their Strategic Plan. The Department will concentrate finances and personnel on achieving the stated goals which include directing human and financial resources appropriately, improving responsiveness and efficiency through a focus on improved systems, providing targeted management training and training and support for teachers.

With the emphasis on improved academic performance the intention is to provide intensive support to the first three years of schooling, coupled with universal and compulsory testing of learners from Grades 1 to 6 from 2010 and setting benchmarks and targets for each school. To ensure excellent management of schools, officials, principals and teachers will be held accountable for their role in improving individual school performance.

A good supply of textbooks and the use of technology will contribute to the delivery of a quality curriculum. Targeted food and other poverty alleviation and safety measures will provide the enabling environment along with prioritised, cost-effective and efficient infrastructure maintenance.

*Infrastructure investment R2.229 billion over the 2011 MTEF*

The provision of proper educational facilities is a key priority. Education's budget provides for a substantial increase in infrastructure investment over the MTEF from R1.511 billion (Budget 2010) to R2.229 billion (Budget 2011) for educational facilities. For the construction of new facilities an amount of R579.986 million has been allocated for 2011/12, whilst R639.423 million and R668.511 million have been allocated for 2012/13 and 2013/14 respectively. The maintenance and repair budget of R108.413 million shows a slight increase compared to

the 2010/11 budget of R102.276 million. In the outer years of the MTEF the allocation for maintenance continues to show growth to R113.725 million and R119.411 million respectively.

The packaging strategy (grouping of projects in a single tender) seems to bear fruit as the Department of Education's infrastructure expenditure shows significant improvement.

## **Vote 6: Health**

The Department of Health is allocated R13.395 billion in 2011/12, R14.391 billion in 2012/13 and R15.666 billion in 2013/14. In 2011/12, the allocation to Health represents 36.4 per cent of the entire provincial budget. A total of R43.452 billion has thus been allocated over the 2011 MTEF to improve wellness within the Province.

*Health receives 36.4 per cent of the provincial budget in 2011/12*

Additional allocations for Health over the 2011 MTEF relate to the further roll out of the Occupational Specific Dispensation (OSD) for therapeutic professional categories and doctors; medical registrars in obstetrics and pediatrics and recapitalising nursing colleges; public health norms and standards, health technology, maternal and child health and primary health care reengineering.

*To improve the quality of care, core standards for health facilities have been developed nationally*

In line with the Millennium Development Goals, the national outcome of a long and healthy life for all South Africans and the Provincial strategic objective of increasing wellness, the Department has prioritised reducing injuries, promoting healthy lifestyles, improving women and child health and reducing the incidence of infectious diseases such as HIV and AIDS and Tuberculosis.

The primary focus of the Department of Health will be on continuing to deliver accessible and quality comprehensive health care, including the promotion of health, prevention of disease, curative care and rehabilitation, and training and education, delivered across all levels of care. Secondly, the Department will provide guidance and participate in transversal initiatives across government departments and broader society to address the upstream or contributory causes of disease.

The Department has placed the quality of care, both at a clinical as well as patient experience level, as a priority for the coming MTEF. The National Core Standards are underpinned by six priority areas namely values and attitudes, waiting times, cleanliness, patient safety, infection prevention and control and the availability of medicine and supplies. These standards

*Initiatives to improve quality of care*

collectively aim to positively impact on the quality of care offered at facilities. Patient satisfaction will be monitored via satisfaction surveys conducted at all health care facilities.

Primary health care (PHC) remains the entry point to the healthcare system within the Province. Over the 2011 MTEF the Department will continue to provide an accessible and comprehensive first point of contact service, which is supported by all levels of care, including acute and specialised referral hospitals and an efficient patient transport service in holding with the PHC philosophy. A central aspect of the PHC philosophy is the community involvement in health care, both at a personal and community level. As such, the Department will continue to strengthen community-based services through the appointment of approximately five hundred additional carers via non-profit organisations over the 2011 MTEF.

*Establishment of District Health Councils to improve provision of district health services*

The employment of the District Health Services (DHS) model by the Department has allowed for targeted health care customised to the needs of the population within well-defined sub-district and district boundaries within the Province. Going forward, community participation in the provision of district health services will be strengthened by the implementation of the District Health Councils. These Councils are currently in the process of being established, following the publication of the enabling provincial legislation in December 2010.

*Burden of Disease Summit to be hosted in 2011*

The burden of disease places great strain on the limited resources available to the Department and the Province as a whole. During the course of 2011 the Premier will be hosting a summit on reducing the burden of disease. The purpose of the summit will be to review the latest available data, review the responses by all role players and to identify an action agenda for implementation designed to advance the collective effort of role-players to reduce the burden of disease.

*Integrated HIV/TB prevention plan contained in the HIV Counselling and Testing Strategy*

An important deliverable is the implementation of an integrated TB/HIV prevention plan contained in the provincial HIV Counseling and Testing (HCT) Strategy. Amongst others, this plan includes the testing of 770 000 people, keeping 1 16 345 HIV patients in care, screening 750 000 patients for TB, distributing 102 million male condoms and 1 million female condoms and achieving a mother-to-child HIV transmission rate of less than 2 per cent. In addition, the HCT campaign will also use the opportunity to screen for diabetes and high blood pressure.

The Department will continue implementing the saving-mothers-and-children plan over the 2011 MTEF in an effort to reduce child and maternal mortality. Initiatives includes increasing cervical cancer screening rates, improving access to and quality of antenatal services, improving the rate of antenatal visits prior to 20 weeks gestation, increasing the percentage of HIV pregnant women and babies on ART, achieving vaccination rates of 95 per cent for children under 1 year old and the continued implementation of the Integrated Nutrition Plan. At a clinical level, the Department will continue to up-skill medical staff through training on the management of childhood illnesses, basic antenatal care, infant feeding and the management of obstetric and neonatal emergencies, amongst others.

*95 per cent  
vaccination rate target  
for children under  
1 year*

The provision of health facilities is a key component in ensuring quality care. The Department's budget provides for the investment of R2.603 billion over the 2011 MTEF in the construction and maintenance of health facilities.

For the construction of new and replacement facilities an amount of R421.390 million has been allocated in 2011/12, whilst R333.453 million and R288.385 million is allocated in 2012/13 and 2013/14 respectively.

A watershed event that will improve access to healthcare in the Cape Town Metro District will be the commissioning of the Khayelitsha District Hospital in the second half of 2011 and Mitchell's Plain Hospital in 2012. The upgrading of Valkenberg hospital receives R26.850 million in 2011/12, R50.533 million in 2012/13 and R190 million in 2013/14. The total cost estimate of this Hospital amounts to R900 million.

*Both Mitchell's Plain  
and Khayelitsha  
Hospitals completed  
by 2012/13*

The Department is increasing its maintenance and repair budget and has allocated R142.639 million in 2011/12 and R158.383 million and R176.198 million 2012/13 and 2013/14 respectively for this purpose.

## **Vote 7: Social Development**

An amount of R4.208 billion is allocated to the Department over the 2011 MTEF. The allocation comprises of R1.332 billion in 2011/12, R1.400 billion in 2012/13 and R1.477 billion in 2013/14.

*More than R4 billion will  
go towards funding  
social development*

The 2011 MTEF allocation includes additional amounts of R4.704 million in 2011/12; R5.734 million in 2012/13 and R6.721 million in 2013/14 specifically for job creation through the Expanded Public Works Programme (EPWP).

Priority allocations for Social Development services relate to the expansion of social welfare services inclusive of substance abuse prevention and rehabilitation and Early Childhood Development (ECD). Furthermore the Department will also focus on poverty alleviation programmes, which is inclusive of job creation through the EPWP.

The implementation of the modernised service delivery structure is part of the Department's strategy to deepen the quality of social development services. The strategy prioritises expansion of the Department's own services towards a progressive increase in the number of local offices. The strategy is also to increase its staff establishment to give effect to the mandates of key legislation. Approximately 95 per cent of the estimated filling of posts will be social work professionals and development practitioners.

*90 000 children will take part in ECD programmes in 2011/12*

Child care and protection services remain of critical importance. Key outputs envisaged for the 2011/12 financial year include:

- 90 000 children having access to ECD programmes;
- A drive to register all unregistered ECDs to ensure compliance with norms and standards as per the Children's Act, 2005 (Act No. 38 of 2005);
- The registration of ECD programmes in registered Partial Care facilities (ECD centres) with training and capacity building on implementation of programmes as per the Children's Act, 2005 (Act No. 38 of 2005);
- Protection services to 1 500 children found to be in need of care placed in foster care by the Children's Court;
- Increased funding levels to strengthen Residential Care Services to 2 284 children in Child and Youth Care Centres; and
- Approximately 400 children reunited with their families or communities of origin.

The key strategic focus areas for the substance abuse programme will continue to be awareness and prevention, early intervention, statutory services and after-care support programmes that will be dealt with in an integrated and coordinated manner. The treatment of clients and support to Substance Abuse Treatment Centres will continue to focus on greater accessibility of services, especially through expansion of outpatient care. Aftercare programmes will also be addressed. Other key deliverables will be the development and

implementation of postgraduate and undergraduate accredited courses and the development of technology in order to track treatment cases and to create a web-based Resource Directory.

Poverty remains the biggest social challenge facing the Western Cape population. In this regard the Provincial Cabinet has developed an integrated inter-departmental strategic objective for Poverty Reduction and Alleviation. The Department of Social Development (DSD) will take the lead regarding the implementation of this poverty reduction and alleviation objective. The DSD's role in this regard is to ensure that all relevant national, provincial and local government departments give effect to their responsibilities in terms of this strategic objective, to guide in terms of approaches to be followed as well as coordination of the achievement of strategic targets. This will be facilitated by establishing regular institutional mechanisms for departments to monitor and report as well as promoting joint integrated programmes and projects. An important DSD contribution to the poverty reduction and alleviation objective is the programmes implemented at Community Nutrition and Development Centres. The focus of these programmes will be to link food security to real job opportunities, income generation, and to link the poor with other government services.

Over the medium term, the Department will put emphasis on creating opportunities for youth as Social Auxiliary Workers and Community Development Practitioners within the social sector. These opportunities will include the exposure of 300 youth to the social development environment in 2011/12.

### **Vote 8: Human Settlements**

The allocation to the Department of Human Settlements amounts to R1.836 billion in 2011/12, R1.897 billion in 2012/13 and R1.998 billion in 2013/14.

*R5.7 billion allocated towards Human Settlements over the 2011 MTEF*

A significant portion (approximately 89.26 per cent) of the Department's budget is funded through the Housing and Human Settlement Development grant, amounting to R1.639 billion in 2011/12, R1.711 billion in 2012/13 and R1.805 billion in 2013/14. These amounts also include resources for the N2 Gateway National Housing Lead Project.

The Department's planned policy initiatives will be implemented through the strategic priorities of the Provincial Strategic

Objective on Developing Integrated and Sustainable Human Settlements in terms of achieving its specific outcomes.

*The first outcome* relates to accelerating delivery of housing opportunities.

*Policy shift to upscaling the provision of serviced sites to increase provision of housing opportunities*

The Department plans to upscale the provision of serviced sites (in relation to the reduction in the number of housing units built over the next 5 years) through upgrading of informal settlements. These would be considered as contributing to housing opportunities resulting in more inadequately-housed citizens getting access to basic services and land.

The Department plans to provide 14 333 serviced sites and 11 269 houses in 2011/12. It should be noted that the Human Settlement Development Grant (HSDG) has been reduced in 2011/12 and redirected to the Urban Settlement Development Grant (USDG) from 1 April 2011. This shift in funding has necessitated the reduction in performance targets compared with 2010/11. The reduction is due to the establishment of the Urban Settlements Developments Grant which combined a part of the Human Settlements Grant (20 per cent top sliced on the national human settlements grant) with the previous Municipal Infrastructure Grant (MIG) Cities grant to Metros. The funding will flow directly from the National Department of Human Settlements to the Metros and will ensure that the MIG allocations by the Metros are aligned with the provincial housing plans to support national and provincial priorities. The Department will assess the USDG business plans of the City of Cape Town to ensure that provincial and national targets are met.

*Transparent and fair policy and process for the selection of housing beneficiaries*

In addition, it is anticipated that the Human Settlement Development Grant will further reduce in the outer years, necessitating a further drop in departmental targets, with provincial targets staying more or less the same. The USDG will assist with removing bulk infrastructure as a constraint to human settlement development. Providing a fairer allocation of housing opportunities through a municipal database support programme is also a focus area. The aim is to ensure that the selection of beneficiaries is based on accurate, comprehensive and up-to-date information mitigating the risk of non-qualifiers benefiting. This initiative will also ensure a standardised, transparent and fair policy and process for the selection of housing beneficiaries based on improved quality of data and information management.



A co-ordinated approach for human settlements through effective Integrated Development Planning/Human Settlement Planning will be introduced over the MTEF. The approach is to assist high potential municipalities to become accredited as housing developers, strengthen support to municipalities and integrate the work of different departments involved in human settlement development, using the Integrated Development Plans (IDPs) as the basis.

*Assisting municipalities to become accredited housing developers*

In terms of the *second key outcome* the Department aims to inculcate a sense of ownership, rights and responsibilities amongst beneficiaries, owners and tenants through: educating beneficiaries on their rights and responsibilities of home ownership and rental through consumer education programmes. Further focus areas include increasing beneficiary involvement in development of housing opportunities through the self-help People's Housing Process which promotes empowerment, skills transfer and social cohesion in communities and promoting security of tenure (title deeds) through increasing the rate at which properties are transferred to qualifying beneficiaries.

*Increasing beneficiary involvement in the People's Housing Process*

The *third key outcome* relates to ensuring optimal and sustainable use of resources through:

- Increasing sustainable resource use by exploring alternative technologies, design, layout, topography, etc. in order to achieve the most energy-efficient and cost-effective development;
- Increasing the density of new housing developments on well located land through the development of clear guidelines with minimum densities for municipalities in order to get their human settlement proposals approved;
- Increasing private sector investment to stimulate the delivery of GAP housing and making well-located land available for development; and

- Enhancing the supply of new rental housing opportunities and encouraging improved property management of rental stock through engagement with external partners such as social housing institutions to improve collection rates and enhance maintenance of its properties.

## **Vote 9: Environmental Affairs and Development Planning**

The overall allocations to the Department of Environmental Affairs and Development Planning comprises R351.262 million in 2011/12, R369.851 million in 2012/13 and R387.033 million in 2013/14.

*The Provincial Spatial Plan and Built Environment Support Programme as key departmental deliverables*

Key outputs for the Department in 2011/12 include the development of a Provincial Spatial Plan as the first project in terms of the Provincial Spatial Development Framework (PSDF). This initiative is to build on the composite plan as contained in the PSDF, provide a more detailed scale to spatially reflect biodiversity elements, and spatially indicate capital investment of provincial and national departments in the Western Cape as well as serve as an instrument to ensure coordinated and sustainable investment in the Province.

The Department will expand on the initial pilot of six municipalities within the Built Environment Support Programme with the emphasis on the development of credible municipal Spatial Development Frameworks (SDFs). The aim is to develop a further 6 credible SDFs to ensure that municipalities in the Province have SDFs which meet a particular standard. The development of these SDFs will result in clear spatial guidance being provided to all spheres of government and the private sector as to where investment needs are and can happen.

*Towards the development of a Provincial Energy Plan*

The Provincial Government has an environmental mandate under Climate Change to reduce the production of greenhouse gasses and have proper energy plans developed. An approved Sustainable Energy Act will require from municipalities to compile energy plans which will feed into a Provincial Energy Plan.

*Improving Air Quality, Waste and Water Management within the Province*

The National Environmental Management: Air Quality Act calls for the monitoring and reporting of ambient air quality within the Province. In its effort to establish a Provincial Ambient Air Quality Monitoring Network, the Department continuously monitors and reports on ambient air quality at seven locations within the Province. Regarding this legislation, as of 1 April 2010, the Department also became the licensing authority for

Atmospheric Emission Licenses as submitted by Municipalities in the Province. The licencing of air emission activities will improve air quality management activities in terms of ensuring the public's right to clean and healthy air in the Province.

The Department is nationally mandated to license listed waste management activities for general waste facilities. To improve pollution and waste planning and management, the setting of waste management licence conditions together with the regulation and control of facilities will reduce adverse impacts on the environment.

In conjunction with the National Department of Water Affairs, other provincial departments and Local Government, the Department is developing a Provincial Integrated Water Resource Management (IWRM) Action Plan. This plan identifies short (1-5 years), medium (6-15 years) and long term (15 years +) actions to guide implementation of projects/activities towards meeting the growth and development needs of the region as well as to protect water resources from environmental degradation.

The finalising of the determination of coastal set-back lines for the Overberg district municipality and initiating the determination of coastal setback lines in the Eden District Municipality are highlighted as key deliverables for 2011. The general aim is to protect coastal public property, private property, coastal protection zones and public safety; as well as develop related regulations in this regard.

An Act integrating land use planning legislation in the Province became necessary as an outflow of the Department's Law Reform project. The primary goal revolves around the integration of land use, environmental and heritage-resource planning and management. As the attainment of this goal is dependent on national cooperation, constitutional land use planning integration in the Province was embarked upon in the interim. The Land use Planning Bill will achieve this latter goal in a constitutional way.

*Development of land use planning legislation*

#### **The Western Cape Nature Conservation Board (CapeNature)**

CapeNature receives approximately 55 per cent or R192.202 million of the departmental budget in 2011/12. Transfers from the Department in 2012/13 and 2013/14 amount to R193.560 million and R200.945 million respectively. The two key priority focus areas for CapeNature in 2011 are:

*Ensuring the effective delivery in respect of biodiversity management*

- To secure priority biodiversity and ecosystem services through effective biodiversity management; and
- To ensure increased sustainable revenue through enhanced tourism product development.

*Sustainable partnership development and promoting biodiversity awareness*

One of CapeNature's key focus areas is the restoration and maintenance of the integrity of the Western Cape's sensitive ecosystems and related services to secure the high quality and sustainability of water supply (provided to surrounding communities, industries and agricultural sectors) through sound integrated catchment management.

CapeNature realises that conservation cannot be limited to formally proclaimed Statutory Protected Areas, and hence strong and sustainable partnerships established with landowners in key ecologically sensitive and conservation worthy areas are engaged with through current Stewardship arrangements. A related focus area is to instill enhanced levels of biodiversity awareness in a growing number of Western Cape citizens, especially with reference to the youth.

*Exploring and creating opportunity within the Green Economy*

Within the framework of a growing Conservation Economy, strong emphasis is placed on job creation and socio-economic development – especially in the poorer rural communities within the proximity of CapeNature Protected Areas. A spectrum of Green Expanded Public Works Programmes (Working for Water, Working on Fire, Working for Wetlands) is to be implemented which include the expansion of the current Integrated Catchment Management Programme towards a fully-fledged Working for Protected Areas Programme.

A number of major developments are planned for the 2011/12 financial year and 2011 MTEF which is envisaged to make a significant impact on the organisation's capability to generate additional tourism revenue. A number of reserves received upgrades, new outdoor activities were introduced and existing support infrastructure were further enhanced that resulted in a positive experience for the entity's clients. Tourism offers various job creation and SMME development opportunities at CapeNature reserves of which a number of key activities are outsourced to local SMME's such as gate guarding, cleaning services, garden services, maintenance and upgrading contracts. The Contractor Development Programme is an important outreach initiative which aims to capacitate local communities.

The transfers to CapeNature include earmarked priority allocations to address specific challenges related to infrastructure upgrade and improving its IT governance. Allocations for IT governance to improve IT systems and processes amount to R2.985 million in 2011/12, R3.137 million in 2012/13 and R3.300 million in 2013/14.

## **Vote 10: Transport and Public Works**

The Department receives an amount of R12.629 billion over the 2011 MTEF. The MTEF allocation comprises of R4.116 billion in 2011/12, R4.154 billion in 2012/13 and R4.359 billion in 2013/14.

*More than R12.6 billion towards Transport and Public Works over the MTEF*

The allocations to the Department will be utilised for maintaining and constructing public works and transport infrastructure as well as the coordination, regulation and monitoring of transport operations in the Province.

The Department's budget for infrastructure projects amounts to R6.044 billion over the MTEF of which the transport (inclusive of Roads) infrastructure projects accounts for 87.07 per cent and public works infrastructure projects for 12.93 per cent. The budget allocation for infrastructure projects in 2011/12 amounts to R2.001 billion. Further amounts of R1.959 billion and R2.084 billion have been allocated for infrastructure projects in 2012/13 and 2013/14 respectively.

The Public Works Infrastructure Programme receives R3.237 billion over the 2011 MTEF to provide a balanced provincial government building infrastructure that promotes integration, accessibility, sustainability, equity, environmental sensitivity, economic growth and social empowerment. Included in this amount are allocations for Public Works infrastructure projects amounting to R762.285 million over the MTEF period. The allocation for 2011/12 amounts to R258.745 million, R235.806 million and R267.734 million for 2012/13 and 2013/14 respectively.

The Inner City Regeneration programme is one of the main focus areas of the Department over the 2011 MTEF that will act as a catalyst for economic growth and spatial integration. The Inner City Regeneration Programme will commence with the call for development proposals for the precinct in 2011/12.

*R95 million over the 2011 MTEF for Inner City Regeneration programme to leverage Provincial Government's inner city properties*

The budget makes provision for R7.300 million in 2011/12; R44.688 million in 2012/13 and R43.188 million in 2013/14 for the Inner City Regeneration Programme. This programme aims to leverage the Provincial Government's inner city properties in order to minimise the risk, cost and dependency on leased-in accommodation by the Province and to generate additional sustainable revenue streams over the long term.

Furthermore, there is a sharp increase in the maintenance provision for general buildings (mainly office accommodation) from R80.382 million in 2011/12 to R165.846 million in 2013/14.

The review of public assets commenced in 2010/11. The review process consists of the updating of the Asset register and the Condition and Compliance Assessment/Audit that will continue in 2011/12. The Department envisages to have completed the audit of 12 000 buildings and over 4 000 properties by mid-2012.

The Department will also continue with the implementation of the Government Immovable Asset Management Act (GIAMA). This includes further work on unpacking and planning the implementation of the various facets of GIAMA with client departments, including the consolidation of the immovable asset register, the valuation of immovable assets and the finalisation of the Custodian User Asset Management Plan (C-AMP).

*Reducing the number of kilometers of the road network that are in a poor or very poor condition*

A total of R5.647 billion is allocated towards the Transport Infrastructure Programme over the 2011 MTEF. The Department allocated R701.363 million and R931.411 million in 2011/12 for the construction and maintenance of roads respectively, specifically for reducing the number of kilometers of the road network that are in a poor or very poor condition. The Transport infrastructure projects amounts to R5.281 billion over the MTEF and have been allocated as follows: In 2011/12 R25 million for new and replacement roads; R360.398 million for upgrades and additions; R888,784 million for rehabilitation, renovation and refurbishment; R426.137 million for maintenance and repairs and R41.605 million for transport infrastructure transfers to municipalities.

A key deliverable for 2011/12 is also to improve the monitoring of the subsidised scheduled public transport service, which relates to the bus subsidies and other transport operations, keeping in mind the long term objectives related to the role of metros in providing public transport.

The George Mobility Project in partnership with the George Municipality will be implemented in 2011/12. This project will see scheduled transport services run within the George municipal area.

The Safely Home Programme in partnership with the Department of Community Safety and other key stakeholders will continue to be rolled out in the 2011/12 financial year. The primary aim of these interventions will be to reduce road fatalities in the Province by 50 per cent by 2014/15 given that it is a major cause of mortality in the Province.

*Safely Home Programme focuses on reducing road fatalities*

In order to further improve service delivery and management control at Registering Authorities (RAs), Driving License Testing Centres (DLTCs) and Vehicle Testing Centres (VTSs), solutions and systems will be developed and implemented that will result in signed Service Delivery Agreements between the Department of Transport and Public Works and municipal agents. The agreements will include publicised service standards to ensure that all functions are rendered effectively, efficiently and optimally within the framework of adequate resources provided at the respective offices.

A comprehensive operational improvement process and organisational investigation will be embarked on at the Provincial Licence Inspectorate, which is responsible for the follow up and management of outstanding licence fees, in order to reduce the occurrence of outstanding licence fees, for completion during 2011/12. This will include an investigation into a best practice model for debt management.

The Provincial Motor Transport Trading Entity (GMT) provides vehicle fleet management services to client departments. The review of the business model utilised by the entity in 2011/12 is to improve the services rendered to client departments.

## **Vote 11: Agriculture**

The Department of Agriculture receives a total amount of R1.633 billion over the 2011 MTEF, R501.718 million in 2011/12, R547.781 million in 2012/13 and R583.764 million in 2013/14.

The medium term priorities are increasing agricultural production; protecting and enhancing natural resources in a sustainable manner within the climate change context; the success of agricultural land reform projects, maintaining the current provincial agricultural sector's contribution to the national economy and expanding export opportunities for

agricultural produce and increasing economic opportunities in rural areas.

The strategic focus of the Department is encapsulated in 6 themes, namely market access for all farmers, extension revitalisation, research and technology, agricultural production, rural development, natural resource management and human capital development.

*Supporting farmers through research, extension services and training*

The Comprehensive Agricultural Support Programme (CASP) conditional grant plays a major role in increasing agricultural production. Agricultural production translates into research and technology in respect of crop and livestock production opportunities tried and tested, agricultural economic information and advice to farmers, extension support on production and opportunities linked to markets and natural resources and training of farmers and farm workers. These initiatives assist farmer's agricultural produce to access domestic and global markets and ensure that farmers become successful business enterprises. Additional resources of R21.354 million have been provided to the Department in the two outer years of the MTEF to support and expand research and development efforts. The objective is to increase agricultural production and develop climate change adaptation and mitigation plans specific for the agricultural sector.

Over the medium term, food security remains one of the key priorities of the Department. The Ilima/Letsema grant supports the poor and reduces poverty by ensuring food security through the rehabilitation and establishment of food gardens and to assist farmers to use the land more productively.

*Rural development is an imperative for creating jobs, reducing skills deficit and rural economic growth*

Rural Development is a transversal imperative and all provincial departments participate in the identified rural nodes, with Dysselsdorp serving as the pilot project. The Department is responding to this imperative through the agricultural development chain based on the needs and potential of the rural node. Six nodes will be targeted in the 2011/12 financial year.

The natural resources' based in the Province dictates to a large degree the agricultural production patterns and therefore to maximise sustainable resource management, the Department has to support farmers with engineering services, land and water management technologies as well as conservation measures.



Market access deals with market development opportunities, which include awareness, training and phyto-sanitary and quality demands. For the agricultural sector to maintain the current export position the Department must ensure that the regulatory environment and the technical requirements are delivered. Accordingly, the Department will intensify vaccinations, testing and inspection of animals against diseases, have regular abattoir visits for monitoring and audits to minimise animal health risks, ensure food safety and facilitate exports of animals and animal products.

*Increasing market access and ensuring food safety through veterinary services*

Transformation of the agricultural sector remains on the agenda and this includes skills development. The success of land reform is linked to the competitiveness of the sector, which translates into broader skills development (farmer, farm worker and service provider) requirements along the value chain. The Department will continue registering students into Higher Education and Training and other programmes.

*Skills development is one of the keys to transform the agricultural sector*

Agriculture's budget provides for capital investment of R449.408 million over the MTEF period in agricultural (mainly on farm infrastructure). An amount of R131.282 million has been allocated for infrastructure transfers in 2011/12. Over the MTEF period, the allocation for infrastructure transfers shows real growth of R147.220 million and R162.810 million, respectively.

**Casidra (Pty) Ltd** reports to the Minister of Agriculture and Rural Development and is budgeted to receive R112.757 million in 2011/12, R125.339 million in 2012/13 and R132.673 million in 2013/14. These transfers are received from two provincial departments, namely Agriculture and Economic Development and Tourism.

*Transfers to Casidra fund the implementation of infrastructure projects for emerging farmers*

The transfer from Agriculture (R85.957 million in 2011/12, R95.639 million in 2012/13 and R101.432 million in 2013/14) will be used to maintain the core institutional capacity of Casidra, as well as to implement infrastructure projects for emerging farmers. Casidra is responsible for delivery on agrarian and land reform, by focusing on agricultural and economic development within a rural and land reform context.

Casidra receives a further allocation of R26.800 million in 2011/12, R29.700 million in 2012/13 and R31.241 million in 2013/14 from the Department of Economic Development and Tourism to strengthen integrated economic development services and expand government support services to rural areas.

## Vote 12: Economic Development and Tourism

The Department of Economic Development and Tourism over the 2011 MTEF receives a total of R802.476 million. This total is allocated as follows: R254.414 million in 2011/12, R266.862 million in 2012/13 and R281.200 million in 2013/14.

*Creating an enabling environment for businesses to grow*

During the 2010/11 financial year, the Department shifted their interventions to support the achievement of the Strategic Objective of Creating opportunities for growth and jobs. The primary philosophy underpinning this shift in focus is the need to ensure that businesses are provided with as much support as possible to enable them to grow and thereby create jobs. In addressing the dual challenge of increasing entrepreneurial activity and providing support to small enterprises the Department's interventions are based on two principles. Firstly, the creation of an enabling environment for businesses to grow and secondly, the provision of demand-led, private sector driven support for growth sectors, industries and business.

*Economic infrastructure highly effective lever to change and accelerate the trajectory of the provincial economy*

In terms of Infrastructure Support, strategically competitive economic infrastructure is a highly effective lever to change and accelerate the trajectory of the provincial economy. The Department has placed emphasis on developing government-leveraged strategic economic infrastructure in order to significantly stimulate growth within industries and the region and to improve competitiveness to allow for increased exports.

Through the efforts of the **Western Cape Investment and Trade Promotion Agency (Wesgro)** and the specialist sector organisations and with a funding allocation of R24.7 million, the Department aims to realise approximately R3.712 billion worth of trade and investments through successfully facilitating 120 projects. Of this total, Wesgro will be accountable for bringing in 20 per cent of the overall target while the remainder will be obtained through the proactive activities of the priority sectors - Business Process Outsourcing (Call Centres), Oil and Gas Services and the Creative Industries (Film and Craft).

*The establishment of a Western Cape Development Agency (WCEDA)*

Wesgro will be funded at R12.250 million in 2011/12, R15 million in 2012/13 and R16 million in 2013/14. The allocation for 2011/12 is a 18.33 per cent reduction from the 2010/11 revised estimate of R15 million. Wesgro's core business is trade and investment promotion, which focuses on the recruitment and facilitation of domestic and direct investment into the Western Cape and the City of Cape Town. The current funding levels reflect the planning of establishing a Western Cape Economic Development Agency (WCEDA). The Provincial Government

deems that support for growth sectors and enterprises could be best driven and managed by an agency that is external to government and is staffed with the business and entrepreneurial skills needed to successfully promote growth in the Western Cape.

A key feature of the provincial economy is "a thriving multi-dimensional international tourism industry" with strong links to the creative and cultural sectors. The Department will focus on destination marketing for tourism, destination marketing for major events, and growth sectors supported and informed by the MEDS research, including support for the Tourism sector.

The **Western Cape Destination Marketing Organisation** will receive an amount of R32.440 million, in 2011/12, 2012/13 and 2013/14. The organisation will focus on amongst other, marketing Cape Town and the Western Cape as a premier leisure, events and business tourism destination and contributing to the distribution of the benefit of a thriving tourism industry to the citizens of the Province.

Workforce Development has shifted the skills focus from mainly supply focus to a more demand focus. This focus will also aim to contribute towards the creation of an enabling environment through the support of demand led skills, development of a framework to acquire an understanding of the skills demand with particular reference to quality and appropriateness of skills provision and the development of a framework for the alignment of skills provision and skills demand (key role of Provincial Skills Development Forum). This will reduce the current mismatch between skills provision and skills demand. The Department through Human Resource Development skills interventions assists individuals to increase their employability.

*Workforce development shifted the skills focus to a more demand focus*

The functions/activities of the **Liquor Board** are currently housed within the Department of Economic Development & Tourism. The Board will from the date of promulgation of the Act, perform its functions/activities as an independent entity. The Board will be responsible for the implementation of the Liquor Act, the ramping up of compliance and enforcement capacity and the establishment of a fund to combat the social ills of liquor trading and consumption.

### **Vote 13: Cultural Affairs and Sport**

The Department of Cultural Affairs and Sport receives an amount of R1.004 billion over the 2011 MTEF. Disaggregated, this amounts to R313.158 million in 2011/12, R336.923 million in

2012/13 and R354.255 million in 2013/14 to fulfill its responsibilities in Sport and Recreation, Arts and Culture, Libraries, Museums and Heritage and Archives.

The work of the Department of Cultural Affairs and Sport is directed at giving effect to its vision of a socially cohesive, creative and active Western Cape. The Department's plans are aimed at increasing participation and excellence in sport, recreation, the arts and culture. The Department is also committed to ensuring greater access to libraries, museums, language and heritage services.

*Socially cohesive  
active and creative  
Western Cape*

Every division in the Department is unified through the five key strategic thrusts; namely talent identification; striving towards excellence; popularisation or mass participation and access; skills development, networks and partnerships and the development of appropriate policy and systems.

Sport and Recreation's critical priority over the next year is the implementation of the Department's school sport strategy. Talent identification at the Mass Participation Centres will provide athletes who have potential, to access opportunities at high performance centres, the Western Cape Sport School, sport clubs and high performance academies. The Department will also support additional hubs/centres for the further roll-out of the Mass Participation Programme.

*School sport, libraries  
museums and arts and  
culture organisations  
are key focus areas*

Focus will be placed on the development of recreation and the creation of new sport and recreation clubs to ensure growth and community development through sport and recreation.

The success of the school sport programmes will be measured by the levels of participation of learners in extramural sport and competitive leagues. The sport and recreation federations operate as the voice of civil society and funds transferred to federations, are used to acquire the necessary skills, allowing them to compete at the highest level of competition.

Library Services will continue with the funding of additional staff at public libraries through conditional grant funding. To supplement municipal investment of library services and to sustain the future professional delivery of library services in selected municipalities, an amount of R126.770 million over the 2011 MTEF has been reserved within the Provincial Revenue Fund. Archive Services aims to increase awareness and thereby increase access through various promotional programmes, including the National Archives Week. Library and Archive Services will continue with the Rural Library Connectivity project which provides for ICT in public libraries for public access. The

Department aims to promote library usage through the National Library Week.

The Department of Cultural Affairs supports a number of arts and culture organisations. The purpose of the annual funding is to promote, develop and preserve arts and culture by contributing towards programmes and projects of non-profit organisations within the Province. Earmarked funding amounting to R21.250 million over the 2011 MTEF has been made available to inter alia establish twinning arrangements between smaller, less resourced arts and culture organisations and larger organisations such as Baxter and Cape Town City Ballet.

Museum Services receives additional funding amounting to R4.15 million over the 2011 MTEF to attract visitors and provide educational and other programmes at museums. The Department also aims to promote all three languages in the Western Cape through its translation and interpreting services.

### **Vote 14: Local Government**

The Department of Local Government is allocated an amount of R436.905 million over the 2011 MTEF. This allocation includes amounts of R135.974 million in 2011/12, R146.398 million in 2012/13 and R154.533 million in 2013/14.

In terms of municipal governance, the Department plans to ensure that municipalities comply with key pieces of local government legislation. The focus will be on achieving functional municipalities after local government elections. To achieve this, the Department will provide assistance and support on governance matters to newly elected councils and councillors, following on the elections, which will also see the incorporation of the District Management Areas into local municipalities. The Department's support will include guidelines to municipalities regarding "Day 1" arrangements, and a Helpdesk will provide immediate advice on any legal issues that arise. In addition, training in legislation will be provided to councillors after elections, in partnership with SALGA, so as to equip them to fulfill their legislative mandates.

*Municipalities supported to be institutionally functional*

The Community Development Worker (CDW) Programme provides guidance and direct advice to community members who otherwise would not know which government department/agency to approach for assistance. The Department aims to improve access to government services and facilitate

*CDWs & Thusong centres to increase access to government and services*

community access to socio-economic opportunities with a focus on:

- Creating awareness about Government services;
- Facilitating access to Government services; and
- Facilitating access to socio-economic opportunities for communities.

In terms of service delivery integration and in the interest of unlocking opportunities for communities through improved access, the Department aims to:

- Expand Thusong Centres to one centre for each local municipality including expansion of existing services;
- Develop Thusong zones, including an audit of current locations and service offerings and a long-term locational plan for departments;
- Expand Mobile Thusong Centres (ICOPS) to increase access to services; and
- Allow CDWs to provide an extension support service to Thusong Centres through the Thusong Extension Programme.

The Mobile Thusongs bring a wide range of services of government departments/agencies to areas, where there are no Thusong Centres or government offices. This enables people to gain direct access to government services rather than having to travel long distances to conduct simple transactions, such as applying for Identity Documents. The number of Mobile Thusongs (previously called ICOPs, or Integrated Community Outreach Programme) will double during the 2011/12 financial year.

*Training and capacity building programmes provided*

To strengthen public participation, the Department aims to enable communities to actively participate in their own development through training and capacity building programmes. The Department will focus on effective ward committees where municipalities will be assisted in ensuring proper ward committee establishment. Induction and information sessions will be conducted in respect of the roles and responsibilities of ward committees while monitoring of ward committee functionality will be guided by functionality indicators and the provincial reporting template.

The attraction and retention of scarce skills in financial and technical positions remains a challenge, especially in municipalities situated in the rural areas of the Province. The Department has established a “pool of expertise” to assist municipalities to build their capacity in terms of these critical skills. To achieve capacitated municipalities that deliver effective services, the Department's capacity development programme will deploy from this “pool of expertise” to ensure hands on support to municipalities.

*Experts deployed from the pool of expertise to provide hands-on support to municipalities*

In addition, the Department will focus on capturing the contribution of retirees and recent graduates and rollout of a municipal bursary scheme. The Department will continue to establish partnerships with other relevant stakeholders such as the Development Bank of Southern Africa (DBSA) to capacitate municipalities to deliver effective services.

The Department aims to achieve simplified Integrated Development Plans (IDP) that reflect the priorities, budgets, and projects of all three spheres of government through focusing on the IDP Indaba (LG MTEC 1) and drive the process of improving readability of IDPs making sure they are simplified. In addition, Neighbourhood Development Plans that reflect key local priorities will enable communities to identify and prioritise their needs in a simple and programmatic manner enabling local communities and municipalities to plan and monitor service delivery via ward committees.

*Departments and municipalities will be engaged on IDP priorities, implementation and budget alignment*

In terms of ensuring well-maintained municipal infrastructure, the Department will support municipalities with bulk Infrastructure planning and implementation through high-level advice and support. Twenty-year bulk infrastructure plans for water and sanitation have already been completed for each municipal district in the Province. The Department will carry this study forward and assist municipalities to develop and implement programmes for upgrading and financing their infrastructure.

*Municipalities supported with bulk infrastructure planning and implementation (districts)*

To mainstream disaster risk management in municipalities, the Department will support municipalities to capture their disaster risk management strategies in their IDPs. The Department aims to ensure that municipalities have applicable disaster management plans which can be activated in emergency situations/ disastrous events to minimise the social, economic, technological and environmental impacts of such events on vulnerable people, animals, infrastructure, and the environment. This will ensure that municipal plans take into consideration the disaster risks as well as their mitigation.

## Summary of Transfers to Public Entities

In terms of the Public Finance Management Act (PFMA), a provincial public entity is either a provincial government business enterprise, or a board, commission, company or corporation, which is established in terms of legislation, is fully or substantially funded from the Provincial Revenue Fund or a tax and is accountable to the Provincial Legislature.

This section summarises the provincial allocations and transfers from the applicable provincial departments to provincial public entities over the 2011 MTEF as discussed in previous sections. These allocations are indicated in Tables 4.2 and 4.3 for the period 2007/08 to 2013/14.

**Table 4.2 Summary of provincial transfers by vote to public entities**

Vote R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
1. Department of the Premier	16 074	17 442	8 211	7 500	7 500	7 500	( 100.00)			
2. Provincial Parliament										
3. Provincial Treasury	250									
4. Community Safety										
5. Education										
6. Health										
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning	82 975	94 658	133 272	160 857	154 400	154 400	<b>192 202</b>	24.48	193 560	200 945
10. Transport and Public Works	500		40 000		300	300	<b>4 500</b>	1 400.00	4 000	3 500
11. Agriculture	25 120	55 886	150 948	78 524	83 205	83 205	<b>85 957</b>	3.31	95 639	101 432
12. Economic Development and Tourism	81 356	93 482	115 586	98 540	97 105	97 105	<b>72 490</b>	( 25.35)	78 640	81 181
13. Cultural Affairs and Sport	1 957	2 000	1 883	785	785	785	<b>1 842</b>	134.65	1 992	2 148
14. Local Government										
<b>Total transfers to public entities</b>	<b>208 232</b>	<b>263 468</b>	<b>449 900</b>	<b>346 206</b>	<b>343 295</b>	<b>343 295</b>	<b>356 991</b>	3.99	373 831	389 206



**Table 4.3 Summary of departmental transfers to national and provincial public entities by transferring vote**

Public entities (transferring vote) R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2012/13	2013/14
<b>Major public entities:</b>									
1. Independent Development Trust: Vote 10: Transport and Public Works	500								
2. Airports company of South Africa (ACSA) Vote 12: Economic Development and Tourism	150								
<b>National Government Business Enterprises:</b>									
3. South African Rail Commuter Corporation Vote 10: Transport and Public Works					300	300	4 500	4 000	3 500
4. Artscape Vote 13: Cultural Affairs and Sport	125	130	125	135	135	135	142	150	160
<b>National public entities:</b>									
5. Agricultural Research Council Vote 11: Agriculture									
6. South African National Parks (SANPARKS) Vote 12: Economic Development and Tourism	275	1 350	250	250	1 250	1 250			
7. Council for Scientific and Industrial Research Vote 12: Economic Development and Tourism	10 500		3 500						
<b>Provincial Government Business Enterprises:</b>									
8. Casidra (Pty) Ltd Vote 11: Agriculture	54 731	90 572	236 098	127 024	128 955	128 955	112 757	125 339	132 673
Vote 10: Transport and Public Works	25 120	55 886	150 948	78 524	83 205	83 205	85 957	95 639	101 432
Vote 12: Economic Development and Tourism	29 611	34 686	45 150	48 500	45 750	45 750	26 800	29 700	31 241
<b>Western Cape public entities:</b>									
9. Western Cape Cultural Commission Vote 13: Cultural Affairs and Sport	640	668	595	100	100	100	150	200	250
10. Western Cape Gambling and Racing Board Vote 3: Provincial Treasury	250								
11. Western Cape Investment and Trade Promotion Agency (Wesgro) Vote 12: Economic Development and Tourism	11 450	20 669	20 325	15 600	15 000	15 000	12 250	15 000	16 000
12. Western Cape Language Committee Vote 13: Cultural Affairs and Sport	242	252	263	150	150	150	170	190	210
13. Western Cape Liquor Board Vote 12: Economic Development and Tourism									
14. Western Cape Nature Conservation Board Vote 9: Environmental Affairs and Development Planning	82 975	94 658	133 272	160 857	154 400	154 400	192 202	193 560	200 945
15. Western Cape Provincial Development Council Vote 1: Department of the Premier	6 574	10 202	6 681	7 500	7 500	7 500			
Vote 12: Economic Development and Tourism	6 574	7 042	6 381	7 500	7 500	7 500			
Vote 12: Economic Development and Tourism		3 160	300						
16. Western Cape Destination Marketing Organisation Vote 12: Economic Development and Tourism	28 370	33 617	46 061	34 190	35 105	35 105	32 440	32 440	32 440
17. National Youth Commission Vote 9: Environmental Affairs and Development Planning									
18. Western Cape Provincial Youth Commission Vote 1: Department of the Premier	9 500	10 400	1 830						
<b>Not listed in PFMA, but indicated as a public entity in Estimates of Provincial Expenditure</b>									
19. Heritage Western Cape Vote 13: Cultural Affairs and Sport	950	950	900	400	400	400	1 380	1 452	1 528
20. Small Enterprise Development Agency (SEDA) Vote 12: Economic Development and Tourism	1 000						1 000	1 500	1 500
<b>Total</b>	<b>208 232</b>	<b>263 468</b>	<b>449 900</b>	<b>346 206</b>	<b>343 295</b>	<b>343 295</b>	<b>356 991</b>	<b>373 831</b>	<b>389 206</b>

Tables 4.2 and 4.3 indicates that a total of R356.991 million will be transferred in 2011/12 from various provincial departments to both national and provincial public entities, representing an increase of R13.696 million or 3.99 per cent from the 2010/11 revised estimates of R343.295 million.

The provincial public entities which will receive the bulk of the transfer funding in 2011/12 are the following: Western Cape Nature Conservation Board (CapeNature) (R192.202 million), Casidra (Pty) Ltd (R112.757 million), Destination Marketing Organisation (R32.440 million), and the Western Cape Investment and Trade Promotion Agency (Wesgro) (R12.250 million).

A total of four public entities report to the Minister of Finance, Economic Development and Tourism, which include the Western Cape Gambling and Racing Board via the Provincial Treasury, Western Cape Liquor Board, Destination Marketing Organisation (Western Cape Tourism) and the Western Cape Investment and Trade Promotion Agency (Wesgro) via the Department of Economic Development and Tourism.

## **Conclusion**

This chapter has provided an overview of the payments by vote which outlines the expenditure plans of the Provincial Parliament, individual departments and associated entities towards achieving sectoral, provincial and national priorities.

Prudent fiscal management has provided the flexibility needed to support and enhance vital services during difficult economic times and the budget makes provision for allocations to departments and entities to at least maintain the current level of services whilst strengthening the delivery towards key policy objectives.

The thrust of Budget 2011 is to support the Province's economy whilst maintaining and in some cases strengthening priority government services. The departments have ensured that their budgets and plans are aligned towards achieving the 12 Provincial Strategic Objectives. Some departments are taking the lead in driving particular objectives and others are playing a key role in supporting and collaborating on a number of cross cutting objectives.

# 5

## Payments by Economic Classification, Infrastructure, Public Private Partnerships (PPPs) and Training

### Introduction

This chapter discusses the economic classification of consolidated provincial expenditure, as well as, infrastructure, PPPs and training expenditure. The classification of these expenditure items is in terms of the international standard for classification, Government Finance Statistics (GFS 2001) and the revised Standard Chart of Accounts (SCOA).

Departments, as part of the 2011 MTEF budget process were required to drive efficiency initiatives. This drive was to identify slow and under performing programmes and projects. It was expected from departments to use efficiency savings identified in this way for the rescheduling of projects or activities in departments and public entities.

Over the coming MTEF period departments have to direct their spending in such a way to increase public service efficiency in order to achieve the economic, governance and social objectives.

## Payments by Economic Classification

The table hereunder depicts the Summary of Provincial Payments and Estimates by Economic Classification.

**Table 5.1 Summary of provincial payments and estimates by economic classification**

Economic classification R'000	Outcome			Main appro- piation	Adjusted appro- piation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2010/11	2010/11	2010/11	2011/12
<b>Current payments</b>	16 288 354	19 250 279	22 083 951	24 861 782	25 351 509	25 303 437	<b>27 737 922</b>	9.62	29 474 707	31 624 501
Compensation of employees	11 249 139	13 421 061	15 739 139	17 818 942	18 315 868	18 291 384	<b>20 151 340</b>	10.17	21 481 817	22 955 504
Goods and services	5 039 215	5 828 354	6 343 362	7 042 627	7 035 146	7 011 550	<b>7 585 756</b>	8.19	7 992 053	8 668 113
Interest and rent on land		864	1 450		213	495	<b>503</b>	64.21	837	884
<b>Transfers and subsidies to</b>	3 494 645	4 418 831	5 439 849	5 868 651	6 097 529	6 109 609	<b>6 038 026</b>	( 1.17)	6 360 506	6 777 010
Provinces and municipalities	331 277	698 903	597 075	556 120	750 599	749 094	<b>757 091</b>	1.07	795 157	853 903
Departmental agencies and accounts	151 579	184 624	227 678	229 523	235 621	237 033	<b>262 451</b>	10.72	268 164	278 714
Universities and technikons	1 726	1 768	2 449	3 807	3 811	4 036	<b>5 428</b>	34.49	5 587	6 487
Foreign governments and international organisations	103	138	104	132	132	132	<b>145</b>	9.85	154	154
Public corporations and private enterprises	71 356	93 798	834 129	769 488	761 876	761 876	<b>819 527</b>	7.57	859 896	898 720
Non-profit institutions	1 622 626	1 970 894	2 097 742	2 306 954	2 192 461	2 195 531	<b>2 420 839</b>	10.26	2 576 877	2 772 290
Households	1 315 978	1 468 706	1 680 672	2 002 627	2 153 029	2 161 907	<b>1 772 545</b>	( 18.01)	1 854 671	1 966 742
<b>Payments for capital assets</b>	1 674 740	1 910 980	2 531 277	2 478 975	2 928 149	2 828 787	<b>3 028 839</b>	7.07	3 035 371	3 133 542
Buildings and other fixed structures	1 391 931	1 618 744	2 205 087	2 109 780	2 519 355	2 427 850	<b>2 542 357</b>	4.72	2 551 186	2 645 469
Machinery and equipment	256 660	268 964	298 524	334 495	355 462	355 547	<b>418 663</b>	17.75	400 880	395 035
Heritage assets										
Specialised military assets										
Biological assets	57									
Land and subsoil assets	8 051	3 700	6 303	8 289	24 599	24 599	<b>52 608</b>	113.86	67 900	77 100
Software and other intangible assets	18 041	19 572	21 363	26 411	28 733	20 791	<b>15 211</b>	( 26.84)	15 405	15 938
<i>Of which: "Capitalised Compensation" included in Payments for capital assets</i>			141							
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>		326 951	1 979 827	1 903 669	2 303 594	2 204 094	<b>2 162 698</b>	( 1.88)	2 090 146	2 163 455
<b>Payments for financial assets</b>	47 177	10 610	20 835	3 733	5 151	6 737	<b>3 912</b>	( 41.93)	4 112	4 326
<b>Total economic classification</b>	21 504 916	25 590 700	30 075 912	33 213 141	34 382 338	34 248 570	<b>36 808 699</b>	7.48	38 874 696	41 539 380
Direct charge	18 469	23 676	30 519	28 351	29 290	29 290	<b>30 253</b>	3.29	31 787	33 535
<b>Total economic classification (including direct charge)</b>	21 523 385	25 614 376	30 106 431	33 241 492	34 411 628	34 277 860	<b>36 838 952</b>	7.47	38 906 483	41 572 915

## Provincial Expenditure

The 2011/12 estimated total provincial expenditure of R36.839 billion (including direct charges) is an aggregation of Current payments of R27.738 billion, followed by Transfers and subsidies of R6.038 billion and Payments for Capital Assets of R3.029 billion and Financial Assets of R3.912 million. Current payments account for 75.4 per cent of the total provincial expenditure, which mainly includes Compensation of Employees (R20.151 billion) and Goods and Services (R7.586 billion). Goods and Services accounts for a 27.3 per cent share of Current payments in 2011/12 and inter alia, includes expenditure items on Advertising, Consultants and Professional Services, Travel and Subsistence, Medicine and Medical Supplies, Learner and Teacher Support Material (LTSM) and Property payments. Transfers and subsidies mainly consist of transfers to non-profit institutions (40.1 per cent or R2.421 billion) and households (29.4 per cent or R1.773 billion). The majority of Payments for Capital Assets consists of payments for Buildings and other fixed structures amounting to 83.9 per cent or R2.542 billion.

## Compensation of employees

Compensation of employees (COE) is the biggest item of expenditure at provincial level. For the 2011/12 financial year, it is expected to account for approximately R20.151 billion or 54.7 per cent of provincial expenditure. COE, in nominal terms is expected to grow by 7.9 per cent between 2010/11 and 2013/14 and provides for the public service salary agreements. These agreements make provision for the shifting of improvements in conditions of service from 1 July to 1 May in 2011 and from 1 May to 1 April from 2012 onwards. Compensation of employees is expected to increase to R22.956 billion by 31 March 2014. Worthwhile noting is that COE would almost have doubled from the R11.249 billion spent in 2008/09.

*Compensation of employees accounts for 54.7 per cent of 2011/12 budget comparative to 53.6 per cent in the 2010/11 main budget*

**Table 5.2 Summary of personnel numbers and cost by vote**

Vote		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	
1.	Department of the Premier	(numbers) (R'000)	567 144 280	631 172 642	686 210 849	909 282 090	1 034 328 175	1 149 356 485	1 149 382 363
2.	Provincial Parliament	(numbers) (R'000)	62 14 371	93 17 686	73 21 781	88 25 370	97 35 401	97 37 025	97 39 414
3.	Provincial Treasury	(numbers) (R'000)	275 60 231	280 71 482	300 93 902	255 92 082	312 106 534	312 113 010	312 120 023
4.	Community Safety	(numbers) (R'000)	821 113 899	902 143 032	876 173 835	838 183 070	925 213 778	983 239 615	983 256 490
5.	Education	(numbers) (R'000)	39 727 5 904 035	39 850 7 089 690	40 816 8 214 843	40 296 9 326 944	40 296 10 135 942	40 296 10 642 639	40 296 11 294 897
6.	Health	(numbers) (R'000)	26 339 4 138 765	27 008 4 876 271	27 993 5 780 151	28 430 6 925 932	28 947 7 637 201	29 336 8 274 368	29 743 8 919 914
7.	Social Development	(numbers) (R'000)	1 815 242 112	1 832 273 466	1 795 335 294	1 900 374 805	2 253 457 795	2 373 498 216	2 486 545 235
8.	Housing	(numbers) (R'000)	419 76 368	454 96 246	449 107 314	440 116 031	472 130 826	472 136 279	472 142 308
9.	Environmental Affairs and Development Planning	(numbers) (R'000)	270 56 218	307 66 548	343 86 719	356 103 665	398 121 292	417 138 581	417 149 835
10.	Transport and Public Works	(numbers) (R'000)	1 504 210 835	1 632 260 926	1 649 304 423	1 660 383 000	2 077 434 073	2 077 463 565	2 077 493 255
11.	Agriculture	(numbers) (R'000)	860 130 123	944 155 243	1 049 180 397	1 068 211 634	1 080 233 309	1 080 244 135	1 080 257 121
12.	Economic Development and Tourism	(numbers) (R'000)	164 36 488	195 51 325	219 61 090	249 70 164	274 88 288	274 94 562	274 99 146
13.	Cultural Affairs and Sport	(numbers) (R'000)	539 87 302	611 100 106	619 111 298	612 122 681	633 133 691	633 139 608	633 145 347
14.	Local Government	(numbers) (R'000)	249 34 112	276 46 398	285 57 243	296 73 916	355 95 035	355 103 729	355 110 156
<b>Total provincial personnel numbers</b>			73 611	75 015	77 152	77 397	79 153	79 854	80 374
Total personnel cost (R'000)			11 249 139	13 421 061	15 739 139	18 291 384	20 151 340	21 481 817	22 955 504
Unit cost (R'000)			153	179	204	236	255	269	286

Table 5.2 shows that the number of personnel employed are projected to increase by 2 991 or 3.9 per cent from an estimated 77 397 on 31 March 2011 to 80 374 on 31 March 2014. This increase in personnel numbers is spread across departments, with expected increases in personnel numbers between 31 March 2011 and 31 March 2012 of 30.2 per cent, 26.4 per cent and 25.1 per cent in the Departments of Transport and Public Works, Premier and Social Development respectively. The increase in Transport and Public Works is as a result of expansion of the establishment and can primarily be ascribed to the anticipated recruitment of staff for transport infrastructure and community based programmes.

The increase in the Department of the Premier is due to the centralisation of Human Resource Management (excluding Health and Education), Internal Audit and Enterprise Risk

Management functions within a Corporate Services environment (Corporate Services Centre).

In Social Development the increase in personnel numbers is attributable to a completely revamped business model to improve service delivery, as well as the approval of its modernised structure resulting in the Department increasingly delivering services directly, rather than through third parties. The actual increases can therefore be mainly attributed to the expansion of Social Workers at regional and local levels.

*Over 2011 MTEF  
personnel numbers will  
increase by 2 991*

There has been a significant increase in personnel numbers (3 772 or a 5.1 per cent growth) since March 2008 to the projected end-result in March 2011, of which the majority of the increase occurred in Health: 2 091 or 55.4 per cent of the total increase.

Over the MTEF, personnel costs increase by R4.665 billion, with the major contributing factor being the increase in unit costs. The annual unit cost of personnel is projected to increase from R236 000 as at 31 March 2011 to R286 000 as at 31 March 2014. This constitutes an annual average increase of 6.5 per cent, which is attributable to annual salary increases and occupation specific dispensation (OSD) adjustments in Health and Education.

### **Transfers and subsidies**

The total 2011/12 allocation for Transfers and subsidies decreases by R71.583 million or 1.2 per cent on the 2010 revised estimates which is due to transfers to households, decreasing by 18 per cent.

In 2011/12, transfers to households, receive an allocation of R1.773 billion. The Human Settlements Development Grant allocated to the Department of Human Settlements constitutes 92.5 per cent of the total allocation for households. This grant primarily aims to provide sustainable housing opportunities. The grant declines by 16.1 per cent from 2010/11 to 2011/12. This is due to the top slice, at a national level for the introduction of an Urban Settlement Development Conditional Grant that will flow directly to the City of Cape Town.

Transfers to non-profit institutions is expected to increase by 10.3 per cent on the 2010/11 revised estimate from R2.196 billion to R2.421 billion in 2011/12. The bulk of the 2011/12 transfers to non-profit institutions is shared between the Departments of Education (54.4 per cent) and Social Development (27.5 per cent).

In Education the transfers are to section 21 schools, colleges and the adult learning centres for learner teacher support material, maintenance and operational needs.

Social Development transfers funds to various non-profit institutions to assist in delivering on the mandate of the Department, which include programmes related to substance abuse, prevention and rehabilitation; care and service to older persons; childcare and protection services; HIV and Aids, care and support services to families and services to persons with disabilities.

### **Payments for capital assets**

The Province's capital investment programme, as depicted in Table 5.1, is central to strengthening productive capacity and building a foundation for stronger economic growth. This investment, in 2011/12 increases by R200.052 million from the 2010/11 revised estimate with aggregate capital expenditure amounting to R3.029 billion in 2011/12.

*Capital investment in 2011/12 increases by R200.052 million*

The expenditure in Education, Health and Transport and Public Works in respect of payments for capital assets, accounts for 97.6 per cent or R2.956 billion of total provincial capital investment in 2011/12.

### **Infrastructure expenditure**

It is generally accepted that infrastructure investment contributes to economic growth and job creation. The aging of existing infrastructure and growing demand for infrastructure investment (social and economic) in underserved areas place a huge responsibility on government to allocate more resources towards such investment. The expansion of infrastructure and maintenance of existing infrastructure are important dimensions for development of a developing country. Due to limited resources and demand for other public services, it is a challenge to allocate substantial additional resources for infrastructure investment over the medium term.

Table 5.3 below provides a summary of provincial infrastructure expenditure by category (new and replacement assets; upgrades and additions; rehabilitation, renovations and refurbishments; maintenance and repairs; infrastructure transfers current and capital and other capital projects).



**Table 5.3 Summary of provincial infrastructure payments and estimates by category**

Category R'000	Outcome			Main appro- pria- tion	Adjusted appro- pria- tion	Revised estimate	Medium-term estimate				
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate (Nominal)			2010/11 - 2013/14	
							2011/12	2010/11	2012/13		2013/14
	2010/11	2010/11	2010/11				2011/12	2010/11	2012/13	2013/14	2010/11 - 2013/14
New and replacement	265 031	729 158	547 021	816 531	958 962	927 462	<b>1 080 898</b>	16.54	1 047 709	1 083 179	5.31
Upgrades and additions	102 472	529 654	981 471	657 683	576 096	576 096	<b>458 745</b>	( 20.37)	410 527	446 364	( 8.15)
Rehabilitation, renovations and refurbishments	964 012	707 735	762 626	777 823	1 033 071	1 033 071	<b>1 191 102</b>	15.30	1 266 142	1 257 097	6.76
Maintenance and repairs	562 011	814 437	744 925	745 988	787 881	787 881	<b>757 571</b>	( 3.85)	831 192	924 051	5.46
Infrastructure transfers - current		2 522	78 196	29 210	32 174	32 174	<b>33 205</b>	3.20	39 841	58 629	22.14
Infrastructure transfers - capital		33 343	144 278	106 330	124 933	124 933	<b>144 832</b>	15.93	157 731	164 054	9.51
Other capital projects	333 118	122 571	129 089		14 107	21 115	<b>11 280</b>	( 46.58)	13 021	21 011	( 0.16)
<b>Total provincial infrastructure payments and estimates</b>	<b>2 226 644</b>	<b>2 939 420</b>	<b>3 387 606</b>	<b>3 133 565</b>	<b>3 527 224</b>	<b>3 502 732</b>	<b>3 677 633</b>	4.99	3 766 163	3 954 385	4.13

Infrastructure funding allocated per category for 2011/12 are as follows: new and replacement assets R1.081 billion (29.39 per cent); upgrades and additions R458.745 million (12.47 per cent); rehabilitation, renovations and refurbishments R1.191million (32.39 per cent); maintenance and repairs R757.571 million (20.60 per cent), current infrastructure transfers R33.205 million (0.90 per cent); capital infrastructure transfers R144.832 million (3.94 per cent) and other capital R11.280 million (0.31 per cent). The percentage allocation per category of infrastructure remains more or less the same over the MTEF period.

*Infrastructure investment remains a priority*

### Infrastructure by category

#### *New and replacement*

New and replacement assets account for the **second largest** allocation within the infrastructure budget: R1.081 billion or 29.39 per cent of the 2011/12 infrastructure budget. The largest allocation towards new and replacement of assets, has been made by the Departments of Education (R579.986 million) and Health (R421.389 million), followed by Transport and Public Works (R50 million).

#### *Upgrades and additions*

The overall allocation for upgrades and additions accounts for the **fourth largest allocation** over the MTEF period with allocations of R458.745 million or 12.47 per cent of the total infrastructure budget in 2011/12. The allocation decreases slightly to R410.527 million in 2012/13 and increases to R446.364 million or by 8.73 per cent in 2013/14 compared to 2012/13.

Under the “upgrades and additions” category, the Department of Transport and Public Works accounts for R360.398 million, which the Department of Health accounts for R98.347 million of the 2011/12 budget.

*Rehabilitation, renovations and refurbishments*

Rehabilitation, renovations and refurbishments accounts for the **biggest share** of the infrastructure allocation at R1.191 billion or 32.39 per cent of the total allocation in 2011/12. This allocation increases to R1.257 billion or 31.79 per cent of the total allocation in 2013/14 and remains the biggest share. The Department of Transport and Public Works represents the highest allocation in this category (R1.042 billion) followed by the Department of Health (R148.955 million).

*Maintenance and repairs*

*Maintenance and Repairs remain a top priority*

Budget constraints over time have contributed to the current maintenance backlog. The allocation for maintenance and repairs was prioritised in an attempt to ramp up efforts to reduce the backlogs. However, this remains a challenge. In the 2011 Budget further allocations are made to preserve the asset base.

The total maintenance and repairs budget for the 2011/12 financial year, accounts for the **third largest allocation** of R757.571 million or 20.60 per cent of the total infrastructure budget. It continues to show upward growth to R831.192 million in 2012/13 and R924.051 million in 2013/14. The share for this category increases to 23.37 per cent in 2013/14.

Table 5.4 provides a disaggregation of the infrastructure allocations across the different votes. The major share of planned infrastructure spending is housed in Transport and Public Works (R2.001 billion or 54.40 per cent in 2011/12) followed by Health (R827.760 million or 22.5 per cent), Education (R688.399 million or 18.72 per cent) and Agriculture (R133.812 million or 3.64 per cent).

In respect of Agriculture, infrastructural development is linked to increased agricultural production on farms. The conditional grant frameworks, namely CASP, Ilima/letsema and LandCare are prescriptive in terms of support for not only infrastructure development but for other pillars (i.e. training, research, conservation and marketing) as well. The types of infrastructure depend on the business plans submitted and the development requirements for the implementation of approved business plans. This includes, for example, the establishment of orchards

and vineyards (in excess of 600 ha) over the MTEF period, and the infrastructure requirements can include irrigation systems, mechanisation, farming structures (i.e. animal housing, milking parlours, etc.) and other biological assets. Other commodities have been identified for support going forward, and the above also applies to these. Ownership vests with the beneficiaries.

In respect of CapeNature, the infrastructure caters for new and replacement assets (although not exclusively) improvements in campsites, overnight facilities, picnic sites and ablution facilities. The allocations for infrastructure upgrades amount to R26.993 million in 2011/12, R20.550 million in 2012/13 and R25.000 million in 2013/14.

**Table 5.4 Summary of provincial infrastructure payments and estimates by vote**

Vote R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate				
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate				
							2011/12	2010/11	2012/13	2013/14	
1. Department of the Premier			22 291		835	835		(100.00)			
2. Provincial Parliament											
3. Provincial Treasury											
4. Community Safety											
5. Education	264 524	277 838	378 794	444 329	535 990	535 990	<b>688 399</b>	28.44	753 148	787 922	
6. Health	421 298	509 068	663 366	876 648	967 102	942 610	<b>827 760</b>	(12.18)	883 793	891 683	
7. Social Development		27 382	2 100	320	320	320		(100.00)			
8. Human Settlements											
9. Environmental Affairs and Development Planning							<b>26 993</b>		20 550	25 000	
10. Transport and Public Works	1 504 188	1 840 499	2 244 330	1 721 934	1 932 643	1 932 643	<b>2 000 669</b>	3.52	1 958 669	2 084 187	
11. Agriculture	36 634	52 633	76 725	90 334	90 334	90 334	<b>133 812</b>	48.13	150 003	165 593	
12. Economic Development and Tourism											
13. Cultural Affairs and Sport		232 000									
14. Local Government											
<b>Total provincial infrastructure payments</b>	<b>2 226 644</b>	<b>2 939 420</b>	<b>3 387 606</b>	<b>3 133 565</b>	<b>3 527 224</b>	<b>3 502 732</b>	<b>3 677 633</b>	4.99	3 766 163	3 954 385	

## Public-Private Partnerships

### Provincial PPP projects

Three provincial PPP projects in the Western Cape are currently being implemented (closed deals). A PPP assessment framework has been developed to assist Provincial Treasury in its oversight role in terms of closed PPP deals.

- **Chapman's Peak Drive PPP** - a process was completed to re-negotiate the contract and a third addendum to this contract has been agreed to between the parties. In terms

of Treasury Regulation 16.8 (amendment and variation of PPP agreements) approval was granted by National Treasury on 31 January 2011 in this regard.

- The Department of Health is continuing with the implementation of the **Western Cape Rehabilitation Centre and Lentegeur Hospital PPP**.
- The **De Hoop Nature Reserve's** interim agreement was replaced by a final agreement in December 2009 and implementation continues.

There are a number of provincial Public Private Partnership projects which have progressed to different stages, but have not as yet reached closure, i.e.

- **Whale Trail II and Lekkerwater PPP:** National Treasury granted Treasury Approval III (TA III – final approval) for the projects. Negotiations are in the final stages and it is expected that a PPP agreement will be signed in the near future.
- **Tygerberg Hospital Redevelopment PPP Project:** The Department of Health registered this as a PPP during May 2009. Processes have commenced to set up a project office, appoint staff and also to solicit funding from National Treasury and the National Department of Health.
- **Outeniqua Tjoe Choo Project (a potential PPP project):** The Department of Economic Affairs and Tourism is in process of appointing a transaction advisor.

The Department of Transport and Public Works has identified a number of properties in Cape Town for possible management through PPP projects. This is called the **“Cape Town Inner City Regeneration Programme”**. A steering committee has been established and a project officer appointed.

Table 5.5 gives a financial overview of current PPP projects.

**Table 5.5 Summary of departmental public-private partnership projects**

Project description R'000	Project Unitary Annual Fee at time of contract	Total cost of project			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate			
		Audited	Audited	Audited				% Change from Revised estimate			
		2007/08	2008/09	2009/10				2010/11	2010/11	2010/11	2011/12
<b>Projects under implementation<sup>a</sup></b>		36 639	38 932	42 449	48 966	48 966	48 966	<b>53 763</b>	9.80	59 040	59 040
PPP unitary charge		34 995	36 828	40 411	46 740	46 740	46 740	<b>51 414</b>	10.00	56 556	56 556
Penalties (if applicable)											
Advisory fees			150		66	66	66	<b>73</b>	10.61	80	80
Project monitoring cost		1 644	1 954	2 038	2 160	2 160	2 160	<b>2 276</b>	5.37	2 404	2 404
Revenue generated (if applicable)											
Contingent liabilities (information)											
<b>Proposed Projects<sup>b</sup></b>		11 138									
Advisory fees		327									
Project team costs											
Site acquisition costs											
Other project costs		10 811									
<b>Total Public-Private Partnership projects</b>		<b>47 777</b>	<b>38 932</b>	<b>42 449</b>	<b>48 966</b>	<b>48 966</b>	<b>48 966</b>	<b>53 763</b>	<b>9.80</b>	<b>59 040</b>	<b>59 040</b>

<sup>a</sup> Projects signed in terms of Treasury Regulation 16

<sup>b</sup> Projects in preparation, registered in terms of Treasury Regulation 16

### Municipal PPP projects

- Drakenstein **Municipality signed the Paarl Central Business District Redevelopment PPP agreement on 1 April 2010.**
- Theewaterskloof Municipality registered **the Grabouw 4 Property Transactions PPP** in 2007. The Municipality is in the process to clarify the issue of ownership of land with regard to the Eikenhof Dam Resort and the Community Precinct.
- Swellendam Municipality has registered a **mixed-use development PPP**. National Treasury has issued their Treasury Views and Recommendations IIA letter during July 2009. The procurement and bidding process is not yet concluded.

During the past year, three more municipal PPP projects were registered with National Treasury, i.e.:

- The Witzenberg Municipality to redesign, construct, maintain and operate **the Pine Forest Resort;**
- The Cederberg Municipality to design, construct, operate and maintain a **water reclamation plant;** and
- The City of Cape Town to deliver **alternative mechanisms in composting of solid waste.**

## Expenditure on Training

Improving employee skills is vital if the Provincial Government is to meet the challenge of improving service delivery. Significant resources to address immediate and anticipated skills shortages within the public sector are therefore provided for training. Ongoing training initiatives are focused on developing both internal staff capacity, as well as to nurture prospective staff through pre- or in-service bursaries and exposure to the working environment.

Table 5.6 shows the provincial payments on training per Department. The total estimated expenditure on training amounts to R428.865 million in the 2011/12 financial year, which is 6.7 per cent more than the revised estimate of R402.009 million in the 2010/11 financial year.

The Provincial Government will utilise the funding to offer a total number of 21 224 training opportunities 4 223 bursaries, 866 internships and 2 413 learnerships in 2011/12.

**Table 5.6 Summary of provincial payments on training by vote**

Vote R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
1. Department of the Premier	3 719	3 393	3 075	3 019	3 019	3 019	5 481	81.55	4 090	4 692
2. Provincial Parliament	717	480	63	412	280	280	455	62.50	482	505
3. Provincial Treasury	950	3 621	4 248	2 747	2 407	2 033	3 271	60.90	3 390	3 693
4. Community Safety	1 950	1 107	1 780	1 773	1 638	1 638	1 924	17.46	2 270	2 388
5. Education	54 939	68 590	118 245	102 446	102 446	102 446	108 627	6.03	114 096	114 096
6. Health	147 986	152 974	212 322	240 964	243 454	243 454	262 743	7.92	275 498	302 221
7. Social Development	374	7 773	8 220	9 626	9 626	9 626	7 845	(18.50)	8 151	8 904
8. Human Settlements	3 416	3 842	2 721	2 833	861	963	702	(27.10)	737	777
9. Environmental Affairs and Development Planning	977	1 102	1 436	1 714	1 006	1 006	1 560	55.07	1 732	1 801
10. Transport and Public Works	8 594	18 543	20 772	23 020	22 905	22 905	22 631	(1.20)	21 172	21 361
11. Agriculture	3 371	5 830	12 477	12 012	12 012	12 012	9 621	(19.91)	10 102	11 012
12. Economic Development and Tourism	994	967	951	750	1 534	1 534	1 399	(8.80)	1 557	1 763
13. Cultural Affairs and Sport	831	1 299	1 364	979	979	979	2 126	117.16	2 243	2 349
14. Local Government	290	229	48	209	116	114	480	321.05	506	532
<b>Total provincial payments on training</b>	<b>229 108</b>	<b>269 750</b>	<b>387 722</b>	<b>402 504</b>	<b>402 283</b>	<b>402 009</b>	<b>428 865</b>	<b>6.68</b>	<b>446 026</b>	<b>476 094</b>

Departments identify skills shortages on a continuous basis which determine the training needs on an annual basis. Training needs vary between departments depending on the specific sector. Current allocations within the **Departments of the Premier, Provincial Treasury, Human Settlements and Local Government** are specifically allocated towards specialised training in internal audit, organisation development, information

communication technology (ICT), human resource management (HRM), economics, accounting, public administration and management, financial, contract and asset management, project management, financial skills for non-financial managers, talent and career management skills, as well as mentoring and coaching skills.

Specialised training in the **Department of Community Safety** involves formal training courses to the traffic law enforcement officials such as firearm refresher, speed enforcement and road assistance courses.

*Department of  
Community Safety  
trains traffic law  
enforcement officials*

The **Department of Education** (WCED) also invests in a provincial bursary scheme specifically for educators. In addition to the current 126 pre-service bursaries and 919 in-service bursaries to educators, the WCED provides training to approximately 3 000 educators at the Cape Teaching and Leadership Institute (CTLI).

The **Department of Health** utilises bursaries as a recruitment and staff retention strategy. Bursaries are offered for nursing, medicine, physiotherapy, pharmacy, occupational therapy, radiography, emergency medicine, medical technology and clinical engineering in order to stem the growing demand for appropriately qualified medical and support staff. The Department has allocated funding to cater for over 9 000 bursaries over the 2011 MTEF.

*Bursaries to meet  
growing demand for  
appropriately qualified  
medical and support  
staff*

The investment by the **Department of Social Development** in social work scholarships already resulted in the appointment of 82 social work graduates in 2011.

Through the annual workplace skills and scarce skills audit, the **Department of Environmental Affairs and Development Planning** has identified town and regional planning, climate change, air quality, geographical information systems and environmental management as particular areas for skills development and capacity building.

The **Department of Transport and Public Works** currently provides external bursaries to 275 students in Engineering and Built Environment fields in order to address an anticipated long term skills shortage within the Department for these disciplines.

Specialised training programmes towards agricultural development are provided by the **Department of Agriculture's** Structured Agricultural Training (SAT) Programme and the Cape Institute for Agricultural Training (CIAT) at Elsenburg. The training consists of short skills courses, learnerships, Higher Certificates, Diploma and Bachelors Agricultural training.

The **Department of Cultural Affairs and Sport** currently has a total of 22 employees who receive bursaries, which include specific training in this sector such as library training services and visual history.



# 6

## Transfers and Provincial Payments to Local Government

### Introduction

Municipalities play a critical role in furthering government's objective of providing services to communities, while facilitating sustainable development. Over the next three years, provincial transfers to local government will marginally grow to assist with the delivery of basic services and to improve municipal planning, governance and administration, financial capacity and to achieve greater efficiency in delivery and to expand service access to households.

Municipal own revenue sources are supplemented by the local government equitable share, which is the main fiscal instrument that is used to redistribute local government's share of nationally raised revenue. In addition, municipal own revenue is supplemented by national conditional grants and provincial transfers. Evidence has shown that municipalities are becoming increasingly dependent on national transfers to meet their responsibilities.

The Municipal Finance Management Act, 2003 (MFMA) requires that the MEC for Finance must, to the extent possible, when tabling the provincial budget in the Provincial Legislature, make public particulars of any allocations due to each municipality in terms of the provincial budget, including the amount to be transferred to the municipality during each of the next three financial years. In addition, the annual Division of Revenue Act (DORA) requires that the Provincial Treasury must, on the same day that the Provincial budget is tabled in the Provincial Legislature, but not later than 14 April of that budget year, publish the following in a Gazette:

- The indicative allocation per municipality for every allocation to be made by the Province to municipalities from the Province's own funds;
- The envisaged division of the allocation contemplated in respect of each municipality for the next financial year and the 2013/14 financial year; and
- The conditions and other information in respect of these allocations to facilitate measurement of the financial performance and the use of required inputs and outputs.

Allocations over the 2011 MTEF are made public per municipality. This will provide certainty to the incoming municipal councils to give effect to credible municipal planning and budgeting processes. The Provincial Government, in giving effect to the legislative requirements of both the MFMA and the DORA, has institutionalised a process through which the Provincial Government engages with municipalities on strategic, delivery and budgetary issues. These engagements are known as the Local Government Medium Term Expenditure Committee (LGMTEC) processes.

From a financial perspective the 2011/12 financial year is still going to be challenging for many municipalities given the prevailing economic conditions and the transition from the current and incoming municipal councils. Additional challenges with which municipalities need to contend are the Medium Term Strategic Framework, Provincial Strategic Objectives, Five-year Strategic Agenda for Local Government, the Local Government Turnaround Strategy and Operation Clean Audit. These policies and initiatives need to find its implementation on local government level.

Other issues that impact on the fiscal transfers to municipalities for the 2011 MTEF include:

- the introduction of a new Urban Settlement Development grant which allows for funding to flow directly to metropolitan municipalities and which presumably is in preparation for furthering the housing accreditation process, and
- the incorporation of District Management Areas into affected local municipalities.

*Introduction of new Urban Settlement Development grant impact on transfers to municipalities*

The provincial allocations per municipality will be made public by means of the Local Government Allocations Gazette, tabled in the Provincial Parliament together with the 2011 Budget. The Gazette outlines the allocations to recipient municipalities for each grant over the three-year MTEF period, in both the Provincial and Municipal financial years.

This information enables municipalities to improve planning and budgeting and to implement associated programmes over a three-year budgeting cycle. Sources and levels of provincial funding are made predictable and criteria on which these allocations are based would be made transparent for municipalities by their public disclosure. It also assists the provincial and local spheres of government to better align their plans and spending priorities.

*Publication of the provincial allocations per municipality enables improved planning and budgeting*

The Provincial Treasury will publish a working document on [www.capegateway.gov.za](http://www.capegateway.gov.za) that will contain, firstly, the allocations per project and ward and secondly, the spatial spending of the Provincial budget per municipality per ward but at this stage only for specific departments.

**Table 6.1 Summary of provincial transfers to local government by category**

Vote transfers R'000	Outcome			Main appropriation 2010/11	Adjusted appropriation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
Category A	922 540	953 092	995 468	1 058 142	817 420	777 420	<b>840 949</b>	8.17	953 716	1 068 784
Category B	400 531	436 766	517 628	505 943	661 072	765 476	<b>621 843</b>	(18.76)	612 201	624 218
Category C	37 907	18 878	53 709	11 675	20 801	22 086	<b>5 634</b>	(74.49)	4 421	3 536
<b>Other</b>	12 117						<b>16 280</b>			
<b>Total departmental transfers to local government</b>	<b>1 373 095</b>	<b>1 408 736</b>	<b>1 566 805</b>	<b>1 575 760</b>	<b>1 499 293</b>	<b>1 564 982</b>	<b>1 484 706</b>	(5.13)	<b>1 570 338</b>	<b>1 696 538</b>

Provincial transfers to municipalities as indicated in Table 6.1 are budgeted to decrease from a revised allocation of R1.565 billion in 2010/11 to R1.485 billion in 2011/12. In 2012/13, the transfers to municipalities are expected to increase again to R1.570 billion and further to R1.697 billion in 2013/14.

The decrease in 2011/12 mainly results from a reduction in the baseline allocation of the Integrated Housing and Human Settlement Development Grant which has shifted to the newly created Urban Settlements Development Grant for metropolitan municipalities and the retention of other funds for departmental own projects.

Provincial transfers to the Category A municipality (City of Cape Town) are budgeted to increase from a revised allocation of R777.420 million in 2010/11 to R840.949 million in 2011/12. The 2010/11 baseline was reduced mainly because of reallocation of funds from the City of Cape Town's Integrated Housing and Human Settlement Development Grant allocation to the Provincial Department of Human Settlements own projects (i.e. People's Housing Project, Social Housing Institutions, Individual Housing Subsidies and Extended Enhance Discount Benefit Scheme).

During the 2012/13 and 2013/14 financial years, the amount transferred is budgeted to increase from R953.716 million to R1.069 billion.

During the 2010/11 financial year several once-off allocations were effected for the Category B municipalities resulting in upward adjustments in the revised estimates from the main appropriation. This in effect has resulted in volatility in the 2010/11 and 2011/12 allocations as the provincial transfers are decreasing from a revised allocation of R765.476 million in 2010/11 to R621.843 million in 2011/12. The amount transferred is budgeted to decrease further in 2012/13 to R612.201 million but marginally increases to R624.218 million in 2013/14.

Allocations to Category C municipalities are budgeted to decrease from a revised allocation of R22.086 million in 2010/11 to R5.634 million in 2011/12. The amount transferred is budgeted to decrease further in 2012/13 and 2013/14 to R4.421 million and R3.536 million respectively. The decrease originates mainly from the incorporation of the District Management Areas into the affected local municipalities.

Municipalities are required to report quarterly to the provincial transferring officer on their performance against the transferred amounts. The municipalities' performance on these grants are monitored on a monthly basis by means of the In-Year Monitoring and Management system (IYM) and further assessed during quarterly visits to municipalities.

### **Provincial Payments and Estimates by Metro, District and Local Municipalities**

Table 6.2 illustrates how the Province's entire budget over the MTEF is to be spatially spent within the Province, informed by current realities, policies and strategies.

**Table 6.2 Provincial payments and estimates by district and local municipalities**

Municipalities R'000	Outcome			Main appropriation 2010/11	Adjusted appropriation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Cape Town Metro</b>	15 551 945	17 646 262	20 614 441	23 384 226	24 142 418	23 849 832	<b>25 495 707</b>	6.90	26 821 860	28 858 281
<b>West Coast Municipalities</b>	899 990	1 297 890	1 473 615	1 550 324	1 586 726	1 644 862	<b>1 935 184</b>	17.65	1 874 018	1 955 808
Matzikama	153 402	202 462	197 571	213 720	216 404	222 478	<b>250 470</b>	12.58	279 437	288 835
Cederberg	138 595	201 892	278 208	223 568	228 282	255 782	<b>285 076</b>	11.45	287 653	278 836
Bergrivier	80 101	110 931	136 028	122 187	127 675	140 675	<b>184 364</b>	31.06	175 803	245 526
Saldanha Bay	176 129	229 496	267 679	335 697	341 732	339 294	<b>429 697</b>	26.64	373 136	392 938
Swartland	248 472	433 691	396 577	418 754	431 760	445 760	<b>516 217</b>	15.81	486 211	476 269
Across wards and municipal projects	103 291	119 418	197 552	236 399	240 873	240 873	<b>269 360</b>	11.83	271 777	273 404
<b>Cape Winelands Municipalities</b>	2 518 549	3 218 415	3 706 609	4 097 486	4 239 709	4 226 786	<b>4 577 645</b>	8.30	4 993 501	5 329 245
Witzenberg	196 946	369 352	328 446	381 819	392 347	398 046	<b>464 925</b>	16.80	494 376	426 419
Drakenstein	703 214	845 434	1 039 706	1 237 482	1 305 452	1 312 452	<b>1 308 168</b>	(0.33)	1 355 264	1 510 825
Stellenbosch	505 485	595 483	711 736	730 892	742 439	742 041	<b>817 451</b>	10.16	972 427	1 076 889
Breedee Valley	668 324	812 154	883 888	1 046 474	1 069 080	1 109 568	<b>1 170 528</b>	5.49	1 289 266	1 336 519
Langeberg	264 416	221 455	262 497	285 841	291 594	291 594	<b>324 115</b>	11.15	351 412	451 674
Across wards and municipal projects	180 164	374 537	480 336	414 977	438 797	373 085	<b>492 458</b>	32.00	530 756	526 919
<b>Overberg Municipalities</b>	561 725	735 592	936 264	1 039 750	1 056 282	1 066 773	<b>1 188 901</b>	11.45	1 230 428	1 244 283
Theewaterskloof	227 196	298 386	343 249	398 757	406 153	406 153	<b>374 185</b>	(7.87)	390 701	420 755
Overstrand	131 630	147 573	183 366	297 223	300 954	300 954	<b>332 726</b>	10.56	353 276	303 164
Cape Agulhas	75 709	97 395	166 051	113 297	115 671	124 671	<b>140 608</b>	12.78	129 728	138 589
Swellendam	69 275	96 055	101 833	114 388	115 954	117 268	<b>127 774</b>	8.96	157 765	145 360
Across wards and municipal projects	57 915	96 183	141 765	116 085	117 550	117 727	<b>213 607</b>	81.44	198 957	236 415
<b>Eden Municipalities</b>	1 678 835	2 294 092	2 860 350	2 690 250	2 899 361	3 006 364	<b>3 066 625</b>	2.00	3 266 646	3 443 706
Kannaland	60 299	89 091	99 181	82 617	84 180	79 629	<b>92 217</b>	15.81	139 387	120 531
Hessequa	91 791	140 857	205 240	180 028	184 588	218 784	<b>179 346</b>	(18.03)	182 568	196 115
Mossel Bay	175 183	219 150	260 613	268 873	274 567	286 950	<b>343 518</b>	19.71	393 845	412 199
George	696 341	917 445	988 064	1 051 634	1 067 702	1 076 897	<b>1 207 208</b>	12.10	1 284 863	1 388 942
Oudtshoorn	297 637	397 813	412 668	476 439	485 761	486 696	<b>536 214</b>	10.17	527 094	566 468
Bitou	70 591	65 129	143 474	108 554	117 127	159 124	<b>153 126</b>	(3.77)	171 857	162 456
Knysna	164 104	256 415	323 796	239 537	243 183	251 378	<b>251 852</b>	0.19	264 874	282 523
Across wards and municipal projects	122 889	208 192	427 314	282 569	442 253	446 906	<b>303 144</b>	(32.17)	302 157	324 472
<b>Central Karoo Municipalities</b>	293 872	398 449	484 633	451 104	457 842	453 953	<b>544 388</b>	19.92	638 158	654 610
Laingsburg	14 904	16 518	18 929	21 651	22 318	21 438	<b>24 471</b>	14.15	25 945	27 949
Prince Albert	20 244	38 828	31 211	37 796	38 509	35 728	<b>41 067</b>	14.94	43 083	46 266
Beaufort West	234 328	298 066	357 990	358 872	364 306	364 078	<b>409 844</b>	12.57	421 485	472 351
Across wards and municipal projects	24 396	45 037	76 503	32 786	32 709	32 709	<b>69 007</b>	110.97	147 645	108 044
Other							<b>250</b>		50 085	53 445
<b>Total provincial expenditure by district and local municipality</b>	<b>21 504 916</b>	<b>25 590 700</b>	<b>30 075 912</b>	<b>33 213 141</b>	<b>34 382 338</b>	<b>34 248 570</b>	<b>36 808 699</b>	<b>7.48</b>	<b>38 874 695</b>	<b>41 539 379</b>

Of the R36.809 billion Provincial budget for 2011/12, a total of R25.496 billion or 69.3 per cent of total estimated provincial spending will take place within the boundaries of the Cape Town Metro. R1.935 billion or 5.3 per cent of the budget is estimated to be spent in the West Coast district; 12.4 per cent or R4.578 billion in the Cape Winelands; in Overberg R1.189 billion or 3.2 per cent; in Eden R3.067 billion or 8.3 per cent; and in Central Karoo R544.388 million or 1.5 per cent.

In 2011/12, a total of R1.348 billion of the allocation spreads across different wards. The major contributors are the Departments of Human Settlements and Transport and Public Works.

The provision for "other" comprise of allocations from the Department's of Human Settlements, Environmental Affairs and Development and Transport and Public Works.

The spatial spending of the Provincial budget is consistent with the findings of the Western Cape Provincial Spatial Development Framework (WCPSDF) in that the largest portion of the Provincial budget, relative to the relevant district's portion, is spent in the identified growing or developing towns, each relating to a particular municipality. This approach supports local economic development and the access to basic services and assists with delivering on the district or regional growth objectives.

*The lion's share (82.9 per cent) of the budget will be spent in the social cluster*

Table 6.3 shows a different composition of the provincial spatial spending, i.e. per cluster (economic, social and governance and administration). Of the entire budget, an amount of R5.223 billion or 14.2 per cent is spent by the economic cluster, of which R3.270 billion is spent in the City of Cape Town. R30.519 billion or 82.9 per cent is spent by the social cluster while R1.066 billion or 2.9 per cent is spent by the governance and administration cluster.

The social cluster is made up of the Departments of Community Safety, Health, Education, Social Development, Human Settlements and Cultural Affairs and Sport.

Environmental Affairs and Development Planning, Agriculture, Transport and Public Works and Economic Development and Tourism, make up the economic cluster; with the balance of the provincial votes, i.e. Department of the Premier, Provincial Parliament, Local Government and Provincial Treasury, representing the governance and administrative cluster.

**Table 6.3 Summary of provincial payments and estimates per cluster by district and local municipality**

Cluster estimates R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
<b>Economic Cluster</b>	3 055 774	3 556 432	4 888 855	4 661 970	5 023 052	4 920 783	<b>5 223 404</b>	6.15	5 338 269	5 610 415
Cape Town Metro	2 705 268	2 017 361	3 020 290	3 144 632	3 263 269	3 229 915	<b>3 270 178</b>	1.25	3 221 452	3 556 048
West Coast District	29 928	308 960	313 137	257 872	262 267	262 267	<b>484 870</b>	84.88	349 609	320 620
Cape Winelands District	241 789	582 936	625 897	676 216	755 073	686 962	<b>790 658</b>	15.09	982 107	1 027 645
Overberg District	20 011	114 810	200 317	221 346	226 174	226 174	<b>252 723</b>	11.74	255 468	195 019
Eden District	40 787	460 411	617 670	301 114	455 556	454 752	<b>317 759</b>	(30.12)	357 442	351 271
Central Karoo	17 991	71 954	111 544	60 790	60 713	60 713	<b>107 216</b>	76.59	172 191	159 812
<b>Social Cluster</b>	17 917 153	21 421 502	24 425 422	27 665 513	28 416 422	28 384 923	<b>30 518 656</b>	7.52	32 397 950	34 707 767
Cape Town Metro	12 324 802	15 028 522	16 851 205	19 377 235	19 963 504	19 704 272	<b>21 185 033</b>	7.51	22 538 655	24 162 400
West Coast District	870 062	988 930	1 158 870	1 291 394	1 322 153	1 380 289	<b>1 447 112</b>	4.84	1 522 180	1 634 432
Cape Winelands District	2 266 646	2 623 092	3 067 186	3 406 853	3 467 894	3 523 082	<b>3 768 434</b>	6.96	3 992 240	4 278 757
Overberg District	541 714	620 782	735 211	817 596	829 350	839 841	<b>933 262</b>	11.12	974 501	1 046 288
Eden District	1 638 048	1 833 681	2 240 693	2 386 653	2 440 949	2 548 756	<b>2 748 216</b>	7.83	2 905 002	3 091 707
Central Karoo	275 881	326 495	372 257	385 781	392 572	388 683	<b>436 600</b>	12.33	465 373	494 182
<b>Governance and Administration Cluster</b>	531 989	612 766	761 635	885 658	942 864	942 864	<b>1 066 389</b>	13.10	1 088 391	1 167 752
Cape Town Metro	521 875	600 379	742 946	862 359	915 645	915 645	<b>1 040 496</b>	13.64	1 061 753	1 139 833
West Coast District		1 608		1 058	2 306	2 306	<b>3 202</b>	38.86	2 229	756
Cape Winelands District	10 114	12 387	13 526	14 417	16 742	16 742	<b>18 553</b>	10.82	19 154	22 843
Overberg District			736	808	758	758	<b>2 916</b>	284.70	459	2 976
Eden District			1 987	2 483	2 856	2 856	<b>650</b>	(77.24)	4 202	728
Central Karoo			832	4 533	4 557	4 557	<b>572</b>	(87.45)	594	616
<b>Other</b>							<b>250</b>		50 085	53 445
<b>Total payments and estimates per cluster</b>	21 504 916	25 590 700	30 075 912	33 213 141	34 382 338	34 248 570	<b>36 808 699</b>	7.48	38 874 695	41 539 379

## Conclusion

Direct transfers by the Province to municipalities have been budgeted at R1.485 billion for 2011/12, R1.570 billion for 2012/13 and R1.697 billion for 2013/14. The majority of these funds will be transferred to the City of Cape Town.

Indirect expenditure by the Province in the municipalities has been budgeted at R36.809 billion for 2011/12, R38.875 billion for 2012/13 and R41.539 billion for 2013/14. The largest share of these budget allocations is attributed to the provincial social cluster, followed by the economic and governance clusters.





# 7

## Summary of Aggregates

The overall budget summary of the key provincial revenue and expenditure components of the 2011 MTEF budget is provided in Table 7.1.

Transfer from National (PES and conditional grants) increase by R2.266 billion or 6.94 per cent between 2010/11 revised estimate and 2011/12. National transfers will grow at an annual average rate of 6.94 per cent over the 2011 MTEF from R32.645 billion in 2010/11 to R39.924 billion in 2013/14.

Provincial Own Receipts increase by an annual average of 1.69 per cent over the 2011 MTEF from R1.841 billion in the 2010/11 revised estimate to R1.936 billion in 2013/14. Financing is mainly provided for in 2011/12 as a result of withdrawals from the Asset Finance Reserve, cash draw-downs and the stabilisation of a Working Capital Reserve to assist with cash-flow requirements.

*An average annual increase of 1.7 per cent for Provincial Own Receipts over the MTEF*

In 2011/12 total provincial payments increase by 6.4 per cent or R2.221 billion to R37.036 billion when compared to the 2010/11 revised estimate of R34.816 billion. The bulk of the increase is on current payments, a 9.6 per cent or R2.435 billion increase. Over the 2011 MTEF, total provincial payments are set to increase from R37.036 billion in 2011/12 to R41.860 billion by 2013/14. Chapter 4 outlines the expenditure plans of departments and details how these funds will be used to achieve national and provincial policy priorities within a balanced budget for each year of the 2011 MTEF.

*Provincial payments set to grow by 6.4 per cent*

**Table 7.1 Provincial budget summary**

R'000	Outcome			Main appro- pria- tion 2010/11	Adjusted appro- pria- tion 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Provincial receipts</b>										
Transfer receipts from national	19 538 369	23 053 690	28 064 895	31 695 756	32 644 905	32 644 905	<b>34 910 403</b>	6.94	37 252 759	39 924 238
Equitable share	15 482 582	18 241 996	21 762 635	24 026 091	24 455 824	24 455 824	<b>26 754 333</b>	9.40	28 505 403	30 344 499
Conditional grants	4 055 787	4 811 694	6 302 260	7 669 665	8 189 081	8 189 081	<b>8 156 070</b>	( 0.40)	8 747 356	9 579 739
Financing	466 358	1 162 830	810 877	292 754	498 626	498 626	<b>273 749</b>	(45.10)	3 000	
Asset Finance Reserve	395 115	943 275	667 536	215 864	215 864	215 864	<b>273 749</b>	26.82	3 000	
Provincial Revenue Fund	71 243	219 555	143 341	76 890	282 762	282 762		( 100.00)		
Provincial own receipts	2 019 205	1 935 003	1 937 415	1 687 817	1 808 556	1 840 956	<b>1 851 518</b>	0.57	1 910 090	1 935 925
<b>Total provincial receipts</b>	<b>22 023 932</b>	<b>26 151 523</b>	<b>30 813 187</b>	<b>33 676 327</b>	<b>34 952 087</b>	<b>34 984 487</b>	<b>37 035 670</b>	5.86	39 165 849	41 860 163
<b>Provincial payments</b>										
Current payments	16 288 354	19 250 279	22 083 951	24 861 782	25 351 509	25 303 437	<b>27 737 922</b>	9.62	29 474 707	31 624 501
Transfers and subsidies	3 494 645	4 418 831	5 439 849	5 868 651	6 097 529	6 109 609	<b>6 038 026</b>	( 1.17)	6 360 506	6 777 010
Payments for capital assets	1 674 740	1 910 980	2 531 277	2 478 975	2 928 149	2 828 787	<b>3 028 839</b>	7.07	3 035 371	3 133 542
Payments for financial assets	47 177	10 610	20 835	3 733	5 151	6 737	<b>3 912</b>	(41.93)	4 112	4 326
Direct charge	18 469	23 676	30 519	28 351	29 290	29 290	<b>30 253</b>	3.29	31 787	33 535
Contingency reserve				56 127	56 127	56 127	<b>12 492</b>	( 77.74)	116 056	128 876
Net internal financing				211 258	316 882	313 882	<b>32 257</b>	(89.72)	143 310	158 373
Smoothing - previous Budgets				167 450	167 450	167 450	<b>151 969</b>	( 9.25)		
<b>Total provincial payments</b>	<b>21 523 385</b>	<b>25 614 376</b>	<b>30 106 431</b>	<b>33 676 327</b>	<b>34 952 087</b>	<b>34 815 319</b>	<b>37 035 670</b>	6.38	39 165 849	41 860 163
<b>Surplus (Deficit)</b>	<b>500 547</b>	<b>537 147</b>	<b>706 756</b>	<b>-</b>	<b>-</b>	<b>169 168</b>	<b>-</b>	<b>( 100.00)</b>	<b>-</b>	<b>-</b>

# Annexure

## Additional Tables

**Table 1 Conditional grants: Information relating to Chapter 3**

Vote and grant R'000	2007/08			2008/09			2009/10			2010/11			Medium-term estimate		
	Adjusted appro- priation	Actual transfer	Audited outcome	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Revised estimate	2011/12	2012/13	2013/14
<b>Vote 1: Department of the Premier</b>					5 000	5 000									
Internally Displaced People Management					5 000	5 000									
<b>Vote 4: Community Safety</b>					2 690	2 690							543	661	775
Internally Displaced People Management					2 690	2 690									
Social Sector EPWP Incentive Grant for Provinces													543	661	775
<b>Vote 5: Education</b>	224 003	226 358	271 718	282 736	298 188	292 811	297 569	302 764	302 353	893 572	894 103	894 103	1 176 991	1 288 612	1 402 088
Education Infrastructure Grant	80 263	80 263	125 642	120 475	120 475	120 478	170 395	170 395	169 976	255 062	255 062	255 062	385 039	424 558	447 909
Dinaledi Schools Grant													6 720	9 600	10 128
HIV and Aids (Life Skills Education) Grant	13 011	13 011	13 001	13 847	13 847	13 727	14 626	14 626	14 626	15 392	15 392	15 392	16 388	17 486	18 448
Further Education and Training Colleges Grant	80 000	80 000	80 000	77 305	77 305	77 305				446 512	447 043	447 043	527 117	576 220	649 704
National School Nutrition Programme Grant	50 729	53 084	53 075	71 109	86 561	81 301	112 548	117 743	117 751	173 318	173 318	173 318	227 433	244 784	258 247
Technical Secondary Schools Recapitalisation Grant										3 288	3 288	3 288	8 619	9 045	9 542
Social Sector EPWP Incentive Grant for Provinces													5 675	6 919	8 110
<b>Vote 6: Health</b>	2 177 028	2 262 868	2 259 588	2 633 668	2 682 678	2 492 177	2 819 092	2 973 939	2 851 754	3 481 521	3 575 203	3 575 203	3 718 253	3 993 423	4 499 825
Health Infrastructure Grant <sup>Note</sup>	80 262	80 262	79 429	93 810	94 643	63 933	114 924	145 634	73 658	131 529	174 035	174 035	119 179	131 411	138 638
Hospital Revitalisation Grant	191 796	191 796	192 159	400 388	400 388	232 748	388 845	420 060	377 286	580 554	623 328	623 328	481 501	501 096	471 397
National Tertiary Services Grant	1 335 544	1 335 544	1 335 544	1 486 054	1 503 749	1 500 193	1 583 991	1 583 991	1 583 991	1 763 234	1 763 234	1 763 234	1 973 127	2 182 468	2 494 337
Health Professions Training and Development Grant	339 442	339 442	339 442	356 414	356 414	356 414	362 935	362 935	362 935	384 711	384 711	384 711	407 794	428 120	451 667
Comprehensive HIV and Aids Grant	150 559	200 559	200 562	241 467	241 467	268 931	309 913	383 538	383 531	554 054	555 054	555 054	660 614	743 249	935 489
Forensic Pathology Services Grant	79 425	115 265	112 452	55 535	86 017	69 958	58 484	74 543	67 141	66 251	73 653	73 653	70 226		
Social Sector EPWP Incentive Grant for Provinces										1 188	1 188	1 188	5 812	7 079	8 297
Word Cup Health Preparation Strategy Grant								3 238	3 212						
<b>Vote 7: Social Development</b>					5 000	5 000							4 704	5 734	6 721
Internally Displaced People Management					5 000	5 000									
Social Sector EPWP Incentive Grant for Provinces													4 704	5 734	6 721
<b>Vote 8: Human Settlements</b>	948 548	1 177 770	1 121 708	1 203 984	1 305 862	1 305 862	1 581 425	1 581 425	1 497 437	1 869 343	1 953 221	1 953 221	1 638 845	1 711 035	1 804 785
Human Settlements Development Grant	948 548	1 177 770	1 121 708	1 203 984	1 305 862	1 305 862	1 581 425	1 581 425	1 497 437	1 868 843	1 952 721	1 952 721	1 638 845	1 711 035	1 804 785
Disaster Relief Grant															
Expanded Public Works Programme Incentive Grant for Provinces										500	500	500			

**Table 1 Conditional Grants: Information relating to Chapter 3 (continued)**

Vote and grant R'000	2007/08			2008/09			2009/10			2010/11			Medium-term estimate		
	Adjusted appro- p-riation	Actual transfer	Audited outcome	Main appro- p-riation	Adjusted appro- p-riation	Audited outcome	Main appro- p-riation	Adjusted appro- p-riation	Audited outcome	Main appro- p-riation	Adjusted appro- p-riation	Revised estimate	2011/12	2012/13	2013/14
<b>Vote 9: Environmental Affairs and Development Planning</b>													6 000		
Expanded Public Works Programme Incentive Grant for Provinces													6 000		
<b>Vote 10: Transport and Public Works</b>	251 319	296 630	296 630	446 129	864 829	591 145	1 123 783	1 618 333	1 412 764	1 244 725	1 533 405	1 533 405	1 381 264	1 496 647	1 592 143
Provincial Roads Maintenance grant <sup>Note</sup>	251 319	296 630	296 630	299 002	299 002	299 002	364 644	364 644	364 644	408 254	408 254	408 254	411 141	483 437	521 720
Devolution of Property Rate Funds Grant to Provinces				147 127	147 127	147 094	164 865	268 864	250 285	181 351	283 041	283 041	291 281	322 730	351 963
Disaster Management: Transport					418 700	145 049		390 551	204 061		186 490	186 490			
Expanded Public Works Programme Incentive Grant for Provinces							500	500		22 718	23 218	23 218	12 587		
Public Transport Operations Grant							593 774	593 774	593 774	632 402	632 402	632 402	666 255	690 480	718 460
<b>Vote 11: Agriculture</b>	36 696	75 974	71 290	46 512	66 208	58 320	76 725	161 513	158 816	90 334	142 979	142 979	133 812	150 003	165 593
Land Care Programme Grant: Poverty Relief and Infrastructure Development	3 270	3 317	3 268	3 428	3 428	3 428	3 085	3 085	3 085	3 270	3 270	3 270	3 466	7 740	7 233
Drought relief/Agriculture disaster management grant		39 231	34 656												
Comprehensive Agriculture Support Programme Grant	33 426	33 426	33 366	43 084	49 205	49 205	57 640	57 640	57 598	63 064	63 064	63 064	82 346	91 863	105 188
Provincial Infrastructure Disaster Management: Agriculture					13 575	5 687	10 000	94 788	92 143		52 645	52 645			
Ilima/Letsema Projects Grant							6 000	6 000	5 990	24 000	24 000	24 000	48 000	50 400	53 172
<b>Vote 13: Cultural Affairs and Sport</b>	35 686	35 686	34 853	58 602	58 880	58 689	79 213	79 310	79 136	90 170	90 170	90 170	95 658	101 241	107 809
Mass Participation and Sport Development Grant	18 946	18 946	18 205	27 168	27 446	27 401	38 237	38 237	38 063	40 532	40 532	40 532	42 964	45 112	47 593
Community Library Services Grant	16 740	16 740	16 648	31 434	31 434	31 288	40 976	41 073	41 073	49 638	49 638	49 638	48 694	56 129	60 216
Expanded Public Works Programme Incentive Grant for Provinces													4 000		
<b>Total Conditional grants</b>	3 673 280	4 075 286	4 055 787	4 671 631	5 289 335	4 811 694	5 977 807	6 717 284	6 302 260	7 669 665	8 189 081	8 189 081	8 156 070	8 747 356	9 579 739

Note: Pre 2011/12: This conditional grant was previously known as the Infrastructure Grant to Provinces.

**Table 2 Details of total provincial own receipts: Information relating to Chapter 3**

Receipts R'000	Outcome			Main appro- prium 2010/11	Adjusted appro- prium 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Tax receipts</b>	1 123 411	1 193 734	1 208 864	1 146 216	1 146 216	1 147 927	<b>1 214 949</b>	5.84	1 233 207	1 251 830
Casino taxes	301 689	301 100	284 528	275 123	275 123	275 123	<b>277 000</b>	0.68	277 000	277 000
Motor vehicle licences	794 175	865 162	894 986	848 072	848 072	848 072	<b>912 885</b>	7.64	931 143	949 766
Horsereading taxes	22 902	22 628	23 845	19 223	19 223	19 223	<b>20 000</b>	4.04	20 000	20 000
Other taxes (Liquor licence fees)	4 645	4 844	5 505	3 798	3 798	5 509	<b>5 064</b>	(8.08)	5 064	5 064
<b>Sales of goods and services other than capital assets</b>	434 674	414 011	391 854	383 002	408 899	433 815	<b>376 172</b>	(13.29)	379 759	380 382
Sales of goods and services produced by department (excluding capital assets)	433 790	413 077	390 558	382 168	408 065	432 861	<b>375 461</b>	(13.26)	379 048	379 671
Sales by market establishments	30 410	67 908	40 691	24 048	52 164	71 393	<b>24 050</b>	(66.31)	24 052	24 052
Administrative fees	24 352	25 098	22 164	20 143	20 143	24 950	<b>20 316</b>	(18.57)	22 019	22 019
Agricultural activities										
Inspection fees	170	782	526	773	773	773	<b>773</b>		773	773
Licences or permits	19 645	19 563	17 342	14 976	14 976	19 647	<b>15 128</b>	(23.00)	16 798	16 798
Registration	333	441	369	280	280	398	<b>280</b>	(29.65)	300	300
Request for information	4 204	3 916	3 693	3 729	3 729	3 731	<b>3 738</b>	0.19	3 738	3 738
Other		396	234	385	385	401	<b>397</b>	(1.00)	410	410
Other sales	379 028	320 071	327 703	337 977	335 758	336 518	<b>331 095</b>	(1.61)	332 977	333 600
<i>of which</i>										
Academic services:	5 698	6 728	6 876	7 743	8 118	8 242	<b>8 190</b>	(0.63)	8 349	8 398
Registration, tuition & examination fees										
Boarding services	9 284	12 957	12 258	12 170	12 188	12 192	<b>12 366</b>	1.43	12 562	12 557
Commission on insurance	8 864	9 037	9 494	9 616	9 667	9 713	<b>10 022</b>	3.18	10 346	10 685
External examinations										
Health services										
Hospital fees	319 096	255 247	258 432	281 811	278 598	278 598	<b>272 000</b>	(2.37)	272 000	272 000
Laboratory services	2 685	2 714	1 173	2 582	2 582	2 647	<b>2 713</b>	2.49	2 813	2 813
Lost library books										
Miscellaneous capital receipts	39	27	4	34	34	34	<b>34</b>		34	34
Parking	38	12	11			15		(100.00)		
Rental of buildings, equipment and other services	6 751	3 593	3 796	3 773	3 773	3 376	<b>3 905</b>	15.67	3 907	3 907
Sales of goods	5 785	10 124	13 590	1 552	1 552	2 130	<b>1 293</b>	(39.30)	1 293	1 293
Sales of agricultural products	6 912	8 112	9 252	8 708	9 432	9 432	<b>9 111</b>	(3.40)	9 811	9 811
Sport gatherings	611	877	749	750	568	438	<b>825</b>	88.36	912	953
Subsidised motor transport		7								
Tender documentation	1 448	349	812	400	400	400	<b>400</b>		400	400
Trading account surplus										
Tuition fees										
Vehicle repair service	174	33	85	66	66	66	<b>93</b>	40.91	93	93
Services rendered	8 377	7 510	7 864	5 407	5 407	5 410	<b>5 744</b>	6.17	5 845	5 845
Photocopies and faxes	3 244	1 997	2 193	2 861	2 861	2 863	<b>3 865</b>	35.00	4 055	4 254
Replacement: Security cards	18	22	31	15	23	23	<b>17</b>	(26.09)	18	18
Other	4	725	1 083	489	489	939	<b>517</b>	(44.94)	539	539

**Table 2 Details of total provincial own receipts: Information relating to Chapter 3 (continued)**

Receipts R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	884	934	1 296	834	834	954	711	(25.47)	711	711
<b>Transfers received from</b>	138 421	142 905	93 878	22 257	111 644	108 643	<b>178 006</b>	63.84	214 553	220 932
Other governmental units		4 671			3 050	50		(100.00)		
Universities and technikons	11 140	13 693	15 302	11 543	11 543	11 543	<b>11 543</b>		11 543	11 543
Foreign governments										
International organisations	126 467	122 675	78 568	10 713	97 050	97 050	<b>166 462</b>	71.52	203 009	209 388
Public corporations and private enterprises	814	1 866	8							
Households and non-profit institutions				1	1		<b>1</b>		1	1
<b>Fines, penalties and forfeits</b>	1 392	2 596	3 008	1 008	1 458	2 149	<b>1 111</b>	(48.30)	1 220	1 335
<b>Interest, dividends and rent on land</b>	50 695	59 833	63 416	58 914	58 541	59 345	<b>4 456</b>	(92.49)	4 457	4 458
Interest	50 169	59 561	63 370	57 961	57 988	58 791	<b>3 503</b>	(94.04)	3 504	3 505
Dividends	6	15	8							
Rent on land	520	257	38	953	553	554	<b>953</b>	72.02	953	953
<b>Sales of capital assets</b>	56 418	17 375	892	29	274	458	<b>24</b>	(94.76)	24	24
Land and subsoil assets	56 358	14 524	800		245	429		(100.00)		
Other capital assets	60	2 851	92	29	29	29	<b>24</b>	(17.24)	24	24
<b>Financial transactions in assets and liabilities</b>	214 194	104 549	175 503	76 391	81 524	88 619	<b>76 800</b>	(13.34)	76 870	76 964
Arrear wages income										
Loan repayments	22 770	65 777	40 928	55 000	55 000	55 000	<b>45 000</b>	(18.18)	45 000	45 000
Recovery of previous year's expenditure	92 653	17 203	82 929	13 501	18 559	23 085	<b>24 144</b>	4.59	24 178	24 200
Staff debt	6 932	8 167	6 675	6 475	6 551	6 641	<b>6 134</b>	(7.63)	6 141	6 150
Stale cheques	( 189 )	( 27 )	( 57 )							
Unallocated credits	10 062	3 506	6 198	757	757	757	<b>851</b>	12.42	851	851
Cash surpluses	9 047	7 121	19	3	3	2 232	<b>3</b>	(99.87)	3	3
Other	72 919	2 802	38 811	655	654	904	<b>668</b>	(26.11)	697	760
<b>Total departmental receipts</b>	<b>2 019 205</b>	<b>1 935 003</b>	<b>1 937 415</b>	<b>1 687 817</b>	<b>1 808 556</b>	<b>1 840 956</b>	<b>1 851 518</b>	0.57	1 910 090	1 935 925

**Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5**

Economic classification R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Current payments</b>	16 288 354	19 250 279	22 083 951	24 861 782	25 351 509	25 303 437	<b>27 737 922</b>	9.62	29 474 707	31 624 501
Compensation of employees	11 249 139	13 421 061	15 739 139	17 818 942	18 315 868	18 291 384	<b>20 151 340</b>	10.17	21 481 817	22 955 504
Salaries and wages	9 815 707	11 749 992	13 812 128	15 612 328	16 052 855	16 026 980	<b>17 679 459</b>	10.31	18 855 033	20 210 480
Social contributions	1 433 432	1 671 069	1 927 011	2 206 614	2 263 013	2 264 404	<b>2 471 881</b>	9.16	2 626 784	2 745 024
Goods and services	5 039 215	5 828 354	6 343 362	7 042 627	7 035 146	7 011 550	<b>7 585 756</b>	8.19	7 992 053	8 668 113
<i>Of which</i>										
Administrative fees	155 506	166 287	185 384	167 753	175 501	175 281	<b>181 284</b>	3.42	180 695	182 296
Advertising	80 482	97 285	52 615	73 008	71 505	70 346	<b>64 955</b>	(7.66)	70 342	77 902
Assets <R5 000	76 518	82 027	64 149	77 728	67 257	78 070	<b>96 586</b>	23.72	117 609	125 551
Audit cost: External	35 945	53 742	73 405	80 937	76 400	79 816	<b>93 456</b>	17.09	94 137	101 202
Bursaries (employees)	16 827	26 587	37 181	29 339	26 606	27 345	<b>30 407</b>	11.20	32 924	35 364
Catering: Departmental activities	30 838	40 196	33 195	34 450	32 348	33 117	<b>33 806</b>	2.08	35 830	38 088
Communication	110 472	110 623	126 665	132 013	121 130	119 532	<b>128 450</b>	7.46	135 105	145 392
Computer services	178 286	206 599	231 283	287 221	319 548	327 929	<b>391 083</b>	19.26	380 663	411 397
Cons/prof: Business and advisory service	459 885	496 038	341 425	460 990	433 179	444 564	<b>475 162</b>	6.88	461 933	490 861
Cons/prof: Infrastructure & planning	39 267	30 632	34 706	68 670	58 632	55 217	<b>26 488</b>	(52.03)	27 504	28 353
Cons/prof: Laboratory service	282 756	349 169	395 711	457 658	470 696	470 697	<b>433 644</b>	(7.87)	460 449	515 098
Cons/prof: Legal cost	20 752	25 357	32 300	22 551	33 034	34 179	<b>23 528</b>	(31.16)	24 557	25 535
Contractors	445 042	451 745	525 316	492 137	513 652	491 380	<b>488 585</b>	(0.57)	512 258	543 830
Agency and support/ outsourced services	279 034	377 468	436 247	359 377	378 257	366 337	<b>424 521</b>	15.88	446 206	484 070
Entertainment	1 048	1 268	1 276	2 027	1 741	1 638	<b>2 259</b>	37.91	2 418	2 536
Fleet services (including government motor transport)	6 830	6 863	8 469	5 681	5 729	5 797	<b>1 085</b>	(81.28)	1 142	1 162
Housing										
Inventory: Food and food supplies	109 795	145 865	186 549	270 305	274 512	274 352	<b>330 140</b>	20.33	354 753	383 872
Inventory: Fuel, oil and gas	22 351	32 107	35 050	37 914	39 457	39 485	<b>41 066</b>	4.00	45 278	48 943
Inventory: Learner and teacher support material	274 011	257 048	266 966	266 291	257 887	256 268	<b>317 892</b>	24.05	350 185	321 558
Inventory: Materials and supplies	31 973	32 856	48 088	43 318	45 929	46 180	<b>52 582</b>	13.86	56 520	63 272
Inventory: Medical supplies	472 862	551 887	649 926	732 679	722 951	722 785	<b>786 521</b>	8.82	822 828	909 712
Inventory: Medicine	494 482	549 909	661 488	829 116	822 175	822 300	<b>883 629</b>	7.46	936 868	1 048 682
Medasas inventory interface										
Inventory: Military stores										
Inventory: Other consumables	84 702	116 053	134 884	143 376	153 693	151 846	<b>160 156</b>	5.47	170 629	187 187
Inventory: Stationery and printing	87 489	113 354	118 323	138 200	118 877	120 179	<b>134 587</b>	11.99	144 351	154 876
Lease payments	177 271	201 683	187 030	198 897	195 882	195 796	<b>211 010</b>	7.77	213 467	217 974
Property payments	481 149	595 433	709 767	836 849	849 026	855 402	<b>895 732</b>	4.71	996 479	1 141 108
Transport provided: Departmental activity	119 446	124 993	154 870	119 242	120 273	122 540	<b>174 458</b>	42.37	183 415	192 998
Travel and subsistence	301 382	375 242	417 770	441 569	422 750	416 651	<b>458 535</b>	10.05	477 810	511 698
Training and development	71 375	90 767	94 843	115 359	128 993	106 522	<b>124 287</b>	16.68	131 052	143 238
Operating expenditure	51 529	73 589	61 363	69 312	63 991	63 540	<b>72 236</b>	13.69	73 886	79 180
Venues and facilities	39 930	45 682	37 118	48 660	33 535	36 459	<b>47 625</b>	30.63	50 760	55 178
Interest and rent on land		864	1 450	213	495	503	<b>826</b>	64.21	837	884
Interest		864	1 448	213	495	501	<b>826</b>	64.87	837	884
Rent on land			2			2		(100.00)		

**Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5 (continued)**

Economic classification R'000	Outcome			Main appro- prium 2010/11	Adjusted appro- prium 2010/11	Revised estimate 2010/11	Medium-term estimate % Change from Revised estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2010/11	2012/13	2013/14
<b>Transfers and subsidies to (Current)</b>	2 266 480	2 708 671	3 824 464	3 876 438	3 964 759	3 990 932	<b>4 298 895</b>	7.72	4 549 770	4 865 793
Provinces and municipalities	211 127	389 610	560 802	509 667	655 543	682 702	<b>689 706</b>	1.03	739 805	797 350
Provinces	4				2 000	2 000	<b>2 650</b>	32.50	2 794	2 817
Provincial Revenue Funds						2 000	<b>2 650</b>	32.50	2 794	2 817
Provincial agencies and funds	4									
Municipalities	211 123	389 610	560 802	509 667	653 543	680 702	<b>687 056</b>	0.93	737 011	794 533
Municipalities of which	211 123	389 610	560 802	509 667	653 543	680 702	<b>687 056</b>	0.93	737 011	794 533
Regional services council levies										
Municipal agencies and funds										
Departmental agencies and accounts	149 539	182 802	225 073	227 698	223 796	225 208	<b>249 916</b>	10.97	255 128	264 374
Social security funds						1 800		(100.00)		
Entitles receiving transfers	149 539	182 802	225 073	227 698	223 796	223 408	<b>249 916</b>	11.87	255 128	264 374
Western Cape Provincial Development Council	6 574	10 202	6 681	7 500	7 500	7 500		(100.00)		
Western Cape Gambling and Racing Board										
CMD Capital Augmentation										
Hospital Trading Account: Karl Bremer										
Environmental Commissioner										
Western Cape Nature Conservation Board	82 975	94 658	133 272	160 857	154 400	154 400	<b>192 202</b>	24.48	193 560	200 945
South African National Roads Agency Limited										
Agricultural Research Council										
Destination Marketing Organisation	28 370	33 617	46 061	34 190	35 105	35 105	<b>32 440</b>	(7.59)	32 440	32 440
Western Cape Trade and Investment Promotion Agency	11 450	20 669	20 325	15 600	15 000	15 000	<b>12 250</b>	(18.33)	15 000	16 000
Western Cape Cultural	640	668	595	100	100	100	<b>150</b>	50.00	200	250
Western Cape Liquor Board										
Western Cape Language	242	252	263	150	150	150	<b>170</b>	13.33	190	210
Artscape	125	130	125	135	135	135	<b>142</b>	5.19	150	160
Heritage Western Cape	950	950	900	400	400	400	<b>1 380</b>	245.00	1 452	1 528
SETA	6 205	7 150	7 981	8 216	8 216	8 216	<b>9 267</b>	12.79	9 696	10 391
Government Motor Trading	172	2 263	3 001							
CSIR										
Western Cape Provincial Youth Commission	9 500	10 400	1 830							
Other	2 336	1 843	4 039	550	2 790	2 402	<b>1 915</b>	(20.27)	2 440	2 450
Universities and technikons	1 726	1 768	2 449	3 807	3 811	4 036	<b>5 428</b>	34.49	5 587	6 487
Foreign governments and international organisations	103	138	104	132	132	132	<b>145</b>	9.85	154	154
Public corporations and private enterprises	71 356	93 798	794 129	769 488	761 876	761 876	<b>819 527</b>	7.57	859 896	898 720
Public corporations	65 881	89 340	198 391	127 024	129 255	129 255	<b>117 257</b>	(9.28)	129 339	136 173
Subsidies on production	10 818	5 700		10 200	10 200	10 200	<b>13 145</b>	28.87	13 145	13 145
Other transfers	55 063	83 640	198 391	116 824	119 055	119 055	<b>104 112</b>	(12.55)	116 194	123 028
Private enterprises	5 475	4 458	595 738	642 464	632 621	632 621	<b>702 270</b>	11.01	730 557	762 547
Subsidies on production		1 700								
Other transfers	5 475	2 758	595 738	642 464	632 621	632 621	<b>702 270</b>	11.01	730 557	762 547
Non-profit institutions	1 621 317	1 870 266	2 037 718	2 176 797	2 116 218	2 104 717	<b>2 336 216</b>	11.00	2 485 559	2 673 446
Households	211 312	170 289	204 189	188 849	203 383	212 261	<b>197 957</b>	(6.74)	203 641	225 262
Social benefits	70 870	80 911	85 894	73 795	89 218	92 312	<b>83 577</b>	(9.46)	87 750	93 136
Other transfers to households	140 442	89 378	118 295	115 054	114 165	119 949	<b>114 380</b>	(4.64)	115 891	132 126



**Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5 (continued)**

Economic classification R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Transfers and subsidies to (Capital)</b>	1 228 165	1 710 160	1 615 385	1 992 213	2 132 770	2 118 677	<b>1 739 131</b>	(17.91)	1 810 736	1 911 217
Provinces and municipalities	120 150	309 293	36 273	46 453	95 056	66 392	<b>67 385</b>	1.50	55 352	56 553
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	120 150	309 293	36 273	46 453	95 056	66 392	<b>67 385</b>	1.50	55 352	56 553
Municipalities	120 150	309 293	36 273	46 453	95 056	66 392	<b>67 385</b>	1.50	55 352	56 553
<i>of which</i>										
Regional services council levies										
Municipal agencies and funds										
Departmental agencies and accounts	2 040	1 822	2 605	1 825	11 825	11 825	<b>12 535</b>	6.00	13 036	14 340
Social security funds										
Entities receiving transfers	2 040	1 822	2 605	1 825	11 825	11 825	<b>12 535</b>	6.00	13 036	14 340
Western Cape Provincial Development Council										
Western Cape Gambling and Racing Board										
CMD Capital Augmentation	1 411	1 573	1 715	1 825	11 825	11 825	<b>12 535</b>	6.00	13 036	14 340
Hospital Trading Account: Karl Bremer										
Environmental Commissioner										
Western Cape Nature Conservation Board										
South African National Roads Agency Limited										
Agricultural Research Council										
Destination Marketing Organisation										
Western Cape Trade and Investment Promotion Agency										
Western Cape Cultural										
Western Cape Liquor Board										
Western Cape Language										
Artscape										
Heritage Western Cape										
SETA										
Government Motor Trading	379	249	890							
CSIR										
Western Cape Provincial Youth Commission	250									
Other										
Universities and technikons										
Foreign governments and international organisations										
Public corporations and private enterprises			40 000							
Public corporations			40 000							
Subsidies on production										
Other transfers			40 000							
Private enterprises										
Subsidies on production										
Other transfers										
Non-profit institutions	1 309	100 628	60 024	130 157	76 243	90 814	<b>84 623</b>	(6.82)	91 318	98 844
Households	1 104 666	1 298 417	1 476 483	1 813 778	1 949 646	1 949 646	<b>1 574 588</b>	(19.24)	1 651 030	1 741 480
Social benefits										
Other transfers to households	1 104 666	1 298 417	1 476 483	1 813 778	1 949 646	1 949 646	<b>1 574 588</b>	(19.24)	1 651 030	1 741 480

**Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5 (continued)**

Economic classification R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Transfers and subsidies to (Total)</b>	3 494 645	4 418 831	5 439 849	5 868 651	6 097 529	6 109 609	<b>6 038 026</b>	(1.17)	6 360 506	6 777 010
Provinces and municipalities	331 277	698 903	597 075	556 120	750 599	749 094	<b>757 091</b>	1.07	795 157	853 903
Provinces	4				2 000	2 000	<b>2 650</b>	32.50	2 794	2 817
Provincial Revenue Funds										
Provincial agencies and funds	4				2 000	2 000	<b>2 650</b>	32.50	2 794	2 817
Municipalities	331 273	698 903	597 075	556 120	748 599	747 094	<b>754 441</b>	0.98	792 363	851 086
Municipalities of which	331 273	698 903	597 075	556 120	748 599	747 094	<b>754 441</b>	0.98	792 363	851 086
Regional services council levies										
Municipal agencies and funds										
Departmental agencies and accounts	151 579	184 624	227 678	229 523	235 621	237 033	<b>262 451</b>	10.72	268 164	278 714
Social security funds						1 800		(100.00)		
Entities receiving transfers	151 579	184 624	227 678	229 523	235 621	235 233	<b>262 451</b>	11.57	268 164	278 714
Western Cape Provincial Development Council	6 574	10 202	6 681	7 500	7 500	7 500		(100.00)		
Western Cape Gambling and Racing Board										
CMD Capital Augmentation	1 411	1 573	1 715	1 825	11 825	11 825	<b>12 535</b>	6.00	13 036	14 340
Hospital Trading Account: Karl Bremer										
Environmental Commissioner Western Cape Nature Conservation Board	82 975	94 658	133 272	160 857	154 400	154 400	<b>192 202</b>	24.48	193 560	200 945
South African National Roads Agency Limited										
Agricultural Research Council										
Destination Marketing Organisation	28 370	33 617	46 061	34 190	35 105	35 105	<b>32 440</b>	(7.59)	32 440	32 440
Western Cape Trade and Investment Promotion Agency	11 450	20 669	20 325	15 600	15 000	15 000	<b>12 250</b>	(18.33)	15 000	16 000
Western Cape Cultural	640	668	595	100	100	100	<b>150</b>	50.00	200	250
Western Cape Liquor Board										
Western Cape Language	242	252	263	150	150	150	<b>170</b>	13.33	190	210
Artscape	125	130	125	135	135	135	<b>142</b>	5.19	150	160
Heritage Western Cape	950	950	900	400	400	400	<b>1 380</b>	245.00	1 452	1 528
SETA	6 205	7 150	7 981	8 216	8 216	8 216	<b>9 267</b>	12.79	9 696	10 391
Government Motor Trading	551	2 512	3 891							
CSIR										
Western Cape Provincial Youth Commission	9 750	10 400	1 830							
Other	2 336	1 843	4 039	550	2 790	2 402	<b>1 915</b>	(20.27)	2 440	2 450
Universities and technikons	1 726	1 768	2 449	3 807	3 811	4 036	<b>5 428</b>	34.49	5 587	6 487
Foreign governments and international organisations	103	138	104	132	132	132	<b>145</b>	9.85	154	154
Public corporations and private enterprises	71 356	93 798	834 129	769 488	761 876	761 876	<b>819 527</b>	7.57	859 896	898 720
Public corporations	65 881	89 340	238 391	127 024	129 255	129 255	<b>117 257</b>	(9.28)	129 339	136 173
Subsidies on production	10 818	5 700		10 200	10 200	10 200	<b>13 145</b>	28.87	13 145	13 145
Other transfers	55 063	83 640	238 391	116 824	119 055	119 055	<b>104 112</b>	(12.55)	116 194	123 028
Private enterprises	5 475	4 458	595 738	642 464	632 621	632 621	<b>702 270</b>	11.01	730 557	762 547
Subsidies on production		1 700								
Other transfers	5 475	2 758	595 738	642 464	632 621	632 621	<b>702 270</b>	11.01	730 557	762 547
Non-profit institutions	1 622 626	1 970 894	2 097 742	2 306 954	2 192 461	2 195 531	<b>2 420 839</b>	10.26	2 576 877	2 772 290
Households	1 315 978	1 468 706	1 680 672	2 002 627	2 153 029	2 161 907	<b>1 772 545</b>	(18.01)	1 854 671	1 966 742
Social benefits	70 870	80 911	85 894	73 795	89 218	92 312	<b>83 577</b>	(9.46)	87 750	93 136
Other transfers to households	1 245 108	1 387 795	1 594 778	1 928 832	2 063 811	2 069 595	<b>1 688 968</b>	(18.39)	1 766 921	1 873 606

**Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5 (continued)**

Economic classification R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Payments for capital assets</b>	1 674 740	1 910 980	2 531 277	2 478 975	2 928 149	2 828 787	<b>3 028 839</b>	7.07	3 035 371	3 133 542
Buildings and other fixed structures	1 391 931	1 618 744	2 205 087	2 109 780	2 519 355	2 427 850	<b>2 542 357</b>	4.72	2 551 186	2 645 469
Buildings	527 799	728 933	787 040	968 530	1 106 102	1 081 610	<b>1 076 820</b>	(0.44)	1 215 126	1 259 356
Other fixed structures	864 132	889 811	1 418 047	1 141 250	1 413 253	1 346 240	<b>1 465 537</b>	8.86	1 336 060	1 386 113
Machinery and equipment	256 660	268 964	298 524	334 495	355 462	355 547	<b>418 663</b>	17.75	400 880	395 035
Transport equipment	24 266	12 721	19 878	13 867	10 847	9 047	<b>11 035</b>	21.97	11 502	11 898
Other machinery and equipment	232 394	256 243	278 646	320 628	344 615	346 500	<b>407 628</b>	17.64	389 378	383 137
Heritage assets										
Specialised military assets										
Biological assets	57									
Land and subsoil assets	8 051	3 700	6 303	8 289	24 599	24 599	<b>52 608</b>	113.86	67 900	77 100
Software and other intangible assets	18 041	19 572	21 363	26 411	28 733	20 791	<b>15 211</b>	(26.84)	15 405	15 938
<i>Of which: "Capitalised Compensation" included in Payments for capital assets</i>			141							
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>		326 951	1 979 827	1 903 669	2 303 594	2 204 094	<b>2 162 698</b>	(1.88)	2 090 146	2 163 455
<b>Payments for financial assets</b>	47 177	10 610	20 835	3 733	5 151	6 737	<b>3 912</b>	(41.93)	4 112	4 326
<b>Total economic classification</b>	21 504 916	25 590 700	30 075 912	33 213 141	34 382 338	34 248 570	<b>36 808 699</b>	7.48	38 874 696	41 539 380

**Table 4 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 5**

Category R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
<b>New and replacement assets</b> <sup>Note</sup>	265 031	729 158	547 021	816 531	958 962	927 462	<b>1 080 898</b>	16.54	1 047 709	1 083 179
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	227 438	225 475	305 075	342 053	433 714	433 714	<b>579 986</b>	33.73	639 423	668 511
6. Health	15 936	99 296	149 781	396 178	463 532	432 032	<b>421 389</b>	(2.46)	333 453	288 385
7. Social Development		27 382								
8. Human Settlements										
9. Environmental Affairs and Development Planning <sup>a</sup>							<b>26 993</b>		20 550	25 000
10. Transport and Public Works	21 657	165 005	92 165	76 000	59 416	59 416	<b>50 000</b>	(15.85)	51 500	98 500
11. Agriculture				2 300	2 300	2 300	<b>2 530</b>	10.00	2 783	2 783
12. Economic Development and Tourism										
13. Cultural Affairs and Sport		212 000								
14. Local Government										
<b>Upgrades and additions</b> <sup>Note</sup>	102 472	529 654	981 471	657 683	576 096	576 096	<b>458 745</b>	(20.37)	410 527	446 364
1. Department of the Premier			22 291		835	835		(100.00)		
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health		74 018	113 008	77 205	94 519	94 519	<b>98 347</b>	4.05	115 213	106 964
7. Social Development			2 100							
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	102 472	435 636	844 072	580 478	480 742	480 742	<b>360 398</b>	(25.03)	295 314	339 400
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport		20 000								
14. Local Government										
<b>Rehabilitation, renovations and refurbishments</b> <sup>Note</sup>	964 012	707 735	762 626	777 823	1 033 071	1 033 071	<b>1 191 102</b>	15.30	1 266 142	1 257 097
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health	271 588	180 619	238 228	261 700	254 479	254 479	<b>148 955</b>	(41.47)	260 723	288 805
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	692 424	527 116	524 398	516 123	778 592	778 592	<b>1 042 147</b>	33.85	1 005 419	968 292
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

**Table 4 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 5 (continued)**

Category R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
<b>Maintenance and repairs</b> <sup>Note</sup>	562 011	814 437	744 925	745 988	787 881	787 881	<b>757 571</b>	(3.85)	831 192	924 051
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	37 086	52 363	73 719	102 276	102 276	102 276	<b>108 413</b>	6.00	113 725	119 411
6. Health	84 155	85 197	109 985	134 565	130 565	130 565	<b>142 639</b>	9.25	158 383	176 198
7. Social Development				320	320	320				
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	440 770	676 877	561 221	508 827	554 720	554 720	<b>506 519</b>	(8.69)	559 084	628 442
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
<b>Infrastructure transfer - current</b>		2 522	78 196	29 210	32 174	32 174	<b>33 205</b>	3.20	39 841	58 629
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health				7 000	9 900	9 900	<b>5 150</b>	(47.98)	3 000	10 320
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works		2 522	78 196	2 500	2 564	2 564	<b>2 500</b>	(2.50)	2 500	2 500
11. Agriculture				19 710	19 710	19 710	<b>25 555</b>	29.65	34 341	45 809
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
<b>Infrastructure transfer - capital</b>		33 343	144 278	106 330	124 933	124 933	<b>144 832</b>	15.93	157 731	164 054
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health										
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works		33 343	144 278	38 006	56 609	56 609	<b>39 105</b>	(30.92)	44 852	47 053
11. Agriculture				68 324	68 324	68 324	<b>105 727</b>	54.74	112 879	117 001
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

**Table 4 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 5 (continued)**

Category R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
<b>Other capital projects</b> <sup>Note</sup>	333 118	122 571	129 089		14 107	21 115	<b>11 280</b>	(46.58)	13 021	21 011
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health	49 619	69 938	52 364		14 107	21 115	<b>11 280</b>	(46.58)	13 021	21 011
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	246 865									
11. Agriculture	36 634	52 633	76 725							
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
<b>Total provincial infrastructure payments and estimates</b>	<b>2 226 644</b>	<b>2 939 420</b>	<b>3 387 606</b>	<b>3 133 565</b>	<b>3 527 224</b>	<b>3 502 732</b>	<b>3 677 633</b>	4.99	3 766 163	3 954 385
<i>of which</i>										
<b>Professional fees</b>	338 307	378 015	569 906	440 208	429 808	426 825	<b>416 201</b>	(2.49)	504 376	556 728
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	52 312	68 101	45 362							
6. Health	84 259	140 000	143 008	149 118	149 118	146 135	<b>156 673</b>	7.21	162 939	162 939
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	201 736	169 914	381 536	291 090	280 690	280 690	<b>259 528</b>	(7.54)	341 437	393 789
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

<sup>a</sup> These amounts are in respect of the Western Cape Nature Conservation Board.

Note: Inclusive of Professional fees.

**Table 5 Summary of departmental personnel number and cost: Information relating to Chapter 5**

Description	Outcome			Main appropriation 2010/11	Adjusted appropriation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
<b>Total for department</b>										
Personnel numbers (head count)	73 611	75 015	77 152	77 289	77 496	77 397	<b>79 153</b>	2.27	79 854	80 374
Personnel cost (R'000)	11 249 139	13 421 061	15 739 139	17 818 942	18 315 868	18 291 384	<b>20 151 340</b>	10.17	21 481 817	22 955 504
<i>of which</i>										
<b>Human resources component</b>										
Personnel numbers (head count)	857	1 058	1 182	1 217	1 102	1 079	<b>1 042</b>	(3.43)	1 049	1 056
Personnel cost (R'000)	139 183	180 331	172 176	219 375	194 915	196 459	<b>194 962</b>	(0.76)	206 493	215 298
Head count as % of total for department	1.16	1.41	1.53	1.57	1.42	1.39	<b>1.32</b>		1.31	1.31
Personnel cost as % of total for department	1.24	1.34	1.09	1.23	1.06	1.07	<b>0.97</b>		0.96	0.94
<b>Finance component</b>										
Personnel numbers (head count)	864	1 152	1 159	1 275	1 329	1 328	<b>1 410</b>	6.17	1 421	1 431
Personnel cost (R'000)	131 744	191 431	166 263	188 785	181 229	200 320	<b>231 653</b>	15.64	247 151	259 724
Head count as % of total for department	1.17	1.54	1.50	1.65	1.71	1.72	<b>1.78</b>		1.78	1.78
Personnel cost as % of total for department	1.17	1.43	1.06	1.06	0.99	1.10	<b>1.15</b>		1.15	1.13
<b>Full time workers</b>										
Personnel numbers (head count)	63 670	65 635	68 259	68 442	69 296	69 177	<b>71 456</b>	3.29	72 276	72 753
Personnel cost (R'000)	9 888 642	11 904 254	14 189 979	16 158 154	16 583 984	16 561 249	<b>18 160 225</b>	9.65	19 424 306	20 805 232
Head count as % of total for department	86.50	87.50	88.47	88.55	89.42	89.38	<b>90.28</b>		90.51	90.52
Personnel cost as % of total for department	87.91	88.70	90.16	90.68	90.54	90.54	<b>90.12</b>		90.42	90.63
<b>Part-time workers</b>										
Personnel numbers (head count)	169	181	188	197	154	154	<b>154</b>		155	156
Personnel cost (R'000)	25 256	24 090	35 862	40 098	41 769	41 713	<b>45 930</b>	10.11	49 184	52 480
Head count as % of total for department	0.23	0.24	0.24	0.25	0.20	0.20	<b>0.19</b>		0.19	0.19
Personnel cost as % of total for department	0.22	0.18	0.23	0.23	0.23	0.23	<b>0.23</b>		0.23	0.23
<b>Contract workers</b>										
Personnel numbers (head count)	9 772	9 199	8 705	8 650	8 046	8 066	<b>7 543</b>	(6.48)	7 423	7 465
Personnel cost (R'000)	1 335 241	1 492 717	1 513 298	1 620 690	1 690 115	1 688 422	<b>1 945 185</b>	15.21	2 008 327	2 097 792
Head count as % of total for department	13.28	12.26	11.28	11.19	10.38	10.42	<b>9.53</b>		9.30	9.29
Personnel cost as % of total for department	11.87	11.12	9.61	9.10	9.23	9.23	<b>9.65</b>		9.35	9.14

**Table 6 Information on training: Relating to Chapter 5**

Description	Outcome			Main appropriation 2010/11	Adjusted appropriation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited 2007/08	Audited 2008/09	Audited 2009/10				% Change from Revised estimate			
							2011/12	2010/11	2012/13	2013/14
Number of staff	73 611	75 015	77 152	77 289	77 496	77 397	79 153	2.27	79 854	80 374
Number of personnel trained	57 329	59 404	58 479	64 246	61 996	64 001	59 115	(7.63)	59 115	59 115
<i>of which</i>										
Male	20 895	21 575	21 183	23 075	23 075	22 960	21 387	(6.85)	21 387	21 387
Female	36 434	37 829	37 296	41 171	41 171	41 041	37 728	(8.07)	37 728	37 728
Number of training opportunities	20 479	21 084	27 427	21 911	21 151	20 994	21 224	1.10	21 228	21 243
<i>of which</i>										
Tertiary	1 017	1 351	865	1 798	1 038	995	1 043	4.82	1 047	1 062
Workshops	928	1 858	923	745	745	730	755	3.42	755	755
Seminars	106	145	168	423	423	416	421	1.20	421	421
Other	18 428	17 730	25 471	18 945	18 945	18 853	19 005	0.81	19 005	19 005
Number of bursaries offered	2 247	2 761	1 333	3 894	4 189	4 153	4 223	1.69	4 131	4 131
Number of interns appointed	502	791	599	546	554	548	866	58.03	893	893
Number of learnerships appointed	1 447	1 036	424	2 600	2 391	2 391	2 413	0.92	2 433	2 433
Number of days spent on training	8 725	7 190	6 680	6 693	6 693	6 693	6 693		6 693	6 693



**Table 7 Transfers to local government by category and municipality: Information relating to Chapter 6**

Municipalities R'000	Outcome			Main appro- p-riation	Adjusted appro- p-riation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2010/11	2010/11	2010/11	2011/12
<b>Category A</b>	922 540	953 092	995 468	1 058 142	817 420	777 420	<b>840 949</b>	8.17	953 716	1 068 784
City of Cape Town	922 540	953 092	995 468	1 058 142	817 420	777 420	<b>840 949</b>	8.17	953 716	1 068 784
<b>Category B</b>	400 531	436 766	517 628	505 943	661 072	765 476	<b>621 843</b>	(18.76)	612 201	624 218
Beaufort West	19 033	36 783	24 488	6 008	9 532	9 532	<b>7 831</b>	(17.85)	7 621	7 948
Bergrivier	3 836	5 797	10 721	3 134	6 684	16 684	<b>12 558</b>	(24.73)	4 217	2 863
Bitou	23 611	5 960	62 666	14 529	28 529	56 527	<b>17 641</b>	(68.79)	16 489	17 336
Langeberg	4 966	10 124	15 074	23 082	23 082	23 130	<b>27 751</b>	19.98	25 770	27 124
Breede Valley	15 750	54 551	34 916	44 075	74 075	84 075	<b>40 834</b>	(51.43)	36 102	38 052
Cape Agulhas	3 867	5 454	16 861	9 535	15 635	19 635	<b>22 279</b>	13.47	4 476	4 717
Cederberg	8 213	6 752	10 908	7 173	30 437	35 437	<b>10 400</b>	(70.65)	7 461	7 861
Drakenstein	27 585	32 316	62 083	58 846	66 014	66 014	<b>72 190</b>	9.36	63 585	67 000
George	55 518	38 746	20 460	48 376	57 385	66 989	<b>50 666</b>	(24.37)	46 825	49 253
Kannaland	10 799	2 718	4 874	4 926	4 926	375	<b>6 280</b>	1574.67	7 828	6 108
Knysna	45 168	40 647	38 168	38 634	46 658	46 658	<b>45 493</b>	(2.50)	44 896	45 704
Laingsburg	1 016	212	193	1 382	3 430	2 716	<b>1 023</b>	(62.33)	872	917
Hessequa	6 562	19 892	40 562	16 090	21 090	50 286	<b>20 841</b>	(58.56)	17 832	18 748
Matzikama	14 034	25 465	6 971	10 378	13 878	16 878	<b>10 683</b>	(36.70)	10 246	10 715
Mossel Bay	18 442	14 508	16 964	19 684	33 687	33 687	<b>43 500</b>	29.13	41 652	22 778
Oudtshoorn	10 755	26 955	10 534	19 513	19 513	19 513	<b>20 757</b>	6.38	16 519	17 371
Overstrand	6 451	715	15 482	32 192	33 312	33 312	<b>37 059</b>	11.25	34 786	36 666
Prince Albert	643	270	394	3 014	3 014	233	<b>3 636</b>	1460.52	3 188	3 358
Saldanha Bay	14 763	20 661	11 777	31 259	31 559	31 559	<b>32 382</b>	2.61	28 268	29 797
Stellenbosch	42 671	18 705	18 018	36 330	36 370	35 974	<b>43 041</b>	19.64	37 225	41 716
Swartland	12 338	14 688	28 070	24 263	41 862	55 862	<b>28 404</b>	(49.15)	25 927	27 329
Swellendam	1 234	6 224	3 242	5 653	6 853	6 853	<b>7 509</b>	9.57	7 403	7 721
Theewaterskloof	31 688	21 066	25 304	30 293	30 243	30 243	<b>37 674</b>	24.57	32 642	36 906
Witzenberg	21 588	27 557	38 898	17 574	23 304	23 304	<b>21 161</b>	(9.20)	19 286	20 285
Other							<b>250</b>		71 085	75 945
<b>Category C</b>	37 907	18 878	53 709	11 675	20 801	22 086	<b>5 634</b>	(74.49)	4 421	3 536
Cape Winelands	4 377	4 582	8 039	3 548	3 573	4 858	<b>2 215</b>	(54.41)	1 715	1 215
Central Karoo	3 281	4 069	5 988	3 993	5 431	5 431	<b>1 618</b>	(70.21)	1 652	1 765
Eden	24 771	4 351	25 271	2 264	7 985	7 985	<b>140</b>	(98.25)		
Overberg	3 680	2 552	3 725	833	1 326	1 326		(100.00)		
West Coast	1 798	3 324	10 686	1 037	2 486	2 486	<b>1 661</b>	(33.19)	1 054	556
Other	12 117						<b>16 280</b>			
<b>Total transfers to local government</b>	<b>1 373 095</b>	<b>1 408 736</b>	<b>1 566 805</b>	<b>1 575 760</b>	<b>1 499 293</b>	<b>1 564 982</b>	<b>1 484 706</b>	(5.13)	<b>1 570 338</b>	<b>1 696 538</b>
<b>Funds retained by the Department of Human Settlements (not included in the transfers to local government) <sup>Note</sup></b>	<b>78 598</b>	<b>469 083</b>	<b>278 216</b>	<b>654 792</b>	<b>905 919</b>	<b>838 723</b>	<b>607 257</b>	(27.60)	<b>600 265</b>	<b>599 305</b>

Note Funds retained by the Department of Human Settlements	Integrated Housing and Human Settlement Development Grant		
	2011/12 Allocation (R'000)	2012/13 Allocation (R'000)	2013/14 Allocation (R'000)
Departmental priority projects	490 000	498 260	490 000
Individual subsidies	23 000	12 000	16 000
Extended Enhanced Discount Benefit Scheme	30 000	30 000	30 000
OPSCAP	64 257	60 005	63 305
<b>Total</b>	<b>607 257</b>	<b>600 265</b>	<b>599 305</b>

**Table 8 Summary of provincial payments and estimates by policy area**

Policy Area R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
General public services	595 886	689 189	761 635	885 658	942 864	942 864	<b>1 066 389</b>	13.10	1 088 391	1 167 752
Public order and safety	203 201	242 329	272 623	287 808	288 911	288 911	<b>310 978</b>	7.64	348 864	367 743
Economic affairs	2 873 297	3 351 848	4 625 525	4 357 021	4 721 627	4 619 358	<b>4 872 392</b>	5.48	4 968 669	5 223 632
Environmental protection	182 477	204 584	263 330	304 949	301 425	301 425	<b>351 262</b>	16.53	369 851	387 033
Housing and community amenities	1 289 936	1 539 212	1 701 333	2 060 623	2 192 395	2 192 395	<b>1 836 006</b>	(16.26)	1 897 019	1 997 605
Health	7 497 868	8 655 845	10 371 034	11 962 863	12 408 383	12 376 883	<b>13 395 060</b>	8.23	14 390 940	15 666 204
Recreation, culture and religion	223 138	499 970	301 730	289 241	294 704	294 705	<b>313 158</b>	6.26	336 923	354 255
Education	7 737 750	9 192 478	10 613 313	11 845 691	11 998 212	11 998 212	<b>13 331 843</b>	11.12	14 074 353	14 898 037
Social protection	901 363	1 215 245	1 165 389	1 219 287	1 233 817	1 233 817	<b>1 331 611</b>	7.93	1 399 686	1 477 118
<b>Total payments and estimates by policy area</b>	<b>21 504 916</b>	<b>25 590 700</b>	<b>30 075 912</b>	<b>33 213 141</b>	<b>34 382 338</b>	<b>34 248 570</b>	<b>36 808 699</b>	7.48	38 874 696	41 539 379

**Table 9 Payments table summary by policy area**

<b>GFS function</b>	<b>Category</b>	<b>Department</b>	<b>Programme</b>
General public services	Legislative	Department of the Premier	1.1 Executive Support (Administration)
		Provincial Parliament	2.1 Administration
			2.2 Facilities for Members and Political Parties
	2.3 Parliamentary Services		
	Financial and Fiscal Affairs	Provincial Treasury	3.1 Administration
			3.2 Sustainable Resource Management
			3.3 Asset and Liabilities Management
			3.4 Financial Governance
	General Services	Department of the Premier	1.2 Provincial Strategic Management
			1.3 Human Capital (Corporate Services Centre)
1.4 Centre for E-Innovation			
1.5 Corporate Assurance (Corporate Services Centre)			
	Local Government	14.1 Administration	
		14.2 Local Governance	
		14.3 Development and Planning	
Public Order and Safety	Police Services	Community Safety	4.1 Administration
			4.2 Civilian Oversight
			4.3 Crime Prevention & Community Police Relations
			4.4 Traffic Management
			4.5 Security Risk Management
Economic Affairs	General Economic	Economic Development and Tourism	12.1 Administration
			12.2 Integrated Economic Development Services
			12.3 Trade and Sector Development
			12.4 Business Regulation and Governance
			12.5 Economic Planning
			12.7 Skills Development
			10.2 Public Works Infrastructure
	Agriculture	Agriculture	11.1 Administration
			11.2 Sustainable Resource Management
			11.3 Farmer Support and Development
			11.4 Veterinary Services
			11.5 Technology Research and Development Services
			11.6 Agricultural Economics
Transport	Transport and Public Works	11.7 Structured Agricultural Training	
		11.8 Rural Development	
		10.1 Administration	
		10.3 Transport Infrastructure	
Communication	Economic Development and Tourism	10.4 Transport Operations	
		10.5 Transport Regulations	
		10.6 Community Based Programmes	
			12.6 Tourism, Arts and Entertainment

**Table 9 Payments table summary by policy area (continued)**

GFS function	Category	Department	Programme
Environmental Protection	Environmental Protection	Environmental Affairs and Development Planning	9.1 Administration
			9.2 Environmental Policy, Planning and Coordination
			9.3 Compliance and Enforcement
			9.4 Environmental Quality Management
			9.5 Biodiversity Management
			9.6 Environmental Empowerment Services
Housing and Community Amenities	Housing Development	Human Settlements	8.1 Administration
			8.2 Housing Needs, Research and Planning
			8.3 Housing Development
			8.4 Housing Asset Management Property Management
Health	Health n.e.c	Health	6.1 Administration
	Outpatient Service		6.2 District Health Services
	R & D Health (CS)		6.6 Health Sciences and Training
	Hospital Services		6.3 Emergency Medical Services
			6.4 Provincial Hospital Services
			6.5 Central Hospital Services
			6.7 Health Care Support Services
	6.8 Health Facilities Management		
Recreation Culture and Religion	Recreational and Sporting Services	Cultural Affairs and Sport	13.4 Sport and Recreation
	Cultural Services	Cultural Affairs and Sport	13.1 Administration
			13.2 Cultural Affairs
13.3 Library and Archives Services			
Education	Pre-primary and Primary Education	Education	5.2.1 Public Primary Schools
	Secondary Education		5.7 Early Childhood Development
			5.2.2 Public Secondary Schools
	Subsidiary Service to Education		5.3 Independent school subsidies
	Education not definable		5.1 Administration
			5.2.3 Professional Services
			5.2.4 Human Resource Development
			5.2.5 National School Nutrition Programme
5.4 Public Special School Education			
5.5 Further Education and Training			
5.6 Adult Basic Education Training			
5.8 Auxiliary Associated Services			
Social Protection	Social Security Services	Social Development	7.1 Administration
			7.2 Social Welfare Services
			7.3 Development and Research

Table 10 Details of provincial payments and estimates by policy area

GFS function R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2012/13	2013/14
<b>FUNCTION - GENERAL PUBLIC SERVICES</b>									
<b>Category - Legislative</b>									
Department of the Premier (Programme 1.1)	71 934	84 370	75 325	67 353	71 263	71 263	64 466	73 851	79 420
Provincial Parliament (Vote 2)	46 327	62 323	64 054	77 382	74 982	74 982	88 242	93 036	98 647
<b>Total for Category - Legislative</b>	118 261	146 693	139 379	144 735	146 245	146 245	152 708	166 887	178 067
<b>Category - Financial and fiscal affairs</b>									
Department of Provincial Treasury (Vote 3)	115 124	120 950	138 371	160 470	131 504	131 504	144 976	153 356	163 455
<b>Total for Category - Financial and fiscal affairs</b>	115 124	120 950	138 371	160 470	131 504	131 504	144 976	153 356	163 455
<b>Category - General services</b>									
Department of the Premier (Programme 1.2, 1.3 to 1.5)	298 604	345 123	402 764	477 815	552 106	552 106	632 731	621 750	671 697
Department of Local Government (Vote 14)	63 897	76 423	81 121	102 638	113 009	113 009	135 974	146 398	154 533
<b>Total for Category - General services</b>	362 501	421 546	483 885	580 453	665 115	665 115	768 705	768 148	826 230
<b>TOTAL FOR FUNCTION - GENERAL PUBLIC SERVICES</b>	595 886	689 189	761 635	885 658	942 864	942 864	1 066 389	1 088 391	1 167 752
<b>FUNCTION - PUBLIC ORDER AND SAFETY</b>									
<b>Category - Police services</b>									
Department of Community Safety (Vote 4)	203 201	242 329	272 623	287 808	288 911	288 911	310 978	348 864	367 743
<b>Total for Category - Police services</b>	203 201	242 329	272 623	287 808	288 911	288 911	310 978	348 864	367 743
<b>TOTAL FOR FUNCTION - PUBLIC ORDER AND SAFETY</b>	203 201	242 329	272 623	287 808	288 911	288 911	310 978	348 864	367 743
<b>FUNCTION - ECONOMIC AFFAIRS</b>									
<b>Category - General economic affairs</b>									
Department of Economic Development and Tourism (Vote 12 excluding 12.6)	142 285	164 579	192 404	179 253	175 319	175 319	191 951	202 254	213 788
Department of Transport and Public Works (Programme 10.2)	462 675	770 606	750 990	772 177	933 775	933 775	1 031 144	1 061 797	1 144 451
<b>TOTAL FOR FUNCTION - General economic affairs</b>	604 960	935 185	943 394	951 430	1 109 094	1 109 094	1 223 095	1 264 051	1 358 239

**Table 10 Details of provincial payments and estimates by policy area (continued)**

GFS function R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited	Audited	Audited				2011/12	2012/13	2013/14
	2007/08	2008/09	2009/10						
<b>Category - Agriculture</b>									
Department of Agriculture (Vote 11)	325 623	355 699	490 117	428 995	483 987	483 987	501 718	547 781	583 764
<b>Total for Category - Agriculture</b>	325 623	355 699	490 117	428 995	483 987	483 987	501 718	547 781	583 764
<b>Category - Transport</b>									
Department of Transport and Public Works (Programmes 10.1, 10.3 to 10.6)	1 881 802	1 995 622	3 121 201	2 914 371	3 066 321	2 964 052	3 085 116	3 092 229	3 214 217
<b>Total for Category - Transport</b>	1 881 802	1 995 622	3 121 201	2 914 371	3 066 321	2 964 052	3 085 116	3 092 229	3 214 217
<b>Category - Communication</b>									
Department of Economic Development and Tourism (Programme 12.6)	60 912	65 342	70 813	62 225	62 225	62 225	62 463	64 608	67 412
<b>Total for Category - Communication</b>	60 912	65 342	70 813	62 225	62 225	62 225	62 463	64 608	67 412
<b>TOTAL FOR FUNCTION - ECONOMIC AFFAIRS</b>	2 873 297	3 351 848	4 625 525	4 357 021	4 721 627	4 619 358	4 872 392	4 968 669	5 223 632
<b>FUNCTION - ENVIRONMENTAL PROTECTION</b>									
<b>Category - Environmental protection</b>									
Department of Environmental Affairs and Development Planning (Vote 9)	182 477	204 584	263 330	304 949	301 425	301 425	351 262	369 851	387 033
<b>Total for Category - Environmental protection</b>	182 477	204 584	263 330	304 949	301 425	301 425	351 262	369 851	387 033
<b>TOTAL FOR FUNCTION - ENVIRONMENTAL PROTECTION</b>	182 477	204 584	263 330	304 949	301 425	301 425	351 262	369 851	387 033
<b>FUNCTION - HOUSING AND COMMUNITY AMENITIES</b>									
<b>Category - Housing Development</b>									
Department of Human Settlements (Vote 8)	1 289 936	1 539 212	1 701 333	2 060 623	2 192 395	2 192 395	1 836 006	1 897 019	1 997 605
<b>Total for Category - Housing Development</b>	1 289 936	1 539 212	1 701 333	2 060 623	2 192 395	2 192 395	1 836 006	1 897 019	1 997 605
<b>TOTAL FOR FUNCTION - HOUSING AND COMMUNITY AMENITIES</b>	1 289 936	1 539 212	1 701 333	2 060 623	2 192 395	2 192 395	1 836 006	1 897 019	1 997 605

Table 10 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2012/13	2013/14
<b>FUNCTION - HEALTH</b>									
<b>Category - Health n.e.c.</b>									
Department of Health (Programme 6.1)	205 333	249 104	266 710	397 522	349 843	349 843	445 222	471 365	518 075
<b>Total for Category - Health n.e.c.</b>	205 333	249 104	266 710	397 522	349 843	349 843	445 222	471 365	518 075
<b>Category - Outpatient service</b>									
Department of Health Services (Programme 6.2)	2 707 578	3 139 800	3 722 530	4 223 003	4 412 008	4 412 008	4 926 594	5 389 457	6 015 573
<b>Total for Category - Outpatient service</b>	2 707 578	3 139 800	3 722 530	4 223 003	4 412 008	4 412 008	4 926 594	5 389 457	6 015 573
<b>Category - R &amp; D Health (CS)</b>									
Department of Health Services (Programme 6.6)	133 706	136 629	194 624	216 966	218 284	218 284	233 466	244 490	267 217
<b>Total for Category - R &amp; D Health (CS)</b>	133 706	136 629	194 624	216 966	218 284	218 284	233 466	244 490	267 217
<b>Category - Hospital services</b>									
Department of Health Services (Programmes 6.3, 6.4, 6.5 and 6.7 and 6.8)	4 451 251	5 130 312	6 187 170	7 125 372	7 428 248	7 396 748	7 789 778	8 285 628	8 865 339
<b>Total for Category - Hospital services</b>	4 451 251	5 130 312	6 187 170	7 125 372	7 428 248	7 396 748	7 789 778	8 285 628	8 865 339
<b>TOTAL FOR FUNCTION - HEALTH</b>	7 497 868	8 655 845	10 371 034	11 962 863	12 408 383	12 376 883	13 395 060	14 390 940	15 666 204
<b>FUNCTION - RECREATION CULTURE AND RELIGION</b>									
<b>Category - Recreation and sporting services</b>									
Department of Cultural Affairs and Sport (Programme 13.4)	57 043	305 271	85 571	79 922	80 219	80 219	79 778	82 342	86 061
<b>Total for Category - Recreation and sporting services</b>	57 043	305 271	85 571	79 922	80 219	80 219	79 778	82 342	86 061
<b>Category - Cultural services</b>									
Department of Cultural Affairs and Sport (Programmes 13.1 to 13.3)	166 095	194 699	216 159	209 319	214 485	214 486	233 380	254 581	268 194
<b>Total for Category - Cultural services</b>	166 095	194 699	216 159	209 319	214 485	214 486	233 380	254 581	268 194
<b>TOTAL FOR FUNCTION - RECREATION CULTURE AND RELIGION</b>	223 138	499 970	301 730	289 241	294 704	294 705	313 158	336 923	354 255

**Table 10 Details of provincial payments and estimates by policy area (continued)**

GFS function R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2012/13	2013/14
<b>FUNCTION - EDUCATION</b>									
<b>Category - Pre-primary and primary education</b>									
Department of Education (Programme 5.7 and sub-programme 5.2.1)	3 645 361	4 314 264	5 071 389	5 620 917	5 787 328	5 787 328	<b>6 354 989</b>	6 870 533	7 041 603
<b>Total for Category - Pre-primary and primary education</b>	<b>3 645 361</b>	<b>4 314 264</b>	<b>5 071 389</b>	<b>5 620 917</b>	<b>5 787 328</b>	<b>5 787 328</b>	<b>6 354 989</b>	6 870 533	7 041 603
<b>Category - Secondary education</b>									
Department of Education (Sub-programme 5.2.2)	2 428 511	2 874 010	3 118 546	3 307 445	3 349 202	3 349 202	<b>3 645 978</b>	3 644 467	3 989 409
<b>Total for Category - Secondary education</b>	<b>2 428 511</b>	<b>2 874 010</b>	<b>3 118 546</b>	<b>3 307 445</b>	<b>3 349 202</b>	<b>3 349 202</b>	<b>3 645 978</b>	3 644 467	3 989 409
<b>Category - Subsidiary service to education</b>									
Department of Education (Programme 5.3)	39 713	44 119	55 522	59 709	59 709	59 709	<b>64 188</b>	68 681	73 488
<b>Total for Category - Subsidiary service to education</b>	<b>39 713</b>	<b>44 119</b>	<b>55 522</b>	<b>59 709</b>	<b>59 709</b>	<b>59 709</b>	<b>64 188</b>	68 681	73 488
<b>Category - Education not definable by level</b>									
Department of Education (Programmes 5.1, 5.4, 5.5, 5.6 and 5.8, sub-programmes 5.2.3, 5.2.4, 5.2.5)	1 624 165	1 960 085	2 367 856	2 857 620	2 801 973	2 801 973	<b>3 266 688</b>	3 490 672	3 793 537
<b>Total for Category - Education not definable by level</b>	<b>1 624 165</b>	<b>1 960 085</b>	<b>2 367 856</b>	<b>2 857 620</b>	<b>2 801 973</b>	<b>2 801 973</b>	<b>3 266 688</b>	3 490 672	3 793 537
<b>TOTAL FOR FUNCTION - EDUCATION</b>	<b>7 737 750</b>	<b>9 192 478</b>	<b>10 613 313</b>	<b>11 845 691</b>	<b>11 998 212</b>	<b>11 998 212</b>	<b>13 331 843</b>	14 074 353	14 898 037
<b>FUNCTION - SOCIAL PROTECTION</b>									
<b>Category - Social security services</b>									
Social Development (Vote 7)	901 363	1 215 245	1 165 389	1 219 287	1 233 817	1 233 817	<b>1 331 611</b>	1 399 686	1 477 118
<b>Total for Category - Social security services</b>	<b>901 363</b>	<b>1 215 245</b>	<b>1 165 389</b>	<b>1 219 287</b>	<b>1 233 817</b>	<b>1 233 817</b>	<b>1 331 611</b>	1 399 686	1 477 118
<b>TOTAL FOR FUNCTION - SOCIAL DEVELOPMENT</b>	<b>901 363</b>	<b>1 215 245</b>	<b>1 165 389</b>	<b>1 219 287</b>	<b>1 233 817</b>	<b>1 233 817</b>	<b>1 331 611</b>	1 399 686	1 477 118
<b>TOTAL: BY FUNCTION</b>	<b>21 504 916</b>	<b>25 590 700</b>	<b>30 075 912</b>	<b>33 213 141</b>	<b>34 382 338</b>	<b>34 248 570</b>	<b>36 808 699</b>	38 874 696	41 539 379



**Table 11 Summary of Expanded Public Works Programme (EPWP) payments and estimates**

Provincial department R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2007/08	2008/09	2009/10				2011/12	2010/11	2012/13	2013/14
1. Department of the Premier										
2. Provincial Parliament										
3. Provincial Treasury										
4. Community Safety		3 148	10 622	9 000	10 238	10 238	7 063	(31.01)	7 506	8 099
5. Education	42 478	56 935	68 249	81 001	81 001	81 001	85 861	6.00	90 240	94 932
6. Health		59 655	82 720	83 206	83 206	83 206	92 751	11.47	98 365	104 604
7. Social Development							4 704		5 734	6 721
8. Human Settlements							6 000			
9. Environmental Affairs and Development Planning							6 000			
10. Transport and Public Works				119 714	119 714	119 714	774 728	547.15	728 005	774 395
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport							4 000			
14. Local Government										
<b>Total EPWP</b>	42 478	119 738	161 591	292 921	294 159	294 159	975 107	231.49	929 850	988 751
<b>Financed from:</b>										
Equitable share	42 478	119 738	161 591	269 015	269 753	269 753	935 786	247	909 457	964 848
Conditional Grants				23 906	24 406	24 406	39 321	61	20 393	23 903
Other										
<b>Total EPWP</b>	42 478	119 738	161 591	292 921	294 159	294 159	975 107	231	929 850	988 751