

## **Overview**

At the heart of the North West Province's budget framework for 2012/13 is the alignment of the provincial priorities to the national priorities as informed by the Government's Medium Term Strategic Framework (MTSF). At the broader level, the MTSF continues to focus on job creation, improved quality of basic education, A long and healthy life for all South Africans, eradication of fraud and corruption including rural development. At the provincial level more focus will also be on growing the economy, aligning the spatial planning between provincial and local government and to increase efforts towards poverty alleviation programme

In addition to the acceleration of infrastructure delivery programme, provision of water and energy remains key to address provincial priorities in 2012 and beyond. Spending levels have experienced sustained growth over the past ten years to give effect to the intended strategic priorities. A good expenditure trend record culminated in stringent controls being imposed to prevent the province from exceeding the allocated scarce resources budgets. The province would continue with this trend over the Medium Term and at the same time accelerate the pace of service delivery.

The Budget priorities for 2012 medium term gives expression to the 2012 State of Nation Address by the President and the 2012 State of Provincial Address by the Premier as well as the Provincial EXCO. The Province through this budget recognizes the need to improve its economic growth patterns including dealing with challenges relating to water, dilapidated road infrastructure and to rebuild energy in collaboration with National Government.

Despite the historic trend of receiving less Equitable Share which has been revised downwards to 6.6 per cent due to updates to the equitable share formula, there has been an improvement in funding key government programmes such as building of hospitals, secure care centers, schools and implementation of EPWP programme which would ultimately lead to the creation of jobs and alleviating poverty. The budget provision for implementation of economic development projects like Ganyesa Sisal and construction of light industrial parks which would be beneficial to the communities and less the burden of relying on social grants.

Looking forward, the Province will continue to put more focus on the public health system which is under extreme pressure as a result of increasing demand for quality health services. It is hoped that with the full implementation of the new National Health Insurance, challenges relating to our health care services would be improved significantly. Our education system is also under extreme pressure as a result of backlog on school building and additional classroom provision. Other infrastructure challenges relate to the upgrading and repair of the dilapidated road network, growing number of people in need of shelter in informal settlements and provision of habitable structures. Current allocation of infrastructure makes provision to progressively deal with infrastructure challenges mentioned above.

The 2012 MTEF budget is gradually finding its expression on the outcomes approach to budgeting for service delivery which aims to provide the government with an opportunity to align budgets to plans and priorities including developing mechanisms to assess value for money in terms of spending. Significant strides are made to maintain a clear link between this approach, strategic plans, annual performance plans and budgeting.

## **1. Socio-Economic Outlook**

### **1.1 Introduction**

This chapter seeks to provide a snapshot of the economic outlook in terms of the national and provincial perspective. It also provides a summary of the income, expenditure patterns and poverty levels within the North West Province.

Various statistical information has been sourced from Stats SA, Census data (2001, 2007 and 2011, Community Survey (2007), 2011 Medium Term Policy Statement and 2011 North West Education Results Report.

The South Africa's real GDP growth slowed from a seasonally adjusted rate of 4.5 per cent in the first quarter of 2011 to 1.3 per cent in the second quarter, as manufacturing, mining and agriculture contracted. Over the next three years the domestic outlook growth is expected to increase gradually with the improved global outlook rising above 4 per cent especially in the outer years of the forecast.

The average annual increase in consumer prices is expected to remain at about 5.5 per cent a year. With the estimated economic growth levels, South Africa will still remain with a challenge of meaningfully addressing the unemployment and poverty in line with the objectives set out in the New Growth Path (MTBPS, 2011).

Weak performance has been observed in mining, manufacturing and agriculture sectors. The overall mining grew by 6.3 per cent in the first half of the 2011. A substantial growth was marked in the production of platinum and metals groups which rose by 16.3 per cent. In August 2011, the overall mining declined sharply by 4 per cent in the main was diamond and gold. The production was amongst others disrupted by strikes and safety related stoppages.

Apart from the mining, the manufacturing sector also performed poorly. The first six month of year 2011, the gross value added grew by 3 per cent. Following value added growth of 14.5 per cent in the first quarter, the sector contracted sharply declining at an annualized rate of 7 per cent in the second quarter due to motor vehicle production being mostly affected as a result of delayed input supplies by Japan.

Agricultural sector was also affected as a result of adverse weather conditions that had a serious bearing on the harvest although there was a growth of 3.3 per cent in the first half of 2011.

### **North West Socio- Economic Perspective**

Despite the noticeable improvement that were observed in the past five years on the economic landscape where stability in terms employment, poverty rates declined in some areas, in the North West, a great social and economic challenges still exist. For example in areas such as Dr Ruth Mompoti (Mokgalwaneng) poverty and unemployment are still unacceptably high.

In 2010/11, the Province made significant strides by engaging various stakeholders and departments to make meaningful contribution in order to better the lives of the people living in that area. For example, the Department of Agriculture developed a strategy as part of rural development aiming to improve the standards of living and welfare but also rectify past injustices through rights based interventions in order to address skewed patterns of distribution and ownership of wealth and assets. Poverty margins in this province is still very high and is exacerbated by a high unemployment rate of 23.9 per cent, 2010/11 statistics.

## 1.2 Demographic Profile

The following information provides details about the demographic factors that have affected the development and economy of the province. The table below that the South African population has increased from approximately 44 819 776 to 48 502 063 in 2007. This represents a total increase of about 3.7 million in 2007 or an annual average growth rate of 8.2per cent for the period. Over the same period the population of North West has increased from 3 193 676 million to 3 271 948million people

The table below represent the total population according to provinces. There has been a huge decline in population numbers in North West due to the 2007 demarcation in cross boundaries.

### Community Survey, 2007 released on 24 October 2007

**Table 1.Total population by province: Community Survey 2001-2007**

Province	Census 1996	Census 2001	% change 1996/2001	CS 2007	% change 2001/2007
Eastern Cape	6 147 244	6 278 651	2,1	6 527 747	4,0
Free State	2 633 504	2 706 775	2,8	2 773 059	2,4
Gauteng	7 624 893	9 178 873	20,4	10 451 713	13,9
KwaZulu-Natal	8 572 302	9 584 129	11,8	10 259 230	7,0
Limpopo	4 576 133	4 995 534	9,2	5 238 286	4,9
Mpumalanga	3 124 203	3 365 885	7,7	3 643 435	8,2
Northern Cape	1 011 864	991 919	-2,0	1 058 060	6,7
North West	2 936 554	3 193 676	8,8	3 271 948	2,5
Western Cape	3 956 875	4 524 335	14,3	5 278 585	16,7
<b>South Africa</b>	<b>40 583 573</b>	<b>44 819 778</b>	<b>10,4</b>	<b>48 502 063</b>	<b>8,2</b>

**Table 2: Changes in provincial demographic profile,1996-2001**

Description	period	Effective change
Population growth	1996-2001      2% per annum	2.9 million -3.2 million
Population increase	1996-2001	increase of 257 or 8.8%
Number of households	1996	630,657
	2001	816,643    186 thousand (29% increase)
Average hosehold size	1996	4.6
	2001	3.9

**Table 3. Spatial Distribution according to Municipalities, Community Survey, 2007**

Municipality	Population			% distribution	
	Census 2001	CS 2007	% change	Census 2001	CS 2007
DC37: Bojanala	1 188 457	1 268 618	6,7	37,2	38,8
NW371: Moretele Local Municipality	181 033	182 414	0,8	5,7	5,6
NW372: Madibeng Local Municipality	346 675	371 197	7,1	10,9	11,3
NW373: Rustenburg Local Municipality	387 097	449 776	16,2	12,1	13,7
NW374: Kgetlengrivier Local Municipality	36 477	37 806	3,6	1,1	1,2
NW375: Moses Kotane Local Municipality	237 175	227 426	-4,1	7,4	7,0
DC38: Central	762 999	798 784	4,7	23,9	24,4
NW381: Ratlou Local Municipality	104 324	98 104	-6,0	3,3	3,0
NW382: Tswaing Local Municipality	114 155	81 005	-29,0	3,6	2,5
NW383: Mafikeng Local Municipality	259 478	290 229	11,9	8,1	8,9
NW384: Ditsobotla Local Municipality	147 599	200 141	35,6	4,6	6,1
NW385: Ramotshere Moiloa Local Municipality	137 443	129 304	-5,9	4,3	4,0
DC39: Bophirima	432 069	354 554	-17,9	13,5	10,8
NW391: Kagisano Local Municipality	88 780	75 946	-14,5	2,8	2,3
NW392: Naledi Local Municipality	58 104	57 934	-0,3	1,8	1,8
NW393: Mamusa Local Municipality	48 366	36 533	-24,5	1,5	1,1
NW394: Greater Taung Local Municipality	182 164	144 817	-20,5	5,7	4,4
NW395: Molopo Local Municipality	11 688	6 516	-44,3	0,4	0,2
NW396: Lekwa-Teemane Local Municipality	42 967	32 809	-23,6	1,3	1,0
DC40: Southern	810 151	849 992	4,9	25,4	26,0
NW401: Ventersdorp Local Municipality	43 078	36 528	-15,2	1,3	1,1
NW402: Potchefstroom Local Municipality	128 353	124 351	-3,1	4,0	3,8
NW403: City of Matlosana	359 202	385 782	7,4	11,2	11,8
NW404: Maquassi Hills Local Municipality	69 037	87 465	26,7	2,2	2,7
NW405: Merafong City Local Municipality	210 481	215 865	2,6	6,6	6,6
<b>North West</b>	<b>3 193 676</b>	<b>3 271 948</b>	<b>2,5</b>	<b>100,0</b>	<b>100,0</b>
<b>South Africa</b>	<b>44 819 778</b>	<b>48 502 063</b>	<b>8,2</b>	<b>100,0</b>	<b>100,0</b>

North West is divided into four districts, namely Bojanala, Dr Ruth Mompati, NgakaModiriMolemaand Dr Kenneth. These districts are made up of 23 municipalities. The province recorded a total population of 3 271 948. The municipalities with the highest percentages of the population are the Rustenburg Municipality (13.7 per cent), the City of Matlosana (11.8 per cent) and Madibeng (11.3 per cent). These three municipalities make up approximately a third of the North West's population. The rest of the population was scattered across the other 18 municipalities, with KagisoMolopo Municipalityhaving the smallest concentration of the population (0.2 per cent).

#### **Census 2001 (Population numbers, rural/urban, disability occurrence)**

**Table 4: Census 2001 (Population numbers, rural/urban divide and disability occurrence)**

#### **PERCENTAGE OF POPULATION LIVING IN URBAN AND RURAL AREAS BY PROVINCE, 1996 – 2007**

Province	1996		2001		2007	
	Urban	Rural	Urban	Rural	Urban	Rural
Eastern Cape	36.6	63.4	39.8	60.2	40.5	59.5
Free State	68.6	31.4	75.8	24.2	83.2	16.8
Gauteng	97.0	3.0	95.9	4.1	96.0	4.0
Kwazulu-Natal	43.1	56.9	45.2	54.8	46.7	53.3
Mpumalanga	39.1	60.9	11.5	88.5	12.7	87.3
<b>North West</b>	<b>34.9</b>	<b>65.1</b>	<b>37.0</b>	<b>63.0</b>	<b>41.2</b>	<b>58.8</b>
Northern Cape	70.1	29.9	41.6	58.4	43.5	56.5
Northern Province	11.0	89.0	71.2	28.8	79.0	21.0
Western Cape	88.9	11.1	90.4	9.6	92.8	7.2
<b>Total</b>	<b>53.7</b>	<b>46.3</b>	<b>57.2</b>	<b>42.8</b>	<b>59.9</b>	<b>40.1</b>

Sources: Stats SA: 1996 and 2001 Census; Stats SA 2007

As reflected in table 4 above, the percentage of the population residing in urban areas has been increasing slowly in the North West province, while the percentage of the population living in urban areas in the province was 35 per cent in 1996, it increased to 41 per cent in 2007. Conversely, the percentage of the population living in rural areas in the province has been decreasing slowly. As compared with Free State, Gauteng, Northern Province and the Western Cape, the North West province is predominantly rural as close to 60 per cent of the population currently live in rural nodes of the province. The percentage of the population living in rural areas in the North West (60 per cent) is higher than the corresponding national average (40.1 per cent).

**Table 5: Percentage persons aged 5 years and older with disability by gender and province Statssa, 2009**

Indicator	Statistic	Province									
		WC	EC	NC	FS	KZN	NW	GP	MP	LP	RSA
Male	Numbers	89	143	26	109	310	76	236	61	99	1 149
	Percent	3,8	5,1	5,4	8,8	7,1	4,9	4,9	4,0	4,6	5,4
Female	Numbers	107	168	32	128	405	75	266	58	120	1 359
	Percent	4,3	5,5	5,8	9,4	8,2	4,9	5,6	3,4	4,9	5,9
Total disabled	Numbers	195	311	57	237	715	151	502	119	219	2 508
	Percent	4,0	5,3	5,6	9,1	7,7	4,9	5,3	3,7	4,8	5,7
SubTotal	Numbers	4 829	5 894	1 029	2 598	9 331	3 053	9 531	3 240	4 607	44 111
Unspecified	Percent	13	20	1	8	27	31	81	3	24	207
Total Population	Numbers	4 842	5 914	1 029	2 606	9 358	3 084	9 612	3 242	4 631	44 318

The GHS 2009 included for the first time data on disability. The disability categories included a range of activities driven by certain behaviours and this included: seeing, hearing, walking a kilometre or climbing a flight of steps, remembering and concentrating, self-care etc. The results also included individuals who said that they had some difficulty in two or more of the activities or a lot of difficulty/unable to do any one of the mentioned activities, also ranked as disabled.

The 5.7 per cent of South Africans aged 5 years and older were classified as disabled. Women (5.9 per cent) are slightly more likely to be disabled than men. Provinces with the highest rates of disability in the country are Free State with 9.1 per cent, KwaZulu-Natal (7.7)per cent, and Northern Cape (5.6 per cent). North West is the fourth lowest at 4.9 per cent with disabled persons

## Annual mid- year population estimates

**Table 6: Annual mid- year population estimates by province, 2011-**

	Population estimate	% of total population
Eastern Cape	6 829 958	13,50
Free State	2 759 644	5,46
Gauteng	11 328 203	22,39
KwaZulu-Natal	10 819 130	21,39
Limpopo	5 554 657	10,98
Mpumalanga	3 657 181	7,23
Northern Cape	1 096 731	2,17
North West	3 253 390	6,43
Western Cape	5 287 863	10,45
<b>Total</b>	<b>50 586 757</b>	<b>100,00</b>

Table 6 shows that the North West share of the national population has shrunk from 8.8 per cent in 1996 to 6.43 per cent in 2011 as per the Annual Mid-Year Report. Regardless of the decrease as a result of migration patterns, North West is the third lowest populous when compared with Free State at 5.46 per cent, Northern Cape at 2.17 per cent

**Table 7: Provincial Population as the Percentage of National**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Eastern Cape	14,48	14,37	14,27	14,17	14,07	13,97	13,87	13,78	13,69	13,59	13,50
Free State	6,00	5,94	5,87	5,81	5,75	5,70	5,64	5,59	5,54	5,50	5,46
Gauteng	21,04	21,21	21,37	21,52	21,67	21,80	21,93	22,05	22,18	22,28	22,39
KwaZulu-Natal	21,26	21,27	21,28	21,30	21,31	21,33	21,34	21,35	21,36	21,38	21,39
Limpopo	11,08	11,05	11,03	11,02	11,00	10,99	10,99	10,98	10,98	10,98	10,98
Mpumalanga	7,47	7,44	7,42	7,39	7,37	7,34	7,32	7,30	7,27	7,25	7,23
Northern Cape	2,31	2,30	2,28	2,26	2,25	2,24	2,22	2,21	2,19	2,18	2,17
North West	6,62	6,60	6,57	6,55	6,53	6,51	6,49	6,48	6,46	6,44	6,43
Western Cape	9,74	9,82	9,91	9,98	10,05	10,12	10,20	10,26	10,33	10,40	10,45
<b>Total</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>	<b>100,0</b>

**Table 8: Gender and age distribution**

Age	Male	Female	Total	Percentage
00-04	172,912	168,655	341,567	10%
05-09	174,480	177,147	351,627	11%
10-14	168,324	170,862	339,186	10%
15-19	160,807	158,135	318,942	10%
20-24	155,504	153,107	308,611	9%
25-29	140,328	137,529	277,857	9%
30-34	130,667	121,253	251,920	8%
35-39	115,137	113,789	228,926	7%
40-44	85,909	88,178	174,087	5%
45-49	77,294	75,767	153,061	5%
50-54	72,416	70,328	142,744	4%
55-59	55,408	57,651	113,059	3%
60-64	40,914	45,438	86,352	3%
65-69	30,732	36,706	67,438	2%
70-74	20,120	25,144	45,264	1%
75-79	12,130	17,265	29,395	1%
80+	8,649	14,705	23,354	1%
<b>Total</b>	<b>1,621,731</b>	<b>1,631,659</b>	<b>3,253,390</b>	<b>100%</b>

*Mid-year population estimates, Statssa, 2011*

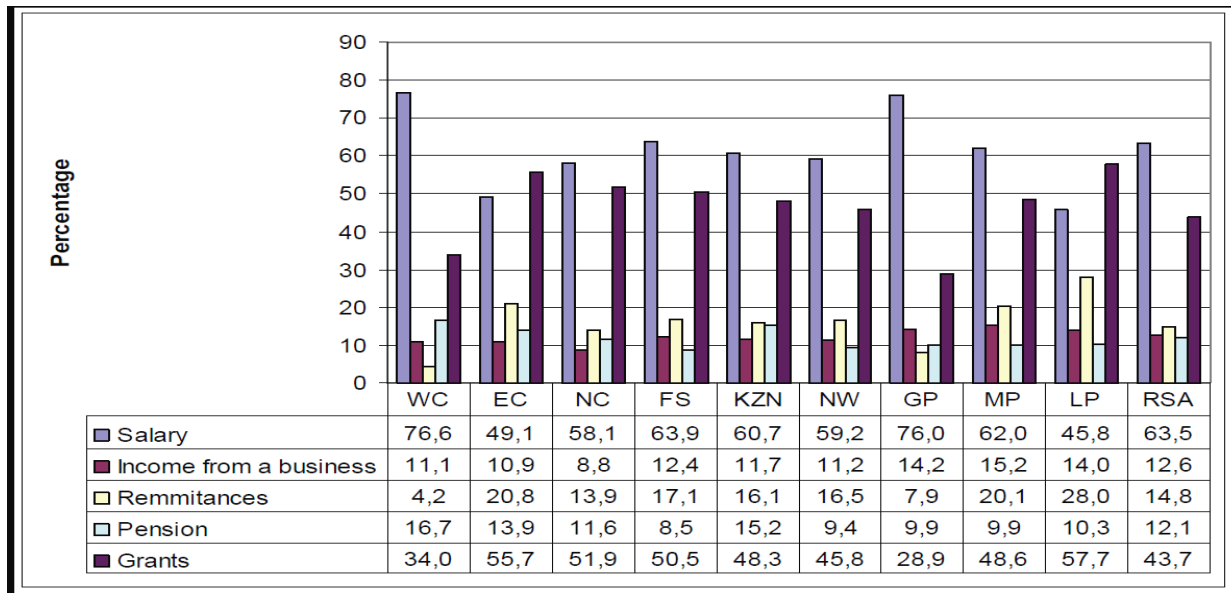
The North West Population is continuing to show some decline due to the migration patterns and other factors. According to 2007 Statssa records, the total population registered an estimated 3 271 949 million of population number. With the revised midyear population, the statistical number recorded 3 253 390 million population.

## Income and Expenditure Survey (IeS) - (expenditure quintiles)

**Table 9: Income and Expenditure Survey (Expenditure by quintile) South Africa**

Quintile (Per annum)	Black African	Coloured	Indian/ Asian	White
Upper quintile (R66 528+ )	7,9	25,6	50,0	83,0
4th quintile (R30 165 - R68 527)	19,7	29,4	32,4	13,6
3rd quintile (R18 575 - R30 164)	23,4	19,5	10,1	2,3
2nd quintile (R11 352 - R18 574)	24,3	14,3	4,8	0,7
Lower quintile (Less than R11 352)	24,8	11,2	2,7	0,3

**Figure 1: Income and Expenditure Survey North West and other provinces**



Source: Statssa 2009 Community Survey

Most households in South Africa are dependent on incomes from salaries. Figure 3 summarizes the percentage of households according to their sources of income. Nationally, salaries (63.5 per cent) and grants (43.7 per cent) were received by the highest percentages of households. Provincially, Western Cape (76.6 per cent) and Gauteng (76.0 per cent) had the highest percentage of households who earned an income from salaries.

Grants were more prevalent than salaries as a source of income in Limpopo (57.7 per cent), Eastern Cape (55.7 per cent), Northern Cape Free (51.9 per cent) and Free State (50.5 per cent). Remittances as a source of income played an important role in most provinces, but especially in Limpopo (28.0 per cent), Eastern Cape (20.8 per cent) and Mpumalanga (20.1 per cent). This source of income was received by the lowest percentages of households in Western Cape (4.2 per cent) and Gauteng (7.9 per cent).

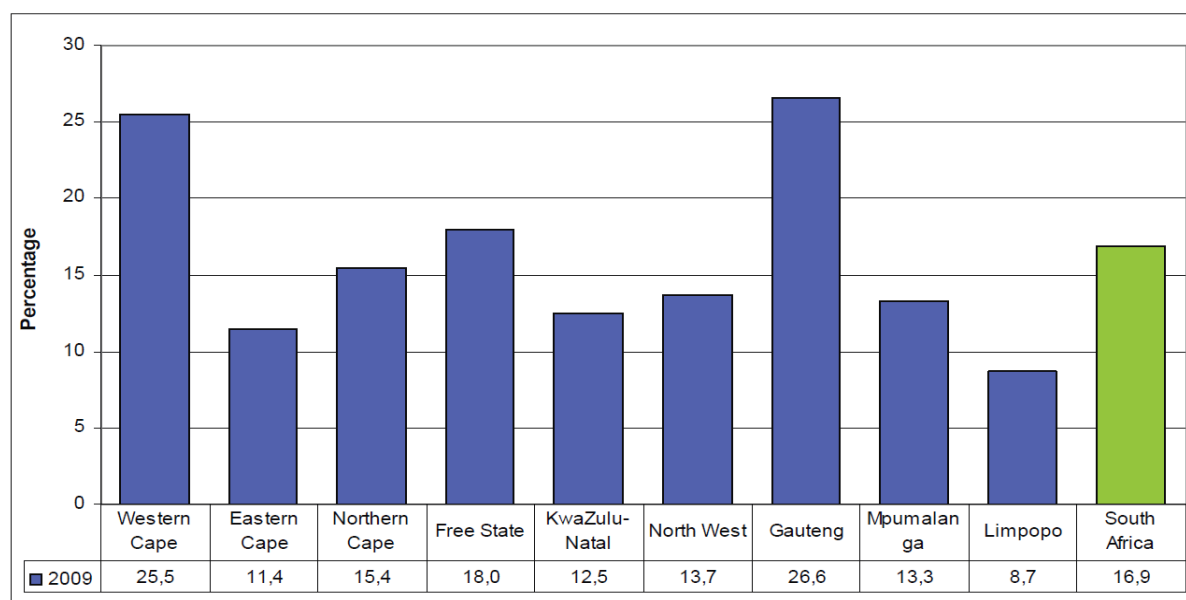
Comparing North West with Free State, on salary dependence and grant, North West is the lowest with 59.2 per cent and 45.8 per cent respectively.



## General Household Survey- 2009 (GHS) (medical aid data, etc.)

Nearly a quarter (24.3 per cent) of South African households has at least one member who belongs to a medical aid scheme. Figure 2 show that 16.9 per cent of individuals in SA had medical aid scheme coverage in 2009. This is well above the 2002 levels and is better than in any previous year. In 2009, the GHS revealed that some of the households do not belong to medical aid schemes. The findings suggested that 90.0 per cent of households that do not belong to a medical aid scheme due to having no money to pay for it. North West account for 13.7 per cent of the 16.9 per cent of individual in SA with medical aid scheme coverage in 2009

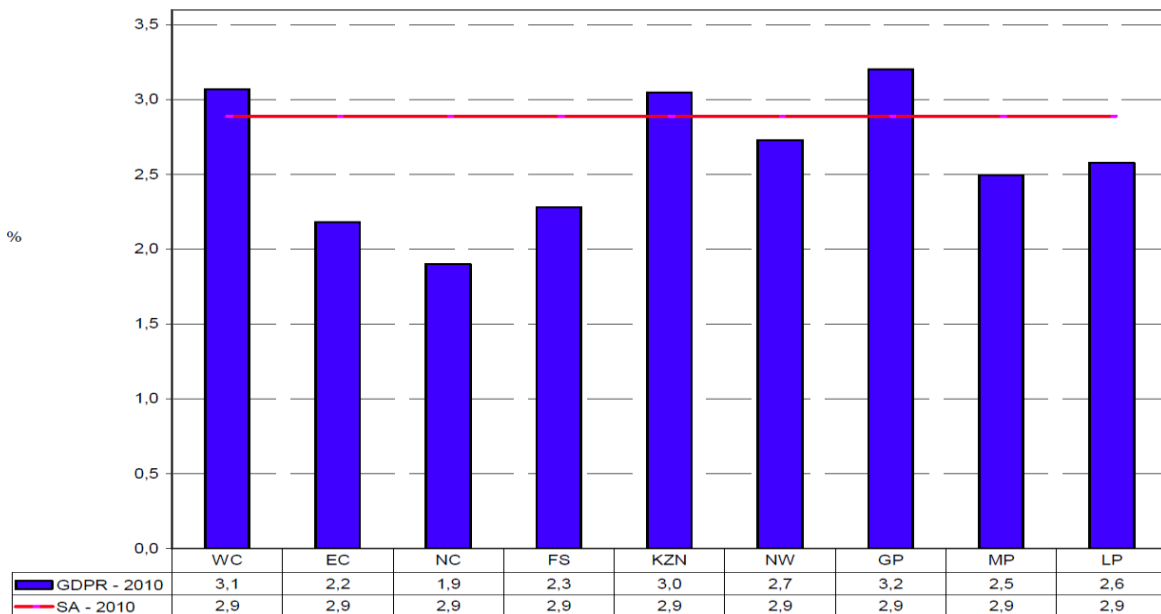
**Figure 2: Medical Aid data per Province, 2009**





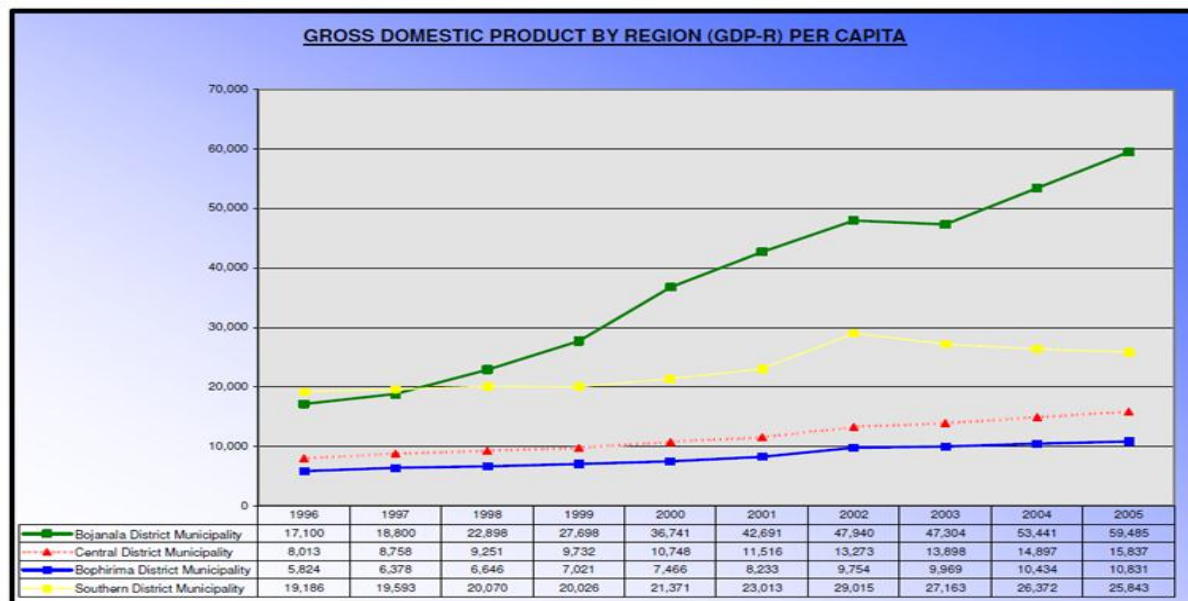
## Gross Domestic Product- by region (GDP-R) (provincial economic activity)

Figure 3: GDP- Real annual economic growth rate per region: 2010



According to figure3 above, the preliminary estimates indicate that the highest real annual economic growth rates per region as measured by the gross domestic product per region (GDPR) at market prices for 2010 compared with 2009 were recorded in Gauteng at 3.2 per cent, followed by Western Cape at 3.1 per cent and KwaZulu-Natal at 3.0 per cent. North West is the fourth at 2.7 per cent

Figure 4: North West Province (GDP-R) per District



Source: Global Insight, 2006

The per capita GVA figures for the various District Municipalities in the Province over the period 1996 to 2005 are outlined in Figure 7 above. This information indicates that the per capita GVA figure for the Bojanala Platinum District Municipality increased from R17 100 in 1996 to R59 485 by 2005. This figure is significantly higher than the comparative 2005 figures for the Dr Kenneth Kaunda Municipality (R25 843), the NgakaModiriMolemaMunicipality (R15 837) and the Dr Ruth Mompoti District Municipality (R10 831). The comparative district figures changed significantly over this period. The Southern District Municipality had the highest per capita GVA figure in the province in 1996 (R19 186). However, by 2005 the per capita figure in the Bojanala District was more than double the figure of the Dr Ruth Mompoti Municipality.

## Other relevant data for specific sectors

**Table 10: Basic Education and Training- School Enrolment (2011 School Calendar Year)**

DISTRICT	Grade R	Grade 1	Grade 6	Grade 7	Grade 8	Grade 9	Grade 10	Grade 11	Grade 12	Other	Total Learners
BOJANALA	14,030	24,985	19,907	19,796	21,053	21,818	24,700	17,660	10,512	120	257,905
DR KK	6,207	16,187	12,328	11,327	12,078	13,374	13,425	9,240	5,548	173	155,227
DR RUTH	7,435	17,554	13,150	12,170	12,341	13,969	13,023	8,374	4,138	369	164,047
NGAKA	9,311	18,429	14,503	14,197	14,401	14,601	16,932	11,291	5,860	286	183,189
<b>TOTAL</b>	<b>36,983</b>	<b>77,155</b>	<b>59,888</b>	<b>57,490</b>	<b>59,873</b>	<b>63,762</b>	<b>68,080</b>	<b>46,565</b>	<b>26,058</b>	<b>948</b>	<b>760,368</b>

## North West Results Grade 3, 6, 9 and 12

Action plan 2014 sets out 27 national goals, 13 of which are output goals dealing with better schools results and enrolment of learners. The remaining 14 are the departmental inputs aimed at making the first 13 goals achievable. These 13 goals have been captured in the Learner Attainment Programme (LAIP) Plan 2012 towards schooling 2025. The School Based LAIP attempts to meet the targets set out in Action Plan 2014 and Schooling 2025 to improve learning and teaching in the schooling system.

**Table 11: Comparative Pass Rates for Grade 3, 6 and 9: From 2007-2011**

	GRADE 3	GRADE 6	GRADE 9
	% Progressed	% Progressed	% Promoted
2007	90.4%	93.8%	82.42%
2008	89.03%	90.92%	74.16%
2009	88.31%	91.47%	73.17%
2010	85.65%	87.25%	75.89%
2011	86.06%	88.28%	75.18%

**Table 12: North West Province: Matric Pass Rate- Comparing the past 12 years**

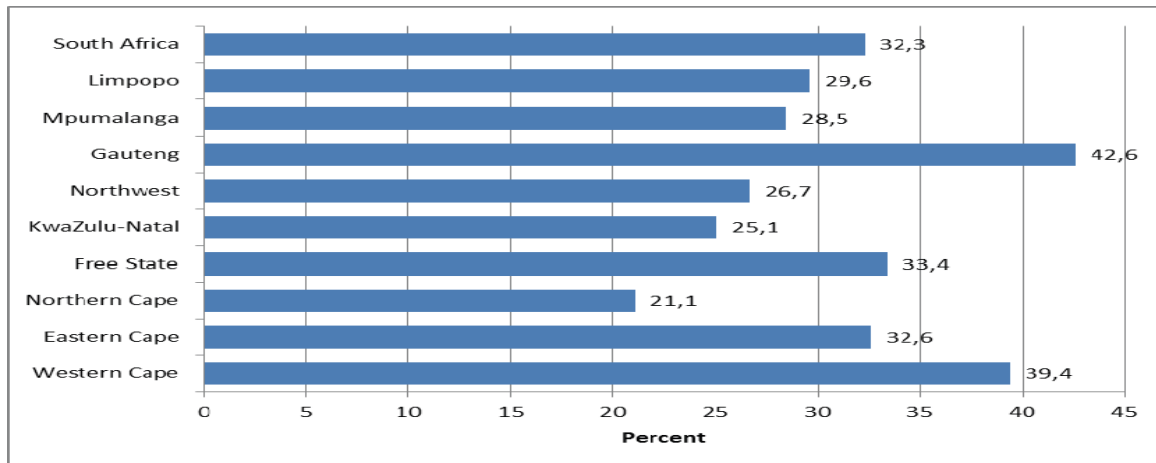
2000	2001	2002	2003	2004	2005	2006	2007
58.3%	62,5%	67,8%	70,5%	64.9%	63,0%	67,0%	67.2%

2008	2009	2010	2011
68.0%	67.5%	75.7%	77.8%

The North West Province attained the third position which is a major achievement moving from position 7 to position 3 in seven years and managed to maintain this achievement for two consecutive years. This indicates that the interventions implemented are sustainable and the education in the North West is gradually stabilizing.

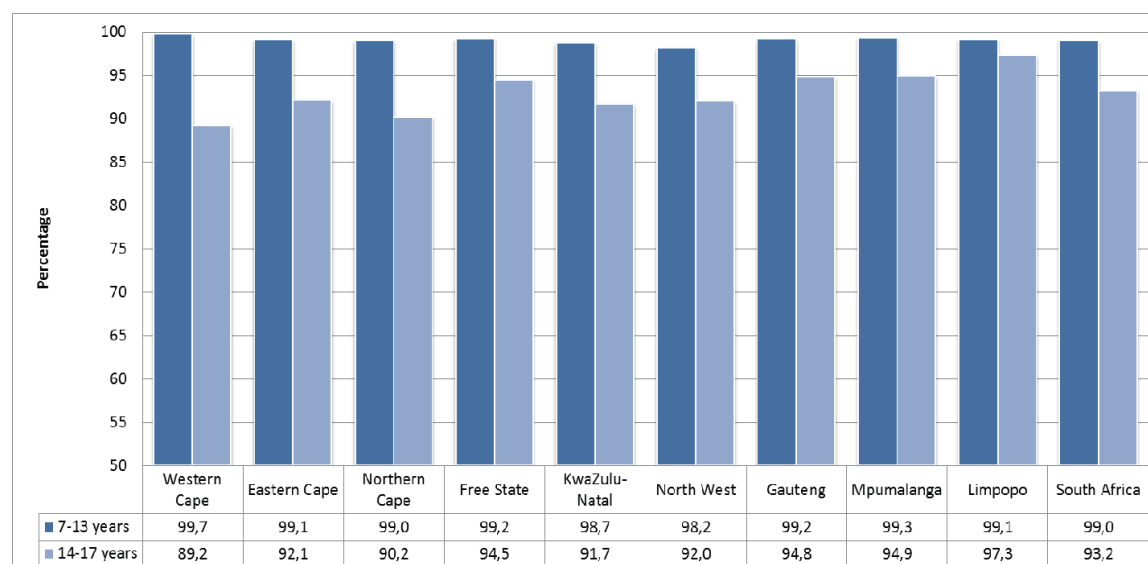
**Figure 5: Percentage of children attending learning centers**



Early Childhood Development (ECD) encompasses all the processes that enable emotional, cognitive, sensory, spiritual, moral, physical, social and communication development of children from birth to school-going age. The programmes attempt to prepare children for compulsory schooling and their development toward well functioning adults. According to Figure 5, approximately one third (32.3 per cent) of all children aged 0–4 year attend a day care centre, crèche, ECD centre, play group, nursery school or pre-primary school. The highest percentage is found in Gauteng (42.6 per cent) and Western Cape (39.4 per cent) and the smallest percentage is observed in Northern Cape (21.1 per cent). North West is sitting at 26.7 per cent. While 28.1 per cent of children are exposed to ECD at a centre, more than half (51 per cent) are exposed at home. Almost two-thirds (63.5 per cent) of children are exposed in general.

North West Province has 36 983 grade R-learners (Snap Survey- Education 2011). One hundred and six (106) in the 0-4 cohort Early Childhood Centers will be transferred to the department of Social Development, Women, Children and Persons with Disability and the process of institutionalizing the remaining ECD's, children of school going age into Public Ordinary Schools is underway in the department of Basic Education and Training. The process shall be completed by end of 2012/13.

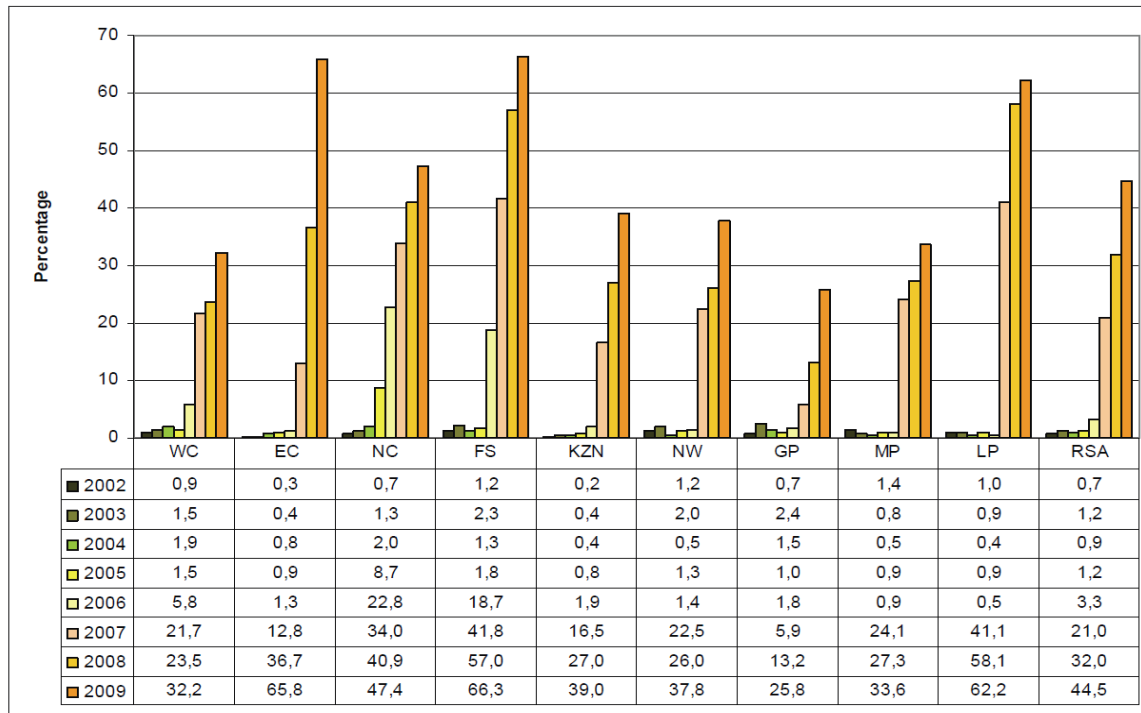
**Figure 6: Percentage of persons aged 7 -13 years and 14-17 in educational institutions by province**



As a large percentage of children have failed to pass Grade 7 by the age of 15 years, and more children have not managed to complete Grade 9 by the age of 17 years. This is indicated in Figure 6. The two ages, 15 and 17 years, represents approximately two years after which a child should have completed a particular grade assuming the child entered school in the year he/she turned 7 and further assuming that the child did not have to repeat any grades.

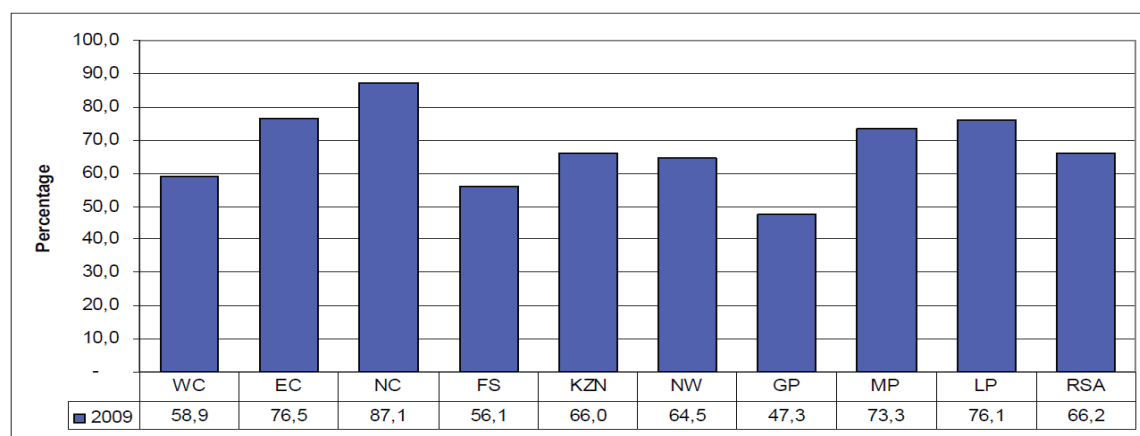
Although one fifth (19.9per cent) of all children aged 15 years has not completed primary school (grade 7) by this age, the percentage has nonetheless decreased from a third (30.7per cent) in 2002 to 19.9per cent in 2010. Although the percentage of 17 year-olds without at least a Grade 9 pass remains high (24.8per cent) it has decreased significantly from 46per cent in 2002. The high percentage of 17-year-olds who have yet to complete Grade 9 is particularly worrying as it has a knock-on effect on the percentage of children and youth who manage to complete their secondary school education and access tertiary education or employment.

**Figure 7: Percentage of those aged 5 years and older who attend educational institutions who donot pay tuition fees per province, 2002 – 2009**



North West Province recorded an increase of 11 per cent from 2008 in terms of learners older than 5 years who do not pay tuition fees. However, the Province is better than Eastern Cape and Limpopo and below national average of 44.5 per cent.

**Figure 8: Percentage of children attending public schools and who are benefiting from the school nutrition programme, 2009**



In an attempt to fight poverty and inequality as well as keeping learners in schools, over eight million learners country wide attend no fee schools, while over eight million also benefit from government's school feeding scheme country wide. With regard to North West, 64.5 per cent of children benefit from the school nutrition programme as per 2009 data.

**Figure 9: Qualification of people older than 20 years**

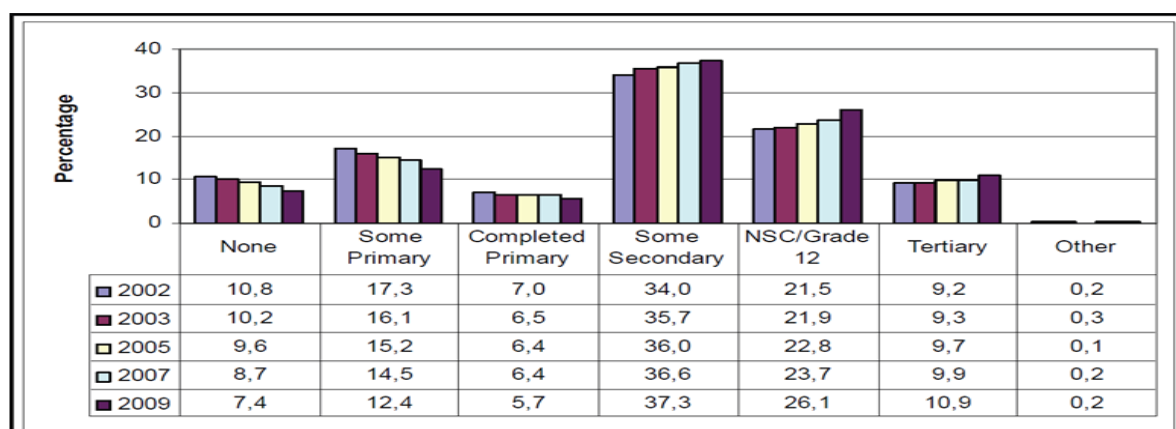
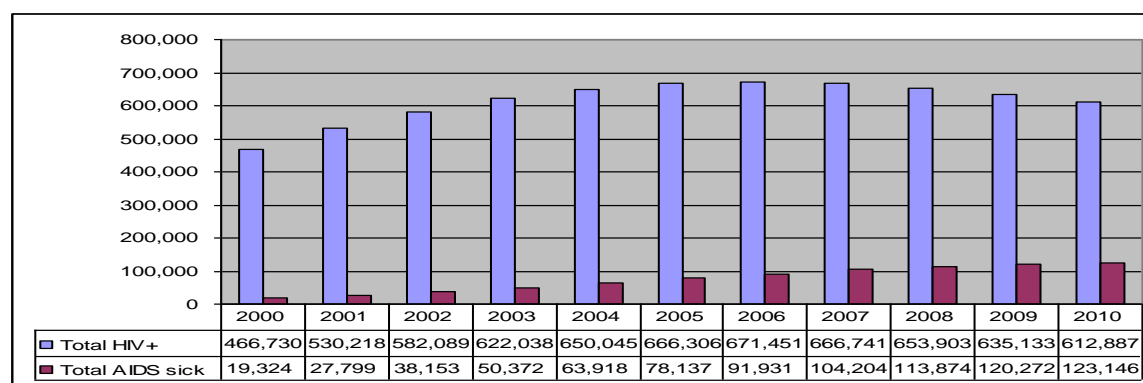


Figure 9 shows that there has been a steady and significant increase in the percentage of individuals aged 20 years and older who have attained a Grade 12 or higher qualification as their highest level of education. The percentage of individuals with a tertiary education increased from 9.2 per cent in 2002 to 10.9 per cent in 2009 and those with Grade 12 from 21.5 per cent to 26.1 per cent.

## Health Sector

**Figure10: HIV prevalence for North West for the period 2000 to 2010**



North West Total HIV+ and AIDS sick (2000-2010). Source: ASSA 2002

As per the figure 9 above, the "Total HIV+" increased from 466, 730 to 612, 887 in 2010, similarly "Total Aids Sick" increased from 19, 324 to 123, 146.

**Table 13: HIV / AIDS Prevalence trend amongst antenatal women in SA, 2008-2010**

Financial Years	Bojanala	Dr. Ruth S. Mompoti	Ngaka Modiri Molema	Dr. Kenneth Kaund	North West	South Africa
2008	31.8	28.1	28.2	35.2	31	29.3
2009	34.9	25.7	25.1	29.2	30	29.4
2010	29.3	24.3	25.9	37	29.6	30.2

According to 2010 statistics, the provincial HIV positivity rate has recorded 29.6 per cent in North West. The HIV positivity rate per district is as follows:

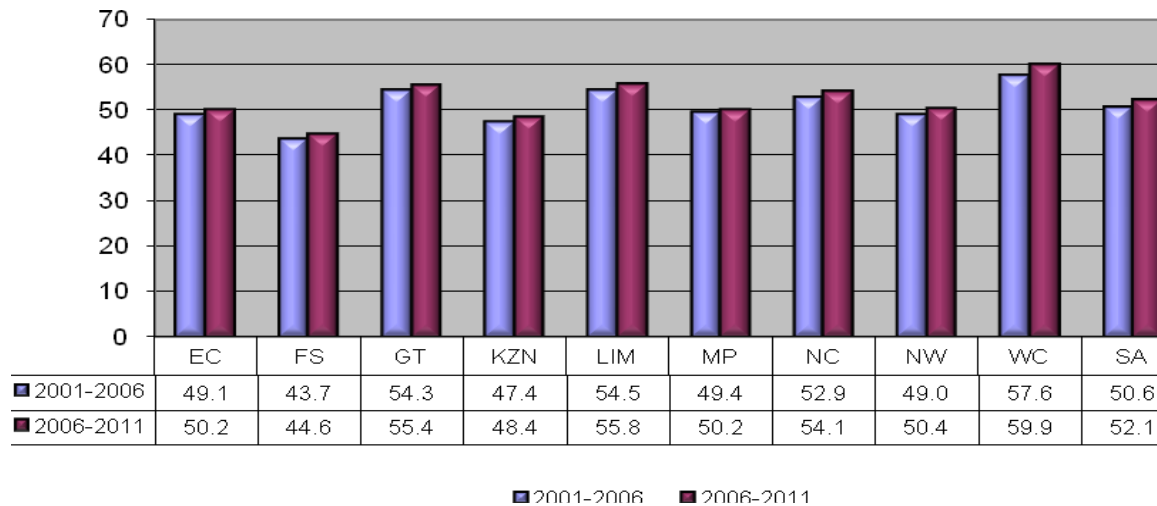
- Bojanala = 29.3 per cent
- Dr. Kenneth Kaunda = 37 per cent
- NgakaModiriMolema = 25.9 per cent
- Dr. RSM = 24.3 per cent

**Table 14: Number of deaths by age group, province and district municipality of death occurrence, 2009**

Province of death occurred	District Municipality of death occurrence							
		0	0 - 4	5 - 14	14 - 49	50 - 64	65 +	Total
North West	Bojanala	1189	387	167	5888	2643	3501	13775
	Dr. Kenneth Kaunda	875	191	101	4028	1845	2202	9242
	Dr. Ruth S. Mompoti	681	258	86	2617	1170	1687	6499
	Ngaka Modiri Molema	1056	320	139	4588	1936	2730	10769
	North West Province	3802	1156	493	17127	7595	10120	40372

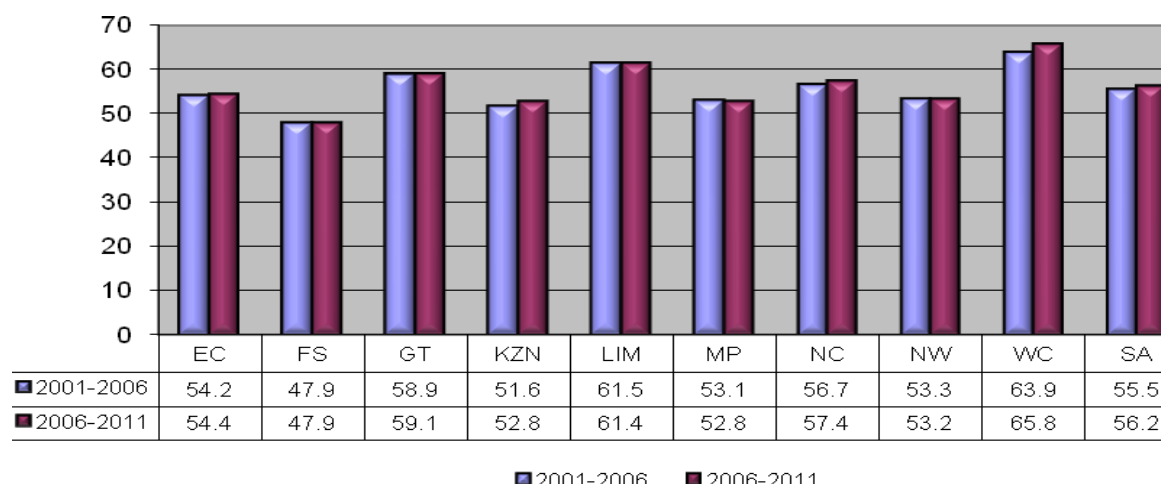
High death rate is experienced in Bojanala leading with a total of 13 775, followed by NgakaModiriMolema at 10 769, Dr Kenneth Kaunda at 9 242 and Dr Ruth SegomotsiMompoti at 6 499.

**Figure 11: Provincial average life expectancy at birth, 2001–2006 and 2006–2011 (males)**



**Figure 12: Provincial average life expectancy at birth, 2001–2006 and 2006-2011 (females)**



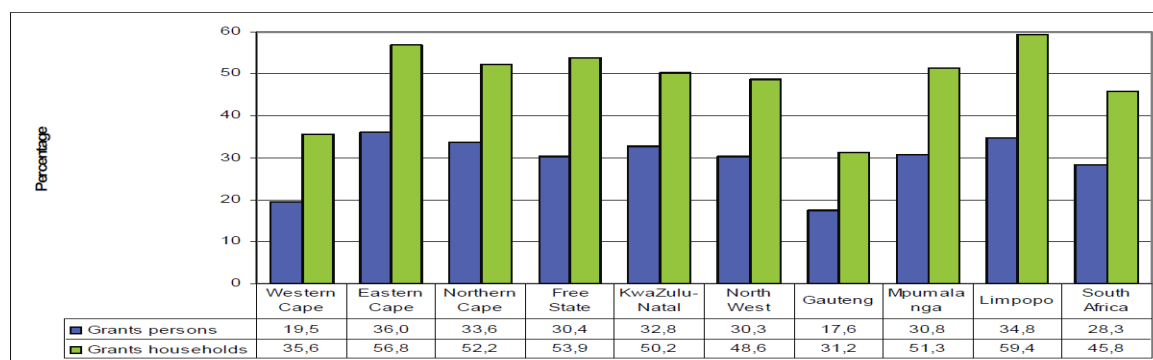


Figures 10 and 11 above show the average provincial life expectancies at birth for males and females for the periods 2001–2006 and 2006–2011. The assumptions for this projection were that Western Cape has the highest life expectancy at birth for both males and females; while the Free State has the lowest life expectancy at birth. North West is the fifth at 50.4 per cent in the row in terms of high expectancy at birth.

## Social Development Sector

Although the function of managing the social grants resides with South African Social Security Agency, the department still plays a pivotal role to oversee the overall function.

**Figure 13: Percentage of individuals and households benefiting from Social grants Per Province 2009**



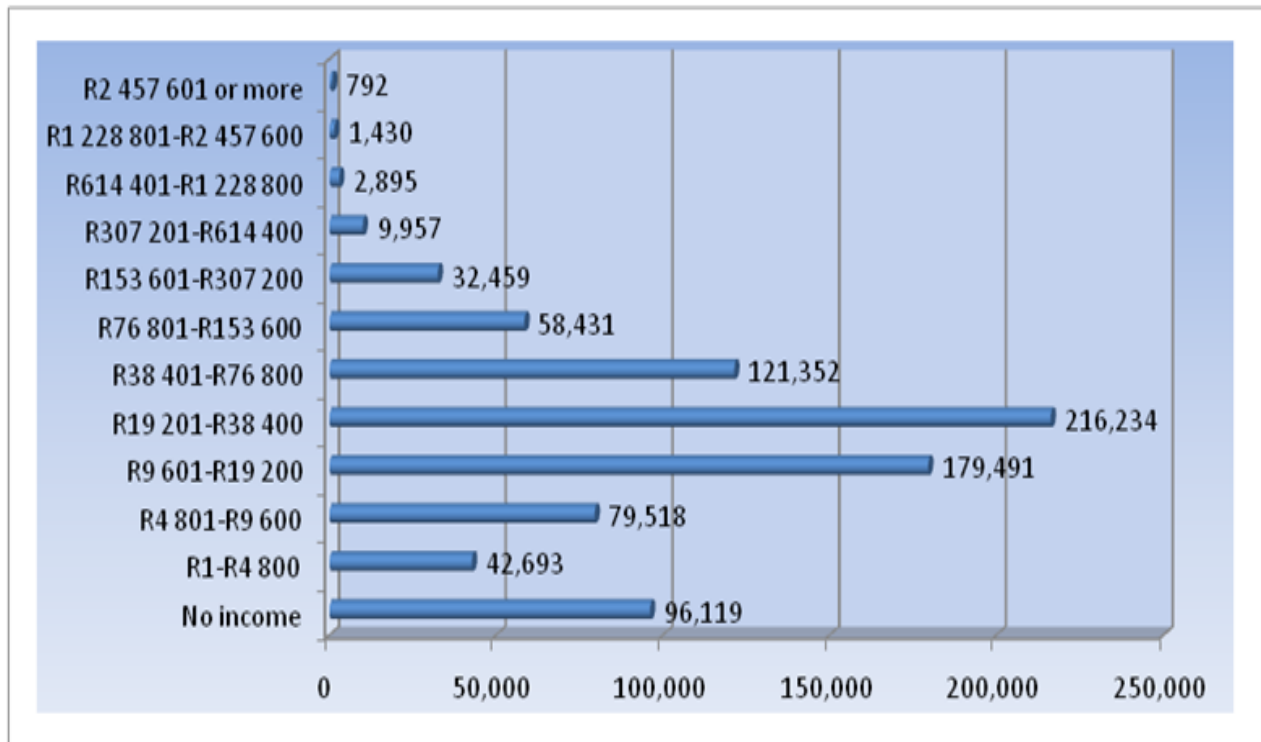
General Household Survey, July 2009

Social grants benefit approximately 28.3 per cent of individuals in South Africa. The majority of grant beneficiaries are African (31.6 per cent), followed by coloured 21.8 per cent and Indian/Asian 14.6 per cent population groups. Only 9.8 per cent of the white population receives grants. Figure 12 illustrates the percentage of individuals and households that benefited from social grants during 2009. Nationally 45.8 per cent of households received at least one grant. The provinces with the highest proportion of grant beneficiaries were Limpopo (59.4 per cent) and Eastern Cape (56.8 per cent). North West accounts for 48.6 per cent.

**Table 15: Income Distribution by Provinces, 2007**

Expenditure category	Thousands									
	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Total	1 478	1 738	311	861	2 615	954	3 531	978	1 346	13 812
R0	8	12	3	5	13	7	7	4	6	67
R1 - R199	15	57	8	38	44	28	62	23	56	330
R200 - R399	61	160	19	84	193	89	217	130	206	1 158
R400 - R799	148	395	71	150	490	227	493	277	449	2 700
R800 - R1 199	176	359	54	125	542	191	459	184	236	2 326
R1 200 - R1 799	164	235	42	109	369	121	447	102	113	1 702
R1 800 - R2 499	152	151	27	75	279	70	362	54	57	1 228
R2 500 - R4 999	265	166	34	91	271	87	437	67	72	1 489
R5 000 - R9 999	234	97	23	81	228	73	421	71	51	1 278
R10 000 or more	162	40	18	52	95	32	480	21	26	926
Do not know	53	17	*	6	5	7	15	5	5	114
Refuse	10	*	*	*	7	*	13	*	0	40
Unspecified	30	44	10	44	79	21	117	39	70	455

Figure 14: Incomedistribution: North West, 2007



Source: Statssa 2007 Community Survey

Table 16: Labour Force Statistics: North West and other Provinces, 2011

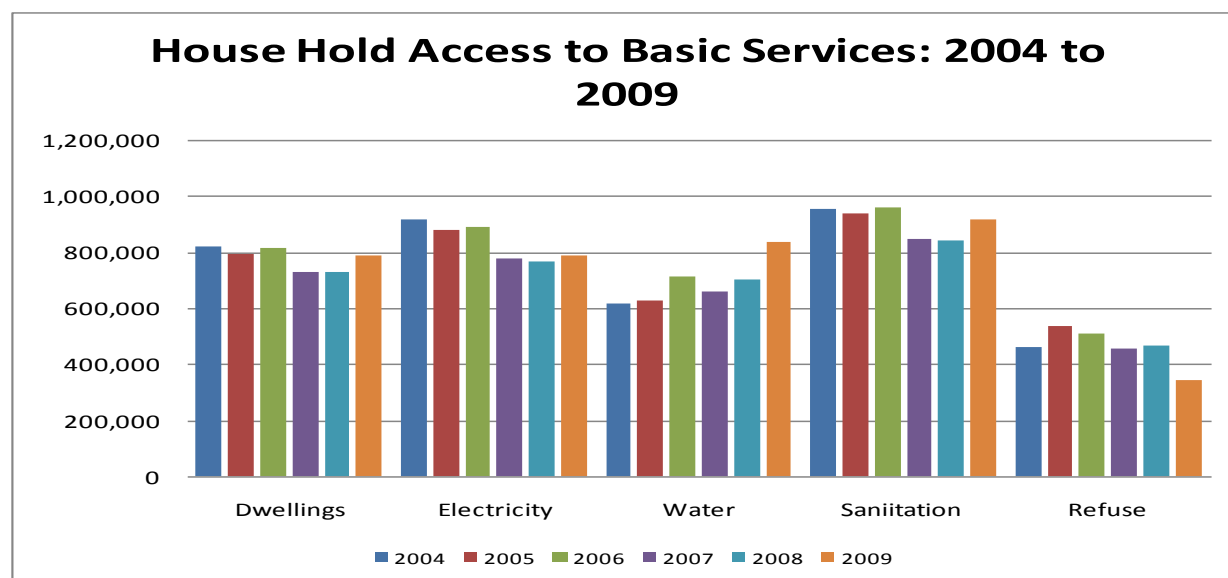
	SA (Thousand)	North West	SA (Thousand)	North West
	3rd Quarter 2011		4th Quarter 2011	
Population (15-64 yrs)	32 555	2 043	32 670	2049
Labour force	17 761	952	17 741	928
Employed	13 318	680	13 497	700
Unemployed	4 442	272	4 244	228
Not economically Active	14 795	1 091	14 929	1121
Unemployment rate	25,0	28,6	23,9	24,6
Employed/population ratio (absorption)	40,9	33,3	41,3	34,2
Labour force participation rate	54,6	46,6	54,3	45,3

## 1.2 Socio-economic indicators

Economic growth over the past few years has delivered real benefits for the majority of South Africans. Rapid growth in public spending and household welfare gains improved marginally over the medium term (MTBPS, 2007). Regardless of the improvements, great social and economic challenges still remain. The dawn of the economic downturn worsen the situation where North West still experience poverty and unemployment.

The data from the recent household survey has been used to indicate the quality of life of the provincial households. Socio-economic factors such as water, electricity and pipe latrines have been covered to determine the improvement of the province in terms of service delivery.

Figure 15: Household Access to Basic Services: North West: 2004-2009



## Access to Basic Services

Access to basic social services plays a significant role in determining the well-being of individuals. Services such as access to clean water and sanitation are particularly important, as these services are closely associated with the health status of households, particularly young children above indicates the level of provision of services by the Province to the citizens.

**Table 17: North West Perspective: Budget and Expenditure for Housing- Financial Year 2004/05 - 2010/11 February**

Year	No. of Units	Main App	Adjusted	Expenditure	% Spending Main APP	% Spending Adjusted
2004/05	6870	429,858	532,129	371,014	86%	70%
2005/06	14825	467,880	609,795	607,796	130%	100%
2006/07	21578	613,405	699,915	696,483	114%	100%
2007/08	7470	766,806	875,178	785,516	102%	90%
2008/09	15685	896,102	1,004,125	952,024	106%	95%
2009/10	16557	1,100,055	1,100,055	1,099,809	100%	100%
2010/11	14274	1,288,770	1,188,973	873,365	68%	73%
Total	97,259	5,562,876	6,010,170	5,386,007	97%	90%

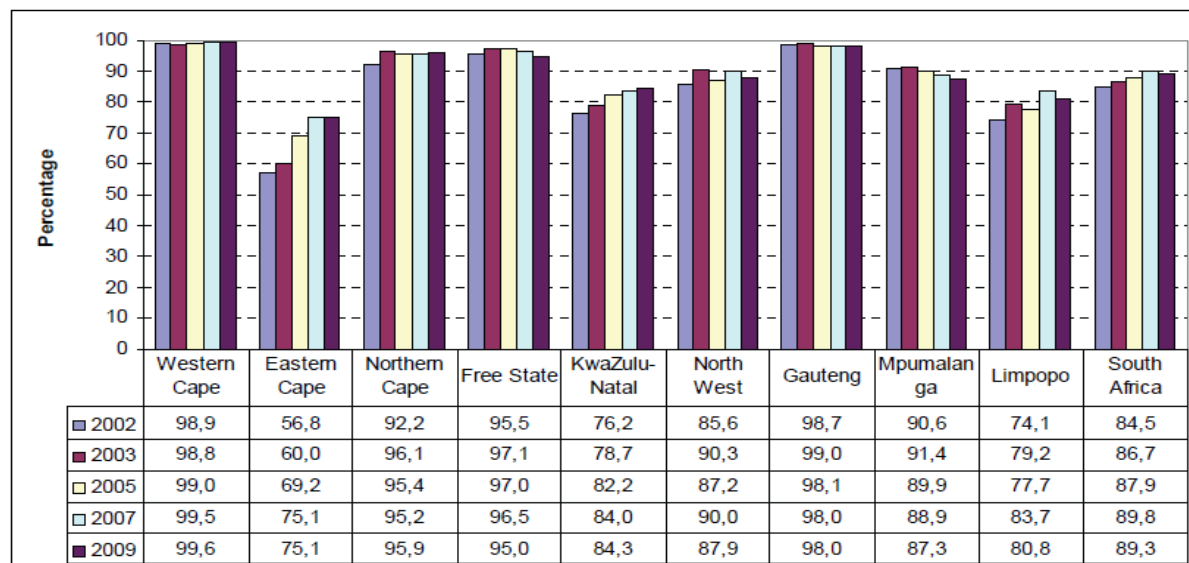
Over a period of 7 years the province has been able to build 97,259 units.

**Table 18: April- October: Housing Delivery per Region, 2011**

	VIPS	Serv	Found	Wallpl	Compl
1st Quarter	2550	2616	3214	3495	3721
2nd Quarter	2459	2371	3830	3214	4944
3rd Quarter	1746	2433	3648	3839	3930
4th Quarter	83	944	513	702	762
January	83	944	513	702	762
Bojanala	83	0	117	185	185
Kenneth Kaunda			140	94	77
Ngaka Modiri Molema		944	105	202	210
Ruth Mompoti			151	221	290
<b>Grand Total</b>	<b>6838</b>	<b>8364</b>	<b>11205</b>	<b>11250</b>	<b>13357</b>

For the period ending October 2011, regional data indicated that 13, 357 have been completed.

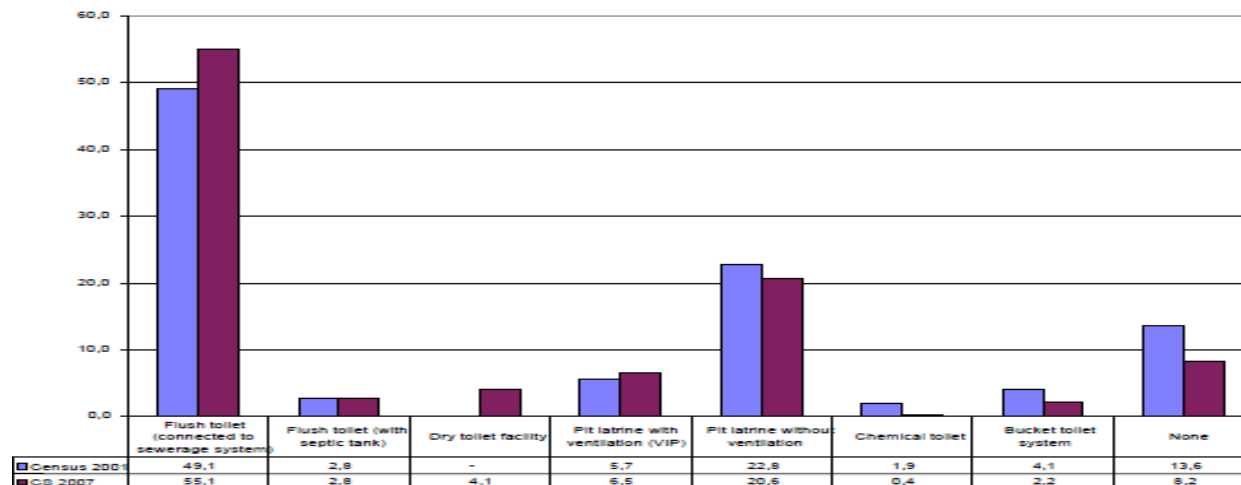
**Figure 16: Percentage of households with access to piped or tap water in the dwelling, off-site or on-site by province, 2002-2009**



### Piped water in the dwelling ("Water")

Figure 16 shows that the percentage of households with access to piped water has increased in all the nine provinces. Western Cape is the province with the highest percentage (99.6 per cent) of households with access to piped water, followed by Gauteng and Free State with 98 per cent and 95 per cent respectively. The percentage of households that have access to piped water in Eastern Cape, KwaZulu-Natal and Limpopo is below the national average. Comparing Free State at 95.05 per cent and Northern Cape at 95.9 per cent, North West is the fifth highest at 87.9 per cent of household with access to clean pipe water when compared with Eastern Cape 75.1 per cent and Mpumalanga at 80.8 per cent. As at the end of March 2010/11, 680 308 of 917 393 the North West households were provided access to water.

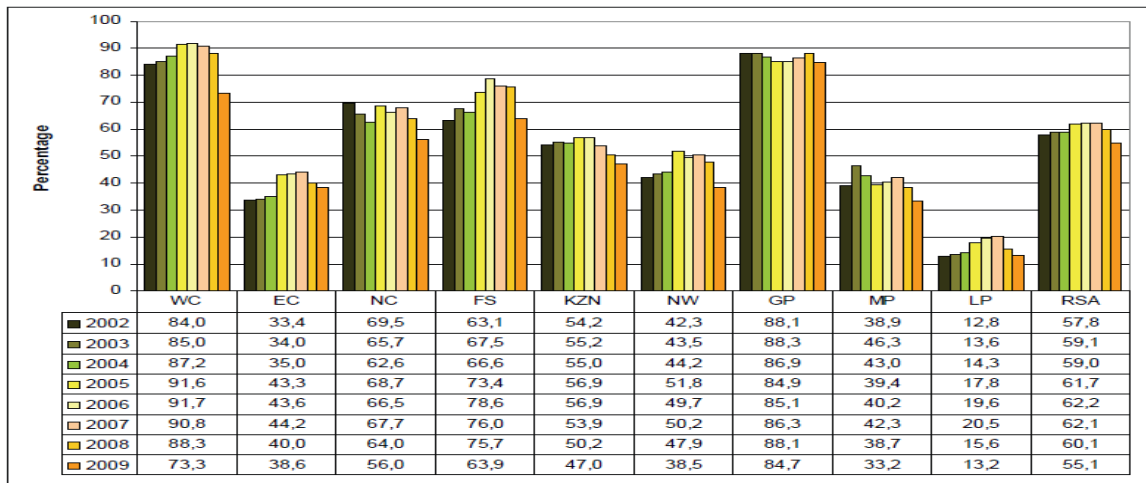
Figure 17: Percentage distribution of households by type of toilet facility



## Flushed toilet or chemical toilet (“Flushed toilet”)

Having access to flush toilets that are in or near the house and which dispose of waste safely is used as a proxy for adequate basic sanitation. While access to flush toilets has generally improved for the general population over the years, children have been consistently less likely to live in households with flush toilets than the general population. As at the end of March 2011 access to sanitation for the households, North West Province was 436 354.

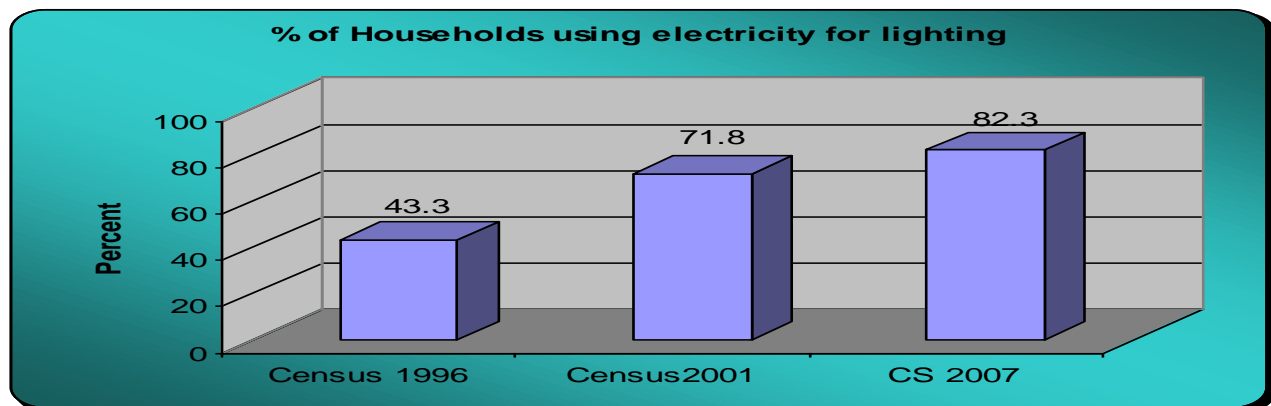
**Figure 18: Percentage of households whose refuse is removed by the municipality by province, 2002-2009**



## Refuse removal by local authority at least once a week (“Refuse”)

The percentage of households for which refuse is removed by the municipality is used as an indicator of environmental cleanliness. With North West a significant drop has been experienced at 38.5 per cent when compared with 42.3 per cent in 2002.

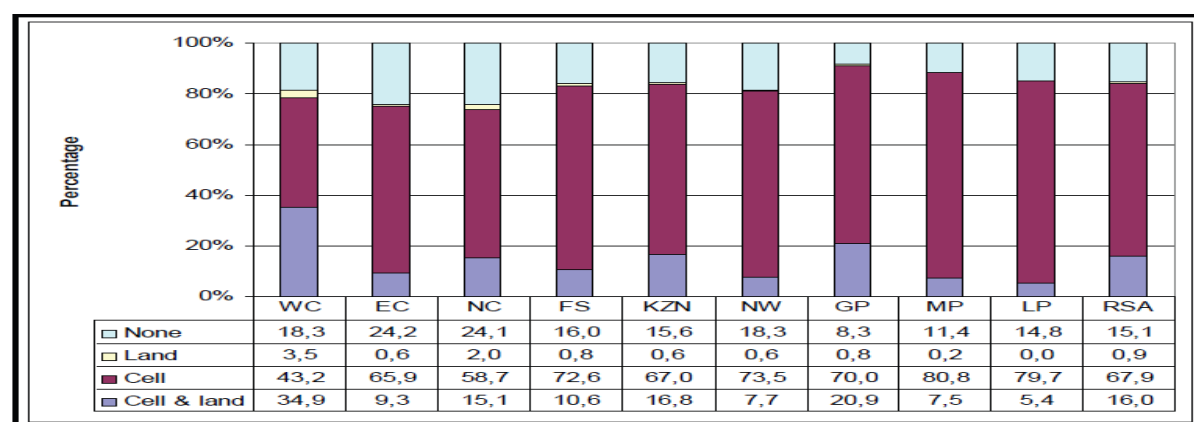
**Figure 19: Percentage of Households using electricity for lighting. Source: StatsSA, 2007**



## Electricity

Sustained efforts with regard to electrification have improved and the percentage of households with access to electricity has increased steadily over the past 8 years. The national average for households using electricity is 80.0 per cent in 2007 while North West has a higher percentage of households using electricity (82.3 per cent) for cooking than the national average.

**Figure 20: Telephone in the dwelling/ cellular phone, 2009**



## Telephone in the dwelling/ cellular phone (“Telephone”)

The percentage of South Africans having access to landlines or cell phones at home has increased enormously over the past years, increasing from 40.6 per cent in 2002 to 92.9 per cent in 2010. The growth seems to have been relatively uniform across all households and very little difference can be discerned between access by children and the population as a whole. Statistics have shown 9.3 per cent of all households had access to the Internet in 2009 compared to 5 per cent in 2005.

Households with no access to any phone services were mainly found in Eastern Cape (24.2 per cent), Northern Cape (24.1 per cent), Western Cape (18.3 per cent) and North West (18.3 per cent). The provinces with the highest percentages of households using only cellular phones in their dwelling were: Mpumalanga (80.8 per cent), Limpopo (79.7 per cent), North West (73.5 per cent) and Free State (72.6 per cent).

## 1.3 Economic Profile

This section reflects the economic profile of the province such as gross geographic product and the level of investment. Aspects such as the new direct investment both local and foreign expected per sector have been covered as well as the envisaged job opportunities.

The focus of the 2012 budget is amongst others to include an economic support package aiming at strengthening the medium term recovery and giving impetus to the longer term structural shifts required for faster growth and development. From National perspective more focus will be on enhancing the competitiveness of manufacturing, accessing new and emerging markets, continued investments in network infrastructure and identified industrial developing zones, enhanced regional integration, environmental initiatives, and targeted support for low wage sectors and enterprise.



## North West Economic Perspective

The North West Province is ranked number seven in terms of population size. In terms of the overall contribution to GDP is ranked number 5.

**Table 19: Contribution to GDP**

Description	SA	North West Province
GDP at Current prices	R 2 661 435	R 177,075
GDP at Constant prices (2005)	R 1 838 264	R 112 006
Current prices - percentage contributions to SA	100%	6,7%
Real annual economic growth rate per region: 2010	2,9%	2,7%

The discussion will also focus on the three economic factors that largely contribute to the economy of the North West which are agriculture, mining and manufacturing. Apart from these, tourism is also one of the sectors that boost the economy of the Province. The North West Province is one of the country's maize farming areas, producing about one third of the country's maize crop. This forms an integral part of the Northwest economy. It contributed to approximately 8 per cent of the country's Gross Domestic Product (GDP) in the agriculture sector and approximately 7 per cent to the country's employment in the agriculture sector during 2008. The agriculture sector contributed to approximately 4 per cent of the North West Provinces' GDP and 7 per cent of formal employment in the North West Province.

## Level of Investments

For the economy of the Province to grow above the national average, the private sector investments should be double the public sector investment portion moving forward. In order to attract this level of investment, particularly from the private sector, an attractive, stable environment needs to be created. As such more attention needs to be given to areas such as aspects such as crime prevention, provision of infrastructure services, including roads, water, energy or electricity. The government should proactively identify development projects and provide conducive environment for private sector investments.

- **Agricultural Sector**

This sub section provides a trade analysis of imports and exports in the agriculture sector. Less than 4 per cent of all agricultural enterprises surveyed in the Province obtain some of their materials or input stock through imports. This shows that inputs required by agricultural enterprises are mostly available locally and that the agriculture sector makes use of local resources and inputs. This shows that the agriculture sector is not reliant on other countries for their input requirements.

The North West Province is the main contributor to the country maize production and currently produces about one third of the country's maize crop. Agriculture forms an integral part of the Northwest economy. It contributed to approximately 8 per cent of the country's Gross Domestic Product (GDP) in the agriculture sector and approximately 8 per cent to the country's employment in the agriculture sector during 2008. The agriculture sector contributed to approximately 4 per cent of the North West Provinces' GDP and 7 per cent of formal employment in the North West Province during 2008.

The most popular type of farming in the Province is livestock (cattle) and crop (maize and sunflower) farming. Other secondary agricultural activities identified from the agricultural are animal feed, maize farming, cattle farming, chicken farming and dairy products.

Regardless of the present adverse conditions, most agricultural businesses expect to record turnover and employment increases in years to come. More than a quarter of importing and exporting agricultural enterprises are however expecting decreases in both imports and exports.

- **Mining Sector**

South Africa holds approximately 70 per cent of the world's platinum supply and reserves, which is expected to be sufficient for the next thousand years at current consumption rates. The North West mining sector produces more than 50 per cent of the world's platinum, uranium and related chrome. Furthermore, the province's mineral resources are also endowed with granite, limestone, vanadium, slate, nickel and Cobalt, silica, manganese, fluorspar, phosphate, lead and zinc, and dimension stone. Quarrying activities include granite, slate, dolomite, gravel and aggregates. This diversity of minerals is regarded as an economic advantage as other mining sub-sectors are relatively underdeveloped.

The North West Province is one of the country's major mining areas. The mining sector of the North West Province contributed to approximately 26 per cent of the country's mining sector Gross Domestic Product (GDP) in 2008 and was responsible for more than half (52 per cent) of the country's formal mining sector employment. The economic importance of the North West mining sector to the South African economy is clearly significant.

Within the North West Province, the mining sector is also a key contributing sector and represents the largest sector in the North West Province. Mining contributed to approximately 38 per cent of GDP and 30 per cent of formal employment in the North West Province during 2008. The main mining activities in the area are gold, diamond, and platinum.

Since the main mining activities in the area are gold, diamond, and platinum, the provincial economy is largely dependent on the demand for the minerals created by the foreign countries and fluctuation of the commodity prices. The mining sector, an export-based sector, is thus feeling the impact of the economic crises. Due to the unfavorable or uncertainty on the economic landscape, large commodity producers are cutting back on output while smaller miners are struggling to survive. This has meant that the mining sector has also been exposed to the drying up of finance, volatile commodity prices and retrenchments.

### **Manufacturing Sector**

Manufacturing is defined as the physical or chemical transformation of materials or components into new products, whether the work is performed by power-driven machines or by hand, whether it is done in a factory or in the worker's home and whether the products are sold wholesale or retail. The manufacturing sector provides a focus for stimulating the growth of other activities, such as services, and achieving specific outcomes, such as employment creation and economic empowerment. This platform of manufacturing presents an opportunity to significantly accelerate the Province's growth and development.

Approximately 85 per cent of products manufactured within the North West Province is sold within the Province. Some of the secondary activities of the manufacturing industries in the North West Province are dominated by the following sub-industries that can create jobs in the medium and long term

- Agro processing: Abattoir, juice manufacturers, maize and sorghum milling, processing of dairy products, production of spices, etc
- Agriculture packaging material manufacturing
- Bakery / confectionery
- Bio chemical/ cleaning materials manufacturing
- Bricks manufacturing
- Clothes manufacturing, tailoring and sewing
- Furniture manufacturing and timber treatments
- Hand crafting

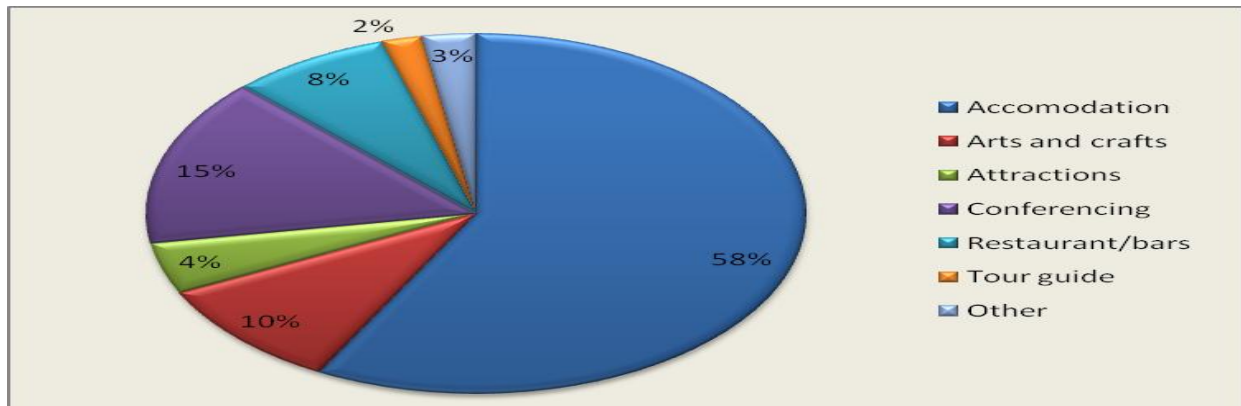
## Tourism Sector

The province has a favourable geographic location close to Gauteng, as well as ecotourism potential and is one of the most visited Provinces in South Africa.

The main tourism corridors are: Hartbeespoort-Rustenburg-Sun City-Madikwe Game Reserve, Hartbeespoort-Rustenburg-Zeerust-Mafikeng-Lehurutshe and Gauteng-Potchefstroom-Klerksdorp-Wolmaransstad-Bloemhof

Key tourist attractions in the Northwest are: casino and leisure resorts of Sun City and The Lost City, Magaliesberg wilderness area, Pilanesberg National Park and game reserves at Madikwe

**Figure 21: Percentage distribution of type of tourism activities**



More than half (58per cent) of the establishments are accommodation, followed by conferencing (15per cent), arts and crafts (10per cent), restaurant/bards (8per cent), attractions (4per cent), and tour guides (2per cent) and other types of secondary activities such as tourism promoters, suppliers and non-profit tourism organizations.

**Table 22: Gross Geographic Product by Sector**

Sector	Number of employees - SA	Gross earning
<b>All formal Non-Agricultural industries</b>	8 289 000	324 273 000
<i>Mining and quarrying industries</i>	515 000	20 278 000
<i>Manufacturing factories</i>	1 152 000	40 304 000
<i>Electricity, gas and water supply</i>	59 000	4 373
<i>Construction industry</i>	416 000	11 803 000
<i>Wholesale and retail trade</i>	1 654 000	42 689 000
<i>Transport, storage and communication</i>	356 000	19 123 000
<i>Financial intermediation, insurance, real estate and business services</i>	1 820 000	78 281 000
<i>Community, social and personal services</i>	2 324 000	107 422 000

The table above indicates the number of employees employed within the sectors.

## 2. Budget Strategy andAggregates

### 2.1 Introduction

This section set out the provincial government's main strategic policy direction underlying the budget and alignment to Medium Term Strategic Framework, New Growth Path, Outcome Based Approach, National and Provincial Priorities. To implement the provincial development agenda, the province proceed from a premise funding of the priorities should inform the allocation and as such budget should give expression to the key programmes in line with agreed priorities.

### National Policy for the Medium Term: 2012/13

The 2012 MTEF is marked by moderate growth in overall expenditure taking into account the uncertainty over the global and national economic outlook and the need to begin rebuilding fiscal space (MTBPS, 2011). Emphasis is placed on expanding infrastructure, investment and job creation, while maintaining real growth on social development priorities.

The National and provincial budget process are intertwined but runs parallel. National priorities set the context for provincial and local government priorities which find expression in the provincial and local budgets. The following are the broad national priorities for the 2012 MTEF budget period, They are;

- **Job creation**

Government will continue to promote an environment conducive to private sector growth and investment to generate employment.

- **Social Services**

*Education and related functions* - Government recognizes the need to improve the quality of education at all levels, enhancing skills base and contributing to a proactive labour force.

*Health* - Government's medium term priorities include increasing life expectancy, decreasing maternal and child mortality and combating HIV and AIDS through strengthening the effectiveness of the health system

*Social Security* - Social assistance and welfare services are effective redistributive and poverty- reduction measures. Social Welfare supports about 15.2 million households. The grant have been expanded raising the threshold for the child support grant to a child's 18<sup>th</sup> birthday and equalizing the eligibility age for the old age grant for men and women at age 60. Access to early childhood development services will be expanded and home and community based care and protection will be given additional support.

- **Basic Household services**

Local Government provides a basic level of water, sanitation and energy free of charge to low income households. Improved provisioning of basic household service will continue over the medium term, and at the same time municipalities need to collect revenue from households that can afford to pay for such service.

- **Infrastructure and economic development**

The government is shifting the composition of spending to support higher levels of capital expenditure. Such investment will promote economic growth and job creation and support an enabling environment for further investment by the private sector. Eradication backlogs in basic services and housing and improving provision of services by local government will receive greater attention.

*Economic infrastructure* - targeted investments support an expansion of capacity in electricity, roads, rail water and telecommunication

*Human settlements and community amenities* - eradicating backlogs in basic services and housing, and improving the provision of services by the local government

*Agriculture and rural development* - Government is working to expand food production and support rural development.

## **Main Policy Decisions**

The budget strategy and aggregates are aligned to the issues raised in the President State of Nation Address and Premier's State of Provincial Address in line with agreed funding proposals linked to the national and provincial priorities. As pronounced by the President there has been a steady progress in the medium term review in various areas of health, education, fight against crime, human settlements, energy, water provision rural development and others. In His recent address of the 9 February 2012, the President pronounced on following priorities, namely;

- Health and basic education infrastructure
- Information and communication technologies
- Regional integration
- Continue to eliminate poverty and inequality

In addition, a lot has to be done in eliminating poverty and inequalities. Social infrastructure projects were also put in the forefront aiming at laying the basis for the National Health Insurance systems such as refurbishment of hospitals and nurses homes. The President further announced that the North West province will benefit from the greater focus on infrastructure connected to mining and mineral beneficiation.

Expansion and rolling out of water, roads, rail and electricity infrastructure will be given attention in Province and National would assist with the upgrading ten priority roads which would contribute to the creation of job and reduction to poverty. Nationally, the infrastructure plan will be driven and overseen by the Presidential Infrastructure Coordination Commission (PICC).

### *Premier's Address in line with the State of the Nation's Address issued by the President*

Flowing from the State of Nation Address, the Premier welcomed and fully supported key priorities as mentioned as well as the key job drivers of the 2010 New Growth Path. The Premier committed the Province to the addressing the following priority areas:

- Infrastructure development
- Improving the quality of education
- Long and healthy life for all
- Safety and security for all
- Economic growth that translates in to work and improved living standards
- Efficient and effective Local Government

Lot has to be done in the province to ensure that the desired service delivery is attained to meet the needs of the people of North West Province. The province is still faced with a huge backlog on roads construction, however, for the 2012 MTEF period the province will start building 10 roads as part of its infrastructure development. To accelerate infrastructure 10 162 new electricity connections will be made in 2011/12 financial year and for the next five years ESKOM has put aside R10.85 billion for electricity infrastructure. Other basic services such as water and sanitation would continue to receive attention.

The following infrastructure projects would be implemented with the 2012 MTEF budget:

- Hospital Revitalization Grant will be utilized to upgrade Lichtenburg Hospital and some of the nursing colleges such as Taung, Moses Kotane, Mmabatho, Excelsius, Potchefstroom will receive attention.
- In relation to Clinics, Buxton, Tweelingspan and Moshana will be refurbished
- Four (4) Community Health Centres will be constructed at Shiking, Maquassi Hills, Mathibestad and Joubertina.
- Taung which is a major labour sending area will benefit from R3.5 billion set aside for project Alchemy
- The province has established a fund for critical services such as water, water purification and sanitation. In this regard, Morokweng and Bojanala will benefit. The project will be a joint venture with the National Department of Water Affairs.
- Libraries and recreational centres will be constructed at Lomanyaneng, Mafikeng, Lichtenburg and Schweizer Reneke

## **2.2 Alignment of Provincial Budgets to Achieve Government Prescribed Outcome**

In an effort to aligning provincial budgets to government's prescribed outcomes and notwithstanding the reduction to the equitable share, the Provincial Treasury took a fully implementing the Cost Reduction Measures as well as the embarked on the two reprioritization. These two approaches yielded some positive results whereby some savings were realized and therefore redirected to key frontline services. The following departments were involved;

### **Outcome No 1: Improved Quality of Basic Education-Responsible Department- Basic Education**

An amount of R320 million in 2013, and R335 million in 2014/15 were allocated for LTSM and workbooks

National allocation of R29.9 million in 2013/14 and R55.7 million in 2014/15 for expansion of no fee schools as well as an amount of R44.3 million in 2013/14 and R70.4 million in 2014/15 for Universalisation of Grade R were allocated as such.

### **Outcome no 2: A long healthy life for South Africans - Responsible Department - Health**

Health has been allocated an amount of R50 million in 2012/13, R113 Million in 2013/14 and R55 in the last year of the MTEF. This was an attempt to improve the department's low base funding for better service delivery.

### **Outcome No 3: All people in South Africa are and feel safe - Responsible Department- Public Safety and Liaison Branch**

An amount of R10 million in 2012, R10.5 million in 2013 and R11.2 million in 2014/15 respectively were raised to enable this department to implement the 24 hrs shift for law enforcement.

### **Outcome No 4: Decent Employment through inclusive economic growth - Responsible Department- Economic Development, Environment, Conservation and Tourism**

An amount of R22 million in 2012, R23 million in 2013 and R24 million in 2014 were allocated to support economic development projects. Apart from that, R25 million in 2012, R23 million in 2013 and R24 million in 2014 were also set aside to fund economic development initiatives in order to accelerate economic development within the North West Province.

To continue steering the economic infrastructure projects an amount of R16 million in 2013 and R21.6 million for MIDZ has been allocated in the two outer years of the MTEF. Light Industrial Park programme also received a budget of R10.5 million in 2012, R11.0 million in 2013 and R11.6 million in 2014 respectively.

**Outcome No 5: A skilled and capable workforce to support an inclusive Growth Path. Responsible - Department(s) - All Provincial Departments**

In support to delivering effective service delivery mandates strengthening capacity in core programmes is fundamental. The following departments benefitted

- Department of Finance– MFMA Programmes received R15.8 million over the three years of the MTEF.
- Office of the Premier- Establishment of Planning Commission and Monitoring and evaluation received an amount of R33.2 million over the three years of the MTEF.
- Department of Human Settlements, Public Safety and Liaison- Law Enforcement Unit, received R31.7 million over the MTEF period (also covered in outcome 3 above).
- Department of Human Settlements, Public Safety and Liaison (Human Settlement Sector) - The Branch received an amount of R26 million over the three years of the MTEF period to absorb North West Housing Corporation staff in order to strengthen their oversight role on housing projects
- Department of Economic Development, Environment, Conservation and Tourism- This department received an amount of R17 million over the next three years of the MTEF in order to support and strengthen the environment and conservation function.

**Outcome No 6: An efficient effective, competitive and responsive economic infrastructure network - Responsible Department - Social Development, Women, Children and Persons with Disabilities**

Through reprioritization and realignment processes, the department of Social Development was allocated a constant amount of R30 million over the three years of the MTEF in order deal with infrastructure issues.

**Outcome No 8: Sustainable Human Settlements and improved quality of household life - Responsible Department- Human Settlements Branch**

The department is funded mainly through conditional grant. The department has received R 1 050 933 billion in 2012, R1 068 406 billion in 2013 and R1 089 904 billion in 2014. With the allocated budget of R1 050 billion, the department is planning to build 11634 housing units.

**Outcome No 9: A responsive, accountable, effective and efficient local government system - Responsible Department- Local Government and Traditional Affairs**

Through the process of reprioritization within the department, an amount of R30 million was redirected towards the operation of the planned Disaster Management Centre, strengthening capacity in areas of risk management and Traditional leadership Disputes commission.



## Funded Priorities in the 2012/13 Medium Term

### Department of Education

- **Expansion of no-fee schools**

According to National policy of 2007, schools in quintile 1 and 2 were declared no fee schools. Similar policy was extended to quintile 3 in 2010 so that the poorest 60 per cent of learners are in no fee schools. This initiative has led to better resourcing of schools in the poorest communities. To provide for the progressive equalization of per learner subsidies paid at school in quintile 1-3, budget allocation of R29.9 million in 2013/14 and R55.7 million in 2014/15 respectively was allocated.

- **Universalization of Grade R**

Improving access to a quality Grade R programme is critical to improve the quality of basic education as identified in "Action Plan 2014" education's medium term strategy. Therefore an amount R44.3 million in 2013/14 and R70.4 million was allocated.

- **Education Infrastructure**

School Infrastructure grant was introduced in 2011 Division of Revenue as a high impact short term grant for three years. The overall total provision for infrastructure, including the provincial top up is R605 million in 2012/13, R628 million in 2013/14 and R647 million in 2014/15.

- **Occupational Specific Dispensation for Educators**

Included in the baseline of 2010/11 and 2011/12 respectively, the carry through effect of OSD for phase 1 and 2 was provided in 2012/13 MTEF. The amounts equaled R332 million in first year, R376 million in 2013/14 and R377 million in 2014/15 respectively.

- **Security at Schools**

It is fundamental to ensure safety at schools. Therefore, an amount of R5.3 million in 2012/13, R5.5 million in 2013/14 and R5.8 million were availed.

### Department of Health

- **Occupational specific Dispensation for Medical Professionals**

The health professional review was introduced in 2007 MTEF, through a phase-in implementation. The remuneration review targeted various categories of health professionals such as professional nurses, doctors, dentists, pharmacists and therapists. The Provincial Treasury has been in a position to provide the carry through effect even in 2012/13 MTEF budgets. The amounts involved equaled R355 million in the first year, R379 million in 2013/14 and R399 million in 2014/15.

- **Security in Hospitals**

To ensure safety in Hospital and Clinics, the provincial treasury continued to provide funding, although the allocation is not adequate enough due to financial constraints. An amount of R16.6 million was provided in the baseline over the three year's period of the MTEF.

- **Adjustment to the baselines**

In an attempt to improve the funding levels of this department, an amount of R218 million was provided over the three years of the MTEF. It was left to the discretion of the department to employ funding on areas where most needed.

- **Pharmaceuticals**

In an attempt to improve funding on medicines and medical supplies which its prices escalate due to amongst others the increase of interest rates, unpredictable intake of HIV/AIDS patients that consume expensive drugs and other factors, funding in 2012/13 is R622 million, R740 million in 2013/14 and R835 million in 2014/15.

- **Health Infrastructure**

The department has a strategic objective of ensuring effective mobilization of infrastructure to support primary health care as well as effective utilization of Hospitalization Revitalization funding and health infrastructure grant. Therefore a total allocation of R605 million in 2012/13, R655 million in 2013/14 and R681 million in 2014/15 was injected.

### **Department of Social Development, Women, Children and Persons with Disabilities**

- **Child and Youth Care and Victim Empowerment**

There has been a need nationally to increase the subsidies paid to non- profit organizations providing early childhood care to 0-4 year olds. Overwhelming evidence revealed that the cognitive and emotional development gained through participation in early childhood care improves learning and attention at school. Therefore, the allocation of R45.7 million in 2013/14 and R49.2 million in 2014/15 respectively is intended to improve subsidy to approved early childhood care service providers of R15 per child per day for 264 days. Subsidy will also assist to provide improved nutrition, maintain facilities and for victim empowerment programmes.

- **Adjustment to infrastructure**

In an effort to assist the department complying with National Acts, such as, the Prevention and Treatment of Drug Dependency, Disability and Older Persons Act, the Provincial Treasury has made available R72.7 million over the MTEF to erect the required structures. Maintenance budget of R24 million and a new allocation of R30 million over the MTEF period was provided to enable the department to meet some of its infrastructure mandates.

### **Department of Public Works, Roads and Transport**

- **Roads Infrastructure**

Investments in roads are a long term investments in the growth of the economy. It provides economic growth by opening marginalized areas for social development, business opportunities and accessibility to the market. An amount of R862 million in 2012/13, R1 024 billion in 2013/14 and R1 032 billion in 2014/15 is provided.

Furthermore, an amount of R50 000 million for the first two years of the MTEF has been reserved in the Public Work's budget for the National Key Points and refurbishments of the Legislature. Earmarked funds for flood repairs to the tune of R26.943 million have been set aside to maintain the damaged roads as a result of heavy rain falls.

- **Public Works**

The provincial administration is also experiencing acute shortage of office accommodation. Therefore an amount of R285 million over the MTEF has been provided for new government offices. Apart from that an amount of R99. 5 million has been injected over the three years of the MTEF to deal with rehabilitation and refurbishing of existing government building. Routine and major repairs of government building is also fundamental, on that score an amount of R240.8 million was made available over the MTEF periods

Development of emerging contractors is also key. They need to be supported and developed through training, therefore an amount of R95 million has been made available over the three years of the MTEF

EPWP Incentive Grant has been funded whose aim is to assist in job creation received an allocation of R6 444 million in the first year of the MTEF. An amount of R72 million over the three years has also been injected to assist in upgrading of government buildings and additions.

- **Scholar/ Learner Transport**

The Provincial Treasury has been in a position to restore the baseline of the department by keeping in the base an amount of R200 million in 2012/13, R211 million in 2013/14 and R222 million in 2014/15 being funds allocated for learner transport

## **Department of Agriculture and Rural Development**

Agriculture is one of the key sectors that advances the economic growth and development of the province. A quarter of departmental allocation comprises of conditional grants estimated at R213 million in 2012/13, R224 million in 2013/14 and R233 million in 2014/15.

The department has also received an amount of R15 million over the three years of the MTEF as earmarked funds for flood repairs carried against Comprehensive Agricultural Support Programme.

### *Water and Sources of Energy*

Scarcity of water and energy has been a serious challenge in the province for some years. The province has decided to address this challenge by providing an amount of R 328 million for this priority over the MTEF to deal with this matter.

## **Decision on Infrastructure Investment and Development Spending: NW Province-**

### **Infrastructure Funding**

Infrastructure contributes the development of a better quality of life for individuals and should therefore be regarded as the backbone for development. For the North West to become an attractive investment destination, quality economic infrastructure provision should be prioritized. It is observed that physical infrastructure delivery in the North West has slowed down considerably with some positive development only in the field of social infrastructure delivery.

Regardless of the negative financial impact that was occasioned by the annual revision of data and the revision of the equitable formula of the health component, the province is still experiencing slow spending on infrastructure in some of the departments. The overall expenditure registered was 65 per cent as at January 2012. The main contributors to slow spending have been the ineffective project management. There has been an improvement in building the necessary capacity by appointing more Technical Assistants. National Treasury has decided to distribute infrastructure funding for Health, Education and Roads and to gazette the project. This initiative is intended to improve transparency, accountability and oversight which is lacking in these departments.

## **2.3 Summary of Budget Aggregates**

### **2.3.1 Introduction**

This section includes general discussions on the total provincial receipts with reference to growth rates, real growth rates and comparisons thereof. Apart from that, a brief description on changes between the estimates receipts for the 2012 financial year and the receipts over the MTEF has been clearly illustrated

below. The province has lost an amount of R169.8 million in 2012, R360.9 million in 2013/14 and R433.6 million in 2014/15 due to annual data revision in the main.

### 2.3.2 Provincial Revenue and Expenditure

#### Revenue Outlook

The overall budget for the province in 2012/13 is R26 271 billion representing an increase of R1 235 million or 4.7 per cent as compared with the adjustment budget of R25 036 billion in 2011/12. The revenue budget experienced a strongest growth at 10 per cent on own revenue, followed by a minimal growth on conditional grants at 3 per cent and equitable share at 5 per cent.

**Table 23: Revenue Outlook Percentage Share**

Receipts	2011/12	% Share	2012/13	% Share	2013/14	% Share	2014/15	% Share
(R'000)								
Transfers from National	24,384,148	97%	25 554 109	97%	27 288 684	97%	28 938 484	97%
Equitable Share	19,569,228	78%	20 614 831	78%	21 905 865	78%	23 214 536	78%
Conditional Grants	4,814,920	19%	4 939 278	19%	5 382 819	19%	5 723 948	19%
Own Revenue Collection	652,169	3%	717 607	3%	743 831	3%	784 400	3%
<b>Total</b>	<b>25,036,317</b>	<b>100%</b>	<b>26 271 716</b>	<b>100%</b>	<b>28 032 515</b>	<b>100%</b>	<b>29 722 884</b>	<b>100%</b>

**Table 24: Revenue Outlook: Percentage Change**

Receipts	2010/11	2011/12	% Growth	2012/13	% Growth	2013/14	% Growth	2014/15	% Growth
(R'000)									
Transfers from National	21,833,234	24,384,148	12%	25 554 109	5%	27 288 684	7%	28 938 484	6%
Equitable Share	17,667,951	19,569,228	11%	20 614 831	5%	21 905 865	6%	23 214 536	6%
Conditional Grants	4,165,283	4,814,920	16%	4 939 278	3%	5 382 819	9%	5 723 948	6%
Own Revenue Collection	597,310	652,169	9%	717 607	10%	743 831	4%	784 400	5%
<b>Total</b>	<b>22,430,544</b>	<b>25,036,317</b>	<b>12%</b>	<b>26 271 716</b>	<b>5%</b>	<b>28 032 515</b>	<b>7%</b>	<b>29 722 884</b>	<b>6%</b>

### 2.3.3 Sizes and resources of receipts to meet the prioritized objectives

Although, the economic outlook of South Africa and globally is uncertain, South Africa needs much faster and sustained growth over a decade or more in order to reduce poverty and unemployment in line with the objective set in the Growth Path. Provincially we have recorded minimal growth in terms of revenue collection.

The projected growth in departmental revenue collection for the 2012/13 financial year is around 10 per cent. The estimated growth for the two outer years is 3.6 and 5.5 per cent respectively. In monetary terms the province expect the provincial revenue to grow by R 65.4 million in 2012/13 financial year and by R 26.2 million and R40.5 million in the outer years respectively.

Around 86.4 per cent of the North West provincial own receipts is collected by five provincial departments, namely Public Safety and Liaison Branch, Public Works, Roads and Transport, Economic Development, Conservation, Environment and Tourism, Health and the Department of Finance.

The Department of Public Safety is required to collect 41.7 per cent of the expected provincial revenue and the projected growth expected in the budget for 2012/13 is 16 per cent. Motor Vehicle License Fee is expected to increase to 6 per cent.

## Overview of the Provincial Estimates of Revenue and Expenditure

The Department of Public Works, Roads and Transport is required to collect 29 per cent of the expected provincial revenue. The department has also adjusted the kilometer monies upwards in October 2011. This would yield more revenue for the department.

The Department of Economic Development, Environment, Conservation and Tourism is required to collect 12.7 per cent of the expected provincial revenue and the projected growth expected in the budget for 2012/13 is around 8.4 per cent. The growth has declined when compared with the increase of 19 per cent in the previous financial year mainly due to the North West Gambling Boards successes in cracking down on illegal gambling in the Province, the roll-out of 3 licences for Route Operators (LPM's) plus 1 Independent Site Operator and the granting of licences for 3 Bingo operators during 2010. The gambling tariffs have been increased in January 2011 and hopefully more collection will materialize.

The Department of Health is required to collect 7.7 per cent of the expected provincial revenue. The department also envisages collecting at least 14.2 per cent in 2012 regardless non payments of hospital fees by pensioners and disabled persons.

The Finance is required to collect 5.0 per cent of the expected provincial revenue and the projected collection is declining in 2012/13 by 14.8 per cent mainly due to the decentralization of the collection of commissions on insurance and garnishee deductions on employee salaries and a decline in expected interest earnings on surplus funds.

### Summary of budget aggregates

#### Provincial summary of Budget Aggregates

Provincial Summary of payments and estimates by Vote

R thousand	outcome			Main	Adjusted	Revised	Medium term estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
Office of the Premier	170 537	182 033	201 538	234 921	225 882	225 882	236 006	245 049	260 682
Provincial Legislature	119 431	152 961	155 145	151 659	166 341	166 341	165 310	173 953	184 300
Health	4 485 190	5 195 588	5 716 661	6 321 446	6 413 544	6 413 544	6 959 308	7 544 535	7 980 017
Sport, Arts and Culture	337 149	362 099	336 124	433 260	463 658	463 658	447 106	467 740	490 833
Human Settlements, Safety and Liaison (Public Safety and Liaison Branch)	298 550	295 497	341 528	350 132	351 831	351 831	378 712	395 173	420 382
Economic Development, Environment, Conservation and Tourism	394 789	423 144	403 010	455 850	458 042	458 042	426 944	463 748	496 605
Finance	249 364	258 308	268 652	331 782	324 195	324 195	371 924	429 722	465 962
Education and Training	7 178 647	8 390 520	9 102 300	10 261 488	10 424 055	10 424 055	10 872 212	11 447 629	12 197 628
Local Government and Traditional Affairs	275 226	286 727	313 435	317 085	329 998	329 998	332 164	346 630	368 726
Public Works, Roads and Transport	2 029 600	2 539 403	2 524 708	2 827 075	2 890 404	2 890 404	3 082 001	3 293 017	3 478 116
Social Development, Women, Children and Persons with Disabilities	540 097	614 089	747 018	882 196	897 196	897 196	949 701	1 029 267	1 091 756
Agriculture and Rural Development	559 068	555 280	616 609	758 835	778 609	778 609	850 993	906 588	940 226
Human Settlements, Safety and Liaison (Human Settlements Branch)	1 056 869	1 204 584	1 174 566	1 138 970	1 312 564	1 312 564	1 199 336	1 289 460	1 347 654
<b>Total payments and estimates</b>	<b>17 694 517</b>	<b>20 460 233</b>	<b>21 901 294</b>	<b>24 464 699</b>	<b>25 036 319</b>	<b>25 036 319</b>	<b>26 271 718</b>	<b>28 032 512</b>	<b>29 722 886</b>

### Financing

The North West Province has never budgeted for a deficit and will in the next MTEF period also not be making use of any loan finance.

### 3. Budget Process and Medium Term Expenditure

The South African government operates on a three year medium term budgetary framework which is informed by the socio- economic environment. The North West Provincial Treasury participates in all consultative discussions and processes, both nationally and provincially. All these culminate in the tabling of the national and provincial budget by the Minister of Finance and MEC for Finance respectively.

Consequently, the provincial approach to budgeting, the formats and systems used are in line with national established requirements. Funding of priorities and allocations by the province is in line with national and provincial priorities and supports the MTBPS as presented by the Minister of Finance during the national budget speech presentations.

The North West Provincial Treasury follows an extensive budget process where the Premier, EXCO, Municipalities, Accounting Officers, CEO's of Public Entities and Chief Financial Officers and other Senior Management are involved up to a final stage of allocating the available financial resources and preparation of the budget documents.

The Province followed a transparent process and involved the department based on the following high level activities:

- Initial allocation letters were issued to the departments in July and department submitted the first draft budget inputs in August including the Annual Performance Plan
- Budget Inputs and first Draft APP's were evaluated and feedback was provided to the department and National Treasury
- National Treasury visited the Province in August as part of evaluating the previous financial year performance and assess the status with regard to the 2012/2012 budget process
- The Provincial Treasury conducted MTEC hearings in October, Chaired by the MEC for Finance to assess the extent to which budget address priorities include the following
- Preliminary allocations were approved by the Provincial Executive Council in November which was subsequently communicated to the departments in November
- The 2011/2012 adjustment budget was tabled in November after approval by the Executive Council
- Department submitted the budget documents inclusive of the databases in December and the same data was submitted to National Treasury in December 2011
- The Provincial Budget was assessed through the Benchmark Exercise in January and issues raised through that exercise were incorporated in the final allocation letter.
- The Executive Council approved the final allocation on 13 February 2012 and the final allocation letters were forwarded to the departments in February

Following an inclusive and transparent budget process, the MEC for Finance tabled the 2012/2013 MTEF budget to the Legislature on 06 March 2012 within the prescribed PFMA provision which is consistent with the priorities and supported by the Executive Council.

## 4. Receipts

### 4.1 Overall Position

**Table20** below shows the actual and projected total revenue for the 2012 MTEF period. The total provincial revenue for the 2012/13 financial year is estimated at R26.271 billion. This comprises R25.554 billion of the national transfers to the province. National transfer is made up of the equitable share and conditional grants.

Provincial own revenue sources amounts to R717.6 million in 2012, R743.8 million in 2013 and R784.4 million in 2014. The bulk of the provincial share is in a form of equitable share which accounts for 78 per cent of the total provincial revenue. The total provincial envelope is estimated at R26.271 billion in 2012/13, R28.032 billion in 2013/14 and R29.722 883 billion in 2014/15.

**Table 20: Summary of provincial receipts**

Summary of provincial receipts

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Treasury funding</b>									
Equitable share	14 315 609	16 566 766	17 392 733	19 273 020	19 576 062	19 571 604	20 614 832	21 905 862	23 114 538
Conditional grants	2 760 634	3 279 313	3 875 925	4 539 510	4 809 609	4 811 499	4 939 278	5 382 819	5 823 948
<b>Total Treasury funding</b>	<b>17 076 243</b>	<b>19 846 079</b>	<b>21 268 657</b>	<b>23 812 530</b>	<b>24 385 671</b>	<b>24 383 103</b>	<b>25 554 111</b>	<b>27 288 681</b>	<b>28 938 486</b>
<b>Departmental receipts</b>									
Tax receipts	270 713	287 691	271 419	314 569	314 569	314 569	353 695	372 099	397 571
Casino taxes	51 320	60 638	65 319	74 413	74 413	74 413	78 432	83 026	88 109
Horses racing taxes	3 648	4 189	4 634	4 884	4 884	4 884	5 178	5 488	5 817
Liquor licences	2 105	2 312	2 842	2 453	2 453	2 453	2 610	2 754	2 754
Motor vehicle licences	213 640	220 552	198 624	232 819	232 819	232 819	267 475	280 831	300 891
Sale of goods and services other than capital	249 265	249 898	240 135	246 335	244 264	246 229	273 492	288 124	303 068
Transfers received									
Fines, penalties and forfeits	15 823	13 210	6 903	14 040	14 690	14 690	15 442	16 247	17 003
Interest, dividends and rent on land	65 879	49 986	82 302	42 529	42 529	42 529	39 496	34 292	34 470
Sales of capital assets	16 001	13 001	30 755	22 659	22 659	22 659	22 520	21 000	22 500
Transactions in financial assets and liabilities	593	368	1 123	12 037	11 937	12 540	12 962	12 069	9 788
<b>Total Departmental receipts</b>	<b>618 274</b>	<b>614 154</b>	<b>632 637</b>	<b>652 169</b>	<b>650 648</b>	<b>653 216</b>	<b>717 607</b>	<b>743 831</b>	<b>784 400</b>
<b>Total receipts</b>	<b>17 694 517</b>	<b>20 460 233</b>	<b>21 901 294</b>	<b>24 464 699</b>	<b>25 036 319</b>	<b>25 036 319</b>	<b>26 271 718</b>	<b>28 032 512</b>	<b>29 722 886</b>

### 4.2 Equitable Share

The equitable share is an unconditional funding from national raised revenue and it funds the bulk of the provincial programmes and priorities. The distribution of funding is based on the formula and due to the updates to the equitable share formula, the provincial share has been decreased from 6.8 per cent to 6.6 per cent but to be implemented in phases and for the first year of the MTEF allocation, the share is 6.7 per cent.

The North West provincial equitable share for the 2011/2012 financial year was R19.569billion and has been increased to R20.614billion in 2012/13 and a steady growth to R29.722 billion in 2014/15. Of the



total provincial receipts the equitable share accounts for 78 per cent constantly in all three years of the MTEF.

#### 4.3 Conditional Grants

**Table 21: Summary of national conditional grant transfers by grant**

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Vote 03</b>	<b>759 985</b>	<b>915 766</b>	<b>1 161 556</b>	<b>1 441 343</b>	<b>1 446 643</b>	<b>1 446 643</b>	<b>1 563 592</b>	<b>1 755 978</b>	<b>1 941 720</b>
Comprehensive HIV/AIDS (Health) Grant	245 999	375 451	479 800	598 637	595 037	595 037	685 204	825 302	958 196
Expanded Public Works Programme Incentive Grant For Provinces			5 677	17 374	21 447	21 447	17 004		
Forensic Pathology Services Grant	32 530	23 332	26 433	27 189	28 019	28 019			
Health Infrastructure Grant	40 014	49 945	60 195	145 466	145 572	145 572	112 790	119 863	130 739
Health Professional Training And Development Grant	68 977	78 033	83 899	88 322	88 323	88 323	93 522	98 666	104 586
Hospital Revitalisation Grant	254 032	254 622	326 303	370 074	373 964	373 964	423 127	448 258	454 982
National Tertiary Services Grant	118 433	134 383	179 249	194 281	194 281	194 281	211 765	224 470	237 264
Nursing Colleges							8 680	12 586	17 620
National Health Insurance							11 500	26 833	38 333
<b>Vote 04</b>	<b>43 667</b>	<b>53 362</b>	<b>71 969</b>	<b>97 957</b>	<b>120 765</b>	<b>120 765</b>	<b>102 373</b>	<b>107 880</b>	<b>107 926</b>
Community Library Services Grant	39 259	41 411	47 998	62 833	79 142	79 142	64 973	69 210	67 077
Mass Sport Participation Programme	4 408	11 951	23 971	35 124	41 623	41 623	36 497	38 670	40 849
Expanded Public Works Programme Incentive Grant							903		
<b>Vote 08</b>	<b>339 683</b>	<b>397 219</b>	<b>716 610</b>	<b>1 065 108</b>	<b>1 137 676</b>	<b>1 137 676</b>	<b>1 137 785</b>	<b>1 210 912</b>	<b>1 259 651</b>
Dinaledi Schools Grant				7 420	7 420	7 420	10 568	11 147	11 785
Education Infrastructure Grant	149 080	228 091	230 422	469 967	524 810	524 810	507 200	529 489	543 350
Expanded Public Work Programme Incentive Grant to Provinces				13 893	13 893	13 893			
Further Education and Train College Grant			211 751	236 178	242 613	242 613	257 233	287 536	303 784
HIV/AIDS (Life Skills Education) Grant	12 017	10 412	16 552	14 700	14 767	14 767	15 616	16 478	17 398
National School Nutrition Programme Grant	117 093	158 716	250 289	305 935	316 056	316 056	329 301	347 412	364 128
Technical Secondary School Recapitalisation Grant			7 595	17 015	18 117	18 117	17 867	18 850	19 206
FET College Recapitalisation Grant	61 494								
<b>Vote 11</b>	<b>509 210</b>	<b>693 977</b>	<b>742 108</b>	<b>744 987</b>	<b>749 111</b>	<b>749 111</b>	<b>860 104</b>	<b>949 395</b>	<b>998 149</b>
Dev Prop Rate Funds Gmt Prov	58 326	66 776	79 990	160 192	160 192	160 192	178 185	202 408	213 825
Exp Publ Work P Inc Gmt Prov				5 758	5 758	5 758	6 444		
Provincial Roads Maitenanc Grant	450 884	525 965	631 897	501 826	505 739	505 739	594 789	661 905	694 944
Public Transport Operations Gmt		101 236	30 221	77 211	77 422	77 422	80 686	85 082	89 380
<b>Vote 12</b>			<b>1 427</b>	<b>10 995</b>	<b>10 995</b>	<b>10 995</b>	<b>11 657</b>		
Expanded Public Works Programme Incentive Grant For Provinces			1 427	10 995	10 995	10 995	11 657		
<b>Vote 13</b>	<b>156 029</b>	<b>119 072</b>	<b>142 092</b>	<b>180 744</b>	<b>179 869</b>	<b>181 759</b>	<b>212 834</b>	<b>224 076</b>	<b>233 612</b>
Comprehensive Agriculture Support Programme Grant	78 233	84 685	112 424	133 812	132 522	134 412	155 277	169 679	179 410
Ilima/Letsema Projects	32 487	11 866	20 403	40 000	40 224	40 224	42 000	43 845	46 062
Land Care Programme Grant	5 226	6 321	8 753	6 932	7 123	7 123	11 557	10 552	8 140
Exp Public Work Progmmme Incentive Grant	40 083	16 200	512				4 000		
Exp Public Work Progmmme Incentive Grant									
<b>Vote 15</b>	<b>952 060</b>	<b>1 099 917</b>	<b>1 040 163</b>	<b>998 376</b>	<b>1 164 550</b>	<b>1 164 550</b>	<b>1 050 933</b>	<b>1 134 578</b>	<b>1 282 890</b>
Human Settlements Development Grant	952 060	1 099 917	1 040 163	998 376	1 164 550	1 164 550	1 050 933	1 134 578	1 282 890
<b>Total payments on conditional grants</b>	<b>2 760 634</b>	<b>3 279 313</b>	<b>3 875 925</b>	<b>4 539 510</b>	<b>4 809 609</b>	<b>4 811 499</b>	<b>4 939 278</b>	<b>5 382 819</b>	<b>5 823 948</b>

Conditional grants are meant for funding of specific national priorities. By design they are more specific oriented than the equitable share. They increase from R4.814 billion in 2011/12 to R4.939 billion in 2012/13. As a percentage of total provincial receipt, the conditional grants budgets would constitute 19.3 per cent of the provincial receipt, in the two outer years of the MTEF. The departments that receive the biggest share of conditional grants are Health with R1.563 billion, followed by Education at R1.137 billion and Human Settlements at R1.050 billion in the first year of the MTEF period.

In 2011/12 the Integrated Housing and Human Settlements Development grant has been revised downwards to R998 million, this excludes a roll-over of R150 million and additional amount of R15.8 million for housing disaster relief grant that increased the allocation to R1.148 billion during the adjustment budgets. Comparatively, the decrease between 2011 and 2012 was 8.6 per cent. Moving forward a marginal increase of 8 per cent in 2013 and 4.2 per cent in 2014 is expected.

The overall increase of Health's grant from R1.443 billion in 2011 to R1.563 billion or 8.3 per cent is attributable largely due to two newly grants that were introduced, that is, National Health Insurance receiving an amount of R11.5 million in 2012 and Nursing Colleges Grant receiving R8.6 million respectively. Forensic Pathology Grant has been phased-out to form part of the equitable share.

The National Schools Nutrition Grant has been increased slightly by 4.1 per cent in 2012 and slightly grew above the inflation target of 5.4 per cent in 2012. The increase meant to broaden the programme from primary base to secondary. Education infrastructure grant also increased by 7.1 per cent between 2011 and 2012 to address school infrastructure needs.

In the department of Public Works Roads and Transport, the Devolution of Property Rates and Taxes Grant was increased sharply by 11 per cent between 2011 and 2012 and further grow by 13.4 per cent in 2013 in order to assist the department with the payment of property rates and taxes.

#### **4.4 Total provincial own receipts (own revenue)**

The province relies heavily on equitable share and conditional grants as a major source of funding. The share of the provincial own revenue to the total provincial receipts has shown no real improvements in the past year. The bulk of the provincial revenue is derived from the motor licensing, gambling and patient fees. In an attempt to improve the collection of revenue, the provincial treasury has compiled a Revenue Enhancement Strategy.

**Table 22: Summary of provincial own receipts by Vote**

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
Office of the Premier	593	368	315	300	300	340	350	360	370
Provincial Legislature									
Health	55 652	46 178	38 095	48 479	48 479	48 479	55 392	59 481	63 529
Sport, Arts and Culture	593	888		887	887	887	900	990	1 089
Human Settlements, Safety and Liaison (Public Safety and Liaison Branch)	236 286	259 761	210 427	257 069	257 069	257 069	299 250	314 213	335 922
Economic Development, Environment, Conservation and Tourism	57 073	69 468	73 903	84 449	84 449	86 338	91 609	97 256	102 997
Finance	80 279	63 569	94 054	42 672	42 672	42 672	36 333	30 963	30 963
Education and Training	1 028	1 352	10 106	11 457	11 457	11 457	14 745	15 481	16 256
Local Government and Traditional Affairs	1 028	1 352	951	1 183	1 183	1 183	1 283	1 398	1 538
Public Works, Roads and Transport	180 916	165 931	195 218	196 867	196 867	196 943	209 375	214 824	222 347
Social Development, Women, Children and Persons with Disabilities	7	71	340	76	76	639	672	706	741
Agriculture and Rural Development	5 023	5 216	8 750	8 630	7 109	7 109	7 540	7 993	8 474
Human Settlements, Safety and Liaison (Human Settlements Branch)			96	100	100	100	158	166	174
<b>Total provincial own receipts</b>	<b>618 478</b>	<b>614 154</b>	<b>632 255</b>	<b>652 169</b>	<b>650 648</b>	<b>653 216</b>	<b>717 607</b>	<b>743 831</b>	<b>784 400</b>

The table above shows own revenue budgets per department over the MTEF period. The own revenue budget has not increased substantially. The own revenue increased from R652 million to R717 million which is an increase of R65.4 million or 10 per cent.

#### 4.5 Donor funding

The North West Province is not aware of any substantial donor funding to be received over the MTEF period and no provision was made for such receipts. However, during the financial year, 2008 and 2009 respectively only two departments, namely Health and Education had received donor funding

In 2009 department of Education received an amount of R39466 million. These amounts were donated by Royal Netherlands Embassy for establishing education centers that serve as decentralized nodes for delivery of quality education and other social economic programmes. In 2008, the department of Health received R15 200 million. These funds were donated by the European Union as a partnership against HIV/AIDS to support NGO's in Health Home Based Cares.

## 5. Payments

### 5.1 Overall Position

Total estimated payments

- Financial year 2012/13: R26 271 716 million
- Financial year 2013/14: R28 032 515 million
- Financial year 2014/15: R29 722 883 million

## 5.2 Payments by vote

**Table23: Summary of provincial payments and estimates by Vote**

Provincial Summary of payments and estimates by Vote

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the Premier	170 537	182 033	201 538	234 921	225 882	225 882	236 006	245 049	260 682
Provincial Legislature	119 431	152 961	155 145	151 659	166 341	166 341	165 310	173 953	184 300
Health	4 485 190	5 195 588	5 716 661	6 321 446	6 413 544	6 413 544	6 959 308	7 544 535	7 980 017
Sport, Arts and Culture	337 149	362 099	336 124	433 260	463 658	463 658	447 106	467 740	490 833
Human Settlements, Safety and Liaison (Public Safety and Liaison Branch)	298 550	295 497	341 528	350 132	351 831	351 831	378 712	395 173	420 382
Economic Development, Environment, Conservation and Tourism	394 789	423 144	403 010	455 850	458 042	458 042	426 944	463 748	496 605
Finance	249 364	258 308	268 652	331 782	324 195	324 195	371 924	429 722	465 962
Education and Training	7 178 647	8 390 520	9 102 300	10 261 488	10 424 055	10 424 055	10 872 212	11 447 629	12 197 628
Local Government and Traditional Affairs	275 226	286 727	313 435	317 085	329 998	329 998	332 164	346 630	368 726
Public Works, Roads and Transport	2 029 600	2 539 403	2 524 708	2 827 075	2 890 404	2 890 404	3 082 001	3 293 017	3 478 116
Social Development, Women, Children and Persons with Disabilities	540 097	614 089	747 018	882 196	897 196	897 196	949 701	1 029 267	1 091 756
Agriculture and Rural Development	559 068	555 280	616 609	758 835	778 609	778 609	850 993	906 588	940 226
Human Settlements, Safety and Liaison (Human Settlements Branch)	1 056 869	1 204 584	1 174 566	1 138 970	1 312 564	1 312 564	1 199 336	1 289 460	1 347 654
<b>Total payments and estimates</b>	<b>17 694 517</b>	<b>20 460 233</b>	<b>21 901 294</b>	<b>24 464 699</b>	<b>25 036 319</b>	<b>25 036 319</b>	<b>26 271 718</b>	<b>28 032 512</b>	<b>29 722 886</b>

The proposed framework makes provision for about R84 billion rand allocation over the MTEF to allow for spending on some of these key priorities. Of this amount a portion of R533 million has been set aside over the MTEF period to fund inflationary adjustment (ICS) for Education and Health. A substantial growth in the baselines is recorded in Education, Health, Public Works and Transport, Social Development, Women, Children and Persons with Disabilities and Agriculture and Rural Development.

The above table provides a summary of provincial payments and estimates by Vote. During the 2008/09 to 2010/11 financial year, the actual expenditure increased from R17.694 billion to R26.271 billion in 2012/13 financial year. The provincial payments and estimates is expected to grow from R26.271 billion to R29.722 billion in 2014/15 financial year.

## 5.3 Payments and estimates by economic classification

Table24: Summary of provincial payments and estimates by economic classification

R thousand	outcome			Main	Adjusted	Revised	Medium term estimates		
	2008/09	2009/10	2010/11	Appropriation	Appropriation	Estimate	2012/13	2013/14	2014/15
<b>Currents payments</b>	13 580 788	15 534 092	16 844 310	18 776 930	19 009 949	19 009 920	20 031 001	21 379 180	22 676 407
Compensation of employees:	9 965 759	11 409 196	12 687 358	14 039 277	14 314 906	14 313 016	15 175 669	16 083 278	16 964 799
Salaries & wages	8 505 975	9 742 664	10 850 132	12 007 937	12 233 269	12 231 382	13 079 882	13 872 798	14 634 570
Social contributions (employer share)	1 459 784	1 666 532	1 837 226	2 031 340	2 081 637	2 081 634	2 095 787	2 210 480	2 330 229
Goods and services	3 614 462	4 124 789	4 156 445	4 737 267	4 694 424	4 696 285	4 853 609	5 294 320	5 709 936
of which									
specify item									
specify item									
Interest and rent on land	567	107	507	386	619	619	1 724	1 582	1 672
Interest	540	81	429	237	388	388	441	232	242
Rent on land	27	26	78	149	231	231	1 283	1 350	1 430
<b>Transfer and subsidies to:</b>	2 670 578	3 166 781	3 450 719	3 874 931	4 059 288	4 059 288	4 090 214	4 345 601	4 629 676
Provincial and municipalities	130 177	152 276	176 321	256 392	248 292	248 292	249 715	277 093	291 546
Provinces	- 59 328	500	16 967	20 500	22 000	22 000	12 330	12 885	13 081
Provincial Revenue Funds	- 59 828		16 467	20 000	20 600	20 600	11 830	12 335	12 531
Provincial agencies and Funds	500	500	500	500	1 400	1 400	500	550	550
Municipalities	189 505	151 776	159 354	235 892	226 292	226 292	237 385	264 208	278 465
Municipalities	131 083	70 000	62 326	235 892	226 292	226 292	237 385	264 208	278 465
Municipalities agencies and Funds	58 422	81 776	97 028						
Departmental Agencies and accounts	109 758	130 261	118 500	253 981	255 326	255 326	263 342	277 081	290 148
Social security funds									
Agencies	109 758	130 261	118 500	253 981	255 326	255 326	263 342	277 081	290 148
Other Transfers to departmental agencies	109 758	130 261	118 500	253 981	255 326	255 326	263 342	277 081	290 148
Universities and technikons	1 400	3 890							
Foreign governments and international organisations					1 071	1 071			
Public Corporations and private enterprises	386 131	539 522	533 221	643 637	657 845	657 845	686 794	719 975	753 745
Public Corporations	374 269	525 906	524 416	64 349	62 276	62 276	37 280	46 800	53 266
Subsidies on production	374 269	525 903	524 416						
Other transfers		3		64 349	62 276	62 276	37 280	46 800	53 266
Private enterprises	11 862	13 616	8 805	579 288	595 569	595 569	649 514	673 175	700 479
Subsidies on production				577 344	594 855	594 855	648 761	672 380	699 641
Other transfers	11 862	13 616	8 805	1 944	714	714	753	795	838
Non-profit organisations	799 046	1 045 029	1 294 090	1 377 968	1 393 656	1 393 656	1 432 023	1 497 579	1 647 709
Households:	1 244 066	1 295 803	1 328 587	1 342 953	1 503 098	1 503 098	1 458 340	1 573 873	1 646 528
Social Benefits	148 995	67 852	75 011	45 676	28 176	28 176	38 640	40 768	45 083
Other transfers to households	1 095 071	1 227 951	1 253 576	1 297 277	1 474 922	1 474 922	1 419 700	1 533 105	1 601 445
<b>Payment for capital assets</b>	1 443 087	1 759 342	1 606 264	1 809 018	1 967 108	1 967 111	2 150 502	2 307 729	2 416 806
Buildings and other fixed structures	1 220 190	1 497 181	1 361 959	1 564 355	1 707 618	1 707 618	1 896 412	2 074 986	2 159 269
Buildings	745 537	720 283	727 797	961 399	1 085 749	1 085 749	1 066 367	1 146 671	1 171 794
Other fixed structures	474 653	776 898	634 162	602 956	621 869	621 869	830 045	928 315	987 475
Machinery and equipment	222 844	262 070	244 292	244 463	258 540	258 543	253 590	232 243	257 037
Transport equipment	18 061	36 060	52 231	50 920	38 790	38 790	46 843	38 133	40 677
Other machinery and equipment	204 783	226 010	192 061	193 543	219 750	219 753	206 747	194 110	216 360
Heritage assets	44								
Specialised military assets									
Biological assets	9	91	13		750	750	500	500	500
Land and sub-soil assets									
Software and other intangible assets				200	200	200			
<b>Payment for financial assets</b>	63	16		280					
<b>Total economic classification</b>	17 694 516	20 460 231	21 901 293	24 461 159	25 036 345	25 036 319	26 271 718	28 032 510	29 722 889

Table 24 indicates the summary of provincial payments and economic classifications of the projected expenditure of R84.027 billion.

### Compensation of Employees

Compensation of Expenditure accounts for R48.223 billion over the three years of the MTEF period. Expenditure of Compensation of Employees is expected to increase by approximately R883 million year-on-year. In 2008/9 the estimated expenditure on Compensation was R9.965 billion and is set to increase to R16.964 billion in 2014/15.

### Goods and Services

The expenditure is projected to be R5.709 billion in 2014/15 financial year as compared to the actual expenditure of R3.614 billion in 2008/09.

### Transfer Payments

The expenditure is set to increase to R4.629 billion by 2014/15, from R2.670 billion in the 2008/09 financial year

### Payments for Capital Assets

The expenditure is set to increase from R1.443 billion in 2008/09 financial year to R2.416 billion by 2014/15.

## 5.4 Payments by functional area

**Table 25: Summary of provincial payments and estimates by functional area**

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
General public services	2 250 873	2 635 253	2 709 924	3 002 577	3 059 246	3 059 246	3 252 739	3 518 301	3 745 042
Public order and safety	453 606	430 029	458 016	499 713	505 728	505 728	537 032	560 420	588 955
Economic affairs	1 327 098	1 543 806	1 567 914	1 834 402	1 847 181	1 847 181	1 943 023	2 060 646	2 152 615
Environmental protection	50 261	57 864	62 192	66 151	69 344	69 344	70 870	73 531	78 712
Housing and community amenities	1 056 869	1 204 584	1 174 566	1 138 970	1 312 564	1 312 564	1 199 336	1 289 460	1 347 655
Health	4 328 503	5 001 962	5 496 769	6 072 691	6 163 290	6 163 290	6 689 586	7 257 291	7 672 496
Recreation, culture and religion	342 267	368 049	345 949	445 791	477 670	477 670	465 543	486 907	511 029
Education	7 344 943	8 604 597	9 338 946	10 522 208	10 704 100	10 704 100	11 163 887	11 756 688	12 534 636
Social protection	540 097	614 089	747 018	882 196	897 196	897 196	949 701	1 029 267	1 091 756
<b>Total provincial payments and estimates by functional area</b>	<b>17 694 517</b>	<b>20 460 233</b>	<b>21 901 294</b>	<b>24 464 699</b>	<b>25 036 319</b>	<b>25 036 319</b>	<b>26 271 718</b>	<b>28 032 512</b>	<b>29 722 895</b>

Functional budgeting is a mechanism through which the outcomes approach of government is brought on the budget. Government activities are grouped according to broad policy purpose. Functional budgeting spans across different spheres of government where institutions are grouped together aiming to integrate planning for efficiency gain. The allocations meant to support the reprioritization of funds in line with outcomes which is a government focal point in its quest to strengthen performance and achieve its objectives.

## 5.5 Infrastructure Payments

To fastback economic growth, infrastructure budget has risen significantly from R1.998 billion to R3.907 billion in 2012/13. Key amongst those is investment on building houses, water, sanitation, schools, health facilities, roads. Several conditional grants have also been revised upwards. Over the MTEF period allocation is expected to reach R84 billion, Health sector accounting for R22.4 billion, Housing R3.8 billion, Public Works, Roads and Transport receives R9.8 billion, Education accounts for R34.5 billion over the next three years of the MTEF.

The North West Province is faced with an immense challenge of adequately dealing with infrastructure maintenance and development. The Provincial Treasury intervened by providing Technical Assistants in an attempt to build adequate capacity. Infrastructure budget has been increased in order to gradually reduce backlog.

The bulk of the infrastructure is in areas of roads, school infrastructure and hospital facilities. The infrastructure allocations accounts for 14.8per cent of the total provincial allocation. Over the 2012/13 MTEF the allocations in the department of Public Works, Roads and Transport amounts to R3.979 billion, Education amounts to R1.880 billion while Health infrastructure amounts to R1.941 billion.

**Table 26: Summary of provincial infrastructure by category**

Payments for infrastructure by category	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
<b>New and replacement assets</b>	1,151,718	1,510,482	2,396,009	2,274,255	2,221,987	2,172,283	2,868,289	3,037,041	3,027,974
<b>Existing infrastructure assets</b>	937,105	1,562,794	1,011,100	1,343,385	1,600,875	1,607,579	981,926	1,182,048	1,337,724
Upgrades and additions	511,926	1,162,325	543,431	561,307	722,514	726,663	406,683	509,746	594,752
Rehabilitation, renovations and refurbishments	216,516	68,256	-	361,895	392,677	365,556	223,451	270,218	319,058
Maintenance and repairs	208,663	332,213	467,669	420,183	485,684	515,360	351,792	402,084	423,914
<b>Infrastructure transfers</b>	156,018	121,154	141,107	86,500	90,259	90,259	57,600	62,600	65,440
Current	-	-	-	-	-	-	-	-	-
Capital	156,018	121,154	141,107	86,500	90,259	90,259	57,600	62,600	65,440
<i>Current infrastructure</i>	208,663	332,213	467,669	420,183	485,684	515,360	351,792	402,084	423,914
<i>Capital infrastructure</i>	2,036,178	2,862,217	3,080,547	3,052,398	3,223,547	3,223,551	3,393,877	3,586,560	3,770,625
<b>Total provincial infrastructure</b>	<b>2,244,841</b>	<b>3,194,430</b>	<b>3,548,216</b>	<b>3,704,140</b>	<b>3,913,121</b>	<b>3,870,121</b>	<b>3,907,815</b>	<b>4,281,690</b>	<b>4,431,138</b>

The details regarding the development and maintenance of social and economic infrastructure over the 2012 MTEF per department is indicated below.

### Department of Health

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Department of Health</b>			
Health Infrastructure Grant	112,791	119,863	130,739
Health Routine Maintenance	51,925	63,243	66,658
Hospital Revitalization Conditional Grant	423,127	448,258	454,982
Clinic Building	8,805	10,674	11,250
Nursing Colleges (New Grant)	8,680	12,586	17,620
<b>Total Health</b>	<b>605,328</b>	<b>654,624</b>	<b>681,250</b>

## Department of Sports, Arts and Culture

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Sports, Arts and Culture</b>			
Libraries Conditional Grant	8,500	8,942	9,425
Library (CT)	8,000	8,500	9,000
Upgrading and maintenance of facilities	4,500	8,000	8,432
Multi purpose Sport Field	10,972	11,586	12,212
<b>Total: Sport, Arts &amp; Culture</b>	<b>31,972</b>	<b>37,028</b>	<b>39,069</b>

## Department of Economic Development, Conservation, Environmental Affairs and Tourism

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Economic Development and Tourism</b>			
MIDZ Infrastructure [DEDT,DTI,Private sector]	-	16,025	21,694
Light Industrial Parks [DEDT,NWDC,IDC]	10,510	11,057	11,654
<b>Total: Economic Development &amp; Tourism</b>	<b>10,510</b>	<b>27,082</b>	<b>33,348</b>

## Department of Education

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Education</b>			
School Building Programme: Sanitation	60,000	60,000	63,240
Technical Secondary School Recapitalisation Grant (M)	17,867	18,850	19,236
Full Service Schools Infrastructure (Public Ordinary Special Sch)	20,000	20,000	21,620
Education Infrastructure Grant	507,200	529,489	543,350
<b>Total: Education</b>	<b>605,067</b>	<b>628,339</b>	<b>647,446</b>

## Department of Local Government and Traditional Affairs

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Local Government and Traditional Affairs</b>			
New / Upgrading TL's Properties (N)	9,000	9,468	9,979
Bucket Replacement (CT)	50,000	52,600	55,440
Disaster Management Fund (CT)	10,000	10,000	10,000
<b>Total: Local Government &amp; Traditional Affairs</b>	<b>69,000</b>	<b>72,068</b>	<b>75,420</b>



**Department of Public Works, Roads and Transport**

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Public Works Sector</b>			
New Government Buildings (N)	86,288	91,680	107,171
Government Buildings - Rehabilitation and Refurbishment	23,920	36,316	39,330
Government Building - Upgrades and Additions	22,760	23,989	25,285
Public Works Infrastructure Maintenance (M)	61,063	87,462	92,304
EPWP Incentive Grant	6,444	-	-
Emerging Contractor Development (N)	24,178	34,437	36,368
National Key Points	35,000	15,000	-
<b>Total: Public Works Sector</b>	<b>259,653</b>	<b>288,884</b>	<b>300,458</b>
<b>Roads &amp; Transport Sector</b>			
Provincial Roads Maintenance Grant	594,789	661,905	694,944
Roads Construction: Wolmaranstad/Dwaalboom/Bridges	125,909	132,960	-
Upgrading of key roads	-	49,308	147,241
Roads Infrastructure Maintenance /Yellow Fleet (M)	171,304	180,211	189,942
<b>Total: Roads &amp; Transport Sector</b>	<b>892,002</b>	<b>1,024,384</b>	<b>1,032,127</b>
<b>Total: Public Works, Roads &amp; Transport</b>	<b>1,151,655</b>	<b>1,313,268</b>	<b>1,332,585</b>

**Department of Social Development, Women, Children and People with Disabilities**

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Social Development</b>			
Upgrading/Maintenance of existing facilities	8,000	8,000	8,000
Construction of new facilities	22,501	27,167	29,066
<b>Total Social Development ,Women , Children and People with Disabilities</b>	<b>30,501</b>	<b>35,167</b>	<b>37,066</b>

**Department of Agriculture and Rural Development**

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Agriculture &amp; Rural Development</b>			
Land Care Grant (N)	11,557	10,552	8,140
Post Settlement Support (N)	10,000	12,080	13,272
Comp. Agric Support Programme (N)	155,277	169,679	179,410
Rural development (Water and Sources of Energy)	98,287	110,000	120,000
Rural Development Programme (N)	31,728	33,379	35,181
EPWP Incentive Grant	4,000	-	-
Ilima/Letsema Projects (N)	42,000	43,845	46,062
<b>Total: Agriculture &amp; Rural Development</b>	<b>352,849</b>	<b>379,535</b>	<b>402,065</b>

**Department of Human Settlements**

NWPG 2012-13 to 2014-15 MTEF Infrastructure Allocations	MTEF 2012/2013	MTEF 2013/2014	MTEF 2014/2015
	R'000	R'000	R'000
<b>Human Settlement</b>			
Integrated Housing and Human Settlement (N)	1,050,933	1,134,578	1,182,890
<b>Total: Human Settlement , Public Safety and Liason</b>	<b>1,050,933</b>	<b>1,134,578</b>	<b>1,182,890</b>
<b>NWPG Infrastructure Budget</b>			
	<b>3,907,815</b>	<b>4,281,690</b>	<b>4,431,138</b>

**5.7 Transfers**

**Table 27: Summary of transfers to public entities by transferring department**

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Mmabana Arts Culture and Sport Foundation	38 513	43 718	43 813	48 827	48 827	48 827	50 448	51 861	55 284
North West Provincial Arts and and Culture Council	2 200	2 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000
Invset North West	15 487	16 416	17 402	19 627	19 627	19 627	20 824	21 969	23 067
North West Development Corporation			22 000	29 500	29 500	29 500	26 587	23 219	24 901
North west Parks and Tourism Board	112 841	119 977	127 551	126 328	135 998	135 998	135 960	143 404	150 574
Mafikeng Industrial Development Zone	8 311	12 482	28 269	10 578	10 578	10 578	10 693	11 281	11 845
North West Gambling Board	12 277	12 314	20 277	28 505	28 505	28 505	29 938	31 559	33 137
Youth Development Trust	500	500	500	500	500	500	500	500	500
Provincial Council on AIDS	11 742	11 742	11 742	11 742	11 742	11 742	11 742	12 353	12 353
Directorate Enterpreneural Development	6 000								
<b>Total provincial own receipts</b>	<b>207 871</b>	<b>219 149</b>	<b>274 554</b>	<b>278 607</b>	<b>288 277</b>	<b>288 277</b>	<b>289 692</b>	<b>299 146</b>	<b>314 661</b>

There are nine 8 provincial entities in the province, Entities were established to facilitate delivery of various key services including economic growth and development. All the entities have been listed as Schedule 3D except only NWDC which is schedule 3D. The planned allocation for 2012/13 MTEF is R903million over the three year period. Most of the Public Entities in the province are not able generate their own revenue and therefore rely entirely on the government transfers for funding of their operation requirements.

**Table 28: Summary of provincial transfers to local government by category**

Table B.8: Transfers to local government by transfer/grant type, category and municipality (name of department)

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
	70 000	70 000	70 000	70 000	70 600	70 600	69 200	71 800	74 640
<b>Bojanala Platinum Municipalities</b>	<b>32 250</b>	<b>29 013</b>	<b>18 838</b>	<b>24 200</b>	<b>24 200</b>	<b>24 200</b>	<b>17 820</b>	<b>16 020</b>	<b>21 280</b>
NW371 MORETELE	5 000	2 500	7 000	5 000	5 000	5 000	650	350	3 350
NW372 MADIBENG	5 000	5 000	3 000	4 500	4 500	4 500	400	3 600	400
NW373 RUSTENBURG	4 500	6 513					3 070	670	670
NW374 KGETLENGRIVIER	5 000	5 000	3 500	9 000	9 000	9 000	13 000	11 000	16 460
NW375 MOSES KOTANE	10 000	10 000	3 000	5 700	5 700	5 700	700	400	400
DC37 BOJANALA PLATINUM DISTRICT MUNICIPALITY	2 750		2 338						
<b>Ngaka Modiri Molema Municipalities</b>	<b>750</b>	<b>5 107</b>	<b>19 737</b>	<b>19 400</b>	<b>20 000</b>	<b>20 000</b>	<b>43 330</b>	<b>28 030</b>	<b>45 510</b>
NW381 RATLOU				4 500	4 500	4 500	750	1 050	750
NW382 TSWAING				6 400	7 000	7 000	360	360	360
NW383 MAFIKENG		1 607		3 500	3 500	3 500	3 870	8 970	26 370
NW384 DITSOBOTLA				5 000	5 000	5 000	350	350	3 450
NW385 RAMOTSHERE MOLOA							38 000	17 300	14 580
DC38 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY	750	3 500	19 737						
<b>Dr. Ruth Segomotsi Mompoti Municipalities</b>	<b>10 250</b>	<b>17 180</b>	<b>19 037</b>	<b>20 400</b>	<b>20 400</b>	<b>20 400</b>	<b>2 980</b>	<b>2 980</b>	<b>2 980</b>
NW391 KAGISANO				8 932	8 932	8 932	650	650	950
NW392 NALEDI							460	460	460
NW393 MAMUSA				4 530	4 530	4 530	500	500	500
NW394 GREATER TAUNG				2 438	2 438	2 438	970	670	670
NW395 MOLOPO									
NW396 LEKWA-TEEMANE				4 500	4 500	4 500	400	700	400
DC39 DR RUTH SEGOMOTSI MOMPTI DISTRICT MUNICIPALITY	10 250	17 180	19 037						
<b>Dr. Kenneth Kaunda Municipalities</b>	<b>26 750</b>	<b>18 700</b>	<b>12 388</b>	<b>6 000</b>	<b>6 000</b>	<b>6 000</b>	<b>5 070</b>	<b>24 770</b>	<b>4 870</b>
NW401 VENTERSDORP				4 800	4 800	4 800	320	20 620	320
NW402 TLOKWE							3 600	400	400
NW403 CITY OF MATLOSANA		3 500	2 550	1 200	1 200	1 200	400	400	3 400
NW404 MAQUASSI HILLS	10 000	12 500	7 500				750	3 350	750
NW405 MERA FONG CITY									
DC40 DR KENNETH KAUNDA DISTRICT MUNICIPALITY	16 750	2 700	2 338						
<b>Unallocated</b>									
<b>Total departmental transfers to Municipalities</b>	<b>70 000</b>	<b>70 000</b>	<b>70 000</b>	<b>70 000</b>	<b>70 600</b>	<b>70 600</b>	<b>69 200</b>	<b>71 800</b>	<b>74 640</b>

Transfers are meant to assist during disaster period and for sanitation. The budget allocated over the 2012 MTEF is R188 040 million over the three year of the MTEF. These allocations are to be regulated through the introduction of a gazette and which would outline allocations and conditions thereof.

## 5.8 Personnel numbers and costs

**Table 29: Summary of personnel numbers and costs by Vote**

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the Premier	321	333	326	351	351	351	353	353	353
Provincial Legislature	109	109	109	176	176	176	235	235	236
Health	16 988	17 309	17 961	20 792	20 792	20 792	20 792	20 792	20 792
Sport, Arts and Culture	955	971	937	952	952	952	705	705	705
Human Settlements, Safety and Liaison (Public Safety and Liaison Branch)	894	894	895	912	912	912	864	885	930
Economic Development, Environment, Conservation and Tourism	417	443	456	337	337	337	419	419	419
Finance	610	599	507	497	497	497	853	853	853
Education and Training	28 606	28 855	30 516	32 549	32 549	32 549	32 839	33 154	33 315
Local Government and Traditional Affairs	757	854	859	879	879	879	904	904	904
Public Works, Roads and Transport	4 545	4 843	5 669	29 824	29 824	29 824	26 879	35 992	42 074
Social Development, Women, Children and Persons with Disabilities	1 367	1 762	2 295	1 943	1 943	1 943	2 053	2 188	2 166
Agriculture and Rural Development	1 741	1 744	1 801	1 819	1 819	1 819	1 819	1 819	1 826
Human Settlements, Safety and Liaison (Human Settlements Branch)	385	385	483	462	462	462	541	612	654
<b>Total provincial personnel numbers</b>	<b>57 695</b>	<b>59 101</b>	<b>62 814</b>	<b>91 493</b>	<b>91 493</b>	<b>91 493</b>	<b>89 256</b>	<b>98 911</b>	<b>105 227</b>

The total estimated personnel numbers as at 2014 is 105146. The departments of Education and Health would account for the biggest share of personnel numbers estimated at 33 315 and 20 792 respectively. The province is putting measures in place to guard against growing personnel number and ballooning structures to the detriment of key service delivery. The compensation of employees takes about 57 per cent of the 2011/2012 adjusted budget.

**Table 30: Summary of provincial personnel numbers and costs**

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Total for department</b>									
Personnel numbers (head count)	57 695	59 101	62 814	91 493	91 493	91 493	89 256	98 911	105 227
Personnel cost (R'000)	9 965 759	11 409 196	12 687 358	14 030 816	14 314 880	14 313 016	15 175 669	16 083 278	16 964 799
<b>Human Resource Component</b>									
Personnel numbers (head count)	11 613	11 927	12 846	14 800	14 796	14 799	14 967	15 026	15 056
Personnel cost (R'000)	2 647 848	2 992 595	3 392 156	3 796 978	3 898 865	3 890 363	4 052 246	4 516 563	4 711 728
Head count as % of total department	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel cost as a % of total department	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Finance Component</b>									
Personnel numbers (head count)	5 527	1 105	1 137	1 349	1 341	1 348	1 412	1 505	1 515
Personnel cost (R'000)	739 730	187 291	196 396	255 730	255 356	255 556	274 270	287 718	297 034
Head count as % of total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel cost as a % of total department	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Full time workers</b>									
Personnel numbers (head count)	57 023	58 191	60 961	89 491	89 451	89 451	87 465	97 037	103 353
Personnel cost (R'000)	9 935 389	11 377 479	12 618 001	13 752 368	14 034 987	14 033 123	14 896 921	15 801 284	16 682 262
Head count as % of total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel cost as a % of total department	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Part-time workers</b>									
Personnel numbers (head count)	39	53	783	943	943	943	943	1 024	1 024
Personnel cost (R'000)	6 929	7 259	18 430	87 850	87 850	87 850	89 265	90 772	90 772
Head count as % of total									
Personnel cost as a % of total department									
<b>Contract workers</b>									
Personnel numbers (head count)	633	857	1 070	1 059	1 099	1 099	848	850	850
Personnel cost (R'000)	23 441	24 458	50 927	190 598	192 043	192 043	189 483	191 222	191 765
Head count as % of total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel cost as a % of total department	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

## 5.9 Payments on training

**Table 31: Summary of provincial payments on training by Vote**

R thousand	outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the Premier									
Provincial Legislature									
Health	2 380	2 520	2 104	2 767	1 905	1 905	2 602	2 742	2 879
Sport, Arts and Culture									
Human Settlements, Safety and Liaison (Public Safety and Liaison Branch)									
Economic Development, Environment, Conservation and Tourism	143	154		154	154	154	154	154	154
Finance	3 010	3 128	2 820	3 177	2 466	2 466	3 156	3 348	3 529
Education and Training	36 301	34 556	43 312	74 806	62 401	72 323	72 992	76 871	81 274
Local Government and Traditional Affairs	3 045	3 633	3 735	3 278	2 561	2 561	2 320	2 495	3 077
Public Works, Roads and Transport	4 233	1 038	2 935	6 095	6 095	6 095	6 397	6 752	7 089
Social Development, Women, Children and Persons with Disabilities									
Agriculture and Rural Development	4 769	4 211	5 017	5 267	5 267	5 267	5 604	6 171	6 880
Human Settlements, Safety and Liaison (Human Settlements Branch)	2 884	2 697	3 338	3 462	3 462	3 462	3 701	4 007	4 525
<b>Total provincial training expenditure</b>	<b>56 765</b>	<b>51 937</b>	<b>63 261</b>	<b>99 006</b>	<b>84 311</b>	<b>94 233</b>	<b>96 926</b>	<b>102 540</b>	<b>109 407</b>

Skill levies Act requires the provincial departments to set aside 1 per cent of the payroll for personnel training. Ten per cent of 1 per cent should go to line function aligned to SETA in order to cater for administrative costs. The government should invest on human capital in order to improve its services and at the same time inculcate a culture of continuous development through training. The estimated allocated budget over the MTEF is R319 million.