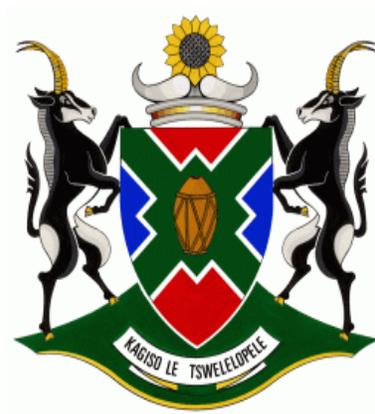


NORTH WEST PROVINCIAL GOVERNMENT



ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2013/14

**for the
year ending 31st March 2014**

PR60/2013

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Foreword

The 2013 MTEF budget is tabled under constrained domestic economic environment and an uncertain global economic outlook which will be with us for some time. The current unfavorable economic outlook is continuing to have a negative impact on the country and Province's limited resources and is placing unprecedented strain on our provincial resources.

Whilst recognizing the need not to constrain growth on programmes that supports the National Development Plan (NDP) and government priorities, the emphasis is and would remain over the MTEF, implementation of the cost saving measures by reducing the budgets of non-core items and reprioritization within the limited resources with the main objective of directing savings towards initiatives and programmes that support the government priorities.

In preparing the 2013 MTEF budget and having considered the minimal growth in the equitable share as a result of the updates to the equitable share formula based on the 2011 Census data, the budget continues to support outcomes approach; the National Development Plan (NDP) and the funding proposals are informed by the following key assumptions:

- Alignment to the 2011 Medium Term Strategic Framework and resource constraints;
- Allocations support funding for government outcomes approach and the implementation of National Development Plan (NDP);
- Sustained growth for education, health, social welfare and security services;
- Provision for key government priorities: economic and social infrastructure development and maintenance, provision of water and sanitation, improvements in education and health, strengthening growth and employment creation of jobs, reducing the levels of property in the Province and promotion of progress towards a more equal society and an inclusive growth path;
- Departmental spending patterns including the capacity and readiness to implement infrastructure projects

The priority area with the highest funding is social sector and has been increased steadily over the next three years of the MTEF. Funding for economic, investment, employment cluster including governance and administration sector also continue to record moderate growth over the MTEF.

The 2013 MTEF allocations are as a result of detailed and extensive intergovernmental consultations. The Province followed a credible and inclusive budget process which ensured support and endorsement by the Executive Council. In implementing the budget, the Province should at all times guard against fruitless and wasteful expenditure and this would be achieved through quality spending in support of the Annual Performance Plans aligned programmes which supports the government priorities and departmental mandates.

I trust that this document will be a useful tool to understand and measure the extent to which the Provincial government has been able to respond to the socio-economic challenges experienced by the citizens of the Province.



Paul Mosele Sebegoe (MPL)
MEC for Finance

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List of Abbreviations

Abbreviation	Full description
AET	Adult Education and Training
ACE	Advanced Certificate in Education
AFR	Asset Financing Reserve
AsgiSA	Accelerated and Shared Growth Initiative of South Africa
BAS	Basic Accounting Systems
BEE	Black Economic Empowerment
BPO	Business Process Outsourcing
CASP	Comprehensive Agricultural Support Programme
CFO	Chief Financial Officer
CPIX	Consumer Price Index
CSP	Comprehensive Service Plan
CSP	Community, Social and Personal services
DED	Directorate of Entrepreneurial Development
DOR	Division of Revenue Bill
DORA	Division of Revenue Act
ECD	Early Childhood Development
EMIS	Education Management Information System
EMS	Emergency Medical Services
EPWP	Expanded Public Works Programme
FET	Further Education and Training
FSD	Farmer Support and Development
GDP	Gross Domestic Product
GDP-R	Gross Domestic Product by Region
GFS	Government Financial Statistics
GHS	General Household Survey
GIAMA	Government Immovable Asset Management Act
GRAP	Generally Recognized Accounting Practice
HCBC	Home Community Based Care

HCDS	Human Capital Development Strategy
HDI	Historically Disadvantaged Individuals
HIV/Aids	Human Immune Virus/Acquired Immune Deficiency Syndrome
HPRR	Health Professionals Remuneration Review
HRP	Hospital Revitalization Programme
ICS	Improvement in Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Plan
IDPs	Integrated Development Plans
IES	Income and Expenditure Survey
IGP	Infrastructure Grant to Provinces
IMF	International Monetary Fund
ISDP	Integrated Service Delivery Plan
IT	Information Technology
IYM	In-Year Monitoring
LFS	Labour Force Survey
LG	Local Government
M & E	Monitoring and Evaluation
MDR-TB	Multi-Drug Resistant TB
MEC	Member of Executive Council
MEDS	Micro-Economic Development Strategy
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSP	Master Systems Plan
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
NGO	Non-governmental Organisation
NQF	National Qualification Framework
NSDF	National Spatial Development Framework
NSF	National Skills Fund
NTSG	National Tertiary Services Grant

NYS	National Youth Service
NWPG	North West Provincial Government
OSD	Occupational Specific Dispensation
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PHC	Primary Health Care
PPHC	Personal Primary Health Care
PPP	Public Private Partnerships
PSDF	Provincial Spatial Development Framework
PSIRA	Private Security Industry Regulatory Authority
PT	Provincial Treasury
PTRPA	Provincial Tax Regulation Process Act
QIDS-UP	Quality Improvement, Development, Support and Upliftment Programme
RED	Real Enterprise Development
SARB	South African Reserve Bank
SAWs	Social Auxiliary Workers
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDFs	Spatial Development Frameworks
SEDA	Small Enterprise Development Agency
SEP-LG	Socio-Economic Profiles of Local Government
SETA	Sector Education Training Authority
SIP	Strategic Infrastructure Plan
SMME	Small Medium and Micro Enterprise
STI	Sexually Transmitted Infection
TB	Tuberculosis
NWED	North West Province Department of Education
XDR-TB	Extreme Drug Resistant TB

1. Socio-economic Outlook

This chapter outlines the general economic outlook of the North West Province using national and provincial and municipal statistics. It also gives an overview of Geographic, Demographic, socio-economic and economic developments in the North West Province. Various statistical information has been sourced from Stats SA, Census data (2001, 2007 and 2011) Community Survey (2007), mid-year population estimates (2011), general Household Survey (2011) and the GDP release third quarter 2012.

The highest real annual economic growth rates per region - as measured by the gross domestic product per region (GDPR) at market prices - for 2011 compared with 2010 were recorded in Gauteng at 4.0 per cent, followed by Western Cape and Kwa-Zulu- Natal at 3.6 per cent each respectively. The relative ranking of the contribution of the nine provinces to the South African economy did not change between 1996 and 2011. Gauteng remains the largest (34.5 per cent), followed by KwaZulu-Natal (15.7 per cent) and Western Cape (14.2 per cent). These three dominant provinces (collectively contributing nearly two-thirds to the South African economy) have, however, shown a decline in their contribution over the period.

The North West province registered Gross Domestic Product (GDP) growth rate of 2.7 per cent in 2011, 0.8 per cent less than the preliminary National GDP growth rate of 3.5 per cent. The GDP contribution of the North West province to the South African economy was around 6.5 per cent in 2011, relatively low compared to the contribution by dominant provinces stated above. The largest contributors to the North West GDP are mining and quarrying, and general government services.

The consumer price index (CPI) for all urban areas, which is a measure of consumer inflation, averaged 5.6 per cent in 2012 for the South African economy and is expected to average 5.8 per cent in 2013, and 5.2 per cent in 2014. Annual CPI Inflation for the North West is at 6.1 per cent for 2012, 0.5 per cent higher than the National average.

South Africa's employment increased in five of the nine provinces between the third and the fourth quarter of 2012, compared to the third and the fourth quarter of 2011, with the North West being the third largest contributor. Access to basic services like quality health care, basic education, water and sanitation are comparatively low relative to other provinces. The events in Marikana and other mines in the province undermined GDP growth in the province in 2012 and continue to underpin unemployment to some extent. The unemployment rate of North West is at 23.3 per cent for the fourth quarter of 2012, emanating from national and provincial economic and socio-economic pressures and challenges.

1.1 Geographical Landscape of the North-West Province

1.1.1 Provincial boundary changes from 2001 to 2011

A number of changes occurred in terms of provincial and municipal boundaries during the period between Census 2001 and 2011. Of the nine provinces, only two provinces (Western Cape and Free State) were not affected by changes, as depicted by an almost unchanged land area in square kilometres from table 1 below. The provincial boundary changes were mostly as a result of eight cross boundary municipalities which were absorbed in full into respective provinces.

Table 1: Geographical land area changes since 2001

Province name	Provincial code	Land area in square kilometres 2011	Land area in square kilometres 2001
Western Cape	1	129 462	129 449
Eastern Cape	2	168 966	169 954
Northern Cape	3	372 889	362 599
Free State	4	129 825	129 824
KwaZulu-Natal	5	94 361	92 305
North West	6	104 882	116 231
Gauteng	7	18 178	16 936
Mpumalanga	8	76 495	79 487
Limpopo	9	125 754	122 816
Total		1 220 813	1 219 602

Source: Census 2011, StatsSA

The shift of the national boundary over the Indian Ocean in the North East corner of KwaZulu-Natal to cater for the iSimangaliso Wetland Park led to the increase in South Africa's land area. North West province was affected the most by being decreased in size to an extent of 113 48,9 square kilometres.

Most of this was absorbed by the Northern Cape Province. The second largest decrease in size was the extent of Mpumalanga which decreased by 2 992 square kilometres with Limpopo province being the main recipient of this land area. It should be noted that the increased extent of KwaZulu-Natal is not mainly based on the exchange of Umzimkulu (formerly in the Eastern Cape Province) and Matatiele (formerly in KwaZulu-Natal), but due to the shift of the national boundary over the Indian ocean in the North East corner of KwaZulu-Natal to cater for the iSimangaliso Wetland Park.

1.1.2 Local municipal boundary changes, 2001–2011

In 2001, the geographical frame consisted of 262 local municipalities. This total has been reduced to 234 local municipalities in the 2011 geographical frame. The difference of 28 municipalities is explained as follows: In total 25 District Management Areas (DMAs) were absorbed into the existing provinces. The City of Tshwane absorbed a further two municipalities (Nokeng Tsa Taemane and Kungwini). A new municipality (Kagisano Molopo – NW379) was established by merging NW391 (Kagisano) and NW395 (Molopo). A total of 107 municipalities decreased in geographical area while 155 municipalities had an increase in geographical area.

1.2 Demographic Profile

Demographic factors that affect the development and economy of the province are outlined in this section. The table below shows an increase in South African population from around 44.8 million in 2001 to 51.8 million in 2011. This represents a total increase of about 7 million or a percentage increase of 16 per cent over this period. The population of the North West increased from 3 million to 3.5 million people over the same period.

Table 2: Population distribution by province, population group, sex and functional age group (number & Percentage), census 1996, 2001, and 2011

Population size	1996		2001		2011	
	Number	%	Number	%	Number	%
South Africa	40 583 573		44 819 778		51 770 560	
Province						
Western Cape	3 956 875	9,8	4 524 335	10,0	5 822 734	11,2
Eastern Cape	6 147 244	15,2	6 278 651	14,0	6 562 053	12,7
Northern Cape	1 011 864	2,5	991 919	2,2	1 145 861	2,2
Free State	2 633 504	6,5	2 706 775	6,0	2 745 590	5,3
KwaZulu-Natal	8 572 302	21,1	9 584 129	21,4	10 267 300	19,8
North West	2 727 223	6,7	2 984 098	6,7	3 509 953	6,8
Gauteng	7 834 125	19,3	9 388 854	20,9	12 272 263	23,7
Mpumalanga	3 123 869	7,7	3 365 554	7,5	4 039 939	7,8
Limpopo	4 576 566	11,3	4 995 462	11,1	5 404 868	10,4
Population group						
Black African	31 127 631	77,4	35 416 166	79,0	41 000 938	79,6
Coloured	3 600 446	9,0	3 994 505	8,9	4 615 401	9,0
Indian/Asian	1 045 596	2,6	1 115 467	2,5	1 286 930	2,5
White	4 434 697	11,0	4 293 640	9,6	4 586 838	8,9
Sex						
Male	19 520 887	48,1	21 434 040	47,8	25 188 791	48,7
Female	21 062 685	51,9	23 385 737	52,2	26 581 769	51,3
Sex ratio¹		92,7		91,7		94,8
Age						
0-14	13 766 443	34,3	14 365 288	32,1	15 100 089	29,2
15-64	24 392 271	60,8	28 239 279	63,0	33 904 480	65,5
65+	1 934 664	4,8	2 215 211	4,9	2 765 991	5,3
Dependency ratio²		64,4		58,7		52,7

¹The proportion of males to females

²The proportion of the population aged below 15 years and those aged 60 years and older divided by those between ages 15 and 64

Source: General Household Survey 2011, StatsSA

Table 3 shows that Gauteng, with approximately 11 million residents, was the most populous province in 2011, followed by KwaZulu-Natal and Eastern Cape with respectively 10.6 million and 6.7 million residents. Although Northern Cape is the largest province geographically, it remains the least populous province in the country with about 1.2 million people.

Table 3: Number of Individuals per province, 2002-2011

Province	Total population (Thousands)									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Western Cape	4 646	4 755	4 859	4 964	5 071	5 162	5 258	5 369	5 468	5 565
Eastern Cape	6 521	6 541	6 558	6 574	6 587	6 612	6 633	6 649	6 656	6 657
Northern Cape	1 088	1 098	1 106	1 115	1 123	1 131	1 140	1 148	1 154	1 159
Free State	2 777	2 795	2 811	2 826	2 842	2 863	2 884	2 905	2 919	2 932
KwaZulu-Natal	9 683	9 802	9 915	10 025	10 134	10 242	10 348	10 461	10 551	10 632
North West	3 227	3 261	3 294	3 325	3 357	3 389	3 421	3 454	3 479	3 500
Gauteng	9 189	9 387	9 577	9 766	9 961	10 142	10 333	10 556	10 754	10 950
Mpumalanga	3 391	3 430	3 464	3 493	3 519	3 546	3 576	3 610	3 639	3 665
Limpopo	5 011	5 048	5 081	5 111	5 138	5 171	5 201	5 230	5 250	5 264
Total	45 533	46 116	46 665	47 198	47 731	48 257	48 793	49 382	49 869	50 325

Source: General Household Survey 2011, StatsSA

Table 4 below outlines the estimated number of households in each province. The General Household Survey (GHS) was benchmarked against 14.8 million households in South Africa for 2011. Gauteng contained the largest number of households, followed by KwaZulu-Natal, Eastern Cape and Western Cape. Northern Cape, the least populous province, also had the smallest number of households

Table 4: Number of households per province, 2002-2011

Province	Number of households (Thousands)									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Western Cape	1 166	1 204	1 244	1 286	1 333	1 379	1 428	1 478	1 532	1 581
Eastern Cape	1 484	1 517	1 549	1 580	1 614	1 654	1 696	1 738	1 781	1 820
Northern Cape	256	263	270	277	284	293	302	311	320	328
Free State	713	731	749	768	788	812	837	861	885	907
KwaZulu-Natal	2 073	2 140	2 208	2 278	2 356	2 438	2 525	2 615	2 712	2 802
North West	791	811	831	852	876	901	928	954	982	1 006
Gauteng	2 683	2 785	2 891	3 005	3 132	3 258	3 392	3 531	3 684	3 826
Mpumalanga	768	795	821	848	877	909	943	978	1 015	1 050
Limpopo	1 081	1 115	1 148	1 181	1 216	1 258	1 302	1 346	1 394	1 437
Total	11 013	11 362	11 712	12 075	12 476	12 901	13 351	13 812	14 304	14 756

Source: General Household Survey 2011, StatsSA

Table 5 below shows demographic profile change of the North West Province over a decade, 2002 to 2011. The population of the province increased by 0.3 million to 3.5 million, a 9 per cent increase which translates, on average, into a 0,9 per cent annual increase over the period under review.

Table 5: Changes in provincial demographic profile, 2002-2011

Description	Period	Effective change
Population growth	2002 – 2011	0,9 per cent per annum; 3,2 million to 3.5 million
Population increase	2002 – 2011	Increase of 0.3 million or 9 per cent
Number of households	2002	0.8 million
	2011	1.0 million (25 per cent increase)

Table 6 and graph 1 below outline the distribution of age and gender in the province. It is clear that a large percentage of the North West population is below the age of 40. Population is inversely related to age, in that an increase in age corresponds to population declines. The economically active population therefore decays with time.

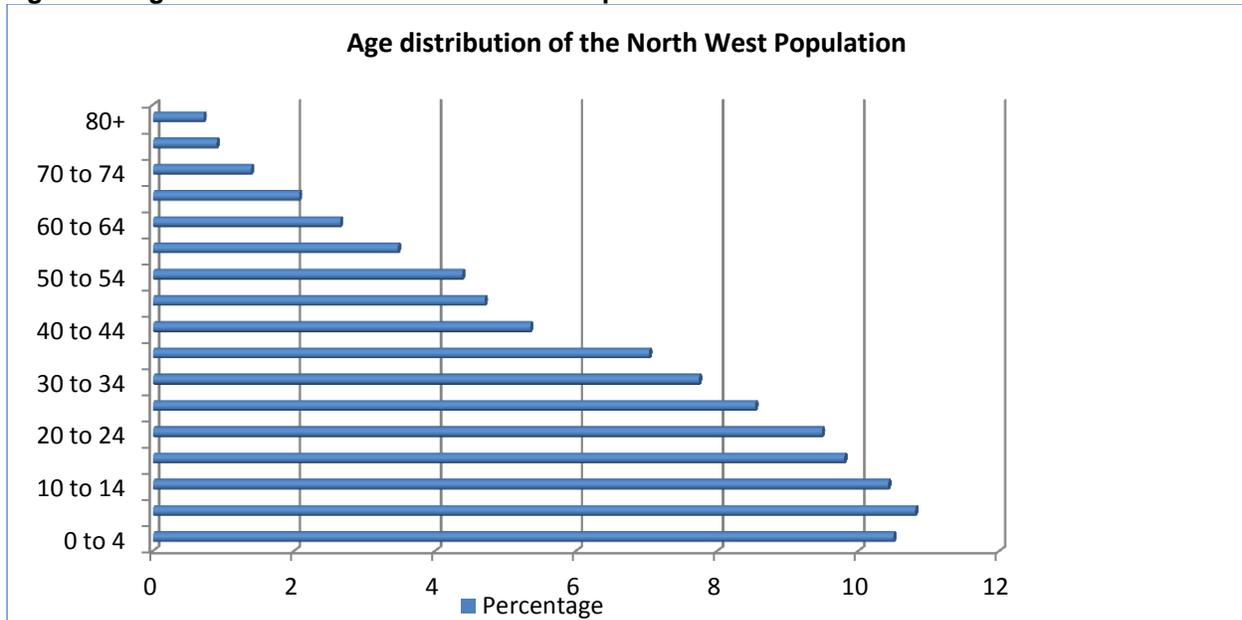
Table 6 Gender and age distribution

North West Province				Percentage Age Distribution	Percentage Male in NW	Percentage Female in NW
Age	Male	Female	Total			
0 to 4	205 133	199 215	404 348	12	50.73	49.27
5 to 9	168 156	164 147	332 303	9	50.60	49.40
10 to 14	156 197	147 516	303 713	9	51.43	48.57
15 to 19	161 776	154 756	316 532	9	51.11	48.89
20 to 24	177 506	165 885	343 391	10	51.69	48.31
25 to 29	171 887	155 775	327 662	9	52.46	47.54
30 to 34	145 356	126 327	271 683	8	53.50	46.50
35 to 39	122 520	114 219	236 739	7	51.75	48.25
40 to 44	104 298	100 628	204 926	6	50.90	49.10
45 to 49	95 401	91 718	187 119	5	50.98	49.02
50 to 54	82 551	78 015	160 566	5	51.41	48.59
55 to 59	63 723	64 855	128 578	4	49.56	50.44
60 to 64	44 834	49 704	94 538	3	47.42	52.58
65 to 69	32 125	39 567	71 692	2	44.81	55.19
70 to 74	21 752	29 958	51 710	1	42.07	57.93
75 to 79	13 057	21 160	34 217	1	38.16	61.84
80+	13 631	26 605	40 236	1	33.88	66.12
Total	1 779 903	1 730 050	3 509 953	100	50.71	49.29

Source: Provincial mid-year population estimates by age and sex, 2011.

The gender distribution of population shows that there are more males in the North West province than females up to the age of 54. Beyond the age of 54, statistics show that females exceed males measurably, which could also imply that females live longer than males in the North West province.

Figure 1: Age distribution of the North West Population



1.2.1 Education

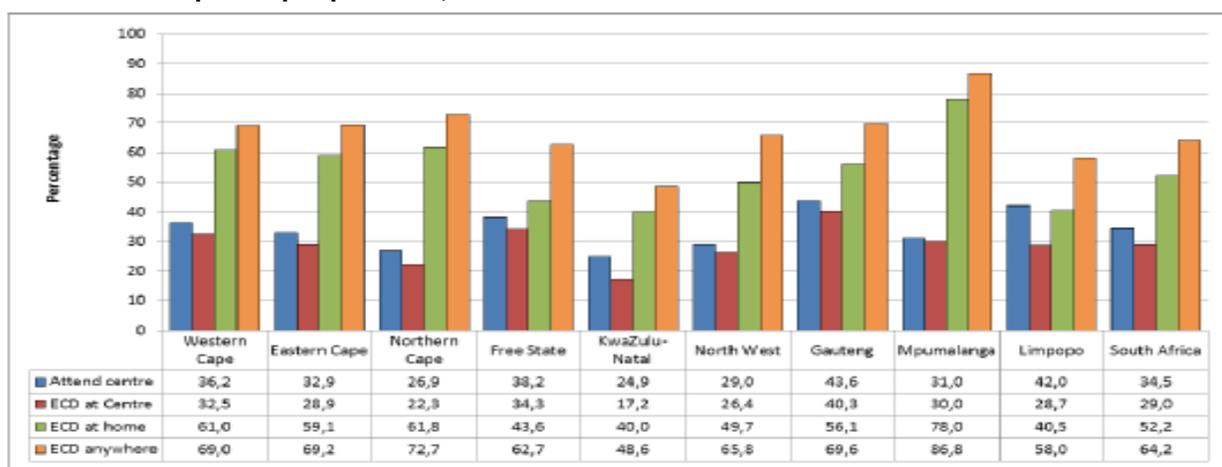
Education is considered a principal instrument to achieve empowerment, economic growth and a general improvement in welfare. The South African Bill of Rights, as part of the Constitution of South Africa, protects the right of everyone to basic education. This also includes adult basic education and further education.

The initial focus of this section is to provide an overview of various aspects of the education profile of South Africans, particularly in the North West province, over the period 2002 to 2011.

1.2.1.1 Educational profile of learners aged 0–4 years

Government has made significant efforts to increase access to early childhood development (ECD) by introducing a reception programme as well as expanding the provisioning of services to children from birth to four years. Figure 2 summarises attendance of centres for young children aged 0–4 years and the extent to which they were exposed to activities across provinces during 2011. Approximately 35 per cent of South African children attended ECD centres. In North West about 30 per cent of children aged 0–4 attended early learning centres, with a large percentage of children receiving ECD anywhere else other than at centres and at home. This implies that there is still a significantly large number of children in this age group not exposed to early learning centres.

Figure 2: Percentage of children attending learning centres and being exposed to Early Childhood Development per province, 2011



Source: StatsSA

1.2.1.2 General attendance of individuals aged 5 years and older at educational institutions

In 2011, 35.9 per cent of individuals aged 5 years and older attended an educational institution. Table 7 shows that nationally, just under 89 per cent of individuals above the age of five years attended school, while a further 4.3 per cent attended universities. By comparison, only 1.6 per cent of individuals attended further education and training (FET) colleges. North West has the highest percentage of ABET enrolment but is one of the lowest performing provinces when it comes to pre-school education and Higher education institution attendance.

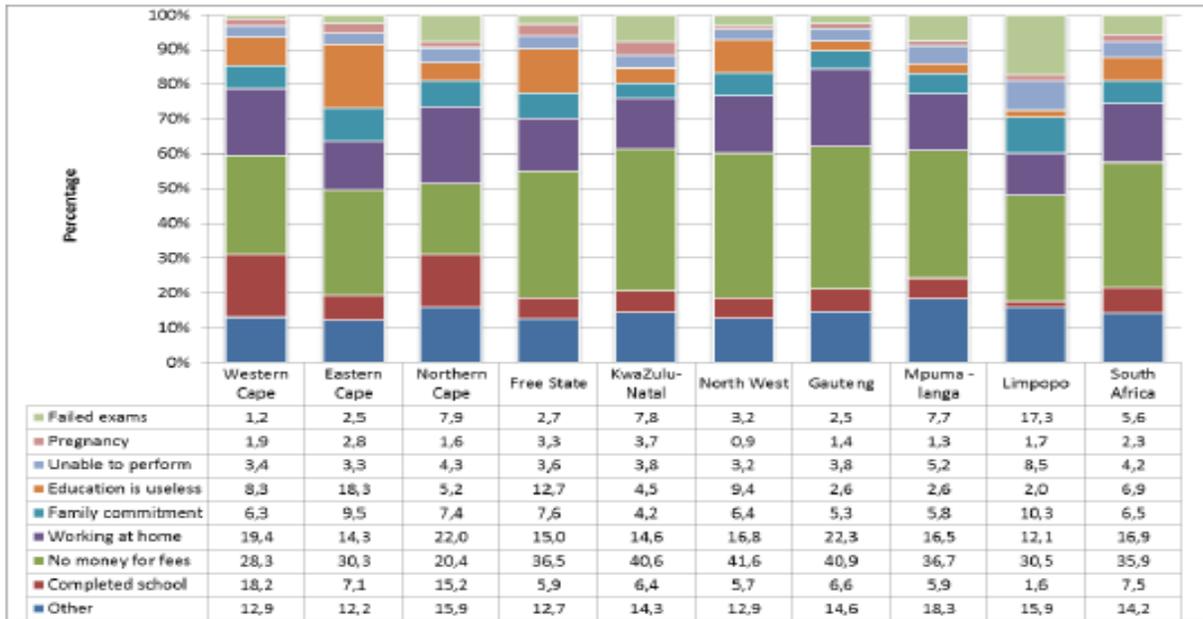
Table 7: Percentage of persons aged 5 years and older attending educational Institutions by province and type of Institution, 2011

Type of institution	Province									
	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Pre-school	6,7	2,4	4,1	4,4	2,5	2,8	6,0	3,3	5,6	4,2
School	82,1	92,0	91,4	85,5	91,9	90,1	80,1	91,2	89,9	88,2
ABET	0,2	0,4	0,6	0,6	0,2	1,3	0,4	0,4	0,7	0,5
Literacy classes	0,2	0,2	0,0	0,1	0,1	0,1	0,0	0,0	0,0	0,1
Higher education institutions	7,2	3,1	1,9	6,1	3,8	2,6	9,7	3,0	1,5	4,3
FET	1,9	1,3	1,4	2,5	1,1	1,4	2,3	1,1	1,3	1,6
Other colleges	1,2	0,5	0,3	0,7	0,3	0,6	1,0	0,9	0,6	0,7
Other	0,6	0,1	0,2	0,2	0,2	0,4	0,5	0,1	0,4	0,3
Subtotal (thousands)	1 436	2 387	343	970	3 628	1 066	2 831	1 293	2 084	16 009
Unspecified (thousands)	70	37	19	14	154	24	182	35	46	609
Total (thousands)	1 506	2 424	362	984	3 782	1 090	3 013	1 328	2 130	16 618

Unspecified was excluded from the denominator when calculating percentages

Nationally, the proportion of persons aged 7 to 24 who were attending educational institutions remained relatively stable between 2002 and 2011, decreasing only slightly from 73.9 per cent to 73.6 per cent over this time. Enrolment rates declined in four of the nine provinces over this period. The highest enrolment in 2011 was recorded in Limpopo (79.3 per cent), and the lowest in Western Cape (68.9 per cent) compared to other provinces. The main reasons provided by persons in the age group 7–24 years for not attending any educational institutions are depicted in Figure 3. Nationally, almost two-thirds (35.9 per cent) of individuals cited a lack of money for not studying as being the main reason for not attending an educational institution. This reason was offered by 41.6 per cent of respondents in North West.

Figure 3: Main reasons given by persons aged 7 to 24 years for not attending an educational institution by province³, 2011



Source: StatsSA

The most important problems experienced by those currently enrolled at educational institutions are presented in Figure 4. Nationally, a lack of books (6.1 per cent) and high tuition fees (5.8 per cent) were singled out as the most challenging problems, followed by large class sizes (4.9 per cent). In North West, 11.4 per cent of learners complained about a lack of books.

Figure 4: Problems experienced in schools

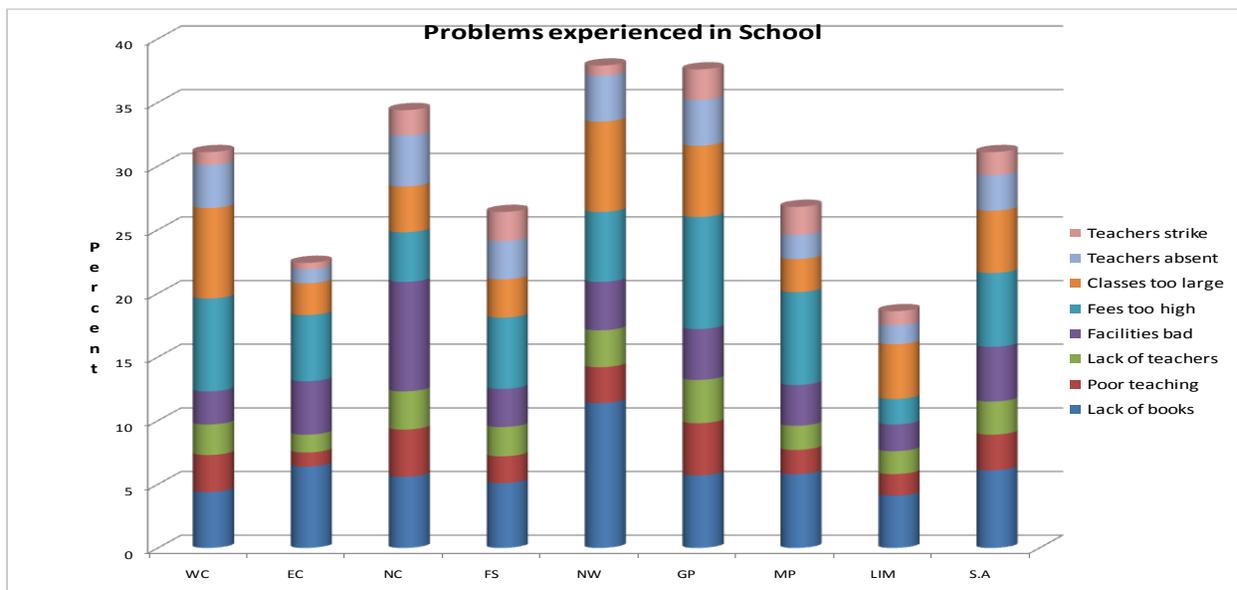
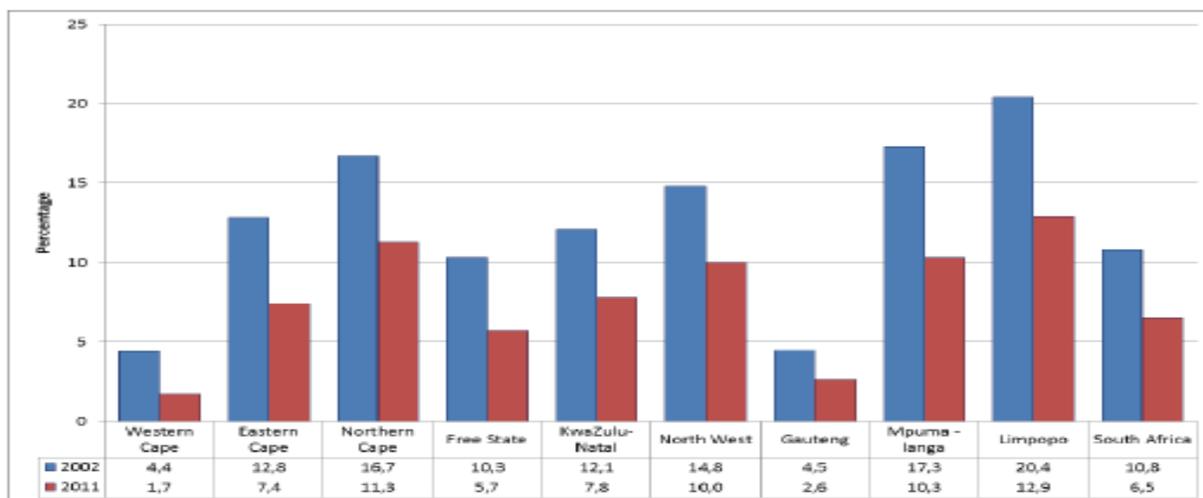


Figure 5 illustrates that the largest increase in the percentage of persons over the age of 20 years with no education took place in Limpopo and Mpumalanga while the smallest changes were observed in Gauteng and Western Cape. North West was somewhere close to the median, registering percentages of around 15 per cent and 10 per cent for 2002 and 2011 respectively.

Figure 5: Percentage of persons aged 20 years and older with no formal education per province, 2002 and 2011



Source: StatsSA

1.2.2 Health

Table 8 and table 8(i) shows that the users of private health-care facilities seemed to be more satisfied with those facilities than users of public health-care facilities across all provinces. Whereas 97.2 per cent of users were satisfied with private facilities (92.9 per cent were very satisfied), only 83.6 per cent of users of public health-care facilities were satisfied. Only 61.9 per cent of individuals that used public health care facilities were very satisfied. Respondents using public health-care facilities in North West (73.9 per cent), Gauteng (80.5 per cent), and Northern Cape (81 per cent) were least satisfied with these facilities, while 90.3 per cent of households in Limpopo reported being satisfied.

Table 8: Level of satisfaction with public health care, 2011

Type of institution	Statistic	Province									
		Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Public health care											
Very satisfied	Number	521	923	122	383	973	344	1 177	446	863	5 752
	Per cent	65,6	67,0	54,5	68,4	51,5	52,0	57,6	62,2	78,1	61,9
Somewhat satisfied	Number	145	298	59	94	648	145	468	150	137	2 144
	Per cent	18,3	21,6	26,5	16,7	34,3	21,9	22,9	21,0	12,4	21,7
Neither satisfied nor dissatisfied	Number	48	76	19	29	155	49	208	50	38	672
	Per cent	6,1	5,5	8,7	5,1	8,2	7,4	10,2	6,9	3,4	6,8
Somewhat dissatisfied	Number	48	54	8	21	60	48	78	23	29	369
	Per cent	6,0	3,9	3,7	3,8	3,2	7,3	3,8	3,2	2,6	4,2
Very dissatisfied	Number	32	27	15	34	55	75	111	48	39	436
	Per cent	4,0	2,0	6,7	6,0	2,9	11,4	5,5	6,8	3,5	5,4

Table 8(i): Level of satisfaction with private health care, 2011

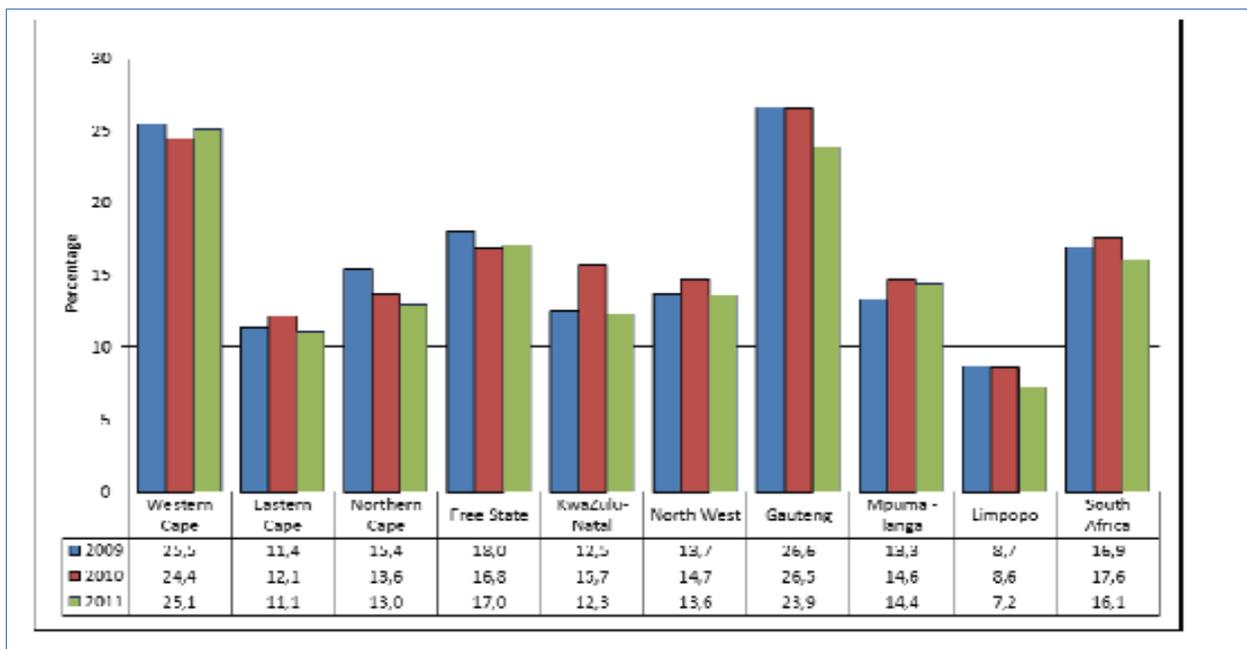
Type of institution	Statistic	Province									
		Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Private health care											
Very satisfied	Number	670	317	76	307	505	221	1 167	263	169	3 695
	Per cent	92,0	98,6	89,9	95,3	85,9	89,9	92,4	94,8	97,2	92,9
Somewhat satisfied	Number	47	3	5	12	41	16	59	6	2	191
	Per cent	6,4	0,9	6,2	3,6	7,0	6,6	4,7	2,1	0,9	4,3
Neither satisfied nor dissatisfied	Number	6	0	2	1	9	3	8	2	2	32
	Per cent	0,8	0,0	2,3	0,4	1,5	1,2	0,6	0,6	1,3	1,0
Somewhat dissatisfied	Number	3	1	1	1	5	1	14	2	0	28
	Per cent	0,4	0,4	1,3	0,4	0,8	0,6	1,1	0,7	0,0	0,6
Very dissatisfied	Number	3	0	0	1	29	4	15	5	1	58
	Per cent	0,4	0,0	0,4	0,3	4,9	1,8	1,2	1,8	0,5	1,3

Totals exclude unspecified cases

Source: StatsSA

White individuals remain much more likely to belong to a medical aid than members of other population groups. While almost 69.7 per cent of the white population belonged to some medical scheme, only 41.1 per cent of the Indian/Asian, 20.3 per cent of the coloured and 8.9 per cent of the black African population groups were covered by such schemes at the time the survey was conducted in 2011. Figure 6 reveals that Western Cape (25.1 per cent) and Gauteng (23.9 per cent) contained the highest percentage of medical aid members while Limpopo (7.2 per cent) and Eastern Cape (11.1 per cent) had the lowest proportion of medical aid membership. Noticeable drops in the percentage of medical aid members are observed in all provinces between 2002 and 2011 except Western Cape and Northern Cape where slight increases occurred.

Figure 6: Percentage of individuals who are members of medical aid schemes per province, 2009 - 2011



Source: StatsSA

1.2.3 Disability

The findings are presented in Table 6 below. 5.2 per cent of South Africans aged 5 years and older were classified as disabled. Women (5.4 per cent) were slightly more likely to be disabled than men (5 per cent). Northern Cape (10.2 per cent), North West (7.7 per cent) and Free State (6.7 per cent) presented the highest rates of disability in the country. No clear patterns emerge when the findings are compared to the results from 2009 and 2010. Nationally, the percentage of disabled individuals over the age of four years increased from 5.7 per cent in 2009 to 6.3 per cent in 2010, before declining again to 5.2 per cent in 2011.

Table 9: Number and percentage of persons aged 5 years and older with disability by gender and Province, 2011

Indicator	Statistic (Numbers in thousands)	Province									
		Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Male	Number	93	176	47	90	187	120	155	85	125	1 080
	Per cent	3,8	6,2	9,5	7,2	4,2	7,8	3,1	5,4	5,8	5,0
Female	Number	129	189	59	87	252	121	170	96	158	1 260
	Per cent	5,0	6,1	10,8	6,3	5,0	7,6	3,4	5,7	6,4	5,4
Total disabled	Number	221	366	105	177	438	241	325	181	283	2 339
	Per cent	4,4	6,1	10,2	6,7	4,6	7,7	3,3	5,5	6,1	5,2
Subtotal	Number	5 031	5 972	1 035	2 641	9 513	3 149	9 914	3 282	4 642	45 179
Unspecified	Number	12	9	4	3	38	8	54	9	27	165
Total	Number	5 044	5 981	1 039	2 644	9 551	3 158	9 968	3 291	4 669	45 345
Total disabled 2009	Per cent	4,0	5,3	5,6	9,1	7,7	4,9	5,3	3,7	4,8	5,7
Total disabled 2010	Per cent	5,0	7,9	9,8	10,1	6,6	8,5	3,3	5,0	8,2	6,3

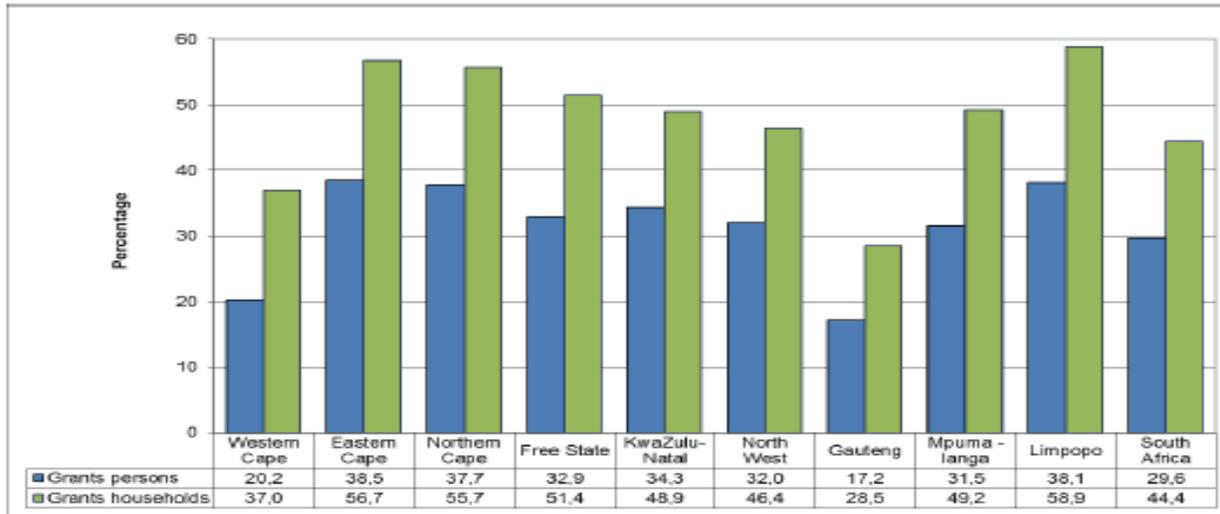
Source: StatsSA

1.2.4 Social security services

Figure 9 summarises the provincial distribution of individuals and households that benefited from social grants in 2011. More than a third of individuals in Eastern Cape (38.5 per cent), Limpopo (38.1 per cent) and Northern Cape (37.7 per cent) are grant beneficiaries, compared to 17.2 per cent in Gauteng and 20.2 per cent in Western Cape. Similarly, more than half of households in Limpopo (58.9 per cent), Eastern Cape (56.7 per cent) and Northern Cape (55.7 per cent) received at least one grant compared to 28.5 per cent of households in Gauteng and 37 per cent of households in Western Cape.

More than a third of black African individuals (33.5 per cent) received a social grant, compared to 23.3 per cent of coloured individuals, and 12.4 per cent Indian/Asian individuals. Only 6.0 per cent of the white population received grants. North West grant beneficiaries were in the region of around 31 per cent of its population.

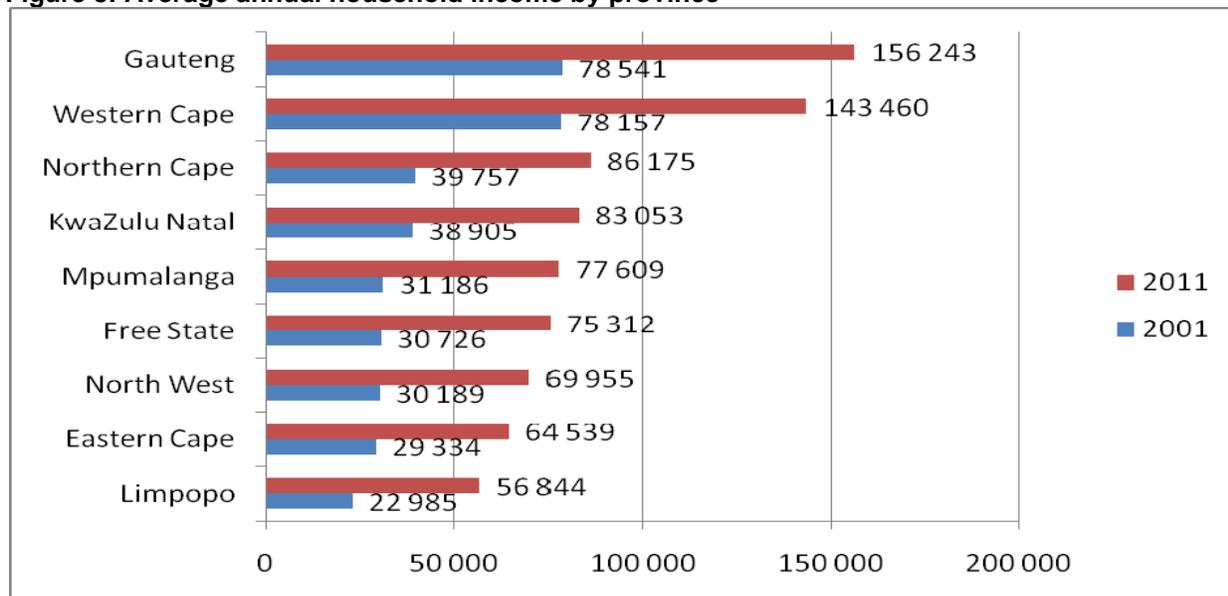
Figure 7: Percentage of individuals and households benefiting from social grants per province, 2011



Source: StatsSA

According to census 2011, as presented in figure 8 below, Limpopo remained the province with the lowest average annual household income at R56 844, followed by Eastern Cape where the average was R64 539. At the other end of the scale, Gauteng had the highest average annual household income at R156 243 followed by Western Cape with a figure of R143 460. The order of provinces from 2001 to 2011 remained the same in terms of average annual household income. The five provinces with the lowest average annual household income in 2001 have seen the largest percentage increases during the period 2001 to 2011. Households in Mpumalanga had the largest increase of 148.9 per cent followed by those in Limpopo (147.3 per cent), Free State (145.1 per cent), North West (131.7 per cent) and Eastern Cape (120 per cent). In contrast the average annual household income for households in Western Cape increased by 83.6 per cent during this period and the increase in Gauteng was 98.9 per cent.

Figure 8: Average annual household income by province



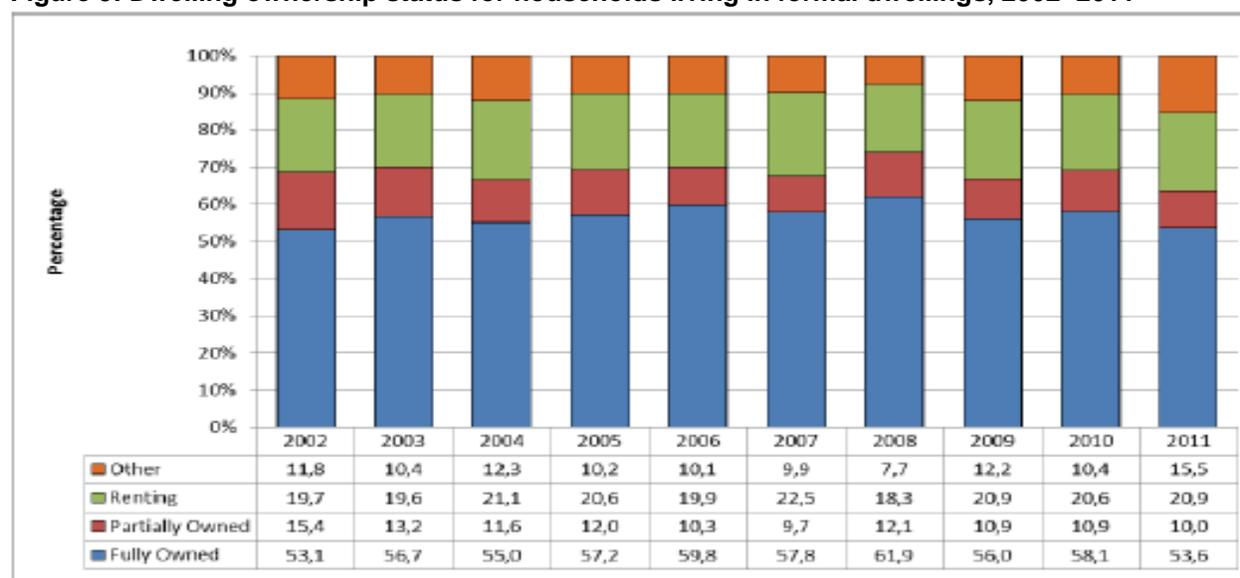
Source: StatsSA

1.3 Socio-economic indicators

1.3.1 Housing conditions

This section presents selected findings over the period 2002 to 2011. The analysis will focus on the type of dwellings in which South African households live and then on the extent of use of state-subsidised housing as well as the perceived quality thereof. The characteristics of the dwellings in which households live and their access to various services and facilities provide an important indication of the well-being of household members. It is widely recognised that shelter satisfies a basic human need for physical security and comfort. Figure 9 shows the percentage of households according to their tenure status. The percentage of households that fully own the dwellings they inhabit decreased from 58.1 per cent in 2010 to 53.6 per cent in 2011. This decline was accompanied by a slight decline (of 0.9 percentage points to 10 per cent in 2011) for households that partially owned their house, and a slight increase in the percentage of households that rented accommodation. The greatest increase was observed for households maintaining ‘other’ tenure arrangements (10.4 per cent in 2010 to 15.5 per cent in 2011).

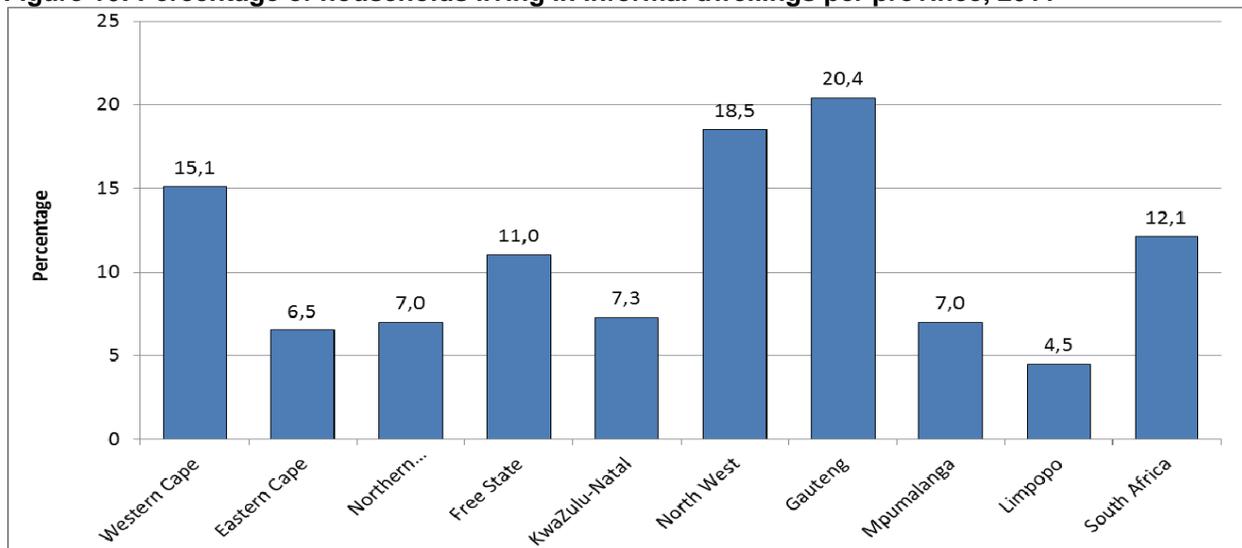
Figure 9: Dwelling ownership status for households living in formal dwellings, 2002–2011



Source: StatsSA

The percentage of households living in informal dwellings per province is presented in Figure 10. Households in Gauteng (20.4 per cent), North West (18.5 per cent) and Western Cape (15.1 per cent) were most likely to live in informal dwellings, while the smallest prevalence of informal dwellings was observed in Limpopo (4.5 per cent) and Eastern Cape (6.5 per cent). The percentage of households that maintained what is described as ‘other’ tenure arrangements increased from 7.7 per cent in 2008 to 15.5 per cent in 2011. These arrangements include living in dwellings rent-free, for example with parents or other relatives, and are a sign of financial stress as households bundle together their living arrangements to save some money on rent or perhaps rates and taxes. It is important to note that these arrangements started to become more prevalent after the financial crisis of 2008 – a time during which an increasing number of households started to experience financial strain.

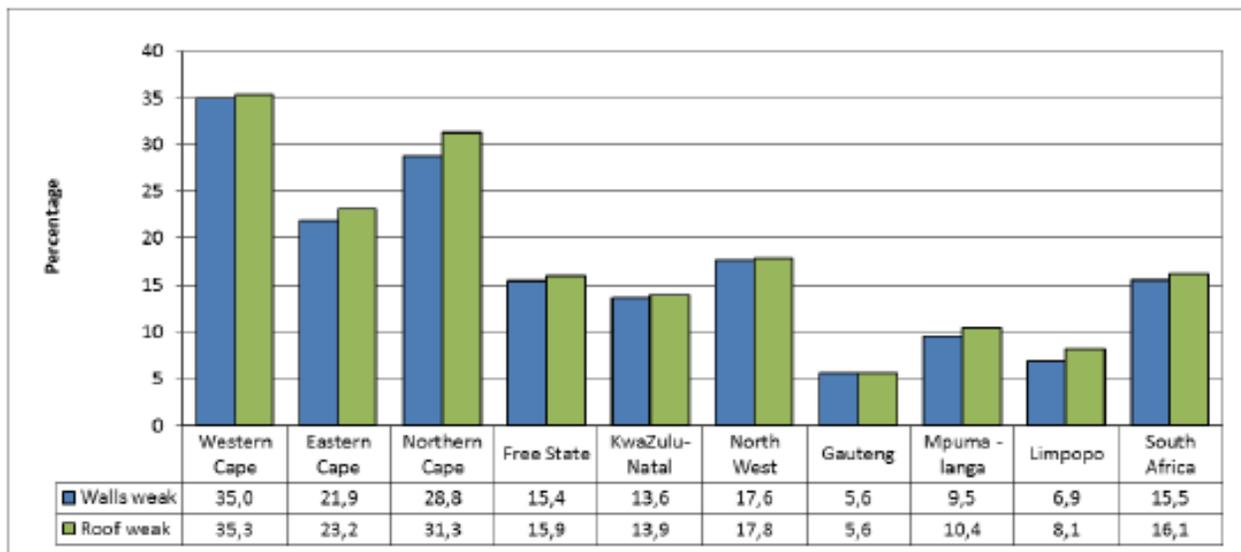
Figure 10: Percentage of households living in informal dwellings per province, 2011



Source: StatsSA

According to statistics SA, respondents were asked to indicate whether the walls and roof of their dwellings were: very good, good, needed minor repairs, weak or very weak. Figure 11 summarises the findings specifically for 'RDP' or state-subsidised dwellings. It was found that across the country, 15.5 per cent of households felt that the walls of their dwellings were weak or very weak, whilst 16.1 per cent felt that the roof was weak or very weak. There was considerable variation between provinces in the perceptions about housing quality. Most complaints were noted in the three Cape provinces: Western, Eastern and Northern Cape. Households in Gauteng and Limpopo seemed most content with the quality of their home's walls and roofs. North west' quality of state-subsidised dwellings was somewhere in between.

Figure 11: Percentage of households that said that their 'RDP' or state-subsidised house has weak or very weak walls and/or roof by province, 2011

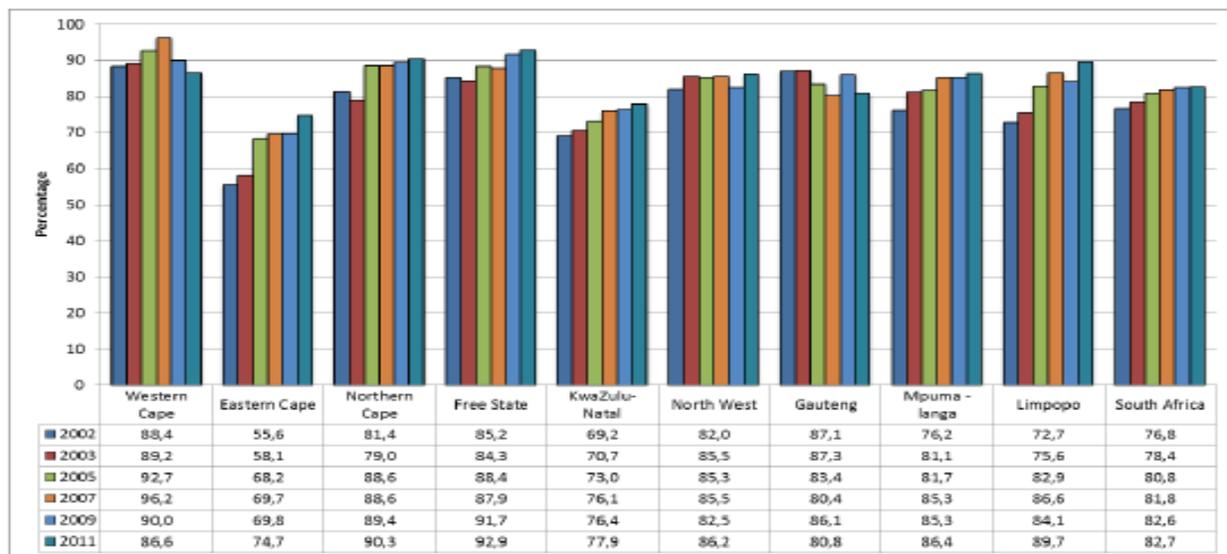


Source: StatsSA

1.3.2 Electricity

The percentage of South African households that were connected to the mains electricity supply increased from 76.8 per cent in 2002 to 82.7 per cent in 2011. This is presented in Figure 12. The highest percentage of households that were connected to the mains electricity supply was recorded in Free State (92.9 per cent) and Northern Cape (90.3 per cent). By contrast, less than three-quarters (74.7 per cent) of households in Eastern Cape and 77.9 per cent of households in KwaZulu-Natal had similar connections. Gauteng (-53 per cent) and Western Cape (-3.4 per cent) experienced decreases in the number of households connected to the mains electricity supply between 2010 and 2011, while the biggest increases were recorded in Limpopo (+5.6 per cent) and Eastern Cape (+4.9 per cent). North West has consistently been hovering around the commendable 85 per cent mark for households connected to electricity for years: 2002, 2003, 2005, 2007, 2009 and 2011.

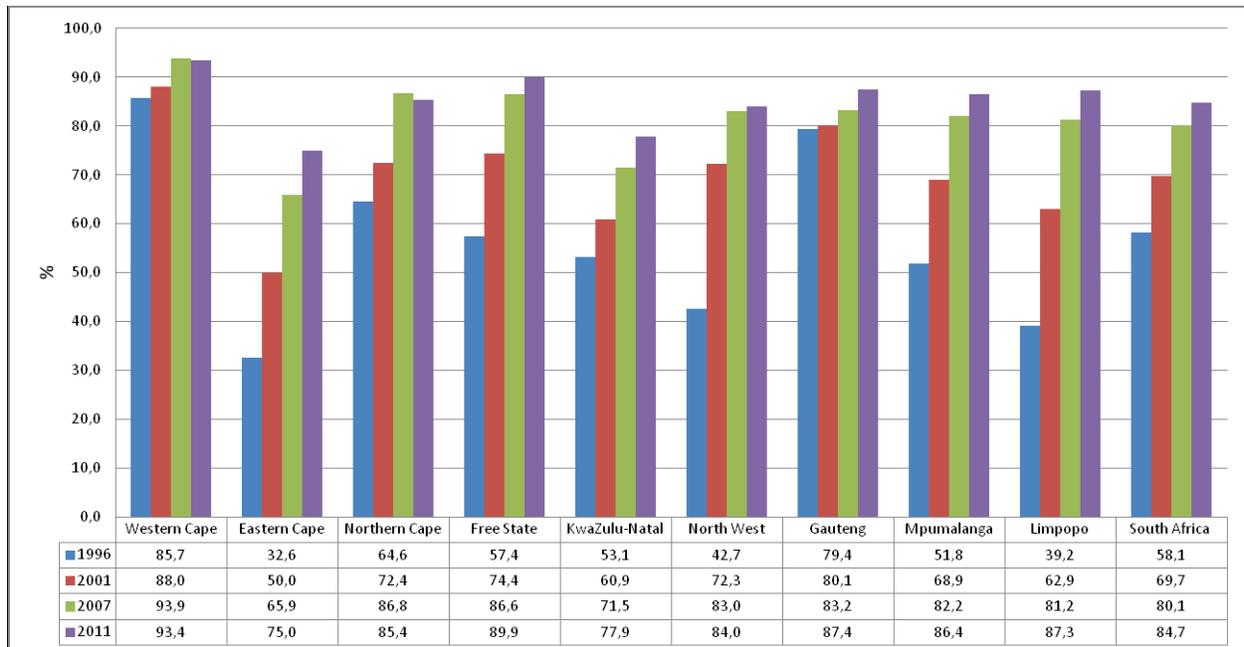
Figure 12: Percentage of households connected to the mains electricity supply by province, 2002, 2003, 2005, 2007, 2009 and 2011



Source: StatsSA

The results portrayed in Figure 13 below show that the proportion of households using electricity as a source of energy for lighting by province increased over the period. The highest proportion was recorded in Western Cape (93.4 per cent) while the lowest was recorded in Eastern Cape (75 per cent).

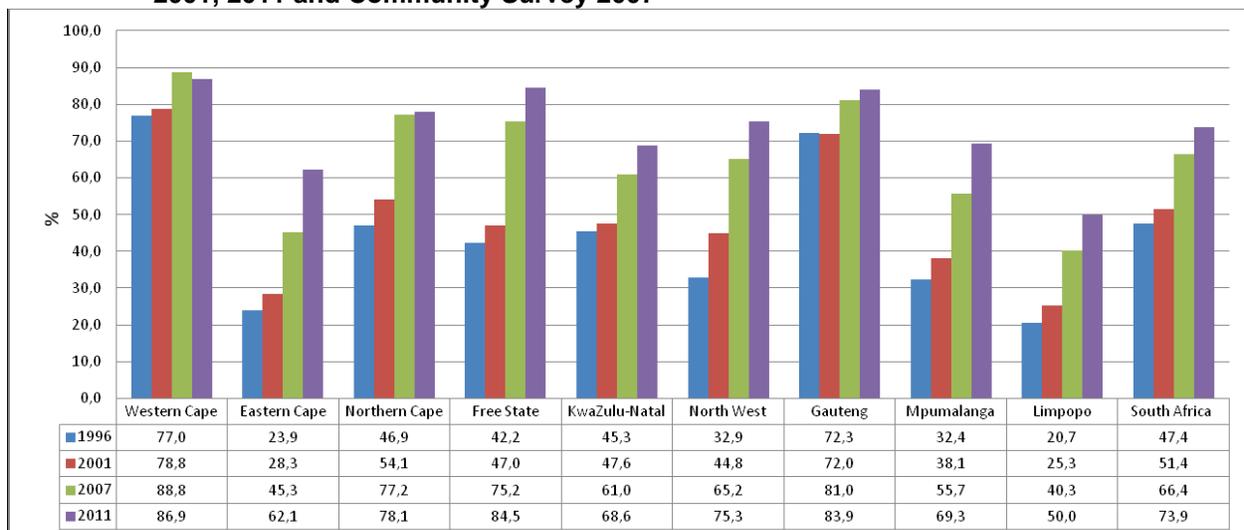
Figure 13: Percentage of households using electricity for lighting by province: Census 1996, 2001, 2011 and Community Survey 2007



Source: StatsSA

Figure 14 shows the upward trend in the proportion of households using electricity for cooking in all the provinces from over time 1996 to 2011.

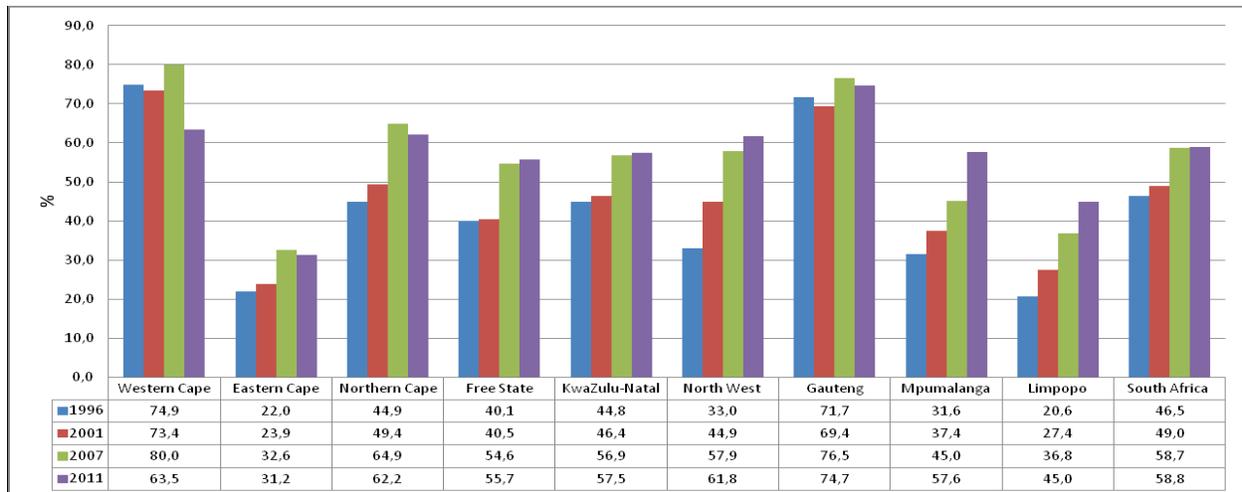
Figure 14: Percentage of households using electricity for cooking by province: Census 1996, 2001, 2011 and Community Survey 2007



Source: StatsSA

The proportion of households using electricity for heating increased over time in all provinces as shown in Figure 15. The highest proportion was recorded in Gauteng (74.3 per cent) followed by Western Cape (63.1 per cent).

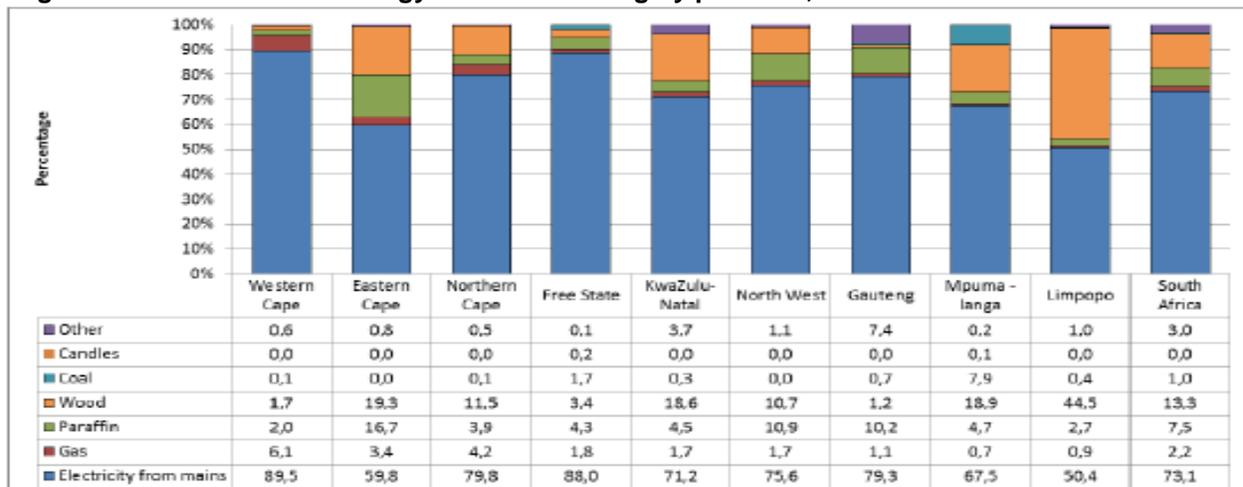
Figure 15: Percentage of households using electricity for heating by province: Census 1996, 2001, 2011 and Community Survey 2007



Source: StatsSA

The main sources of energy used for cooking in 2011 by province are presented in Figure 16. As it could be expected, the use of electricity as the main source of energy for cooking was highest in Western Cape (89.5 per cent) and Free State (88.0 per cent), and the lowest in provinces considered to be more rural, such as Eastern Cape (59.8 per cent) and Limpopo (50.4 per cent). Eastern Cape contained the highest proportion of households using paraffin (16.7 per cent), followed by North West (10.9 per cent) and Gauteng (10.2 per cent). By contrast, only 2 per cent of households in Western Cape used paraffin for cooking. Almost half (44.5 per cent) of households in Limpopo still used wood for cooking, followed by a fifth of households in Eastern Cape (19.3 per cent), Mpumalanga (18.9 per cent) and KwaZulu-Natal (18.6 per cent). Only approximately 1.7 per cent and 1.2 per cent respectively of households in Western Cape and Gauteng used wood for cooking.

Figure 16: Main source of energy used for cooking by province, 2011



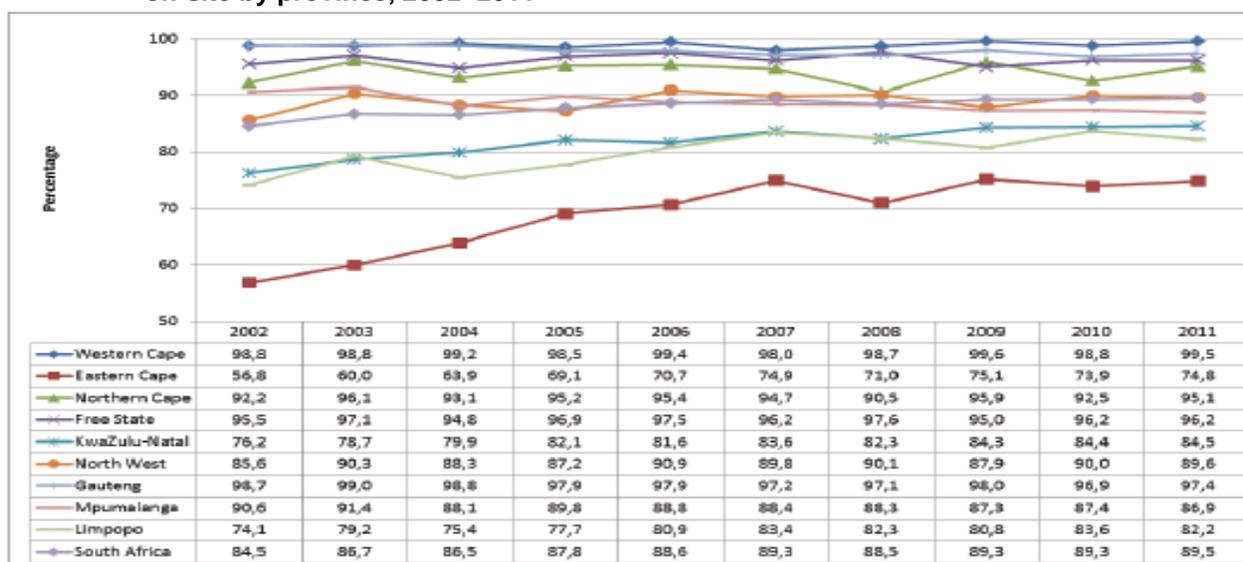
Source: StatsSA

1.3.3 Access to piped water

The proportion of households having access to piped water in the dwelling in North West increased from 85.6 per cent in 2002 to 89.6 per cent in 2011. This was slightly above the national average 89.5 per cent in 2011. The proportion of households with access to piped or tap water in the dwelling, off-site or on-site by province is presented in Figure 17.

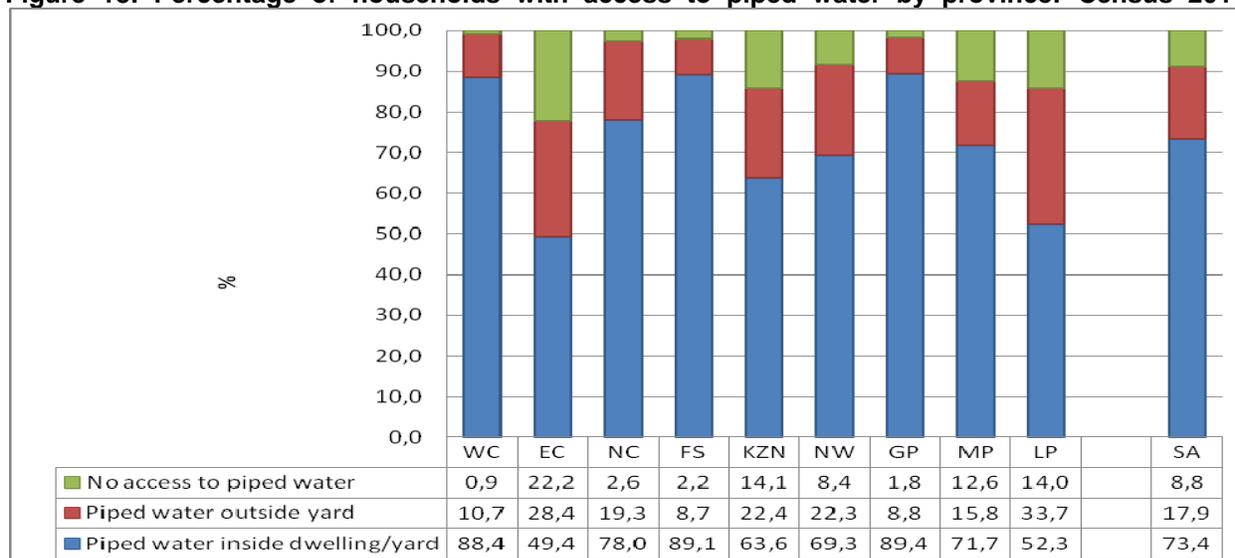
Households in Western Cape (99.5 per cent) and Gauteng (97.4 per cent) enjoyed almost universal access to water. Despite noticeable improvements since 2002, the percentage of households with access to water in Eastern Cape (74.8 per cent), Limpopo (82.2 per cent), KwaZulu-Natal (84.5 per cent) and Mpumalanga (86.9 per cent) still lagged the national average of 89,5 per cent. Figure 18 differentiates between on site and off site.

Figure 17: Percentage of households with access to piped or tap water in the dwelling, off-site or on-site by province, 2002–2011



Source: StatsSA

Figure 18: Percentage of households with access to piped water by province: Census 2011

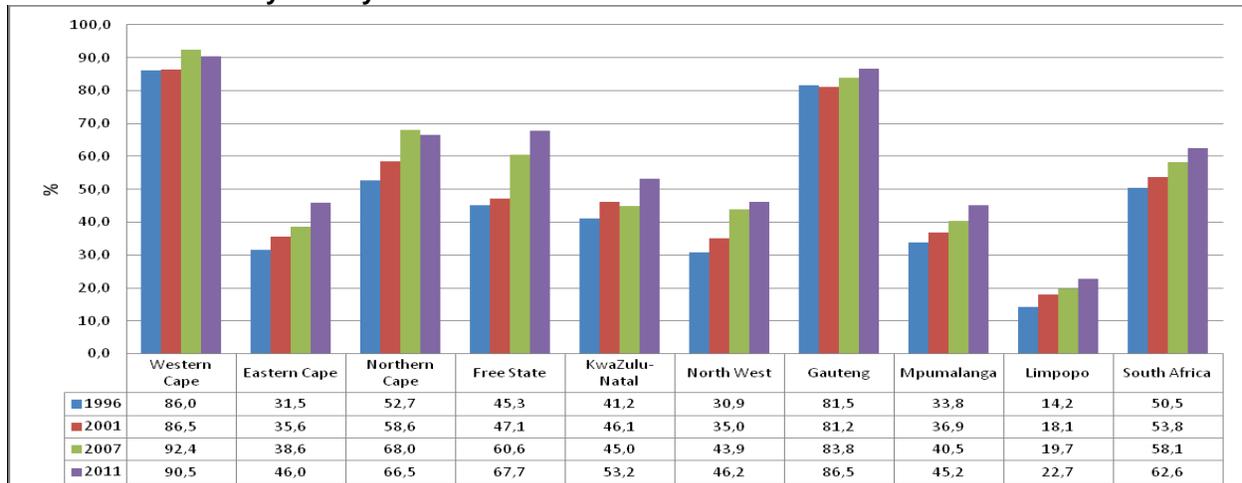


Source: StatsSA

1.3.4 Toilet facilities

Figure 19 shows that the percentage of households with access to flush or chemical toilet has increased in all the provinces since 1996. Western Cape is the province with the highest percentage (90.5) of households with access to flush or chemical toilet, followed by Gauteng, Free State and Northern Cape with 86.5 per cent, 67.7 per cent and 66.5 per cent respectively. The percentage of households that have access to flush or chemical toilet in Eastern Cape, KwaZulu-Natal, North West, Mpumalanga and Limpopo is below the national average of 62.6 per cent.

Figure 19: Percentage of households with a flush toilet by province: Census 1996, 2001, 2011 and Community Survey 2007

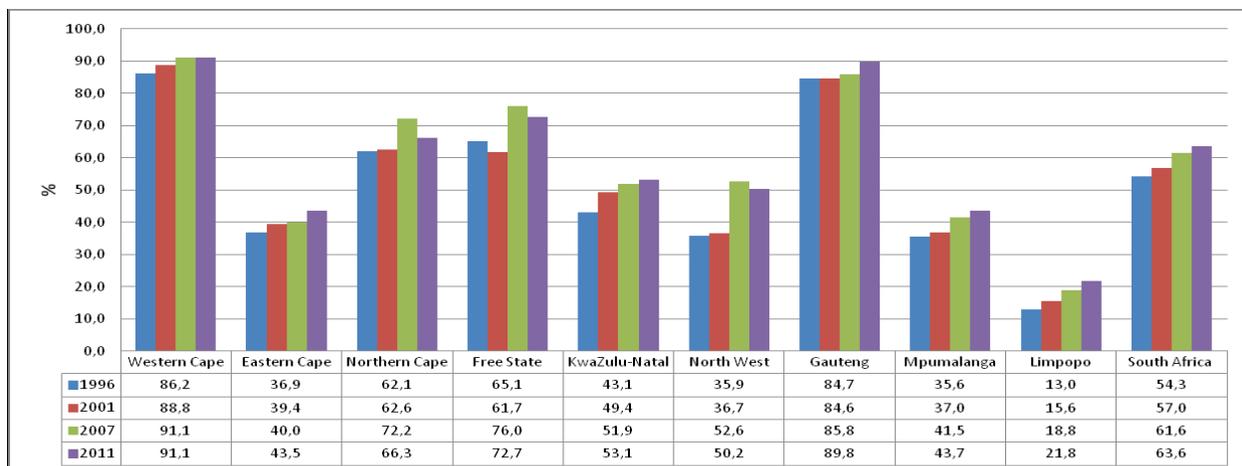


Source: StatsSA

1.3.5 Refuse removal

Figure 20 shows that the proportion of households with access to refuse removal by local authority/private company at least once a week increased in all provinces since 1996. Western Cape had the highest proportion of households with access to refuse removal at 91.1 per cent, followed by Gauteng at 89.8 per cent in 2011. Limpopo and Eastern Cape had percentages below the national average with 43.7 per cent and 43.5 per cent respectively. Overall most provinces recorded significant increases 54.3 per cent in 1996 to 63.6 per cent in 2011 nationally.

Figure 20: Percentage of households where refuse is removed by local authority/private company weekly by province: Census 1996, 2001, 2011 and Community Survey 2007



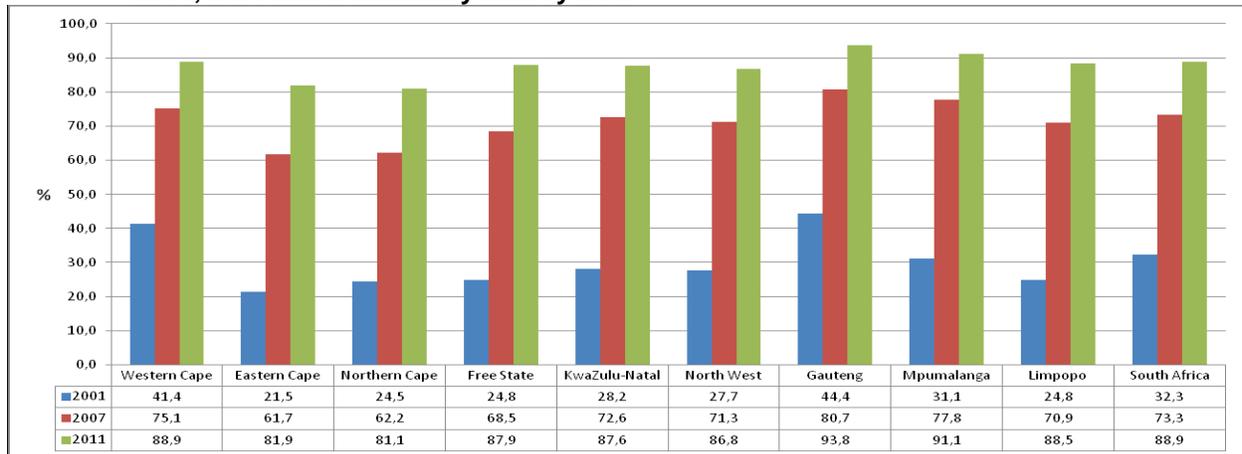
Source: StatsSA

1.3.6 Household goods

1.3.6.1 Cell phone

Figure 21 shows that the percentages of households that have a cell phone in working order increased from 32.3 per cent in 2001 to 73.3 per cent in 2007 and 88.9 per cent in 2011 nationally. Gauteng had the highest percentage in 2001 at 44.4 per cent and it has highly increased to 93.8 per cent in 2011. In Northern Cape, 24.5 per cent of households owned cell phones in 2001 and it increased to 81.1 per cent in 2011, which is the lowest in the country. North West is well on its way to reaching 90 per cent.

Figure 21: Percentage of households that have a cell phone in working order by province: Census 2001, 2011 and Community Survey 2007

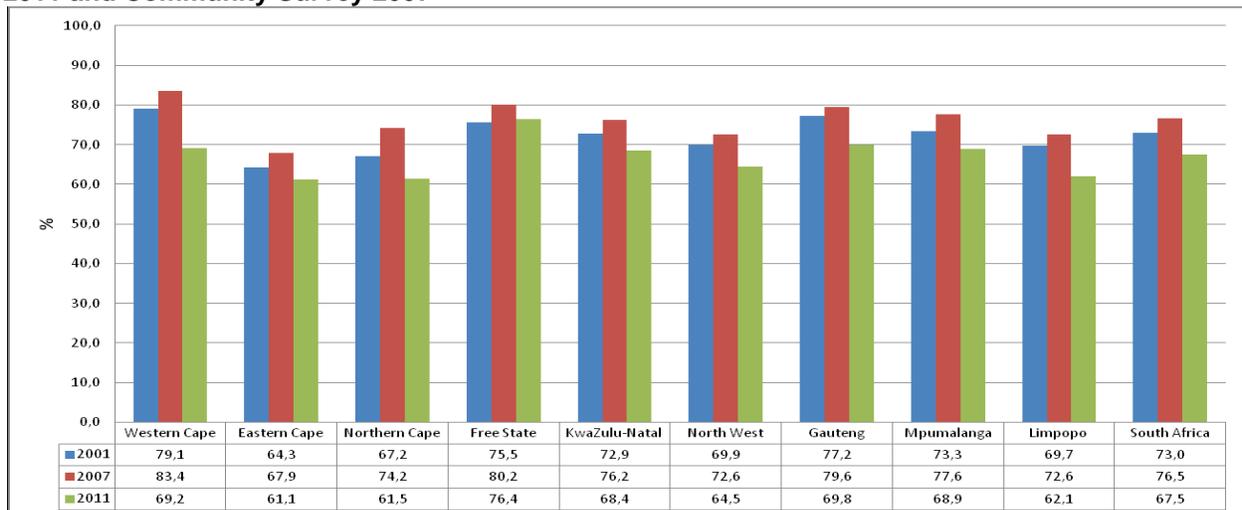


Source: StatsSA

1.3.6.2 Radio

Figure 22 shows that the proportion of households with a radio decreased significantly from 73.0 per cent in 2001 to 67.5 per cent in 2011. The figure also indicates that Western Cape, Northern Cape and Gauteng recorded the highest decline in households owning radio. The declining trend could be as a result of households shift to digital media like the cell phone and television.

Figure 22: Percentage of households that have a radio in working order by province: Census 2001, 2011 and Community Survey 2007

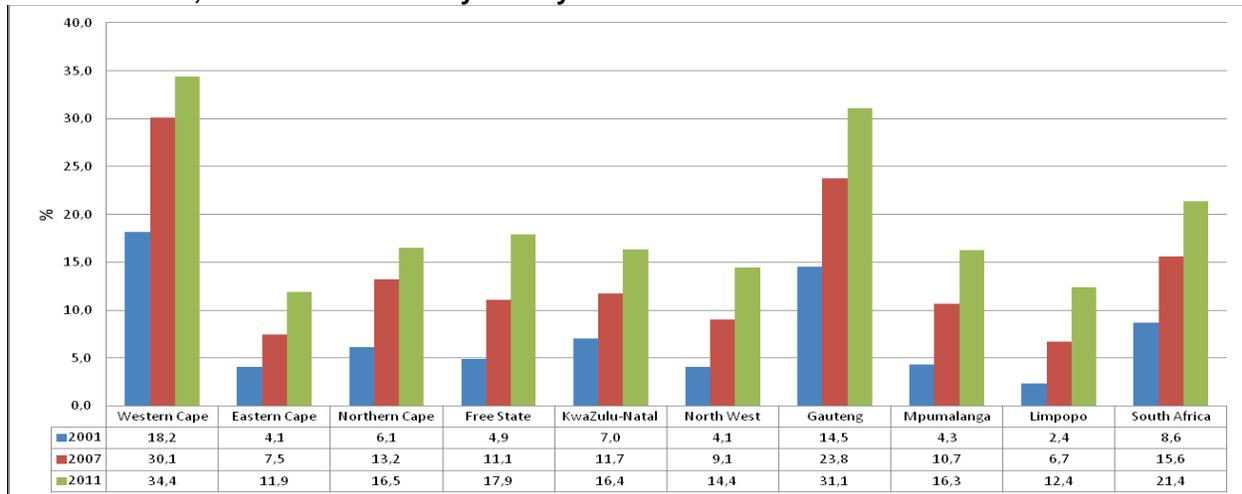


Source: StatsSA

1.3.6.3 Computer

Figure 23 shows an increase in the percentage of households having a computer from 8.6 per cent 2001 to 21.4 per cent in 2011 nationally. Western Cape was the highest at 18.2 per cent in 2001 and it has increased to 34.4 per cent, followed by Gauteng with 14.5 per cent in 2001 and 31.1 per cent in 2011. Limpopo had the lowest percentage of household owning a computer with 2.4 per cent in 2001 and it has increased to 12.4 per cent in 2011. Eastern Cape was 4.1 per cent in 2001 and it is the lowest amongst all the provinces in 2011 with 11.9 per cent alongside North West.

Figure 23: Percentage of households that have a computer in working order by province: Census 2001, 2011 and Community Survey 2007

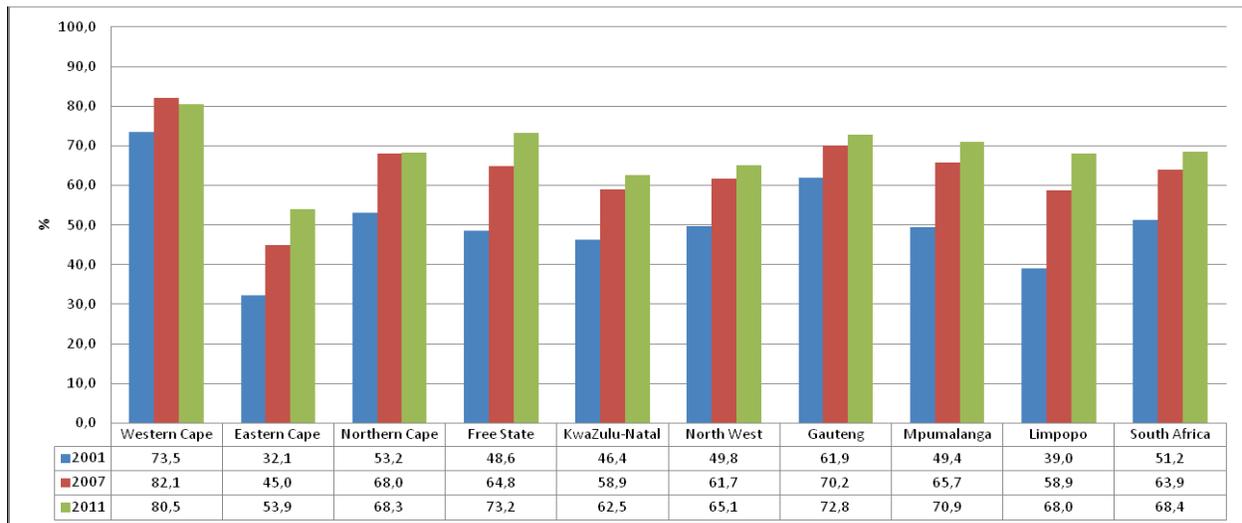


Source: StatsSA

1.3.6.4 Refrigerator

Figure 24 shows that the proportion of households with a refrigerator increased from 51.2 per cent in 2001 to 63.9 per cent in 2007 and 68.4 per cent in 2011. All provinces recorded increases in the proportion of households with a refrigerator between 2001 and 2011. Western Cape had the highest percentage of households owning a refrigerator at 73.5 per cent in 2001 and increasing to 80.5 per cent in 2011, followed by Gauteng at 61.9 per cent in 2001 to 72.8 per cent in 2011. Eastern Cape had the lowest percentage at 32.1 per cent in 2001 and 53.9 per cent in 2011. North West improved from 49.8 per cent in 2001 to 65.1 per cent in 2011.

Figure 24: Percentage of households that have a refrigerator in working order by province: Census 2001, 2011 and Community Survey 2007

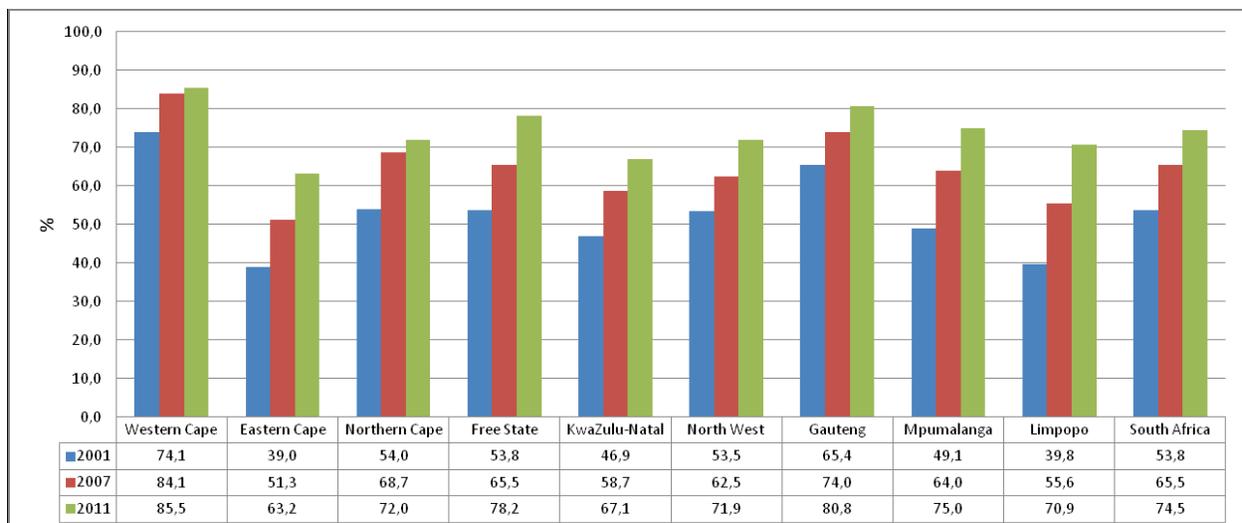


Source: StatsSA

1.3.6.5 Television

Figure 25 shows that the proportion of households with a television increased from 53.8 per cent in 2001 to 65.5 per cent in 2007 and 74.5 per cent in 2011. All provinces recorded increases in the proportion of households with a television between 2001 and 2011. Western Cape had the highest percentage of households owning a television at 74.1 per cent in 2001 to 84,1 per cent in 2007 and it has increased to 85.5 per cent in 2011, followed by Gauteng with 65.4 per cent in 2001 to 74.0 per cent in 2007 and 80,8 per cent in 2011. Eastern Cape had the lowest percentage at 39.0 per cent in 2001 to 51.3 per cent 2007 and 63.2 per cent in 2011. North West improved from 62.5 in 2007 to 71.9 in 2011.

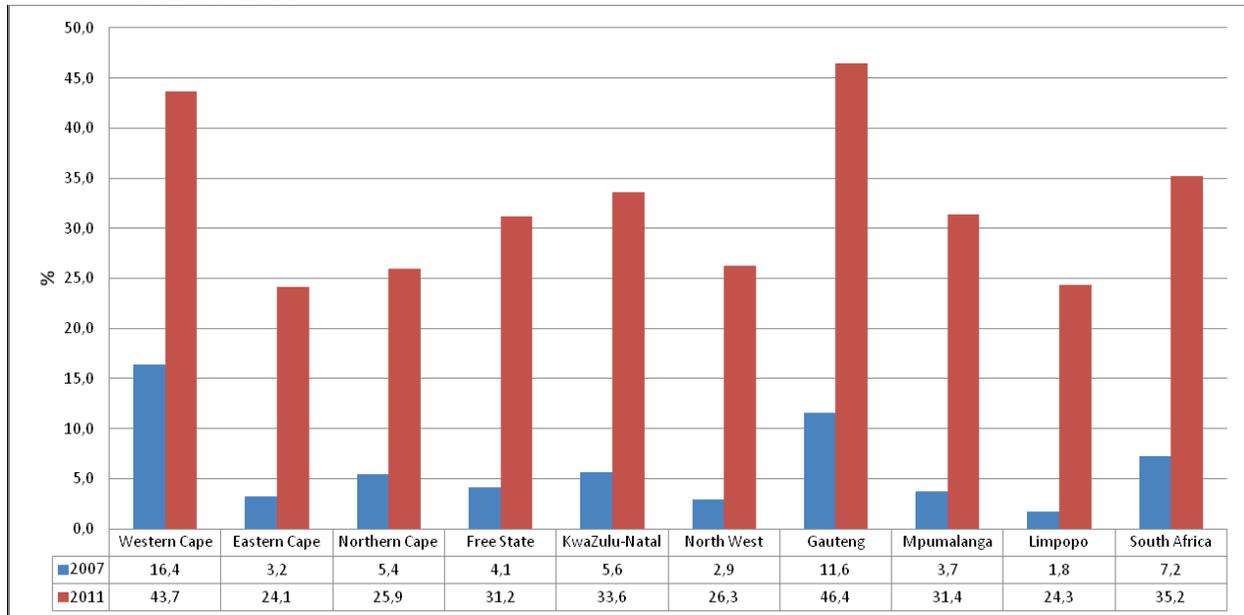
Figure 25: Percentage of households that have a television in working order by province: Census 2001, 2011 and Community Survey 2007



1.3.6.6 Internet

Figure 26 shows a proportion of households with access to internet increase drastically in 2011 compared to 2007. In 2007, Western Cape (16.4 per cent) had the highest access to the internet, followed by Gauteng (11.6 per cent). Limpopo and Eastern Cape recorded the lowest access at 1.8 per cent and 3.2 per cent respectively. In 2011, Gauteng had the highest access to internet at 46.4 per cent followed by Western Cape at 43.7 per cent. Limpopo and Eastern Cape has the lowest proportion of the household with access to internet at 24.3 per cent and 24.1 per cent respectively. North West has improved its connection rate from 2.9 per cent to 26.3 per cent.

Figure 26: Percentage of households with access to the internet: Community Survey 2007 and Census 2011

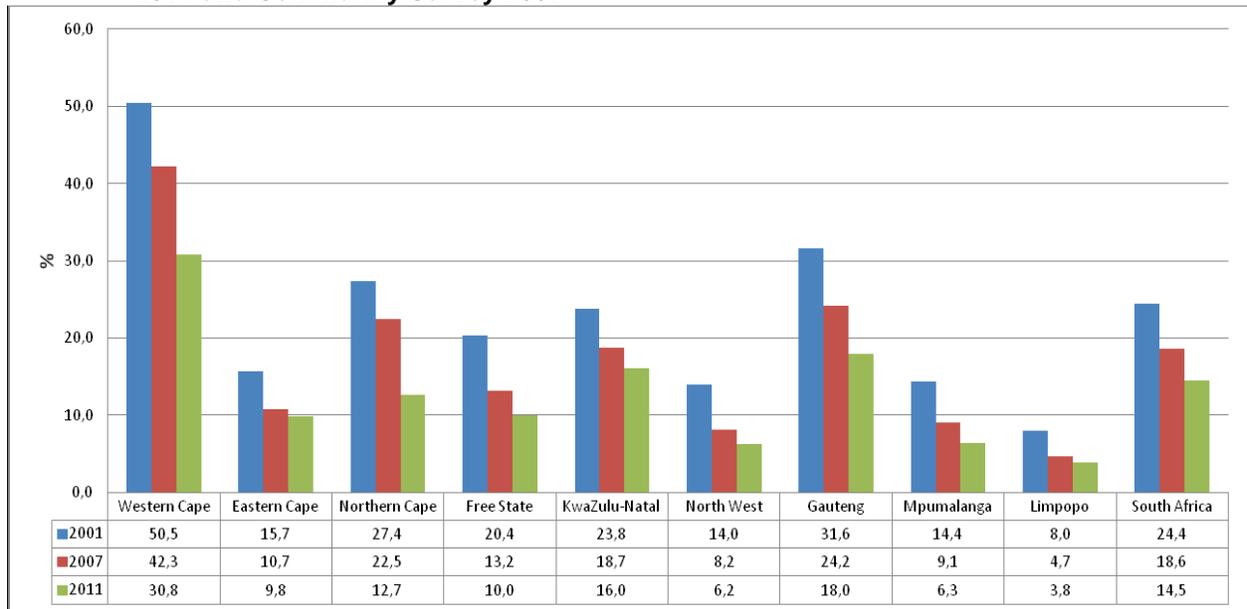


Source: StatsSA

1.3.6.7 Landline telephone

Figure 27 gives the percentage of households that had a landline telephone in 2001, 2011 and 2007 Community Survey. The figure shows that all provinces recorded decrease in the proportion of households with landline telephones. Western Cape recorded the highest decrease of 11.5 per cent from 2007 to 2011 followed by Northern Cape and Gauteng. This significant decrease is attributable to the shift to the cell phone usage, which is easily accessible as compared to the landline. North West is one of the lowest users of landline telephones from 2001 to 2011.

Figure 27: Percentage of households that have a landline telephone by province: Census 2001, 2011 and Community Survey 2007



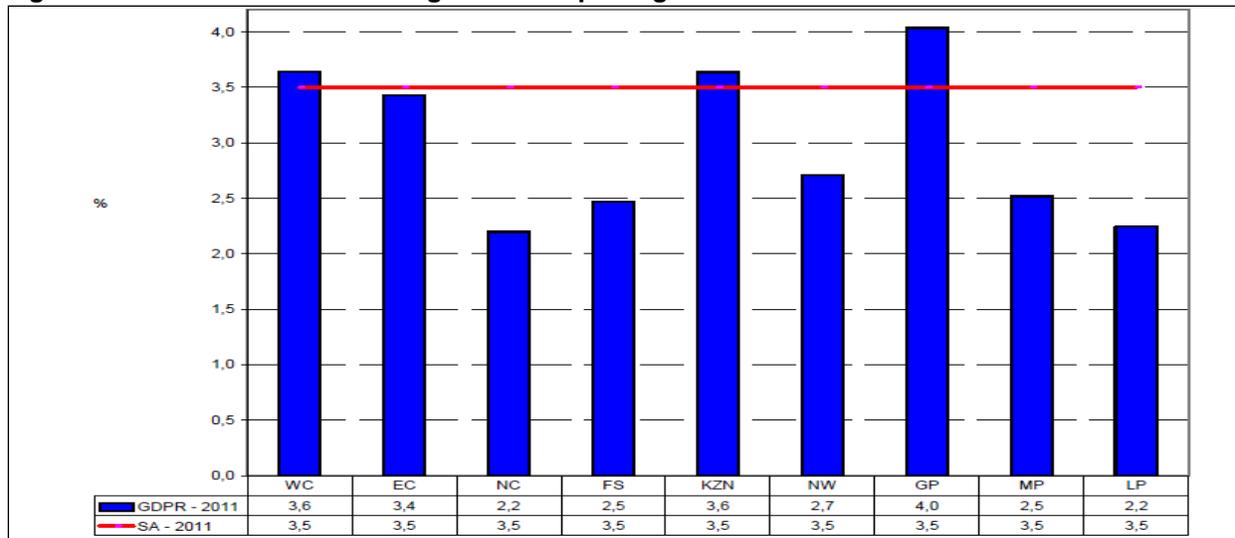
Source: StatsSA

1.4 Economic Indicators

1.4.1 Provincial Gross Domestic Product (GDP)

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 2011 compared with 2010 were recorded in Gauteng at 4 per cent, followed by Western Cape and KwaZulu-Natal at 3.6 per cent each respectively. The relative ranking of the contribution of the nine provinces to the South African economy did not change between 1996 and 2011, as shown in Figure 28. Gauteng remains the largest (34.5 per cent), followed by KwaZulu-Natal (15.7 per cent) and Western Cape (14.2 per cent). These three dominant provinces (collectively contributing nearly two-thirds to the South African economy) have, however, shown a decline in their contribution over the period. The North West Gross Domestic Product (GDP) growth rate is estimated to be at 2.7 per cent for 2011, 0.8 per cent less than the preliminary National GDP growth rate of 3.5 per cent.

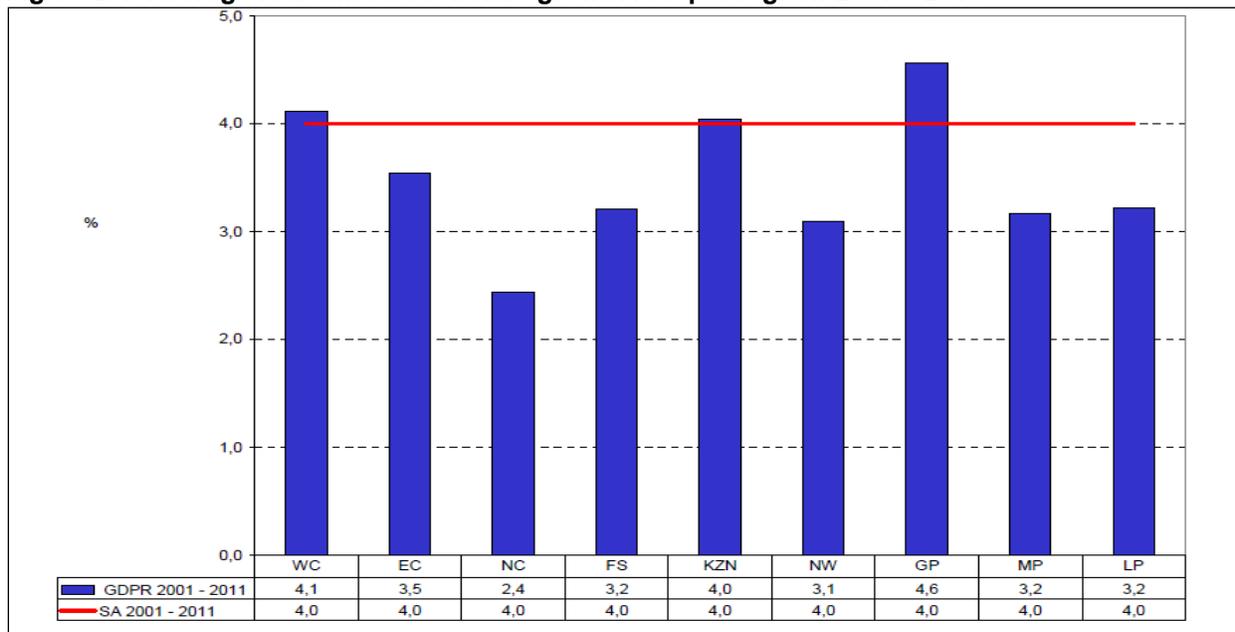
Figure 28: Real annual economic growth rate per region: 2011



Source: StatsSA

The lowest performing province between 2001 and 2011 is the Northern Cape as depicted in figure 29. North West grew by 3.1 per cent on average over the period, 0.9 per cent lower than the National average real economic growth rate of 4 per cent.

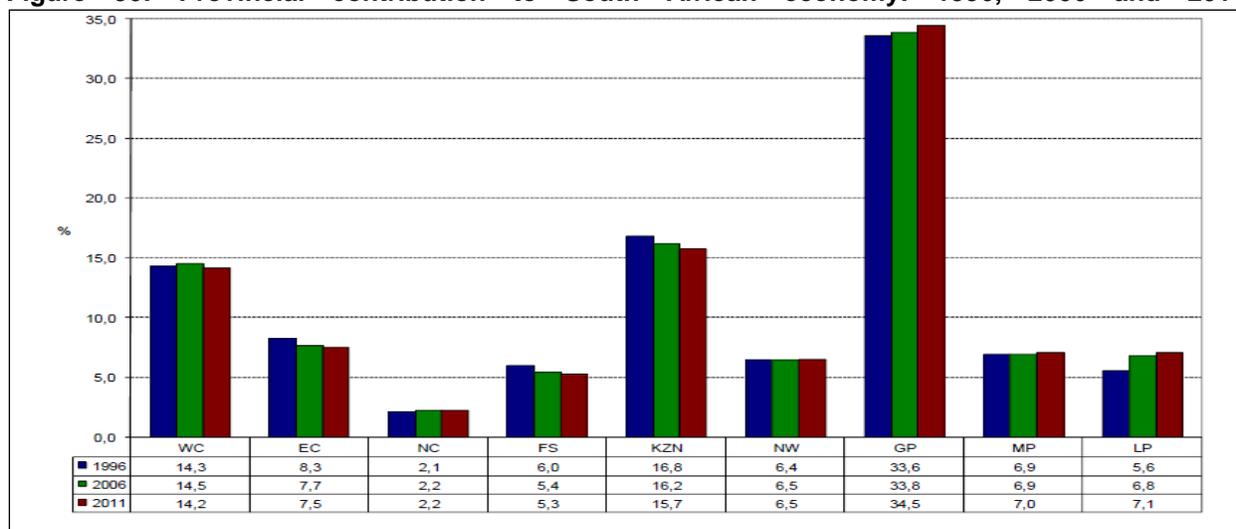
Figure 29: Average real annual economic growth rate per region: 2001 – 2011



Source: StatsSA

Gauteng remains the largest contributing province to the GDP at (34.5 per cent), followed by KwaZulu-Natal (15.7 per cent) and Western Cape (14.2 per cent). These three dominant provinces (collectively contributing nearly two-thirds to the South African economy) have, however, shown a decline in their contribution over the period. North West is contributing, on balance, 6.5 per cent to GDP for the years: 1996, 2006 and 2011 as illustrated in figure 30.

Figure 30: Provincial contribution to South African economy: 1996, 2006 and 2011



Source: StatsSA

From table 10 below, it is clear that the North West Province is driven mainly by the mining and Quarrying industry, which contributes a measurable 33.6 per cent to the North West Gross Domestic Product, followed by general government services and Finance, real estate and business services sector.

Table 10: Relative size of formal and non-observed economy by industry: 2011

Industry	Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo
Agriculture, forestry and fishing	3,5	1,5	6,0	4,3	3,8	2,1	0,4	2,8	2,5
Mining and quarrying	0,3	0,2	26,7	13,3	1,9	33,6	3,3	24,9	29,4
Manufacturing	11,8	12,2	2,1	8,5	15,8	4,4	13,5	11,5	2,5
Electricity, gas and water	2,0	1,4	3,0	3,1	2,5	1,4	2,4	5,4	2,8
Construction	4,3	2,1	1,6	2,0	3,0	2,6	4,3	3,3	2,5
Wholesale, retail and motor trade; catering and accommodation	17,0	14,7	9,9	12,3	15,5	9,3	14,2	10,3	10,8
Transport, storage and communication	9,1	7,9	7,8	7,1	11,9	6,1	8,3	5,8	5,4
Finance, real estate and business services	26,6	18,6	11,6	14,2	16,5	11,1	22,8	10,9	14,0
Personal services	5,1	9,1	8,1	10,2	5,8	7,0	3,6	4,3	3,8
General government services	10,2	22,0	12,8	14,7	13,3	12,1	17,0	10,5	16,0
All industries at basic prices	90,0	89,8	89,8	89,7	90,0	89,7	89,9	89,7	89,7
Taxes less subsidies on products	10,0	10,2	10,2	10,3	10,0	10,3	10,1	10,3	10,3
GDP at market prices	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: StatsSA

1.4.2 Employment by province

The table below shows that between Quarter 3:2012 and Quarter 4:2012, there were job losses in four of the nine province with the largest declines observed in Eastern Cape (69 000), KwaZulu-Natal (40 000) and Gauteng (16 000). There were employment gains in Mpumalanga (31 000), Western Cape (18 000) and Limpopo (8 000) over the same period. Compared to the year ended December 2011, employment increased in five of the nine provinces, with Limpopo (107 000), Gauteng (63 000) and North West (47 000) being the biggest contributors, while job losses were observed in KwaZulu-Natal (69 000), Eastern Cape (65 000) and Free State (21 000).

Table 11: Employment by province

Province	Oct-Dec 2011	Jul-Sep 2012	Oct-Dec 2012	Qtr-to- qtr change	Year-on- year change	Qtr-to- qtr change	Year-on- year change
	Thousand				Per cent		
South Africa	13 497	13 645	13 577	-68	80	-0,5	0,6
Western Cape	1 842	1 806	1 824	18	-18	1,0	-1,0
Eastern Cape	1 326	1 330	1 261	-69	-65	-5,2	-4,9
Northern Cape	291	290	292	2	1	0,7	0,3
Free State	753	736	732	-4	-21	-0,5	-2,8
KwaZulu-Natal	2 562	2 533	2 493	-40	-69	-1,6	-2,7
North West	700	745	747	2	47	0,3	6,7
Gauteng	4 115	4 194	4 178	-16	63	-0,4	1,5
Mpumalanga	923	928	959	31	36	3,3	3,9
Limpopo	985	1 084	1 092	8	107	0,7	10,9

*Due to rounding, numbers do not necessarily add up to totals.

Source: StatsSA

2. Summary of Budget Strategy and Aggregates

2.1 Overview of the Budget Strategy

The current unfavorable economic outlook is continuing to have a rippling effect on the country's limited resources and therefore placing unprecedented strain on our provincial budget regardless of the slight improved equitable share we have received as a result of the new data updates. For the province to utilize the available resources efficiently, it is to comply with the existing budget reforms with more emphasis on reprioritization of the baselines allocations, eradication of wasteful expenditure including fighting corruption and cutting frills. As part of the budget process, the Province shifted funds from low efficiency/ priority expenditures towards areas of higher efficiency over the 2013 MTEF . .

Implementation of cost saving measures including reduction of budgets of non-core items in order to fund government key priorities is one of the features of this budget. Projects without proper plans were not considered and those that have been considered, departments must ensure implementation of projects within stipulated timeliness and budgets. This has yielded positive results as funds were realized and directed to fastrack ongoing projects and assists to build capacity around infrastructure delivery units.

The Province would continue with the implementation of budget reforms with is supported by forward planning and reduction on non-core items. The province followed a credible budget process which was supported by the Executive Council including extensive consultation with all departments.

Changes in the Budget for the 2013/14 financial year

There has been no changes in the current budget approach as the province continues to pursue the performance budgeting which emphasizes the reprioritization of the budget baselines in order to ensure optimal allocations and utilization of available resources. Under the current uncertain economic conditions, departments are expected to implement stringent financial controls in line with the revised Cost Reduction Measures that was approved by EXCO during September 2012.

Notably, the 2013/14 MTEF budget process is a complete the last budget of the 2009 electoral cycle. Consequently, the 2013/14 allocation responds to the key priorities such as poverty, inequality and unemployment. Moreover, the 2011 census data resulted in the revision to the equitable share of the Province and such a review led to an increase in the equitable share allocation of the Province by 6.7 per cent in 2013/14 first year of the MTEF. Regardless of the increases in the resource envelope, monies are always not enough to meet all provincial demands. The Province will continue to do more with less and limit departmental requests to what is available.

The Revenue Enhancement Strategy which seeks to institutionalize all initiatives of geared towards the maximization of the provincial resource has been approved by EXCO in June 2012. This initiative will be cascaded to Public Entities and Municipalities. The impact of the strategy would be monitored and communicated through the revision to allocations of departments.

Provincial Government Main Strategic Policy Direction

The 2013/14 Medium Term Expenditure Framework budget updates the fiscal policy framework for the province and makes further progress towards the funding of the provincial objectives of long term sustainable economic development and poverty alleviation, in the key targeted areas through the improved management of public funds as defined in the Provincial Growth Development Strategy which currently is under review, the Growth Path, the National Development Plan 2030 and the 2012 Medium Term Budget Policy Statement.

With this budget, the provincial government confirms its focus on the creation of decent jobs and sustainable livelihoods; provision of quality education and health care, rural development, food security and land reform and the fight against crime and corruption.

The North West Province has also embarked on a drive to ensure integrated planning across departments and other spheres of the government. Some of the key interventions programmes that would be implemented over the MTEF include the following:-

- Cascading the Revenue Enhancement Strategy to all provincial departments Public Entities and Municipalities;
- Building capacity around Supply Chain in order to aggressively deal with fraud and corruption;
- Approved Infrastructure Development Management System (IDMS) by EXCO will be rolled out to Departments, Public Entities and Municipalities, with the aim to improve the delivery of infrastructure in the province
- Support to build capacity within the infrastructure units of the department in order to fast-track delivery of infrastructure;
- Implementation of initiatives which are geared towards attainment of the clean audit.

The North West Province's strategic priorities agreed upon by the Executive Council, which are aimed at halving unemployment and poverty by 2014, are as follows;

- Enhancing the quality of basic education and skill development;
- Improving the quality of health care and health infrastructure;
- Investing in new infrastructure and proper maintenance of economic infrastructure networks;
- Develop vibrant, equitable and sustainable rural communities that contribute to adequate food supply;
- Creation of decent jobs and sustainable livelihoods;
- Create sustainable human settlements and improved quality of household life

Enhancing the Quality of Education and skilled development

The province has committed itself to development of ECD practitioners in order to strengthen the foundation phase of schooling and ensure that more primary schools introduce grade R. This will be possible through a sound partnership between the Department of Education and the Department of Social Development. Improving learner performance is fundamental in ensuring the provision of quality of education.

Effective teaching and learning requires strong partnership between learners, parents, communities and other Departments and through this partnership the Quality Learning and Teaching Campaign (QLTC) would remain a focal point in the department education. Improving the condition of schools in terms of infrastructure; provision of water and sanitation, provision of meals and transport to deserving learners while implementing the No-Fee Policy is part of the Province's programme of enhancing the quality of education and skill development.

In support to Outcome 5, FET colleges will increase intake of learners on NC(V) and Nated programmes with an additional emphasis on Artisan programmes. Adult Education Training (AET) centres will continue to offer skills programmes for the adult communities who have not gone to school before. The HIV and AIDS support programme is being intensified in Public Ordinary Schools in order to support vulnerable and orphaned children.

Improving the Quality of Health Care and Health Infrastructure

The province has directed more resources towards primary health care programmes. Overhauling the healthcare system and improving its management is key to the successful the implementation of National Health Insurance (NHI). Of paramount importance is to ensure effective implementation of the NHI and to radically improve the quality of services rendered in public health facilities. Massive investment in improving the health infrastructure, both buildings and equipment is a necessity. Additional funding has provided in order to assist with maintenance of health institutions, purchase of essential equipment and procurement of medicines.

The Government is committed to the process of establishing a healthcare financing system that will make sure that all citizens of Province are provided with equitable, universal access and coverage of essential healthcare services, regardless of their employment status and ability to make a direct monetary contribution to the NHI fund. In an attempt to increase the human resource capacity in this sector, the province will continue to improve training on nursing, EMRS and medical care to strengthen PHC and health care service delivery towards a well-functioning NHI. Plans are in place to continue to increase the intake of students attending medicine programmes in Cuba as well as increasing nursing students' intake.

The province is also looking at building MDR TB units in all the districts as part of improving the delivery of services for TB patients. The eligibility criteria of initiating patients at CD four counts of 350 will still be strengthened. In changing the face of the primary health care the province will align its programmes to the following Ministerial six priorities: which are cleanliness of the facilities; patient's safety; infection control; waiting time; medical supplies and value and attitude of staff to patients.

With regard to delivery of health infrastructure, the entire allocation of hospital revitalization programme and health infrastructure programme would be directed towards good and readily available plans which would improve the state of health institutions in the Province.

Investing in new infrastructure and proper maintenance of economic infrastructure networks

The province is committed to the process of improving forward planning and quality spending on infrastructure. To this end, the Provincial Executive Council adopted the NW IDMS on 31 October 2012 as the framework for planning and implementation of Infrastructure in the province. The province will continue with the roll out of road construction projects as part of implementing the Strategic Infrastructure Project (SIP4) aimed at accelerating investment in infrastructure including unlocking economic potential opportunities as well as supporting the development of mining, agricultural activities and tourism initiatives premised on beneficiation.

SANRAL recently reported to the Extended EXCO Lekgotla that, the organization is implementing road maintenance projects across the province that involve road repair and resealing. The road repair projects include the Bloemhof to Rietpan, Delaryville to Sannieshof and the Ventersdorp to Krugersdorproad which is nearing completion.

Over R1 billion has been budgeted for the SANRAL-Bakwena Toll Projects on the N4 for construction of an additional carriageway covering 32 kilometers between Brits and Marikana on the N4, construction of 22 kilometers between Zeerust –Rustenburg, Rehabilitation of the N4 between Brits/Marikana/Swaruggens including periodic and routine maintenance. Most of the projects on the N4 which are at different stages are expected to be completed next year. Through this initiative, substantial number of jobs would be created. Departmental infrastructure plan makes provision for the upgrade and construction of certain roads which amongst others include, the Ganyesa road, Beerkkraal to Mantsho, storm water drainage bridges in DR Kenneth Kaunda and Bojanala Districts.

Create sustainable human settlements and improved quality of household life

Provision of social infrastructure is necessary for meaningful participation in economic, social and political activity. The province has established integrated and productive communities where economic activities are facilitated through the provision of social amenities, including education, health, housing and transport to learners.

In line with the National Development Plan (NDP) 2030, as developed by the National Planning Commission, particularly Chapter eight (8) on transforming Human Settlements, the department will be implementing integrated forward planning, effective project monitoring and management. This strategy will provide a variety of housing solution to the unemployed and low income earners. An amount of R1.2 billion has been reaffirmed for this purpose in 2013/14 financial year.

The 2030 Human Settlements vision and the North West Youth in Human Settlements Summit Resolutions pay special attention to the needs of young people and women. Through this innovation there will be empowerment and advancement of the youth through capital programmes and procurement decisions.

This initiative will also include women empowerment programmes. Special emphasis will be put on these programs during the Women`s Month. The project will identify and build capacity to emerging women-contractors with a view of enabling them to become independent and sustainable contractors. Through housing development, the Province has always been on the forefront of job creation and development of infrastructure and therefore remains committed to commitments of job creation through this sector funding.

Develop vibrant, equitable and sustainable rural communities that contribute to adequate food supply

Our Province is rural in nature, therefore rural development mandate seeks to ensure that all rural development programmes are coordinated and streamlined by the department of Agriculture and Rural Development and this mandate permeates all provincial departments in terms of services at identified rural sites. The province is making significant strides, that is, moving in the direction of establishing the Taung campus of the college of agriculture as a center for irrigation technology. This work will ensure that the Taung irrigation scheme receives necessary advice in terms of engineering work in the irrigation scheme and production of crops.

The Province has entered into agreement with the International water management Institute (IWMI) in order to work with the college in establishing various irrigation systems to be used for student training. Once this institute is established it will be the first centre of irrigation technology in the country and within the SADC (Southern African development community). Servicing this agreement will cost R5 million.

Kgora resource center has seen an injection of new concept of farmer training center, which will see in-house training for farmers assisted through the nationally allocated grants. While work has begun in the current year with base-infrastructure for the envisaged facility, more will be done in the following years to bring the facility to the required level.

Through the MTEF allocation, the department intends to make an impact through strategic projects that will contribute to the provincial economic outlook. The DORA allocated funds shall be used for the developmental projects on the smallholder farmers. In advancing that goal, the department intends exploiting vast acres of land that is lying fallow within the Ngaka Modiri Molema District Municipality as a launching district. Working with stakeholders in this sector, it is anticipated that through partnership the department will maximize the current financial resources which will be juxtaposed to the required skills by using economies of scale principle.

Alignment of National Spatial Development Perspective (NSDP) and Provincial Strategies

The North West Spatial Development Framework and Zoning Plan of 2008 adopted the normative principles of the National Spatial Development Perspective and categorized all municipalities in terms of their absolute potential and needs.

In unlocking the provincial potential in accordance with the National Spatial Development Programme principles, the future settlement and economic development opportunities have been channeled in to activity corridors and nodes that are adjacent to or link up with the main growth center such as Gauteng. The Province has strengthen its growth and development potential by way of the promotion of development corridors that link up with Gauteng and promoting the East West corridor through the Platinum Corridor within the Province with Botswana/ Namibia and Maputo.

These three Spatial Development Initiatives have been launched to strengthen a potential activity corridor link in to North West and created a diamond of competitive advantage within the province. Over the last five years the gaps in intergovernmental integration, co-ordination and alignment, as well as the underlying reasons and challenges for this state of affair have been explored in number of studies, assessment and projects as well as the research commissioned for the Ten Year Review. Increasingly so, a consensus position is developing which holds to co ordinate government priority setting, resource allocation and implementation.

The provincial government has made significant strides of integrating its plans with other spheres of government such as the Municipalities. Such strides attempt to streamline provincial planning, as well as avoiding duplication of functions and to deliver services in terms of the spatial distribution across the province. The departments will have to calculate their spending at district municipal levels and submit reports. With the inclusion of the Regional Identifier in the BAS Structure it is now easy for the departments to quantify their operations by district municipality. The province has not been able to distribute funds up to the level of the Municipal wards as it is fundamental to ensure that proper systems and controls as well as capacity are implemented.

Government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities), will be directed towards economic growth initiatives in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.

The Provincial Growth and Development Strategy is in the process of review and hoped to be finalized by the end of 2013/14 financial year. This review process will also incorporate new challenges and policies that have been developed since the first version of the Provincial Growth and Development Strategy in 2004.

2.2 Aligning provincial budgets to government Outcomes Based Approach

The outcomes approach is designed to ensure that government departments focus on achieving the expected real improvement on the lives of all South Africans. This approach also assists the provincial departments to improve planning and implementation on annual basis, monitor and evaluate systems that are geared to manage the twelve outcomes that collectively respond to the main strategic priorities of the government as approved by the Cabinet.

All provincial departments' programmes respond to the twelve outcomes and this chapter only reflects on few departments:

Outcome No 1: *Improved Quality of Basic Education - Responsible Department - Basic Education and Outcome 5: A skilled and capable workforce to support an inclusive growth path" of the 12 identified outcomes of government.*

This department has aligned its strategic goals and objectives to these Presidential Outcomes as well as to Education Action Plan 2014 Goals. This is an attempt to make sure that resources are targeted at processes that will give impetus to the attainment of the set targets. A sufficient budget allocation has been made for Learner Teacher Support Material (LTSM) and workbooks in the 2013 MTEF

Additional funds have been made available in the second and the final year of the MTEF for Grade R teachers and increased number of teachers in Quintile 1 schools. These will ensure expansion of no-fee schools in order to broaden access and the universalisation of Grade R through incorporation of community based facilities into public primary schooling.

Increasing access to Special schools is also a priority for this department. Assistive devices including transport to Special schools will be provided. Expanding opportunities for skills development in special schools to enable learners and youth with disabilities to participate in the economy is a drive not to be compromised. Professional support by specialists e.g. Psychologists, Social Workers, occupational therapists, etc will be provided.

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

The budget of the department of Health has improved substantially, increasing from R7.1 billion to R7.7 billion. The province is in the process of re-engineering Primary Health Care which is core to the department of Health. Areas of focus such as school health, ward based teams and teams of specialists have been identified. In addition to that, stakeholders such as tribal authorities, local councils, faith based organizations, NGOs and society at large are expected to support school health programmes and ward based teams. This approach will strengthen health care provision at local level where services are mostly needed.

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

In addition to the current baseline, an amount of R25 million in 2013/14, R26.5 million in 2014/15 and R27.8 million in 2015/16 respectively was injected in the budget of this department to assist in strengthening the Law Enforcement as well as Civilian Oversight and Crime prevention.

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

One of the main programme of the North West government since 1994 is the empowerment of the previously disadvantaged groups and individuals to benefit from the inclusive Provincial economy. Its role in this regard will be more visible when the access to finance for new business will take a different form in the context of the National Credit Act and the implementation of Tsogang Lo Itirele Fund.

As part of the second economy intervention, the procurement process of government will benefit SMMEs and this will be achieved when the ten aside products are implemented with the assistance of the department working together with the Department of Finance and stakeholders.

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, strengthening capacity in all departments remains core over the MTEF. The following core functions will be rolled out:-

Department of Finance – This department renders a financial transversal function which amongst others is to ensure that the finances of the province are managed with prudence as well as ensuring that proper financial systems and controls are in place to enable the province to attain the provincial turn around to clean audit, extend financial services, guidance and support to the Municipalities and build the necessary financial capacity in order to support all relevant stakeholders. An amount of R152 million has been provided over the MTEF period to fulfill this mandate.

Outcome No 6: *An efficient effective, competitive and responsive economic infrastructure network - Responsible Department – Department of Public Works, Roads and Transport*

The province is committed to the implementation of road construction projects as part of implementing the Strategic Infrastructure Project (SIP4) aimed at accelerating investment in infrastructure and to unlock economic potential and support the development of mining, agricultural activities and tourism opportunities and open up beneficiation opportunities in the province.

Funding has provided to the department of Public Works, Roads and Transport for rehabilitation and maintenance of road networks in the province over the 2013 MTEF. Furthermore, this department's mandate is also to oversee the government fixed structure and grounds. To this end the department has been mandated to champion the "War on Poverty" Projects. This intended project(s) is aimed at fast tracking infrastructure development in the province in particular in the Taung area. To ensure the successes of this initiative and an amount of R225 million over the MTEF period was injected.

Outcome No 7: *Vibrant, Equitable and Sustainable rural communities with food security for all- Responsible Department- Department of Agriculture and Rural Development as well as Social Development, Women, Children and Persons with Disabilities*

Department of Agriculture and Rural Development

This department has initiated what is termed 72 mechanisation packages to be distributed to farmers around Ngaka Modiri Molema District in order for them to produce grains in the district.

Ngaka Modiri Molema is one of the 23 prioritised district Municipalities due to good potential in producing maize under dry land cropping. The Department has obtained an approval from the National Department of Agriculture to enter into agreement with Grain SA based in Pretoria to produce maize under dry land cropping in order to enhance crop production projects for the province.

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

The North West Province is continuing to make a huge impact in response to the national goals of poverty eradication and reduction of inequality, through the department of Social Development. The department prioritized the following programmes, targeting the needy and vulnerable learners to receive sets of uniforms, continue fast-tracking Social Relief Programme as initiated by the National Minister which is “ Food for All Campaign”, to distribute food and blankets to destitute communities.

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

This department is funded mainly through a conditional grant allocation. The department has received R1.2 billion in 2013/14. With the allocated budget, the department is planning to build about in excess of 15 000 housing units. The department has also received an earmarked allocation of R26.3 million in the first year of the MTEF as earmarked funds for the repairs of infrastructure damaged by the natural disasters as declared in Government Gazette 33943.

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

The core mandate of this department is to support municipalities to enable them to render effective service delivery as well as providing strategic support to the institutions of the traditional leadership. An additional amount of R20 million over the three years of the MTEF was provided for municipal support and a further R25 million for provincial committee on dispute resolution over the 2013 MTEF which initially was a national function and now devolved to provinces.

2.3 Budget strategy and aggregates

The 2013 Medium Term Expenditure Framework gives effect to spending priorities and reflects government determination to achieve value for money in order to improve performance in the public sector. Amongst others, the 2013 MTEF allocations has been guided mainly by the 2012 Medium Term Strategic Framework including consideration of resource constraints, the readiness of departments to implement projects especially given the slow spending on infrastructure, impact of new data updates, including the 2011 Census data and alignment to the National Development Plan.

The province critically looked at its provincial revenue baseline and this led to the revised allocation in this area. The review resulted on aggregate, in an increase of the revenue projections over the 2013 MTEF. The additional own revenue realized were added to the total fiscal envelop and made available to fund key provincial priorities.

In line with the President’s State of Nation Address presented on the 14 February 2013, the Premier welcomed and fully supported key priorities as mentioned as well as the National Development Plan of 2030 which seek to address inequality, poverty and unemployment. As pronounced by the Premier, the five priorities namely education, health, fight against crime, creating decent work as well as rural development and land reform will form part of the provincial programmes supported by the 2013 MTEF budgets.

North West Provincial Government has made commitment itself to the eradication of backlog in school infrastructure, clinics, electricity, roads and water. This commitment should be accomplished in the next two years from 2013/14 as pronounced by the president.

Education will be a key priority for the next five years, that is, teachers, learners and parents should work together with government to turn schools into thriving centers of excellence. The North West province has been able to improve the Grade 12 Matriculation results from 67.5 per cent in 2009 to 79.5 per cent in 2012 academic year. Mathematics and Science teachers will be capacitated in order to continuously improve learners’ performance in these subjects. Improvement on Math’s literacy and numeracy will also be given more attention in Grade 3, 6 and 9.

Other major policy decisions of the Executive Council that have been publicly announced

Road rehabilitation and maintenance through contract work have also been prioritized for the 2013 MTEF. To this end about in excess of R200 million has been set aside in 2013/14 financial year. Of these projects, 80 per cent will be allocated to the Small Medium and Micro Enterprises (SMME'S). Apart from that, 30 roads in the province will be under construction in 2013/14 as well as twenty-four building construction projects.

Construction of multi sport facility will also be prioritized in the 2013 MTEF. A number of Libraries will be completed early in 2013 and others will be completed during the 2013/14 financial year. The province is also committed to construct about 15 230 human settlements (houses). As part of the skills development and training, 119 bursaries for scarce skill programmes to the deserving students has been awarded.

As part of the commemoration of 100 years of the Native Land Act of 1913, the province will dedicate resources to provide post settlement support to the beneficiaries of land restitution in the province to ensure that the acquired land is used productively. Funding in the region of R10 million in 2013/14 MTEF has been provided with the aim to improve the skills of farmers so that the agricultural and farming projects can be enhanced in order to improve the socio-economic imperatives of the province as well as production in order to sustain food security projects for the vulnerable groups and for job creation. The Tang Irrigation scheme will also receive particular attention. As part of tourism and improving the conditions of citizens of Taung, work will be starting in earnest with the implementation of the Taung Skull Project. An amount of R40 million in 2013/14 has been set aside for this purpose.

The province has made a commitment to purchase the former Taung Tusk for conversion in to a fully hotel school in the 2013/14. Agreement was also reached with Gauteng to transfer/ release the Garankuwa Hotel School with no liabilities attached.

The following projects will be implemented over the MTEF as part of economic development initiatives;

- Implementation of social and economic infrastructure projects;
- Agro processing- livestock and game beneficiation;
- Agro processing- Small Scale Maize Milling;
- Mining Supply Park;
- Metal fabrication, capital and transport equipment and Sector Development Zone;
- Green economy projects;
- Automotive Products and components sector development zone;
- Platinum beneficiation development zone;
- Plastic and chemical sector development zone;
- Electronics sector development zone and Business process services (BPSs) sector development zone

The table below provide for the summary of provincial budget summary over the period of seven years from 2009/10 to 2015/16 financial year.

Table 1: Provincial budget summary

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Provincial receipts									
Transfer receipts from national	19 964 214	21 678 952	24 052 419	25 554 111	25 752 680	25 812 944	27 743 948	29 156 502	31 606 909
Equitable share	16 704 562	17 567 122	19 481 922	20 614 833	20 805 846	20 866 110	22 754 262	24 419 404	26 216 949
Conditional grants	3 259 652	4 111 830	4 570 497	4 939 278	4 946 834	4 946 834	4 989 686	4 737 098	5 389 960
Provincial own receipts	584 407	597 310	652 169	717 607	782 957	782 536	822 106	863 212	906 371
Total Provincial receipts	20 548 621	22 276 262	24 704 588	26 271 718	26 535 637	26 595 480	28 566 054	30 019 714	32 513 280
Provincial payments									
Current payments	15 322 697	16 664 094	18 495 417	20 029 630	20 422 060	20 488 066	22 018 300	23 657 255	25 558 235
Transfers and subsidies	3 298 015	3 606 971	4 018 900	4 090 624	4 185 689	4 185 616	4 357 484	3 868 057	4 055 283
Payments for capital assets	1 742 271	1 602 298	1 883 331	2 151 464	2 301 807	2 295 717	2 190 271	2 494 403	2 899 762
Payments for financial assets	7	85	6 757						
Unallocated contingency reserve									
Total Provincial payments	20 362 990	21 873 449	24 404 405	26 271 718	26 909 556	26 969 399	28 566 054	30 019 714	32 513 280
Surplus / (deficit) before financing	185 631	402 813	300 183		- 373 919	- 373 919			
Financing									
Provincial roll-overs		41 214	87 306		90 307	90 307			
national roll-overs	46 569	53 453	244 423		266 462	266 462			
donor funding	15 589	31 197							
other funding		28 418							
Previous surpluses		-			17 150	17 150			
Surplus / (deficit) after financing	247 789	557 095	631 912						

The table above makes comparison of receipts and payments to ascertain budget surplus or deficit. The data for 2009/10 to 2011/12 present the audited financial outcome while the 2012/13 reflects the revised estimates as at the end of December 2012. The 2013/14 to 2015/16 data reflects the estimated receipts and expenditure for the 2013 MTEF period. Notably, the province continues to table a balanced budget over the 2013 MTEF period.

The province lost an amount of R52.9 million in 2013/14 financial year, R113.2 million in 2014/15 and R178.5 million in 2015/16 from the equitable share as a result of savings realised to assist in addressing the country's accumulated debt. However, the impact of the loss was not severe due to the gains received on equitable share as a result of data updates and the 2011 Census. Given the current constraint economic outlook, cabinet further approved savings on specific conditional grants. The savings on conditional grants and the revision of the Further Education and Training grant resulted in an overall decrease of 4.3 per cent in the 2013/14 and a further 5.1 per cent in 2014/15 on grants.

Financing

The North West Province has never budgeted for a deficit budget and has not budgeted for a deficit over the MTEF. The province continues to present a balanced budget for the 2013 MTEF period.

3. Budget Process and the Medium Term- Expenditure

Good budgeting is about the choices that government makes when allocating resources to spending programmes that deliver services and provide for the human and capital investments that drive the economic growth. It is essential to note that budget is an instrument that the government utilizes to achieve its strategic objectives of creating jobs, eradicating poverty and promoting equity. The 2013/14 MTEF budget process was aimed at ensuring that planning is aligned to both National and Provincial Government priorities and that resources are prioritized and directed to areas that will ensure maximum impact.

The distribution of the Treasury Guideline to provincial departments marked the beginning of the 2013/14 budget process. This document outlined the policy framework and the format that departments had to use to prepare the 2013/14 budget submissions. The Provincial Lekgotla held in October 2012, where strategic political and service delivery imperatives and the MTEF budget cycle was confirmed marked the highlight of the budget process through the support from the Executive Council. The priorities identified included amongst others water, energy, education, health and job creation.

The indicative allocations linked to the provincial priorities were discussed during the Provincial Budget Lekgotla in November 2012. Further budget deliberations allowed departments to present the budget proposals designed to achieve strategic objectives linked to national and provincial priorities for consideration by EXCO.

The budget process was guided by amongst others the following principles:

- Investment in priority areas that support social development, and economic growth and transformation;
- Finding the resources to sustainably undertake this investment be the primary focus of the coming budget;
- A pool of saved resources be identified with urgency in order to fund critical interventions;
- To objectively evaluate the performance and efficiency of each of the programmes and activities, with a view to identifying those that can be closed and discontinued in order to provide fiscal space for more productive or urgent priorities to be financed;
- Further and more urgent efforts be made to find savings;
- Much more effective management of the public sector wage bill through:
 - Increases in labour productivity, linked to deliberate human resource development through improved education and skills training;
 - Much better controls over human resource administration for example, leave and sick leave;
 - Stringent management of personnel growth, proportional to the demand for programme outputs; and
 - Serious limit on hiring of additional staff and if hiring then only for front line service delivery.
- Review of government entities and agencies to rationalize these and find synergies and other cost-saving opportunities, for example whether boards are needed and the size of boards.

The Medium Term Expenditure Committee which is a technical committee responsible for the evaluation of the budgets of the departments met in October 2012. This Committee ensured that there is alignment of strategies to the budgets through engagement on emerging policy developments and challenges. This Committee included the MEC'S and HOD'S where budget bids were discussed. Preliminary budget allocations were made available to departments on the 30 November 2012. The final budget allocations were presented to the Provincial Executive Council on the 25th February 2013 and the approved final allocations were issued to departments to revise and align their plans and budgets in line with the final approved budgets as well as finalizing the budget documentations.

National and Provincial Budget Reforms

The ongoing reforms over the past years have resulted in a number of improvements to the way in which the North West Province budget is crafted. The major reform that was introduced in the province over the past years has been aimed at improving operational and allocative efficiency in public finance. The following are some of the reforms that were implemented:-

- Reprioritization of the baselines budgets in order to realize savings for redirection to key provincial service delivery mandates.
- Implementation of the Cost Saving Measures in order to contain the provincial costs and redirect money to frontline services;
- Ensuring implementation of the Infrastructure Development Management Systems (IDMS) in order to transform the planning and implementation process for infrastructure projects;
- Implementation of National Conditional Grant Framework by reporting monthly and quarterly as per the requirement of the DORA;
- Implementation of an improved budgetary process which includes MTEF hearings and systematic engagement with department throughout the budget process;
- Progressively implementing the budget programme structure for all provincial departments;

4. Receipts

4.1 Overall position

The North West Province relies largely on the nationally raised revenue which is divided amongst the three spheres of government in line with section 214 (1) of the Constitution of South Africa. This revenue, called equitable share allocation contributes about 79.7 per cent to the total provincial receipts for the 2013/14 financial year. This allocation is augmented by the provincially raised revenue which contributes about 2.9 per cent and conditional grants contributing 17.5 per cent to the provincial fiscal envelope for the 2013/14 financial year.

Table 2 :Provincial receipts: North West Province

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Treasury funding									
Equitable share	16 504 983	17 275 299	19 252 898	20 614 833	20 913 303	20 973 567	22 754 262	24 419 404	26 216 949
Conditional grants	3 239 077	3 872 879	4 408 037	4 939 278	5 213 296	5 213 296	4 989 686	4 737 098	5 389 960
Total Treasury funding	19 744 060	21 148 178	23 660 935	25 554 111	26 126 599	26 186 863	27 743 948	29 156 502	31 606 909
Provincial receipts									
Tax receipts	306 850	354 057	339 054	355 507	355 952	355 952	368 552	386 970	406 355
Casino taxes	67 139	65 319	86 962	86 665	86 665	86 665	82 500	86 679	91 188
Horses racing taxes	2 703	4 634		4 244	4 689	4 689	5 488	5 817	6 108
Liquor licences	2 312	2 842					2 754	2 754	2 754
Motor vehicle licences	234 696	281 262	252 092	264 598	264 598	264 598	277 810	291 720	306 305
Sale of goods and services other than capital	221 353	227 850	253 567	272 142	273 663	273 234	308 976	327 479	345 460
Transfers received									
Fines, penalties and forfeits	13 210	5 943	12 513	18 874	18 834	18 834	19 850	20 799	21 826
Interest,dividends and rent on land	64 148	88 882	114 341	36 104	96 803	96 811	100 951	106 021	111 346
Sales of capital assets	13 001	5 292	6 876	10 930	11 477	11 477	10 829	10 349	10 681
Transactions in financial assets and liabilities	368	43 247	17 119	24 050	26 228	26 228	12 948	11 594	10 702
Total Provincial receipts	618 930	725 271	743 470	717 607	782 957	782 536	822 106	863 212	906 371
Total receipts	20 362 990	21 873 449	24 404 405	26 271 718	26 909 556	26 969 399	28 566 054	30 019 714	32 513 280

4.2 Equitable share

The provincial equitable share allocation of the nationally raised revenue is allocated through a formula. On an annual basis a consideration is given to the changes in the data used for the calculations. For the 2013 MTEF the formula was mainly influenced by the impact of data updates and the use of the 2011 census. This resulted in the province benefiting from the additional allocations. It is important to note that due to the constraint economic outlook, nationally, a savings of 1 per cent, 2 per cent and 3 per cent for the three years of the MTEF respectively were implemented on the baseline allocation of non social services department. This resulted in the province losing R344.6 million over the 2013 MTEF period.

After the revision of the equitable share, the province received an additional R3.9 billion over the 2013 MTEF period (R848 million in 2013/14, R1.2 billion in 2014/15 and R1.9 billion in 2015/16). About 78 per cent of this additional allocation relates to inflationary adjustment allocation which in the main caters for the higher than anticipated salary agreement. An amount of R203.5 million in 2013/14 relates to the phasing in of the Devolution of Property rates grant into the equitable share.

The additional allocation also makes provision for the national priorities funded in the 2013 MTEF period. An amount of R54.8 million has been earmarked for the Grade R teacher and R69.3 million for the increased number of teachers in quintile 1 school in the outer year of the MTEF. The Department of Social Development, Women, Children and Persons with Disabilities received an amount of R63.9 million over the MTEF period for the absorption of social worker graduate and R40.9 million for the support of the NGO sector. The Department of Health received R23 million over the 2013 MTEF for tuberculosis (GeneXpert).

4.3 Conditional grants

Conditional grants are allocated as earmarked funds by national government with certain pre-determined conditions and targets attached to it. The conditional grants allocation declines from R5.2 billion in 2012/13 to R5 billion in 2013/14, representing a decline of 4.3 per cent. On average, over the MTEF, the grants grow at an average of 1.1 per cent. This minimal average growth over the MTEF is due to the revision of the Further Education and Training Grant framework to allow part of the initial grant to flow directly from National Department of Higher Education to FET colleges as a subsidy, revision of the Human Settlement Development grant as a result of the data updates from the 2011 Census as well as phasing of the Property Rates Grant into the equitable share.

Table 1.3: Summary of Conditional grants

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Health	915 751	1 155 909	1 425 599	1 563 592	1 600 846	1 600 846	1 674 174	1 823 614	1 973 814
Comprehensive HIV and Aids Grant	375 448	479 800	599 437	685 204	706 124	706 124	825 302	966 043	1 095 179
Forensic Pathology Services Grant	23 321	26 433	28 019						
Health Disaster Response (Cholera) Grant				17 004	17 004	17 004			
Health Infrastructure Grant	49 945	60 195	145 466	112 790	121 667	121 667	67 863	73 739	79 753
Health Professions Training and Development Grant	78 033	83 899	88 323	93 522	93 522	93 522	98 666	104 586	109 397
Hospital Revitalisation Grant	254 621	326 303	370 074	423 127	427 584	427 584	428 258	434 982	433 911
National Tertiary Services Grant	134 383	179 279	194 280	211 765	211 765	211 765	224 470	237 264	248 178
World Cup Health Preparation Strategy Grant					3 000	3 000			
National Health Insurance Grant				11 500	11 500	11 500	4 850	7 000	7 396
Nursing Colleges and Schools Grant				8 680	8 680	8 680			
Expanded Public Works Programme Incentive Grant For Provinces: Health							24 765		
Sport, Arts and Culture	72 802	47 998	57 121	102 373	122 134	122 134	106 524	142 559	179 838
Community Library Services Grant	41 411	47 998	57 121	64 973	84 734	84 734	64 058	98 883	133 978
Social Sector Expanded Public Works Programme Incentive Grant for Provinc				903	903	903	870		
Mass Participation and Sport Development Grant	31 391			36 497	36 497	36 497	41 596	43 676	45 860
Education and Training	397 219	716 609	1 123 783	1 137 785	1 159 993	1 159 993	1 001 689	1 141 876	1 425 267
Dinaledi Schools Grant			7 420	10 568	11 287	11 287	11 147	11 785	12 327
Education Disaster Management Grant									
Education Infrastructure Grant	228 091	230 422	473 927	507 200	509 395	509 395	521 622	644 463	905 339
HIV and Aids (Life Skills Education) Grant	10 412	16 552	14 767	15 616	15 616	15 616	16 122	17 388	18 198
National School Nutrition Programme Grant	158 716	250 289	316 056	329 301	329 301	329 301	348 912	366 890	381 566
Technical Secondary Schools Recapitalisation Grant		7 595	18 117	17 867	28 322	28 322	18 850	19 981	20 960
Infrastructure Grant to Provinces			50 883						
Further Education and Training College Sector Grant		211 751	242 613	257 233	265 890	265 890	76 232	81 369	86 877
Expanded Public Works Programme Incentive Grant For Provinces: Education					182	182	8 804		
Public Works, Roads and Transport	634 316	772 108	466 953	860 104	1 026 821	1 026 821	742 271	757 438	932 121
Provincial Roads Maintenance Grant	526 304	631 897	258 942	594 789	757 718	757 718	639 923	668 058	838 630
Public Transport Operations Grant	41 236	60 221	75 203	80 686	82 905	82 905	85 082	89 380	93 491
Devolution of Property Rate Funds Grant to Provinces	66 776	79 990	132 808	178 185	179 754	179 754			
Expanded Public Works Programme Integrated Grant for Provinces				6 444	6 444	6 444	17 266		
Social Development, Women, Children and Persons with Disabilities				11 657	11 657	11 657	16 431		
Expanded Public Works Programme Incentive Grant For Provinces: Social				11 657	11 657	11 657	16 431		
Agriculture and Rural Development	119 072	140 092	183 504	212 834	227 440	227 440	224 060	233 586	244 880
Agricultural Disaster Management Grant	16 200	512	1 745						
Comprehensive Agricultural Support Programme Grant	84 685	112 424	134 412	155 277	168 563	168 563	169 663	179 384	188 458
Ilima/Letsema Projects Grant	11 866	20 403	40 224	42 000	42 000	42 000	43 845	46 062	47 940
Land Care Programme Grant: Poverty Relief and Infrastructure Development	6 321	6 753	7 123	11 557	12 877	12 877	10 552	8 140	8 482
Social Sector Expanded Public Works Programme Incentive Grant for Provinc				4 000	4 000	4 000			
Human Settlements, Safety and Liaison (Human Settlements sector)	952 060	1 038 639	1 148 710	1 050 933	1 064 405	1 064 405	1 224 537	638 025	634 040
Housing Disaster Relief Grant					13 472	13 472			
Human Settlements Development Grant	952 060	1 038 639	1 148 710	1 050 933	1 050 933	1 050 933	1 224 537	638 025	634 040
Total payments and estimates: North West Province	3 091 220	3 871 355	4 405 670	4 939 278	5 213 296	5 213 296	4 989 686	4 737 098	5 389 960

New reforms implemented on conditional grants. The *Health Facility Revitalization Grant* – is a newly reformed grant representing a consolidation of already existing infrastructure grants which would now be referred to as components namely: (a) *Health Infrastructure Component*, (b) *Hospital Revitalization Component* and (c) *Nursing Colleges and Schools Component*. This reform is created with a purpose of providing greater flexibility for the department of Health to shift funds within the three grants on condition that approval by the National Treasury is sought to avoid under/over-expenditure in any one area of the health infrastructure. The North West province is allocated an amount of R496 million in 2013/14; R509 million in 2014/15 and R 514 million in the outer year.

The National Department of Public Works still remains the custodian of the two EPWP grants that is the *EPWP: Social Sector and Integrated Infrastructure grants to provinces*. Furthermore these grants have been reclassified as schedule 5 grants. The grants remain an incentive to departments, which will be based on meeting job targets in the preceding financial year. The transfers of funds dependent on provincial departments reporting on jobs created on the EPWP system and implementing labour intensive projects.

EPWP Social Sector grant is allocated a total amount of R50.9 million in 2013/14 which is composed of R24.8 million for Health; R16.4 million for Social Development; R8.8 million for Education and Training and R870 thousand for Sport, Arts and Culture. With regard to EPWP Integrated grant for Infrastructure the total fund amounting to R17.3 million is allocated to Public Works, Roads and Transport.

4.3 Provincial own receipts

The provincial own revenue form a small proportion of the total provincial fiscal framework. It is derived mainly from tax receipts which comprises motor vehicle licenses, casino taxes and patient fees. The main contributing departments generate up to 96.6 per cent which is the department of Public Safety and Liaison, Economic Development and Tourism and Department of Finance (interest earned), Department of Public Works, Roads and Transport and Department of Health on Patient fees. Overall, the provincial revenue increases by 5 per cent every year of the MTEF period. With the implementation of the Revenue Enhancement Strategy, the province is moving in to a right direction of exploring and identifying new sources of revenue.

Table 4 :Summary of provincial own receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Office of the Premier	368	106	548	350	350	350	368	386	405
Provincial Legislature									
Health	46 178	55 360	52 070	55 392	59 481	59 481	62 455	65 578	68 857
Sport, Arts and Culture	888	1 263	887	900	900	900	945	992	1 042
Human Settlements, Safety and Liaison (Public S:	258 228	332 520	286 540	299 250	299 250	299 250	314 213	329 923	346 419
Economic Development, Environment, Conservati	72 234	73 820	90 769	91 609	92 124	92 124	96 730	101 567	106 645
Finance	63 569	94 054	115 252	36 333	96 524	96 524	101 350	106 418	111 739
Education and Training	1 352	19 078	11 457	14 745	15 454	15 454	16 227	17 038	17 890
Local Government and Traditional Affairs	796	951	1 183	1 283	1 283	1 283	1 347	1 415	1 485
Public Works, Roads and Transport	165 931	135 057	175 911	209 375	209 375	209 375	219 844	230 836	242 378
Social Development, Women, Children and Perso	71	340	340	672	672	672	706	741	778
Agriculture and Rural Development	9 219	12 566	6 829	7 540	7 324	6 903	7 690	8 075	8 478
Human Settlements, Safety and Liaison (Human S	96	156	1 684	158	220	220	231	243	255
Total payments and estimates: North West Prc	618 930	725 271	743 470	717 607	782 957	782 536	822 106	863 212	906 371

Motor vehicle licence fees

Motor vehicle is the largest contributor to the provincial own revenue and has shown a significant increase over the past years. This item contributes about 38.2 per cent to the provincial revenue. From 2012/13 to 2013/14 this item shows an increase of 5 per cent and 10 per cent in the two outer years of the MTEF

Casino and Liquor Licenses

The income received from these two sources of revenue becomes the second largest contribution to the provincial revenue fund, contributing 11 per cent. These revenue items have shown a minimal increase over the past years and project to increase by 5 per cent over the 2013 MTEF period.

Sales of goods and services other than capital assets

The revenue received from this item increases by 9.8 per cent from the 2012/13 budget to the 2013/14 estimates and thereafter by 10 per cent in the two outer years of the MTEF. From the sale of goods and services, approximately 5 per cent can be attributed to the department of Health. The revenue retention strategy has also set targets on maximization of the own revenue. Sales of goods and other services other than capital assets contributes 37 per cent to the 2013/14 estimates.

Interest, Dividends and rent on land

This item has over the years generated more revenue although it is not a revenue source to rely on entirely due to instability. It contributes 12.7 per cent to the provincial revenue fund. This revenue item increases by 5 per cent in 2012/13 to 5.2 per cent in 2013/14 and continues to increase constantly by 5 per cent over the MTEF.

5. Payments

5.1 Overall Position

The total payments for the North West Province grow from R20.5 billion in 2009/10 financial year to R26 billion in 2012/13. This growth is set to continue over the 2013 MTEF with the aggregated estimates growing to R32.5 billion in 2015/16 financial year. The provincial payments take in to account the priorities as pronounced by national government and those that were adopted by the provincial EXCO.

The additional funding allocated in the 2013 MTEF (over and above the existing 2012 baseline) caters, amongst others for the following;

- Funding for the carry through effect of the 2012 wage settlement;
- New and expansion of existing priorities funded from national government, such as the GeneXpert, funding for Grade R and quintile one teachers, support to NGO and the absorption of social workers graduate;
- Funding for various provincial priorities such as water, sanitation and irrigation system
- An allocation to build technical capacity within the provincial department responsible for infrastructure delivery

For the 2013/14 MTEF the allocations are as follows:-

- Financial year 2013/14 : R28.6 billion
- Financial year 2014/15 : R30 billion
- Financial year 2015/16 : R32.5 billion

5.2 Payments by Vote

The trend analysis from 2009/10 to 2014/15 which is seven years period demonstrates an annual average growth of 8 per cent. The provincial budget is projected to grow by 6.2 per cent in 2013/14, and a further growth of 5 per cent in the second year and a significant increase of 8.3 per cent in the last year of the MTEF. The significant increase of 8.3 per cent in the last year is attributable to the new data updates and the impact of the 2011 Census to the equitable share allocation.

A sharp increase of 18 per cent is evident in the department of Local Government and Traditional Affairs, followed by the Department of Finance at 19 per cent, Human Settlements and Public Safety equally at 18 per cent. From the 2012/13 adjustment budget, an aggregate growth of 6.2 per cent is recorded to the 2013/14 provincial estimates.

Table 5: Summary of provincial payments and estimates by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Office of the Premier	182 033	194 140	201 638	236 006	238 592	238 592	259 669	301 418	273 448
Provincial Legislature	152 961	155 145	163 984	165 310	181 310	181 310	217 142	229 513	239 716
Health	5 195 588	5 716 661	6 380 252	6 959 308	7 083 691	7 190 691	7 667 281	8 149 435	8 568 821
Sport, Arts and Culture	362 099	336 124	408 185	447 106	498 272	498 272	465 882	529 260	584 338
Human Settlements, Safety and Liaison (Public Safety and Liaison Sector)	295 497	341 527	334 938	378 712	381 740	378 712	451 612	477 024	502 647
Economic Development, Environment, Conservation and Tourism	337 275	382 068	384 725	426 945	443 293	443 293	486 062	518 253	548 757
Finance	258 308	268 652	299 915	371 924	388 544	344 417	464 511	523 478	1 058 658
Education and Training	8 390 518	9 102 299	10 148 134	10 872 212	10 969 858	10 969 856	11 321 394	12 334 432	13 274 984
Local Government and Traditional Affairs	286 727	313 435	320 075	332 164	365 121	365 121	430 960	498 406	551 220
Public Works, Roads and Transport	2 539 403	2 524 708	2 890 404	3 082 001	3 276 796	3 276 796	3 393 499	3 547 371	3 872 001
Social Development, Women, Children and Persons with Disabilities	607 622	747 501	883 010	949 701	963 326	963 326	1 082 130	1 187 153	1 268 259
Agriculture and Rural Development	550 375	616 624	690 744	850 993	859 314	859 314	834 805	890 567	931 933
Human Settlements, Safety and Liaison (Human Settlements sector)	1 204 584	1 174 566	1 298 402	1 199 336	1 259 699	1 259 699	1 491 108	833 405	838 499
Total payments and estimates: North West Province	20 362 990	21 873 449	24 404 405	26 271 718	26 909 556	26 969 399	28 566 054	30 019 714	32 513 280

Additional amount of R75.3 million over the 2013/14 MTEF was allocated for absorption of Social Work Graduates. Furthermore, an amount of R.40.8 million over the MTEF earmarked funds to support Non Governmental Organisations (NGO's) has been made available for the department of Social Development, Women, Children and Persons with Disabilities. The overall budget for this department is R1.1 billion in 2013/14; R1.2 billion in 2014/15 and R1.3 billion in 2015/16 respectively.

The department of Education priorities have been allocated an additional amount of R69.8 million in the two outer years of the MTEF for attracting Grade R teachers as well as an amount of R69.3 million in the last outer year of the MTEF being funds earmarked for increasing the number of Quintile 1 teachers. The total budget of the department of Education amounts to R11.3 billion in 2013/14; R12.3 billion in 2014/15 and R13.3 billion in 2015/16 budget periods.

The department of Health received additional priority funding of R23 million over the MTEF being funds earmarked for Tuberculosis – GeneXpert. The overall budget of the department of Health accounts for R7.7 billion in 2013; R8.1 billion in 2014/15 and R8.6 billion in 2015/16 respectively

Department of Public Works, Roads and Transport received an amount of R643 million over the 2013 MTEF period being funds earmarked for Devolution of Property Rates and phased in to the equitable share of this department. This department has received R3.4 billion in 2013/14; R3.5 billion in 2014/15 and R3.9 billion in 2015/16 of the MTEF.

5.3 Summary of Payments and Estimates by Economic Classifications

The summary of Economic Classifications revealed that the current payments account for approximately 6.8 per cent in 2013/14, Transfer Payments accounting for 11.5 per cent while Capital payments have been revised downward by 4.8 per cent. It is worth reflecting that the bulk of the current payments in the main constitute Compensation of Employees. The provincial personnel expenditure is growing by 6.8 per cent in 2013, 6.9 per cent in 2014/15 and 6.3 per cent in 2015/16. The bigger portion of Goods and Services is used by the department of Education and Health respectively.

The transfer and subsidy allocation includes both current and capital transfers. The substantial allocation of transfers goes to non governmental institutions such as NGO's whose role is to undertake services such as HIV/AIDS programmes to the community home based care, rendering service to children in secure care centers, as well as transfers to schools in terms of the School Act as well as to Public Entities residing in the department of Economic Development, Conservation, Environment and Tourism.

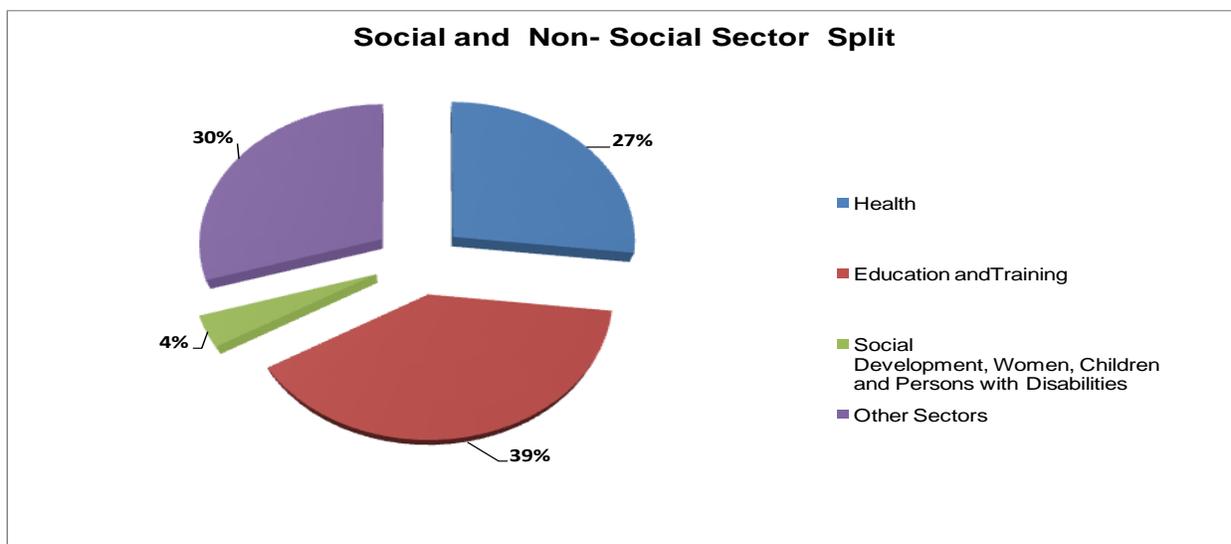
The budget provision for Capital Payments amount to R2.2 billion in the first year of the MTEF and increases to R2.5 billion in the second year and R2.9 billion in the last year. This budget in the main will be utilised by the department of Public Works, Roads and Transport for the construction of roads and buildings, rehabilitation of existing structures, maintenance of buildings, building of schools and clinics

Table 6: Summary of provincial payments by economic classifications

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payment	15 322 697	16 664 094	18 495 417	20 029 630	20 422 060	20 488 066	22 008 300	23 657 255	25 558 235
Compensation of employees	11 325 184	12 610 106	14 072 080	15 174 196	15 356 965	15 421 669	16 413 274	17 566 432	18 618 801
Goods and services	3 997 409	4 053 238	4 420 180	4 853 709	5 063 126	5 061 634	5 593 451	6 089 157	6 937 687
Interest and rent on land	104	750	3 156	1 725	1 969	4 763	1 575	1 665	1 748
Transfer and subsidies to:	3 298 015	3 606 971	4 018 900	4 090 624	4 185 689	4 185 616	4 357 484	3 868 057	4 055 283
Provinces and municipalities	150 776	164 164	246 182	247 885	250 574	250 574	275 861	290 181	303 737
Provincial agencies and accounts	255 157	287 092	272 466	278 813	284 438	284 438	280 119	295 291	309 610
Universities and technikons	955		1 071		20 560	20 560	22 000	24 000	26 000
Foreign governments and international organizations									
Public corporations and private enterprises	563 592	554 189	714 078	675 348	719 871	719 871	728 414	787 575	830 459
Non-profit institutions	1 022 976	1 308 019	1 363 867	1 456 508	1 472 454	1 472 454	1 455 699	1 533 758	1 619 640
Households	1 304 559	1 293 508	1 421 237	1 432 070	1 437 792	1 437 719	1 595 391	937 252	965 837
Payments for capital assets	1 742 271	1 602 298	1 883 331	2 151 464	2 301 807	2 295 717	2 200 271	2 494 403	2 899 762
Buildings and other fixed structure	1 491 590	1 354 941	1 664 454	1 897 453	1 995 704	1 995 704	1 937 589	2 184 000	2 599 241
Machinery and equipment	250 309	247 292	216 006	253 511	302 638	296 548	252 187	310 403	300 520
Heritage assets									
specialised military assets									
Biological assets	372		620	500	500	500	495		
Land and sub-soil assets									
Software and other intangible assets		65	2 250		2 965	2 965	10 000		
Payments for financial assets	7	85	6 757						
Total economic classification	20 362 990	21 873 449	24 404 405	26 271 718	26 909 556	26 969 399	28 566 054	30 019 714	32 513 280

5.4 Social and Non Social Sector Split

The Social sector overall split makes up the largest portion of the provincial payments and estimates. The Social Sector amounts to 70 per cent of the total provincial payments and estimates. The percentage growth shows that Education constitute the highest share of 39 per cent, followed by Health at 27 per cent, Social Development at 27 per cent and increase of 30 per cent for other sectors. One of the contributory factors that led to the reduction of Educations' budget were the attributes of the downward revision of the FET grant from R237 million to R76 million in 2013/14 MTEF.



5.5 Payment by Functional Area

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.

The payment of functional area is indicated in the table below: which depicts:

- Significant growth in the areas of Education (R3.1 billion) Health (R2.4 billion) Economic affairs (R779 million between 2009 and 2013)
- Significant growth is also observed in areas of Education (R421 million) Health (R528 million) and Social Development (R119 million between 2012 and 2013)
- Slight increase of R62 million in the area of environmental protection between 2009/10 and 2013/14 and R27 million between 2013/14 to 2015/16 MTEF

Table 7 :Summary of provincial payment and estimates by functional area

R thousand	Outcome			Main appropriatio	Adjusted appropriation	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15
General public services	1 639 705	1 740 175	1 988 898	2 187 151	2 251 232	2 207 104	2 645 411	2 797 887	3 416 283
Public order and safety	94 260	123 959	128 260	136 482	138 510	136 482	163 940	175 036	179 848
Education	8 598 994	9 338 945	10 399 434	11 163 886	11 247 531	11 247 530	11 668 105	12 705 966	13 694 563
Health	5 001 962	5 496 769	6 147 690	6 689 586	6 827 439	6 934 439	7 355 738	7 821 026	8 217 783
Social protection	607 622	747 501	876 100	941 617	954 242	954 242	1 073 601	1 177 798	1 258 547
Housing and community amenities	1 199 723	1 164 892	1 291 040	1 191 190	1 251 553	1 251 553	1 481 725	822 211	826 531
Environmental protection	57 865	62 192	61 630	70 870	74 392	74 392	120 672	134 524	147 716
Recreation, culture and religion	368 049	345 948	421 884	465 543	517 709	517 709	482 854	549 597	605 671
Economic affairs	2 794 810	2 853 068	3 089 467	3 425 393	3 646 948	3 645 948	3 574 008	3 835 670	4 166 338
Grand total for all functions	20 362 990	21 873 449	24 404 405	26 271 718	26 909 556	26 969 399	28 566 054	30 019 714	32 513 280

5.6 Infrastructure Payments

The province has made a commitment of focusing on infrastructure that is, shifting the composition of spending from consumption in favour of investment. This is one of the key objectives of the 2013/14 MTEF. Infrastructure is one of the essential programme and a vehicle that enable the project departments such as Education, Health, Social Development, Public Works, Roads and Transport to name a few, to deliver services and thus create jobs.

The total provincial infrastructure budget accounts for R4.2 billion in 2013 which is 14.5 per cent of the total provincial budget in 2013/14; 12.8 per cent in 2014/15 and 13.2 per cent in 2015/16. The total infrastructure budget has increased by 6.3 per cent mainly in the department of Public Works, Roads and Transport.

Table 8: Summary of provincial infrastructure payments and estimates by Vote

Provincial Departments R'000	Allocation	Medium Term Estimates		
	2012/13	2013/14	2014/15	2015/16
Health	605 327	610 222	694 065	632 048
Sport, Arts and Culture	31 972	41 957	44 222	46 389
Public Safety & Liaison		22 000	16 366	20 678
Economic Development, Cons, Env and Tourism	10 510	11 057	11 654	12 225
Basic Education and Training	605 067	620 472	749 304	1 015 317
Local Government and Traditional Affairs	69 000	70 068	73 419	77 017
Public Works (Sector)	259 653	301 150	311 068	326 310
Roads and Transport Sector	892 002	951 634	1 005 233	1 192 335
Social Development, Women, Children and Persons with Disabilities	30 501	31 167	33 310	34 942
Agriculture and Rural Development	352 849	269 518	282 038	295 706
Human Settlements, Safety & Liaison	1 050 933	1 224 537	638 025	634 040
Total provincial infrastructure payments and estimates	3 907 814	4 153 782	3 858 704	4 287 007

5.7 Provincial Public- Private Partnership

The province does not have PPP ventures

5.8 Transfer Payments

The total allocation for this economic classification is R12.3 billion over the MTEF period . This allocation has increased by 6.5 per cent in 2013/14, decreased by 11.2.per cent in 2014/15 and increased by 4.8 per cent In 2015/16 respectively. The highest allocation is for the department of Education for school funding which amounts to R629.3 million in 2013; million; R763 million in 2014/15 and R798 million in 2015/16 respectively.

Transfers to Public Entities

Transfers to Public Entities reflect a constant growth over the MTEF period. This is mainly observed in Youth Development Trust and Provincial Arts Culture and Council. One of the focal point of the 2013/14 MTEF is to review government entities and agencies in order to rationalize these and find synergies and other cost-saving opportunities. In an attempt to implement this National Treasury's directive, the province is in the process of merging three public entities, namely, Mafikeng Industrial Development Zone, Invest North West and North West Development Corporation in order to establish a new entity by the 1 April 2014. The table below the details of the NW Government Entities:

Table 9: Summary of provincial transfers to public entities by transferring departments

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Youth Development Trust	500	500	1 400	500	500	500	550	550	550
Provincial Council on AIDS		15 182	15 106	11 742	14 542	14 542	12 353	13 020	13 658
Mmabana Foundation	41 668	46 813	48 857	50 448	50 448	50 448	54 569	58 158	60 841
PACC	2 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000	3 000
Invest North West	16 416	17 402	19 627	20 824	15 824	15 824	21 969	23 067	24 128
North West Development Corporation (Pty) Ltd		22 000	29 500	15 026	11 010	11 010	56 034	52 838	55 303
North West Parks and Tourism Board	119 977	127 551	126 328	135 960	144 460	144 460	143 404	150 574	158 103
Mafikeng Industrial Development Zone (Pty)Ltd	12 482	28 269	10 578	22 254	19 949	19 949			
Gambling Board	12 314	20 277	28 505	29 938	36 588	36 588	31 559	33 137	34 661
Total Provincial transfers to public entities	205 357	280 994	282 901	289 692	296 321	296 321	323 438	334 344	350 244

Transfers to Local Government by Category

The department of Local Government and Traditional Affairs make transfers to the Local Municipalities with the view to support services at Municipal level. The total transfer is in the region of R70 million in 2013/14; R73 million in 2014/15 and R77 million in 2015/16 funding which constitutes allocations for bucket replacement, Disaster Management and Upgrading of Traditional Leaders Officers. The table below has the details.

Table 10: Transfers to local government by transfer/grant type,category and municipality: North West Province

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Total Provincial transfers/grants	40 403	30 768	31 470	17 230	17 230	17 230	18 030	22 390	23 930
Bojanala Platinum Municipalities									
NW371 MORETELE	6 100	8 350	5 850	300	300	300	300	2 700	200
NW372 MADIBENG	6 000	3 000	800	1 700	1 700	1 700	4 900	1 700	2 300
NW373 RUSTENBURG	12 053	955	5 170	600	600	600	600	600	2 100
NW374 KGETLENG RIVER	5 300	4 000	9 500	13 500	13 500	13 500	11 100	16 260	800
NW375 MOSES KOTANE	10 950	3 400	10 150	400	400	400	400	400	16 600
DC37 BOJANALA PLATINUM DISTRICT MUNICIPALITY		11 063		730	730	730	730	730	1 930
NGAKA Modiri Molema Municipalities	11 695	28 857	23 480	43 610	43 610	43 610	30 310	45 790	11 722
NW381 RATLOU	1 278	750	5 250					300	200
NW382 TSWAING	1 260		7 360	360	360	360	360	360	660
NW383 MAFIKENG	2 257	670	4 170	4 150	4 150	4 150	650	950	650
NW384 DITSOBOTLA	2 400	7 700	5 700	600	600	600	600	3 700	600
NW385 RAMOTSHERE MOILOA	1 000		1 000	1 000	1 000	1 000	1 300	1 000	1 200
DC38 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY	3 500	19 737		37 500	37 500	37 500	27 400	39 480	8 412
Dr. Ruth Segomotsi Mompoti Municipalities	31 000	22 147	22 740	6 120	6 120	6 120	4 820	5 120	27 840
NW391 KAGISANO	600		8 932	600	600	600	600	900	600
NW392 NALEDI	920	920		920	920	920	920	920	1 940
NW393 MAMUSA	5 000		5 530	1 000	1 000	1 000	1 000	1 000	1 300
NW394 GREATER TAUNG	1 300	1 340	3 778	1 800	1 800	1 800	1 300	1 300	1 600
NW395 MOLOPO	200			200	200	200	200	200	300
NW396 LEKWA-TEEMANE	5 800		4 500	1 400	1 400	1 400	800	800	900
DC39 DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY	17 180	19 887		200	200	200			21 200
Dr. Kenneth Kaunda Municipalities	23 960	14 088	9 320	6 400	6 400	6 400	22 600	5 300	18 800
NW401 VENTERSDORP	300		4 520	1 000	1 000	1 000	18 000	300	15 450
NW402 TLOKWE	410	400	400	3 600	3 600	3 600	400	400	550
NW403 CITY OF MATLOSANA	3 950	2 550	2 200	450	450	450	450	3 450	750
NW404 MAQUASSI HILLS	16 150	7 950	2 200	1 150	1 150	1 150	3 750	1 150	850
NW405 MERAFONG CITY	450								
DC40 DR KENNETH KAUNDA DISTRICT MUNICIPALITY	2 700	3 188		200	200	200			1 200
Unallocated									
Total Provincial transfers to Municipalities	107 058	95 860	87 010	73 360	73 360	73 360	75 760	78 600	82 292

5.9 Personnel Numbers and Costs

The table below reflects a trend of personnel numbers in the province. The trend of personnel numbers in the province's personnel numbers grow from 2009/10 to 2015/16 by annual average of 2 per cent. Between 2012/13 and 2013/14 the growth is 3 per cent. The employment is growing substantially from 2013/14 to 2014/15 by 485 and by 647 in the last outer year of the MTEF. The social sector, in the main Health and Education are the highest employers in the province with a total estimation of 51 123 by the end of March 2012 with an amount of R8.4 billion for education and R4.1 billion for Health. Department of Public Works, Roads and Transport being the third highest employer with an estimated number of 6685 and costing of R1.4 billion.

Table 11: Personnel numbers and costs by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Office of the Premier	329	323	300	295	295	295	329	329	329
Provincial Legislature	109	109	175	182	182	182	188	194	196
Health	17 309	17 961	18 798	19 144	19 144	19 144	19 498	19 858	20 224
Sport, Arts and Culture	971	937	952	765	765	765	765	765	765
Human Settlements, Safety and Liaison (Public Safety)	1 076	1 092	1 106	317	317	317	1 105	1 105	1 105
Economic Development, Environment, Conservation and Finance	365	364	340	390	390	390	416	416	416
Finance	599	507	695	853	853	853	809	809	809
Education and Training	28 788	29 682	31 607	31 979	31 979	31 979	32 292	32 412	32 690
Local Government and Traditional Affairs	854	856	828	882	882	882	882	882	882
Public Works, Roads and Transport	3 254	6 365	6 561	6 685	6 685	6 685	6 714	6 852	6 913
Social Development, Women, Children and Persons and Agriculture and Rural Development	1 680	2 391	3 182	2 406	2 406	2 406	1 657	1 728	1 730
Agriculture and Rural Development	540	582	637	638	638	638	673	706	743
Human Settlements, Safety and Liaison (Human Settlements)	385	483	435	444	444	444	509	610	703
Total payments and estimates: North West Provin	49 546	50 975	53 973	53 925	53 925	53 925	55 402	55 887	56 534

Table 12: Personnel numbers and costs by Vote

Table 8 :Summary of Provincial Personnel numbers and costs

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Total for Province									
Personnel numbers (head count)	56 259	61 652	65 616	64 980	64 980	64 980	65 837	66 665	67 505
Personnel costs (R thousand)	11 325 184	12 610 106	14 072 080	15 174 196	15 356 965	15 421 669	16 413 272	17 566 433	18 618 802
Human resource component									
personnel numbers (head count)	1 676	1 761	1 781	2 015	2 059	2 059	2 232	2 332	2 380
personnel cost (R thousand)	203 560	192 900	258 242	244 066	270 454	270 454	303 071	318 172	335 262
Head count as % of total for province	3.0%	2.9%	2.7%	3.1%	3.2%	3.2%	3.4%	3.5%	3.5%
Personnel cost as% of total for province	1.8%	1.5%	1.8%	1.6%	1.8%	1.8%	1.8%	1.8%	1.8%
Finance component									
personnel numbers (head count)	1 602	1 529	1 678	1 779	1 729	1 779	2 645	2 696	2 740
personnel cost (R thousand)	122 688	128 811	101 187	172 706	173 027	171 655	182 099	190 776	196 833
Head count as % of total for province	2.8%	2.5%	2.6%	2.7%	2.7%	2.7%	4.0%	4.0%	4.1%
Personnel cost as% of total for province	1.1%	1.0%	0.7%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
Full time workers									
Personnel numbers (head count)	56 258	61 651	65 615	64 980	64 980	64 980	65 837	66 665	67 505
Personnel cost (R thousand)	11 325 117	12 609 272	14 071 138	15 173 368	15 356 137	15 420 801	16 412 359	17 566 433	18 618 802
head count as % of total for province	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Personnel cost as % of total province	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Part-time workers									
Personnel numbers (head count)									
Personnel cost (R thousand)									
head count as % of total for province	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel cost as % of total province	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Contract workers									
Personnel numbers (head count)	1	1	1						
Personnel cost (R thousand)	67	834	942	828	828	868	913		
head count as % of total of the Province	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Personnel cost as % of total province	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

5.10 Training

The table below demonstrates a trend in the training costs of the province. Overall, the trend is increasing by 9 per cent. Although Education's training budget shows a decline of 20 per cent between 2012/13 and 2013/14 it remains the highest contributor to the total cost for training within the province. Health, with its training cost accounting for an average of over 30 per cent per annum of the total training cost over the MTEF, is the second highest.

Table 13: Summary of provincial payments on training by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Office of the Premier	1 342	1 338	1 134	1 810	1 919	1 919	1 844	1 808	2 260
Provincial Legislature	5 426	3 216	3 802	4 442	4 442	4 442	9 373	12 039	15 005
Health	11 054	11 867	12 025	33 825	29 798	29 798	36 059	38 662	44 328
Sport, Arts and Culture	5 102	13 759	10 716	8 059	8 059	8 059	10 405	8 590	9 454
Human Settlements, Safety and Liaison (Public Safety and Liaison)		3 198	2 363	1 339	1 339	1 339	2 340	2 650	2 700
Economic Development, Environment, Conservation and Tourism	764	543	519	766	695	695	655	655	686
Finance	6 541	9 916	13 971	11 299	15 441	17 506	17 971	19 662	6 843
Education and Training	56 422	49 299	33 447	52 485	50 185	50 185	41 961	43 951	46 153
Local Government and Traditional Affairs	11 830	11 743	1 958	2 137	2 137	2 137	2 276	2 426	2 504
Public Works, Roads and Transport	27 552	4 467	15 805	5 462	5 462	5 462	26 536	27 405	26 640
Social Development, Women, Children and Persons with Disabilities	3 288	10 966	7 857	4 953	3 073	3 073	5 201	5 240	5 103
Agriculture and Rural Development	6 721	4 765	5 863	3 748	3 536	3 536	5 890	4 722	4 749
Human Settlements, Safety and Liaison (Human Settlements sector)	1 229	1 573	2 883	2 597	2 597	2 597	2 714	2 776	2 853
Total payments and estimates: North West Province	86 651	93 136	77 977	114 025	111 878	113 943	120 608	128 017	127 429

Annexure to the Overview of Provincial Revenue and Expenditure

Table A.1 : Specification of receipts : North West Province

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Tax receipts	306 850	354 057	339 054	355 507	355 952	355 952	368 552	386 970	406 355
Casino taxes	67 139	65 319	86 962	86 665	86 665	86 665	82 500	86 679	91 188
Horseracing	2 703	4 634		4 244	4 689	4 689	5 488	5 817	6 108
Liquor licenses	2 312	2 842					2 754	2 754	2 754
Motor vehicle licenses	234 696	281 262	252 092	264 598	264 598	264 598	277 810	291 720	306 305
Sale of goods & services other than capital assets	221 353	227 850	253 567	272 142	273 663	273 234	308 976	327 479	345 460
Sale of goods & services produced by Province (excl capital asset)	219 954	215 541	244 080	259 494	261 921	261 491	296 422	314 269	331 567
Sales by market establishments	144 382	118 576	173 950	192 587	192 757	191 733	209 684	224 269	237 930
Administrative fees	15 053	1 840	880	1 270	1 508	1 517	1 775	1 822	1 875
Other sales	60 519	95 125	69 250	65 637	67 656	68 241	84 963	88 178	91 762
Sale of scrap,waste,arms & other used current goods	1 399	12 309	9 487	12 648	11 742	11 743	12 554	13 210	13 893
Transfer received from									
Other governmental units									
universities and technikons									
Foreign governments									
International organisation									
Public corporations and private enterprises									
Households and non-profit institutions									
Fines, penalties and forfeits	13 210	5 943	12 513	18 874	18 834	18 834	19 850	20 799	21 826
Interest, dividends & rent on land:	64 148	88 882	114 341	36 104	96 803	96 811	100 951	106 021	111 346
Interest	64 118	88 635	114 332	36 104	96 793	96 800	100 938	106 007	111 330
Dividends	30	247	9		10	11	13	14	16
Rent on land									
Sale of capital assets	13 001	5 292	6 876	10 930	11 477	11 477	10 829	10 349	10 681
Land and subsoil assets									
Other capital assets (specify)	13 001	5 292	6 876	10 930	11 477	11 477	10 829	10 349	10 681
Transactions in financial assets and liabilities	368	43 247	17 119	24 050	26 228	26 228	12 948	11 594	10 702
Total provincial own receipts	618 930	725 271	743 470	717 607	782 957	782 536	822 106	863 212	906 371

Table A.2: Provincial summary of payment and estimates by economic classification: North West Province

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Currents payments	15 322 697	16 664 094	18 495 417	20 029 630	20 422 060	20 488 066	22 008 300	23 657 255	25 558 235
Compensation of employees	11 325 184	12 610 106	14 072 080	15 174 196	15 356 965	15 421 669	16 413 274	17 566 432	18 618 801
Salaries and wages	9 721 534	10 834 936	12 093 206	13 062 655	13 219 543	13 288 477	14 200 704	15 193 500	16 153 004
Social contributions	1 603 650	1 775 170	1 978 874	2 111 541	2 137 422	2 133 192	2 212 570	2 372 932	2 465 796
Goods and services	3 997 409	4 053 238	4 420 180	4 853 709	5 063 126	5 061 634	5 593 451	6 089 157	6 937 687
Interest and rent on land	104	750	3 156	1 725	1 969	4 763	1 575	1 665	1 748
Interest (Incl. interest on finance leases)	104	607	3 156	1 695	1 939	4 733	1 575	1 665	1 651
Rent on land		143		30	30	30			97
Transfer and subsidies to:	3 298 015	3 606 971	4 018 900	4 090 624	4 185 689	4 185 616	4 357 484	3 868 057	4 055 283
Provinces and municipalities	150 776	164 164	246 182	247 885	250 574	250 574	275 861	290 181	303 737
Provinces	500	566	1 400	500	1 620	1 620	550	550	550
Provincial Revenue Funds		66							
Provincial agencies and funds	500	500	1 400	500	1 620	1 620	550	550	550
Municipalities	150 276	163 598	244 782	247 385	248 954	248 954	275 311	289 631	303 187
Municipal bank accounts	70 000	78 725	70 600	60 000	60 000	60 000	62 600	65 440	68 647
<i>Of which: Regional Services Council Levies</i>									
Municipal agencies and funds	80 276	84 873	174 182	187 385	188 954	188 954	212 711	224 191	234 540
Provincial agencies and accounts	255 157	287 092	272 466	278 813	284 438	284 438	280 119	295 291	309 610
Social security funds									
Provincial agencies (non-business entities)	255 157	287 092	272 466	278 813	284 438	284 438	280 119	295 291	309 610
Universities and technikon	955		1 071		20 560	20 560	22 000	24 000	26 000
Foreign governments and international organisations									
Public corporations and private enterprises	563 592	554 189	714 078	675 348	719 871	719 871	728 414	787 575	830 459
Public corporations	558 743	553 619	714 078	675 348	719 871	719 871	728 414	787 575	830 459
Subsidies on products and production (pc)	525 903	524 416	663 489	648 761	697 380	697 380	672 380	734 737	775 156
Other transfers to public corporations	32 840	29 203	50 589	26 587	22 491	22 491	56 034	52 838	55 303
Private enterprises	4 849	570							
Subsidies on products and production (pe)									
Other transfers to private enterprises	4 849	570							
Non-profit institutions	1 022 976	1 308 019	1 363 867	1 456 508	1 472 454	1 472 454	1 455 699	1 533 758	1 619 640
Households	1 304 559	1 293 508	1 421 237	1 432 070	1 437 792	1 437 719	1 595 391	937 252	965 837
Social benefits	26 736	27 235	28 116	22 040	24 529	24 456	23 647	24 122	26 140
Other transfers to households	1 277 823	1 266 273	1 393 121	1 410 030	1 413 263	1 413 263	1 571 744	913 130	939 698
Payment for capital assets	1 742 271	1 602 298	1 883 331	2 151 464	2 301 807	2 295 717	2 200 271	2 494 403	2 899 762
Buildings and other fixed structures	1 491 590	1 354 941	1 664 454	1 897 453	1 995 704	1 995 704	1 937 589	2 184 000	2 599 241
Buildings	714 882	714 097	1 143 470	1 155 355	1 171 116	1 171 116	1 164 597	1 367 062	1 604 364
Other fixed structures	776 708	640 844	520 984	742 098	824 588	824 588	772 992	816 938	994 878
Machinery and equipment	250 309	247 292	216 006	253 511	302 638	296 548	252 187	310 403	300 520
Transport equipment	34 238	47 605	52 850	47 080	84 412	84 412	28 212	32 406	34 774
Other machinery and equipment	216 071	199 687	163 156	206 431	218 226	212 136	223 975	277 997	265 746
Heritage assets									
Specialised military assets									
Biological assets	372		620	500	500	500	495		
Land and sub-soil assets									
Software and other intangible assets		65	2 250		2 965	2 965	10 000		
of which:									
Capitalised compensation of employees									
Capitalised goods and services									
Payments for financial assets	7	85	6 757						
Total economic classification: North West Province	20 362 990	21 873 449	24 404 405	26 271 718	26 909 556	26 969 399	28 566 054	30 019 714	32 513 280

Table B.4: Summary of Payments and estimates by economic classification: "Goods and Services level 4 items" included in Table B.3

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
Current payments	3 997 409	4 053 238	4 420 180	4 853 709	5 063 126	5 061 634	5 593 451	6 089 157	6 937 687
.....									
Goods and services	3 997 409	4 053 238	4 420 180	4 853 709	5 063 126	5 061 634	5 593 451	6 089 157	6 937 687
Administrative fees	105 937	16 307	14 403	15 550	11 834	11 875	21 958	23 519	22 383
Advertising	30 242	60 347	35 033	37 940	43 519	43 288	37 090	39 962	40 556
Assets <R5000	77 816	67 138	62 810	98 505	90 003	85 913	100 064	128 300	140 117
Audit cost: External	52 442	60 473	51 465	59 561	66 483	67 193	76 438	82 912	94 667
Bursaries (employees)	8 476	5 543	7 031	6 228	6 228	6 228	6 907	7 279	8 147
Catering: Provincial activities	71 300	58 159	63 627	74 471	65 112	65 218	82 187	95 524	92 717
Communication	132 506	142 082	139 421	151 657	147 745	143 682	145 453	165 474	169 802
Computer services	46 761	62 875	78 924	92 406	105 939	97 405	82 801	112 417	145 409
Cons/prof:business & advisory services	279 224	267 938	141 980	189 091	229 765	201 684	316 472	403 387	900 318
Cons/prof: Infrastructure & planning	72 586	48 614	81 204	41 524	86 403	86 403	30 083	36 793	30 615
Cons/prof: Laboratory services	261 460	246 449	225 908	255 056	257 135	274 135	330 486	375 880	392 836
Cons/prof: Legal cost	24 729	23 820	53 517	23 934	55 197	47 611	91 297	25 895	32 509
Contractors	447 266	422 248	620 657	511 662	519 697	524 582	677 024	748 537	815 558
Agency & support/outsourced services	204 325	188 141	179 455	226 437	237 182	237 182	247 689	235 041	301 538
Entertainment	1 923	2 845	703	731	661	707	899	877	10 922
Fleet Services	5 151	8 276	11 399	21 802	26 107	29 277	20 618	24 727	25 853
Housing	214	456							15
Inventory: Food and food supplies	20 294	29 755	27 968	39 358	26 064	26 085	32 377	39 888	46 626
Inventory: Fuel, oil and gas	33 183	28 447	31 499	52 049	51 639	51 639	54 093	60 684	63 602
Inventory:Learn & teacher support material	301 015	290 185	312 178	360 878	383 666	383 612	396 849	457 853	480 333
Inventory: Materials & supplies	37 375	49 643	35 626	50 970	50 286	50 265	52 811	58 901	60 915
Inventory: Medical supplies	556 448	138 362	196 687	338 341	339 606	339 606	327 061	331 303	343 860
Inventory: Medicine	402	488 502	410 772	420 146	463 201	496 486	550 828	617 455	618 206
Medas inventory interface	4			135	135	135	140	140	138
Inventory: Military stores	789	1 539					74	74	
Inventory: Other consumables	123 274	129 157	120 327	146 731	144 726	145 436	134 790	179 398	169 235
Inventory: Stationery and printing	107 704	88 788	86 144	133 616	127 256	127 867	132 955	144 092	151 269
Lease payments (Incl. operating leases, excl. finance leases)	209 313	220 707	244 477	261 210	256 956	255 067	281 320	284 790	311 403
Property payments	259 158	279 408	368 877	409 964	431 155	431 253	450 636	463 588	497 976
Transport provided dept activity	19 970	29 766	31 803	38 873	36 675	36 675	41 496	40 912	39 473
Travel and subsistence	314 194	413 355	491 584	424 452	421 750	411 859	456 775	489 650	512 817
Training & staff development	123 127	118 315	106 711	130 520	126 279	128 344	141 488	149 205	149 029
Operating payments	43 170	70 750	149 251	193 689	207 044	207 979	223 231	203 965	208 029
Venues and facilities	20 635	- 8 928	36 062	42 354	44 097	43 362	44 341	52 439	53 292
Rental & hiring	4 994	3 776	2 679	3 869	3 582	3 582	4 721	8 297	7 523
.....									
Goods and services : North West Province	3 997 409	4 053 238	4 420 180	4 853 709	5 063 126	5 061 634	5 593 451	6 089 157	6 937 687

Table 13 :Summary of provincial payment and estimates by functional area

R thousand	Outcome			Main appropriation	Adjusted appropriation 2012/13	Revised estimate	Medium-Term Estimates		
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16
General public services	1 639 705	1 740 175	1 988 898	2 187 151	2 251 232	2 207 104	2 645 411	2 797 887	3 416 283
Executive and Legislative	387 039	408 994	430 571	477 242	492 162	487 932	555 689	613 977	600 756
General Services	999 347	1 067 721	1 264 367	1 348 237	1 377 778	1 377 778	1 632 889	1 668 464	1 765 295
Financial and Fiscal Services	253 319	263 460	293 961	361 672	381 292	341 394	456 833	515 446	1 050 232
Public order and safety	94 260	123 959	128 260	136 482	138 510	136 482	163 940	175 036	179 848
Police Services	94 260	123 959	128 260	136 482	138 510	136 482	163 940	175 036	179 848
Traffic Control									
Education	8 598 994	9 338 945	10 399 434	11 163 886	11 247 531	11 247 530	11 668 105	12 705 966	13 694 563
Pre-primary and primary phases	4 162 194	4 723 137	5 122 223	5 352 320	5 405 945	5 405 945	5 688 227	6 197 408	6 577 590
Secondary education phase	2 028 338	2 231 156	2 372 551	2 668 565	2 676 182	2 676 182	2 812 228	3 037 924	3 202 473
Education services not defined by level	1 303 518	1 263 950	1 191 279	1 456 897	1 410 876	1 410 876	1 520 454	1 660 203	1 742 543
Subsidiary services to education	1 104 944	1 120 702	1 713 381	1 686 104	1 754 528	1 754 527	1 647 196	1 810 431	2 171 957
Health	5 001 962	5 496 769	6 147 690	6 689 586	6 827 439	6 934 439	7 355 738	7 821 026	8 217 783
Outpatient services	2 562 604	2 786 645	3 053 688	3 346 482	3 400 178	3 446 178	3 769 019	4 029 215	4 258 953
Research and development (CS)									
Hospital services	2 439 358	2 710 124	3 094 002	3 343 104	3 427 261	3 488 261	3 586 719	3 791 811	3 958 830
Social protection	607 622	747 501	876 100	941 617	954 242	954 242	1 073 601	1 177 798	1 258 547
Social security services									
Social services	607 622	747 501	876 100	941 617	954 242	954 242	1 073 601	1 177 798	1 258 547
Housing and community amenities	1 199 723	1 164 892	1 291 040	1 191 190	1 251 553	1 251 553	1 481 725	822 211	826 531
Housing developemnt	1 199 723	1 164 892	1 291 040	1 191 190	1 251 553	1 251 553	1 481 725	822 211	826 531
Environmental protection	57 865	62 192	61 630	70 870	74 392	74 392	120 672	134 524	147 716
Environmental protection	57 865	62 192	61 630	70 870	74 392	74 392	120 672	134 524	147 716
Recreation, culture and religion	368 049	345 948	421 884	465 543	517 709	517 709	482 854	549 597	605 671
Recreational and sporting services	191 553	176 059	219 719	232 832	245 635	245 635	245 077	258 406	272 860
Cultural services	176 496	169 890	202 165	232 711	272 074	272 074	237 777	291 191	332 811
Economic affairs	2 794 810	2 853 068	3 089 467	3 425 393	3 646 948	3 645 948	3 574 008	3 835 670	4 166 338
General economic affairs	273 927	314 812	318 183	349 009	362 873	362 873	359 745	377 801	394 827
Agriculture	507 615	565 295	630 224	781 594	789 915	789 915	750 502	794 908	808 255
Transport	2 013 268	1 972 961	2 141 060	2 294 790	2 494 160	2 493 160	2 463 761	2 662 961	2 963 256
Grand total for all functions	20 362 990	21 873 449	24 404 405	26 271 718	26 909 556	26 969 399	28 566 054	30 019 714	32 513 280