



Province of the
EASTERN CAPE

PROVINCIAL PLANNING
AND TREASURY

Estimates of Provincial Revenue and Expenditure

2014/15

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FOREWORD

As it is with all modern and globally integrated economies, South Africa has not been fully insulated from some of the global economic developments of the recent past. After growing at 3.5 per cent in 2011 the national economy's growth slowed to 2.5 per cent in 2012 and 1.8 per cent in 2013. Similarly, the Eastern Cape economy continues to be affected by the fragile and changing nature of the global and national economy. This continued slow pace of recovery has dampened the performance of some key sectors of the provincial economy.

Economic growth coupled with sustained job creation remains a significant challenge for the province which is predominantly rural and characterised by sparsely located industrialised nodes within the western part of the province. Relatively high levels of under-development remain a characteristic of the eastern side of the province.

Notwithstanding the cyclical factors mentioned, certain structural features will continue to pose constraining challenges for the provincial economy's performance over the medium to long-term, unless decisive policy interventions are undertaken, such as:

- A low skills and human capital base resulting in a skills mismatch which further drives up structural and long-term unemployment;
- Spatial inequality of both infrastructure and economic development; and
- Industrial development, targeting sectors beyond auto manufacturing, particularly in sectors that the province enjoys comparative advantage (agriculture, tourism, and green energy).

The levers of change that are within the provincial administrations powers remain and as such, the province has committed over R1.5 billion for the construction of economic and social infrastructure. The province has also taken steps to assist municipalities to enhance their delivery capacity and responsiveness in an effort to improve service delivery. Furthermore, the province will enhance its efforts towards moderating increases in Compensation of Employees and consumption expenditure; sustaining investment in human development and skills; supporting agriculture and rural development. It must be noted that the province has reprioritised its baseline budget away from current consumption to capital formation.

In conclusion, the 2014 MTEF budget is about addressing these challenges head-on and making serious investments strides to turn the economic tide around by channelling financial resources into growth sectors and human capital development. This budget delivers on the provincial government economic strategy whilst continuing to assist households and SMMEs with their current challenges.

Honourable Phumulo Masualle
MEC FOR PROVINCIAL PLANNING AND FINANCE

TABLE OF CONTENTS

FOREWORD	III
EXECUTIVE SUMMARY	IX
1 SOCIO-ECONOMIC OUTLOOK AND POLICY	2
1.1. INTRODUCTION	2
1.2. SOCIO-ECONOMIC INDICATORS.....	3
1.2.1 Demographic Profile.....	3
1.3. ECONOMIC INDICATORS	6
1.3.1 Economic Growth and Employment.....	7
1.4 POLICY IMPERATIVES	10
2. BUDGET STRATEGY AND AGGREGATES.....	12
2.1 INTRODUCTION	12
2.2 ALIGNING PROVINCIAL BUDGETS TO ACHIEVE GOVERNMENT'S PRESCRIBED OUTCOMES	13
2.2.1 National Development Plan (NDP)	14
2.2.2 National Priorities for the 2014 MTEF.....	14
2.2.3 Provincial Priorities for the 2014 MTEF	15
2.3 DEALING WITH COMPENSATION OF EMPLOYEE (COMPENSATION OF EMPLOYEES) PRESSURES.....	15
2.4 CREATING OPPORTUNITIES FOR JOB CREATION AND GROWTH.....	16
2.5 INFRASTRUCTURE DELIVERY IMPROVEMENT.....	16
2.6 OTHER FISCAL STRATEGIES	17
2.7 SUMMARY OF BUDGET AGGREGATES.....	18
2.7.1 Notes on the Equitable Share Allocations.....	18
2.8 FINANCING	19
2.9. CONCLUSION.....	19
3 BUDGET PROCESS AND THE MEDIUM-TERM EXPENDITURE FRAMEWORK.....	20
PLANNING AND BUDGETING FOR 2014/15 MTEF.....	20
4. RECEIPTS.....	21
4.1 OVERALL POSITION.....	21
4.2 EQUITABLE SHARE.....	21
4.3 CONDITIONAL GRANTS	22
4.3.1 New conditional grants.....	23
4.4 TOTAL PROVINCIAL OWN RECEIPTS	25
4.5 DONOR FUNDING	27
4.6 CONCLUSION.....	27
5. PAYMENTS.....	29
5.1 OVERALL POSITION.....	29
5.2 PAYMENT BY VOTE	30
5.3 PAYMENTS BY ECONOMIC CLASSIFICATION	33
5.4 PAYMENTS BY FUNCTIONAL AREA.....	35
5.5 INFRASTRUCTURE PAYMENTS.....	35
5.5.1 Infrastructure Payments.....	35

5.5.2. Infrastructure Allocations.....	36
5.5.3 Implementation of Infrastructure Delivery Management System (IDMS)	39
5.6 TRANSFERS.....	40
5.6.1 Transfers to Public Entities	40
Table 5.7: Summary of Provincial Transfers to Public Entities by Transferring Departments	41
5.6.2 Transfers to Development Corporations	41
5.6.3 Transfers to Local Government	41
5.7 PERSONNEL NUMBERS AND COSTS	42
5.8 PAYMENTS ON TRAINING	44
5.9 INFORMATION ON TRAINING	44
ANNEXURES TO THE OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE	1

ABBREVIATIONS

ANA	Annual National Assessment
APP	Annual Performance Plan
CASP	Comprehensive Agricultural Support Programme
CBC	Cabinet Budget Committee
CDC	Coega Development Corporation
CESD	Centralised Electronic Supplier Database
CG	Conditional Grant
CoE	Compensation of Employees
CPMU	Centralised Project Management Unit
DoE	Department of Education
DoH	Department of Health
DORA	Division of Revenue Act
DDG	Deputy Director General
DEDEAT	Department of Economic Development, Environment Affairs and Tourism
DHIS	District Health Information System
DLGTA	Department of Local Government and Traditional Affairs
DORA	Division of Revenue Act
DRDAR	Department of Rural Development and Agrarian Reform
DRPW	Department of Roads and Public Works
DSD&SP	Department of Social Development and Special Programmes
DSRAC	Department of Sport, Recreation, Arts and Culture
EC	Eastern Cape
ECD	Early Childhood Development
ECDC	Eastern Cape Development Corporation
ECRDA	Eastern Cape Rural Development Agency
ELIDZ	East London Industrial Development Zone
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ES	Equitable Share
EXCO	Executive Committee
FET	Further Education and Training
FFC	Financial and Fiscal Commission
GDP	Gross Domestic Product
GDP_R	Regional Gross Domestic Product
GHS	General Household Survey
GVA	Gross Value Add
HROPT	Human Resource Operational Project Team
IDA	Interdepartmental Accounting Model
IDIP	Infrastructure Delivery Improvement Programme

ICS	Improvement in Conditions of Service
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Plans
LED	Local Economic Develop
MAWG	Multi-Agency Work Group
MDG	Millennium Development Goal
MEC	Member of Executive Council
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium-Term Expenditure Committee
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
MVL	Motor Vehicle License
NGO	Non-governmental Organisations
NHLS	National Health Laboratory Services
NSFAS	National Student Financial Aid Scheme
OEM	Original Equipment Manufacturer
OPRE	Overview of Provincial Revenue and Expenditure
OTP	Office of the Premier
PCF	Provincial Coordinating Forum
PES	Provincial Equitable Share
PGDP	Provincial Growth and Development Plan
PHC	Primary Health Care
PICC	Presidential Infrastructure Coordinating Committee
PIDS	Provincial Industrial Development Strategy
PMU	Project Management Unit
PPP	Public Private Partnership
PPT	Provincial Planning and Treasury
QLFS	Quarterly Labour Force Survey
RAF	Road Accident Fund
SIP	Strategic Integrated Project
SOE	State Owned Enterprise
SONA	State of the Nation Address
SOPA	State of the Province Address
Stats SA	Statistics South Africa
SCOA	Standard Chart of Accounts
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprise
TAP	Turnaround Plan
TB	Tuberculosis
TCF	Technical Committee on Finance

LIST OF TABLES AND FIGURES

FIGURE 1.1: POPULATION DISTRIBUTION PER DISTRICT	3
TABLE 1.1: EC ECONOMIC GROWTH BY SECTOR	8
TABLE 1.2: LABOUR MARKET INDICATORS	9
TABLE 1.3: EC EMPLOYMENT BY SECTOR	9
FIGURE 1.2: OCCUPATION AND SKILLS STRUCTURE, EC	10
TABLE 2.1 PROVINCIAL BUDGET SUMMARY	18
FIGURE 3.1 DIAGRAMMATIC REPRESENTATION OF THE BUDGET PROCESS IN THE EASTERN CAPE (2014/15 MTEF)	20
TABLE 4.1: SUMMARY OF PROVINCIAL RECEIPTS	21
TABLE 4.2: SUMMARY OF CONDITIONAL GRANTS	24
TABLE 4.3: PROVINCIAL OWN RECEIPTS PER DEPARTMENT	25
TABLE 4.4: DONOR FUNDING RECEIPTS SUMMARY BY DEPARTMENT	27
TABLE 5.1: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY VOTE	30
TABLE 5.2: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION	33
TABLE 5.3: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY FUNCTIONAL AREA	35
TABLE 5.4: INFRASTRUCTURE PAYMENTS SUMMARY PER DEPARTMENT	37
TABLE 5.5: INFRASTRUCTURE PAYMENTS SUMMARY PER CATEGORY	38
TABLE 5.6: SUMMARY OF PROVINCIAL INFRASTRUCTURE PAYMENTS AND ESTIMATES BY SOURCE OF FUNDING ..	39
TABLE 5.8: SUMMARY OF PROVINCIAL TRANSFERS TO LOCAL GOVERNMENT BY CATEGORY	41
TABLE 5.9: PERSONNEL NUMBERS AND COSTS BY DEPARTMENT	42
TABLE 5.10: PROVINCIAL PERSONNEL NUMBERS AND COSTS – EC PROVINCE	43
TABLE 5.11: PAYMENT ON TRAINING – EC PROVINCE	44
TABLE 5.12: INFORMATION ON TRAINING – EC PROVINCE	44

EXECUTIVE SUMMARY

Whilst acknowledging challenges in the economy which are of a macro nature and the impact of the Census 2011 on the province's Equitable Share (ES) allocation, levers of economic change are at the micro level, areas within which the provincial administration and leadership have a direct influence. It is towards these strategic levers that the budget for the 2014/15 MTEF is directed.

Provincial departmental programmes give effect to the full range of both national and provincial policies and commitments. Within the limits of the fiscal resources available, the province has allocated funds in keeping with priorities, as well as relevant policies and requirements of national and provincial legislation.

The 2014/15 budget balances support for the economy with the gradual consolidation of the provincial fiscal position to ensure the long-term health of the provincial finances. It begins a shift in the composition of expenditure towards investment. Over time this will release greater resources for investment in productive sectors of the economy and for realising savings that could be utilised for other priority areas.

The provincial budget allocation was reduced with ES funding of R5.144 billion in the 2013 MTEF due to the impact of Census 2011. Further cuts of 1, 2 and 3 per cent on ES has resulted in a decrease of R727 million in the 2013 MTEF. The province received R1.592 billion to mitigate the reduction of equitable share, but a fiscal drop is imminent from 2016/17 onward. The ES decreases over the 2014 MTEF by R819.597 million due to updated data with the phase-in of the ES formula that is informed by principles that support predictability and stability, responsiveness to changing needs, fairness to provinces, robustness and sustainability, as well as transparency.

The 2014 Medium Term Expenditure Framework (MTEF) takes cognisance of the fact that the 2013 MTEF budget baselines were a ceiling for the departments' budgets for 2014/15 as well as the latest adjustments made in the equitable share formula, which resulted in a decrease of R819.597 million in the equitable share allocation for the province. To curtail the excessive growth in the provincial Compensation of Employees budget and cater for the fiscal cliff in 2016/17, there was again a provincial baseline reduction of 2 per cent within departmental Compensation of Employees allocations (excluding the Provincial Legislature and the Department Safety and Liaison). The province is therefore budgeting for a surplus to cushion the fiscal drop to avoid disruptive drops in 2016/17 when the full impact of the baseline cuts will no longer be covered by the National Treasury, while the balance will be utilised to build a funding base to boost economic growth in the province.

Cognisance should be taken of the fact that the conditional grants were reduced in 2016/17, mainly due to a bidding process that will allow for the Health Facility Revitalisation and Education Infrastructure Grants funds to be allocated, based on outcomes and assessments of the delivery of infrastructure.

In 2014/15, the budget grows by 2 per cent to R62.141 billion from the 2013/14 revised estimate of R60.939 billion. Over the 2014 MTEF, there is an annual average growth rate of 2.8 per cent from the 2013/14 revised estimate to R65.962 billion in 2016/17.

SUMMARY OF ACTUAL AND BUDGETED PAYMENTS BY DEPARTMENT

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	Budget Growth Rate		
	Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			2013/14 - 2014/15	2014/15 - 2015/16	2015/16 - 2016/17
Education	22 576 929	25 174 117	26 220 593	26 972 078	27 538 882	27 538 884	27 934 964	29 755 897	29 674 668	1.4	6.5	(0.3)
Health	13 272 828	14 892 282	15 602 512	16 584 328	17 183 546	17 062 410	17 509 012	18 234 588	18 892 969	2.6	4.1	3.6
Social Development And Special Programmes	1 563 854	1 691 851	1 751 212	2 015 205	2 043 842	2 033 962	2 158 958	2 262 514	2 374 521	6.1	4.8	5.0
Office Of The Premier	392 621	400 819	394 616	458 109	458 859	452 906	467 203	476 963	502 684	3.2	2.1	5.4
Provincial Legislature	293 469	360 257	407 040	409 531	452 250	451 388	435 627	436 766	462 189	(3.5)	0.3	5.8
Roads And Public Works	3 198 859	3 393 640	3 803 772	3 670 311	3 941 819	3 919 733	4 025 444	3 931 075	4 093 204	2.7	(2.3)	4.1
Local Government And Traditional Affairs	775 079	738 943	788 228	840 869	1 055 493	1 002 649	876 196	875 661	922 961	(12.6)	(0.1)	5.4
Rural Development And Agrarian Reform	1 535 246	1 484 433	1 617 094	1 714 488	1 742 781	1 742 781	1 867 163	1 859 443	1 945 366	7.1	(0.4)	4.6
Economic Development, Environmental Affairs And Tourism	824 479	885 651	807 407	1 070 858	1 388 127	1 386 060	1 444 359	1 525 947	1 592 062	4.2	5.6	4.3
Transport	1 315 591	1 582 911	1 452 471	1 532 362	1 569 443	1 532 770	1 708 027	1 600 525	1 686 490	11.4	(6.3)	5.4
Human Settlements	1 727 782	2 143 154	2 279 064	2 830 080	2 830 080	2 680 385	2 487 602	2 262 111	2 498 209	(7.2)	(9.1)	10.4
Provincial Planning And Treasury	247 450	283 987	322 106	374 872	352 498	341 971	377 779	387 783	408 732	10.5	2.6	5.4
Sport, Recreation, Arts And Culture	557 159	649 017	647 479	715 108	742 712	718 237	769 929	817 136	861 782	7.2	6.1	5.5
Safety And Liaison	52 635	57 980	62 207	69 979	75 568	75 612	78 941	77 915	82 123	4.4	(1.3)	5.4
Total	48 333 981	53 739 042	56 155 801	59 258 177	61 375 899	60 939 748	62 141 204	64 504 325	65 997 960	2.0	3.8	2.3
Less:												
<i>Departmental receipts not to be surrendered to the Provincial Revenue Fund [Amount to be financed from revenue collected to s22(1) of the PFMA]</i>												
	(371)	(4 784)	(1 583)	(340)	(340)	(642)	(351)	(367)	(386)	(45.4)	4.6	5.3
Adjusted Total	48 333 610	53 734 258	56 154 218	59 257 837	61 375 559	60 939 106	62 140 853	64 503 959	65 997 574	2.0	3.8	2.3

Source: PPT Database 2014/15

In 2014/15 and over the 2014 MTEF, the majority of the budget is allocated to the social sector departments, which consist of the departments of Education, Health, and Social Development and Special Programmes. Their share of the provincial budget amounts to 45 per cent, 28.2 per cent and 3.5 per cent, respectively. A further provincial focus is on Roads and Public Works and Human Settlements with their budgets amounting to R4.025 billion and R2.487 billion to boost infrastructure and human settlements development.

SUMMARY OF ACTUAL AND BUDGETED PAYMENTS BY ECONOMIC CLASSIFICATION

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	Budget Growth Rate		
	Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			2013/14 - 2014/15	2014/15 - 2015/16	2015/16 - 2016/17
Current payments	40 382 872	43 207 133	46 043 899	48 134 667	49 651 976	49 468 218	50 904 875	53 590 471	55 912 395	2.9	5.3	4.3
Compensation of employees	31 409 057	34 442 095	35 918 877	38 479 112	38 818 581	38 883 129	40 171 350	42 379 669	44 645 805	3.3	5.5	5.3
Goods and services	8 961 273	8 748 678	10 120 532	9 655 554	10 833 088	10 583 342	10 733 525	11 210 801	11 266 589	1.4	4.4	0.5
Interest and rent on land	12 542	16 360	4 489	-	307	1 748	-	-	-	(100.0)	0.0	0.0
Transfers and subsidies	5 699 022	7 008 457	6 930 074	7 803 401	8 052 114	7 938 830	7 441 802	7 290 957	7 769 733	(6.3)	(2.0)	6.6
Provinces and municipalities	584 162	279 780	261 042	89 585	512 641	443 177	305 363	297 124	312 637	(31.1)	(2.7)	5.2
Departmental agencies and accounts	906 169	806 680	760 624	1 015 814	1 344 510	1 280 373	1 398 935	1 433 161	1 474 701	9.3	2.4	2.9
Higher education institutions	128 335	115 764	70 475	22 440	31 540	30 440	30 791	20 998	22 100	1.2	(31.8)	5.2
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Public corporations and private enterprises	267 695	292 749	366 264	445 103	447 518	519 949	469 733	472 072	497 051	(9.7)	0.5	5.3
Non-profit institutions	1 979 184	3 146 612	2 915 564	3 325 690	2 694 280	2 742 410	2 676 590	2 774 456	2 933 959	(2.4)	3.7	5.7
Households	1 833 477	2 366 872	2 556 106	2 904 769	3 021 625	2 922 481	2 560 390	2 293 146	2 529 285	(12.4)	(10.4)	10.3
Payments for capital assets	2 241 632	3 483 874	3 044 517	3 319 808	3 671 808	3 532 413	3 774 527	3 602 898	2 295 832	6.9	(4.5)	(36.3)
Buildings and other fixed structures	1 949 920	2 673 899	2 408 541	2 572 755	2 712 118	2 599 300	2 895 532	2 797 927	1 419 539	11.4	(3.4)	(49.3)
Machinery and equipment	273 675	790 072	617 777	719 024	934 462	907 323	859 298	783 598	855 607	(5.3)	(8.8)	9.2
Heritage assets	-	-	-	-	170	170	600	-	-	252.9	(100.0)	0.0
Specialised military assets	-	-	-	-	-	-	-	-	-	0.0	0.0	0.0
Biological assets	-	646	3 741	5 441	5 031	5 031	5 709	5 810	4 285	13.5	1.8	(26.2)
Land and sub-soil assets	-	-	4 517	-	-	-	-	-	-	0.0	0.0	0.0
Software and other intangible assets	18 037	19 257	9 940	22 588	20 027	20 589	13 388	15 562	16 401	(35.0)	16.2	5.4
Payments for financial assets	10 455	39 578	137 312	300	-	287	20 000	20 000	20 000	6 868.6	0.0	0.0
Total economic classification	48 333 981	53 739 042	56 155 801	59 258 177	61 375 899	60 939 748	62 141 204	64 504 326	65 997 960	2.0	3.8	2.3
Less:												
<i>Departmental receipts not to be surrendered to the Provincial Revenue Fund [Amount to be financed from revenue collected to s22(1) of the PFMA]</i>												
	(371)	(4 784)	(1 583)	(340)	(340)	(642)	(351)	(367)	(386)	(45.4)	4.6	5.3
Adjusted Total	48 333 610	53 734 258	56 154 218	59 257 837	61 375 559	60 939 106	62 140 853	64 503 959	65 997 574	2.0	3.8	2.3

Source: PPT Database 2014/15

The table above shows the summary of provincial payments and estimates by economic classification from 2010/11 to 2016/17. In 2014/15, the bulk of the budget is allocated under current payments with a 81.9 per cent share and increases by 2.9 per cent to R50.905 billion from the 2013/14 revised estimate.

In 2014/15, the Compensation of Employees (Compensation of Employees) budget grows by 3.3 per cent to R40.171 billion mainly due to the annual ICS adjustments. Departments' baselines were again reduced by 2 per cent of their Compensation of Employees allocation over the 2014 MTEF with the Provincial Legislature and the Department of Safety and Liaison exempted from this reduction. This reduction is to maintain the commitment by the province to stem the rapid growth of the Compensation of Employees budget.

Goods and Services is only growing by 1.4 per cent to R10.733 billion in 2014/15 from the 2013/14 revised estimate of R10.583 billion. Over the 2014 MTEF, it increases to R11.266 billion in 2016/17.

There is a decline in Transfers and subsidies of 6.3 per cent to R7.442 billion in 2014/15. The decline in transfers to municipalities by 31.1 per cent to R305.363 million is due to the once-off transfer of R160 million to the King Sabata Dalindyebo Local Municipality in 2013/14. Transfers to Non-profit Institutions declines by 2.4 per cent to R2.676 billion due to the impact of the reduction in learner numbers which resulted in a R99.585 million baseline reduction on this item by the Department of Education. Transfers to Households declines by 12.4 per cent to R2.560 billion due to the shifting within the HSDG whereby National will implement the Bucket Eradication Programme on behalf of provinces. Transfers to Departmental Agencies and Accounts is the only item showing growth at 9.3 per cent to R1.399 billion due to the R250 million that will be transferred to the Coega Development Corporation (CDC) to support municipalities in the delivery of much needed water and sanitation infrastructure.

Payments for Capital Assets budget grows by 6.9 per cent to R3.774 billion in 2014/15 due to the provision made for infrastructure delivery of schools, hospitals, clinics and roads. In 2016/17, it declines to R2.296 billion due to the Education Infrastructure grant and the Health Facility Revitalisation grant that were unallocated and pooled by national in order for the provinces to bid 2 years in advance for the funding.

Payments for Financial Assets budget grows by 6 868.6 per cent to R20 million in 2014/15 due to the repayment of the unauthorised expenditure of previous years by the Department of Rural Development and Agrarian Reform as well as over the 2014 MTEF.

The 2014 MTEF budget thus is the province's commitment to continue reducing provincial poverty levels as well as to creating decent jobs. Furthermore, the 2014 MTEF budget is underpinned by the National Development Plan (NDP) which is concretised in the Medium Term Strategic Framework priorities as well as the national and provincial priorities.

Given the highly constrained fiscal framework, the provincial strategy has been the continued reprioritisation of budget baselines to fund key service delivery programmes inclusive of social infrastructure and rural development investments.

SECTION A: OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE (OPRE)

1. Socio-Economic Outlook and Policy

1.1. Introduction

The Eastern Cape (EC) province encompasses approximately 169 580km², constituting 13.9 per cent of the total land mass of the country, making it in surface area, the second largest province of South Africa (SA). Approximately two-thirds or 65.1 per cent of the provinces population resides in rural areas, as opposed to the national urban – rural average of 63 – 67 per cent. At 6.7 million inhabitants, the province is the third largest in the country in terms of population size.

Most industries are located in the two metros of Nelson Mandela Bay (NMBM) and Buffalo City (BCM), within the western half of the province, whilst the eastern side of the province remains largely under-developed. The two metros (NMBM and BCM) contribute 41 per cent and 21 per cent respectively to the overall Regional Gross Domestic Product (GDP_R). The economies of East London, Port Elizabeth and Uitenhage are primarily based on manufacturing, the most important being motor vehicle manufacturing and related industries.

The provinces agricultural potential is evident in its fruit orchards in the fertile Langkloof Valley; sheep and angora farming in the Karoo interior; pineapple, chicory and dairy production in the Alexandria-Grahamstown area; and coffee and tea cultivation at Magwa. Livestock exports earned the province in excess of R431 million in 2012, whilst vegetable exports generated revenue of R951 million in the same year. Large numbers of the population are employed in the forestry plantations of Keiskammahoek, whilst inhabitants of the former Transkei are dependent on cattle, maize and sorghum farming. The province has a coastline covering approximately 800km, housing two harbours.

The province remains one of the poorest in the country with income deprivation being a key feature of provincial poverty. Overall GDP per capita has steadily risen since 1994, but inequality remains high, both in terms of income and assets. Research indicates that 25 per cent of citizens of the province are food insecure, with 17.3 per cent deemed 'food inadequate' and 7.7 per cent being 'severely food inadequate' (ECPC: *Diagnostic 2013*). Outward migration remains high within the province, as people leave the province in search of economic opportunities.

In designing policies to promote inclusive growth of the EC economy, these dynamics have to be of consideration.

1.2. Socio-economic indicators

1.2.1 Demographic Profile

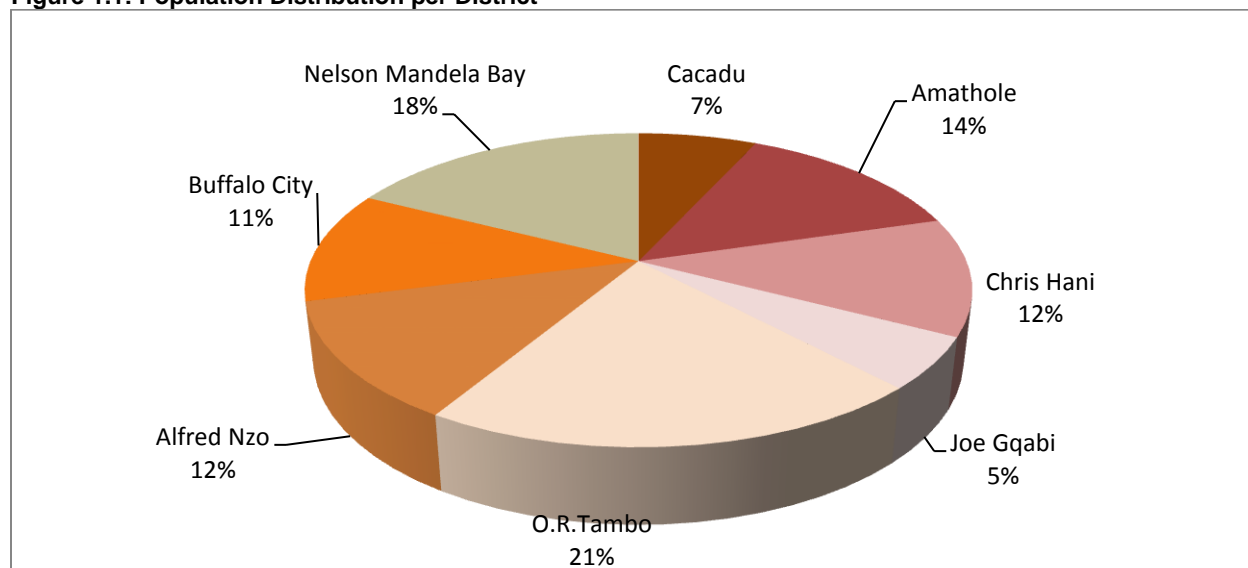
According to the Mid-Year Population Estimates (MYPE) 2013, approximately 12.5 per cent (6.7 million) of South Africa's population lives in the Eastern Cape. This makes the province, the third most populous after Gauteng (24 per cent) and KwaZulu-Natal (19.7 per cent).

Over the past decade, the population of the province increased from 6.2 million people in 2001 to 6.7 million in 2011. This represents a total increase of over 280 000 people, or a percentage increase of 4.5 per cent.

The most populous district is the rural region of O.R. Tambo with 21 per cent of the total provincial population; whilst Joe Gqabi is the least populous district accounting for 5 per cent of the total provincial population. Figure 1.1 below, provides an overview of the EC population distribution per district.

The province also displays high population density in the urban metropolitan areas with Amathole, Buffalo City and Nelson Mandela Bay accounting for 43 per cent of the provincial population. This urban concentration is a feature of the prevalent rural-urban migration as people seek job opportunities and education in these economic hubs of the province.

Figure 1.1: Population Distribution per District



Source: Census 2011

Population Structure

The EC has 2 173 300 children under the age of 14 years. This is the highest proportion of children as a percentage of the total population of any province in the country at 32.8 per cent and above the national population profile of 29.2 per cent. The age group however, is experiencing negative growth at an average of -0.6 per cent year-on-year between 2012 and 2013. This is the only age group within the province that has experienced negative growth over this time period and this affected the overall average population growth rate, reducing it to 0.5 per cent per annum for 2013. This negative growth rate of the under 14 population is of

significance due to the higher importance that this age group holds to the province's overall population growth and long term demographic profile (*Quantec 2013*).

The youth cohort (15-24 years old) also makes up a significant proportion of the provincial population with 1 409 026 people making up 21 per cent of the total provincial population. This has implications on the ability of the provincial economy to generate jobs at a rate higher than that of population growth, as this age group represents new entrants into the labour force.

Out-migration for the EC is a particularly important demographic trend, with 0.4 million people having moved out of the province since 2001, accounting for 18 per cent of the national migration figures. It is estimated that 170 000 migrants have left the province since 2001 for the Western Cape and Gauteng provinces.

Those under the age of 35, account for 67 per cent (4.4 million) of the province's population, whilst those above the age of 65 make up 6 per cent of the province's population, implying a youthful provincial population. This fact is further highlighted by the median age of the province's population which is within the 20 - 24 year old cohort, lower than the national median age cohort of 25 - 29 years, with important policy implications.

Approximately 61 per cent of the population is in the economically active age cohort (15 - 64). The dominance of the working age population may be positive when viewed from the perspective of an increased workforce. However, with the current provincial unemployment rate of 31 per cent, this implies a greater challenge to the province in matching the growing workforce with growing job opportunities.

Between 2006 and 2011, the EC had the highest net outward migration, with close to 214 815 people reported to have migrated to other provinces. It can be deduced then that, amongst other reasons, males in search of better opportunities in wealthier provinces drive the net outward migration. This outward migration in search of economic opportunities could explain the increased ratio of males: females' within the working age population of the province.

Living Conditions

Census 2011 shows that 63.2 per cent of the population in the province lives in formal dwellings, of whom 7.7 per cent reside in informal dwellings and 28.2 per cent reside in so-called traditional dwellings. The greatest improvements in this regard have been recorded in increases in formal dwellings in Alfred Nzo, O R Tambo, Amathole and Nelson Mandela Bay districts respectively. The highest proportions of informal settlements can be found in Buffalo City (22.3 per cent) and Nelson Mandela Bay (12 per cent) metropolitan municipalities and Cacadu District (11 per cent).

In terms of income, wide spatial disparities exist, with highest incomes in the two metropolitan areas and Cacadu district. Alfred Nzo has the lowest average income, followed by Amathole, Chris Hani and OR Tambo. Apart from Nelson Mandela Bay, all the districts have lower than national average annual income. This shows the marginality of the province in terms of income.

An important feature is that internally, the province has lower inequality than the rest of SA, at 0.61 compared with the national figure of 0.63 (*StatsSA 2012*). Inequality is highest within the metropolitan municipalities at 0.59 and 0.61 for NMBM and BCM respectively (*ECPC Diagnostic 2013*).

Eastern Cape Fertility and Mortality Profile

Between 2001 and 2006, SA had an average fertility rate of 2.8 children per woman. During this period, the EC recorded the highest fertility rate at 3.4 children per woman during this time, which was significantly above the national average. The fertility rate for SA fell marginally to 2.5 children between the years 2006 and 2011. The EC had the second highest rate of 2.8 children per woman between 2006 and 2011 surpassed only by the Limpopo Province, at 2.9 children. Although the fertility rate in the EC declined significantly over the period, a positive sign of development, it still remains the second highest in the country.

Life expectancies within the province are relatively low at 52.6 and 59.4 years for men and women respectively. Despite these low levels, life expectancy within the EC in 2013 has improved from the 2007 values of 49 years for men and 55.3 years for women. These figures are well below the 70 years targeted in the Millennium Development Goals (MDGs) and National Development Plan (NDP). They are also below the 2014/15 targets, set by the 2010 Negotiated Service Delivery Agreement (a charter that reflects the commitment of key sectoral and inter-sectoral partners linked to the delivery of identified outputs as they relate to a particular sector of government) of 56 years for males and 61 years for females. Nationally, South African males are expected to live until 55.5 years and females 61.6 years, indicating national success in achieving this target. Limpopo, the Northern Cape and Gauteng provinces possess male life expectancies above the national average, with 60, 58.3 and 58 years respectively, while Western Cape, Limpopo, Northern Cape and Gauteng have female life expectancies over the national average with 67.4; 65.6; 64.4 and 63.4 years respectively.

The HIV/AIDS epidemic and Tuberculosis are crucial drivers of mortality rates, health services demand and the levels of well-being and productivity within the province. Tuberculosis is responsible for 167 deaths per 100 000 people within the province, ahead of the national average of 140. In 2011, there were 902.3 cases of Tuberculosis reported per 100 000 in the EC, down from 948 in 2009.

Nationally, there are 5.8 million people (11 per cent of the population) documented with the HIV virus. The EC had 757 000 people infected with HIV/AIDS in 2013. KwaZulu-Natal leads the country in the number of infections, with 15 per cent or 1 629 000 of the KZN population infected. Gauteng and the EC follow, due to their large numbers of population, with 1 227 000 million (11 per cent) and 757 000 (11 per cent) respectively. The HIV-positive proportion of the provincial population can be further broken down into 13.1 per cent of the province's females and 8.6 per cent of the province's male population. This follows the national trend with the prevalence of HIV/AIDS amongst women being traditionally higher with 13 per cent of SA women being infected with the HIV/AIDS virus compared to 9.3 per cent of SA men (*Gray et al: 2013*).

Education Profile

Education is profiled in terms of level of educational attainment within the population of the province.

According to the recently published education statistics, the Gross Enrolment Ratio (GER) in the province is 103 per cent. Whilst a GER of 103 implies that the EC is sufficiently capacitated, it could also highlight the fact that the province faces the challenge of high repetition rates.

A profile of the levels of academic qualifications of the EC population indicates that only 29 per cent of the population is in possession of a qualification beyond matric level. Matric is often the entry requirement for formal employment and as such a low rate of matriculants does not bode

well with developmental initiatives of the province. This is further exacerbated by the fact that 10 per cent of the population has *no schooling*, whilst the bulk of the population (60 per cent) has up to secondary school education levels.

In 2013, the provincial matric pass rate improved moderately from 61.6 in 2012 to 64.9 per cent. The greatest challenge experienced in the province however is the high dropout rates between grades 10 and 11, at rates of between 20 and 31 per cent, as well as the relatively low achievements in the Annual National Assessments (ANA) taken in Grades 3, 6 and 9 that measure numeracy and literacy skills against a national benchmark.

Basic Services Infrastructure

Basic services (water, sanitation, electricity and refuse removal) are pre-conditions for improved economic growth and development in any economy. Both the Census 2011 and General Household Surveys (GHS) confirm large-scale expansion of access to basic services namely; water, electricity, sanitation and refuse removal in the province in 1994.

Currently, 85 per cent of households in the province are connected to the main energy grid and 8 per cent have access to piped or tap water inside the yard. Households' usage of the bucket system has substantially declined from 21 per cent in 2008 to 13 per cent in 2012. Refuse removal services have also increased reaching a coverage of 64 per cent in 2012, an improvement from 40 per cent in 2008.

Although the province has made significant strides in the provision of basic services in general, the reality is that the performance still lags behind the national average. This is true for all four basic services provided by municipalities as discussed above.

Social Grant Dependency

The severity of poverty and indigence in the province is such that immediate remedy in the form of social grants provision is necessarily indispensable. According to the 2012 GHS, 58 per cent of total households, or over a third of the population in the province benefit from social grants.

The three main grant types that are reported as popular in the province are Child Support Grant (68.7 per cent), the Old Age Grant (9 per cent) and the Disability Grant (7 per cent). Altogether these grants account for 95 per cent of all grants issued. The EC remains the second province after KwaZulu-Natal to display a high dependency on social grants.

1.3. Economic Indicators

The outlook for the province remains positive for 2014 as public sector investment is likely to drive provincial growth. The province, however, is vulnerable to global changes in demand especially from the European Union (EU), which is a key market for EC products.

Provincial production in 2013 was hampered by severe industrial action and this continues to be a concern in 2014. The province lost jobs in 2012/13 and along with continually high levels of long-term unemployment levels, new labour market entrants fail to be absorbed into the workforce. Therefore, retaining and creating job opportunities will be the continued focus for 2014.

The province, despite its wealth of natural resources, has experienced disappointing economic performance in the post-recessionary economy. Structural inefficiencies in the economy exist

whereby the economy undertakes limited value addition to primary production despite the wealth of natural resources. As mentioned earlier, the province has a competitive manufacturing sector which is of national strategic importance, but linkages between the primary and secondary sector to enhance value addition are weak.

1.3.1 Economic Growth and Employment

The economic growth of the province has always lagged behind the national growth average, with unemployment remaining stubbornly higher than the national average.

GDP_R and Projections

A historic overview of economic growth within the province indicates a decline by -1.12 per cent in 2009 affecting provincial production negatively. When growth resumed in 2010, it was at a reduced rate of 2.4 per cent per annum compared to 2008 the year preceding the downturn when growth stood at 3.7 per cent. The recovery period in 2010 was marked by fears of a double dip recession, before resuming a stable growth pattern for the next three years.

The provincial GDP_R has recovered to resume a moderate, stable growth rate which is expected to maintain into 2014 and 2016. The average growth rate expected over the 2013-2016 period is 2.6 per cent. Growth for 2013 was lower than expected at 1.82 per cent. Economic growth is still far from the growth experienced in the pre-recessionary period.

The GDP_R at constant 2005 prices was R151 billion in 2011, increasing to R154 billion in 2012 and R156 billion in quarter 3 of 2013. GDP_R expectations for 2014 are R159 billion increasing to R164 billion in 2015. Growth in 2014 is expected to improve due to expectations of diminished occurrences of large-scale industrial action. Strikes in the national automotive industry in 2013 hit the industry particularly hard, losses amounted to an estimated R700 million a day.

Expectations for higher provincial growth in 2014 are supported by a number of large scale infrastructure and economic developments which should start to come on line in this year. Such developments include the Transnet National Ports Authority investment in the Port of Port Elizabeth, investment by Afrox and motor manufacturer FAW in the Coega IDZ, investment in renewable energy developments in rural municipalities throughout the province and the construction of the Wild Coast road.

Sectoral Analysis of the Eastern Cape

Economic growth coupled with sustained job creation remains a significant challenge facing the EC province, which is predominantly rural and characterised by sparsely located industrialised nodes within the metro areas. Relatively high levels of under-development remain a characteristic of the remainder of the province. The continued slow pace of recovery of the global and national economy has dampened the performance of some key sectors of the provincial economy.

Between 2008 - 2012 the provincial economy posted slow economic growth averaging about 2 per cent annually with manufacturing and a few sub sectors within the tertiary sector (Wholesale and retail, Finance, and Government services) being the main drivers of growth.

Table 1.1: EC Economic growth by sector

Industry	Sector	2008	2009	2010	2011	2012	2013		
							qrt1	qrt2	qrt3
Agriculture, forestry and fishing	Primary	14.6	(1.0)	1.4	(0.4)	2.0	5.8	3.0	1.8
Mining and quarrying	Primary	(8.5)	(10.6)	6.2	0.5	2.4	13.9	3.3	8.3
Manufacturing	Secondary	1.8	(6.9)	4.1	3.8	2.3	(1.2)	2.3	(0.0)
Electricity and water	Secondary	(2.9)	1.6	0.6	0.5	(3.4)	(3.7)	(1.3)	(0.4)
Construction	Secondary	7.6	11.0	(1.4)	0.1	2.0	2.5	3.2	3.0
Wholesale & retail trade; hotels & restaurants	Tertiary	0.5	(1.7)	3.8	3.8	3.4	1.9	1.8	1.5
Transport and communication	Tertiary	3.1	1.5	1.6	2.8	1.8	1.4	1.4	1.7
Finance, real estate and business services	Tertiary	7.3	(0.9)	1.4	3.9	3.4	2.1	2.4	2.3
Community, social and other personal services	Tertiary	3.4	(0.4)	0.6	2.5	2.7	2.8	2.5	2.0
General government services	Tertiary	4.1	2.7	3.0	4.5	2.4	1.9	1.8	1.1
GDPR at market prices	All	3.7	(1.1)	2.4	3.6	2.6	1.5	2.1	1.5

Source: Stats SA and Quantec Research 2013

Agriculture, a sector with significant latent potential in the province, has been under-performing relative to other sectors, in recent years. After growing substantially in 2008 the sector slowed down considerably, contracting particularly acutely in the years 2009 and 2011.

During the first 3 quarters of 2013 overall growth for the EC economy slowed down further to 1.5; 2.1 and 1.5 per cent respectively on a year-on-year basis, with Manufacturing, Transport and Wholesale and Trade contributing the most in terms of the overall slowdown. Low levels in domestic consumer demand were the main contributing factors to slow growth in Wholesaling, Retail and Transport for the first three quarters of 2013. Weak international demand dampened manufactured exports (especially auto manufacturing) from the region.

Investment Expenditure

Total Gross Direct Fixed Investment (GDFI) provides an indication of investment within the economy into machinery, equipment, buildings and land. GDFI has remained largely unchanged in the 2009 – 2012 periods, around R25 billion. GDFI remained stable, albeit with very little growth into the 2012 year. Public investment aided the recovery and has kept investment levels relatively stable within the province after the pre-2010 construction boom (*Quantec: 2013*).

Overall, provincial investment levels have stabilised but at a level below the 2008 level experienced. GDFI growth is low for the province and below the national growth rate for GDFI of 4.4 per cent. Represented as a percentage of regional Gross Domestic Product (GDP_R), it accounts for 16 per cent of GDP_R. GDFI of between 20 -25 per cent of GDP would be considered a suitable target to maintain required expansion of infrastructure and production capacity.

Employment Creation

In terms of employment between Q3 of 2008 and Q2 of 2012 net job creation in the province remained weak to moderate. Close to 1.329 000 workers were employed in Q3 of 2008, and by the end of Q3 of 2012 approximately 1 330 000 workers were in some form of employment. For the first 3 quarters of 2013 total employment in the province has remained constant at about 1.33 million.

Table 1.2: Labour market indicators

Eastern Cape	Jul-Sep 2008	Jul-Sep 2009	Jul-Sep 2010	Jul-Sep 2011	Jul-Sep 2012	Jan-Mar 2013	Apr-Jun 2013	Jul-Sep 2013
Labour Force (000's)	1 834	1 749	1 793	1 781	1 870	1 881	1 909	1 926
Employed	1 329	1 278	1 306	1 298	1 330	1 312	1 321	1 333
Unemployed	505	471	487	483	539	568	588	594
Discouraged work-seekers	238	333	344	388	396	440	416	379
Rates (%)								
Unemployment rate	27.5	26.9	27.2	27.1	28.8	30.2	30.8	30.8
Labour force participation rate	45.8	43.0	43.4	42.6	44.2	44.3	44.9	45.2
South Africa Unemployment rate	23.1	24.4	25.3	25.0	25.5	25.2	25.6	24.7

Source: Stats SA, QLFS 2013 Q3

In recent quarters, the slow pace in job creation coupled with slow rising numbers of the labour force has translated to an increasing rate of unemployment in the province which has consistently been higher than the national average (Table 1.2 above).

The most dominant sectors in terms of employment in the province include government (social services), trade (wholesaling and retail), manufacturing and construction.

Table 1.3: EC Employment by sector

Industry / sector	Jan-Mar 2013	Apr-Jun 2013	Jul-Sep 2013
	Thousands		
Agriculture	92	88	73
Mining	2	1	.
Manufacturing	176	173	167
Utilities	1	8	11
Construction	128	134	153
Trade	275	284	291
Transport	64	70	66
Finance	112	107	125
Community and social services	331	342	330
Private households	131	114	116

Source: Stats SA, QLFS 2013 Q3

In recent economic quarters, employment in manufacturing has been marginally declining, which is a direct reflection of the sectors poor productive performance, whilst employment in the trade, finance and construction sectors has been increasing. Employment in formal agriculture has been on the decline.

Notwithstanding the cyclical factors mentioned earlier, certain structural features will continue to pose constraining challenges for the provincial economy's performance over the medium-term unless decisive policy interventions are undertaken. Particularly the following challenges need to be addressed:

- Low skills and human capital base resulting in skills mismatch which further drives structural and long-term unemployment;
- Spatial inequality in terms of development both in infrastructure and economic activity (Rural development); and

- Industrial development, targeting sectors beyond auto manufacturing particularly those in which the province enjoys significant comparative advantage (Agriculture, Tourism, and Green Energy).

The low levels of human capital and skills within the provincial labour force has marginalised or excluded a high number of workers from gaining or maintaining good jobs.

Figure 1.2: Occupation and Skills Structure, EC



Source: StatsSA QLFS Q3 2013

As a consequence a large category of workers in the province still occupy low-skilled and low paying jobs (elementary occupations, services workers, and domestic workers) – Figure 1.2.

1.4 Policy Imperatives

Given the development challenges within the province, inclusive economic growth and development will be an important component of the provincial government's strategy over the 2014/15 MTEF.

Policies that promote broad-based economic growth, human capital development and the creation of employment opportunities will be a key focus. The objectives of inclusive growth look toward income generation via employment, by improving the productive capacity of individuals and creating an environment conducive for private sector investment and employment.

In light of the global economic developments and exposure of the EC economy to these, diversification of the provincial economy implies expanding existing export markets and exploring new export markets as a key element of sustained growth going forward. Furthermore, targeted exploitation of regional comparative advantages will provide sufficient scope to 'reindustrialise' the EC economy through focused rural development initiatives. The

spatial dimensions of growth across the province need to be capitalised on. Given the objective of inclusive growth, agriculture and agro-processing industries in rural districts and infrastructure and tourism development in all districts of the province are key areas to explore. As a key enabler or catalyst, there is clear evidence of the positive relationship between well-located infrastructure and economic growth.

The importance of effective education and public health access, performance and outcomes as well as housing delivery in an integrated matrix of policies will be required to promote inclusive growth, and are the areas which the 2014/15 budget aims to target. Skills development and improving educational outcomes in support of global competitiveness and growth industries thus becomes critical. Re-skilling initiatives could also aid in addressing some of the job losses within key sectors such as agriculture manufacturing and mining.

2. Budget Strategy and Aggregates

Prudence today means Prosperity tomorrow.

2.1 Introduction

Global economic developments and its impact on the South African economic reality since the 2008/09 recession, and particularly over the past financial year, have served to negatively affect the national and provincial fiscal outlook over the medium-term. This being the case the budget over the 2014/15 MTEF serves to reflect this economic reality and aims to respond to it in a way that preserves and protects the provincial fiscal resources, directing expenditure towards national and provincial priorities, whilst simultaneously seeking to invest in economic growth and development.

Provincial Budget Strategy

- The budget policy framework for the next three years is designed to manage risk in a constrained fiscal environment, while building a foundation for faster and more inclusive long-term growth;
- The indicative budgets as set out in the 2013/14 financial year remain expenditure ceilings over the forthcoming MTEF;
- New policies and/or projects will need to be funded from within existing baselines following a process of budget reprioritisation;
- The main focus over the 2014 MTEF is to grow the provincial economy through rigorous and targeted infrastructure investment initiatives and integrated rural development;
- Renewed focus will be given to the reduction of Compensation of Employees costs through effective cost measure such as dealing with PILIR cases, undertaking a headcount of personnel numbers in the departments of Health and Education, developing a mutually beneficial process whereby senior civil servants are able to retire and payroll management;
- Cost containment measure will be internalised through the budget process by moving funds away from non-core expenditure items towards service delivery;
- The importance to spend the allocated budget in line with national and provincial government policy imperative will be enforced;
- The province will ensure that monetary effects arising from the net reduction in the provincial population as per the Census 2011 is managed, to avert the repercussions arising from the fiscal cliff in the 2016/17 financial year;
- Distribution of resources in line with the National Development Plan (NDP);
- The non-negotiable items within the departments of Health and Education will continue to be protected; and
- Health and Education will continue to receive the largest allocations, while budgets related to infrastructure, job creation, local government and community development grow strongly.

Whilst adjusting to slower than anticipated economic growth, South Africa (SA) is also adapting to changing patterns of global opportunity and pressing development challenges. A competitive,

diversified and more inclusive economy is essential to improve trade performance, expand and sustain job creation, and strengthen revenue generation.

SA's strategy for increased employment and growth and lower income inequality is set out in the NDP, and elaborated in a wide range of government programmes and policy documents. The 2014/15 budget gives practical expression to these plans for the three-year period ahead.

The 2014/15 budget strategy outlines the provincial government's stance to direct the composition of spending over the 2014 MTEF to focus on promoting economic growth and development by investing in infrastructure, stimulating meaningful job creation (particularly amongst the youth) as well as enhancing the capacity of local government.

The Eastern Cape (EC) economy continues to be affected by the fragile and changing nature of the global and national economy. Cautious consumer demand is expected to continue over the short to medium term, and this could weigh heavily on some parts of the provincial economy particularly within the automotive sector which remains the largest economic sector within the province.

It is imperative that faster economic growth goes hand in hand with meaningful job creation and progressive developmental policies. However, as development is not just the pursuit of faster economic growth, but also about creating a more equitable society, it is therefore imperative that the budget remains pro-poor.

The levers for change that are within the provincial administrations powers remain, expanding the construction of economic and social infrastructure, enhancing economic competitiveness, moderating increases in Compensation of Employees (Compensation of Employees) and consumption expenditure, sustaining investment in people and skills, supporting rural development and job creation. The 2014/15 budget is about economic growth, job creation, infrastructure investment, education, skills development, an improved provincial health profile with overall improvements in service delivery.

This budget delivers on the provincial government's fiscal strategy to grow the economy whilst continuing to assist and develop households and sectors of the economy to respond to current challenges, with a view to getting the long term settings right so that the entire EC community can take advantage of the significant opportunities that will arise as economic growth gains traction.

2.2 Aligning provincial budgets to achieve government's prescribed outcomes

The 2014 MTEF budget is underpinned by the principle of growing the economy, and to this end, the province continues to shift expenditure away from consumption to capital formation through economic and social infrastructure investment.

Given the overall tight fiscal framework and the impact of the Census 2011 data on the provincial equitable share allocation, baselines of departments will not grow significantly, however efforts have been made to protect "non negotiables" particularly within the social sector departments of Education, Health and Social Development.

The 2014 MTEF budget is prepared against the backdrop of decisions taken in the 2013 MTEF which included:

- Top slicing of the provincial baseline by 1 per cent, 2 per cent and 3 per cent amounting to (R116.775 million) in 2013/14, (R241.692 million) in 2014/15 and (R368.673 million) in 2015/16;
- The decrease in the Equitable Share (ES) by (R720.914 million), (R1.531 billion) and (R2.892 billion) respectively over the 2013 MTEF period as a result of the 2011 Census data;
- A further decrease of R819 million over the 2014 MTEF as a result of the phased-in ES formula;
- Despite National Treasury (NT) providing a buffer to the province, there exists the very real possibility of a provincial fiscal cliff in 2016/17; and
- Savings (which mainly consists of provincial own revenue) will be used to counter the fiscal cliff as well as to mitigate expenditure outcomes of provincial departments.

The budget remains anchored by five national policy priorities which include; focusing on education, health, the fight against crime and corruption, rural development & job creation, the 14 national outcomes and sector specific priorities, as well as the National Development Plan (NDP)- Vision 2030.

The 2014 MTEF budget for the EC province addresses some of the key social services and economic priorities as summarised below:

2.2.1 National Development Plan (NDP)

Government policy is ultimately focused on increasing SA's long-term economic growth and reducing inequality. To give effect to this potential, government is working to implement the NDP.

While the global economic outlook has improved moderately, SA cannot rely on external developments to alleviate domestic growth constraints. Progress will require more collaborative partnerships across our society.

The NDP provides a strong platform for such collaboration and the transition to a faster-growing, more inclusive economy. The plan promotes enhanced competitiveness, expanded infrastructure, greater spatial efficiency in growing cities and accelerated rural development. It prioritises measures to build a capable, effective state that delivers services to citizens while encouraging business investment and growth.

The NDP provides an overview of national government planning for the next 30 years. The NDP-Vision 2030 policy framework provides a long-term planning blueprint for SA. It outlines the vision for dealing with inequalities, social injustice and the developmental challenges of our society leading towards a prosperous and cohesive society.

2.2.2 National Priorities for the 2014 MTEF

National Allocations that have been factored into departmental baselines include:

- **Re-grading of clerks:** The allocation of this amount to departments was based on the number of clerks in the system and the assessment of capacity of each department to absorb the cost within the existing baselines.

- **Education:** An allocation has been made for the phasing in of Occupation Specific Dispensation (OSD) for therapists in the 2016/14 financial year.
- **Health:** An allocation in the 2016/17 financial year has been made for the roll out of the Human Papillomavirus (HPV) vaccine to prevent cervical cancer in women.
- **Social Development and Special Programmes:** Allocations have been made over the 2014 MTEF for the provision of shelters to victims of gender based violence.

2.2.3 Provincial Priorities for the 2014 MTEF

Provincial allocations relate mainly to carry through costs of policy priorities funded during the Adjustment Estimates period, namely:

- **Social Development and Special Programmes:** funding for social workers;
- **Roads and Public Works:** budget shortfall on leases, security services and maintenance of TDRF properties;
- **Education:** funding of the document management centre;
- **Economic Development:** for the carry through costs of the infrastructure allocation to the Eastern Cape Development Corporation (ECDC);
- **Rural Development and Agrarian Reform:** carry through costs for the ploughing projects (crop production for food security);
- **Transport:** completion of the Mthatha airport; and
- **Safety and Liaison:** carry through costs of the budget pressure on Compensation of Employees.

2.3 Dealing with Compensation of Employee (Compensation of Employees) Pressures

Provincial Strategies to deal with Compensation of Employees

- Compensation of Employees reduction strategies adopted in conjunction with the departments of Education and Health, by the Provincial Planning and Treasury (PPT), in the last two years have been aimed at addressing budget system inefficiencies that lead to Compensation of Employees pressures;
- A central objective is to ensure data integrity within the PERSAL system, which is the basis for personnel planning and budgeting;
- The clean-up of data contained within the provincial PERSAL system will continue over the forthcoming MTEF in order to ensure an accurate reflection of information in the system to actual salary payments made by sector departments. This will be managed by the Financial Information Systems (FIS) unit housed within PPT in conjunction with the provincial departments;
- The FIS unit within PPT will support other provincial departments in ensuring that the provincial government has secure, reliable and accurate data as well as the ability to account for all employees on the payroll;
- The strategy within the Education sector has been to identify the key cost drivers, that is, learners and educators. The learner and educator headcount projects were informed by this reality; and
- The identification of personnel taking incapacity (PILIR) leave for extended periods has been undertaken in the departments of Education and Health. The management of this process will continue over the remainder of the financial year.

Compensation of Employees (Compensation of Employees) in the province accounts for 65 per cent (R38.478 billion) of the total provincial budget, with the national norm being in the region of 58 per cent. Furthermore, support personnel in the province are at a ratio of 4:1 as opposed to a suggested norm of 2:1.

As Compensation of Employees remains the largest cost driver within the province, strict management of personnel is required within all provincial departments. It is imperative that departments deal with personnel that have been on extended sick and incapacity leave (PILIR cases), costing the province millions of rands in lost productivity on an annual basis.

Within the province are an estimated 6 000 employees who are 60 years and above, who are eligible to be retired at no additional cost to the provincial administration.

2.4 Creating Opportunities for Job Creation and Growth

The province is committed to channeling all savings found within departmental baselines towards growth and development initiatives that ensure long-term and sustainable job creation. In capitalising on the provincial comparative advantages, a key sector to focus on is agriculture, with particular focus on food production and forestry and their respective value chains.

Over the 2014 MTEF, provincial departments will be expected to implement structured Learnership and Internship Programmes. These programmes will be focused on attracting talented young people with scarce and critical skills that are required within the provincial administration, within the built environment, project management, finance, accounting and human resource management.

The employment tax incentive bill implemented in January 2014 will serve to incentivise businesses that employ people aged between the ages of 18 – 29. This will go a long way in realising the goal of eradicating unemployment levels among the youth.

Practical skills training, such as artisan development and entrepreneurship programmes for unemployed youth, will be intensified through the public sector, in collaboration with Further Education and Training (FET) colleges and the private sector as a way of unlocking the economic potential of the youth, as will the development of an entrepreneurial mind-set and culture throughout the school curriculum.

2.5 Infrastructure Delivery Improvement

Sector departments will be supported to focus on improving and stabilising infrastructure planning, strengthening monitoring and oversight over implementing agents so that value for money is achieved and expenditure translates to actual projects on the ground.

The province will also continue to support the budgeting for infrastructure lifecycle asset management. This will allow for maintenance backlogs to be addressed and will prevent against assets reaching such a state of disrepair that it requires replacement.

The spatial determination of infrastructure investment will be prioritised in order to reduce spatial disparities and backlogs whilst also improving integrated planning and the efficiency of spending. The policy proposals outlined herein will serve to guide relations between the three spheres of government with regard to resource allocation as well as optimising inter-governmental public sector investment.

In support of the NDP initiatives, the Infrastructure Delivery Management System (IDMS) which includes portfolio management, project management and operations and maintenance is utilised to promote best practices in infrastructure delivery. The IDMS has been adopted as the single best norm for the improvement of infrastructure delivery in the province which takes into account value for money and full life-cycle costing in respect of the delivery of infrastructure.

2.6 Other Fiscal Strategies

The provincial fiscal policy stance aims to:

- Find efficiencies in government expenditure through Supply Chain Management (SCM) reforms, which should ensure better value for money. The scourge of corruption will be severely dealt with in an attempt to root it out within the government procurement system. SCM should, additionally, include a transformative function through improvements in the number and value of purchases made from both black and female owned companies from within in the province.
- Streamlining, integrating and strengthening governance, budget, human resource and remuneration practices within public entities to be in line with the broader public sector strategy;
- In order to fast-track and improve service delivery, continued and on-going municipal support will be maintained. Improved municipal functionality, and infrastructure expenditure at metropolitan, district and local level is imperative to attract much needed private sector investment to drive job creation, economic growth and development;
- Rural under-development remains a persistent challenge for the province. Since 1994, the aim of rural development has been the need to combat the marginalisation of the poor. This, however, will require changes in access to resources (land; water; education and skills), rural infrastructure and other government services; and
- Improve the delivery process of integrated Human Settlements within the province.

2.7 Summary of Budget Aggregates

Table 2.1 Provincial Budget Summary

	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimates	Medium Term Estimates			% change from
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	2013/14
Transfers from national	48 466 331	53 485 911	56 971 211	59 625 737	59 908 794	59 905 373	62 000 452	65 332 039	66 353 526	3.5
Equitable share	41 022 154	44 644 170	47 559 888	50 164 506	50 256 614	50 256 614	52 154 185	55 389 093	57 876 235	3.8
Conditional grants	7 444 177	8 841 741	9 411 323	9 461 231	9 652 180	9 648 759	9 846 267	9 942 946	8 477 291	2.0
Total receipts from National	48 466 331	53 485 911	56 971 211	59 625 737	59 908 794	59 905 373	62 000 452	65 332 039	66 353 526	3.5
Total provincial payments	48 333 610	53 734 258	56 154 218	59 257 837	61 375 559	60 939 106	62 140 853	64 503 959	65 997 574	2.0
Surplus/(deficit)	132 721	(248 347)	816 993	367 900	(1 466 765)	(1 033 733)	(140 401)	828 080	355 952	(86.4)
Provincial own receipts	747 565	845 876	1 100 678	836 061	821 702	1 003 792	919 640	964 711	1 039 742	(8.4)
Less: Legislature receipts	(371)	(4 784)	(1 583)	(340)	(340)	(642)	(351)	(367)	(366)	(45.4)
Surplus/(deficit) before financing	879 915	592 745	1 916 088	1 203 621	(645 404)	(30 582)	778 888	1 792 425	1 395 308	(2646.8)
Financing	602 588	1 027 424	557 841	(49 636)	1 785 030	1 785 030	(100 598)	(146 653)	-	(105.6)
Provincial Roll Overs		71 426	44 491		38 310	38 310				(100.0)
National Roll-Overs		823 050	217 744		104 891	104 891				(100.0)
Other	602 588	132 948	295 606	(49 636)	1 641 829	1 641 829	(100 598)	(146 653)		(106.1)
Surplus/(deficit) after financing	1 482 503	1 620 169	2 473 929	1 153 985	1 139 626	1 754 448	678 290	1 645 772	1 395 308	(61.3)

Source: Provincial Planning and Treasury Database 2014/15

2.7.1 Notes on the Equitable Share Allocations

A total of R1.7 billion is allocated to the province as additional (new money) in the Equitable Share (ES) over the 2014 MTEF for the following specific priorities:

2.7.1.1 Personnel Adjustments

The fiscal framework makes available funding of R1.6 million over the 2014 MTEF (R358.0 million in 2014/15; R599.3 million in 2015/16 and R687.6 million in 2016/17) to cover the following personnel adjustments:

Improvement in Conditions of Service (ICS)

Funding is made available over the 2014 MTEF to cover ICS adjustments within all sector departments. An allocation of R1.3 billion is provided over the 2014 MTEF (R245.2 million in 2014/15; R471.2 million in 2015/16 and R541.9 million in 2016/17).

Re-grading of Clerks

An amount of R376.3 million has been allocated over the 2014 MTEF for the Re-grading of Clerks (R112.8 million in 2014/15; R128.0 million in 2015/16 and R135.5 million in 2016/17).

Occupation Specific Dispensation (OSD)

An amount of R10.1 million has been provided for OSD in the 2016/17 financial year for Therapists within the education sector.

2.8.1.2 Non-personnel Priorities funded through the Provincial Equitable Share (PES)

Included in the additional allocations to the province is an amount of R49.4 million allocated for the following non-personnel priorities:

- R28.0 million to the Department of Health for the rollout of the Human Papilloma Virus (HPV) Vaccine, in the 2016/17 financial year; and
- R21.3 million to the Department of Social Development and Special Programmes for the Provision of Shelter to Victims of Gender-Based Violence (7.2 million in 2014/15; R7.1 million in 2015/16 and R7.0 million in 2016/17).

2.8 Financing

Surplus

The province is tabling a surplus budget over the 2014 MTEF. The amounts that remain unallocated are R779 thousand in 2014/15; R1.8 million in 2015/16 and R1.4 million in 2016/17.

The surplus was derived mainly from the top-slicing from Compensation of Employees baselines. This saving / surplus will be utilised for economic growth and development initiatives as a way of beginning to shift provincial expenditure away from consumption. The funds will be accessed through the submission of business plans that meet the requirements for economic growth and job creation as determined by the PPT.

It is also important to maintain some buffer against negative fiscal shocks that the province might experience over the 2014 MTEF, particularly as relates to Compensation of Employees, unauthorised expenditure as well as the potential fiscal cliff facing the province in 2016/17.

2.9. Conclusion

In the short term, government aims to implement and apply fiscal policy measures that provide substantial stimulus to economic growth. Providing support to economic growth through fiscal policy is important to reduce the negative costs associated with the slower than anticipated economic growth, particularly those associated with unemployment.

This chapter outlines the objectives of the provincial budget strategy over the medium term and the actions to be taken up in provincial departments to deliver on these objectives. The provincial government aims to promote inclusive economic growth, create jobs and continually improve the quality of education and health.

The EC provincial administrations' actions are based on governance, integrated planning, strategic partnerships, and the capability of the provincial public sector to address the economic and social needs within our province.

3. Budget Process and the Medium-Term Expenditure Framework

Planning and budgeting for 2014/15 MTEF

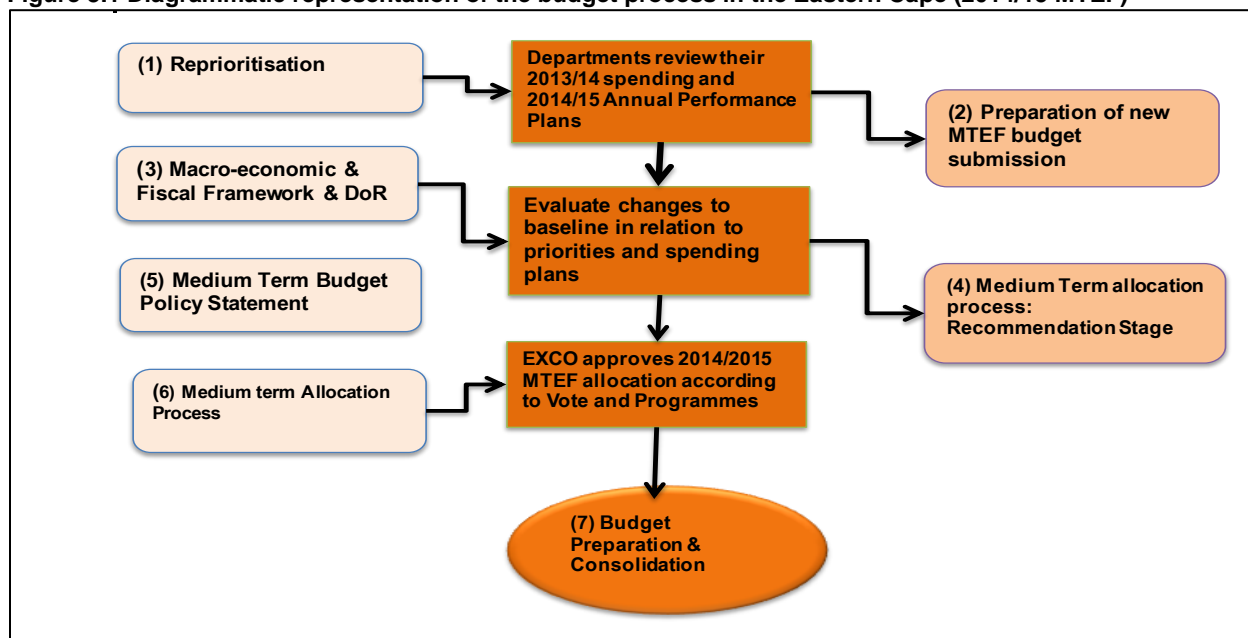
The provincial budget preparation process is a series of consultative meetings, workshops and seminars at both a national and provincial level between relevant stakeholders such as the Executive Committee (EXCO), Provincial Planning and Treasury (PPT), provincial departments, National Treasury (NT), the Budget Council, and the Financial and Fiscal Commission (FFC).

Departmental budgets for the 2014/15 financial year are aligned to government's strategic policy priorities for the electoral cycle as indicated in the Medium-term Strategic Framework (MTSF), Programme of Action, Apex priorities, National Development Plan (NDP), the President's 12 outcomes, the President's State of the Nation Address (SONA) and the Premier's State of the Province Address (SOPA).

The provincial strategic planning Lekgotla, which outlines the strategic thrust over the 2014 MTEF, provided direction to departments for their respective strategic planning sessions.

The final budget proposal had been approved by EXCO, and will be tabled in the provincial legislature on the 6 March 2014.

Figure 3.1 Diagrammatic representation of the budget process in the Eastern Cape (2014/15 MTEF)



Source: Provincial Planning and Treasury Budget Process 2014

4. Receipts

4.1 Overall Position

The 2014 MTEF provincial fiscal framework totals R196.610 billion, with transfers from national government making up R193.686 billion and provincial own receipts making up R2.924 billion. Table 4.1 below depicts the 2014/15 provincial budget of R62.920 billion, with the provincial equitable share (ES) (82.9 per cent) decreasing from the original baseline as a result of the data updates of the ES formula, while conditional grants makes up 15.6 per cent and provincial own receipts accounts for 1.5 per cent of the provincial fiscal framework.

Table 4.1: Summary of provincial receipts

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
R'000	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
Transfers from national	48 466 331	53 485 911	56 971 211	59 625 737	59 908 794	59 905 373	62 000 452	65 332 039	66 353 526	3.5
Equitable share	41 022 154	44 644 170	47 559 888	50 164 506	50 256 614	50 256 614	52 154 185	55 389 093	57 876 235	3.8
Conditional grants	7 444 177	8 841 741	9 411 323	9 461 231	9 652 180	9 648 759	9 846 267	9 942 946	8 477 291	2.0
Total receipts from National	48 466 331	53 485 911	56 971 211	59 625 737	59 908 794	59 905 373	62 000 452	65 332 039	66 353 526	3.5
Tax receipts	428 859	469 282	491 309	553 194	532 244	544 002	592 030	618 530	671 428	8.8
Casino taxes	85 533	112 949	97 412	98 360	99 360	97 409	104 102	115 688	121 357	6.9
Horse racing taxes	6 564	7 299	20 004	20 777	20 777	17 197	22 184	23 542	24 696	29.0
Liquor licences	4 798	2 507	5 109	5 936	4 936	5 666	6 292	6 606	6 930	11.0
Motor vehicle licences	331 964	346 527	368 784	428 121	407 171	423 730	459 452	472 694	518 446	8.4
Sales of goods and services other than capital assets	156 164	157 614	186 902	172 101	180 030	183 967	203 848	212 645	227 082	10.8
Transfers received	50	4 018	83 355	-	-	160	-	-	-	(100.0)
Fines, penalties and forfeits	7 298	7 080	8 308	11 065	6 424	8 220	14 970	16 162	17 450	82.1
Interest, dividends and rent on land	97 353	112 122	213 696	76 563	78 126	197 576	83 691	92 536	97 922	(57.6)
Sales of capital assets	8 493	3 284	2 172	413	113	10 180	83	85	89	(99.2)
Transactions in financial assets and liabilities	49 349	92 476	114 937	22 725	24 765	59 687	25 019	24 753	25 772	(58.1)
Provincial own receipts	747 565	845 876	1 100 679	836 061	821 702	1 003 792	919 640	964 711	1 039 742	(8.4)
Total Provincial Receipts	49 213 896	54 331 787	58 071 890	60 461 798	60 730 496	60 909 165	62 920 092	66 296 750	67 393 268	3.3

Source: 2014/15 NT Database

Provincial own revenue as a percentage share of the total provincial receipts increases slightly to 1.5 per cent in 2014/15 when compared to the 2013/14 Adjustments Estimate share of 1.4 per cent, while the year-on-year estimates increase by 11.9 per cent in 2014/15. Own revenue increases at an annual average rate of 8.2 per cent over the period 2013/14 to 2016/17, primarily due to collections from the major revenue generating departments which consist mainly of tax receipts from motor vehicle License fees and the collection of gambling and betting taxes, as well as cost recoveries of hospital patient fees. The increase in own revenue will allow for investment into programmes that will enhance provincial economic growth.

4.2 Equitable Share

The provincial equitable share makes up about 80 per cent of transfers to provinces as it is a constitutionally established funding instrument to enable provinces to deliver constitutionally mandated services or functions. The ES formula is updated annually with new available data which is based on demographic and economic profiles. The decrease in allocation impacts

negatively on the education, health, poverty and basic component of the ES formula. The overall impact results in a decrease from 14.9 per cent in 2013/14 to 14.0 per cent in 2016/17, which has been phased in from 2013/14.

The structure of the six weighted ES components remains unchanged as follows:

- An Education share (48 per cent) based on the school age cohort (5 - 17 years from Census 2011) in public ordinary schools and school enrolment (SNAP survey, DBE).
- A Health share (27 per cent) based on population data (Census 2011) and the case-loads in hospitals (General Household Survey 2011 and District Health Information System).
- A Basic share (16 per cent) of the provinces' share of national population (Census 2011).
- An Institutional component (5 per cent) divided equally among the nine provinces.
- A Poverty component (3 per cent) based on the Stats SA Income and Expenditure Survey and population data (Census 2011).
- An Economic output component (1 per cent) based on GDP by region.

The Census 2011 update showed an increase in the outward migration of 267 905 people from the province, which resulted in a decrease of R5.144 billion of the Equitable Share (ES) allocation in the 2013 MTEF. Furthermore, the impact of the cut on equitable share across provinces has resulted in the province losing R727 million in the 2013 MTEF. In order to mitigate the reduction of equitable share, the province received funding for the phase-in cushioning for three years only, however, a fiscal drop is imminent when the cushioning funds cease. The ES phase-in over the 2014 MTEF follows the principles that support predictability and stability, responsiveness to changing needs, equitable and fairness to provinces, robustness and sustainability, as well as transparency. The province is budgeting for a surplus to cushion the fiscal drop (instead of being allocated) to avoid the disruptive drops in 2016/17.

4.3 Conditional Grants

The ability of provinces to implement projects effectively has affected the allocation of conditional grant funding. The additions to conditional grants to priority programmes over the 2014 MTEF are discussed below. The table below shows the conditional grants received by the province over a 7-year period and grows from R7.444 billion in 2010/11 to R8.477 billion in 2016/17. The conditional grants that are affected by the allocation process over the 2014 MTEF are as follows:

- The Comprehensive Agricultural Support Programme (CASP) grant which aims to create a favourable and supportive agricultural services environment for the farming community was reduced due to the under-spending of the grant in prior years. The alignment of national objectives of the CASP grant aims to ensure that 70 per cent of the allocation is focused on crop and livestock production.
- The Education Infrastructure Grant decreases over the 2014 MTEF, but the funding still allows for construction, maintenance, upgrading and rehabilitation of infrastructure in education.
- The Health Facility Revitalisation Grant increases over the 2014 MTEF to enable the province to plan, manage, modernise, rationalise and transform health infrastructure in line with national and provincial policy objectives. The grant was previously allocated funding in 2013/14 for three separate components, but the funds have now been pooled together to allow more flexibility for the shifting of funds between components. The previous allocation of the National Health grant as an indirect grant was added to the Health Facility Revitalisation Grant as a direct grant, in order to cater for provincial infrastructure projects already under construction.

- The allocation for the Comprehensive HIV and Aids grant aims to improve alignment with provincial spending commitments.
- The Further Education and Training College Sector Grant increases over the 2014 MTEF to cater for the increase of compensation of employees. The finalisation of the FET colleges shift to the Department of Higher Education and Training will be effected in 2015/16.
- The new formula of the Human Settlements Development Grant (HSDG) will be phased in over the first two years of the 2014 MTEF to accelerate delivery of informal settlement upgrading in selected mining towns. The HSDG is supplemented by an indirect grant that targets the provision of improved sanitation.
- The EPWP grant funding is intended to maintain public employment programmes.
- The Public Transport Operations Grant received additional allocation to assist with inflationary impact of fuel and labour costs of public transport services. An increase in the allocation against the Provincial Roads Maintenance Grant is due to new allocation criteria of a new formula, as well as for the repair and replacement of damaged infrastructure.
- The reduction in allocations in 2016/17 against the Health Facility Revitalisation Grant and the Education Infrastructure Grant accounts for a bidding process where after funds will be allocated in the 2014 Division of Revenue Bill, based on outcomes and assessments of the delivery of infrastructure.

4.3.1 New conditional grants

Some of the main drivers of growth over the 2014 MTEF conditional grant framework are:

- The addition of the OSD for Education sector therapists grant caters for the increase of compensation of employees. This grant will be phased into the ES in 2016/17.
- The addition of the Substance Abuse Treatment grant is for the provision of shelters for victims of gender based violence.
- An indirect grant to the province for the Human Papillomavirus (HPV) vaccine will be made available through the equitable share from 2016/17 onward.

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table 4.2: Summary of Conditional Grants

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change
	Amount Received			Amount Received	Adjusted Budget	Revised Estimate	Medium Term Estimates			from 2013/14
Department/Grant										
Agriculture, Forestry and Fisheries	188 725	230 226	256 032	278 766	278 766	278 766	285 725	291 890	304 233	2.5
Agriculture Disaster Management Grant	-	997	-	-	-	-	-	-	-	0.0
Comprehensive Agricultural Support Programme Grant	160 004	174 985	197 209	219 055	219 055	219 055	228 810	233 323	233 975	4.5
Ilima/Letsema Projects Grant	20 000	45 000	42 000	43 845	43 845	43 845	46 062	47 700	58 853	5.1
Land Care Programme Grant: Poverty Relief and Infrastructure Development	8 721	9 244	16 823	15 866	15 866	15 866	10 853	10 867	11 405	(31.6)
Arts and Culture	67 663	95 474	78 058	72 492	72 492	72 492	109 418	145 694	154 431	50.9
Community Library Services	67 663	95 474	78 058	72 492	72 492	72 492	109 418	145 694	154 431	50.9
Basic Education	1 248 353	1 654 510	1 864 263	2 039 195	2 039 195	2 039 195	2 252 326	2 718 232	1 165 779	10.5
Dinaledi Schools Grant	-	8 400	11 964	12 620	12 620	12 620	13 342	13 956	14 695	5.7
Education Disaster Management Grant	-	-	-	-	-	-	-	-	-	0.0
Education Infrastructure Grant	503 679	726 326	883 403	1 010 870	1 010 870	1 010 870	1 177 914	1 609 799	-	16.5
HIV and Aids (Life Skills Education) Grant	32 189	34 346	35 252	34 895	34 895	34 895	37 023	37 753	40 530	6.1
National School Nutrition Programme Grant	702 936	845 166	903 644	949 162	949 162	949 162	984 548	1 020 116	1 074 182	3.7
Technical Secondary Schools Recapitalisation Grant	9 549	40 272	30 000	31 648	31 648	31 648	32 928	34 541	36 372	4.0
OSD for Therapists	-	-	-	-	-	-	6 571	2 067	-	0.0
Health	2 398 879	2 428 389	2 611 799	2 773 119	2 773 119	2 773 119	3 041 349	3 083 848	2 895 689	9.7
Comprehensive HIV and Aids Grant	864 173	864 173	1 060 852	1 273 296	1 273 296	1 273 296	1 449 237	1 602 290	1 802 013	13.8
Forensic Pathology Services Grant	73 506	73 506	-	-	-	-	-	-	-	0.0
Health Facility Revitalisation Grant	681 802	711 312	676 200	562 792	562 792	562 792	599 231	442 930	-	6.5
of which:										0.0
Health Infrastructure Component	299 754	300 264	258 862	216 816	216 816	216 816	-	-	-	(100.0)
Hospital Revitalisation Component	382 048	411 048	402 678	336 719	336 719	336 719	-	-	-	(100.0)
Nursing Schools and Colleges Component	-	-	14 660	9 257	9 257	9 257	-	-	-	(100.0)
Health Professions Training and Development Grant	170 071	170 071	177 802	188 560	188 560	188 560	199 874	209 068	220 149	6.0
World Cup Health Preparation Strategy Grant	-	-	-	-	-	-	-	-	-	0.0
National Health Insurance Grant	-	-	11 500	4 850	4 850	4 850	7 000	7 397	7 789	44.3
AFCON (Medical Emergency Services)	-	-	3 000	-	-	-	-	-	-	0.0
National Tertiary Services Grant	609 327	609 327	682 445	743 621	743 621	743 621	786 007	822 163	865 738	5.7
Higher Education and Training	555 208	634 009	699 923	296 421	297 816	297 816	319 517	342 251	361 123	7.3
Further Education and Training Colleges Sector Grant	555 208	634 009	699 923	296 421	297 816	297 816	319 517	342 251	361 123	7.3
Human Settlements	1 638 146	2 234 376	2 008 046	2 523 803	2 523 803	2 523 803	2 159 218	1 929 157	2 147 265	(14.4)
Housing Disaster Relief Grant	-	56 700	92 853	94 172	94 172	94 172	-	-	-	(100.0)
Human Settlements Development Grant	1 638 146	2 177 676	1 915 193	2 429 631	2 429 631	2 429 631	2 159 218	1 929 157	2 147 265	(11.1)
Public Works	83 683	218 481	283 279	129 305	129 305	125 884	111 258	-	-	(11.6)
Devolution of Property Rate Funds Grant to Provinces	14 746	192 709	200 825	-	-	-	-	-	-	0.0
Expanded Public Works Programme Integrated Grant for Provinces	41 290	20 702	60 333	79 577	79 577	76 547	69 544	-	-	(9.1)
Education	500	-	-	3 000	3 000	2 100	3 115	-	-	48.3
Health	6 012	-	-	3 000	3 000	1 200	2 000	-	-	66.7
Social Development And Special Programmes	5 074	-	-	-	-	-	2 000	-	-	0.0
Office Of Premier	-	-	-	-	-	-	-	-	-	0.0
Provincial Legislature	-	-	-	-	-	-	-	-	-	0.0
Roads And Public Works	29 704	20 702	60 333	65 082	65 082	65 082	46 791	-	-	(28.1)
Local Government And Traditional Affairs	-	-	-	-	-	-	2 000	-	-	0.0
Rural Development And Agrarian Reform	-	-	-	550	550	385	2 681	-	-	596.4
Economic Development, Environmental Affairs And Tourism	-	-	-	550	550	550	2 102	-	-	282.2
Transport	-	-	-	3 845	3 845	3 845	4 099	-	-	6.6
Human Settlements	-	-	-	3 000	3 000	3 000	2 654	-	-	(11.5)
Provincial Planning And Treasury	-	-	-	-	-	-	-	-	-	0.0
Sport, Recreation, Arts And Culture	-	-	-	550	550	385	2 102	-	-	446.0
Safety And Liaison	-	-	-	-	-	-	-	-	-	0.0
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	27 647	5 070	22 121	49 728	49 728	49 337	41 714	-	-	(15.5)
Education	-	-	-	-	-	-	2 580	-	-	0.0
Health	27 647	-	13 780	41 565	41 565	41 565	31 242	-	-	(24.8)
Social Development And Special Programmes	-	5 070	6 708	6 862	6 862	6 862	2 580	-	-	(62.4)
Sport, Recreation, Arts And Culture	-	-	1 633	1 301	1 301	910	2 732	-	-	200.2
Safety And Liaison	-	-	-	-	-	-	2 580	-	-	0.0
Sport and Recreation South Africa	75 838	63 570	65 472	61 334	61 334	61 334	64 895	67 815	71 206	5.8
Mass Participation Programme	75 838	63 570	65 472	61 334	61 334	61 334	64 895	67 815	71 206	5.8
Social Development	-	-	-	-	-	-	13 000	9 000	-	0.0
Substance Abuse Treatment Grant	-	-	-	-	-	-	13 000	9 000	-	0.0
Transport	1 187 682	1 282 706	1 544 451	1 286 796	1 476 350	1 476 350	1 489 561	1 355 059	1 377 565	0.9
Public Transport Operations Grant	148 077	166 953	174 466	183 960	183 960	183 960	195 282	204 172	214 888	6.2
Overload Control	5 519	-	-	-	-	-	-	-	-	0.0
Transport Disaster Management	-	81 667	-	-	-	-	-	-	-	0.0
Infrastructure Grant to Provinces	1 034 086	1 034 086	1 369 985	1 102 836	1 292 390	1 292 390	1 294 279	1 150 887	1 162 677	0.1
Total National Conditional Grants	7 444 177	8 841 741	9 411 323	9 461 231	9 652 180	9 648 759	9 846 267	9 942 946	8 477 291	2.0

Source: 2014/15 NT Database

4.4 Total provincial own receipts

Table 4.3: Provincial Own Receipts per department

	2010/11	2011/12	2010/11	2013/14			2014/15	2015/16	2016/17	% change
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			from 2013/14
R'000										
EDUCATION	51 135	63 035	44 864	59 567	59 567	65 614	62 486	65 360	68 628	(4.8)
HEALTH	85 973	88 611	114 438	92 209	94 050	104 544	112 223	115 594	124 767	7.3
SOCIAL DEVELOPMENT AND SPECIAL PROGRAMMES	2 813	6 246	8 268	1 730	1 900	6 847	1 771	1 863	1 962	(74.1)
OFFICE OF THE PREMIER	751	760	524	240	240	1 970	252	264	277	(87.2)
PROVINCIAL LEGISLATURE	371	4 784	1 583	340	340	642	351	367	386	(45.4)
ROADS AND PUBLIC WORKS	15 666	20 543	14 756	17 268	17 268	27 896	18 989	19 862	20 914	(31.9)
LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS	747	1 654	1 847	864	864	1 790	916	1 008	1 062	(48.8)
RURAL DEVELOPMENT AND AGRARIAN REFORM	22 979	9 799	90 187	7 327	7 327	24 380	8 479	8 202	8 637	(65.2)
ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS	119 124	167 911	217 311	126 533	126 533	122 118	134 125	147 538	154 915	9.8
TRANSPORT	356 047	365 318	387 542	449 855	433 485	448 579	495 854	512 008	560 905	10.5
HUMAN SETTLEMENTS	10 238	5 402	7 880	2 963	2 963	13 519	3 111	3 422	3 603	(77.0)
PROVINCIAL PLANNING AND TREASURY	78 494	110 121	210 521	76 312	76 312	184 878	80 134	88 147	92 554	(56.7)
SPORT, RECREATION, ARTS AND CULTURE	3 203	1 643	917	820	820	907	916	1 040	1 095	1.0
SAFETY AND LIAISON	24	50	40	33	33	108	34	36	38	(68.5)
Total departmental own source receipts	747 565	845 876	1 100 678	836 061	821 702	1 003 792	919 640	964 711	1 039 742	(8.4)
Less:										
<i>Departmental receipts not to be surrendered to the Provincial Revenue Fund [Amount to be financed from revenue collected in s22(1) of the PFMA]</i>	<i>(371)</i>	<i>(4 784)</i>	<i>(1 583)</i>	<i>(340)</i>	<i>(340)</i>	<i>(642)</i>	<i>(351)</i>	<i>(367)</i>	<i>(386)</i>	<i>(45.4)</i>
Total adjusted own source receipts	747 194	841 092	1 099 095	835 721	821 362	1 003 150	919 290	964 344	1 039 356	(8.4)

Source: 2014/15 NT Database

Table 4.3 above reflects a summary of provincial own revenue from 2010/11 to 2016/17 by department. Own revenue increases at an annual average rate of 8.2 per cent from the 2013/14 revised estimate to 2016/17, primarily due to collections from the major revenue generating departments. A total of R2.924 billion has been estimated over the 2014 MTEF for collection by the province. The revised estimate shows increased revenue collections as a result of the unpredictability of once-off recoveries such as the surrender of surpluses by provincial public entities and the less than optimum spending capacity of departments which resulted in interest on positive bank balances.

The Department of Transport contributes the bulk of own revenue (53.9 per cent) from vehicle License fees, the sale of personalised and specific number plates, as well as the collections from fines and penalties. Annual motor vehicle License tariffs increased by 8.5 per cent and contributes R459.452 million to provincial own revenue in 2014/15. The department is evaluating the strategic placement of weighbridges (costs, infrastructure, revenue, etc.) to ensure safety and no over-loading of heavy duty vehicles on roads, while generating revenue from infringements. The licencing of various vehicle categories shows scope for improvement, but gradual substantive increase of tariffs to align with other provinces is being implemented. The data cleansing of information stored in the eNaTIS system will ensure a reduction of gaps of data used by the department and the data on eNaTIS will allow for an improvement in revenue collection of License fees and fines. The agency fees reduction due to the finalisation of the new SAPO agreement (at a lower rate due to the National Treasury working group) will also result in an increase in revenue. The provincial government fleet which aims to become self-sufficient will in turn allow for own revenue to be augmented.

The Department of Economic Development, Environmental Affairs and Tourism (DEDEAT) contributes 14.6 per cent of provincial own revenue and the 2014/15 estimates increase by

6 per cent when compared to the 2013/14 Adjusted Estimate. DEDEAT collects substantial revenue for the province through the Eastern Cape Gambling and Betting Board (ECGBB) from gambling and betting taxes. The review of tariffs that will allow for an increase in revenue is dependent on the amendment of the ECGBB and Eastern Cape Liquor Board (ECLB) legislation which are at public participation stage and thus tariffs are at the same levels as previous years. The department is engaging both the ECGBB and ECLB by means of compliance visits while regular inspections are conducted at casino and liquor outlets in order to ensure that control measures are in place and efficiencies are achieved with revenue collection. The ECGBB will also increase revenue with new bingo operators becoming functional in the province.

The Department of Health contributes 12.2 per cent of provincial own revenue, which is estimated to grow by 19.3 per cent in 2014/15. The increase in revenue is dependent on the cost recovery of patient fees that are determined by the annual review of fees at hospitals as informed by the National Department of Health. The department has projected the roll out of its electronic billing system in 2014/15 and a further increase in own revenue is expected when a verification system is implemented to ensure that those that can afford do pay for health services. In an attempt to expand the revenue base, the department has introduced a new revenue stream which relates to operating licenses and facility inspection fees for private healthcare providers, which should see revenue collections increase further. The original estimates do not take into account patient fees recoveries from medical aid schemes, such as the Road Accident Fund, the Department of Justice and Constitutional Development, the Department of Correctional Services and SAPS that may be higher than anticipated due to the difficulty in estimating such collections.

The revenue that is collected by PPT constitutes 8.7 per cent of provincial own revenue and it relates mainly due to unanticipated higher collections of interest earned on positive bank balances and reflected in the Provincial Revenue Fund (PRF) as a result of departments having cash available in their bank accounts. This is also due to all monies banked including own revenue, unallocated funds, surpluses returned by entities, interest charges retained, etc.

The Department of Roads and Public Works mainly collects rental income from the leasing of state-owned properties. Rental income is currently low, due to the poor state of these properties. The asset register needs to be rectified as it reflects details of the properties in the province that are charged at various rates. A cost-benefit analysis will be done to determine the capital investment against the existing and potential returns of revenue. The Department of Education collects 6.8 per cent of the total provincial own revenue, which is mainly in respect of fees charged for examination scripts and learners' boarding and lodging fees. These tariffs are continuously monitored to ensure that they are benchmarked with tariffs of other provinces. The Department of Rural Development and Agrarian Reform collects own revenue mainly from the sale of livestock, agricultural products and veterinary services. In comparison to the major revenue generating departments, the other departments collect minimal own revenue mainly from commission earned on insurance premiums and garnishee orders.

4.5 Donor Funding

Table 4.4: Donor Funding Receipts Summary by department

R' 000	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change
	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			from 2013/14
Health	36 059	-	4 115	-	-	-	-	-	-	0.0
Office Of Premier	6 309	-	-	-	-	-	-	-	-	0.0
Economic Development, Environmental Affairs And Tourism	-	-	-	-	-	600	6 200	21 500	12 700	933.3
Transport	2 034	-	105	-	-	-	-	-	-	0.0
Total	44 402	-	4 220	-	-	600	6 200	21 500	12 700	933.3

Source: EC Provincial Planning & Treasury, 2014

Table 4.4 above shows the summary of donor funding receipts for the province over the period 2010/11 to 2016/17. The departments that received donor funding are as follows:

DEDEAT received donor funding from the European Union (EU), of which R30 million over the 2014 MTEF will be utilised by the ECDC for the implementation of Ecological Resource management systems. The funds are intended to manage school toilet waste to generate fertiliser and cooking gas for school garden and feeding schemes. The sustainable rural village project receives R10.400 million over the 2014 MTEF for the Chris Hani District Municipality expansion programme.

The **Office of the Premier** received donor funding from the EU in terms of an agreement between the EU and the Republic of South Africa where the department was the contracting authority and Rural and Urban Livelihoods was appointed as the implementing agent.

The **Department of Health** received donor funding from the EU which was utilised for the treatment and/ or training in primary health care programmes as well as HIV/AIDS and TB programmes. In 2012/13, the donor funding received from the EU was used for asset management under the I-chain project.

The declining funding against the **Department of Transport** is in respect of the Transport Education and Training Authority (TETA) which were funds are used for a Mathematics and Science project to assist pupils who want to pursue careers in the transportation sector.

4.6 Conclusion

The fiscus remains tight and is decreasing significantly in the outer year of the 2014 MTEF due to the impact of the 2011 Census on the provincial equitable share. The province has been slow in revenue collection over the last few years and municipalities generally do not have adequate capacity for revenue generation and maximisation, thereby contributing to fiscal stress. The low economic growth and the resultant negative impact on revenue collection have resulted in national transfers not increasing over the 2014 MTEF.

The limited and constrained national transfers have placed the emphasis on the need for the province to optimise and enhance provincially sourced own revenue. In this regard, departments have put roll-out plans in place to optimise and expand own revenue collections. The aligned revenue roll-out plans detail processes in the management of revenue administration which cover all revenue areas, including revenue capacity, tariff reviews, tariff registers, revenue reporting and revenue management. Appropriate plans and processes which have been developed during the current financial year and plans for the outer years of the 2014

MTEF are detailed in the revenue plans. The revenue plans address revenue management functions of departments in their current state, as well as their desired state of revenue collection over the 2014 MTEF. Departments have to focus on revenue management and thus comply with business processes, such as the review of tariffs and ensuring efficiencies of revenue administration.

The fiscal framework has highlighted a fiscal cliff that the province is facing in 2016/17 which has to be mitigated when the province will no longer be receiving a buffer in allocations to cover the shortfall arising from the 2011 Census revised data. The province has to increase its own revenue in order to cushion the fiscal drop. The increase in own revenue will also allow for investment into programmes that will enhance provincial economic growth, while also covering expenditure outcomes of departments including the provincial finance bill.

5. Payments

5.1 Overall position

There has been positive growth in the provincial expenditure as illustrated by the annual average growth rate of 8.7 per cent from the R48.333 billion in 2010/11 to the 2013/14 revised estimate of R60.939 billion as reflected in Table 5.1 below. The growth is ascribed firstly, to additional funding made available to the province from the national fiscus to accommodate the priority funding requirements in Health and Education and secondly, the province's commitment to investing in infrastructure.

The 2014 Medium Term Expenditure Framework (MTEF) takes cognisance of the fact that the 2013 MTEF budget baseline was a ceiling for the departments' budgets for 2014/15 as well as the latest adjustments made in the equitable share formula, which resulted in a decrease of R819.597 million in the equitable share allocation to the province. To curtail the excessive growth of COE budget in the province and cater for the fiscal cliff in 2016/17, there was again a provincial baseline reduction of 2 per cent of the department's Compensation of Employees allocation (excluding the Provincial Legislature and Department Safety and Liaison).

In 2014/15, the budget grows by 2 per cent to R62.141 billion from the 2013/14 revised estimate of R60.939 billion. Over the 2014 MTEF, there is an annual average growth rate of 2.8 per cent from the 2013/14 revised estimate to R65.962 billion in 2016/1. The 2014 MTEF allocations includes funds to boost social infrastructure to be undertaken by Coega Development Corporation (CDC) and Eastern Cape Development Corporation (ECDC) amounting to R850 million and R667.797 million, respectively.

5.2 Payment by Vote

Table 5.1: Summary of Provincial Payments and Estimates by Vote

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcomes			Main appropriati on	Adjusted appropriati on	Revised estimate	Medium-term estimates			
Education	22 576 929	25 174 117	26 220 593	26 972 078	27 538 882	27 538 884	27 934 964	29 755 897	29 674 668	1.4
Health	13 272 828	14 892 282	15 602 512	16 584 328	17 183 546	17 062 410	17 509 012	18 234 588	18 892 969	2.6
Social Development And Special Programmes	1 563 854	1 691 851	1 751 212	2 015 205	2 043 842	2 033 962	2 158 958	2 262 514	2 374 521	6.1
Office Of The Premier	392 621	400 819	394 616	458 109	458 859	452 906	467 203	476 963	502 684	3.2
Provincial Legislature	293 469	360 257	407 040	409 531	452 250	451 388	435 627	436 766	462 189	(3.5)
Roads And Public Works	3 198 859	3 393 640	3 803 772	3 670 311	3 941 819	3 919 733	4 025 444	3 931 075	4 093 204	2.7
Local Government And Traditional Affairs	775 079	738 943	788 228	840 869	1 055 493	1 002 649	876 196	875 661	922 961	(12.6)
Rural Development And Agrarian Reform	1 535 246	1 484 433	1 617 094	1 714 488	1 742 781	1 742 781	1 867 163	1 859 443	1 945 366	7.1
Economic Development, Environmental Affairs And Tourism	824 479	885 651	807 407	1 070 858	1 388 127	1 386 060	1 444 359	1 525 947	1 592 062	4.2
Transport	1 315 591	1 582 911	1 452 471	1 532 362	1 569 443	1 532 770	1 708 027	1 600 525	1 686 490	11.4
Human Settlements	1 727 782	2 143 154	2 279 064	2 830 080	2 830 080	2 680 385	2 487 602	2 262 111	2 498 209	(7.2)
Provincial Planning And Treasury	247 450	283 987	322 106	374 872	352 498	341 971	377 779	387 783	408 732	10.5
Sport, Recreation, Arts And Culture	557 159	649 017	647 479	715 108	742 712	718 237	769 929	817 136	861 782	7.2
Safety And Liaison	52 635	57 980	62 207	69 979	75 568	75 612	78 941	77 915	82 123	4.4
Total	48 333 981	53 739 042	56 155 801	59 258 177	61 375 899	60 939 748	62 141 204	64 504 325	65 997 960	2.0
Less:										
Departmental receipts not to be surrendered to the Provincial Revenue Fund [Amount to be financed from revenue collected ito s22(1) of the PFMA]	(371)	(4 784)	(1 583)	(340)	(340)	(642)	(351)	(367)	(386)	(45.4)
Adjusted Total	48 333 610	53 734 258	56 154 218	59 257 837	61 375 559	60 939 106	62 140 853	64 503 959	65 997 574	2.0

Source: Provincial Planning and Treasury Database 2014/15

Table 5.1 summarises the provincial payments and estimates by Vote from 2010/11 to 2016/17. Total provincial expenditure increases by 2 per cent from the revised estimate of R60.939 billion in 2013/14 to R62.141 billion in 2014/15. Of the total allocation in 2014/15, the primary focus in the province is the Departments of Education and Health as their shares are 45 per cent and 28.2 per cent, respectively. The collective share of the remaining departments amounts to R16.697 billion or 26.8 per cent.

Social Cluster

For the 2014/15 financial year, the resource envelope for the cluster amounts to R48.451 billion and it further grows to R51.886 billion in the outer of the 2014 MTEF.

- The **Department of Education's** is projecting to spend R87.365 billion over the 2014 MTEF. In 2014/15, the budget grows by only 1.4 per cent to R27.935 billion due to the reduction in the post provisioning (PPN) from 60 820 to 55 796 and the reduction in the learner numbers. However, in 2014/15 there is an additional allocation of R5.275 million (and R16.695 million over the 2014 MTEF) for the document management and R5.177 million (and R16.385 million over the 2014 MTEF) for the internal control unit. Also allocated is an amount of R40.908 million in 2014/15 (and R137.745 million over the 2014 MTEF) for the re-grading of clerks as well as the OSD for the Education Sector Therapists grant amounting to R6.571 million in 2014/15 and R2.067 million in 2015/16, which will be phased into the Equitable Share from 2016/17 onwards. In 2016/17, the Education Infrastructure grant was unallocated and pooled by National in order for the provinces to bid 2 years in advance for the funding of school projects as well as it will be based on the outcomes and assessments of the delivery of these infrastructure.

- The **Department of Health** is projecting to spend R54.636 billion over the 2014 MTEF. In 2014/15, the budget grows by 2.6 per cent to R17.509 billion. The additional funding to the department in 2014/15 includes the R64.219 million for the re-grading of clerks and the additional funding of R306.301 million emanating from the Health Facility Revitalisation grant whereby the indirect grant allocations was rescheduled in order to cater for the current infrastructure projects. Although the department was top sliced with R236.535 million on its Compensation of Employees budget, these funds remained with the department with a R100 million allocated to the National Health Insurance infrastructure maintenance in OR Tambo as it is key national priority and the remaining R136.535 million, will be utilised to fund the ICS. In 2016/17, the department received R28.093 million for the roll out of the Human Papillomavirus (HPV) vaccine. Also in 2016/17, the Health Facility Revitalisation grant was unallocated and pooled by National in order for the provinces to bid 2 years in advance for the funding of hospital and clinic projects as well as it will be based on the outcomes and assessments of the delivery of these infrastructure.
- The **Department of Social Development and Special Programmes** is projecting to spend R6.796 billion over the 2014 MTEF. In 2014/15, the budget grows by 6.1 per cent and is projecting to spend R2.159 billion. The budget includes an additional allocation of R7.177 million (and R21.301 million over the 2014 MTEF) for the provision of shelters to victims of gender based violence. Also R21.1 million (and R66.780 million over the 2014 MTEF) was allocated as the carry through cost for the absorption of social workers. In 2014/15 and 2015/16, the department receives a Substance Abuse Treatment grant from national amounting to R13 million and R9 million, respectively and which will be phased into the Equitable Share from 2016/17 onwards.
- The total budget over the 2014 MTEF for the **Department of Sport, Recreation, Arts and Culture** amounts to R2.449 billion. In 2014/15, the budget grows by 7.2 per cent to R769.929 million due to the under spending on the transfers for library services in 2013/14.
- The total budget over the 2014 MTEF for the **Department of Safety and Liaison** amounts to R238.979 million. In 2014/15, the budget grows by 4.4 per cent to R78.941 million due to the carry through cost of R2.812 million (and R8.898 million over the 2014 MTEF) for the filling of critical vacant posts.

Economic cluster

For the 2014/15 financial year, the resource envelope for the cluster amounts to R11.532 billion and it further grows to R11.815 billion in the outer of the 2014 MTEF.

- The **Department of Roads and Public Works** is projecting to spend R12.049 billion over the 2014 MTEF. In 2014/15, the budget grows by 2.7 per cent to R4.025 billion. Additional allocations includes the carry through costs of R41.356 million (and R130.888 million over the 2014 MTEF) for the leasing of office space, R11.078 million (and R35.059 million over the 2014 MTEF) for the security services and R13.715 million (and R43.407 million over the 2014 MTEF) for the maintenance of the Transkeian Development Reserve Fund (TDRF) properties.

- The **Department of Rural Development and Agrarian Reform** is projecting to spend R5.672 billion over the 2014 MTEF. In 2014/15, the budget grows by 7.1 per cent to R1.867 billion and includes additional allocations to cater for the carry through costs of R23.210 million (and R73.457 million over the 2014 MTEF) for the crop production in order to improve food security. Also R70 million in 2014/15, R20 million in 2015/16 and R10 million in 2016/17 has been allocated as a transfer to the ECRDA for the funding of the milling hubs in Lady Frere and Bizana to boost rural development in those areas. Furthermore, the department's Compensation of Employees baseline was reduced by R20.664 million (and R65.379 million over the 2014 MTEF) but the funds remained with the department as it was reallocated to Veterinary Services and Farmer Support and Development.
- The **Department of Economic Development, Environmental Affairs and Tourism** is projecting to spend R4.562 billion over the 2014 MTEF. In 2014/15, the budget grows by 4.2 per cent to R1.444 billion. The additional allocations in 2014/15, includes the R211 million (and R667.797 million over the 2014 MTEF) as the carry through costs of the infrastructure undertaken by the Eastern Cape Development Corporation (ECDC) for ensuring that all existing social infrastructure (Health and Education) are functional including access to these social facilities. Also these funds will be utilized to deal with infrastructure requirements for the realignment of schools. Also included is R250 million (R850 million over the 2014 MTEF) that will be transferred to the Coega Development Corporation (CDC) to support municipalities in the delivery of much needed water and sanitation infrastructure.
- The **Department of Transport** is projecting to spend R4.995 billion over the 2014 MTEF. In 2014/15, the budget grows by 11.4 per cent to R1.708 billion due to the allocation made to complete the Mthatha airport terminal amounting to R146.117 million.
- The **Department of Human Settlement** is projecting to spend R7.248 billion over the 2014 MTEF. In 2014/15, the budget declines by 7.2 per cent to R2.487 billion due to the shifting within the Human Settlements Development grant (HSDG) whereby National will implement the Bucket Eradication Programme on behalf of provinces. The process of accreditation is underway to ensure that the Buffalo City and Nelson Mandela municipalities are ready to receive the human settlements function whereby the funds will be transferred directly to the municipalities. To this end R387.113 million (and R1.118 billion over the 2014 MTEF) and R347.982 million (and R1.005 billion over the 2014 MTEF) have been ring fenced to these municipalities, respectively.

Governance and administration cluster

For the 2014/15 financial year, the proposed resource envelope for the cluster amounts to R2.157 billion and it further grows to R2.296 billion in the outer of the 2014 MTEF.

- The **Office of the Premier** is projecting to spend R1.447 billion over the 2014 MTEF. In 2014/15, the budget grows by 3.2 per cent to R467.203 million that is mainly catering for inflationary adjustments.
- The **Provincial Legislature** is projecting to spend R1.336 billion over the 2014 MTEF. In 2014/15, the budget declines by 3.5 per cent to R435.627 million even though the Provincial Legislature was exempted from the 2 per cent budget reprioritisation. The budget includes an amount of R6 million (and R14 million over the 2014 MTEF) for the

security upgrades as well as R4.239 million for the constituency funding and R2.4 million for the recapitalisation of the vehicle fleet.

- The **Department of Local Government and Traditional Affairs** is projecting to spend R2.675 billion over the 2014 MTEF. In 2014/15, the budget declines by 12.6 per cent to R876.196 million due to the once-off transfer of R160 million to the King Sabata Dalindyebo Local Municipality through the Adjustments Estimates in 2013/14. Included in the budget of 2014/15, is an amount of R10 million for the erection of a Provincial Disaster Management Centre and R8.650 million for the provision of the 2014 election infrastructure.
- The **Provincial Planning and Treasury** is projecting to spend R1.174 billion over the 2014 MTEF. In 2014/15, the budget grows by 10.5 per cent to R377.779 million due to the financial management improvement initiatives despite the budget cut from the indicative baseline.

5.3 Payments by economic classification

Table 5.2: Summary of Provincial Payments and Estimates by Economic Classification

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcomes			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
Current payments	40 382 872	43 207 133	46 043 899	48 134 667	49 651 976	49 468 218	50 904 875	53 590 471	55 912 395	2.9
Compensation of employees	31 409 057	34 442 095	35 918 877	38 479 112	38 818 581	38 883 129	40 171 350	42 379 669	44 645 805	3.3
Goods and services	8 961 273	8 748 678	10 120 532	9 655 554	10 833 088	10 583 342	10 733 525	11 210 801	11 266 589	1.4
Interest and rent on land	12 542	16 360	4 489	-	307	1 748	-	-	-	(100.0)
Transfers and subsidies	5 699 022	7 008 457	6 930 074	7 803 401	8 052 114	7 938 830	7 441 802	7 290 957	7 769 733	(6.3)
Provinces and municipalities	584 162	279 780	261 042	89 585	512 641	443 177	305 363	297 124	312 637	(31.1)
Departmental agencies and accounts	906 169	806 680	760 624	1 015 814	1 344 510	1 280 373	1 398 935	1 433 161	1 474 701	9.3
Higher education institutions	128 335	115 764	70 475	22 440	31 540	30 440	30 791	20 998	22 100	1.2
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	0.0
Public corporations and private enterprises	267 695	292 749	366 264	445 103	447 518	519 949	469 733	472 072	497 051	(9.7)
Non-profit institutions	1 979 184	3 146 612	2 915 564	3 325 690	2 694 280	2 742 410	2 676 590	2 774 456	2 933 959	(2.4)
Households	1 833 477	2 366 872	2 556 106	2 904 769	3 021 625	2 922 481	2 560 390	2 293 146	2 529 285	(12.4)
Payments for capital assets	2 241 632	3 483 874	3 044 517	3 319 808	3 671 808	3 532 413	3 774 527	3 602 898	2 295 832	6.9
Buildings and other fixed structures	1 949 920	2 673 899	2 408 541	2 572 755	2 712 118	2 599 300	2 895 532	2 797 927	1 419 539	11.4
Machinery and equipment	273 675	790 072	617 777	719 024	934 462	907 323	859 298	783 598	855 607	(5.3)
Heritage assets	-	-	-	-	170	170	600	-	-	252.9
Specialised military assets	-	-	-	-	-	-	-	-	-	0.0
Biological assets	-	646	3 741	5 441	5 031	5 031	5 709	5 810	4 285	13.5
Land and sub-soil assets	-	-	4 517	-	-	-	-	-	-	0.0
Software and other intangible assets	18 037	19 257	9 940	22 588	20 027	20 589	13 388	15 562	16 401	(35.0)
Payments for financial assets	10 455	39 578	137 312	300	-	287	20 000	20 000	20 000	6868.6
Total economic classification	48 333 981	53 739 042	56 155 801	59 258 177	61 375 899	60 939 748	62 141 204	64 504 326	65 997 960	2.0
Less:										
<i>Departmental receipts not to be surrendered to the Provincial Revenue Fund [Amount to be financed from revenue collected (to s22(1) of the PFMA)]</i>	<i>(371)</i>	<i>(4 784)</i>	<i>(1 583)</i>	<i>(340)</i>	<i>(340)</i>	<i>(642)</i>	<i>(351)</i>	<i>(367)</i>	<i>(386)</i>	<i>(45.4)</i>
Adjusted Total	48 333 610	53 734 258	56 154 218	59 257 837	61 375 559	60 939 106	62 140 853	64 503 959	65 997 574	2.0

Source: Provincial Planning and Treasury Database 2014/15

Table 5.2 above shows the summary of provincial payments and estimates by economic classification from 2010/11 to 2016/17. In 2014/15, the bulk of the budget is allocated under current payments i.e. 81.9 per cent and increases by 2.9 per cent to R50.905 billion from the 2013/14 revised estimate.

In 2014/15, the Compensation of Employees (Compensation of Employees) budget grows by 3.3 per cent to R40.171 billion due mainly to the annual ICS adjustment. Departments' baselines were again reduced by 2 per cent of their Compensation of Employees allocation over the 2014 MTEF with the Provincial Legislature and the Department of Safety and Liaison exempted from this reduction. Included in 2014/15 allocation, is the R112.781 million (R376.298 over the 2014 MTEF million) that the province received for the re-grading of the clerks that was mainly allocated to the departments of Health and Education. In 2016/17, funding is set aside for the OSD for therapists in the Department of Education amounting to R10.114 million.

Goods and Services is only growing by 1.4 per cent to R10.733 billion in 2014/15 from the 2013/14 revised estimate of R10.583 billion. Over the 2014 MTEF, it increases to R11.266 billion in 2016/17.

In 2014/15, overall Transfers and subsidies decline by 6.3 per cent to R7.442 billion. The transfer items mainly affecting the decline are Provinces and Municipalities, Non-profit Institutions and Households. The decline in Transfers to municipalities by 31.1 per cent to R305.363 million is due to the once-off transfer of R160 million to the King Sabata Dalindyebo Local Municipality in 2013/14. Transfers to Non-profit Institutions declines by 2.4 per cent to R2.676 billion due to the impact of the reduction in learner numbers which resulted in a R99.585 million baseline reduction on this item by the Department of Education. Transfers to Households declines by 12.4 per cent to R2.560 billion due to the shifting within the HSDG whereby National will implement the Bucket Eradication Programme on behalf of provinces. Transfers to Departmental Agencies and Accounts is the only item showing major growth at 9.3 per cent to R1.399 billion due to the R250 million that will be transferred to the Coega Development Corporation (CDC) to support municipalities in the delivery of much needed water and sanitation infrastructure.

Payments for Capital Assets budget grows by 6.9 per cent to R3.774 billion in 2014/15 due to the provision made for infrastructure delivery of schools, hospitals, clinics and roads. In 2016/17, it declines to R2.296 billion due to the Education Infrastructure grant and the Health Facility Revitalisation grant that were unallocated and pooled by National in order for the provinces to bid 2 years in advance for the funding as well as it will be based on the outcomes and assessments of the delivery of these infrastructure.

Payments for Financial Assets budget grows by 6 868.6 per cent to R20 million in 2014/15 due to the repayment of the unauthorised expenditure of previous years by the Department of Rural Development and Agrarian Reform as well as over the 2014 MTEF.

5.4 Payments by Functional Area

Table 5.3: Summary of Provincial Payments and Estimates by Functional Area

Policy area	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
R'000										
General public services	2 977 264	3 030 984	3 345 503	3 547 122	3 921 193	3 839 096	3 807 517	3 825 096	4 024 907	(0.8)
Public Order and Safety	52 635	57 980	62 207	69 979	75 568	75 612	78 941	77 915	82 123	4.4
Economic Affairs	5 381 884	5 881 202	5 980 599	6 233 008	6 746 963	6 699 066	7 089 382	6 966 394	7 272 501	5.8
Environmental Protection	223 646	218 455	266 632	291 269	293 113	292 096	304 899	302 675	316 279	4.4
Housing and Community Amenities	1 727 782	2 143 154	2 279 064	2 830 080	2 830 080	2 680 385	2 487 602	2 262 111	2 498 209	(7.2)
Health	13 272 828	14 892 282	15 602 512	16 584 328	17 183 546	17 062 410	17 509 012	18 234 588	18 892 969	2.6
Recreation, Culture and Religion	557 159	649 017	647 479	715 108	742 712	718 237	769 929	817 136	861 782	7.2
Education	22 576 929	25 174 117	26 220 593	26 972 078	27 538 882	27 538 884	27 934 964	29 755 897	29 674 668	1.4
Social protection	1 563 854	1 691 851	1 751 212	2 015 205	2 043 842	2 033 962	2 158 958	2 262 514	2 374 521	6.1
Total	48 333 981	53 739 042	56 155 801	59 258 177	61 375 899	60 939 748	62 141 204	64 504 325	65 997 960	2.0

Source: PPT Database 2014/15

Table 5.3 shows the summary of provincial payments and estimates for the 2014 MTEF by policy area. Since 2010/11 the spending increased from R48.333 billion to the R60.939 billion revised estimate in 2013/14. In 2014/15, it is projected to increase by 2 per cent to R62.141 billion.

The bulk of the budget is allocated in 2014/15 to the Health and Education sectors, amounting to R45.444 billion or 73.1 per cent. Both these sectors are labour intensive and their Compensation of Employees budgets represents 80.7 per cent for Education and 66.3 per cent for Health in 2014/15. The remaining budget of 19.3 per cent for the Education sector will be utilised for the implementation of government policy priorities like the school nutrition feeding scheme, “no fees school”, provision of learner and teacher support material as well as special school education, transfers to independent schools and the provision and maintenance of schools. For the Health sector, the remaining budget of 33.7 per cent will be utilised on HIV/Aids and TB programmes, improving the mortality rate and increasing life expectancy, decreasing maternal and child mortality, strengthening the public health system and improving its efficacy and the provision and maintenance of hospital facilities and clinics.

The remaining sectors are responding to the outcomes that are linked to the mandate of the departments in 2014/15. The Economic Affairs sector is allocated R7.089 billion which will be utilised for the growth and the development of the provincial economy inclusive of the rural areas and to enhance job creation. The Housing and Community Amenities sector is allocated R2.487 billion to provide decent human settlements. The General Public Service sector is allocated R3.807 billion to ensure the smooth running of the provincial government while the Social Protection sector is allocated R2.159 billion.

Taking into account the allocations made to the various sectors, the total provincial budget is responsive to the key policy priorities of the province.

5.5 Infrastructure Payments

5.5.1 Infrastructure Payments

Infrastructure development remains the stimulus to economic growth. It is imperative; therefore, that infrastructure expenditure improves. Accessibility, capacity and service of basic utilities, as well as transportation and telecommunications remain the most important forms of infrastructure

for economic investment decisions. At provincial government level, 94 per cent of infrastructure funds made available have been spent.

The logistics network in the province is particularly poor. Roads infrastructure is poor, the rail lines are under-utilised and very old, and the Ngqura port is not yet a fully-fledged trans-shipment port. The provision of bulk infrastructure (electricity etc.) at municipal level needs to be strengthened to attract businesses / industry to province.

Social infrastructure is poor, with the province remaining the one with the highest number of mud schools; poor hospital infrastructure; poor electricity networks (where they are available); small inadequate clinics; and sanitation being very poor with some towns still using septic tanks.

In order to improve on infrastructure delivery the province needs to focus on integrated planning not only as a means of avoiding the duplication of services, but also to improve service delivery at municipal level where it matters most. The province also needs improved contract management to avoid the escalation of costs.

The province has 2 coastal metropolitan municipalities (Buffalo City and Nelson Mandela Bay) which could serve as distinct comparative advantages for economic growth and job creation. However, it should ensure that through negotiations with Transnet that port charges remain competitive and not serve as a hindrance to investment.

Numerous mega infrastructure projects have been earmarked for the province by the Presidential Infrastructure Coordinating Committee (PICC) under the SIP3 banner. These include: a Manganese Smelter; a rail link for the haulage of manganese from the mine in Sishen in the Northern Province for export through the port of Ngqura; the Umzimvubu Dam (potentially for irrigation and hydro-electricity generation); Mthombo Oil Refinery and the N2 Wildcoast Road. These infrastructure projects could potentially alter the economy of the province.

The inability to spend what was allocated in the previous years has led to reduced allocations for infrastructure for the province.

5.5.2. Infrastructure Allocations

2013/14 Infrastructure Performance

The province has spent R5.097 billion (64.2 per cent) of its total adjusted infrastructure budget of R7.927 billion as at the end of December 2013, against projections of R5.381 billion (67.8 per cent) thus under spending by R283 million (35.8 per cent). The province managed to utilise 94.7 per cent of its revised projections.

The departments of Education, DRPW and Human Settlements are generally underperforming in infrastructure spending in the 2013/14 financial year.

Some of the challenges in the infrastructure value chain which impacts negatively on spending are cited as follows:

- Instability in planning/skewed projections towards the end of the financial year which is further exacerbated by the Dec/Jan closure of the construction industry;
- Lack of contract management and lack of project management capabilities which has resulted in failing contractors, legal action and a much longer time to complete projects; and

- Late/delayed closure of projects results in the projects not being handed over to the Provincial Asset register and this incorrectly depicts the Provincial Asset Portfolio.

In order to improve the expenditure by the end of the 2013/14 financial year the following improvement measures are being under taken:

- The relevant engagements through the Infrastructure governance structures (Technical Sub-Committee, CBC -Sub Committee, CBC and EXCO) have commenced to resolve the bottlenecks in the infrastructure value chain.
- Departments are required to strictly focus on the payment of all invoices for the work performed in the remaining period of the financial year and be mindful of the March spike to avoid creative fiscal dumping.
- Departments are required to compile a project plan (including age analysis) in respect of how the projects not yet closed out will be resolved as well as report on the developed template.
- The implementation of the IDMS gateway control system in order to ensure that all projects are approved with strategic briefs and concept reports in order to prevent under spending and achieve value for money.
- The Province will continue to focus on the compilation of integrated infrastructure plans, utilising the GIS system in order to improved coordination to avoid duplication of limited resources

It is also worth noting that the continued provincial utilisation of the Interdepartmental Accounting Model (IDA) in the 2012/13 and the 2013/14 financial years whereby DRPW pays its services providers and claims back from DoE, has resulted in an improvement in the DOE expenditure trends as compared to significant historical underspending.

2014/15 Infrastructure Allocations

Table 5.4 indicates that the bulk of the infrastructure allocations reside in the departments of Education, Health and Roads & Public Works. The allocations for these departments account for 95 per cent of the budget in the 2014/15 financial year.

Table 5.4: Infrastructure Payments Summary per department

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
R 000's										
EDUCATION	354 532	920 937	994 468	1 308 232	1 656 101	1 501 203	1 237 092	1 638 819	30 682	(17.6)
HEALTH	905 249	1 288 270	1 283 806	1 045 007	1 051 271	1 144 376	1 207 526	1 061 300	845 604	5.5
SOCIAL DEVELOPMENT AND SPECIAL PROGRAMMES	41 134	40 956	42 724	48 838	53 305	58 896	64 231	62 786	56 836	9.1
OFFICE OF THE PREMIER	1 405	2 000	-	8 000	8 000	8 000	9 870	10 403	10 964	23.4
PROVINCIAL LEGISLATURE	-	-	-	-	-	-	-	-	-	-
ROADS AND PUBLIC WORKS	2 193 954	2 197 684	2 463 232	2 228 945	2 484 617	2 484 617	1 903 768	1 737 077	1 779 471	(23.4)
LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS	8 873	12 569	4 107	9 840	11 220	9 730	21 769	11 293	11 892	123.7
RURAL DEVELOPMENT AND AGRARIAN REFORM	153 015	89 963	75 635	142 748	99 390	99 390	90 609	83 067	92 339	(8.8)
ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS AND TOURISM	-	-	-	-	330 000	330 000	461 000	522 394	534 403	39.7
TRANSPORT	9 090	3 318	15 861	4 000	22 900	22 900	146 117	-	-	538.1
HUMAN SETTLEMENTS	1 503 818	1 897 076	2 002 175	2 526 803	2 523 803	2 373 148	2 159 218	1 929 157	2 147 265	(9.0)
PROVINCIAL PLANNING AND TREASURY	-	-	-	-	-	-	-	-	-	-
SPORT, RECREATION, ARTS AND CULTURE	16 809	69 312	35 080	34 890	47 768	46 719	73 646	84 036	88 490	57.6
SAFETY AND LIAISON	-	-	-	-	-	-	-	-	-	-
Total	5 187 879	6 522 085	6 917 088	7 357 303	8 288 375	8 078 979	7 374 846	7 140 332	5 597 946	(8.7)

Source: PPT Budget Database 2014/15

In respect of the 2014/15 MTEF period, the allocations of infrastructure funds are utilised as follows for the major infrastructure departments.

Department of Education

The DoE's infrastructure budget is utilised for the construction and maintenance of schools which include the replacement of mud structures. The current focus will be on the finalisation of the rationalisation and realignment process and the updating of the long term plans. Over and above DoE has undertaken to prioritise the full implementation of the norms and standards starting with the critical needs (inappropriate structures).

Department of Health

The DoH's infrastructure budget is utilised for construction and maintenance of hospitals, clinics, community health centers and the hospital revitalisation program. The Department is currently prioritising the implementation of the NHI initiative in the OR Tambo region as a pilot. In addition DoH in line with the requirements of the lifecycle costing of assets has undertaken the conditions assessment of infrastructure and is now prioritising the funding of the general maintenance of existing assets and repair works for the infrastructure facilities.

Department of Roads and Public Works

In respect of the above infrastructure allocations, the department of Roads and Public Works infrastructure budget is utilised for the construction of roads, bridges, and community based public works programmes, and the maintenance of buildings. Table 5.5 indicates the summary of the infrastructure payments and estimates by category. In this regard, the bulk of the infrastructure funding resides in existing infrastructure i.e. upgrades and additions, rehabilitation and maintenance and repairs.

In Table 5.5, the Infrastructure transfers relates to the department of Human Settlements in respect of the Housing Subsidy Grant.

Table 5.5: Infrastructure Payments summary per category

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
R 000's										
Payments for infrastructure by category										
New infrastructure assets	699 634	962 697	931 495	995 919	1 217 829	1 234 652	1 125 902	1 995 187	594 182	(8.8)
Existing infrastructure assets	2 984 427	3 662 312	3 967 918	3 826 081	4 208 243	4 132 679	3 621 226	2 686 594	2 317 096	(12.4)
Upgrading and additions	1 199 893	1 648 578	1 597 874	1 736 830	1 766 302	1 760 123	1 847 834	1 037 908	890 806	5.0
Rehabilitation and refurbishment	283 731	240 508	94 105	146 938	99 582	95 020	182 726	231 781	205 247	92.3
Maintenance and repair	1 500 803	1 773 226	2 275 939	1 942 313	2 342 360	2 277 536	1 590 667	1 416 905	1 221 044	(30.2)
Infrastructure transfers	1 503 818	1 897 076	2 017 675	2 535 303	2 862 303	2 711 648	2 627 718	2 458 551	2 686 668	(3.1)
Current	-	-	15 500	8 500	38 500	38 500	7 500	7 000	5 000	(80.5)
Capital	1 503 818	1 897 076	2 002 175	2 526 803	2 823 803	2 673 148	2 620 218	2 451 551	2 681 668	(2.0)
Current infrastructure	1 500 803	1 773 226	2 291 439	1 950 813	2 380 860	2 316 036	1 598 167	1 423 905	1 226 044	(31.0)
Capital infrastructure	3 687 076	4 748 859	4 625 649	5 406 490	5 907 516	5 762 944	5 776 680	5 716 427	4 371 902	0.2
Total	5 187 879	6 522 085	6 917 088	7 357 303	8 288 375	8 078 980	7 374 846	7 140 332	5 597 946	(8.7)

Source: PPT Budget Database 2014/15

In respect of the infrastructure payments per category, the bulk of the allocations reside with the existing infrastructure assets over the 2014 MTEF as reflected in Table 5.5. Departments have been requested to prioritise the maintenance of infrastructure projects as opposed to starting new projects due to the enormous provincial backlogs on maintenance.

The provincial infrastructure allocations are funded by both equitable share and infrastructure conditional grant funding. In this regard, the breakdown between the equitable share and grants is indicated in Table 5.6. The table reflects that the grant allocations are not equally supplemented by equitable share allocations.

Furthermore it should be noted that there are no allocations for the Education and Health Infrastructure Grants in the 2016/17 financial year as these departments are required to bid for their infrastructure funds in terms of the Division of Revenue Act.

Table 5.6: Summary of Provincial Infrastructure Payments and Estimates by source of funding

R' 000	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
Provincial Equitable Share	1 470 445	1 752 401	1 764 457	1 917 282	2 688 675	2 607 133	1 937 159	1 846 456	2 113 493	(25.7)
Conditional grants ¹	3 717 434	4 769 684	5 152 631	5 440 021	5 599 700	5 528 329	5 437 687	5 293 876	3 484 453	(1.6)
Comprehensive Agricultural Support Grant	90 875	66 059	60 623	126 882	83 524	83 524	77 075	72 200	80 934	(7.7)
Land Care Grant	8 749	9 229	15 012	15 866	15 866	10 313	10 853	10 867	11 405	5.2
IGP (Agriculture)	53 391	14 675	0							
Education Infrastructure Grant	503 679	726 326	937 140	1 010 870	1 010 870	1 010 870	1 177 914	1 609 799	-	16.5
Health Facility Revitalisation Grant	447 301	885 501	729 670	562 792	569 056	596 353	599 231	442 930	-	0.5
Health Infrastructure	278 691	328 572	302 716	216 816	220 814	226 593	230 244	207 411		1.6
Hospital Revitalisation	168 610	556 929	414 560	336 719	336 719	357 140	359 552	223 573		0.7
Nursing Colleges and Schools		-	12 394	9 257	11 523	12 620	9 435	11 946		(25.2)
National Tertiary Services Grant	21 271	11 423	23 158	-	-	-	-	-	-	
Community Library Service Grant	2 768	43 621	24 425	25 890	36 109	37 114	67 646	78 036	82 172	82.3
Provincial Roads Maintenance Grant	1 085 581	1 034 199	1 360 428	1 102 836	1 292 390	1 292 390	1 294 279	1 150 887	1 162 677	0.1
Transport Disaster Management Grant		81 575								
Human Settlements Development Grant	1 503 818	1 897 076	2 002 175	2 429 631	2 429 631	2 429 631	2 159 218	1 929 157	2 147 265	(11.1)
Housing Disaster Relief Grant				94 172	94 172					
Health EPWP Integrated Grant for Provinces				3 000	3 000	3 051	2 000			(34.4)
Human Settlements Integrated Grant for Provinces				3 000	-	-				
DRDAR EPWP Integrated Grant							2 681			
DRPW EPWP Integrated Grant for Provinces				65 082	65 082	65 082	46 791			(28.1)
Total	5 187 879	6 522 085	6 917 088	7 357 303	8 288 375	8 135 462	7 374 846	7 140 332	5 597 946	(9.3)

Source: PPT Database 2014/15

5.5.3 Implementation of Infrastructure Delivery Management System (IDMS)

The provincial implementation of IDMS in the Province through the approved Provincial Infrastructure Delivery Framework (PIDF) has commenced and now includes the utilisation of the gateway control system to ensure that infrastructure is delivered within time, with the appropriate cost and the relevant quality throughout the infrastructure value chain.

PPT has also geared up its provincial infrastructure skills and capacity through the development of user manuals for the gateway system as well as the initiation of targeted training interventions in order to ensure that it is ready for the provincial assessment of the IDMS plans in order to secure infrastructure funding in the 2015/16 financial year.

HR Capacitation Progress

The infrastructure HR Capacitation process whereby National Treasury had allocated R10million grant funding to each to DoE and DoH has resulted in capacity being created in these departments. In respect of DoH, out of the 14 posts, 7 posts have been filled and in respect of DoE, out of the 17 posts, 13 filled and 2 cancelled. However, currently the filling the senior posts in DoE (2x Directors and 1x Chief Director) and DoH (1x Chief Director) remains a challenge and the matter has been escalated to the relevant stakeholders for intervention. What remains to be done in the 2014/15 financial year is the measurement of the impact of the placement of these officials in the departments.

Integrated Infrastructure Planning

In order to deal with the limited provincial finances and avoid the duplication of much needed resources across all spheres of government, the province has undertaken the integrated planning initiative. The integrated infrastructure plan has also been spatially enabled through the use of a GIS system in order to ensure that planning anomalies are identified and corrected, site visit information is updated onto the system as well as to ensure that packaging opportunities are implemented to achieve value for money objectives.

In summary then, the province will continue to work towards a fully functioning IDMS gateway control system which will appropriately guide infrastructure delivery in line with best practices. The integration of planning will also prevent the duplication of resources and facilitate the packaging of infrastructure projects to achieve economies of scale.

Sector departments will be supported to focus on improving and stabilising infrastructure planning, strengthening monitoring and oversight over implementing agents so that value for money is achieved and expenditure translates to actual projects on the ground.

The province will also continue to support the budgeting for infrastructure lifecycle asset management. This will allow for maintenance backlogs to be addressed and will prevent against assets reaching such a state of disrepair that it requires replacement.

5.6 Transfers

5.6.1 Transfers to Public Entities

The province has eleven public entities listed in Schedule 3 of the Public Finance Management Act 1 of 1999 (PFMA), as amended. Seven of these are listed as Provincial Public Entities, whilst the remaining four public entities are listed as government business enterprises namely:

Table 5.7 below, indicates the transfers to provincial public entities. Public entities have received over R3.7 billion in funding over the past four (4) years with an estimated R4.3 billion planned over the 2014 MTEF, representing 1.8 per cent of the total provincial payments.

Public entities directly employ over 1 500 people, generate approximately R450 million in own revenue and control assets totaling nearly R7.5 billion. Over the 2014/15 MTEF, total transfers to public entities will amount to R4.3 billion. Details of transfers to public entities are presented in the relevant *Votes in the Estimates of Provincial Revenue and Expenditure*, and a full report is presented in the publication for public entities.

Table 5.7: Summary of Provincial Transfers to Public Entities by transferring departments

Table 9.7: Summary of Provincial Transfers to Public Entities by transferring departments										
R' 000	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
Office Of Premier	36 305	34 207	41 966	38 709	42 659	42 659	44 818	40 986	42011	5.1
<i>Eastern Cape Socio-Economic Consultative Council</i>	36 305	34 207	41 966	38 709	42 659	42 659	44 818	40 986	42 011	5.1
Rural Development And Agrarian Reform	152 796	83 502	180 757	191 196	194 196	194 196	218 479	170 904	166 308	12.5
<i>ECFRC(RDA)</i>	137 300	67 272	166 000	173 137	176 137	176 137	214 479	170 904	166 308	21.8
<i>ECATU</i>	15 496	16 230	14 757	18 059	18 059	18 059	4 000	-	-	(77.9)
Economic Development, Environmental Affairs And Tourism	556 869	604 152	469 954	658 922	975 056	975 056	1 023 273	1 095 187	1 135 117	4.9
<i>Eastern Cape Liquor Board</i>	26 098	32 325	35 131	41 131	41 131	41 131	42 736	44 936	46 922	3.9
<i>Eastern Cape Gambling and Betting Board</i>	23 338	31 187	35 687	42 687	42 687	42 687	42 748	44 826	46 615	0.1
<i>Eastern Cape Development Corporation</i>	210 974	255 169	144 659	188 404	497 944	497 944	366 535	403 972	425 605	(26.4)
<i>Eastern London Industrial Development Zone</i>	135 257	141 614	46 051	112 407	114 907	114 907	113 972	112 031	117 969	(0.8)
<i>Eastern Cape Parks and Tourism Agency</i>	161 202	143 857	190 426	191 543	196 387	196 387	207 282	189 422	198 006	5.5
<i>Coega Development Corporation</i>	-	-	18 000	82 750	82 000	82 000	250 000	300 000	300 000	204.9
Transport	51 669	61 429	68 773	102 088	102 088	102 088	113 741	98 053	103 348	11.4
<i>Maybuye Bus Corporation</i>	51 669	61 429	68 773	102 088	102 088	102 088	113 741	98 053	103 348	11.4
Sport, Recreation, Arts And Culture	12 225	13 936	15 561	11 823	11 823	11 823	11 823	12 323	12 976	0.0
<i>EC Arts Council</i>	12 225	13 936	15 561	11 823	11 823	11 823	11 823	12 323	12 976	0.0
Total	809 864	797 226	777 011	1 002 738	1 325 822	1 325 822	1 412 134	1 417 453	1 459 760	6.5

Source: Source: Provincial Treasury Database: 2014/15

5.6.2 Transfers to Development Corporations

The province has four development corporations, three of which are listed as government business enterprises in schedule 3D of the PFMA. The total transfers to development corporations decreased from R647.5 million in 2009/10 to R363.7 million in 2012/13, which represents a 54 per cent decline. However, transfers show an increase of R192.9 million or 53 per cent from 2012/13 to 2013/14. Over the 2014/15 MTEF, total transfers to development corporations will amount to R1.7 billion as shown in table below.

5.6.3 Transfers to Local Government

As part of its Constitutional obligation, the province supports initiatives to strengthen the capacity of municipalities to provide basic services and for them to exercise their powers and perform their constitutionally assigned functions. As a result, this section provides details of departmental transfers to local government, indicating transfers per department and per grant type to each municipality.

Over the 2014 MTEF, the total provincial transfers to local government reflect a continuous decline. There are three categories of municipalities in terms of the Constitution. Category A (metropolitan council) refers to municipalities that have exclusive municipal executive and legislative authority within their areas, namely the Buffalo City and Nelson Mandela Bay Metros.

Table 5.8: Summary of provincial transfers to local government by category

Municipality	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
R'000										
Category A	208 966	100 932	83 175	10 851	100 899	88 316	95 020	97 938	103 129	7.6
Category B	223 756	138 303	153 547	52 571	375 191	326 985	176 104	168 405	177 383	(46.1)
Category C	141 932	40 078	24 314	24 613	35 001	26 326	18 705	6 296	6 589	(29.0)
Unallocated	9 508	212	6	1 550	1 550	1 550	15 535	24 485	25 536	902.3
Total transfers to municipalities	584 162	279 525	261 042	89 585	512 641	443 177	305 363	297 124	312 637	(31.1)

Source: Provincial Planning and Treasury Database 2014/15

Table 5.8 above shows that transfers declined from R584.162 million in 2010/11 to the revised estimate of R443.177 million in 2013/14 due to the provincialisation of health services by the Department of Health whereby the health services delivered on behalf of the department by the local municipalities have been transferred to the department to ensure a uniform platform for health service delivery.

In 2014/15, total transfers are estimated to decrease by 31.1 per cent to R305.363 million due to once-off transfer of R160 million to the King Sabata Dalindyebo Local Municipality in 2013/14. The bulk of the budget in 2014/15 is allocated to the Department of Roads and Public Works at R209.003 million for the transfers in respect of the payment of property rates and taxes for provincial owned properties. Also in 2014/15, the Department of Health will continue with the devolution of environmental health to certain municipalities through service level agreements that have been signed with the municipalities until it is completed.

In 2014/15 and over the 2014 MTEF, the Department of Sport, Recreation, Arts and Culture will continue to subsidise the running costs of municipal libraries with the aim of reducing illiteracy and open access libraries in rural areas. Also the Department of Economic Development, Environmental Affairs and Tourism will focus on the EPWP projects for job creation through environmental programmes and the greenest town municipality as well as the cleanest town. Lastly, the Department of Local Government and Traditional Affairs will continue to facilitate local economic development (LED) and provide support to municipalities.

5.7 Personnel Numbers and Costs

Table 5.9: Personnel Numbers and Costs by department

Personnel numbers as at:	31 Mar 2011	31 Mar 2012	31 Mar 2013	31 Mar 2014			31 Mar 2015	31 Mar 2016	31 Mar 2017	% change from 2013/14
EDUCATION	85 810	82 767	72 684	79 749	79 749	79 749	77 876	76 076	74 276	(2.3)
HEALTH	39 657	47 840	48 121	47 162	47 162	47 162	49 977	49 977	49 977	6.0
SOCIAL DEVELOPMENT AND SPECIAL PROGRAMMES	3 375	4 076	3 914	4 309	4 309	4 309	4 766	4 785	4 844	10.6
OFFICE OF THE PREMIER	410	408	420	391	391	391	390	390	390	(0.3)
PROVINCIAL LEGISLATURE	290	321	346	355	355	355	394	485	485	11.0
ROADS AND PUBLIC WORKS	5 564	5 387	5 892	5 198	5 198	5 198	5 386	5 386	5 386	3.6
LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS	2 949	2 939	2 977	3 056	3 056	3 056	3 048	3 048	3 048	(0.3)
RURAL DEVELOPMENT AND AGRARIAN REFORM	3 412	3 143	3 152	3 419	3 419	3 419	3 411	3 411	3 407	(0.2)
ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS AND TOURISM	625	626	625	635	635	635	652	654	654	2.7
TRANSPORT	1 636	1 741	1 593	1 588	1 588	1 588	1 596	1 596	1 596	0.5
HUMAN SETTLEMENTS	543	462	524	554	554	554	598	598	598	7.9
PROVINCIAL PLANNING AND TREASURY	483	546	556	593	593	593	606	598	598	2.2
SPORT, RECREATION, ARTS AND CULTURE	1 212	1 165	1 146	1 205	1 205	1 205	1 205	1 205	1 205	0.0
SAFETY AND LIAISON	137	120	124	130	130	130	145	145	145	11.5
Total personnel numbers	146 103	151 541	142 074	148 344	148 344	148 344	150 050	148 354	146 609	1.2
Total personnel cost (R'000)	31 409 057	34 442 095	35 918 877	38 479 112	38 818 581	38 883 129	40 171 350	42 379 669	44 645 805	3.3
Unit cost (R'000)	215	227	253	259	262	262	268	286	305	2.1

Source: Provincial Planning and Treasury Database 2014/15

Table 5.9 depicts the provincial personnel numbers and costs for the 2014 MTEF period whereby the total number of personnel employed is projected to grow from 146 103 in 2010/11 to 147 483 in 2016/17. The total personnel headcount as at the end of 2013/14 is estimated to be 148 308.

The personnel numbers over the 2014 MTEF are showing a slight increase in 2014/15 to 150 924 and is mainly due to the Department of Health envisaging employing medical professionals and then decreases in 2016/17 to 148 010, which is attributed to the decrease in the post provisioning in the Department of Education. The total personnel cost grows from

R31.409 billion in 2010/11 to the revised estimate of R38.883 billion in 2013/14 and grows further in 2014/15 to R40.171 billion. The growth in personnel cost is attributable to the annual Improvement of Condition of Services adjustment (ICS), the implementation of OSD, especially in the departments of Education and Health and a number of other smaller departments with some specialists as well as the carry through costs of HROPT in the province.

Table 5.10 below presents a further breakdown to personnel numbers and costs for Human Resources and Finance components, and for full time, part-time and contract workers. It provides information on the number of persons (head count) and the costs associated to the Human Resources and Finance Divisions as well as for full time, part-time and contract workers within a province over the 2014 MTEF period.

The number of personnel employed in the Human Resource (HR) component increases from 2 724 in 2010/11 to an estimated of 3 319 in 2013/14 and it is projected to grow to 3 415 in 2014/15. Over the 2014 MTEF, the number of personnel in the HR component will increase to 3 426 in 2016/17. The HR component expenditure grows from R553.684 million in 2010/11 to a revised estimate of R773.281 million in 2013/14. In 2014/15, the budget grows to R807.943 million and over the 2014 MTEF to R872.271 million in 2016/17.

The number of personnel employed in the Finance component grows from 2 860 in 2010/11 to an estimated of 2 879 in 2013/14 and it is projected to increase slightly to 2 907 in 2014/15. Over the 2014 MTEF, the number of personnel in the Finance component will slightly grow to 2 937 in 2016/17. The Finance component expenditure grows from R612.093 million in 2010/11 to a revised estimate of R766.708 million in 2013/14. In 2014/15, the budget grows to R822.758 million and over the 2014 MTEF to R922.150 million in 2016/17.

Table 5.10: Provincial Personnel Numbers and Costs – EC Province

Personnel numbers as at:	31 Mar 2011	31 Mar 2012	31 Mar 2013	31 Mar 2014			31 Mar 2015	31 Mar 2016	31 Mar 2017	% change from 2013/14
Personnel numbers	146 103	151 541	142 074	148 344	148 344	148 344	150 050	148 354	146 609	1.2
Total personnel cost	31 409 057	34 442 095	35 918 877	38 479 112	38 818 581	38 883 129	40 171 350	42 379 669	44 645 805	3.3
<i>of which</i>										
Human resources component										
Personnel numbers (head count)	2 724	3 117	3 371	3 319	3 319	3 319	3 415	3 421	3 426	2.9
Personnel cost (R thousands)	553 684	690 644	717 759	773 281	773 281	773 281	807 943	846 732	872 271	4.5
Finance component										
Personnel numbers (head count)	2 860	2 877	2 923	2 879	2 879	2 879	2 907	2 925	2 937	1.0
Personnel cost (R thousands)	612 093	672 146	706 121	766 708	766 708	766 708	822 758	868 296	922 150	7.3
Full time workers										
Personnel numbers (head count)	131 140	136 515	125 787	131 917	131 917	131 917	133 193	130 597	128 868	1.0
Personnel cost (R thousands)	28 811 274	31 849 019	33 201 662	35 585 393	35 585 393	35 585 393	37 327 642	39 524 545	41 829 458	4.9
Part-time workers										
Personnel numbers (head count)	2 242	1 967	1 918	1 622	1 622	1 622	1 637	1 637	1 637	0.9
Personnel cost (R thousands)	82 829	100 727	112 709	100 503	100 503	100 503	106 742	111 493	116 537	6.2
Contract workers										
Personnel numbers (head count)	12 721	13 059	14 368	14 805	14 805	14 805	15 220	16 120	16 104	2.8
Personnel cost (R thousands)	1 442 751	1 495 909	1 488 701	1 616 695	1 616 695	1 616 695	1 669 881	1 834 902	1 875 328	3.3

Source: Provincial Planning and Treasury Database 2014/15

Full time workers accounts for the bulk of the personnel numbers whereby it increases from 131 140 in 2010/11 to the 131 917 revised estimate in 2013/14. In 2014/15, it is projected to increase to 133 193. On the Compensation of Employees expenditure side, the full time workers accounts for the greater proportion of it. In 2009/10, it amounted to R28.811 billion and

increased significantly to the R35.585 billion revised estimate in 2013/14. In 2014/15, the budget increases to R37.327 billion and over the 2014 MTEF to R41.829 billion in 2016/17.

The second largest component of the total personnel figure is Contract workers which was 12 721 in 2010/11 and increased to the 14 805 revised estimate in 2013/14. In 2014/15, there is an increase to 15 220 and over the 2014 MTEF, it is projected to increase to 16 104 in 2016/17. On the Compensation of Employees expenditure side it is also the second largest. In 2009/10, it amounted to R1.442 billion and increased to the R1.616 billion revised estimate in 2013/14. In 2014/15, the budget increases to R1.670 billion and over the 2014 MTEF to R1.875 billion in 2016/17.

5.8 Payments on Training

Table 5.11: Payment on Training – EC Province

2010/11				2011/12			2012/13			2013/14			2014/15		2015/16		2016/17		% change from 2013/14
R' 000	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates												
Subsistence and travel	56 632	76 326	106 159	64 839	64 165	64 165	54 248	78 365	78 578									(15.5)	
Payments on tuition	19 220	22 566	28 875	34 650	33 944	38 114	38 278	38 486	40 461									0.4	
Other	63 525	88 190	95 433	194 343	192 701	114 365	238 666	224 364	237 750									108.7	
Total payments on training	139 377	187 082	230 467	293 832	290 810	216 644	331 192	341 215	356 789									52.9	

Source: Provincial Planning and Treasury Database 2014/15

Table 5.11 above shows the payments of training in the past three years and projected payments over the 2014 MTEF. The expenditure increased from R139.377 million in 2010/11 to the R216.644 million revised estimate in 2013/14. In 2014/15, the budget increases by 52.9 per cent to R331.192 million and in the last year of the 2014 MTEF to R356.789 million.

Of the total budget, Subsistence and Travel is declining by 15.5 per cent to R54.248 million in 2014/15 from the revised estimate of R64.165 million in 2013/14. Over the 2014 MTEF, the budget for this item increases to R78.578 million in 2016/17.

5.9 Information on Training

Table 5.12: Information on Training – EC Province

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Audited outcome		Preliminary outcome	Main appropriation	Adjusted appropriation	Revised estimate	term receipts estimate			
Number of staff	146 103	151 541	142 091	148 678	148 244	148 344	150 924	149 228	147 483	1.7
Number of personnel trainee	32 049	43 134	53 881	107 475	107 575	106 868	95 488	97 700	99 658	(10.6)
of which										
Male	13 931	18 239	21 053	43 829	43 837	43 502	39 206	40 095	40 693	(9.9)
Female	18 118	24 895	32 828	63 646	63 738	63 366	56 282	57 605	58 965	(11.2)
Number of training opportu	1 896	2 579	2 821	3 511	4 058	3 584	3 799	3 917	3 958	6.0
of which										
Tertiary	774	926	1 567	1 490	1 495	1 437	1 405	1 453	1 491	(2.2)
Workshops	790	1 355	719	1 567	1 918	1 674	1 774	1 829	1 851	6.0
Seminars	216	235	368	392	416	377	416	422	422	10.3
Other	116	63	167	62	229	96	204	214	194	112.5
Number of bursaries offered	1 886	1 821	2 089	1 341	1 238	1 239	1 395	1 431	1 394	12.6
Number of interns appointed	228	384	644	885	978	993	1 067	1 087	1 109	7.5
Number of learnerships applied for	1 386	2 101	1 521	1 987	1 987	1 983	2 850	2 965	3 086	43.7
Number of days spent on training	900	898	3 552	3 698	3 898	5 242	3 817	4 339	4 422	(27.2)

Source: PPT Database 2014/15

Table 5.12 above shows the province's information on training in the past three years and over the 2014 MTEF period. In 2010/11, there were 32 049 personnel trained, of which 13 931 were male and 14 082 were female. The number of personnel trained increased significantly to an estimated 106 868 in 2013/14. The increase largely emanates from the Department of Health, Social Development and Special Programmes as well as Education due to the labour intensive nature of their services. In 2014/15, the number of personnel trained is estimated to decrease by 10.6 per cent to 95 488 while over the 2014 MTEF it increases to 99 658 in 2016/17.

In 2010/11, there were 1 896 training opportunities and it increased to an estimated 3 584 in 2013/14. In 2014/15, the training opportunities is estimated to increase by 6 per cent to 3 799 while over the 2014 MTEF it increases to 3 958 in 2016/17.

The bursaries offered in 2010/11 were 1 886 and it decreased to an estimated 1 239 in 2013/14. In 2014/15, the bursaries to be offered is estimated to increase by 12.6 per cent to 1 395 while over the 2014 MTEF it decreases to 1 394 in 2016/17.

In 2010/11, there were 228 interns and 1 386 learnerships appointed and both increased to an estimated 993 and 1 983, respectively in 2013/14. In 2014/15, the interns and learnerships to be appointed is estimated to increase by 7.5 per cent to 1 067 and 43.7 per cent to 2 850, respectively. Over the 2014 MTEF, both increase to 1 109 and 3 086, respectively in 2016/17.

The number of days spent on training in 2010/11 was 900 and it is estimated to increase substantially to 5 242 in 2013/14. In 2014/15, the days spent on training is estimated to decrease by 27.2 per cent to 3 817 while over the 2014 MTEF it increases to 4 422 in 2016/17.

Annexures to the Overview of Provincial Revenue and Expenditure

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.1: Details of information on provincial own receipts

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
R'000										
Tax receipts	428 859	469 282	491 309	553 194	532 244	544 002	592 030	618 530	671 428	8.8
Casino taxes	85 533	112 949	97 412	98 360	99 360	97 409	104 102	115 688	121 357	6.9
Horse racing taxes	6 564	7 299	20 004	20 777	20 777	17 197	22 184	23 542	24 696	29.0
Liquor licences	4 798	2 507	5 109	5 936	4 936	5 666	6 292	6 606	6 930	11.0
Motor vehicle licences	331 964	346 527	368 784	428 121	407 171	423 730	459 452	472 694	518 446	8.4
Sales of goods and services other than capital assets	156 164	157 614	186 778	172 101	180 030	183 967	205 367	213 516	228 017	11.6
Sales of goods and services produced by department (excl. capital assets)	155 739	157 383	186 461	171 540	179 469	183 967	204 551	212 944	227 389	11.2
Sales by market establishments	9 104	9 907	10 791	11 929	11 907	17 600	13 523	13 820	14 507	(23.2)
Administrative fees	8 496	9 900	11 817	11 571	18 543	16 393	19 992	21 548	23 227	22.0
Other sales	138 139	137 576	163 853	148 040	149 019	149 974	171 036	177 576	189 655	14.0
Sales of scrap, waste, arms and other used current goods (excl. capital assets)	425	232	317	561	561	-	816	572	628	0.0
Transfers received from:	50	4 018	83 355	-	-	160	-	-	-	(100.0)
Other governmental units (Excl. Equitable share and conditional grants)	50	3 868	83 355	-	-	-	-	-	-	0.0
Higher education institutions	-	-	-	-	-	-	-	-	-	0.0
Foreign governments	-	-	-	-	-	-	-	-	-	0.0
International organisations	-	-	-	-	-	-	-	-	-	0.0
Public corporations and private enterprises	-	150	-	-	-	160	-	-	-	(100.0)
Households and non-profit institutions	-	-	-	-	-	-	-	-	-	0.0
Fines, penalties and forfeits	7 298	7 080	8 401	11 065	6 424	8 220	14 968	16 160	17 448	82.1
Interest, dividends and rent on land	97 353	112 122	213 381	76 563	78 126	197 576	83 721	92 567	97 955	(57.6)
Interest	95 395	111 811	213 381	76 563	78 126	197 576	82 007	90 690	95 924	(58.5)
Dividends	-	-	-	-	-	-	-	-	-	0.0
Rent on land	1 958	311	-	-	-	-	1 714	1 877	2 031	0.0
Sales of capital assets	8 493	3 284	2 517	413	113	10 180	119	123	129	(98.8)
Land and sub-soil assets	-	361	345	-	-	55	-	-	-	(100.0)
Other capital assets	8 493	2 923	2 172	413	113	10 125	119	123	129	(98.8)
Financial transactions in assets and liabilities	49 349	92 476	114 937	22 725	24 765	59 687	23 436	23 815	24 765	(60.7)
Total departmental own source receipts	747 565	845 876	1 100 678	836 061	821 702	1 003 792	919 640	964 711	1 039 742	(8.4)
Less:										
Departmental receipts not to be surrendered to the Provincial Revenue Fund [Amount to be financed from revenue collected ito s22(1) of the PFMA]	(371)	(4 784)	(1 583)	(340)	(340)	(642)	(351)	(367)	(386)	(45.4)
Total adjusted own source receipts	747 194	841 092	1 099 095	835 721	821 362	1 003 150	919 290	964 344	1 039 356	(8.4)

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.2: Details of information on conditional grants

Department/Grant	Purpose	2010/11				2011/12				2012/13				2013/14				2014/15	2015/16	2016/17
		Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Estimated Actual Payments	Medium Term	Expenditure	Estimates
Agriculture, Forestry and Fisheries		188 725	41 052	229 777	211 259	224 229	7 066	231 295	216 161	256 032	3 024	259 056	229 432	278 766	6 293	285 059	278 766	285 725	291 890	304 233
Agricultural Disaster Management Grant	To relief farmers from the effects of drought/veldfire, cold spell, hail storm and flood in identified areas	-	22 103	22 103	22 171	-	997	997	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive Agricultural Support Programme Grant	To create a favourable and supportive agricultural services environment for the farming community, in particular subsistence, emerging and commercial farmers.	160 004	17 141	177 145	160 760	174 985	240	175 225	166 531	197 209	1 044	198 253	175 529	219 055	4 571	223 626	219 055	228 810	233 323	233 975
Ilima/Letsema Projects Grant	The grant is aimed at assisting previously disadvantaged South African farming communities to achieve an increase in agricultural production.	20 000	951	20 951	19 579	40 000	5 000	45 000	40 401	42 000	1 980	43 980	38 891	43 845	1 722	45 567	43 845	46 062	47 700	58 853
Land Care Programme Grant: Poverty Relief and Infrastructure Development	Aims to further expand farm infrastructure for dipping, fencing, and rehabilitation of irrigation schemes where these could be viable.	8 721	857	9 578	8 749	9 244	829	10 073	9 229	16 823	-	16 823	15 012	15 866	-	15 866	15 866	10 853	10 867	11 405
Arts and Culture		67 663	-	67 663	48 126	95 474	34 037	129 511	92 135	78 058	9 634	87 692	65 702	72 492	10 019	82 511	72 492	109 418	145 694	154 431
Community Library Services Grant	provide direct access to information and knowledge, contributing to education and self-empowerment.	67 663	-	67 663	48 126	95 474	34 037	129 511	92 135	78 058	9 634	87 692	65 702	72 492	10 019	82 511	72 492	109 418	145 694	154 431
Basic Education		1 248 353	77 420	1 325 773	815 610	1 654 510	168 029	1 822 539	1 715 876	1 864 263	60 018	1 924 281	1 909 033	2 039 195	2 947	2 042 142	2 039 195	2 252 326	2 718 232	1 165 779
Dinaledi Schools Grant	To improve the quality of learner performance in Mathematics, Physical Science and First Additional Language English in line with action plan 2014	-	-	-	-	8 400	-	8 400	8 396	11 964	-	11 964	11 656	12 620	-	12 620	12 620	13 342	13 956	14 695
Education Infrastructure Grant	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in Education.	503 679	74 828	578 507	84 370	726 326	152 834	879 160	797 187	883 403	49 374	932 777	937 140	1 010 870	-	1 010 870	1 010 870	1 177 914	1 609 799	-
HIV and Aids (Life Skills Education) Grant	To provide for life skills training, sexuality and HIV and Aids education in primary and secondary schools.	32 189	2 592	34 781	28 487	34 346	6 294	40 640	36 601	35 252	3 434	38 686	38 417	34 895	-	34 895	34 895	37 023	37 753	40 530
National School Nutrition Programme Grant	Seeks to improve nutrition of poor school children, enhance active learning capacity and improve attendance in schools.	702 936	-	702 936	696 723	845 166	6 213	851 379	838 925	903 644	4 170	907 814	892 095	949 162	-	949 162	949 162	984 548	1 020 116	1 074 182
Technical Secondary Schools Recapitalisation Grant	To boost the number of industrial related apprenticeship and	9 549	-	9 549	6 030	40 272	2 688	42 960	34 767	30 000	3 040	33 040	29 725	31 648	2 947	34 595	31 648	32 928	34 541	36 372
OSD for Therapist Grant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 571	2 067	-
EPWP Integrated Grant for Provinces		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13 000	9 000	-
Social Development																		13 000	9 000	-
Substance Abuse Treatment Grant		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13 000	9 000	-

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.2: Details of information on conditional grants (continued)

Department/Grant	Purpose	2010/11				2011/12				2012/13				2013/14				2014/15	2015/16	2016/17
		Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Estimated Actual Payments	Medium Term	Expenditure Estimates	
Health		2 171 308	299 530	2 470 838	1 987 361	2 399 389	455 223	2 854 612	2 694 284	2 612 728	137 896	2 750 624	2 616 654	2 773 119	78 096	2 851 215	2 773 119	3 041 349	3 083 848	2 895 689
Comprehensive HIV and Aids Grant	Enables the health sector to develop a specific response to HIV and Aids. In addition to HIV and Aids prevention programmes, the grant supports specific interventions that include voluntary counselling and testing, prevention of mother-to-child transmission	691 940	67 187	759 127	700 216	864 173	51 300	915 473	906 236	1 060 852	8 285	1 069 137	1 040 502	1 273 296	26 080	1 299 376	1 273 296	1 449 237	1 602 290	1 802 013
Forensic Pathology Services Grant	Assists with the transfer of medico-legal mortuaries from the South African Police Service to the health sector and to provide comprehensive forensic pathology services for the criminal justice system.	69 345	7 237	76 582	63 070	73 506	13 512	87 018	84 690	-	-	-	-	-	-	-	-	-	-	-
Hospital Facility Revitalisation Grant of which	To help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in Health, including Health Technology, Organisational Systems and Quality Assurance.	692 442	103 258	795 700	447 301	682 312	327 756	1 010 068	885 501	676 201	105 346	781 547	1 576 152	562 792	6 264	569 056	562 792	599 231	442 930	-
Health infrastructure component		331 782	24 383	356 165	278 691	300 264	76 500	376 764	328 572	258 862	47 852	306 714	302 716	216 816	3 998	220 814	216 816	230 244	207 411	-
Hospital Revitalisation component		360 660	78 875	439 535	168 610	382 048	251 256	633 304	556 929	402 679	57 494	460 173	414 560	336 719	-	336 719	336 719	359 552	223 573	-
Nursing Colleges and Schools component		-	-	-	-	-	-	-	-	14 660	-	14 660	12 394	9 257	2 266	11 523	9 257	9 435	11 946	-
Health Professions Training and Development Grant	Funds the costs associated with the training of health professionals, and the development and recruitment of medical specialists	160 444	46 754	207 198	182 320	170 071	24 878	194 949	190 782	178 730	4 291	183 021	178 743	188 560	2 380	190 940	188 560	199 874	209 068	220 149
National Tertiary Services Grant	Plays a key role in transforming and modernising infrastructure and equipment in hospitals.	557 137	75 094	632 231	594 454	609 327	37 777	647 104	627 075	682 445	19 974	702 419	657 292	743 621	40 996	784 617	743 621	786 007	822 163	865 738
National Health Insurance Grant	aims to provide strategic funding to enable provinces to plan, modernise, and transform the tertiary hospital service delivery platform in line with national policy objectives.	-	-	-	-	-	-	-	-	11 500	-	11 500	8 094	4 850	2 376	7 226	4 850	7 000	7 397	7 789
World Cup Health Preparation Strategy Grant		-	-	-	-	-	-	-	-	3 000	-	3 000	2 353	-	-	-	-	-	-	-
Higher Education and Training		555 208	-	555 208	230 960	634 009	70 549	704 558	681 919	688 593	-	688 593	687 164	296 421	-	296 421	297 816	319 517	342 251	361 123
Further Education and Training College Sector Grant	To recapitalize FET colleges	555 208	-	555 208	230 960	634 009	70 549	704 558	681 919	688 593	-	688 593	687 164	296 421	-	296 421	297 816	319 517	342 251	361 123
Human Settlements		1 638 146	-	1 638 146	1 503 818	2 234 376	190 528	2 424 904	1 897 076	2 292 859	-	2 292 859	2 002 175	2 523 803	-	2 523 803	2 523 803	2 159 218	1 929 157	2 147 265
Housing Disaster Relief Grant		-	-	-	-	56 700	56 700	113 400	-	92 853	-	92 853	-	94 172	-	94 172	94 172	-	-	-
Human Settlements Development Grant	To provide funding for the creation of sustainable human settlements.	1 638 146	-	1 638 146	1 503 818	2 177 676	133 828	2 311 504	1 897 076	2 200 006	-	2 200 006	2 002 175	2 429 631	-	2 429 631	2 429 631	2 159 218	1 929 157	2 147 265

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.2: Details of information on conditional grants (continued)

Department/Grant	Purpose	2010/11				2011/12				2012/13				2013/14				2014/15	2015/16	2016/17
		Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Actual Payments	Amount Received	Provincial Roll overs	Total Available	Estimated Actual Payments	Medium Term Expenditure Estimates		
Public Works		215 904	74 110	290 014	279 342	224 386	62 890	287 276	248 440	280 640	4 473	285 113	282 894	129 305	-	129 305	125 884	111 258	-	-
Devolution of Property Rate Funds Grant to Provinces	To facilitate the transfer of property rates expenditure responsibility to provinces; and to enable provincial accounting officers to be fully accountable for their expenditure and payment of provincial property rates.	147 467	101 757	249 224	220 539	192 709	62 890	255 599	235 674	200 825	4 473	205 298	203 794	-	-	-	-	-	-	-
Expanded Public Works Programme Incentive Grant for Provinces	Provides incentives to provinces and municipalities to increase spending on labour-intensive programmes.	62 425	(27 647)	34 778	52 791	30 400	-	30 400	12 574	64 402	-	64 402	63 391	79 577	-	79 577	76 547	69 544	-	-
<i>Education</i>		-	-	-	500	-	-	-	-	1 000	-	1 000	973	3 000	-	3 000	2 100	3 115	-	-
<i>Health</i>		27 647	(27 647)	-	26 187	16 579	-	16 579	-	1 000	-	1 000	1 000	3 000	-	3 000	1 200	2 000	-	-
<i>Social Development</i>		5 074	-	5 074	5 064	-	-	-	-	-	-	-	-	-	-	-	-	2 000	-	-
<i>Roads And Public Works</i>		29 704	-	29 704	21 040	5 208	-	5 208	5 208	49 694	-	49 694	49 694	65 082	-	65 082	65 082	46 791	-	-
<i>Local Government & Trad. Affairs</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 000	-	-
<i>Rural Development & Agrarian Reform</i>		-	-	-	-	536	-	536	-	4 000	-	4 000	4 000	550	-	550	385	2 681	-	-
<i>Econ. Dev., Envir. Aff & Tour</i>		-	-	-	-	1 760	-	1 760	1 760	1 000	-	1 000	1 000	550	-	550	550	2 102	-	-
<i>Transport</i>		-	-	-	-	2 500	-	2 500	2 500	2 638	-	2 638	2 628	3 845	-	3 845	3 845	4 099	-	-
<i>Human Settlements</i>		-	-	-	-	711	-	711	711	-	-	-	-	3 000	-	3 000	3 000	2 654	-	-
<i>Sport, Recreation, Arts & Culture</i>		-	-	-	-	-	-	-	-	1 000	-	1 000	16	550	-	550	385	2 102	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces		6 012	-	6 012	6 012	1 277	-	1 277	192	15 413	-	15 413	15 709	49 728	-	49 728	49 337	41 714	-	-
<i>Education</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 580	-	-
<i>Health</i>		6 012	-	6 012	6 012	-	-	-	-	13 780	-	13 780	13 699	41 565	-	41 565	41 565	31 242	-	-
<i>Social Development</i>		-	-	-	-	5 606	-	5 606	5 606	6 708	-	6 708	6 708	6 862	-	6 862	6 862	2 580	-	-
<i>Sport, Recreation, Arts & Culture</i>		-	-	-	-	1 277	-	1 277	192	1 633	-	1 633	2 010	1 301	-	1 301	910	2 732	-	-
Sport and Recreation South Africa		75 838	-	75 838	70 431	63 570	1 400	64 970	59 652	65 472	1 765	67 237	59 318	61 334	7 536	68 870	61 334	64 895	67 816	71 206
Mass Participation and Sport Development Grant	Promotes mass participation by historically disadvantaged communities in a selected number of developmental sporting activities.	75 838	-	75 838	70 431	63 570	1 400	64 970	59 652	65 472	1 765	67 237	59 318	61 334	7 536	68 870	61 334	64 895	67 816	71 206
Transport		1 273 881	-	1 273 881	1 239 048	1 285 206	-	1 285 206	1 284 806	1 647 089	-	1 647 089	1 537 522	1 286 796	-	1 286 796	1 476 350	1 489 561	1 355 059	1 377 565
Overload Control Grant		5 390	-	5 390	5 390	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Roads Maintenance Grant		1 120 414	-	1 120 414	1 085 581	1 034 086	-	1 034 086	1 034 199	1 369 985	-	1 369 985	1 360 428	1 102 836	-	1 102 836	1 292 390	1 294 279	1 150 887	1 162 677
Public Transport Operations Grant	To provide supplementary funding towards public transport services provided by provincial departments of transport.	148 077	-	148 077	148 077	166 953	-	166 953	166 532	174 466	-	174 466	174 466	183 960	-	183 960	183 960	195 282	204 172	214 888
Transport Disaster Management Grant		-	-	-	-	81 667	-	81 667	81 575	100 000	-	100 000	-	-	-	-	-	-	-	-
National Treasury		54 425	15 091	69 516	53 391	-	16 125	16 125	14 675	-	-	-	-	-	-	-	-	-	-	-
Infrastructure Grant to Provinces (excl. Education, Health and Transport)	Augments provincial funding to accelerate construction, maintenance and rehabilitation of new and existing infrastructure in education, roads, health and agriculture, and also contributes to rural development.	54 425	15 091	69 516	53 391	-	16 125	16 125	14 675	-	-	-	-	-	-	-	-	-	-	-
Total National Conditional Grants		7 489 451	507 203	7 996 654	6 439 346	8 815 149	1 005 847	9 820 996	8 905 024	9 785 734	216 810	10 002 544	9 389 894	9 461 231	104 891	9 566 122	9 648 759	9 846 267	9 942 946	8 477 291

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.3: Details of information on provincial payments and estimates

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcomes			Main appropriati on	Adjusted appropriati on	Revised estimate	Medium-term estimates			
R'000										
Current payments	40 382 872	43 207 133	46 043 899	48 134 667	49 651 976	49 468 218	50 904 875	53 590 471	55 912 395	2.9
Compensation of employees	31 409 057	34 442 095	35 918 877	38 479 112	38 818 581	38 883 129	40 171 350	42 379 669	44 645 805	3.3
Salaries and wages	27 933 750	32 585 286	33 999 433	33 464 068	33 830 108	38 162 348	35 065 323	36 949 333	38 944 359	(8.1)
Social contributions	3 475 307	1 856 809	1 919 444	5 015 045	4 988 474	720 781	5 106 027	5 430 336	5 701 447	608.4
Goods and services	8 961 273	8 748 678	10 120 532	9 655 554	10 833 088	10 583 342	10 733 525	11 210 801	11 266 589	1.4
Administrative fees	9 702	18 703	7 646	9 747	16 561	12 947	8 962	7 629	9 084	(30.8)
Advertising	50 477	54 476	46 676	48 657	59 460	58 176	51 103	47 123	50 668	(12.2)
Assets less than the capitalisation threshold	147 958	109 383	107 228	123 714	250 796	153 982	127 309	154 841	162 139	(17.3)
Audit cost: External	90 159	115 562	117 963	117 091	119 853	125 574	138 875	143 210	150 748	10.6
Bursaries: Employees	118 449	58 336	73 232	29 177	27 632	72 179	90 862	105 710	113 009	25.9
Catering: Departmental activities	107 347	95 355	88 156	78 834	93 024	93 648	89 818	92 243	97 326	(4.1)
Communication (G&S)	322 786	281 155	288 624	259 364	238 650	239 482	240 220	256 055	264 747	0.3
Computer services	223 685	256 529	328 154	294 699	268 316	257 100	306 723	305 184	293 545	19.3
Consultants and professional services: Business and advisory services	394 277	478 240	417 384	455 480	406 575	346 571	367 136	345 946	363 401	5.9
Consultants and professional services: Infrastructure and planning	220 098	138 410	149 389	134 308	238 615	216 571	168 568	160 687	169 212	(22.2)
Consultants and professional services: Laboratory services	528 249	394 524	465 012	490 905	530 170	575 759	542 525	616 765	617 043	(5.8)
Consultants and professional services: Scientific and technological services	-	-	-	-	-	2 459	-	-	(0)	(100.0)
Consultants and professional services: Legal costs	63 571	89 884	122 778	65 938	96 978	103 588	86 063	64 194	67 405	(16.9)
Contractors	1 230 359	1 423 105	1 449 695	1 283 350	1 462 882	1 376 887	1 347 999	1 439 842	1 040 065	(2.1)
Agency and support / outsourced services	810 201	275 861	529 509	268 091	332 521	403 246	531 022	516 236	557 652	31.7
Entertainment	2 475	5 691	1 508	2 755	2 853	3 080	2 309	3 637	3 921	(25.0)
Fleet services (including government motor transport)	14 621	154 845	212 981	209 489	205 695	225 752	375 245	406 009	414 549	66.2
Housing	-	-	-	-	-	-	-	43	45	0.0
Inventory: Clothing material and accessories	-	-	-	861	53 101	29 578	16 440	17 791	18 046	(44.4)
Inventory: Farming supplies	-	8	25	-	74 125	76 571	148 009	156 700	162 003	93.3
Inventory: Food and food supplies	129 841	135 667	144 660	180 175	162 584	142 524	153 309	159 981	191 739	7.6
Inventory: Fuel, oil and gas	55 542	69 717	90 500	148 840	87 373	76 525	87 852	77 068	81 355	14.8
Inventory: Learner and teacher support material	274 021	223 451	417 612	114 649	748 495	610 809	854 987	919 005	968 642	40.0
Inventory: Materials and supplies	32 980	29 526	50 365	95 894	24 548	36 086	35 926	21 633	20 405	(0.4)
Inventory: Medical supplies	414 912	439 466	446 733	547 534	532 505	500 067	522 854	578 334	623 806	4.6
Inventory: Medicine	773 524	874 888	1 050 215	1 007 151	896 691	1 074 800	1 152 945	1 244 106	1 363 927	7.3
Medas inventory interface	-	-	11	-	-	-	-	-	(0)	0.0
Inventory: Other supplies	6 859	3 397	3 787	10 645	10 645	22 197	40 441	32 695	34 468	82.2
Consumable supplies	138 392	158 018	198 767	200 033	220 212	243 944	222 461	231 050	237 519	(8.8)
Consumable: Stationery, printing and office supplies	155 684	161 069	181 691	222 164	216 015	170 693	187 675	208 154	211 136	9.9
Operating leases	826 022	1 013 548	422 633	654 870	585 160	629 832	411 501	500 171	509 278	(34.7)
Property payments	543 580	532 090	1 146 829	1 119 617	1 313 662	1 232 585	915 665	924 578	913 411	(25.7)
Transport provided: Departmental activity	364 561	257 033	410 532	380 583	404 976	402 344	374 346	403 986	425 494	(7.0)
Travel and subsistence	616 612	542 969	764 072	569 910	678 864	725 013	684 222	594 760	639 757	(5.6)
Training and development	125 485	155 286	108 142	301 978	250 514	120 835	270 845	299 056	317 720	124.1
Operating payments	119 265	136 267	194 341	170 163	126 794	124 525	117 392	120 130	122 663	(5.7)
Venues and facilities	46 500	62 860	62 466	56 404	67 371	62 766	43 763	45 753	47 826	(30.3)
Rental and hiring	3 080	3 358	21 216	2 487	28 872	34 645	18 154	10 498	2 235	(47.6)
Interest and rent on land	12 542	16 360	4 489	-	307	1 748	-	-	-	(100.0)
Interest	12 218	16 355	4 489	-	-	1 397	-	-	-	(100.0)
Rent on land	324	5	-	-	307	351	-	-	-	(100.0)
Transfers and subsidies	5 699 022	7 008 457	6 930 074	7 803 401	8 052 114	7 938 830	7 441 802	7 290 957	7 769 733	(6.3)
Provinces and municipalities	584 162	279 780	261 042	89 585	512 641	443 177	305 363	297 124	312 637	(31.1)
Provinces	-	256	7	1	4	-	1	1	1	0.0
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	0.0
Provincial agencies and funds	-	256	7	1	4	-	1	1	1	0.0
Municipalities	584 162	279 524	261 035	89 584	512 637	443 177	305 362	297 123	312 636	(31.1)
Municipal bank accounts	416 721	52 176	69 883	89 584	314 794	245 334	96 359	79 173	83 134	(60.7)
Municipal agencies and funds	167 441	227 348	191 152	-	197 843	197 843	209 003	217 950	229 502	5.6
Departmental agencies and accounts	906 169	806 680	760 624	1 015 814	1 344 510	1 280 373	1 398 935	1 433 161	1 474 701	9.3
Social security funds	-	-	-	-	-	-	-	-	-	0.0
Departmental agencies (non-business entities)	906 169	806 680	760 624	1 015 814	1 344 510	1 280 373	1 398 935	1 433 161	1 474 701	9.3
Higher education institutions	128 335	115 764	70 475	22 440	31 540	30 440	30 791	20 998	22 100	1.2
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	0.0
Public corporations and private enterprises	267 695	292 749	366 264	445 103	447 518	519 949	469 733	472 072	497 051	(9.7)
Public corporations	53 201	61 429	70 574	102 088	102 188	175 980	113 741	98 053	103 348	(35.4)
Subsidies on products and production (pc)	-	-	-	-	-	-	-	-	-	0.0
Other transfers to public corporations	53 201	61 429	70 574	102 088	102 188	175 980	113 741	98 053	103 348	(35.4)
Private enterprises	214 494	231 320	295 690	343 015	345 330	343 969	355 992	374 019	393 703	3.5
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-	0.0
Other transfers to private enterprises	214 494	231 320	295 690	343 015	345 330	343 969	355 992	374 019	393 703	3.5
Non-profit institutions	1 979 184	3 146 612	2 915 564	3 325 690	2 694 280	2 742 410	2 676 590	2 774 456	2 933 959	(2.4)
Households	1 833 477	2 366 872	2 556 106	2 904 769	3 021 625	2 922 481	2 560 390	2 293 146	2 529 285	(12.4)
Social benefits	3 507	4 461	5 343	4 942	8 155	211 877	6 722	4 717	4 956	(96.8)
Other transfers to households	1 829 970	2 362 411	2 550 763	2 899 827	3 013 470	2 710 604	2 553 668	2 288 429	2 524 329	(5.8)

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.3: Details of information on provincial payments and estimates (continued)

	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcomes			Main appropriati on	Adjusted appropriati on	Revised estimate	Medium-term estimates			
R'000										
Payments for capital assets	2 241 632	3 483 874	3 044 517	3 319 808	3 671 808	3 532 413	3 774 527	3 602 898	2 295 832	6.9
Buildings and other fixed structures	1 949 920	2 673 899	2 408 541	2 572 755	2 712 118	2 599 300	2 895 532	2 797 927	1 419 539	11.4
Buildings	856 612	1 101 877	1 215 409	835 677	784 512	809 791	1 257 604	961 656	732 068	55.3
Other fixed structures	1 093 308	1 572 022	1 193 132	1 737 078	1 927 606	1 789 509	1 637 929	1 836 271	687 471	(8.5)
Machinery and equipment	273 675	790 072	617 777	719 024	934 462	907 323	859 298	783 598	855 607	(5.3)
Transport equipment	6 167	369 561	84 759	275 165	237 218	215 373	403 680	396 550	446 446	87.4
Other machinery and equipment	267 508	420 511	533 018	443 859	697 244	691 950	455 617	387 049	409 160	(34.2)
Heritage assets	-	-	-	-	170	170	600	-	-	252.9
Specialised military assets	-	-	-	-	-	-	-	-	-	0.0
Biological assets	-	646	3 741	5 441	5 031	5 031	5 709	5 810	4 285	13.5
Land and sub-soil assets	-	-	4 517	-	-	-	-	-	-	0.0
Software and other intangible assets	18 037	19 257	9 940	22 588	20 027	20 589	13 388	15 562	16 401	(35.0)
Payments for financial assets	10 455	39 578	137 312	300	-	287	20 000	20 000	20 000	6868.6
Total economic classification	48 333 981	53 739 042	56 155 801	59 258 177	61 375 899	60 939 748	62 141 204	64 504 326	65 997 960	2.0
Less:										
<i>Departmental receipts not to be surrendered to the Provincial Revenue</i>										
<i>Fund [Amount to be financed from revenue collected to s22(1) of the PFMA]</i>	<i>(371)</i>	<i>(4 784)</i>	<i>(1 583)</i>	<i>(340)</i>	<i>(340)</i>	<i>(642)</i>	<i>(351)</i>	<i>(367)</i>	<i>(386)</i>	<i>(45.4)</i>
Total adjusted economic classification	48 333 610	53 734 258	56 154 218	59 257 837	61 375 559	60 939 106	62 140 853	64 503 959	65 997 573	2.0

Table A.4(a): Details of payments by functional area

Function	Category	Department	Programme
General public services	Executive and legislative	Office of the Premier	Administration Institutional Building & Transformation Policy and Governance Executive Support Services
		Provincial Legislature	Administration Facilities for Members and Political Parties Parliamentary Services Direct Charge
	Financial and fiscal affairs	Provincial Planning & Treasury	Administration Sustainable Resource Management Asset and Liabilities Management Financial Governance
	General services	Roads & Public Works	Administration Public Works Infrastructure Roads Infrastructure Expanded Public Works Programme
		Local Government & Traditional Affairs	Administration Local Governance Development And Planning Traditional Institutional Management
Public order and safety	Police services	Safety & Liaison	Administration Civilian Oversight Crime Prevention And Community Police Relations
Economic Affairs	General economic affairs	Economic Development, Environmental Affairs & Tourism	Administration Economic Development and Tourism
	Agriculture	Rural Development & Agrarian Reform	Administration Sustainable Resource Management Farmer Support And Development Veterinary Services Research And Technology Development Agricultural Economics Services Structured Agricultural Education and Training Rural Development Coordination
	Transport	Transport	Administration Transport Operations Transport Regulation Community Based Programme
		Roads & Public Works	Transport Infrastructure
Environmental Protection	Environmental protection	Economic Development, Environmental Affairs & Tourism	Environmental Affairs
Housing and community amenities	Housing development	Housing	Administration Housing Needs, Research and Planning Housing Development Housing Asset Management

Table A.4(a): Details of payments by functional area (continued)

Function	Category	Department	Programme
Health	Outpatient services	Health	District Health Services
			Emergency Medical Services
	Research & Development		Health Sciences and Training
	Hospital services		Provincial Hospitals Services
			Central Hospital Services
Recreation, culture and religion	General	Sport, recreation, arts & culture	Health Care Support Services
			Administration
			Health Facilities Management
	Recreational & sporting services		Sports And Recreation
	Cultural services		Cultural Affairs
Education		Education	Library And Archives Services
	General		Administration
	Pre-primary		Early Childhood Development
	Primary & secondary		Public Ordinary School Education
			Independent School Subsidies
Social protection		Social Development	Public Special School Education
			Further Education and Training
	Subsidiary service to education		Administration
			Infrastructure Development
	Education not definable by level		Auxiliary and Associated Services
Social protection	Social security services	Social Development	Adult Basic Education and Training
			Administration
			Social Security
			Social Assistance
			Social Welfare Services
Social protection		Social Development	Social Development
			Population Development
			Management Services

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.4(b): Details of payments by functional area

Policy area	2009/10	2010/11	2011/12	2012/13			2013/14	2014/15	2015/16	% change
	Audited			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			from 2013/14
R'000										
GENERAL PUBLIC SERVICES	2 977 264	3 030 984	3 345 503	3 547 122	3 921 193	3 839 096	3 807 517	3 825 096	4 024 907	(0.8)
Executive and Legislature	686 090	761 076	801 656	867 640	911 109	904 294	902 830	913 729	964 873	(0.2)
Office of the Premier	392 621	400 819	394 616	458 109	458 859	452 906	467 203	476 963	502 684	3.2
Provincial Legislature	293 469	360 257	407 040	409 531	452 250	451 388	435 627	436 766	462 189	(3.5)
Financial and fiscal services	247 450	283 987	322 106	374 872	352 498	341 971	377 779	387 783	408 732	10.5
Provincial Planning & Treasury	247 450	283 987	322 106	374 872	352 498	341 971	377 779	387 783	408 732	10.5
General services	2 043 724	1 985 921	2 221 741	2 304 610	2 657 586	2 592 831	2 526 908	2 523 584	2 651 302	(2.5)
Public Works	1 268 645	1 246 978	1 433 513	1 463 741	1 602 093	1 590 182	1 650 712	1 647 922	1 728 341	3.8
Local Government & Traditional Affairs	775 079	738 943	788 228	840 869	1 055 493	1 002 649	876 196	875 661	922 961	(12.6)
PUBLIC ORDER AND SAFETY	52 635	57 980	62 207	69 979	75 568	75 612	78 941	77 915	82 123	4.4
Police services	52 635	57 980	62 207	69 979	75 568	75 612	78 941	77 915	82 123	4.4
Safety & Liaison	52 635	57 980	62 207	69 979	75 568	75 612	78 941	77 915	82 123	4.4
ECONOMIC AFFAIRS	5 381 884	5 881 202	5 980 599	6 233 008	6 746 963	6 699 066	7 089 382	6 966 394	7 272 501	5.8
General economic affairs	600 833	667 196	540 775	779 589	1 095 014	1 093 964	1 139 460	1 223 273	1 275 782	4.2
Economic Development, Environmental Affairs & Tourism	600 833	667 196	540 775	779 589	1 095 014	1 093 964	1 139 460	1 223 273	1 275 782	4.2
Agriculture	1 535 246	1 484 433	1 617 094	1 714 488	1 742 781	1 742 781	1 867 163	1 859 443	1 945 366	7.1
Rural Development & Agrarian Reform	1 535 246	1 484 433	1 617 094	1 714 488	1 742 781	1 742 781	1 867 163	1 859 443	1 945 366	7.1
Transport	1 315 591	1 582 911	1 452 471	1 532 362	1 569 443	1 532 770	1 708 027	1 600 525	1 686 490	11.4
Transport	1 315 591	1 582 911	1 452 471	1 532 362	1 569 443	1 532 770	1 708 027	1 600 525	1 686 490	11.4
Roads and Public Works	1 930 214	2 146 662	2 370 259	2 206 569	2 339 725	2 329 551	2 374 732	2 283 153	2 364 863	1.9
Transport Infrastructure	1 930 214	2 146 662	2 370 259	2 206 569	2 339 725	2 329 551	2 374 732	2 283 153	2 364 863	1.9
ENVIRONMENTAL PROTECTION	223 646	218 455	266 632	291 269	293 113	292 096	304 899	302 675	316 279	4.4
Environmental Protection	223 646	218 455	266 632	291 269	293 113	292 096	304 899	302 675	316 279	4.4
Economic Development, Environmental Affairs & Tourism	223 646	218 455	266 632	291 269	293 113	292 096	304 899	302 675	316 279	4.4
HOUSING AND COMMUNITY AMENITIES	1 727 782	2 143 154	2 279 064	2 830 080	2 830 080	2 680 385	2 487 602	2 262 111	2 498 209	(7.2)
Housing Development	1 727 782	2 143 154	2 279 064	2 830 080	2 830 080	2 680 385	2 487 602	2 262 111	2 498 209	(7.2)
Human Settlements	1 727 782	2 143 154	2 279 064	2 830 080	2 830 080	2 680 385	2 487 602	2 262 111	2 498 209	(7.2)
HEALTH	13 272 828	14 892 282	15 602 512	16 584 328	17 183 546	17 062 410	17 509 012	18 234 588	18 892 969	2.6
Outpatient services	7 143 935	7 929 854	8 573 154	9 033 371	9 498 162	9 343 114	9 472 492	10 020 220	10 544 587	1.4
Research & development	594 133	605 824	579 964	744 878	714 297	694 730	770 384	791 359	839 186	10.9
Hospital services	4 142 636	4 566 076	4 720 495	5 125 743	5 299 168	5 275 587	5 430 952	5 703 053	5 996 602	2.9
General	1 392 124	1 790 528	1 728 899	1 680 336	1 671 920	1 748 980	1 835 184	1 719 956	1 512 594	4.9
RECREATION, CULTURE AND RELIGION	557 159	649 017	647 479	715 108	742 712	718 237	769 929	817 136	861 782	7.2
Recreational and sporting services	126 634	137 784	156 998	169 122	175 698	172 910	174 299	177 838	186 979	0.8
Cultural services	122 284	143 283	154 000	173 840	172 681	171 836	174 990	178 809	188 264	1.8
General	308 241	367 950	336 481	372 146	394 333	373 491	420 640	460 490	486 539	12.6
EDUCATION	22 576 929	25 174 117	26 220 593	26 972 078	27 538 882	27 538 884	27 934 964	29 755 897	29 674 668	1.4
Pre-primary	338 333	365 451	363 356	446 469	453 808	438 658	558 513	699 134	736 887	27.3
Primary & secondary	19 696 797	21 514 552	22 237 465	22 548 322	22 720 204	22 910 068	23 240 213	24 396 258	25 721 265	1.4
Subsidiary services to education	1 896 510	2 051 219	2 278 907	2 315 897	2 329 514	2 311 599	2 505 303	2 634 256	2 777 483	8.4
Education not definable by level	645 289	1 242 895	1 340 865	1 661 390	2 035 356	1 878 559	1 630 934	2 026 250	439 034	(13.2)
SOCIAL PROTECTION	1 563 854	1 691 851	1 751 212	2 015 205	2 043 842	2 033 962	2 158 958	2 262 514	2 374 521	6.1
Social security services	968 570	1 101 133	1 155 889	1 367 653	1 392 142	1 384 940	1 477 413	1 526 204	1 603 558	6.7
Development and research	173 261	254 431	227 866	258 143	257 999	247 751	289 306	314 457	324 096	16.8
General	422 023	336 287	367 457	389 409	393 701	401 271	392 239	421 853	446 867	(2.3)
TOTAL - All Functions	48 333 981	53 739 042	56 155 801	59 258 177	61 375 899	60 939 748	62 141 204	64 504 325	65 997 960	2.0

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.5: Details of transfers to local government

Municipality	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	% change from 2013/14
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
R'000										
Category A	208 966	100 932	83 175	10 851	100 899	88 316	95 020	97 938	103 129	7.6
Buffalo City	29 123	50 432	26 550	5 014	39 310	31 479	36 013	37 470	39 456	14.4
Nelson Mandela	179 843	50 500	56 625	5 837	61 589	56 837	59 007	60 468	63 673	3.8
Category B	223 756	138 303	153 547	52 571	375 191	326 985	176 104	168 405	177 383	(48.8)
Camdeboo	4 245	5 279	5 425	1 714	5 714	5 714	5 893	6 076	6 406	3.1
Blue Crane Route	8 267	1 598	4 016	2 314	3 814	3 814	3 893	3 957	4 175	2.1
Ikwezi	1 452	509	696	734	2 684	2 418	2 337	2 427	2 544	(3.3)
Makana	11 574	11 104	13 081	3 985	11 744	11 744	12 179	12 547	13 212	3.7
Ndlambe	2 159	1 701	4 332	2 854	4 514	4 514	4 602	4 674	4 929	1.9
Sunday's River Valley	1 817	2 160	5 167	1 507	4 207	3 050	3 830	3 935	4 125	25.6
Baviaans	1 459	512	255	220	1 020	1 020	1 205	1 183	1 246	18.1
Kouga	1 329	2 056	3 738	2 014	3 564	3 564	3 651	3 724	3 922	2.4
Koukamma	7 784	450	1 948	1 049	2 249	2 249	2 311	2 361	2 494	2.7
Mbhashe	4 758	1 592	361	467	1 015	1 015	1 341	1 360	1 421	32.1
Mnquma	7 767	3 317	230	162	3 809	3 809	3 963	4 130	4 356	4.0
Great Kei	2 118	328	545	527	814	814	825	832	883	1.3
Amahlathi	6 779	2 844	2 291	1 273	2 658	2 658	3 030	2 738	2 891	14.0
Ngqushwa	6 330	3 112	3 890	391	3 524	3 520	3 856	4 005	4 199	9.6
Nkonkobe	6 034	6 551	12 467	1 151	8 903	8 353	8 756	9 099	9 562	4.8
Nxuba	1 528	3 247	813	639	989	989	1 004	1 013	1 075	1.4
Inxuba Yethemba	15 756	5 059	6 658	2 627	6 741	6 741	6 966	7 155	7 542	3.3
Tsolwana	211	187	557	556	777	777	784	788	837	0.9
Inkwanca	1 291	1 174	1 223	534	2 250	1 716	1 818	1 876	1 975	5.9
Lukhanji	9 753	13 038	7 714	4 267	8 187	8 187	8 402	8 581	9 043	2.6
Intsika Yethu	6 123	1 202	2 126	146	2 346	2 346	2 573	2 678	2 820	9.7
Emalahleni	1 582	440	1 369	920	1 521	1 521	1 550	1 571	1 662	1.9
Engcobo	6 659	828	1 146	938	1 232	644	1 248	1 262	1 311	93.9
Sakhisizwe	2 171	575	839	486	1 331	1 331	1 373	1 406	1 489	3.1
Elundini	5 157	7 285	880	701	8 895	8 239	9 374	9 698	10 212	13.8
Senqu	3 789	472	1 205	1 345	1 543	343	1 734	1 418	1 494	405.6
Maletswai	4 905	1 263	912	2 267	2 635	1 931	1 093	1 110	1 169	(43.4)
Gariep	4 261	1 069	4 347	3 764	3 968	3 968	2 530	2 581	2 725	(36.2)
Ngquza Hill	6 625	2 649	2 062	886	3 659	3 659	2 690	2 534	2 660	(26.5)
Port St. Johns	3 290	1 487	3 982	2 472	4 372	4 372	3 190	1 750	1 850	(27.0)
Nyandeni	3 307	907	1 988	300	869	869	901	928	977	3.7
Mhlontlo	8 539	5 331	4 923	175	1 064	949	1 109	1 151	1 212	16.8
King Sabata Dalindyebo	46 236	42 574	37 941	4 831	245 121	202 821	44 316	45 176	47 578	(78.2)
Matatiele	5 383	2 505	1 331	480	7 184	6 896	15 595	7 017	7 397	0.7
Umtzimvubu	6 221	888	9 421	1 303	5 963	5 963	908	795	857	(84.8)
Mbizana	2 920	1 349	1 664	323	1 663	1 457	2 115	2 187	2 310	45.1
Ntabankulu	4 177	669	1 006	2 242	2 641	2 439	3 157	2 682	2 824	29.5
Category C	141 932	40 078	24 314	24 613	35 001	26 326	18 705	6 296	6 589	(29.0)
Cacadu District	39 994	8 835	-	6 339	4 609	4 609	730	-	-	(84.2)
Amatole District	31 978	1 928	2 463	4 241	7 241	6 777	5 311	3 311	3 486	(21.6)
Chris Hani District	23 016	9 115	1 500	4 635	8 986	4 156	4 850	-	-	16.7
Joe Gqabi District	28 851	4 361	5 425	2 286	2 286	1 969	1 316	355	333	(33.2)
O.R. Tambo District	10 621	9 768	10 646	4 209	8 758	6 722	4 285	2 097	2 208	(36.2)
Alfred Nzo District	7 472	6 071	4 280	2 903	3 121	2 093	2 212	534	563	5.7
Unallocated	9 508	212	6	1 550	1 550	1 550	15 535	24 485	25 536	902.3
Total transfers to municipalities	584 162	279 525	261 042	89 585	512 641	443 177	305 363	297 124	312 637	(33.0)

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.6: Details of provincial payments and estimates by municipal boundary

R' 000	Audited			Main appropriatio	Adjusted appropriatio	Revised estimate	Medium-term estimates			% change from
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	2013/14
Category A	12 245 744	11 722 667	14 136 689	12 160 883	12 188 173	12 906 531	13 562 082	14 216 696	14 885 819	5.1
Nelson Mandela Metro	5 406 035	3 057 623	5 689 317	6 119 615	6 124 734	6 336 671	6 663 080	6 985 010	7 314 151	5.2
Buffalo City Metro	6 839 709	8 665 044	8 447 371	6 041 268	6 063 439	6 569 860	6 899 002	7 231 685	7 571 667	5.0
Category B	21 281 822	25 562 998	22 497 756	25 213 632	25 734 858	26 047 457	26 099 122	27 391 137	27 037 572	0.2
Amahlathi	168 819	250 450	189 164	258 448	261 815	259 205	270 599	281 627	292 295	(20.7)
Baviaans	721	1 366	2 800	7 338	7 338	6 796	7 225	7 544	7 950	11.0
Blue Crane Route	5 695	2 886	2 588	3 382	3 381	2 967	3 120	3 256	3 437	6.4
Camdeboo	491 679	625 922	537 033	576 812	577 161	590 998	615 685	645 823	676 795	(17.3)
Elundini	628 627	763 557	679 977	750 000	750 000	770 898	810 901	852 215	895 251	57.3
Emalahleni	617 998	742 572	654 659	720 044	741 050	769 780	809 513	850 654	893 332	8.2
Engcobo	910 501	1 051 366	952 535	1 074 908	1 088 942	1 083 064	1 139 056	1 197 070	1 257 261	12.8
Gariep	36 305	112 009	33 597	31 017	30 017	31 480	31 380	32 750	34 148	(80.2)
Great Kei	2 938	71 975	2 059	4 072	4 072	4 138	4 352	4 566	4 819	6.4
Ikwezi	1 876	1 518	588	992	2 492	2 492	2 107	2 200	2 306	(15.4)
Inqquza	546 349	637 720	670 982	2 033 010	2 056 094	520 030	542 488	563 890	584 273	7.4
Inkwanca	3 122	81 408	1 472	2 842	3 342	3 416	3 077	3 232	3 405	(89.0)
Intsika Yethu	904 749	1 023 140	907 960	1 097 922	1 127 162	1 345 269	1 416 363	1 490 661	1 568 378	12.8
Inxuba Yethemba	437 910	550 767	473 046	507 995	508 677	527 657	544 502	571 565	599 495	5.6
King Sabata Dalindyebo	2 623 684	3 076 499	2 993 308	3 427 371	3 653 836	3 704 998	3 356 067	3 512 731	3 494 490	(106.1)
Kouga	151 322	1 082 609	213 913	294 697	294 697	289 302	302 221	314 736	326 887	12.8
Koukamma	5 244	86 674	16 622	2 533	2 533	2 865	3 011	3 148	3 324	6.4
Lukhanji	1 242 050	1 486 506	1 402 147	1 537 616	1 544 128	1 566 655	1 643 445	1 721 198	1 800 175	8.2
Makana	708 852	453 040	352 325	350 912	351 769	412 790	435 099	458 522	483 274	11.0
Maletswai	118 459	145 966	155 450	156 226	156 226	155 794	162 501	168 942	175 087	(87.2)
Mataele	171 572	254 399	182 143	202 780	207 280	205 868	215 128	223 427	231 631	19.2
Mbhashe	1 243 270	1 414 010	1 294 235	1 435 670	1 452 786	1 854 214	1 941 730	2 042 916	2 148 595	11.2
Mbizana	1 008 149	1 216 565	1 092 259	1 164 313	1 182 088	1 130 956	1 068 436	1 126 095	1 186 896	(2.7)
Mhlonito	1 008 924	1 177 819	1 085 920	1 195 847	1 217 415	1 197 092	1 258 085	1 320 986	1 385 898	(87.2)
Mnquma	1 396 661	1 630 486	1 513 327	1 640 881	1 660 188	1 634 100	1 372 515	1 441 288	1 512 348	(45.2)
Ndlambe	3 640	74 656	4 465	1 689	1 689	1 689	1 772	1 840	1 945	1.0
Ngqushwa	28 152	119 182	51 708	8 080	10 857	20 509	21 555	22 673	23 865	2.7
Nkonkobe	828 250	1 003 244	918 232	1 001 923	1 003 186	1 016 796	1 067 851	1 120 043	1 173 614	12.8
Ntabankulu	695 472	707 488	606 364	59 519	69 481	193 813	204 189	214 933	226 303	112.8
Nxuba	3 638	71 628	1 727	1 768	1 768	1 768	1 856	1 927	2 036	2.8
Nyandeni	1 893 237	1 573 061	1 936 204	2 163 372	2 190 556	3 167 312	3 099 193	3 260 274	1 917 260	4.3
Port St Johns	6 002	73 034	4 716	27 146	36 596	34 269	34 660	34 921	36 811	(31.9)
Qaukeni	1 321 079	1 455 268	1 306 773	162	162	162	622	405	418	284.0
Sakizizwe	122 832	134 394	142 807	149 471	150 593	153 986	160 815	167 411	173 817	8.2
Senqu	780 942	953 937	851 218	935 967	952 132	951 339	1 000 493	1 050 826	1 103 292	137.0
Sundays River Valley	3 397	82 640	2 653	7 778	8 277	8 290	8 197	8 601	9 044	(47.8)
Tsolwana	7 320	308	1 911	7 619	8 435	9 793	5 311	5 583	5 891	(46.4)
Umzimkhulu	134	-	-	-	-	-	-	-	-	-
Umzimvubu	1 152 251	1 372 931	1 258 867	2 371 511	2 416 637	2 414 910	2 534 002	2 660 660	2 791 528	(87.1)
Unallocated	-	-	-	-	-	-	-	-	-	-
Category C	5 491 549	6 242 116	6 316 403	6 685 365	6 751 030	6 704 968	7 102 159	7 156 900	7 517 081	5.9
Alfred Nzo	375 855	448 906	540 664	502 863	510 466	509 477	354 990	370 219	399 259	17.8
Amathole	1 443 033	1 594 175	1 755 864	1 919 819	1 925 088	1 922 734	2 056 735	2 043 123	2 111 087	1.2
Cacadu	949 517	1 012 930	1 047 757	1 133 640	1 141 451	1 139 345	1 196 698	1 250 394	1 321 738	85.8
Chris Hani	587 541	633 102	737 806	864 436	869 681	867 790	935 044	979 557	1 034 247	16.3
OR Tambo	772 543	906 568	1 005 877	907 314	905 606	904 131	978 778	1 025 311	1 082 484	40.8
Joe Gqabi	449 855	583 911	493 952	527 197	531 561	530 990	590 727	614 663	644 991	21.1
Unallocated	913 205	1 062 524	734 484	830 095	867 176	830 503	989 187	873 633	923 275	25.2
Whole Province	9 263 885	10 155 188	13 145 352	15 130 860	16 628 845	15 207 752	15 302 130	15 659 169	16 472 658	23.6
Total payments and estimates	48 333 981	53 739 042	56 155 801	59 258 177	61 375 899	60 939 748	62 141 204	64 504 326	65 997 960	2.0
Less:										
<i>Departmental receipts not to be surrendered to the Provincial Revenue Fund [Amount to be financed from revenue collected ito s22(1) of the PFMA]</i>	<i>(371)</i>	<i>(4 784)</i>	<i>(1 583)</i>	<i>(340)</i>	<i>(340)</i>	<i>(642)</i>	<i>(351)</i>	<i>(367)</i>	<i>(386)</i>	<i>(45.4)</i>
Adjusted Total	48 333 610	53 734 258	56 154 218	59 257 837	61 375 559	60 939 106	62 140 853	64 503 959	65 997 574	2.0

Table A.7: Summary of school allocations**Norms and Standards for School Funding**

Per Quintile Allocation for 2014/15 Financial Year				
Quintile	No. Of Schools	Enrolment	Total	Funding Norm
1	1 956	590 177	625 137 447	1 059
2	1 672	349 372	370 720 590	1 059
3	1 708	673 324	713 233 614	1 059
4	83	50 934	27 024 329	530
5	133	79 895	14 679 558	183
Grand Total	5 552	1 743 702	1 750 795 538	

Financial Management Status Allocations for 2014/15 Financial Year				% Share	
Status	No. Of Schools	Enrolment	Budget	Per School	Per Enrolment
Section 20	156	73 817	76 481 907	2.8%	4.2%
Section 21	5 396	1 669 885	1 674 313 631	97.2%	95.8%
Grand Total	5 552	1 743 702	1 750 795 538		

District Allocations for 2014/15 Financial Year						
District	2013/14 Main Allocations	2013/14 Adjusted Allocations	2013/14 Revised Allocations	2014/15 Allocations	2015/16 Allocations	2016/17 Allocations
BUTTERWORTH	67 701 502	67 701 502	67 012 792	77 183 460	81 351 367	85 744 341
COFIMVABA	47 752 860	47 752 860	47 267 083	54 038 802	56 956 897	60 032 570
CRADOCK	19 670 341	19 670 341	19 470 240	22 336 848	23 543 038	24 814 362
DUTYWA	76 343 333	76 343 333	75 566 712	88 502 973	93 282 134	98 319 369
EAST LONDON	86 878 241	86 878 241	85 994 451	101 040 612	106 496 805	112 247 633
FORT BEAUFORT	30 424 978	30 424 978	30 115 473	34 740 763	36 616 764	38 594 069
GRAAFF-REINET	21 013 257	21 013 257	20 799 495	23 862 282	25 150 845	26 508 991
GRAHAMSTOWN	21 772 287	21 772 287	21 550 803	24 980 981	26 329 954	27 751 771
KING WILLIAMS TOWN	77 865 154	77 865 154	77 073 052	89 620 477	94 459 983	99 560 822
LADY FRERE	32 033 580	32 033 580	31 707 711	36 912 197	38 905 456	41 006 350
LIBODE	149 899 856	149 899 856	148 374 964	169 491 418	178 643 955	188 290 728
LUSIKISIKI	140 173 250	140 173 250	138 747 304	154 110 975	162 432 968	171 204 348
MALUTI	58 491 231	58 491 231	57 896 215	68 215 744	71 899 394	75 781 961
MBIZANA	100 426 552	100 426 552	99 404 939	113 351 124	119 472 085	125 923 577
MT FLETCHER	38 591 967	38 591 967	38 199 381	43 680 767	46 039 528	48 525 663
MT FRERE	62 504 318	62 504 318	61 868 478	69 268 161	73 008 642	76 951 108
MTHATA	113 013 944	113 013 944	111 864 283	131 878 042	138 999 456	146 505 427
NGCOBO	56 821 576	56 821 576	56 243 545	66 019 756	69 584 823	73 342 403
PORT ELIZABETH	116 669 258	116 669 258	115 482 412	136 438 377	143 806 049	151 571 576
QUEENSTOWN	43 973 607	43 973 607	43 526 275	49 930 829	52 627 094	55 468 957
QUMBU	55 468 675	55 468 675	54 904 407	66 890 976	70 503 089	74 310 255
STERKSPRUIT	48 961 094	48 961 094	48 463 026	55 653 333	58 658 613	61 826 178
UITENHAGE	61 488 468	61 488 468	60 862 962	72 646 641	76 569 560	80 704 316
Grand Total	1 527 939 329	1 527 939 329	1 512 396 000	1 750 795 538	1 845 338 497	1 944 986 776

* Details of allocations per school are available on a separate publication with all statutory transfers from the Province of the Eastern Cape.

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A 8(a): Hospital Budget format - Summary of hospitals

Hospital budget summary									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Receipts	3 479 875	3 101 488	3 968 340	4 355 685	4 355 685	4 355 685	4 524 901	4 761 813	4 761 813
Transfer receipts from national	3 479 875	3 101 488	3 968 340	4 355 685	4 355 685	4 355 685	4 524 901	4 761 813	4 761 813
Equitable share	2 818 374	3 101 488	3 176 108	3 409 512	3 409 512	3 409 512	3 531 798	3 727 306	3 727 306
Conditional grants	661 501	0	792 232	946 173	946 173	946 173	993 103	1034 507	1034 507
Comprehensive HIV and Aids Grant	69 654	0	118 271	104 531	104 531	104 531	107 668	110 896	110 896
Health Infrastructure Grant	0	5309	65	0	0	0	0	0	0
Health Professions Training and Development Grant	25 531	35 744.00	44 247	140 010	140 010	140 010	144 209	148 534	148 534
Hospital Revitalisation Grant	11 827	30 197.00	16 328	14 800	14 800	14 800	15 244	15 701	15 701
National Health Insurance Grant	0	0.00	0	0	0	0	0	0	0
National Tertiary Services Grant	554 489	595 995.00	613 321	686 832	686 832	686 832	725 982	759 375	759 375
Nursing Colleges and Schools Grant	0	0	0	0	0	0	0	0	0
Funds from Provincial Own Revenue	0	0	0	0	0	0	0	0	0
Total receipts	3 479 875	3 101 488	3 968 340	4 355 685	4 355 685	4 355 685	4 524 901	4 761 813	4 761 813
Payments	2 521 224	2 823 567	2 886 305	3 282 113	3 282 113	3 282 113	3 391 035	3 571 535	3 571 535
Current payments	2 521 224	2 823 567	2 886 305	3 282 113	3 282 113	3 282 113	3 391 035	3 571 535	3 571 535
Compensation of employees	2 520 712	2 823 196	2 886 119	3 282 113	3 282 113	3 282 113	3 391 035	3 571 535	3 571 535
Goods and services	0	0	0	0	0	0	0	0	0
of which ¹									
Consultants and professional services	169 294	173 991	162 805	134 263	134 263	134 263	189 191	205 062	207 000
Contractors	23 138	#VALUE!	9 153	23 568	23 568	23 568	2 783	3 059	3 058
Agency & support/outsourced services	29 661	34 372	30 621	43 905	43 905	43 905	33 176	34 170	34 170
Medical supplies	257 554	298 362	283 363	254 017	254 017	254 017	353 083	369 286	372 474
Medicine	105 814	140 882	135 951	101 078	101 078	101 078	195 334	200 768	202 291
Other (Specify) ²	269 612	303 151	339 456	386 746	386 746	386 746	379 705	404 986	398 338
Interest and rent on land	512	371	186	0	0	0	0	0	0
Transfers and subsidies to:	13 384	9 944	49 561	41 213	41 213	41 213	32 465	34 762	34 762
Municipalities	0	0	0	0	0	0	0	0	0
Departmental agencies and accounts	0	0	0	0	0	0	0	0	0
Higher education institutions	0	0	0	0	0	0	0	0	0
Foreign governments and international organisations	0	0	0	0	0	0	0	0	0
Public corporations and private enterprises	0	0	0	0	0	0	0	0	0
Non-profit institutions	0	0	0	0	0	0	0	0	0
Households	13 384	9 944	49 561	41 213	41 213	41 213	32 465	34 762	34 762
Payments for capital assets	90 198	116 720	71 125	88 782	88 782	88 782	93 305	97 695	97 695
Buildings and other fixed structures	21 271	11 423	8 547	0	0	0	0	0	0
Machinery and equipment	68 927	105 297	62 578	88 782	88 782	88 782	93 305	97 695	97 695
Heritage assets	0	0	0	0	0	0	0	0	0
Specialised military assets	0	0	0	0	0	0	0	0	0
Biological assets	0	0	0	0	0	0	0	0	0
Land and sub-soil assets	0	0	0	0	0	0	0	0	0
Software and other intangible assets	0	0	0	0	0	0	0	0	0
Payments for financial assets	0	0	0	0	0	0	0	0	0
Unallocated contingency reserve	0	0	0	0	0	0	0	0	0
Total Payments	2 624 806	2 950 231	3 006 991	3 412 108	3 412 108	3 412 108	3 516 805	3 703 992	3 703 992
Surplus/(deficit) before financing	855 069	151 257	961 349	943 577	943 577	943 577	1 008 096	1 057 821	1 057 821
Financing	0	0	0	0	0	0	0	0	0
Roll-overs	0	0	0	0	0	0	0	0	0
Other (Specify)	0	0	0	0	0	0	0	0	0
Surplus/(deficit) after financing	855 069	151 257	961 349	943 577	943 577	943 577	1 008 096	1 057 821	1 057 821

Notes:

¹ Definitions are available in the SCOA as well as in the 2013 Budget formats guide

² If the department wants to indicate any other relevant level 4 items not listed above

Table A 8(b): Hospital Budget format - Summary of personnel numbers and costs

Summary of personnel numbers and costs							
Personnel numbers	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Professional							
Medical Practitioners	817	817	817	817	817	817	817
Medical Specialists	68	68	68	68	68	68	68
Total doctors	885	885	885	885	885	885	885
Professional Nurses	2638	2638	2638	2638	2638	2638	2638
Nursing assistants and pupil nurses	1548	1548	1548	1548	1548	1548	1548
Student nurses	0	0	0	0	0	0	0
Total Nurses	4186	4186	4186	4186	4186	4186	4186
Dentists, dental therapy, oral hygiene	19	19	19	19	19	19	19
Ambulance personnel	0	0	0	0	0	0	0
Pharmacists	120	120	120	120	120	120	120
Pharmacy assistants	49	49	49	49	49	49	49
Radiographers	216	216	216	216	216	216	216
Dieticians	86	86	86	86	86	86	86
Environmental health	0	0	0	0	0	0	0
Health sciences, medical technicians and	7	7	7	7	7	7	7
Occupational therapists	52	52	52	52	52	52	52
Optometrists	5	5	5	5	5	5	5
Physiotherapists	61	61	61	61	61	61	61
Psychologists	38	38	38	38	38	38	38
Speech and hearing therapists	33	33	33	33	33	33	33
Administrative							
Levels: 13 - >	5	5	5	5	5	5	5
Levels: 11- 12	513	513	513	513	513	513	513
Levels: 10 - <	4349	4559	4559	4559	4559	4559	4559
Total hospital personnel numbers	10624	10834	10834	10834	10834	10834	10834
Total personnel cost (R thousand)	0	0	0	0	0	0	0
Unit cost (R thousand)	0	0	0	0	0	0	0

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE – EASTERN CAPE TREASURY 2014

Table A.8(a)1: Summary of hospital budgets – EAST LONDON HOSPITAL COMPLEX

NAME of HOSPITAL: EAST LONDON HOSPITAL COMPLEX										TYPE:
Hospital budget summary										
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
	2010/11	2011/12	2012/13		2013/14		2014/15	2015/16	2016/17	
Receipts										
Transfer receipts from national	1 101 415	1 203 098	1 229 367	1 369 415	1 369 415	1 369 415	1 408 419	1 482 304	1 482 304	2.85
Equitable share	879 905	931 443	974 938	1 070 985	1 070 985	1 070 985	1 094 854	1 155 461	1 155 461	2.23
Conditional grants	221 510	271 655	254 429	298 430	298 430	298 430	313 565	326 843	326 843	5.07
Comprehensive HIV and Aids Grant	19 423	49 372	31 388	31 662	31 662	31 662	32 612	33 590	33 590	3.00
Health Infrastructure Grant	0	-	-	0	0	0	0	0	0	
Health Professions Training and Development Grant	9 838	9 039	14 680	37 824	37 824	37 824	38 959	40 127	40 127	3.00
Hospital Revitalisation Grant	0	-	-	0	0	0	0	0	0	
National Health Insurance Grant	0	-	-	0	0	0	0	0	0	
National Tertiary Services Grant	192 249	213 244	208 361	228 944	228 944	228 944	241 994	253 125	253 125	5.70
Nursing Colleges and Schools Grant										
Funds from Provincial Own Revenue										
Total receipts	1 101 415	1 203 098	1 229 367	1 369 415	1 369 415	1 369 415	1 408 419	1 482 304	1 482 304	2.85
Payments										
Current payments	1 081 040	1 172 532	1 193 827	1 332 783	1 332 783	1 332 783	1 373 000	1 445 002	1 445 002	3.02
Compensation of employees	813 446	890 098	904 581	1 059 153	1 059 153	1 059 153	1 080 620	1 138 242	1 138 242	2.03
Goods and services	267 594	282 220	289 066	273 630	273 630	273 630	292 380	306 760	306 760	6.85
of which ¹										
Consultants and professional services	48 954	48 560	55 746	42 665	42 665	42 665	62 750	64 633	66 571	47.08
Contractors	4 623	7 698	62	975	975	975	875	956	956	(10.26)
Agency & support/outsourced services	10 657	9 785	12 219	9 335	9 335	9 335				(100.00)
Medical supplies	88 208	90 497	88 832	89 813	89 813	89 813	103 156	106 251	109 438	14.86
Medicine	32 908	40 821	35 494	35 868	35 868	35 868	49 256	50 734	52 256	37.33
Other (Specify) ²	82 244	84 859	96 713	94 974	94 974	94 974	76 343	84 187	77 539	(19.62)
Interest and rent on land		214	180							
Transfers and subsidies to:	3 218	2 166	10 607	10 500	10 500	10 500	8 197	8 817	8 817	(2193)
Municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	3 218	2 166	10 607	10 500	10 500	10 500	8 197	8 817	8 817	(2193)
Payments for capital assets	17 157	28 400	24 933	26 132	26 132	26 132	27 222	28 485	28 485	4.17
Buildings and other fixed structures	6 421	0								
Machinery and equipment	10 736	28 400	24 933	26 132	26 132	26 132	27 222	28 485	28 485	4.17
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Unallocated contingency reserve										
Total Payments	1 101 415	1 203 098	1 229 367	1 369 415	1 369 415	1 369 415	1 408 419	1 482 304	1 482 304	2.85
Surplus/(deficit) before financing	0	0	0	0	0	0	(0)	(0)	(0)	
Financing										
Roll-overs										
Other (Specify)										
Surplus/(deficit) after financing	0	0	0	0	0	0	(0)	(0)	(0)	

Notes:

¹ Definitions are available in the SCOA as well as in the 2013 Budget formats guide

² If the department wants to indicate any other relevant level 4 items not listed above

Table A.8(b)1: Summary of hospital personnel numbers and costs – EAST LONDON HOSPITAL COMPLEX

Summary of personnel numbers and costs							
Personnel numbers	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Professional							
Medical Practitioners	333	333	333	333	333	333	333
Medical Specialists	28	28	28	28	28	28	28
Total doctors	361	361	361	361	361	361	361
Professional Nurses	867	867	867	867	867	867	867
Nursing assistants and pupil nurses	452	452	452	452	452	452	452
Student nurses							
Total Nurses	1319	1319	1319	1319	1319	1319	1319
Dentists, dental therapy, oral hygiene	10	10	10	10	10	10	10
Ambulance personnel							
Pharmacists	31	31	31	31	31	31	31
Pharmacy assistants	19	19	19	19	19	19	19
Radiographers	80	80	80	80	80	80	80
Dieticians	65	65	65	65	65	65	65
Environmental health							
Health sciences, medical technicians and	7	7	7	7	7	7	7
Occupational therapists	19	19	19	19	19	19	19
Optometrists	1	1	1	1	1	1	1
Physiotherapists	19	19	19	19	19	19	19
Psychologists	26	26	26	26	26	26	26
Speech and hearing therapists	8	8	8	8	8	8	8
Administrative							
Levels: 13 - >							
Levels: 11- 12							
Levels: 10 - <	1417	1417	1417	1417	1417	1417	1417
Total hospital personnel numbers	3382	3382	3382	3382	3382	3382	3382
Total personnel cost (R thousand)							
Unit cost (R thousand)	0	0	0	0	0	0	0

Table A.8(a)2: Summary of hospital budgets – PORT ELIZABETH HOSPITAL COMPLEX

NAME of HOSPITAL: PORT ELIZABETH HOSPITAL COMPLEX				TYPE:					
Hospital budget summary									
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Receipts	1 239 149	1 382 697	1 350 306	1 329 878	1 329 878	1 329 878	1 395 976	1 469 487	1 469 487
Transfer receipts from national	970 688	1090 570	1076 452	1043 528	1043 528	1043 528	1094 854	1 155 461	1 155 461
Equitable share									
Conditional grants	268 461	292 127	273 854	286 350	286 350	286 350	301 122	314 026	314 026
Comprehensive HIV and Aids Grant	24 622	65 337	30 411	23 226	23 226	23 226	23 923	24 640	24 640
Health Infrastructure Grant	0	-	65	0	0	0	0	0	0
Health Professions Training and Development Grant	6 715	9 197	15 295	34 180	34 180	34 180	35 205	36 261	36 261
Hospital Revitalisation Grant	0	726	2 320	0	0	0	0	0	0
National Health Insurance Grant	0	-	-	0	0	0	0	0	0
National Tertiary Services Grant	237 124	216 867	225 763	228 944	228 944	228 944	241 994	253 125	253 125
Nursing Colleges and Schools Grant									
Funds from Provincial Own Revenue									
Total receipts	1 239 149	1 382 697	1 350 306	1 329 878	1 329 878	1 329 878	1 395 976	1 469 487	1 469 487
Payments	1 180 950	1 343 237	1 311 588	1 291 671	1 291 671	1 291 671	1 360 414	1 431 108	1 431 108
Current payments	1 180 950	1 343 237	1 311 588	1 291 671	1 291 671	1 291 671	1 360 414	1 431 108	1 431 108
Compensation of employees	854 867	957 122	953 947	1013 709	1013 709	1013 709	1062 067	1 119 038	1 119 038
Goods and services	325 571	386 043	357 641	277 962	277 962	277 962	298 347	312 070	312 070
of which									
Consultants and professional services	75 233	80 847	58 614	35 336	35 336	35 336	63 000	68 170	68 170
Contractors	10 351	15 110	7 000	12 562	12 562	12 562	454	454	454
Agency & support/outsource services	2 971	2 583	1 090	16 588	16 588	16 588	16 588	17 085	17 085
Medical supplies	109 238	130 144	124 697	89 046	89 046	89 046	137 586	146 895	146 895
Medicine	44 433	60 287	60 836	26 545	26 545	26 545	67 630	69 122	69 122
Other (Specify)	83 345	97 072	105 404	97 885	97 885	97 885	92 677	95 599	95 599
Interest and rent on land	512	72	-	-	-	-	-	-	-
Transfers and subsidies to:	4 094	4 964	10 585	11 600	11 600	11 600	7 887	9 435	9 435
Municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	4 094	4 964	10 585	11 600	11 600	11 600	7 887	9 435	9 435
Payments for capital assets	54 105	34 496	28 133	26 607	26 607	26 607	27 675	28 944	28 944
Buildings and other fixed structures	14 850	11 423	8 547	-	-	-	-	-	-
Machinery and equipment	39 255	23 073	19 586	26 607	26 607	26 607	27 675	28 944	28 944
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Unallocated contingency reserve									
Total Payments	1 239 149	1 382 697	1 350 306	1 329 878	1 329 878	1 329 878	1 395 976	1 469 487	1 469 487
Surplus/(deficit) before financing	0	0	0	0	0	0	0	0	0
Financing									
Roll-overs									
Other (Specify)									
Surplus/(deficit) after financing	0	0	0	0	0	0	0	0	0

Notes:

¹ Definitions are available in the SCOAs as well as in the 2013 Budget formats guide² If the department wants to indicate any other relevant level 4 items not listed above

Table A.8(b)2: Summary of hospital personnel numbers and costs – PORT ELIZABETH HOSPITAL COMPLEX

Summary of personnel numbers and costs							
Personnel numbers	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Professional							
Medical Practitioners	231	231	231	231	231	231	231
Medical Specialists	20	20	20	20	20	20	20
Total doctors	251	251	251	251	251	251	251
Professional Nurses	883	883	883	883	883	883	883
Nursing assistants and pupil nurses	366	366	366	366	366	366	366
Student nurses							
Total Nurses	1249	1249	1249	1249	1249	1249	1249
Dentists, dental therapy, oral hygiene	5	5	5	5	5	5	5
Ambulance personnel							
Pharmacists	66	66	66	66	66	66	66
Pharmacy assistants	11	11	11	11	11	11	11
Radiographers	110	110	110	110	110	110	110
Dieticians	16	16	16	16	16	16	16
Environmental health							
Health sciences, medical technicians and researchers							
Occupational therapists	18	18	18	18	18	18	18
Optometrists	2	2	2	2	2	2	2
Physiotherapists	27	27	27	27	27	27	27
Psychologists	10	10	10	10	10	10	10
Speech and hearing therapists	17	17	17	17	17	17	17
Administrative							
Levels: 13 - >	2	2	2	2	2	2	2
Levels: 11- 12	10	10	10	10	10	10	10
Levels: 10 - <	1736	1736	1736	1736	1736	1736	1736
Total hospital personnel numbers	3530	3530	3530	3530	3530	3530	3530
Total personnel cost (R thousand)							
Unit cost (R thousand)	0	0	0	0	0	0	0

Table A.8(a)3: Summary of hospital budgets – MTHATHA HOSPITAL COMPLEX

NAME of HOSPITAL: MTHATHA HOSPITAL COMPLEX				TYPE:						
Hospital budget summary										
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
R thousand	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17	
Receipts	820 203	954 553	958 804				1 203 854	1 266 229	1 266 229	
Transfer receipts from national	670 602	737 097	724 696	863 848	863 848	863 848	882 947	931 824	931 824	2.95
Equitable share	149 601	217 456	234 108	305 559	305 559	305 559	320 907	334 405	334 405	2.21
Conditional grants	15 507	412 19	40 639	27 566	27 566	27 566	28 393	29 244	29 244	5.02
Comprehensive HIV and Aids Grant	-	-	-	0	0	0	0	0	0	3.00
Health Infrastructure Grant	8 978	10 353	14 272	49 049	49 049	49 049	50 520	52 036	52 036	
Health Professions Training and Development	-	-	-	0	0	0	0	0	0	3.00
Hospital Revitalisation Grant	-	-	-	0	0	0	0	0	0	
National Health Insurance Grant	125 116	165 884	179 197	228 944	228 944	228 944	241 994	253 125	253 125	5.70
National Tertiary Services Grant										
Nursing Colleges and Schools Grant										
Funds from Provincial Own Revenue										
Total receipts	820 203	954 553	958 804	1 169 407	1 169 407	1 169 407	1 203 854	1 266 229	1 266 229	2.95
Payments	801 279	927 696	937 896	1 130 562	1 130 562	1 130 562	1 167 181	1 228 585	1 228 585	
Current payments	602 872	686 689	719 626	856 695	856 695	856 695	873 688	919 797	919 797	3.24
Compensation of employees	198 407	240 955	218 264	273 867	273 867	273 867	293 493	308 788	308 788	1.98
Goods and services										7.17
of which										
Consultants and professional services	34 593	35 336	37 150	39 000	39 000	39 000	49 000	57 170	57 170	25.64
Contractors	6 906	8 636	843	8 293	8 293	8 293	454	454	454	(94.52)
Agency & support/outsource services	15 912	21 489	15 240	16 588	16 588	16 588	16 588	17 085	17 085	
Medical supplies	47 296	64 471	53 634	55 384	55 384	55 384	93 125	96 258	96 258	68.14
Medicine	18 948	27 905	26 731	27 620	27 620	27 620	67 630	69 122	69 122	144.86
Other (Specify)	74 752	83 118	84 666	126 982	126 982	126 982	132 284	142 954	142 954	4.18
Interest and rent on land		52	6							
Transfers and subsidies to:	5 157	2 062	9 626	9 272	9 272	9 272	5 887	5 435	5 435	(36.51)
Municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	5 157	2 062	9 626	9 272	9 272	9 272	5 887	5 435	5 435	(36.51)
Payments for capital assets	13 767	24 795	11 282	29 573	29 573	29 573	30 786	32 209	32 209	4.10
Buildings and other fixed structures										
Machinery and equipment	13 767	24 795	11 282	29 573	29 573	29 573	30 786	32 209	32 209	4.10
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
Unallocated contingency reserve										
Total Payments	820 203	954 553	958 804	1 169 407	1 169 407	1 169 407	1 203 854	1 266 229	1 266 229	2.95
Surplus/(deficit) before financing	0	0	0	0	0	0	0	0	0	
Financing										
Roll-overs										
Other (Specify)										
Surplus/(deficit) after financing	0	0	0	0	0	0	0	0	0	

Notes:

¹ Definitions are available in the SCOA as well as in the 2013 Budget formats guide² If the department wants to indicate any other relevant level 4 items not listed above

Table A.8(b)3: Summary of hospital personnel numbers and costs – MTHATHA HOSPITAL COMPLEX

Summary of personnel numbers and costs							
Personnel numbers	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Professional							
Medical Practitioners	188	188	188	188	188	188	188
Medical Specialists	15	15	15	15	15	15	15
Total doctors	203	203	203	203	203	203	203
Professional Nurses	592	592	592	592	592	592	592
Nursing assistants and pupil nurses	496	496	496	496	496	496	496
Student nurses							
Total Nurses	1088	1088	1088	1088	1088	1088	1088
Dentists, dental therapy, oral hygiene	4	4	4	4	4	4	4
Ambulance personnel							
Pharmacists	16	16	16	16	16	16	16
Pharmacy assistants	15	15	15	15	15	15	15
Radiographers	21	21	21	21	21	21	21
Dieticians	3	3	3	3	3	3	3
Environmental health							
Health sciences, medical technicians and researchers							
Occupational therapists	12	12	12	12	12	12	12
Optometrists	1	1	1	1	1	1	1
Physiotherapists	14	14	14	14	14	14	14
Psychologists	2	2	2	2	2	2	2
Speech and hearing therapists	6	6	6	6	6	6	6
Administrative							
Levels: 13 - >	2	2	2	2	2	2	2
Levels: 11 - 12	501	501	501	501	501	501	501
Levels: 10 - <	586	796	796	796	796	796	796
Total hospital personnel numbers	2474	2684	2684	2684	2684	2684	2684
Total personnel cost (R thousand)							
Unit cost (R thousand)	0	0	0	0	0	0	0

Table A.8(a)4: Summary of hospital budgets – FRONTIER GENERAL HOSPITAL

NAME OF HOSPITAL: FRONTIER GENERAL HOSPITAL				TYPE:					
Hospital budget summary									
	Outcome			Main appropriati on	Adjusted appropria tion	Revised estimate	Medium-term estimates		
R thousand	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Receipts	0								
Transfer receipts from national	176 874	224 831	230 965	257 417	257 417	257 417	272 963	287 080	287 080
Equitable share	165 414	186 279	214 107	219 426	219 426	219 426	233 832	246 776	246 776
Conditional grants	11460	38 552	16 858	37 991	37 991	37 991	39 131	40 304	40 304
Comprehensive HIV and Aids Grant	5 985	9 081	11806	15 502	15 502	15 502	15 967	16 446	16 446
Health Infrastructure Grant	0	-		0	0	0	0	0	
Health Professions Training and Development Grant	0	-		11989	11989	11989	12 349	12 719	12 719
Hospital Revitalisation Grant	5 475	29 471	5 052	10 500	10 500	10 500	10 815	11 139	11 139
National Health Insurance Grant									
National Tertiary Services Grant									
Nursing Colleges and Schools Grant									
Funds from Provincial Own Revenue									
Total receipts	176 874	224 831	230 965	257 417	257 417	257 417	272 963	287 080	287 080
Payments									
Current payments	173 816	197 481	226 430	248 497	248 497	248 497	263 707	276 228	276 228
Compensation of employees	137 846	157 305	169 933	186 825	186 825	186 825	198 374	208 743	208 743
Goods and services	35 970	40 171	56 497	61672	61672	61672	65 333	67 485	67 485
of which ¹									
Consultants and professional services	5 972	5 120	6 143	9 902	9 902	9 902	6 985	7 236	7 236
Contractors	696	516	475	538	538	538	426	569	569
Agency & support/outsource services	4	484	0	1224	1224	1224			
Medical supplies	7 792	7 540	10 031	11274	11274	11274	9 653	10 071	10 071
Medicine	5 957	7 002	8 295	4 872	4 872	4 872	6 596	7 190	7 190
Other (Specify) ²	15 553	19 504	31553	33 862	33 862	33 862	41673	42 419	42 419
Interest and rent on land		5							
Transfers and subsidies to:	373	448	2 827	3 350	3 350	3 350	3 572	3 770	3 770
Municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households	373	448	2 827	3 350	3 350	3 350	3 572	3 770	3 770
Payments for capital assets	2 685	26 902	1 708	5 570	5 570	5 570	5 684	7 082	7 082
Buildings and other fixed structures									
Machinery and equipment	2 685	26 902	1708	5 570	5 570	5 570	5 684	7 082	7 082
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
Payments for financial assets									
Unallocated contingency reserve									
Total Payments	176 874	224 831	230 965	257 417	257 417	257 417	272 963	287 080	287 080
Surplus/(deficit) before financing	0	0	0	0	0	0	0	0	0
Financing									
Roll-overs									
Other (Specify)									
Surplus/(deficit) after financing	0	0	0	0	0	0	0	0	0

Notes:

¹ Definitions are available in the SCOA as well as in the 2013 Budget formats guide² If the department wants to indicate any other relevant level 4 items not listed above

Table A.8(b)4: Summary of hospital personnel numbers and costs – FRONTIER HOSPITAL

Summary of personnel numbers and costs							
Personnel numbers	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Professional							
Medical Practitioners	44	44	44	44	44	44	44
Medical Specialists	5	5	5	5	5	5	5
Total doctors	49	49	49	49	49	49	49
Professional Nurses	162	162	162	162	162	162	162
Nursing assistants and pupil nurses	108	108	108	108	108	108	108
Student nurses							
Total Nurses	270	270	270	270	270	270	270
Dentists, dental therapy, oral hygiene							
Ambulance personnel							
Pharmacists	5	5	5	5	5	5	5
Pharmacy assistants	3	3	3	3	3	3	3
Radiographers	4	4	4	4	4	4	4
Dieticians	2	2	2	2	2	2	2
Environmental health							
Health sciences, medical technicians and researchers							
Occupational therapists	2	2	2	2	2	2	2
Optometrists							
Physiotherapists							
Psychologists							
Speech and hearing therapists	2	2	2	2	2	2	2
Administrative							
Levels: 13 - >	1	1	1	1	1	1	1
Levels: 11- 12	1	1	1	1	1	1	1
Levels: 10 - <	254	254	254	254	254	254	254
Total hospital personnel numbers	593	593	593	593	593	593	593
Total personnel cost (R thousand)							
Unit cost (R thousand)	0	0	0	0	0	0	0

Table A.8(a)5: Summary of hospital budgets – ST ELIZABETH GENERAL HOSPITAL

NAME of HOSPITAL: ST ELIZABETH GENERAL HOSPITAL				TYPE:						
Hospital budget summary										
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
R thousand	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17	
Receipts	0									
Transfer receipts from national	142 234	168 563	198 898	229 568	229 568	229 568	243 689	256 713	256 713	6.15
Equitable share	131 765	156 099	185 915	211 725	211 725	211 725	225 311	237 784	237 784	6.42
Conditional grants	10 469	12 464	12 983	17 843	17 843	17 843	18 378	18 929	18 929	3.00
Comprehensive HIV and Aids Grant	4 117	-	4 027	6 575	6 575	6 575	6 773	6 976	6 976	3.01
Health Infrastructure Grant	-	5 309	-	0	0	-	0	0	-	-
Health Professions Training and Development Grant	-	7 155	-	6 968	6 968	6 968	7 176	7 391	7 391	2.99
Hospital Revitalisation Grant	6 352	-	8 956	4 300	4 300	4 300	4 429	4 562	4 562	3.00
National Health Insurance Grant	-	-	-	-	-	-	-	-	-	-
National Tertiary Services Grant	-	-	-	-	-	-	-	-	-	-
Nursing Colleges and Schools Grant	-	-	-	-	-	-	-	-	-	-
Funds from Provincial Own Revenue	-	-	-	-	-	-	-	-	-	-
Total receipts	142 234	168 563	198 898	229 568	229 568	229 568	243 689	256 713	256 713	6.15
Payments										
Current payments	139 208	166 132	177 913	222 177	222 177	222 177	234 829	248 433	248 433	5.69
Compensation of employees	111 681	131 982	138 032	165 731	165 731	165 731	176 286	185 715	185 715	6.37
Goods and services	27 527	34 122	39 881	56 446	56 446	56 446	58 543	62 718	62 718	3.72
of which ¹										
Consultants and professional services	4 542	4 128	5 152	7 360	7 360	7 360	7 456	7 853	7 853	1.30
Contractors	562	788	773	1200	1200	1200	574	625	625	(52.18)
Agency & support/outsource services	117	31	2 072	170	170	170	-	-	-	(100.00)
Medical supplies	5 020	5 710	6 169	8 500	8 500	8 500	9 563	9 811	9 811	12.51
Medicine	3 568	4 867	4 595	6 173	6 173	6 173	4 221	4 601	4 601	(3162)
Other (Specify) ²	13 718	18 598	21 120	33 043	33 043	33 043	36 729	39 827	39 827	11.15
Interest and rent on land	-	28	-	-	-	-	-	-	-	-
Transfers and subsidies to:	542	304	15 916	6 491	6 491	6 491	6 922	7 305	7 305	6.64
Municipalities	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-
Households	542	304	15 916	6 491	6 491	6 491	6 922	7 305	7 305	6.64
Payments for capital assets	2 484	2 127	5 069	900	900	900	1 938	975	975	115.33
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 484	2 127	5 069	900	900	900	1 938	975	975	115.33
Heritage assets	-	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets										
Unallocated contingency reserve										
Total Payments	142 234	168 563	198 898	229 568	229 568	229 568	243 689	256 713	256 713	6.15
Surplus/(deficit) before financing	0	0	0	0	0	0	0	0	0	
Financing										
Roll-overs	-	-	-	-	-	-	-	-	-	-
Other (Specify)	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	0	0	0	0	0	0	0	0	0	

Notes:

¹ Definitions are available in the SCOA as well as in the 2013 Budget formats guide² If the department wants to indicate any other relevant level 4 items not listed above

Table A.8(b)5: Summary of hospital personnel numbers and costs – ST ELIZABETH GENERAL HOSPITAL**Summary of personnel numbers and costs**

Personnel numbers	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016
Professional							
Medical Practitioners	21	21	21	21	21	21	21
Medical Specialists	0	0	0	0	0	0	0
Total doctors	21	21	21	21	21	21	21
Professional Nurses	134	134	134	134	134	134	134
Nursing assistants and pupil nurses	126	126	126	126	126	126	126
Student nurses							
Total Nurses	260	260	260	260	260	260	260
Dentists, dental therapy, oral hygiene							
Ambulance personnel							
Pharmacists	2	2	2	2	2	2	2
Pharmacy assistants	1	1	1	1	1	1	1
Radiographers	1	1	1	1	1	1	1
Dieticians							
Environmental health							
Health sciences, medical technicians and researchers							
Occupational therapists	1	1	1	1	1	1	1
Optometrists	1	1	1	1	1	1	1
Physiotherapists	1	1	1	1	1	1	1
Psychologists							
Speech and hearing therapists							
Administrative							
Levels: 13 - >							
Levels: 11- 12	1	1	1	1	1	1	1
Levels: 10 - <	356	356	356	356	356	356	356
Total hospital personnel numbers	645	645	645	645	645	645	645
Total personnel cost (R thousand)							
Unit cost (R thousand)	0	0	0	0	0	0	0