

Estimates of Provincial Revenue & Expenditure

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Overview of Provincial Revenue and Expenditure

Foreword to the overview of Provincial Revenue and Expenditure for the 2014 MTEF

The global economy has put strain on the domestic economy and this is evidenced by the widening trade deficit that has resulted in weaker global demand for South African exports, investment uncertainty, volatile capital flows and currency and commodity prices. There are also domestic factors that are a cause of concern to our own domestic economy; these include strikes in the mining and other sectors, the balance between electricity supply and demand and infrastructure bottlenecks. All of these factors outlined present serious pressure on the national and provincial fiscal framework.

The proposed 2014 MTEF allocations are informed and linked to broad government policies; in particular the National Development Plan (NDP) which sets a broad framework for inclusive growth based on a more competitive economy, a capable developmental state and improved livelihoods of all South Africans. Furthermore, the proposed allocations strive to translate the key objectives of the draft 2014-2019 Medium Term Strategic Framework (MTSF) as well as the Provincial Growth and Development Strategy (FSGDS). The allocations also cater for broad integrations between the respective departments, the identified twelve outcomes as well as budgetary implications incidental thereto. Therefore, the 2014 MTEF proposed allocations, though constrained by the provincial revenue envelope, are positioned to respond directly to the objectives of government policies and priorities.

As much as the provincial government has placed emphasis on aligning resources to broad government priorities, it will remain imperative for the provincial government to continue to implement appropriate austerity measures aimed at ensuring effective, efficient and economic use of available resources.

All departments and entities must continue to focus on key government priorities that are designed to yield better economic growth prospects, employment creation as well as better living conditions for our citizenry. Consequently, commitment to cost saving measures and the reprioritization of the budget to front line services will also be enhanced throughout the 2014 MTEF. The provincial government will also continue with its efforts to restructure the provincial budget with the intent to unlock funds to further promote key government priorities and to allocate funding with the purpose of stimulating economic growth and employment opportunities.



EC ROCKMAN
MEC FOR FINANCE: FREE STATE PROVINCE

1. Socio-Economic Outlook of the Free State Province

This section provides an overview or a snapshot of provincial demographic profile and the most recent key socio-economic developments that intends to give a more realistic picture of economic and social conditions in the province, and forms the backdrop of the 2014 Provincial Government Medium Term Budget. A selection of these key socio-economic and developmental indicators (including population indicators, education, health, poverty and welfare) are used to illustrate the social realities within the province, and inform provincial government's planning towards enhanced growth and improved development outcomes. Furthermore, these characteristics of a provincial population have great influence in determining a large proportion of equitable share allocations amongst the provinces.

1.1 The Free State Demographic Profile

The population of Free State has increased by more than 6 thousand people since the 2011 census (Stats SA, 2013). According to mid-year population estimates from Statistics South Africa, the Free State Province had a population of 2.75 million people in 2013. The life expectancy of males in Free State for the period 2006 - 2011, is 6.7 percent higher than females in the same period. The female population is higher than the male population in all race groups, except in the Indian/Asian population where males are more than females. Approximately 51 percent of Free State population is females. The biggest age group in the Free State is people between the age of 15 and 19, with 280 958 teenagers (both males and females) and the smallest age group being pensioners (15 679 – both males and females). Most citizens in the country are residing in Gauteng and KwaZulu-Natal.

The average annual change in the population can be as a result of a surplus (or deficit) of births over deaths and the balance of migrants entering and leaving the country. The rate may be positive or negative. The growth rate is a factor in determining how great a burden would be imposed on a province by the changing needs of its people for infrastructure (e.g schools, hospitals, housing, roads), resources (e.g. food, water, electricity), and jobs.

Table 1.1.1: Population size and distribution between regions

Province	Census 1996	Census 2001	Census 2011	Population estimates 2013	% Change 1996-2013	% Change 2001-2013	% Change 2011-2013	2013 Share of population
Eastern Cape	6 147 244.00	6 278 651.00	6 562 053.00	6 620 100.00	7.7	5.4	0.9	12.5
Free State	2 633 504.00	2 706 775.00	2 745 590.00	2 753 200.00	4.5	1.7	0.3	5.2
Gauteng	7 834 125.00	9 388 854.00	12 272 263.00	12 728 400.00	62.5	35.6	3.7	24
KwaZulu-Natal	8 572 302.00	9 584 129.00	10 267 300.00	10 456 900.00	22	9.1	1.8	19.7
Limpopo	4 576 566.00	4 995 462.00	5 404 868.00	5 518 000.00	20.6	10.5	2.1	10.4
Mpumalanga	3 123 869.00	3 365 554.00	4 039 939.00	4 128 000.00	32.1	22.7	2.2	7.8
North West	2 727 223.00	2 984 098.00	3 509 953.00	3 597 600.00	31.9	20.6	2.5	6.8
Northern Cape	1 011 864.00	991 919.00	1 145 861.00	1 162 900.00	14.9	17.2	1.5	2.2
Western Cape	3 956 875.00	4 524 335.00	5 822 734.00	6 061 900.00	53.2	34	4.1	11.4
South Africa	40 583 572.00	44 819 777.00	51 770 561.00	53 027 000.00	30.6	18.2	2.3	100

Source: Stats SA, Census 2011 and Mid-year population estimates, 2013

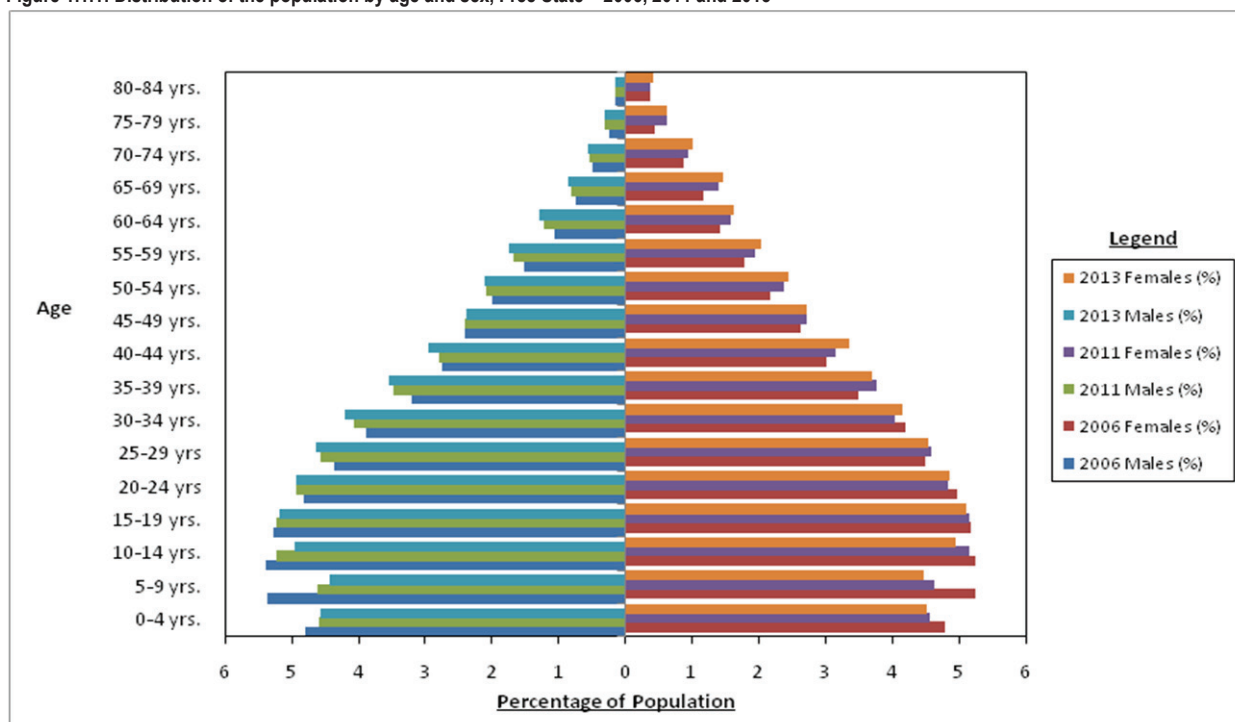
The above table illustrates the estimated percentage of the total population residing in each of the provinces from 2001 to 2013. The mid-year population is estimated at 52.98 million for the country and 2.75 million for Free State Province. The provincial estimates show that in 2013, Gauteng (12.73 million) still had the largest share of the population, followed by KwaZulu-Natal (10.46 million) and Eastern Cape (6.62 million). Northern Cape had the smallest population with 1.16 million people or 2.2 percent share of the total national population. Free State had the second smallest share of the South African population, with a share of 5.2 percent of the population; this is steered by the small percentage growth of the province.

1.1.1 Age-Sex Structure of Province

Aside from the total size, the most important demographic characteristic of a population is its age and sex structure or the proportion of people at each age, by sex. The age-sex structure¹ determines potential for the future growth of specific age groups, as well as the total population.

For these reasons, the age structure has significant government policy implications. A population of young people (as is the case in the Free State Province) needs a sufficient number of schools, sport and recreational areas and, later, enough jobs to accommodate them; whilst regions with a large proportion of older people must develop retirement systems and medical facilities to serve them. Therefore, as population ages it needs change from childcare and schools to jobs, housing, and medical care. This structure also indicates the level of dependency in the province, which provides insights into the burden borne by those who are in the working age group (15 – 64) to support those aged 0 – 14 and 65+ years.

Figure 1.1.1: Distribution of the population by age and sex, Free State – 2006, 2011 and 2013



Source: StatsSA, Census 2011 & 2013 Mid-year estimates (Own calculations)

Figure 1.1.1: above show population size by age cohort (pyramid) in 2006, 2011 and 2013 for Free State Province. The pyramids indicate that the Free State population is still young or youthful, with its wide base and narrow top, is typical that of a young population. According to Population Reference Bureau (PRB), such a shape is the result of high birth rates that feed more and more people into the lowest bars and in turn shrink the relative proportion at the oldest ages.

The age dependency group appears to be growing at a faster rate in the province, and this gives a clear picture of economic dependency in the province. The age dependency ratio is determined by dividing the dependent-age population (children and older adults) by the working-age population. It is often derived as the number of people in the “dependent” age categories (under age 18 and 65 and over) per 100 working-age people (18 to 64). This is concerning and need to be closely monitored.

1.1.2 Provincial Population by Population and Gender

The province has recorded more females than males (See Table 1.1.2). However, in the age group of 0-34 years, it recorded more males than females, with an exception to the toddlers (5-9 years of age), while grownups of 35 to 80 years and over, the province recorded more females than males.

Table 1.1.2: Free State population by population group and sex, 2013

Population group	Male		Female		Total	
	Number	% of male population	Number	% of female population	Number	% of total population
African	1 196 851	87.5	1 233 525	87.3	2 430 375	87.4
Coloured	43 352	3.2	44 480	3.1	87 831	3.2
Indian/Asian	6 511	0.5	4 473	0.3	10 983	0.4
White	121 708	8.9	129 825	9.2	251 533	9
Total	1 368 421	100	1 412 302	100	2 780 723	100

Source: Global Insight, Rex, 2013

1.2 The Free State Economy

The 2014 is an election year and as political parties jostled for votes and seats in parliament and legislature across South Africa, it is also a year to reflect on the performance of the incumbency. In this section, trends analysis is explored to ascertain the economic performance over the past seven years, which is pre the 2009 elections and post. Table 1.2.1 below briefly details the composition of the Free State Provincial Economic Structure by sectors, according to Statistics South Africa. The findings of the Free State Vision 2030 revealed that the provincial economy was cradled by the primary sector, which has however, in the recent past waned in its contribution to the economy and currently in the forefront is the tertiary sector.

Table 1.2.1: Provincial Gross Value Added (Constant 2005 prices (R 1000))

Industry	2006	2007	2008	2009	2010	2011	2012
Primary Industries	10 833	10 721	10 692	10 200	10 573	10 540	10 504
Agriculture	2 676	2 716	3 310	3 194	3 227	3 248	3 353
Mining	8 157	8 005	7 382	7 006	7 346	7 292	7 151
Secondary Industries	14 221	14 965	15 206	14 431	14 958	15 160	15 291
Manufacturing	10 583	11 044	11 276	10 426	10 972	11 161	11 246
Electricity	2 333	2 411	2 324	2 233	2 312	2 317	2 323
Construction	1 305	1 510	1 606	1 772	1 674	1 682	1 722
Tertiary industries	50 533	53 304	55 583	55 370	56 252	58 062	60 023
Trade	8 978	9 346	9 410	9 088	9 369	9 707	10 460
Transport	6 770	7 164	7 476	7 403	7 490	7 643	7 774
Finance	14 085	15 156	16 249	16 142	16 330	16 928	17 520
Personal services	9 578	10 090	10 460	10 304	10 323	10 541	10 722
Government services	11 122	11 548	11 988	12 433	12 740	13 243	13 547
All industries at basic prices	75 587	78 990	81 481	80 001	81 783	83 762	85 818
Taxes less subsidies on products	9 424	9 866	10 110	9 653	10 072	10 357	10 405
GDPR at market prices	85 011	88 856	91 591	89 654	91 855	94 119	96 223
Percentage Share							
Industry	2006	2007	2008	2009	2010	2011	2012
Primary Industries	12.70%	12.10%	11.70%	11.40%	11.50%	11.20%	10.90%
Agriculture	3.10%	3.10%	3.60%	3.60%	3.50%	3.50%	3.50%
Mining	9.60%	9.00%	8.10%	7.80%	8.00%	7.70%	7.40%
Secondary Industries	16.70%	16.80%	16.60%	16.10%	16.30%	16.10%	15.90%
Manufacturing	12.40%	12.40%	12.30%	11.60%	11.90%	11.90%	11.70%
Electricity	2.70%	2.70%	2.50%	2.50%	2.50%	2.50%	2.40%
Construction	1.50%	1.70%	1.80%	2.00%	1.80%	1.80%	1.80%
Tertiary industries	59.40%	60.00%	60.70%	61.80%	61.20%	61.70%	62.40%
Trade	10.60%	10.50%	10.30%	10.10%	10.20%	10.30%	10.90%
Transport	8.00%	8.10%	8.20%	8.30%	8.20%	8.10%	8.10%
Finance	16.60%	17.10%	17.70%	18.00%	17.80%	18.00%	18.20%
Personal services	11.30%	11.40%	11.40%	11.50%	11.20%	11.20%	11.10%
Government services	13.10%	13.00%	13.10%	13.90%	13.90%	14.10%	14.10%
All industries at basic prices	88.90%	88.90%	89.00%	89.20%	89.00%	89.00%	89.20%
Taxes less subsidies on products	11.10%	11.10%	11.00%	10.80%	11.00%	11.00%	10.80%
GDPR at market prices	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Statistics South Africa, Third Quarter, 2013

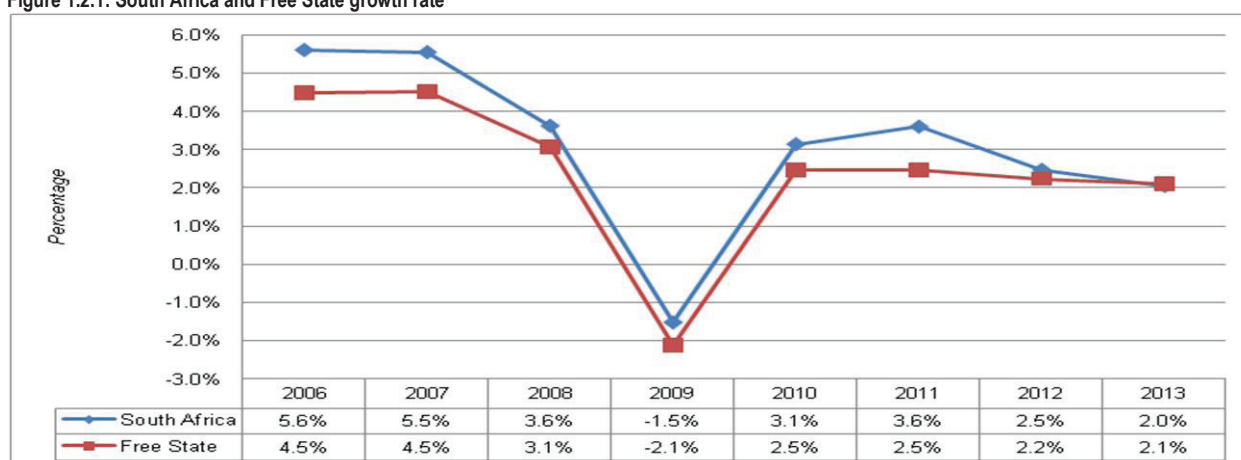
In 2006, the primary sector contributed around R10.8 billion to the provincial economy, which translated to roughly 12.7 percent of the provincial value addition. The bulk of which was from the mining sector, contributing just over R8.2 billion in the same year, or about 9.6 percent. The primary sector's contribution has continued on a worrying path, declining from contribution of R10.8 billion, only to recede in 2010 to record contributions of R10.6 billion, and continued on a downward slope, recording R10.5 billion in 2012. This has also meant that the percentage share of the sector's contribution has markedly declined over the recent past; decreasing from 14.6 percent to just over 10.9 percent. Over the period 2002 until 2012, the Free State mining sector was the only sector to register a decline in its contribution to the provincial economy, decreasing by a resounding 7.5 percent, leading a decline of 0.7 percent on an annual basis.

The secondary sector's contribution has continued on a positive yet unsteady road, peaking in 2012, when the contribution amounted to just under R15.3 billion, or 15.9 percent of the provincial economy. The biggest contributor to the ever increase in the secondary sector's contribution has been the manufacturing sector, with over 11.7 percent stake in the Free State economy, or R11.3 billion in monetary value.

The 2030 Free State Vision envisions a manufacturing sector that is robust and expanding to create sustainable jobs. It is captured in the document (FSGDS, or 2030 Free State Vision), as the third pillar, and contextualised as expand and diversify manufacturing opportunities. The acknowledgement afforded the sector, bodes well for the province, as the sector is the third highest grossing sector, after the Finance and Government Services. The other two sectors (i.e. Electricity and Construction) of the secondary sector have also provided increases in respect to their contributions, averaging, 2.6 percent and 1.7 percent, respectively. In monetary terms, the two sectors averaged contributions of R2.3 billion and R1.4 billion, and the construction sector has seen tremendous growth over the period analysed, growing by an unprecedented 66.4 percent, culminating in an annualised growth of 6.0 percent.

During 2012, the tertiary sector peaked its contribution when it recorded a contribution of R60.2 billion, which was equated to over 62.4 percent of the provincial value added. The tertiary sector has grown in leaps and bounds, and for the period under the microscope (between 2002 and 2012), grew by a staggering 40.6 percent. The biggest and most influential sector in the provincial economic setting is the Finance Sector, with a contribution of 18.2 percent in 2012, which translated to over R17.5 billion the same year. This growth in the Finance sector is a pleasing sight; given the fact that the sector has seen turbulent times, when it declined in 2009, following a global economic malaise, perpetuated by the sector.

Figure 1.2.1: South Africa and Free State growth rate

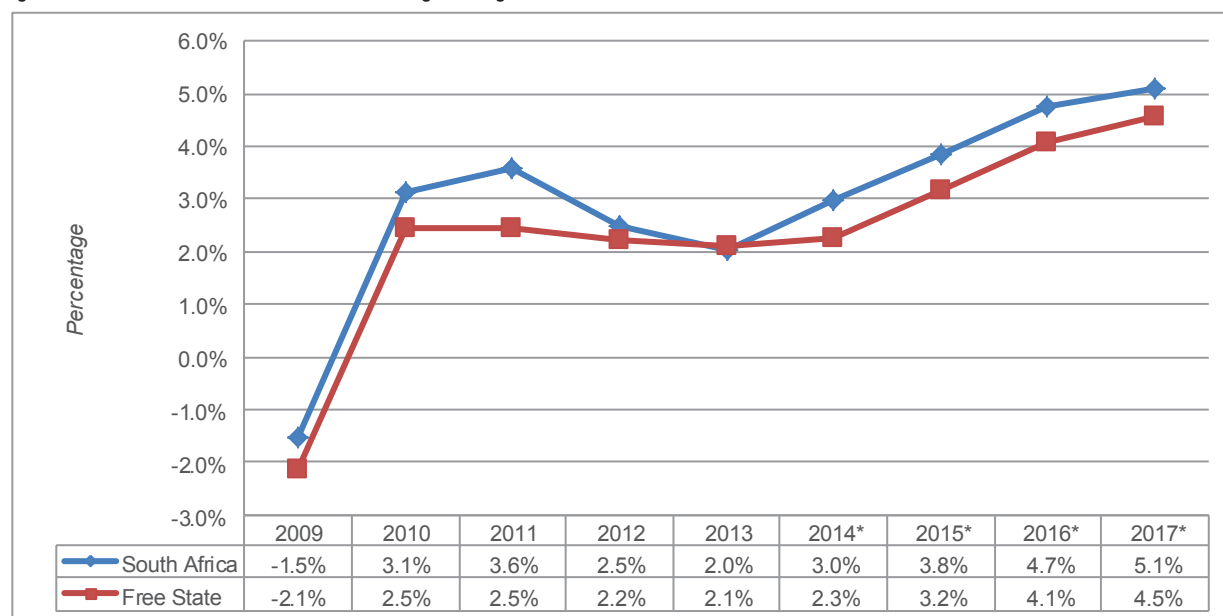


Source: IHS Global Insight, ReX

According to the Investopedia, economic outlook is the forecasted expectations for how well the economy will perform during an upcoming quarter, year or other time period. An economic outlook could include expectations for inflation, productivity growth, unemployment and balance of trade. Whilst economists do not often agree on the nature and thus causes of economic fluctuations, however they generally tend to agree that there is a host of factors which can affect the future course of economic activity.

Therefore, figure 1.2.2 below, depicts the Free State economic growth projections as calibrated by IHS Global Insight and that of South Africa for the period 2013 to 2017, with a reflective view of the outcomes of the years 2009 to 2012/13.

Figure 1.2.2: South Africa and Free State Forecast growth figures



Source: IHS Global Insight, ReX

The figure indicates and thus confirms that the Free State's growth performance has lagged behind the South African average growth. Between 2009 and 2011, the Free State growth rate averaged 1.2 percent, whilst the national average for the same period was 1.5 percent, about 0.30 percentage points than that of the Free State. Post-crisis, the Free State registered growth rate of 2.5 percent in 2010, spelling an increase of 4.4 percentage points. And has since been on a positive growth trajectory and thus managed growth of over 2.4 percent on averaged. Studying the IHS Global Insight growth projections; indicates a sombre outlook for the provincial growth average, the province growth is expected to hover around the 3.24 percent mark, which is from 2013 to 2017.

Table 1.2.2: Free State growth forecast by sector

	2011	2012	2013	2014	2015	2016	2017
Gross Domestic Product	94 118 030	96 222 023	98 250 515	100 483 646	103 666 212	107 881 587	112 789 011
Total Industries	2.40%	2.50%	1.70%	2.20%	3.10%	4.00%	4.50%
GDPR by sector (real change)							
Agriculture	0.60%	3.20%	1.20%	1.10%	1.70%	2.70%	2.70%
Mining	-0.70%	-1.90%	0.50%	-3.50%	-3.30%	-3.40%	-3.10%
Manufacturing	1.70%	0.80%	1.30%	2.40%	3.50%	4.40%	4.50%
Electricity	0.20%	0.30%	1.10%	2.90%	4.20%	5.10%	5.50%
Construction	0.50%	2.40%	2.20%	2.80%	2.80%	3.80%	4.20%
Trade	3.60%	7.80%	2.30%	3.00%	3.80%	4.90%	5.00%
Transport	2.00%	1.70%	2.00%	3.80%	4.60%	5.40%	5.80%
Finance	3.70%	3.50%	2.00%	3.40%	4.50%	5.30%	5.70%
Community services	3.10%	2.00%	1.80%	2.20%	3.10%	4.10%	5.00%

Source: IHS Global Insight, ReX

For the period 2013 until 2017, the provincial economy is projected to grow, on average, by 3.1 percent, compared to the forecast national average of 3.8 percent. Free State is expected to be the slowest growing province over the next coming five years, mainly due to the waning mining sector, gold mining in particular. The provincial economy was projected to grow by 1.7 percent in 2013, with the fastest growth occurring in the trade sector (2.3 percent); followed by the finance industry (2.0 percent) the transport and communication industry (2.0 percent) and the government and other services industry at 3.5 percent. This will be beneficial for the Free State economy since the community services industry and the finance industry collectively contribute 49.3 percent towards the provincial GDP. Mining is the only industry projected to grow negatively throughout the period under review, averaging 3.9 percent. Most industries are expected to grow at an increasing rate throughout the forecasted period, with the electricity and water industry, the transport and communication industry and the finance industry growing the fastest by 2017 at 5.5 percent, 5.8 percent and 5.7 percent, respectively.

1.3 Free State Labour Market

1.3.1 Characteristics of the Labour Market

Table 1.3.1.1 below shows that employment in the fourth quarter of 2013 has increased by 16 000 or 2.2 percent compared to the same period last year. Similarly, the working age population (15 – 64 years) has increased by 13 000 or 0.7 percent. The employment growth of 2.2 percent is faster than growth in the working age population (0.7 percent), but is failing to keep pace with both the narrow Labour Force (2.6 percent), though not by much, and the expanded Labour Force (4.6 percent). The number of discouraged work-seekers has increased by 13 000 or 15.9 percent when compared to the same period last year, which suggest worsening perceptions of labour market conditions as more job-seekers lose hope of find employment.

The narrow Labour Force Participation Rate (LFPR) has remained relatively stable since the last quarter of 2012, only increasing marginally, from 59.1 in the fourth quarter of 2012 to 60.2 in the fourth quarter of 2013, representing an increase of 1.1. The expanded LFPR, on the other hand, has recorded larger increases; from 68.8 in in the fourth quarter of 2012 to 68.3 in in the fourth quarter of 2013.

The increase in employment has not been sufficient to offset the increase in both the narrow and expanded unemployment rates. The narrow unemployment rate has increased by 0.3 percentage points; from 32.7 percent in the fourth quarter of 2012 to 33.0 percent in the last quarter of 2013, while the expanded unemployment rate has increased from 39.6 percent in in the fourth quarter of 2012 to 40.9 percent in in the fourth quarter of 2013, representing a 1.3 percentage point increase.

Table 1.3.1.1: Labour Market Overview

	Oct-Dec 2012	Apr-Jun 2013	Jul - Sept 2013	Oct-Dec 2013	Year on Year change	
					N	%
Labour Market Aggregates (Thousands)						
Working Age Population	1 835	1 841	1 845	1 848	13	0.70%
Employment	729	757	737	746	16	2.20%
Narrow Unemployment	355	369	374	367	12	3.40%
Narrow Labour Force	1 084	1 127	1 111	1 112	28	2.60%
Expanded Unemployment	478	484	508	517	39	8.20%
Expanded Labour Force	1 207	1 241	1 246	1 262	55	4.60%
Discouraged Work-seekers	80	66	78	93	13	15.90%
Labour Force Participation Rate (Percent)						
Narrow LFPR	59.1	61.2	60.2	60.2	1.1	
Expanded LFPR	65.8	67.4	67.5	68.3	2.5	
Unemployment Rate (Per cent)						
Narrow Unemployment Rate	32.7	32.8	33.7	33	0.3	
Expanded Unemployment Rate	39.6	39	40.8	40.9	1.3	

Source: Stats SA, QLFS, Quarter 4, 2013

1.3.2 Employment

In quarter 4:2013, the highest employment gains were observed in the Western Cape, Eastern Cape and North West, contributing 98 000, 38 000 and 17 000 jobs respectively. The Free State's quarter to quarter employment levels increased by 8 000 or 1.1 percent in the fourth quarter of 2013. KwaZulu-Natal was the only province that experienced job losses (of 42 000) in quarter 4:2013.

Between quarter 4: 2012 and quarter 4: 2013, employment increased in every province, with the largest increase observed in Western Cape (133 000), and the smallest increase in Free State (16 000). KwaZulu-Natal and Eastern Cape had the second and the third largest increases at 128 000 and 106 000 jobs respectively. Although Northern Cape experienced the second lowest increase in employment, it had the highest year-on-year employment growth rate of 9.4 percent.

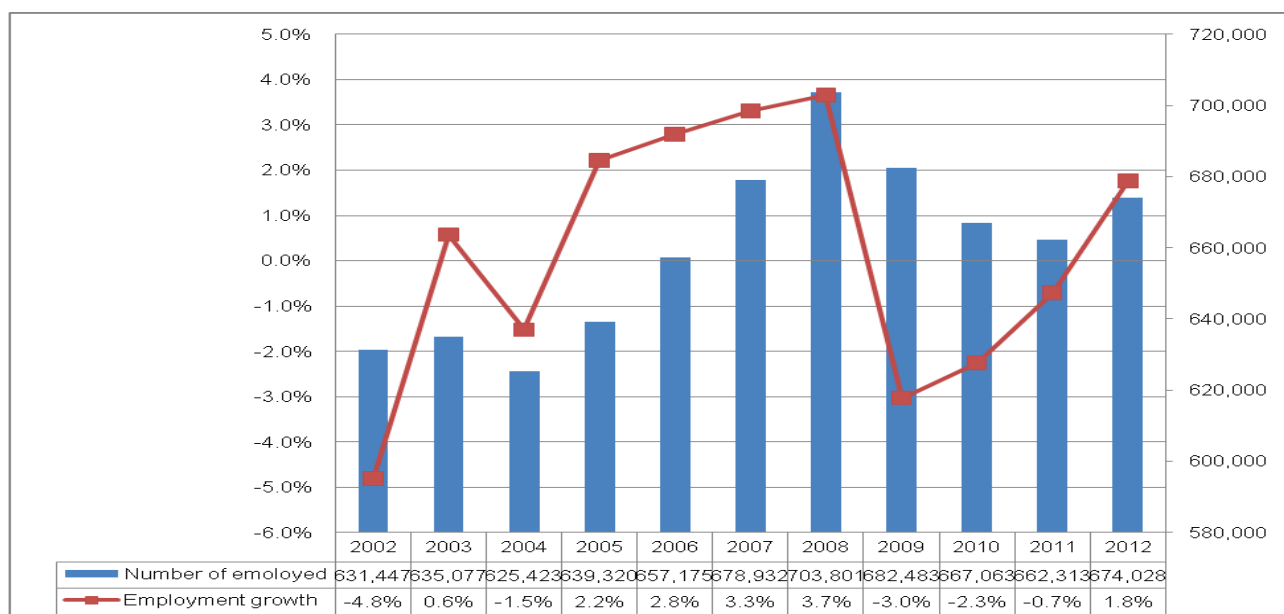
Table 1.3.2.1: Employment by province

Province	Oct-Dec 2012	Jul-Sep 2013	Oct-Dec 2013	Qtr-Qtr change	Yr-on-yr change	Qtr-Qtr change	Yr-on-yr change
	Thousands				Percent		
South Africa	14 524	15 036	15 177	141	653	0.9	4.5
Western Cape	2 103	2 138	2 235	98	133	4.6	6.3
Eastern Cape	1 225	1 293	1 332	38	106	3	8.7
Northern Cape	301	316	329	13	28	4.1	9.4
Free State	729	737	746	8	16	1.1	2.2
KwaZulu-Natal	2 399	2 569	2 527	-42	128	-1.6	5.3
North West	847	851	869	17	22	2	2.6
Gauteng	4 724	4 823	4 823	0	98	0	2.1
Mpumalanga	1 065	1 149	1 149	0	84	0	7.9
Limpopo	1 130	1 159	1 168	9	37	0.8	3.3

Source: Stats SA, Quarter 4, 2014

The number of people employed in the Free State has increased from 634 447 in 2002 to 674 028 in 2012; representing an increase of 6.7 percent. However, the annual average growth rate for the period under review was a mere 0.2 percent. The biggest growth was observed in 2008 with a rate of 3.7 percent, while the largest decline was in 2002, decreasing by 4.8 percent. Since the economic recession of 2009, employment growth has averaged -1.1 percent, with the only positive growth observed in 2012, this means that the economy continues to bleed jobs. In 2008, just before the recession, the province experienced the highest number of employed people at 703 801, but declined by 21 318 (or -3.0 percent) to 682 483 in 2009. Since 2009, employment has shrunk by 8 455 persons; indicative of the weakness in the economy to recoup the losses brought about by the recession (see figure 1.3.2.1 below).

Figure 1.3.2.1: Number of people employed and employment growth rate – Free State Province



Source: Global Insight, Regional eXplorer, 2013

1.3.3 Unemployment

The decline in the official unemployment rate from 24.5 percent to 24.1 percent between quarter 3: 2013 and quarter 4: 2013 was mainly due to unemployment rate decreases in six provinces. The highest decreases were observed in Northern Cape, Eastern Cape and Western Cape. In quarter 4: 2013, Free State had the highest official unemployment rate (33.0 percent), while Limpopo had the lowest official unemployment rate (16.9 percent).

In comparison to the same period last year, the official unemployment rate increased by the largest amount in North West (4.1 percentage points). Free State's official unemployment rate increased by 0.3 percent year-on-year; from 32.7 percent in quarter 4:2012 to 33.0 percent in quarter 4:2014.

Table 1.3.3.1: Unemployment rate by province

	Official unemployment rate					Expanded unemployment rate				
	Oct-Dec 2012	Jul-Sep 2013	Oct-Dec 2013	Qtr-to-qtr change	Yr-on-Yr change	Oct-Dec 2012	Jul-Sep 2013	Oct-Dec 2013	Qtr-to-qtr change	Yr-on-Yr change
	Percent			Percentage points		Percent			Percentage points	
South Africa	24.5	24.5	24.1	-0.4	-0.4	35.1	34.9	34	-0.9	-1.1
Western Cape	23.4	23.1	21	-2.1	-2.4	25.1	25.3	22.1	-3.2	-3
Eastern Cape	29.5	30.4	27.8	-2.6	-1.7	45.8	44.2	43.3	-0.9	-2.5
Northern Cape	28.3	27.9	24.9	-3	-3.4	34.9	35.9	34.8	-1.1	-0.1
Free State	32.7	33.7	33	-0.7	0.3	39.6	40.8	40.9	0.1	1.3
KwaZulu-Natal	21.9	20.6	19.9	-0.7	-2	38.4	37.2	36.2	-1	-2.2
North West	23.2	26.5	27.3	0.8	4.1	40.7	42.6	42.2	-0.4	1.5
Gauteng	23.5	24.3	25.2	0.9	1.7	28.7	29.1	28.9	-0.2	0.2
Mpumalanga	29.1	26.5	27.2	0.7	-1.9	43.4	40.2	40.2	0	-3.2
Limpopo	19.1	17.2	16.9	-0.3	-2.2	38	38.9	36.1	-2.8	-1.9

Source: Stats SA, Quarter 4, 2014

The expanded unemployment rate from 34.9 percent to 34.0 percent between quarter 3: 2013 and quarter 4: 2013 was mainly due to unemployment rate decreases in seven provinces. The highest decreases were observed in Western Cape, Limpopo and Northern Cape. Eastern Cape (43.3 percent), North West (42.2 percent) and Free State (40.9 percent) had the highest expanded unemployment rate, while Western Cape had the lowest expanded unemployment rate of 22.1 percent.

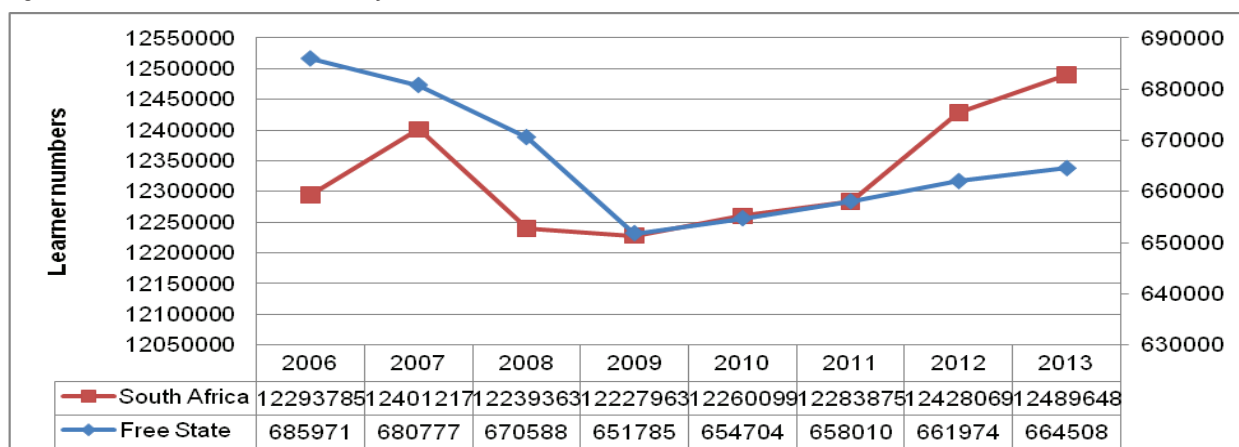
The Free State labour market remains characterised by significant structural disparities resulting in widespread labour market outcomes driven by certain socio-demographic factors. For those who bore the brunt of job losses during the recession such as the youth and less educated, labour market conditions remain constrained.

1.4 Provincial social indicators

1.4.1 Education

In 2013, there were 664 508 learners in public ordinary schools in the Free State, attending 1 396 schools and served by 24 475 educators (School realities, 2013). In recent years the system has experienced growth in lower levels or the early childhood development (ECD). The Grade R learners improved from 29 095 in 2011, to 35 451 in 2013 (Statistical reports, 2011-2013), which is in line with government priorities to increase enrolments in early childhood developments sites. Since 2010 learner enrolments in grade 1 have increased from 64 523 in 2011 to 68 184 in 2013 which is 5.6 percent improvement in grade 1 learner numbers as compared to 2011. However the overall learner population in the province is increasing in real terms, but in comparison with National learner population it is increasing at a slower rate, The learners nationally has decreased from 5.8 percent in 2010 to 5.3 percent in 2013.

Figure 1.4.1.1: Number of learners in ordinary school sector, from 2006 to 2013

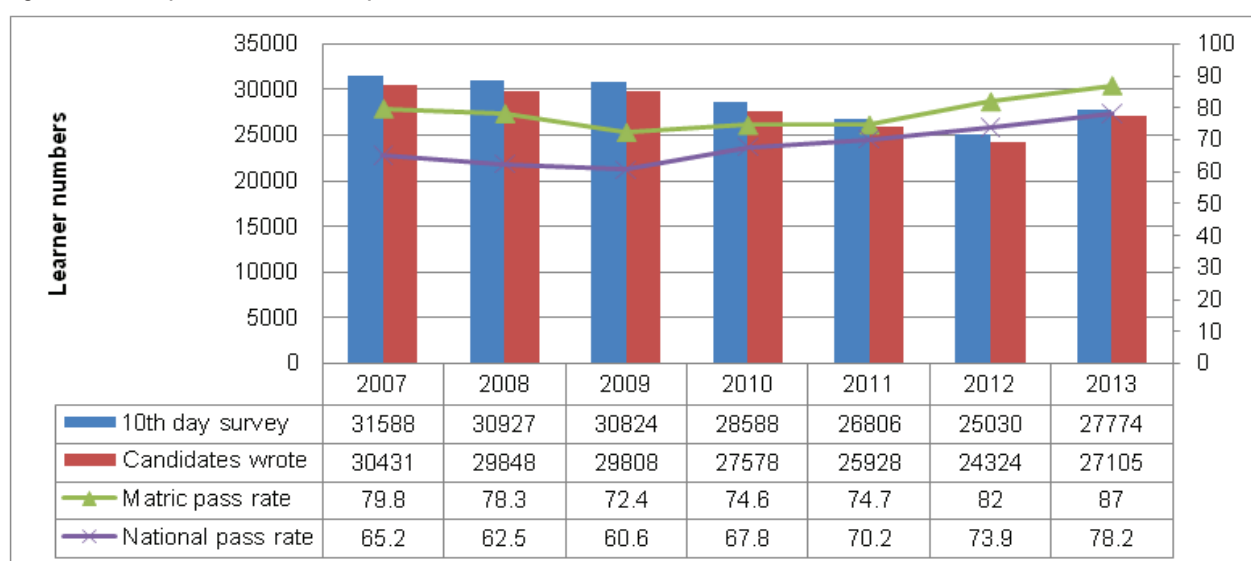


Source: Department of Education, School Realities 2012 – 2013

Figure 1.4.1.1 shows that the provincial learner numbers are increasing at a slower pace than national learner numbers, thus having a negative impact in the province's educational component of the equitable share. Learner increases is being pushed by learner numbers in grade 1 whilst the system is losing many learners in grades 9, 10 and 11 due to school dropout. Only half of those learner cohorts that started together in grade 1 manage to reach grade 12, the rest of the learners disappear from the system. This phenomenon has also been confirmed by STATSSA in its new measure of youth aged 15 years and above that neither in school or employment.

The 2011 Census results show that 73.1 percent of Free State's learners aged 5 years to 24 years attending an educational institution in 2011. This is slightly lower than the national average of 73.4 percent (census, 2011). The proportion of learners at universities has not change from the 2001 census of 1.9 percent; whilst the proportion attending colleges is at 1.8 percent compared to a national average of 1.9 percent.

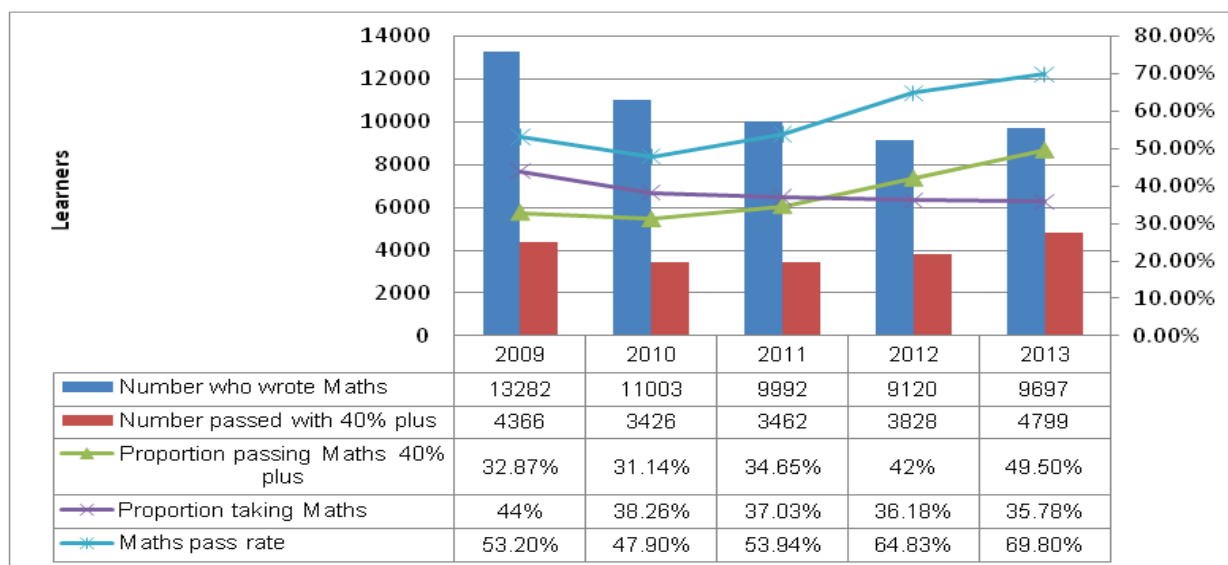
Figure 1.4.1.2: Comparison of learners and pass rate, 2007 – 2013



Source: Department of Education, EMIS 2012 & 2013

Figure 1.4.1.2 indicates that the matric candidates have been decreasing from 31 588 in 2007 to 25 030 in 2012 with a slight improvement to 27 774 in 2013. The provincial pass rate trend has followed that of national pass rate trend on the upper end of it, as the provincial pass rate has always been above the national pass rate in the review period reaching 87 percent and 78.2 percent respectively. Few of those learners who pass matric qualify for university entrance or bachelor pass and in 2013 it was 33 percent out of 27 105 candidates, which still point out to issues of quality in the system.

Figure 1.4.1.3: Mathematics output, 2009 - 2013



Source: Department of Education 2013

Note: Math's pass rate 2009 and 2013 taken from EMIS and others from Education Annual reports

Figure 1.4.1.3 indicates that the number of candidates who sat for matric exams in Mathematics has declined from 13 282 in 2009 to 9 697 in 2013, which is a decline of approximately 36 percentage. However the pass rate for Mathematics has improved from 53 percent in 2009 to 69 percent in 2013. The number of those that passed Mathematics with 40 percent plus has also increased from 32 percent in 2009 to 49 percent in 2013. The proportion of candidates taking Mathematics in the review period has declined which is an indicative of the fear in learners to register for the subject though it is a very critical subject for skills development in the country.

Improving enrollments in mathematics will need fairly skilled educators in the content of grades mathematics in which they teach and finding ways and means to re-skill those that are already teaching the subject.

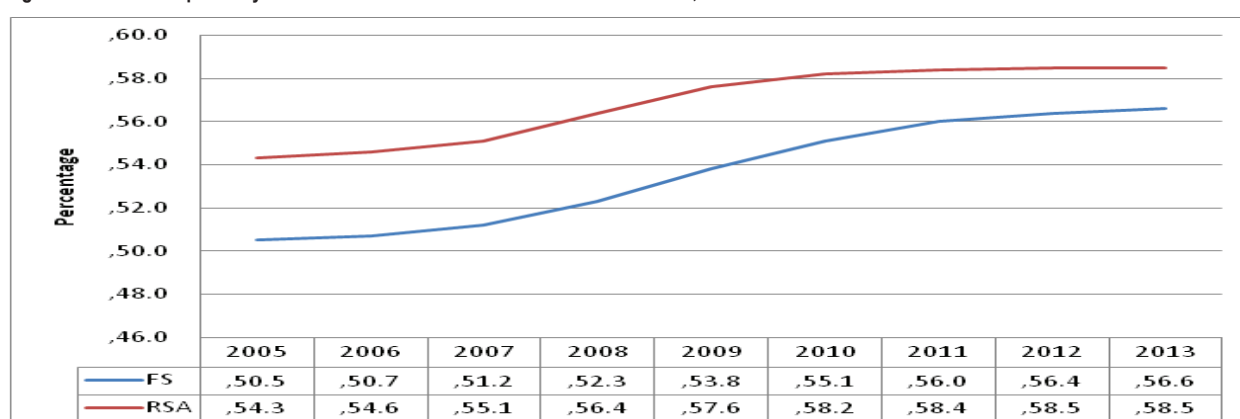
1.4.2 Health

HIV prevalence, Life Expectancy at Birth and Infant Mortality Rate (deaths under 1 year per 1,000 live births) are amongst the most significant indicators which measure the wellness state of South Africa and its citizens. One-tenth of every South African is HIV-positive. The total number of people living with HIV is about 5.26 million among the total population of 52.98 million in South African.

The HIV prevalence is 15.9 percent in the age group 15-49. Generally, between 2002 and 2013, the total number of people living with HIV has gone up by more than a million. Moreover, it is estimated in Census 2011 that there were 2.01 million Aids orphans in South Africa (STATSSA, 2013).

Despite this challenge, Life Expectancy at Birth in South Africa has gone up from 54.3 years in 2005 to 58.5 years in 2013 as indicated in figure 3.8. Equally, Life Expectancy at Birth in the Free State Province has gone up from 50.5 years in 2005 to 56.6 years in 2013. Free State Province Life Expectancy at Birth is below national average and is one of the lowest amongst the nine provinces.

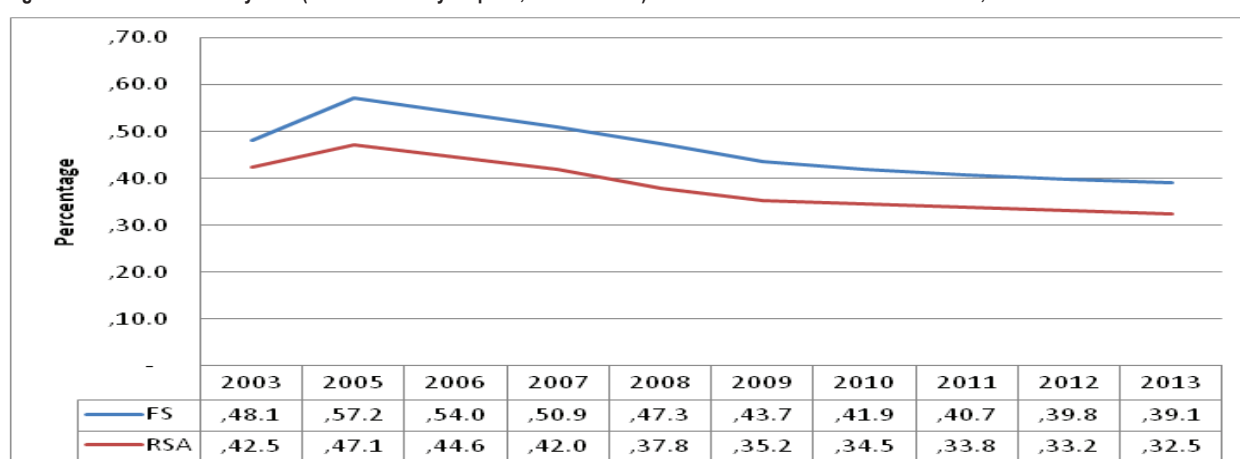
Figure 1.4.2.1: Life Expectancy at Birth in the Free State Province and South Africa, 2005 -2013



Source: Statistics South Africa, 2012

Figure 1.4.2.2 below presents the Infant Mortality Rate (deaths under 1 year per 1,000 live births) in the Free State Province and South Africa from 2003 to 2013. Results show the general decline of Infant Mortality Rate for both South Africa and Free State Province. Infant Mortality Rate in the Free State Province is above national average in all those years between 2003 and 2013. Nonetheless, Free State Province's Infant Mortality Rate has significantly decreased from 48.1 per 1,000 live births in 2003 to 39.1 per 1,000 live births in 2013.

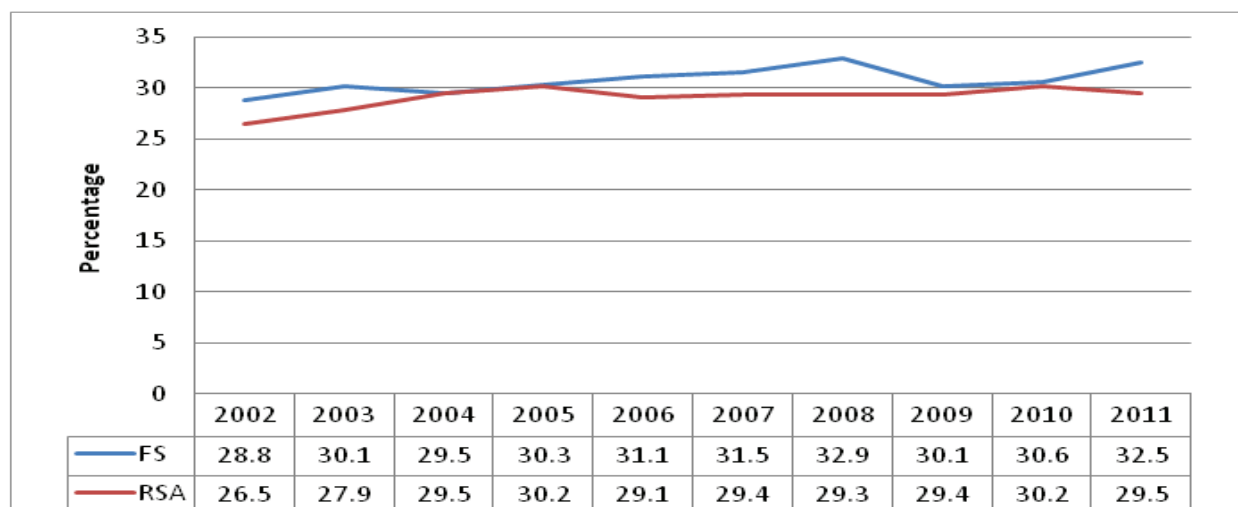
Figure 1.4.2.2: Infant Mortality Rate (deaths under 1 year per 1,000 live births) in Free State Province and South Africa, 2003 -2013



Source: Statistics South Africa, 2012

HIV prevalence rate continues to be the major challenge in South Africa and Free State Province. Figure 1.4.2.3 below illustrates that HIV prevalence rate, on average, did not decrease between 2002 and 2011. Comparing 2002 and 2011 nationally and provincially, HIV prevalence rate has increased between these two periods. HIV prevalence rate was 28.8 percent in 2002 in the Free State province and increased to 32.5 percent in 2011. A similar trend persisted even nationally. HIV prevalence rate was 26.5 percent in South African and the percentage has increased to 29.5 percent in 2011.

Figure 1.4.2.3: HIV Prevalence (Antenatal) in the Free State Province and South Africa, 2002 -2011



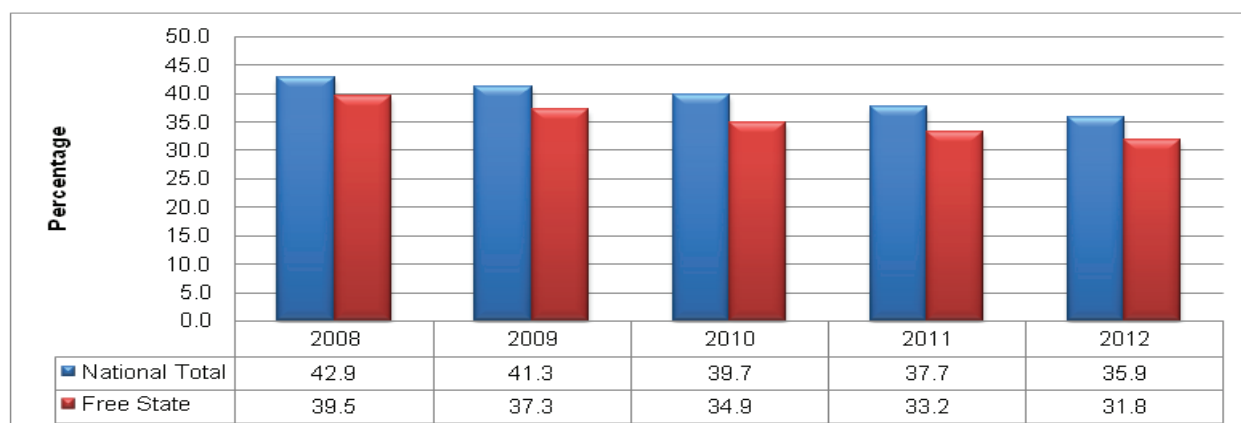
Source: Statistics South Africa, 2012

1.5 Poverty, Welfare and Access to Basic Services

1.5.1 Poverty

Poverty is one of the most complex situations facing provincial and national governments. Poverty broadly speaking refers to a situation of not having the means to afford basic human needs such as clean water, nutrition, health care, education, clothing and shelter. The effects of poverty and others are a vicious circle as it can also be considered causes of poverty. However it should also be noted that poverty is a very complex phenomenon because it is difficult to define and to measure. Poverty can also be a major concern for social tensions and threatens to divide a nation because of the issue of inequalities that it creates, especially income inequality.

Figure 1.5.1.1: Percentage of people living in poverty, 2008 – 2009

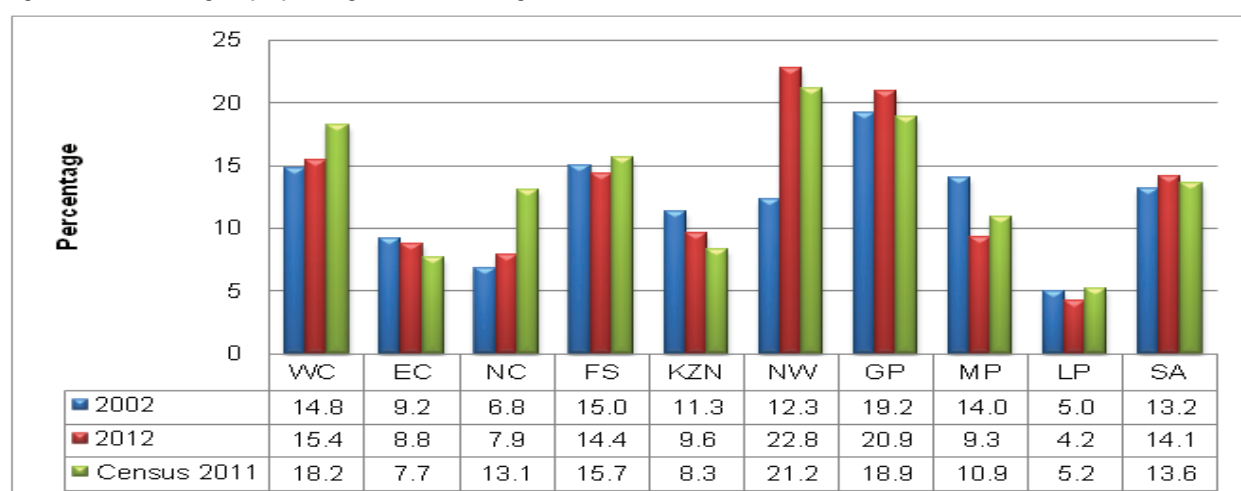


Source: Global Insight, Rex 2012

Eradication of poverty is still one of the highest priorities for the government in ‘building a better future for all’. According to figure 1.5.1.1 above, the percentage of people living in poverty has declined from 42.9 percent nationally to 35.9 percent and provincially the figure declined from 39.5 percent to 31.8 percent, a decline of over 7 percentage points provincially. The decline signifies that the war on poverty is slowly gaining momentum, no matter how small is the margin over the review period. Most of the poverty reduction has been driven by an increase in government spending on social grants rather than the creation of jobs. According to Burger (2008), government spending on social grants is received by the poorest 40 percent of the population and that social grants increase the share of total household incomes, which provide a relief but not elimination of poverty. The number of recipients has increased from 2.4 million in 1998 to approximately 12.4 million nationwide in 2008 which means that the coverage has grown substantially according to Burger (2008).

1.5.2 Housing

Figure 1.5.2.1: Percentage of people living in Informal dwellings, 2002 - 2012



Source: Statistics South Africa, 2011 & 2012

The wellbeing of households could be inferred from the characteristics of dwellings in which they live and access to various services and facilities. According to figure 1.5.2.1 the percentage of people living in informal dwellings has increased from 15 percent in 2002 to 15.7 percent in 2011 Census and decreased again in 2012 General Household Survey.

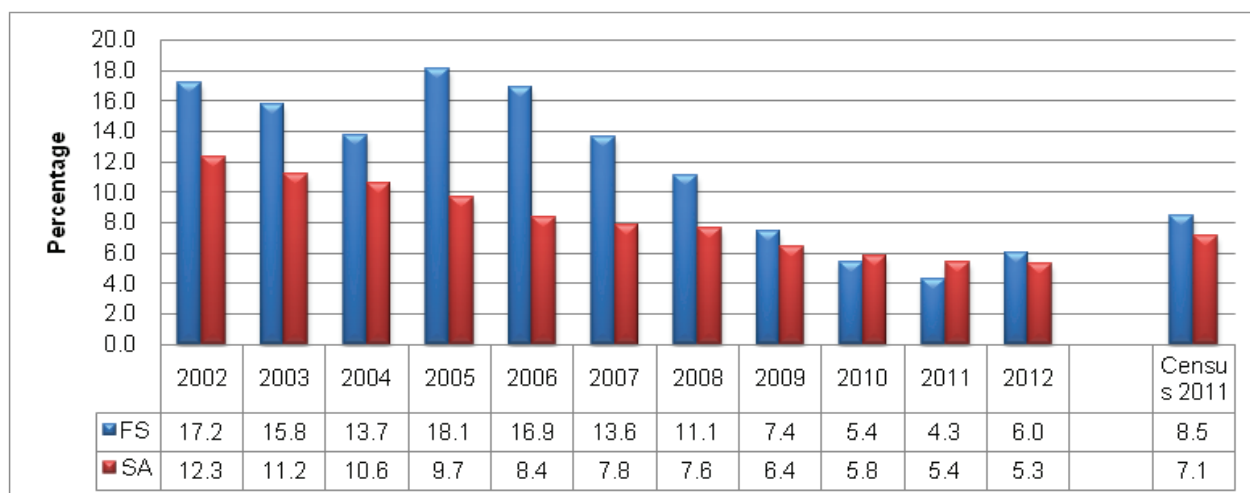
The incidence of people living in informal settlements is high in Gauteng and the North West provinces at 22.8 percent and 20.9 percent in 2012 respectively. For South Africa the situation has increased from 13.2 percent in 2002 to 14.1 percent in 2012, which implies that more should be done to improve access to formal housing. It has already been proven that many households cannot afford to buy a house for themselves without State support; hence the pressure is there for the State to assist. Even those households who can afford to buy a house are finding it difficult to access home loans especially under very volatile economic climate

1.5.3 Sanitation and refuse removal

According to Statistics South Africa's GHS (2011), environmental hygiene plays an essential role in the prevention of many diseases. The provision of proper sanitation is one of the key elements in improving the entire environment.

Nationwide the percentage of households with no toilets or were using bucket toilets decreased from 17.2 in the Free State in 2002 to 8.5 in 2011 according to 2011 census results (figure 1.5.3.1). The number of South Africans who without a toilet or using a bucket toilet has decreased from 12.3 in 2002 to 7.1 in Census 2011 and 5.3 in GHS 2012

Figure 1.5.3.1: Percentage of households in FS & RSA without toilet facilities or were using bucket toilet, 2003 – 2011

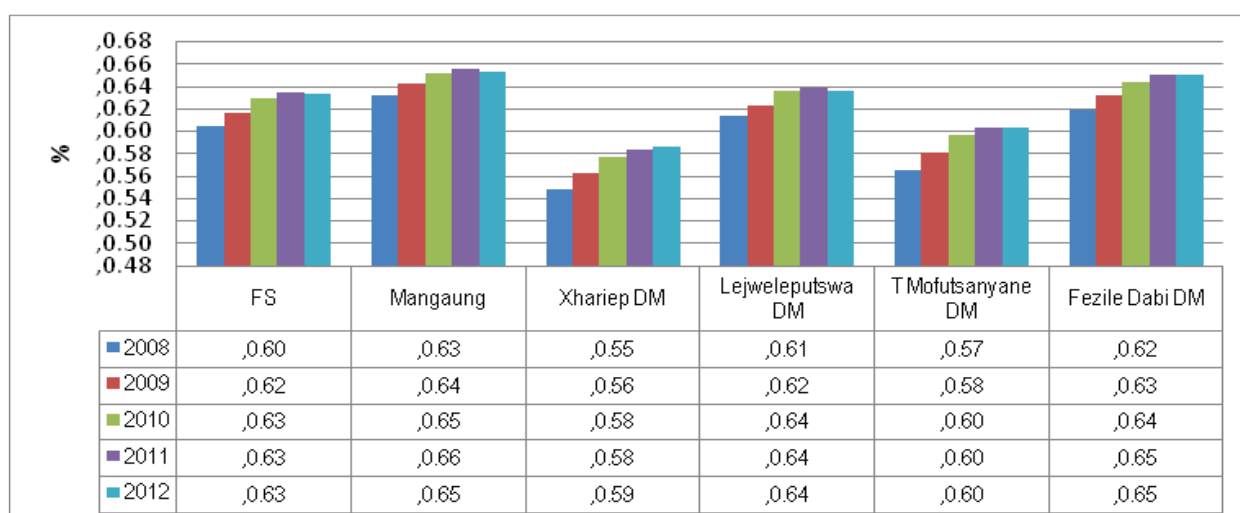


Source: Statistics South Africa, GHS 2012

The proper disposal of households waste and refuse is also an important ingredient in maintaining environmental hygiene. The percentage of households whose refuse was removed by the municipality in the province has increased from 67.1 percent in 2003 to 81.2 percent in 2011 according to Statistics South Africa. For SA the percentage of households whose refuse was removed by the municipality increased from 59 percent in 2003 to 61 percent in 2011.

1.5.4 Human Development Index (HDI)

Figure 1.5.4.1: Free State and District Human development Index, 2008 – 2012



Source: Global Insight, Rex 2013

The Human Development Index (HDI) is a summary of composite index that measures a country's average achievements in three basic aspects of human development: longevity, knowledge, and a decent standard of living. Longevity is measured by life expectancy at birth; and knowledge is measured by a combination of adult literacy rate and the combined primary secondary and tertiary education enrollment; and standard of living by GNP per capita. An HDI value of 1 assumes a maximum level (high level of human development) and a minimum value of 0 indicating lowest level of human development. For the Free State HDI has improved from 0.60 in 2008 to 0.63 in 2012 indicating that the province is progressing in its human development. The only district below 0.60 both in 2008 and in 2012 is Xhariep district with a value of 0.55 in 2008 and a value of 0.59 in 2012. More resources are needed for the Xhariep district especially in the form of more employment to improve the poor human development in that district.

2. Budget strategy and aggregates

2.1 Introduction

The proposed 2014 MTEF allocations are informed and aligned to broad government policies; such as the National Development Plan (NDP) which sets a broad framework for inclusive growth based on a more competitive economy, a capable developmental state and improved livelihoods of all South Africans. Although, the 2014 budget is still constrained and challenging, the provincial government will still continue to focus amongst others on the following strategies:

- Reprioritisation of provincial budget with efforts to restructure budget to unlock funds to key government priorities as well as to fund projects with potential to stimulate economic growth and thus employment opportunities; whilst at the same time emphasising fiscal prudence.
- Commitment to cost saving measures and reprioritization of budget to front line services will also be enhanced throughout the 2014 MTEF.
- Review of Revenue Enhancement Strategy with a view to optimise provincial own revenue source.
- Restriction of growth in personnel budget across all 13 provincial departments;
- Support to Cooperatives and SMMEs in the province.
- Job creation initiatives through Expanded Public Works Programme.
- Over and above that, the social sector departments collectively will continue to receive the largest portion of the budget as the province plans to stimulate human settlement development, education, health and social development services.

The basis of the 2014 MTEF budget strategy continues to be the reprioritization of the existing provincial budget, enhance existing austerity measures and maintaining budget surplus to provide for a sufficient cushion in cases of fiscal shocks in the system.

Given the resource constraints that exist due to the high demand for government services, and the reduction of **R268.7 million** over the 2014 MTEF in the province's equitable share, ways of increasing provincial own revenue generation are continuously being explored through the Provincial Revenue Enhancement Strategy (PRES) and other alternative funding mechanisms where feasible.

The provincial government will raise the much needed funds for amongst others; the Harrismith Logistics Hub (Durban - Free State – Gauteng Corridor) which is one of the Strategic Infrastructure Projects, the N8 Corridor Development, the Ingula Pumped Storage Scheme Project in Phumelela and various water resource intervention throughout the province.

Furthermore, the budget is focused on supporting and ensuring that the successes recorded in education and health services in the past years are sustained and further improved going forward. To that effect, the province is allocating close to **70 percent** of the total budget to the the Departments of Education and Health. The social protection sector will receive **3.5 percent** of the total provincial budget to continue to fund social workers, provide support to the NGOs, as well as shelters for victims of gender-based violence and substance-abuse centres.

In ensuring that agriculture and rural development meet their respective mandates an amount of **R2.079 billion** is allocated to this department over the 2014 MTEF. In support of effective and efficient delivery of much needed infrastructure in the province the Department of Public Works is allocated an amount of **R4.459 billion** over the 2014 MTEF, this allocation will assist in ensuring that the much needed economic opportunities are unlocked over the years to come. The Department of Roads, Police and Transport is allocated an amount of **R7.445 billion** over the 2014 MTEF to address road maintenance and road networks in the province. For the provision of comprehensive human settlements the province allocated **R3.935 billion** over the MTEF; the allocation will ensure that repairs and backlogs in the provision of houses are addressed.

2.2 Aligning provincial budgets to achieve government's prescribed outcomes

In order to demonstrate the alignment to the National Development Plan, draft 2014 – 2019 Medium Term Strategic Framework and 14 outcomes, the Free State Provincial Government has identified the following 6 pillars with 15 drivers in the Provincial Growth and Development Plan which are directly linked to the requirements of the National Development Plan and 14 outcomes; and these are:

- **Pillar 1: Inclusive Economic Growth and Sustainable Job Creation**
 - Driver 1: Diversify and expand agricultural development and food security.
 - Driver 2: Minimise the impact of the declining mining sector and ensure that existing mining potential is harnessed.
 - Driver 3: Expand and diversify manufacturing opportunities.
 - Driver 4: Capitalise on transport and distribution.
 - Driver 5: Harness and increase tourism potential and opportunities.
- **Pillar 2: Education, Innovation and Skills Development**
 - Driver 6: Ensure an appropriate skills base for growth and development.
- **Pillar 3: Improved Quality of Life**
 - Driver 7: Curb crime and streamline criminal justice performance.
 - Driver 8: Improve and maintain basic and road infrastructure, maintain and integrate transport infrastructure.
 - Driver 9: Facilitate sustainable human settlements.
 - Driver 10: Provide and improve adequate health care for citizens.
 - Driver 11: Ensure social development and social security services for all citizens.
 - Driver 12: Integrate environmental limitations and change into growth and development planning.
- **Pillar 4: Sustainable Rural Development**
 - Driver 13: Mainstream rural development into growth and development planning.
- **Pillar 5: Build Social Cohesion**
 - Driver 14: Maximise arts, culture, sports and recreation opportunities and prospects for all communities.
- **Pillar 6: Good Governance**
 - Driver 15: Foster good governance to create conducive climate for growth and development.

The following are the Free State Government Provincial Priorities for the 2014-19. These priorities are aligned to the January 8 Statement and 2014 ANC National Election Manifesto:

Outcomes	Priorities	Actions will include	Lead Department
Rural Development, Land and Agrarian Reform and Food Security – Transform Rural Areas	Rural Development Programmes	Expand Rural Development Programmes to ensure sustainable livelihoods in rural areas	Agriculture & Rural Development
	Grow Rural Enterprises and Industries	Grow sustainable rural enterprises and industries and intensify the development aspect of land reform	Agriculture & Rural Development
	Land Reform Farms	Expand programmes to ensure that all land reform farms become productive and contribute to our food security.	Agriculture & Rural Development
	Support to Small Farmers	Roll-out and expand different projects, e.g. support to small farmers which will enhance job creation and promote access to high protein food.	Agriculture & Rural Development
Ensure Decent Living Conditions and Sustainable Human Settlements	Mixed Income Housing Projects	Implement bold programmes to promote better located mixed income housing projects	Human Settlements
	Improve Housing Conditions	Improve housing conditions for the poor in all formal settlements	Human Settlements
	Unlocking State Land for Affordable Housing	Unlocking well located land, especially state land for affordable housing	Public Works
	Provide Housing Opportunities	Contribute to provision of 1 million housing opportunities for qualifying households over the next 5 years	Human Settlements
	Integrated Transport in Rural Areas	Promote integrated transport	Police, Roads and Transport
	Sanitation Infrastructure in Rural Areas	Accelerate roll out of sanitation infrastructure in rural areas and informal settlements	Human Settlements & COGTA
	Basic Services and Infrastructure in Informal Settlements	Further provision of basic services and infrastructure in existing informal settlements	Human Settlements & COGTA
	Electrical connections	Connecting additional homes to electricity grid	
Improve and Expand Education and Training	Free Education	Progressive realization of free education at all levels	Education
	Early Childhood Development (ECD)	Make Early Childhood Development a priority in the next 5 years	Education & Social Development
	Eradicate Illiteracy	Eradicate Adult Illiteracy	Education
	Quality in Teaching and Learning in Schools	Improve quality in teaching and learning in schools	Education
	Teacher Development	Attend to teacher development	Education
	School Safety Programmes	Implement further school safety programmes	Education and Police, Roads and Transport
	Support needs of poor students	Work with Universities and FET colleges to intensify our effort to support needs of poor students	Education
Ensure Quality Health Care for All	Fight against HIV and AIDS	Maintain momentum in the fight against HIV and AIDS – continue to encourage people to get tested	Health
	Public Health Care	Improve quality of public health care	Health
	Distribution of ARVs	Intensify the campaign against HIV and AIDS to contribute to ensuring that at least 4.6 million people receive ARVs	Health

Outcomes	Priorities	Actions will include	Lead Department
	Male Circumcision	Expand male circumcision programme	Health
	HIV Counselling and Testing	Expand HIV-Counselling and testing programmes	Health
	Chronic Medication	Ensure Chronic Medication is available	Health
Expand Comprehensive Social Security	Social Welfare Services	Increase the number of social services professionals to respond to the demand of social welfare services	Social Development
	Social Services and Grants	Make sure that all people who qualify for social services and grants receive them	Social Development
Fight Corruption and Crime	Fight Corruption	Prohibit public servants and representatives from doing business with the state	Treasury and Department of the Premier
		Establish tender board to adjudicate tenders in all sphere of government	Treasury and Department of the Premier
	Safety and Security	Continue to ensure that South Africans are safer and feel safer	Police, Roads and Transport
		Further reduce the levels of crime	Police, Roads and Transport
		Continue to work with communities to make our neighborhood and cities safer – especially through strengthening the anti-crime awareness and dealing with substance abuse	Police, Roads and Transport
		Protect adults and children from domestic violence and crime against children	Police, Roads and Transport
		Pursue a multi-disciplinary approach in our fight against violence against women and children	Police, Roads and Transport
Build a United Nation and Promote Social Cohesion	Public Participation	Ensure public representatives are constantly in touch with the people and listens to people's concerns and needs	Legislature, Treasury and Premier
	Heritage	Actively promote patriotism and honour our collective heritage by Celebrating Symbols and Public Reference Points and The Important Historical and Cultural Sites and events of all our people	Sport, Arts and Culture
		Promote and reserve our heritage	Sport, Arts and Culture
		Build more museums and monuments and continue to maintain our existing ones	Sport, Arts and Culture
	National Development Plan	Mobilise all sectors to contribute meaningfully in the implementation of the NDP	Department of the Premier

The 2014 MTEF proposed allocations, though constrained by provincial fiscal purse, are positioned to respond directly to the objectives of the broad government policies as outlined above.

2.3 Summary of budget aggregates

Table 2.3.1: Provincial budget summary

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Provincial receipts									
Transfer receipts from national	20 358 697	22 912 132	24 366 301	26 021 055	26 620 964	26 458 004	27 041 356	29 228 336	29 279 185
Equitable share	16 217 212	17 722 579	18 795 286	20 000 325	20 173 076	20 173 076	20 883 346	22 223 230	23 158 399
Conditional grants	4 141 485	5 189 553	5 571 015	6 020 730	6 447 888	6 284 928	6 158 010	7 005 106	6 120 786
Provincial own receipts	809 355	865 214	858 279	850 563	856 330	857 912	900 855	949 677	1 001 107
Total provincial receipts	21 168 052	23 777 346	25 224 580	26 871 618	27 477 294	27 315 916	27 942 211	30 178 013	30 280 292
Provincial payments									
Current payments	16 241 841	18 277 842	19 627 738	20 343 836	20 484 032	21 267 585	22 496 609	24 222 041	25 621 978
Transfers and subsidies	3 352 692	3 502 604	3 510 716	3 768 159	4 273 170	4 309 749	3 619 605	3 770 064	3 758 661
Payments for capital assets	1 357 415	1 940 876	2 497 738	2 759 623	2 891 168	2 495 519	1 808 996	2 104 129	836 499
Payments for financial assets	22 054	40 002	9 941		800	2 936			
Unallocated contingency reserve									
Total provincial payments	20 974 002	23 761 324	25 646 133	26 871 618	27 649 170	28 075 789	27 925 210	30 096 234	30 217 136
Surplus/(deficit) before financing	194 050	16 022	-421 553		-171 876	-759 873	17 001	81 779	63 156
Financing	295 971	445 175	496 448		201 962	201 962			
Provincial roll-overs	74 138	81 703	174 759		150 196	150 196			
Provincial reserves	221 833	363 472	321 689		51 766	51 766			
Surplus/(deficit) after financing	490 021	461 197	74 895		30 086	-557 911	17 001	81 779	63 156

The estimated total provincial receipts for the 2014/15 financial year amount to R27.942 billion, which represent an increase of R464.959 million or 1.7 percent of the 2013/14 adjusted budget of R27.477 billion. The moderate increase of 1.7 percent in 2014/15 is mainly influenced by additional allocations received by the province during the 2013/14 special adjustment budget following the reallocation of conditional grants from other provinces.

The provincial equitable share grows by 3.5 percent in 2014/15 compared to the 2013/14 adjusted budget. In the last two outer years of the 2014 MTEF Provincial Equitable Share grows by 6.4 percent to R22.223 billion in 2015/16 and 4.2 percent to R23.158 billion in 2016/17, while conditional grants decline by 4.5 percent in 2014/15 to R6.158 billion and further increase substantially by 13.8 percent in 2015/16 to R7.005 billion and lastly decline by 12.6 percent in 2016/17 to R6.121 billion. The decline in 2016/17 is as a result of revision to the infrastructure conditional grant framework particularly in Health and Education which will be discussed further in part 4 of this document.

The provincial own receipts grows from R856.330 million in 2013/14 to R900.855 million in 2014/15 which represents 5.2 percent. The provincial own receipts further increases to R949.677 million and R1.001 billion which represents 5.4 percent in both 2015/16 and 2016/17.

The proportionate share of equitable share to the total provincial receipts increased slightly from 73.4 percent in 2013/14 to 74.7 percent in 2014/15 whilst conditional grants decreased from 23.5 percent in 2013/14 to 22 percent in 2014/15 as a result of revision and reforms in conditional grant frameworks.

Lastly provincial own receipts increased slightly from 3.1 percent in 2013/14 financial year to 3.2 percent in 2014/15 of the total Provincial Receipts for 2013/14.

The current payments account for 80.6 percent in the first year of 2014 MTEF which represent an increase of 9.8 percent compared to the adjusted appropriation in 2013/14 financial year. The share of current payments to the total provincial expenditure is estimated to increase to 80.5 percent in 2015/16 financial year and further increase to 84.8 percent in the last outer year of 2014 MTEF.

In 2014/15 the share of transfers and subsidies to the total provincial payments declines from 15.5 per cent to 13.0 percent. The allocation further declines from 13 percent in 2014/15 to 12.5 percent in 2015/16 and 12.4 percent in 2016/17 financial years.

The share of payments for capital assets from the total provincial expenditure is 6.5 percent in 2014/15 financial year and slight increase to 7 percent in 2015/16 financial year and a significant decline to 2.8 percent in 2016/17 financial year. The decline in 2016/17 financial is due to the fact that the Departments of Health and Education are expected to bid for their infrastructure budget in 2015/16 for 2016/17 in line with the Division of Revenue Act.

2.4 Financing

Table 2.3.1 above indicates consolidated surplus of R161.936 million over the 2014 MTEF period, of which R17.001 million is for 2014/15, R81.779 million for 2015/16 and R63.156 million for 2016/17. The surplus relates to earmarked funding for Revenue Enhancement Allocation in line with the approved Provincial Revenue Enhancement Strategy which is aimed at optimizing revenue collection. The Provincial Government is therefore tabling a surplus budget in 2014/15.

Furthermore, overdraft facility that is negotiated annually with the provincial banker will be used only for the bridging finance in order to address the temporary liquidity requirements.

It is imperative to mention that borrowing will be considered as a last resort for funding after all avenues of funding have been explored. The province will only borrow for investment which has economic spin-off through National Treasury's Loan Coordinating Committee. In addition to the above, the cost of repaying borrowed funds should be carefully considered before any agreement is entered into. As a result, alternative funding mechanisms that fast-track and optimize service delivery on the one hand and limit the burden on the public fiscus should be pursued.

3. The budget process and the medium term expenditure framework

The 2014 MTEF budget is a result of vigorous processes which included, amongst others, the bilaterals between the departments and Provincial Treasury, the Provincial Medium Term Expenditure Committee which afforded all departments' opportunities to present budget requests and bids as well as various Makgotlas (EXCO Lekgotla and Provincial Budget Lekgotla) which successfully aligned budgets to set priorities. Added to the above processes are the interactions of all the departments with the Provincial Executive Council and Budget Task Team with the view of ensuring that the 2014 MTEF budget is firmly grounded and addresses the set key priorities of government. Whilst the ground work has been achieved in respect of aligning resources to key government objectives, the provincial government still requires departments to exercise prudence, efficiency and effectiveness in the utilization of limited public resources.

The reprioritization of budgets to address frontline government services still remain relevant for 2014 MTEF and thus all provincial departments are required to take initiatives that ensure adequate funding for key government priorities.

Key activities relating to the 2013/14 Provincial Budget Process were the following:

- The 2013/14 provincial budget process endorsed by the EXCO during August 2013.
- Provincial rollovers were finalized during July 2013.
- National Treasury July visits were held on the 29-30 August 2013.
- Provincial Budget Workshop held on the 17th August 2013 to mainly address:
 - Overview of the budget process
 - Economic Review and outlook of Free State
 - Reforms within 2014 MTEF Budget Guide & EPRE
- First and Second Quarter Infrastructure Review meetings were held on 29th of October 2013.
- Third and Fourth Quarter Infrastructure Review meetings are to be held on 8th April 2014.
- Adoption of Provincial Treasury Instruction Note 31 on Cost Containment Measures during February 2014.
- 2013 Provincial Medium Term Expenditure Committee (PMTEC) hearings were held on the 1 - 2 November 2013.
- Revenue Bilaterals were held on the 30 - 31 October 2013.
- The tabling of the 2013/14 Adjustment budget was held on 20th November 2013.
- Provincial Budget Lekgotla was scheduled for November 2013, however, rescheduled for 24-26 January 2014.
- The 2014 Preliminary MTEF allocations will be presented to the Extended EXCO in February 2014.
- The tabling of the 2013 Provincial Budget scheduled for the 12th of March 2014.
- Tabling of the APPs is anticipated from middle March 2014.

As part of annual budget process, National Treasury visits Provincial Treasuries twice a year. The first visit was from 29th to 30th August 2013. This exercise involves assessment of previous year's budget outcome, implementation of the current fiscal year and pressures facing the provincial budget. The following issues were discussed:

- Overview of the 2012/13 actual expenditure per programme and economic classification;
- Overview of audit outcomes;
- Measures implemented to address over/under expenditure going forward;
- Review of specific performance and financial issues per department; and
- Clear quantification of performance of the infrastructure expenditure for the 2013/14 financial year. Details on all projects completed.

Provincial Medium Term Expenditure Committee hearings were held on 1st – 2nd November 2013. These hearings were chaired by the MEC of Provincial Treasury and other MECs and Accounting Officers of various departments led the delegations of their respective departments. National Treasury also formed part of the hearings. The hearings focused on the following:

- Undertake a detailed assessment of the your departmental budget proposal for the 2014 MTEF budget;

- Assess whether alignment exists between the departmental budget and APP, National and Provincial Priorities, Sector Specific Priorities and other Key Government Priorities;
- Evaluate how inflationary and salary increases have been effected into your departmental budget over the new MTEF;
- Assess departments' readiness to implement programmes and projects identified for the 2014/15 at the beginning of the financial year (April 2014); and
- Reach consensus on aspects affecting your departmental budget over the MTEF.

Over and above the last mentioned issues, the hearings were also intended to determine the extent to which the provincial departments give effect to the policy priorities as reflected in the 2013 Medium Term Budget Policy Statement (MTBPS) as well as other government priorities. The hearings provided a platform for a shared understanding between provincial departments and National and Provincial Treasuries on the key priorities underpinning each provincial department's budget and the province as a whole.

In the midst of fiscal constraints, provincial own revenue continues to be critical funding for provincial own priorities hence there is a pressing need for Provincial Treasury to continue to provide technical and strategic support to ensure that there is effective revenue optimization, administration and management in the province thereof.

The following activities are performed by Provincial Treasury with a view to enhance revenue collection in the province:

- Provide funding on the revenue related projects through Revenue Enhancement Allocation;
- Conduct various site visits to monitor the administrative/system processes on revenue;
- Provision of assistance to departments for the determination and analysis of credible revenue budgeting;
- Enforcement of compliance to PFMA, Treasury Regulations, revenue circulars, policies and instruction notes;
- Assist departments with the analysis of revenue targets and development of revenue base for each department;
- Review of revenue tariffs structures which are core in own revenue items; and
- Hosting of revenue bilateral meetings with a view to strengthen the province's capacity to collect and maximize the provincial own revenue.

Provincial Treasury further embarked on various activities with the view to ensure that infrastructure projects are executed effectively, on time and that value for money spent is derived. To ensure that the above is realized and that monitoring is done accordingly, Provincial Treasury visited various infrastructure sites. These site visits provides appropriate time for Treasury to track physical progress of various projects against the spending and set timeframe for individual projects.

Infrastructure development has been identified at national and provincial level as a key enabler for economic growth and consequently job creation in line with the NDP and FSGDS. The technical assistance to the province through the Infrastructure Delivery Improvement Programme (IDIP) supports effective and efficient Infrastructure Delivery and continued under Phase 3b of the programme during the 2013/14 financial year.

The following key milestones were reached and achievements during this period include:

- Several task teams were convened and most notably supported the development of the guidelines for the Section 42 Transfer of Immovable Assets and a standardized SDA between DPW as Implementing Agent and all Client Departments;
- A task team investigated the cost of provincial Infrastructure projects and developed benchmarks for Construction and PSP costs;
- Through IDIP support the compliance with and quality of Infrastructure planning methodology and documents have been improved and has enabled the province to qualify to bid for unallocated budget at a national level in line with the new performance based budgeting methodology for infrastructure Conditional Grants;
- The concept of Immovable Asset Life Cycle management has been introduced that has in turn facilitated improved planned maintenance of provincial Immovable Assets;
- Departmental maintenance strategies have been developed and are in the process of enhancing planned maintenance of provincial Immovable Assets;
- The development of provincial Infrastructure Delivery Management Systems (IDMS) has been introduced at a national level and the national standard for IDMS was developed to guide provinces in the process. Through this important document a standardized systems approach to the management of provincial Immovable Assets has been introduced in line with PFMA, GIAMA, CIDB Act and other national legislation. The System for the first time clearly defines the roles and responsibilities of all role players in the provincial Immovable Asset environment;
- Completion and EXCO approval of the Free State Infrastructure Delivery Management System (FSIDMS) on 30th May 2013. The FSIDMS was developed through the collaboration of all Free State provincial departments and has been approved without amendments by EXCO with the condition that it has to be implemented in all provincial departments;
- An IDMS implementation road map has been developed to guide and monitor the implementation and institutionalisation of the FS IDMS;
- The IDMS HR Capacitation frameworks are at different stages of completion, approval and implementation. This is the key enabling intervention through National IDIP support for the institutionalisation of the IDMS in the province;
- Implementation of the IDMS has commenced in Free State Provincial Treasury, Department of Public Works, Department of Health and Department of Education;

The Free State Budget Task Team comprising of MECs from various departments and executive mayors together with Provincial Treasury officials held various meetings during February 2014 in order to finalise infrastructure projects and recommended allocations to departments for the 2014 MTEF period. In this regard, the Provincial Executive Council approved the 2014 MTEF allocations following the recommendations by the Budget Task Team; the Executive Council approved these allocations on the 3rd March 2014.

The Budget Task Team played an important role in consolidating the various recommendations and options in clear threads resulting in this proposed resource allocations per department.

Furthermore the participation of the Executive Council in the budget process and specifically their attendance of the Provincial MTEC hearings, Budget Lekgotla and Extended EXCO Lekgotla continue to enhance the process and remain vital for ensuring that the budget reflects both national and provincial priorities.

4. Receipts

4.1 Overall position

The receipts of provincial government consists of sources of funding from national government which are; equitable share, conditional grants and provincial own receipts under guidance of two legislative framework which are chapter 13 of the constitution of the Republic of South Africa and Treasury Regulation emanating from Public Financial Management in which chapter 3 provide establishment, delegation, control, withdrawal, functions and powers by respective treasuries.

The total provincial receipt for the 2014/15 financial year amounts to R27.942 billion. This amount is constituted by equitable share and conditional grants which are national transfers as well as provincial own revenue. The national transfers are the main source of financial support for the province; with equitable share contributing 74.7 percent with a slight increase of 0.9 percent from 2013/14 and conditional grants at 22 percent or R6.158 billion. The transfers from national for 2014/15 amount to R27.041 billion and this represents 96.8 percent of the total provincial receipts. This amount includes equitable share funding of R20.883 billion and conditional grants of R6.158 billion. The provincial own receipts for 2014/15 financial year is projected at R900.855million or 3.2 percent of the total receipts.

The total provincial fiscal framework increases by R464.9 million from an adjusted budget of R26.679 billion in 2013/14 to R27.942 billion in 2014/15; representing an increase of 1 percent year in 2014/15. In the last two outer years of 2014 MTEF, the total provincial fiscal framework is projected to be R30.178 billion and R30.280 billion respectively. Total provincial receipts increase by a total of R2.803 billion over the 2014 MTEF or with an average of 3.1 percent.

The equitable share is an unconditional and objective redistributive allocation to provinces based on the equitable share formula. According to the Constitution of the Republic of South Africa section 214 (2) and section 227 (1), the equitable share must take into account the national interest as well as to ensure that province and municipalities are able to provide basic services and perform the functions allocated to them. The equitable share which contributes the bigger share of national transfers to the province is estimated at R20.883 billion for 2014/15, R22.223 billion for 2015/16 and R23.158 billion in 2016/17, representing nominal increases of R710.270 million in 2014/15, R1.339 billion in 2015/16 and R935.169 million in 2016/17. Therefore, over the 2014 MTEF the equitable share increases by an average of 4.7 percent in nominal terms.

The conditional grants complement a range of programmes funded by provinces (Schedule 4 of the Division of Revenue Act), specific purpose allocation to provinces (Schedule 5 Division of Revenue Act), and allocation in kind to provinces (Schedule 7 Division of Revenue). Conditional grants are adjusted downward by R440 million from the adjusted R6.598 billion to R6.158 billion in 2014/15, R7.005 billion and R6.120 billion in 2015/16 and 2016/17 respectively.

The provincial own revenue shows an increase of 5.3 percent on average over the 2014 MTEF, this increase is slightly below the projected inflation of 5.5 percent as per MTBPS of 2013. This source of revenue is congregated through tax receipts (motor vehicle taxes, casino taxes, horse racing taxes, liquor license) and through sales of goods and services other than capital assets. Contribution of provincial own revenue to the total provincial receipts increases over the 2014 MTEF from 5.2 percent in 2014/15 to 5.4 percent in 2015/16 and 2016/17.

In terms of classification, motor vehicle licenses contributes 51.3 percent on average over the 2014 MTEF, followed by sales of goods and services which includes patient fees with an average share of 33.3 percent and interest on investment with an average share of 3.7 percent. Contribution of provincial own revenue to total provincial receipts remains static at an average of 3 percent over the 2014 MTEF.

To ensure that the province invest on revenue related projects, Revenue Enhancement Allocation was provided to the departments with the intended purpose of enhancing own revenue. The funding was provided to the following revenue projects:

- Upgrade of Testing Stations/Centers – maintenance of roadworthy machines
- Resuscitation of static speed cameras
- Establishment of mobile collecting unit
- Outsourcing of case managers at two hospitals
- Finalisation of electronic booking system at resorts and reserves
- Rental state properties

Table 4.1.1 : Summary of provincial receipts

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Transfer receipts from National									
Equitable share	16 217 212	17 722 579	18 795 286	20 000 325	20 173 076	20 173 076	20 883 346	22 223 230	23 158 399
Conditional grants	4 141 485	5 189 553	5 571 015	6 020 730	6 447 888	6 284 928	6 158 010	7 005 106	6 120 786
Total transfer receipts from National	20 358 697	22 912 132	24 366 301	26 021 055	26 620 964	26 458 004	27 041 356	29 228 336	29 279 185
Provincial own receipts									
Tax receipts	337 697	410 650	442 705	445 168	485 820	485 820	513 025	540 729	569 928
Casino taxes	25 739	30 176	30 732	34 609	34 909	34 909	36 864	38 855	40 953
Horse racing taxes	5 427	6 747	6 410	7 615	7 615	7 615	8 041	8 476	8 933
Liquor licences	5 624	5 150	5 744	5 408	5 760	5 760	6 082	6 410	6 757
Motor vehicle licences	300 907	368 577	399 819	397 536	437 536	437 536	462 038	486 988	513 285
Sales of goods and services other than capital assets	224 515	270 162	268 142	264 668	281 270	282 281	299 687	316 923	334 217
Transfers received	2 770	2 295	6 145		3 260	3 391			
Fines, penalties and forfeits	37 897	27 066	22 305	25 650	13 000	13 050	13 761	14 513	15 280
Interest, dividends and rent on land	113 758	91 631	53 699	76 547	31 764	31 824	33 398	35 179	37 310
Sales of capital assets	21 494	19 278	10 792	13 771	12 375	13 687	15 204	15 364	16 154
Transactions in financial assets and liabilities	71 224	44 132	54 491	24 759	28 799	27 859	25 780	26 969	28 218
Total provincial own receipts	809 355	865 214	858 279	850 563	856 288	857 912	900 855	949 677	1 001 107
Provincial funding	295 971	445 175	496 448		201 962	201 962			
Provincial roll-overs	74 138	81 703	174 759		150 196	150 196			
Provincial reserves	221 833	363 472	321 689		51 766	51 766			
Total provincial receipts	21 464 023	24 222 521	25 721 028	26 871 618	27 679 214	27 517 878	27 942 211	30 178 013	30 280 292

4.2 Equitable share

As guided by sections 214 and 227 of the Constitution of the Republic, the nationally generated revenue is allocated to provinces via the Provincial Equitable Share (PES) formula. The PES is the decisive tool used by National Government to allocate funds to provinces to enable provinces to work towards meeting provincial priorities.

The provincial equitable share allocation of the nationally raised revenue is formula driven. The formula used to divide the equitable share between provinces is objective-based and redistributive by design. The formula is reviewed and updated annually, based on the latest available data.

In the 2011/12 MTEF, the Health portion of the formula changed. The formula previously took into account the number of people not on medical aid, however currently the formula takes into account estimated demand for health services according to age and gender, as well as data obtained from the District Health Information System.

The distribution of weights by components remains unchanged, with Education share of 48 percent, Health share with 27 percent and the Basic share component with 16 percent. The definitions of the all components are outlined below:

- **Education component** weighting remains constant at 48 percent – based on the school age cohort (5-17 years) and school enrolment data
- **Health component** weighting is 27 percent –based on a new health component which was introduced based on the output data from the health sectors and the risk-adjusted capitation index based on data from the Risk Equalization Fund.
- **Basic component** weighting is 16 percent –based on the province's share of national population
- **Poverty** is 3 percent – grounded on the level of poverty in the province
- **Economic activity** 1 percent – based on the Regional Gross Domestic Product data
- **Institutional** is 5 percent - distributed equally amongst all nine provinces

Equitable share transfers to the province increase by R710.270 million or 3.52 percent from the adjusted R20.173 billion in 2013/14 to R20.883 billion in 2014/15. Over the 2014 MTEF years the equitable share transfers grow on average by 4.71 percent, with a growth of 3.52 percent in 2014/15, 6.42 percent in 2015/16 and 4.21 percent in 2016/17. The additions to 2014 MTEF cater for inflationary policy adjustment on compensation of employees, re-grading of the clerks as well as expansion on existing priorities, OSD for therapists, absorption of social work graduates, and provision of shelters to victims of Gender-Based Violence, Rollout of Human Papillomavirus (HPV) Vaccine and support to the NGOs. The impact of the 2011 Census and data changes in the equitable share formula in the 2014/15 financial year had an adverse impact to the total provincial equitable share over the 2014 MTEF as the province share was revised downwards by R268.7 billion over the 2014 MTEF.

4.3 Conditional Grants

Conditional grants are allocated by the national government in order to assist provinces to realize national objectives, on top of funds available in equitable share and own revenue produced by provinces; these grants supplement priorities that need to be realized by national government through provinces.

In the 2014 MTEF the following reforms will be introduced, namely:

Changes to Infrastructure to improving provincial performance in infrastructure delivery

From 2015/16 provinces will only be eligible to receive allocations for Health and Education Infrastructure Grants if they have complied with qualification criteria that require them to meet certain planning. This implies that the Departments of Health and Education must bid for infrastructure allocation in 2015/16 for 2016/17.

Consolidation of Health Grants

The National Tertiary Services Grant aims to transform the tertiary hospital service in line with national policy objectives. Over the MTEF, R2.827 billion was allocated to this conditional Grant.

The Comprehensive HIV and AIDS Grant is intended to enable the health sector to develop and steadily increased by R100.042 million from 2013/14 to 2014/15 financial year to support the implementation of the National Operational Plan for comprehensive HIV and Aids treatment and care.

The Health Facility Revitalization Grant supports the projects that modernize infrastructure and equipment in hospitals. R448.962 million was allocated in 2014/15 and R554.950 million in 2015/16.

The Health Profession Training and Development Grant is used for the training of health professionals and the development of medical specialist. The grant amount over the medium term allocated is R460.844 million.

Further Education Training (FET) Colleges Grant

The outstanding operational issues have resulted in delays in the finalization of Further Education Training (FET) Colleges shift to Department of Higher Education and Training (DHET). As a result, the full transfer of the FET Colleges functions and concomitant funds will be effected on 1st April 2015. The DHET will establish a special committee of various stakeholders including National and Provincial Treasuries, which will feed into the Heads of Education Committee (HEDCOM) and Council of Education Ministers (CEM) for provision of executive stewardship of the process for full funding shift of FET Colleges on 1st April 2015 and Adult Education and Training on 1st April 2016.

The grant has been revised to accommodate the decision to convert a portion of the grant into a subsidy that is transferred directly to colleges from the National Department of Higher Education and Training (DHET). The FET grant portion will be R185.111 million in 2014/15, R198.284 million in 2015/16 and R209.218 million in 2016/17.

Human Settlements Development Grant

The Human Settlement Development Grant facilitates the establishment of stable sustainable human settlement. This grant should eradicate and formalise the informal settlement. The municipalities will receive Human Settlements Development Grant fund from national government through provincial government transfers. A total amount of R3.446 billion is allocated to HSDG over the 2014 MTEF, which comprises of R1.062 billion in 2014/15, R1.132 billion in 2015/16 and R1.253 billion in 2016/17.

The total amount of R267.319 million has been earmarked for mining towns to address eradication of bucket sanitation systems in informal settlements. Over 2014 MTEF an amount of R223.956 million has been allocated to Matjhabeng and R43.363 million has been allocated to Mqohaka for the provision of improved sanitation in areas where housing projects did not provide adequately decent sanitation.

Other Conditional Grants

Comprehensive Agricultural Support Programme

The purpose of the grant is to expand the provision of agricultural support services, promotes and facilitates agricultural development by targeting smallholder and previously disadvantaged farmers. Included in this grant is the extension recovery programme which focuses on improving extension services through training programmes. Over 2014 MTEF the total allocation is R429.083 million which includes R8.947 million in 2014/15 for flood damages, in 2014/15 the department is allocated R146.531 million which decreased by R5.771 million and increased by R1.032 million in 2015/16 and 2016/17 respectively.

Land Care Programme: Poverty Relief and Infrastructure Development

Land Care Programme Grant optimises production and sustainability of natural resource for food security and job creation. The grant is allocated R16.647 million over the 2014 MTEF.

Ilima/Letsema Projects

This grant is intended to boost food production. The grant purpose is to assist targeted vulnerable Free State farming communities to increase agricultural production and improve farming skills. Over 2014 MTEF the grant is allocated R184.561 million. In 2014/15 the grant is allocated R60.802 million, R62.877 million and R60.882 million in 2015/16 and 2016/17, which respectively grows by 3.4 percent and 3.17 percent in 2015/16 and 2016/17.

Dinaledi Schools Grant

This grant commenced in 2011/12 to improve the performance and increase participation in Mathematics, Life Sciences and Physical Science. Over the medium term, R25.198 million is allocated to this grant.

Education Infrastructure Grant

The grant is used by the province to maintain, refurbish and upgrade of existing schools, enhance capacity to deliver infrastructure and improve planning and management which will be implemented through this grant. The grant is allocated R1.312 billion over the MTEF, in 2014/15 the budget is allocated R554.313 million which increases by R203.240 million to R757.553 million in 2015/16. The allocation for 2016/17 has been put in the pool as provinces are obliged to bid for the allocations of this grant.

HIV and Aids (Life Skills Education)

The grant was initiated to assist provinces in providing life skills in all primaries and secondary schools, access to voluntary counseling and testing and development of community based care models. R36.605 million has been allocated over the 2014 MTEF decreasing with R2.871 million from 2013/14 to 2014/15.

National Schools Nutrition Programme Grant

The grant seeks to enhance learning capacity through school feeding programmes, support food production and improve food security in school communities and improve access to education through the provision of nutritious meals to targeted learners in quintile 1, 2 and 3 schools. The grant has increased with R24.385 million from 2013/14 to 2014/15, further increased by R17.952 million and R16.809 million in 2015/16 and 2016/17.

Technical Secondary Schools Recapitalisation Grant

The purpose of the grant is to recapitalize technical schools aiming at improving their capacity and contribute to skills development and training in the country. This grant is allocated R70.072 million over the 2014 MTEF.

Social Sector Expanded Public Works Programme (EPWP) Incentive Grant to Provinces

This grant is allocated to social sector departments as an incentive which is paid out based on the departments achieving job creation targets set out in the previous financial year. The EPWP Social Sector Incentive Grant has been allocated R11.700 million in 2014/15 to four provincial departments as follows: R2.580 million to Health, R2.846 million to Education, R3.694 million to Social Development and R2.580 million to Department of Sport, Arts, Culture and Recreation.

The Expanded Public Works Programme (EPWP) Integrated Grant for Provinces

The EPWP Integrated Grant to Provinces is a short to medium term programme that aims to provide work opportunities coupled with training. The overall strategy is to reduce poverty through the alleviation and reduction of unemployment. This grant is allocated R26.601 million in 2014/15 to be distributed amongst the Departments of Economic Development Tourism & Environmental Affairs, Health, Education, Social Development, Public Works, Police, Roads and Transport, Agriculture, Sport, Arts, Culture and Recreation and Human Settlements.

Community Library Services Grant

The grant is used to ensure that the urban and rural library services are transformed through recapitalised programme. Its main focus is staff capacity, library resources and information computer technology. The grant allocation over the MTEF is R430.658 million, which increased with R53.427 million between 2013/14 and 2014/15, from 2014/15 to 2015/16 increased by R36.763 million and from 2015/16 to 2016/17 increased by R0.093 million. The increases over the MTEF are made available to enhance capacity in the sector and to provide for dual purpose libraries where needed.

Provincial Roads Maintenance Grant

The purpose of this grant is to develop maintenance activities and cover the cost of renovations, upgrades and refurbishment activities. R23.350 million is allocated over the MTEF for road asset management system to keep systems updated. A total of R3.758 billion has been allocated to this grant over the MTEF.

Public Transport Operations Grant

The grant is used to subsidise roads based public transport services and provide supplementary funding towards public transport services provided by provincial governments. This grant will amount to R679.205 million over the MTEF.

Table 4.3.1: Summary of conditional grants by grant

Department/Grant	Audited outcome			Main Appropriation	Adjusted Appropriation	Revised estimate	Medium Term Expenditure Estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
R thousand					2013/14				
Agriculture	94 226	167 561	190 121	206 844	206 844	206 844	212 760	209 113	208 418
Agriculture Disaster Management Grant		4 736							
Comprehensive Agricultural Support Programme Grant	64 754	106 360	126 637	140 274	140 274	140 274	146 531	140 760	141 792
Ilima/Letsema Projects Grant	25 112	51 843	54 531	57 999	57 999	57 999	60 802	62 877	60 882
Land Care Programme Grant: Poverty Relief and Infrastructure Development	4 360	4 622	8 953	8 571	8 571	8 571	5 427	5 476	5 744
Arts and Culture	45 234	45 418	48 502	62 918	65 586	64 103	119 013	155 776	155 869
Community Library Services Grant	45 234	45 418	48 502	62 918	65 586	64 103	119 013	155 776	155 869
Sport and Recreation South Africa	28 291	33 078	34 114	38 832	38 832	38 832	40 318	42 133	44 240
Mass Sport and Recreation Participation Programme Grant	28 291	33 078	34 114	38 832	38 832	38 832	40 318	42 133	44 240
Education	427 336	1 026 253	1 113 063	956 222	966 897	966 897	1 098 782	1 321 581	590 452
Dinaledi Schools Grant		4 816	5 184	7 573	7 573	7 573	8 006	8 374	8 818
OSD for Therapists							18 358	5 775	
Education Infrastructure Grant		420 881	512 348	468 931	476 218	476 218	554 313	757 553	
HIV and Aids (Life Skills Education) Grant	11 000	10 434	9 910	12 135	14 441	14 441	11 570	11 129	13 906
National School Nutrition Programme Grant	189 926	248 201	257 762	274 552	274 820	274 820	299 205	317 157	333 966
Technical Secondary Schools Recapitalisation Grant	7 477	14 428	19 594	20 963	20 963	20 963	22 219	23 309	24 544
Further Education and Training Colleges Grant	218 933	327 493	308 265	172 068	172 882	172 882	185 111	198 284	209 218
Health	1 442 374	1 815 224	2 143 463	2 274 588	2 361 380	2 278 499	2 343 498	2 581 437	2 200 275
Comprehensive HIV and Aids Grant	388 329	456 532	639 245	742 984	742 984	742 984	843 026	926 533	1 042 024
Forensic Pathology Services Grant	30 738	38 475							
Hospital Facility Revitalisation Grant	244 634	480 566	575 499	538 962	625 754	542 873	448 962	554 950	
of which									
Health infrastructure component		75 051	81 950	67 250	139 192	92 741	73 293	87 877	
Hospital Revitalisation component	244 634	405 515	490 284	469 470	484 320	447 890	370 674	464 158	
Nursing Colleges and Schools component			3 265	2 242	2 242	2 242	4 995	2 915	
Health Professions Training and Development Grant	117 400	124 447	130 945	138 131	138 131	138 131	146 419	153 154	161 271
National Tertiary Services Grant	659 469	715 204	786 801	849 661	849 661	849 661	898 091	939 403	989 191
National Health Insurance Grant			10 973	4 850	4 850	4 850	7 000	7 397	7 789
World Cup Health Preparation Strategy Grant	1 804								
Human Settlements	1 037 685	927 821	991 804	1 120 936	1 350 936	1 120 936	1 061 756	1 131 794	1 252 868
Housing Disaster Relief Grant		16 631	27 469						
Human Settlements Development Grant	1 037 685	911 190	964 335	1 120 936	1 350 936	1 120 936	1 061 756	1 131 794	1 252 868
National Treasury	727 211	116 214							
Infrastructure Grant to Provinces									
Education	146 894	65 455							
Health	58 344	3 543							
Police, Roads and Transport	521 973	47 216							
Public Works	222 376	240 150	268 005						
Devolution of Property Rate Funds Grant	222 376	240 150	268 005						
Transport	187 077	525 607	758 448	1 333 844	1 577 205	1 133 465	1 241 582	1 556 772	1 639 164
Provincial Roads Maintenance Grant		321 905	565 702	1 130 462	1 373 823	924 083	1 025 682	1 331 043	1 401 588
Public Transport Operations Grant	187 077	181 934	192 746	203 382	203 382	209 382	215 900	225 729	237 576
Transport Disaster Management Grant		21 768							
Social Development							2 000	6 500	29 500
Substance Abuse							2 000	6 500	29 500
Other (Not Included above)	4 055	15 859	23 495	26 546	30 404	24 129	38 301		
Expanded Public Works Programme Incentive Grant for Provinces		4 378	12 114	18 001	18 001	14 752	11 700		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	4 055	11 481	11 381	8 545	12 403	9 377	26 601		
Total conditional grants	4 215 865	4 913 185	5 571 015	6 020 730	6 598 084	5 833 705	6 158 010	7 005 106	6 120 786

4.4 Total provincial own receipts

Table 4.4.1: Summary of provincial own receipts by Vote

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1 Department of the Premier	3 345	6 388	4 300	4 894	4 809	4 809	5 043	5 315	5 602
3 Economic Development, Tourism and Environmental Affairs	57 934	65 348	61 127	69 364	71 853	71 853	75 877	79 975	84 294
4 Provincial Treasury	112 886	91 078	52 525	75 975	30 975	30 975	32 681	34 446	36 306
5 Health	187 952	177 714	174 567	149 616	149 981	149 981	158 380	166 933	175 947
6 Education	14 524	15 779	19 082	17 319	18 278	18 336	19 302	20 344	21 442
7 Social Development	1 523	882	1 390	1 218	1 378	1 678	1 455	1 534	1 617
8 Cooperative Governance and Traditional Affairs	2 092	2 010	3 238	1 771	1 771	1 813	1 914	2 018	2 127
9 Public Works	9 764	28 076	33 358	23 564	32 400	32 400	34 920	36 806	38 794
10 Police, Roads and Transport	405 313	464 719	489 943	493 902	527 838	527 838	557 397	587 496	619 221
11 Agriculture and Rural Development	3 095	2 695	2 701	2 875	2 942	4 128	2 478	2 786	3 084
12 Sport, Arts, Culture and Recreation	10 469	9 720	15 855	9 854	13 843	13 843	11 176	11 779	12 415
13 Human Settlements	458	805	193	211	220	258	232	245	258
Total provincial own receipts by Vote	809 355	865 214	858 279	850 563	856 288	857 912	900 855	949 677	1 001 107

According to section 228 of the Constitution of the Republic of South Africa, the provinces may impose taxes, levies and duties other than income tax, corporate tax, VAT, general sales tax, rates on property or custom duties. The Free State mainly generates its own revenue through motor vehicle licenses, patient fees, gambling taxes as well as interest on investment made by the Provincial Treasury. Therefore; the main departments that contribute significantly towards provincial own revenue are: Police, Roads and Transport; Health; Provincial Treasury and Economic Development Tourism and Environmental Affairs.

The province rolled-out the Provincial Revenue Enhancement Strategy in 2012/13 financial year with intention to improve competence and efficiency of the current revenue process, furthermore, this strategy sort to gather different approaches that are intended to stimulate the growth in revenue collection, supporting only related projects that enhances the manner in which revenue is collected throughout the Free State Province. In the 2014/15 a total amount of R30.134 million has been set aside for this initiative.

Table 4.4.1 above shows the history of own revenue receipts, the estimates for 2013/14 as well as the future expected revenue collection over the 2014 MTEF period. The 2013/14 own revenue budget was adjusted upwards by R5.725 million from R850.563 to R856.288 million. This represents an increase of 0.6 percent from the main appropriation. The revenue budget further shows an increase of R44.567 million in 2014/15 from the adjusted budget of R856.288 million to R900.855 million. In the last outer two years the provincial own revenue further grows to R949.677 million and R1.001 billion respectively.

4.5 Donor funding

The Free State Province received an amount of R24 million over the 2014 MTEF as a donor from European Union as part of the General Budget Support Funding (GBS). The purpose of the donor funding from GBS is to migrate from a bar code based system of asset management of library materials to a Radio Frequency Identification (RFID) System.

Every item of library material will be provided with and RFID tag by replacing bar code labels with RFID tags and by implementing a system to provide newly procured items with RFID tags.

Table 4.5.1 Summary of Foreign Donor Fund: Sport, Arts, Culture and Recreation

R thousand	Audited outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
General Budget Support (European Union)							12 000	12 000	
Total donor funding received							12 000	12 000	

5. Payments

5.1 Overall position

The total outlays for 2014 MTEF period for the Free State Province are budgeted as follows:

- Financial year 2014/15: R27.925 billion
- Financial year 2015/16: R30.096 billion
- Financial year 2016/17: R30.217 billion

In the 2014 MTEF period, provincial expenditure is expected to rise to R27.925 billion in 2014/15, this represent an increase of 1.6 percent when compared to the adjusted budget of 2013/14. In the subsequent financial year, the spending expected to increase to R30.096 billion and thus indicating a growth of 7.8 percent when compared to 2014/15 financial year. For the outer financial year, the province is estimated to spend R30.217 billion and this represent a slight increase of 0.4 percent.

The fiscal framework of the province is constrained due to changes in equitable share formula; the growth in projected spending of the province grows slightly in the outer year. Basically on average the projected provincial spending over the 2014 MTEF grows by 3.1 percent which is far below the average growth of CPI of 5.4 percent as outlined in the 2013 MTBPS.

5.2 Payments by vote

Table 5.2.1: Summary of provincial payments and estimates by Vote

R thousand	Audited outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
1 Department of the Premier	185 050	213 514	252 855	279 956	279 415	283 330	270 514	281 949	293 907
2 Free State Legislature	150 134	195 588	205 885	173 698	192 949	192 949	176 209	183 580	191 322
3 Economic Development, Tourism and Environmental Affairs	327 288	389 855	407 139	450 195	440 196	443 390	444 084	462 770	481 101
4 Provincial Treasury	162 778	184 972	206 545	216 355	219 636	222 484	226 740	236 048	246 942
5 Health	6 019 179	6 811 239	7 611 720	7 894 778	7 992 328	7 938 201	8 155 342	8 734 771	8 655 686
6 Education	8 461 169	9 714 634	10 502 510	10 456 217	10 613 011	11 661 272	11 258 854	12 125 194	11 895 780
7 Social Development	712 546	803 679	867 136	951 229	965 096	965 096	973 054	1 019 189	1 087 273
8 Cooperative Governance and Traditional Affairs	388 061	379 245	300 530	348 413	317 456	316 541	341 625	362 184	376 081
9 Public Works	1 000 054	1 254 538	1 255 252	1 418 308	1 402 953	1 517 899	1 414 916	1 492 622	1 552 039
10 Police, Roads and Transport	1 618 129	1 716 893	1 927 682	2 260 413	2 503 732	2 062 068	2 195 242	2 570 615	2 679 371
11 Agriculture	423 356	556 198	595 490	673 294	687 332	671 249	669 270	697 016	713 213
12 Sport, Arts, Culture and Recreation	381 525	479 714	445 337	515 137	550 899	544 285	589 043	632 064	618 288
13 Human Settlements	1 144 733	1 061 255	1 068 052	1 233 625	1 484 167	1 257 025	1 210 317	1 298 232	1 426 135
14 Rural Development									
Total provincial payments and estimates	20 974 002	23 761 324	25 646 133	26 871 618	27 649 170	28 075 789	27 925 210	30 096 234	30 217 137

The above table 5.2.1 reflects the summary of payments and estimates by vote from 2010/11 to 2016/17 MTEF. For 2014/15 financial year provincial expenditure is growing by R276.040 million or 1 percent from adjusted allocation of R27.649 billion in 2013/14 to R27.925 billion. The provincial expenditure is estimated to grow at an average of 3.1 percent over the 2014 MTEF.

Department of the Premier

The Department of the Premier receives an allocation of R270.514 million in 2014/15 which represents a decrease of 3.2 percent from the adjusted allocation of R283.330 million in 2013/14. The negative growth of 3.2 percent is due to a once-off allocation made in 2013/14 for procurement of tools of trade for Community Development Workers. The allocation for the department increases by 4.2 percent in 2015/16 and further grows by 4.2 percent in 2016/17.

The allocation will cater for the following priorities: EXCO activities (community consultations and izimbizo), legal services, communication strategy, finalization of Free State Growth and Development Strategy and special programmes.

Provincial Legislature

The Free State Legislature is allocated an amount of R176.209 million in 2014/15, which is a decrease of 8.7 percent from the adjusted allocation of R192.949 million in 2013/14 due to retained revenue of R20.188 million. The allocation of the institution increases by 4.2 percent in 2015/16 to R183.580 million and by 4.2 percent in 2016/17 to R191.322 million. The budget allocation mainly covers for its oversight role, sector oversight model and political party funding.

Economic Development, Tourism and Environmental Affairs

The Department of Economic Development, Tourism and Environmental Affairs receives an allocation of R444.084 million in 2014/15 which represents an increase of 0.9 percent from the adjusted budget of R440.196 million in 2013/14. The allocation for the department is increasing to R462.770 million or 4.2 percent in 2015/16 and increasing to R481.101 million or 4.0 percent in 2016/17.

The allocation will cover amongst others, the following priorities; Economic Development, Re-development of Resorts, Revenue Enhancement Projects, Infrastructure Enhancement and Transfers to Public Entities mainly for tourism marketing and development of SMMEs.

Provincial Treasury

The budget allocation for Provincial Treasury increases from the adjusted budget of R219.636 million in 2013/14 to R226.740 million or 3.2 percent growth in 2014/15. The allocation in 2015/16 is R236.048 million, with a growth of 4.1 percent and 4.6 percent growth to R246.942 million in 2016/17. The allocation for the 2014 MTEF budget will continue to promote capacity building to various municipalities, strengthening financial governance practices, payments for SITA accounts, enforce fiscal discipline and improve operational efficiency and managing provincial budget and spending.

Department of Health

The Department of Health receives an amount of R8.155 billion in 2014/15 from an adjusted allocation of R7.992 billion in 2013/14, R8.735 billion in 2015/16 and R8.656 billion in 2016/17. Over the 2014 MTEF the allocation for the department grows by an average of 2.7 percent. The allocation will amongst others address the following priorities; Rollout of Human Papillomavirus (HPV) Vaccine, Maternal and Child Health, Accelerating HIV Counseling and Testing through PICT, Medical Male Circumcision, Medical Supplies and Dry Dispensary, Upscale Condom Distribution, Tuberculosis (TB) , Health Infrastructure, Medicine, National Health Laboratory Services and Revenue Enhancement Strategy.

Department of Education

The Department of Education is allocated an amount of R11.259 billion in 2014/15 which is an increase of 6.1 percent from the adjusted allocation R10.613 billion in 2013/14, R12.125 billion in 2015/16 and R11.896 in 2016/17. The allocation grows by 4 percent over the 2014 MTEF.

The allocation will cater for priorities such as Schools infrastructure, LTSM, Early Childhood Development, Mathematical & Science, Learner Transport, Hostel Projects, Teachers' Training & Development and OSD Therapists.

The Department will continue to drive its goals of improving performance in literacy and numeracy, improving National Senior Certificate Results and reducing the number of under-performing high schools in the province.

Department of Social Development

The Department of Social Development is allocated an amount of R973.054 million in 2014/15 which represents an increase of 0.8 percent from an adjusted allocation of R965.096 million in 2013/14, R1.019 billion in 2015/16 and R1.087 billion in 2016/17.

The following are funded priorities by the department: Persons with Disabilities, Child Care and Protection – ECD, Support to NGOs, Care for Older Persons, Campaign against Substance Abuse, Infrastructure (Maintenance), Construction of Youth Centers, Absorption of Social Work Graduates and prevention of abuse against women & children.

Department of Cooperative Governance and Traditional Affairs (COGTA)

The Department of Cooperative Governance and Traditional Affairs is allocated an amount of R341.625 million in 2014/15 which represents an increase of 7.6 percent from the adjusted allocation of R317.456 million in 2013/14. The allocation of the department is showing a growth of 6.0 percent in 2015/16 and 3.8 percent in 2016/17. Funded priorities amongst others are Municipal Financial Intervention, Bulk Infrastructure & Basic Services and Operation Clean Audit.

Department of Public Works

The Department of Public Works receives an amount of R1.415 billion in 2014/15, R1.493 billion in 2015/16 and R1.552 billion in 2016/17. The following priorities are funded: Provincial Government Building, Office leases, Municipal Services, Property Rates and Taxes, Township Revitalization and Revenue Enhancement Projects.

The department will also continue to implement the Government Immovable Assets Management Act (GIAMA) as well as coordination of the Expanded Public Works Programme (EPWP) in the province.

Department of Police, Roads and Transport

The Department of Police, Roads and Transport receives an allocation of R2.195 billion in 2014/15, R2.571 billion in 2015/16 and R2.679 billion in 2016/17. The allocation will mainly fund provincial road maintenance infrastructure, contractor development, asset management and flood damages.

Department of Agriculture and Rural Development

The Department of Agriculture and Rural Development receives an amount of R669.270 million in 2014/15 which is basically a decrease of 2.6 percent from the adjusted allocation of R687.332 million in 2013/14. The allocation of the department is showing a positive growth of 4.2 percent in 2015/16 and 2.3 percent in 2016/17. Funded priorities amongst others are Mohoma Mobung Project, Provincial Agricultural Master Plan, Refurbishment of Vet Laboratory, Food Security and Farmer Support Initiatives.

Department of Sport, Arts, Culture and Recreation

Allocation for the Department of Sport, Arts, Culture and Recreation increases by 6.9 percent to R589.043 million in 2014/15 from the adjusted budget of R550.899 million in 2013/14. In 2015/16 the allocation grows by 7.3 percent and declines by 2.2 percent in 2016/17. Seisa Ramabodu Stadium is anticipated to be complete at the end of 2015/16 hence there is a negative growth in 2016/17.

Amongst other priorities which will be funded are: All Sport Codes Development, Library Services, Arts & Culture Projects/Programmes, Mass Participation and Sport Development Grant, Sports Infrastructure and Roll-out of Indoor Multipurpose Centres & Stadiums.

Department of Human Settlements

The allocation to the Department of Human Settlements amounts to R1.210 billion in 2014/15, R1.298 billion in 2015/16 and R1.426 billion in 2016/17. A significant portion of the department's budget is funded through the Human Settlements Development Grant, amounting to R1.062 billion in 2014/15, R1.132 billion in 2015/16 and R1.253 billion in 2016/17.

5.3 Payments by economic classification

Table 5.3.1: Summary of provincial payments and estimates by economic classification

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	16 241 841	18 277 842	19 627 738	20 343 836	20 484 032	21 267 585	22 496 609	24 222 041	25 621 978
Compensation of employees	12 440 086	14 037 058	15 426 524	15 862 673	15 876 550	16 513 941	18 141 118	19 227 443	20 247 721
Goods and services	3 797 694	4 239 215	4 197 859	4 479 485	4 606 739	4 752 093	4 354 873	4 994 353	5 373 998
Interest and rent on land	4 061	1 569	3 355	1 678	743	1 551	618	245	259
Transfers and subsidies to:	3 352 692	3 502 604	3 510 716	3 768 159	4 273 170	4 309 749	3 619 605	3 770 064	3 758 661
Provinces and municipalities	435 242	345 011	319 637	346 383	364 925	357 629	366 446	386 593	400 925
Departmental agencies and accounts	118 537	152 619	179 352	152 277	178 629	175 815	158 945	163 965	172 399
Higher education institutions	1 248	7 300	556	1 055	2 355	355	1 120	1 172	1 235
Foreign governments and international organisations									
Public corporations and private enterprises	252 772	240 499	240 168	231 647	232 928	250 958	230 886	244 358	257 182
Non-profit institutions	1 276 851	1 468 833	1 463 120	1 506 908	1 512 286	1 528 909	990 135	990 414	844 676
Households	1 268 042	1 288 342	1 307 883	1 529 889	1 982 047	1 996 083	1 872 073	1 983 562	2 082 243
Payments for capital assets	1 357 415	1 940 876	2 497 738	2 759 623	2 891 168	2 495 790	1 808 996	2 104 129	836 499
Buildings and other fixed structures	1 052 862	1 688 340	2 249 043	2 461 567	2 615 874	2 173 118	1 638 236	1 950 427	675 478
Machinery and equipment	290 998	241 496	233 646	293 002	273 468	320 480	169 043	151 964	159 200
Heritage assets	33	261	49						
Specialised military assets									
Biological assets	8 905	7 154	10 606	1 440					0
Land and subsoil assets	2 330	865	2 964	2 728	1 700	1 699	700	700	738
Software and other intangible assets	2 287	2 760	1 430	886	126	493	1 017	1 038	1 083
Payments for financial assets	22 054	40 002	9 941		800	2 936			
Total economic classification	20 974 002	23 761 324	25 646 133	26 871 618	27 649 170	28 076 060	27 925 210	30 096 234	30 217 137

Table 5.3.1 above reflects the summary of provincial payments and estimates by economic classification from 2010/11 to 2016/17. The largest share of the provincial payments is consumed by current payments in particular compensation of employees. For the 2014/15 financial year, current payments absorb 80.6 percent of the total budget of R27.925 billion, of which 65 percent of the total provincial budget relates to compensation of employees.

The compensation of employees increases by R2.265 billion or 14.3 percent from R15.877 billion in 2013/14 adjusted budget to R18.141 billion in 2014/15, 6 percent and 5.3 percent in 2015/16 and 2016/17 financial years respectively. The goods and services budget decreases by R251.866 million or -5.5 percent from R4.606 billion in 2013/14 to R4.355 billion in 2014/15, while in 2015/16 increased by 14.6 percent to R4.994 billion and 7.6 percent in 2016/17 to R5.374 billion.

Transfers and subsidies take up 13 percent share of the total provincial payments in 2014/15, 12.5 percent in 2015/16 and 12.4 percent in 2016/17. Transfers to provinces and municipalities increased from R364.925 million in 2013/14 to R366.446 million in 2014/15, R386.593 million in 2015/16 and R400.925 in 2016/17. The transfers to households amounts to R1.872 billion in 2014/15, R1.983 billion in 2015/16 and R2.082 billion in 2016/17.

Payments for capital assets shows a decrease of 60.2 percent from R2.104 billion in 2015/16 to R836.499 million in 2016/17. This decrease is due to the Department of Health and Education which are expected to bid for their infrastructure budget in future.

5.4 Payments by functional area

Table 5.4.1: Summary of provincial payments and estimates by functional area

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
General public services	2 073 238	2 449 111	2 476 069	2 755 982	2 738 918	2 855 412	2 750 574	2 887 732	3 005 935
Public order and safety	277 369	251 364	311 376	307 117	309 202	310 202	347 554	347 499	363 953
Economic affairs	1 441 266	1 600 218	1 701 091	1 994 799	2 251 344	1 822 751	1 887 008	2 281 028	2 365 380
Environmental protection	379 274	501 457	551 121	654 345	627 201	604 895	648 262	663 135	685 625
Housing and community amenities	1 144 733	1 061 255	1 068 052	1 233 625	1 484 167	1 257 025	1 210 317	1 298 232	1 426 135
Health	6 019 179	6 811 239	7 611 720	7 894 778	7 992 328	7 938 201	8 155 342	8 734 771	8 655 686
Recreation, culture and religion	451 968	553 852	540 952	606 479	647 420	640 781	677 332	720 356	711 260
Education	8 474 429	9 729 149	10 518 616	10 473 264	10 633 494	11 681 426	11 275 767	12 144 292	11 915 890
Social protection	712 546	803 679	867 136	951 229	965 096	965 096	973 054	1 019 189	1 087 273
Total provincial payments and estimates by policy area	20 974 002	23 761 324	25 646 133	26 871 618	27 649 170	28 075 789	27 925 210	30 096 234	30 217 137

Table 5.4.1 above shows the summary of expenditures by policy area, the details of which are shown in Table A: 4 of the Annexure to the Overview of Provincial Revenue and Expenditure.

This table indicates the policy priority areas that are funded from the provincial allocation. As detailed in MTSF (2014-2019) Education and Health are the key policy areas for the government hence both of them are allocated the bigger share of the total expenditure of the province. Expenditure on Education and Health accounted for 40.3 percent and 29.2 percent of the total provincial payments in 2014/15, respectively. The economic sector amounts to R1.887 billion in 2014/15, R2.281 billion in 2015/16 and R2.365 billion in 2016/17.

5.5 Provincial Infrastructure payments

Table 5.5.1(a): Summary - Payments and estimates of provincial infrastructure by vote

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
3 Economic Development, Tourism and Environmental Affairs	29 827	42 851	42 865	59 570	41 839	41 839	54 019	53 467	53 467
5 Health	258 439	435 181	568 026	562 011	562 381	562 381	476 570	579 200	24 250
6 Education	240 521	497 482	530 904	513 096	502 524	415 178	565 389	764 043	16 490
7 Social Development	117	8 700	26 976	32 324	29 000	28 899	19 928	23 389	46 735
9 Public Works	97 988	218 589	167 326	248 573	248 573	248 573	189 510	231 182	227 906
10 Police, Roads and Transport	980 850	888 987	838 804	1 168 262	1 411 625	1 216 762	1 112 833	1 414 793	1 505 338
11 Agriculture	81 456	151 104	106 177	214 450	161 803	161 803	215 212	229 048	119 798
12 Sport, Arts, Culture and Recreation	13 612	84 403	94 132	182 062	185 672	185 672	202 214	193 238	161 878
Total provincial infrastructure payments and estimates	1 702 810	2 327 297	2 375 210	2 980 348	3 143 417	2 861 107	2 835 675	3 488 360	2 155 862

Table 5.5.1 (a) above shows the provincial infrastructure payments and estimates from 2010/11 to 2016/17. Between 2014/15 and 2015/16 the allocation for infrastructure increased by R109.055 million mainly due to once-off reallocation of Provincial Roads Maintenance Grant during the 2013/14 second Adjustment Budget. In 2016/17 there is a decrease in allocation from R3.488 billion in 2015/16 to R2.156 billion as indicated in section 4 above in line with the requirements of the Division of Revenue Act as well as IDMS.

Table 5.5.1(b) below indicates total provincial infrastructure by category. The total infrastructure budget amounts to R8.480 billion over the 2014 MTEF. Rehabilitation and refurbishments and maintenance accounts for the largest share of the infrastructure budget with R6.087 billion or 71.8 percent over the 2014 MTEF followed by new infrastructure assets with R2.052 billion or 24.2 percent and lastly infrastructure transfers with R340.8 million or 4 percent over the 2014 MTEF.

Table 5.5.1(b): Total provincial infrastructure by category

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
New infrastructure assets	306 583	660 106	861 512	800 457	738 142	720 019	692 401	920 764	439 320
Existing infrastructure assets	1 308 038	1 569 254	1 449 372	1 973 941	2 177 652	1 953 210	2 032 204	2 422 875	1 631 497
Upgrading and additions	294 462	603 108	494 132	665 119	589 797	590 279	629 558	755 788	137 446
Rehabilitation and refurbishment	369 561	688 588	523 754	883 776	1 195 538	886 751	462 913	362 521	104 810
Maintenance and repair	644 015	277 558	431 486	425 046	392 317	476 180	939 733	1 304 566	1 389 241
Infrastructure transfers	88 189	97 937	64 326	205 950	227 623	187 878	111 070	144 721	85 045
Total provincial infrastructure	1 702 810	2 327 297	2 375 210	2 980 348	3 143 417	2 861 107	2 835 675	3 488 360	2 155 862

5.6 Provincial Public-Private Partnership (PPP) projects

Table 5.6.1: Summary of provincial Public-Private Partnership projects: Free State

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
Projects under implementation	11 704	4 453	23 385	13 182	13 182	13 182	25 229	10 016	11 018
PPP unitary charge			8 057	8 057	8 057	8 057	16 998	9 749	10 724
Penalties (if applicable)									
Advisory fees			3 476	4 845	4 845	4 845	7 931		
Project monitoring cost				65	65	65	65		
Revenue generated (if applicable)	11 704	4 453	11 852						
Contingent liabilities (Information)				215	215	215	235	267	294
Proposed Projects				12 000	12 000	12 000	10 000	10 000	10 000
Advisory fees									
Project team costs									
Site acquisition costs									
Other project costs				12 000	12 000	12 000	10 000	10 000	10 000
Total	11 704	4 453	23 385	25 182	25 182	25 182	35 229	20 016	21 018

Currently there are two Public-Private Partnerships in the province (Netcare and Harrismith Gateway Development). These partnerships are between the Department of Health (Netcare) and Police, Roads and Transport (Harrismith Gateway Development). From the allocation of R35.2 million in 2014/1, Netcare takes R25.2 million while Harrismith Gateway takes R10 million. The details of these partnerships are captured in the respective Votes.

5.7 Transfers

5.7.1 Transfer to public entities

Table 5.7.1.1: Summary of provincial transfers to public entities by transferring department

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
1 Office of the Premier									
Youth Commission									
3 Economic Development, Tourism and Environmental Affairs	100 770	109 134	122 810	113 418	115 718	113 418	89 315	89 315	93 985
Free State Development Corporation	29 490	35 000	27 245	22 245	22 545	22 245	1 200	1 200	1 200
Free State Gambling and Liquor Authority	33 021	44 586	48 251	51 309	51 309	51 309	48 251	48 251	50 808
Free State Investment Promotion Agency									
Free State Tourism Authority	38 259	29 548	47 314	39 864	41 864	39 864	39 864	39 864	41 977
Phakisa Major Sport Events and Development Corporation									
12 Sport, Arts, Culture and Recreation	11 702	8 284							
Phakisa	11 702	8 284							
Total provincial transfers to public entities	112 472	117 418	122 810	113 418	115 718	113 418	89 315	89 315	93 985

The transfer payment to the Public Entities by the Department of Economic Development Tourism, and Environmental Affairs decreased from adjusted R115.718 million in 2013/14 to R89.315 million in 2014/15 financial year. This allocation is intended for investment opportunities for the province, assistance to the SMMEs and promotion of economic activity within the province. Furthermore, the allocation caters for intensification of economic development through tourism marketing and in order to attract tourists in the province.

5.7.2 Transfer to local government

Table 5.7.2.1: Summary of provincial transfers to local government by category

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Category A	63 810	58 049	51 148	72 905	84 009	84 009	75 443	78 881	86 881
Category B	85 422	35 781	32 366	12 557	43 362	38 299	22 842	27 884	23 685
Category C	285 980	251 149	236 050	260 866	234 999	235 266	268 101	279 768	290 296
Total provincial transfers to local government	435 212	344 979	319 564	346 328	362 370	357 574	366 386	386 533	400 862

5.7.3 Personnel numbers and costs

Table 5.7.3.1: Summary of personnel numbers and costs by Vote¹

Personnel numbers	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	As at 31 March 2017
1 Department of the Premier	314	349	615	624	644	645	648
2 Free State Legislature	84	84	122	138	128	128	128
3 Economic Development, Tourism and Environmental Affairs	662	630	676	762	834	883	883
4 Provincial Treasury	378	394	478	388	490	490	490
5 Health	16 631	19 321	18 843	19 018	20 354	21 150	22 106
6 Education	31 116	33 271	33 755	32 640	33 508	33 421	33 364
7 Social Development	1 593	2 003	2 009	2 030	2 030	2 030	2 030
8 Cooperative Governance and Traditional Affairs	942	704	646	585	550	567	581
9 Public Works	1 960	1 930	1 894	1 819	2 060	2 060	2 060
10 Police, Roads and Transport	2 088	2 145	2 124	2 129	2 137	2 137	2 137
11 Agriculture	1 067	1 184	1 220	1 234	1 210	1 212	1 212
12 Sport, Arts, Culture and Recreation	701	697	715	742	845	862	887
13 Human Settlements	110	110	152	278	358	421	409
Total provincial personnel numbers	57 646	62 822	63 249	62 387	65 148	66 006	66 935
Total provincial personnel cost (R thousand)	12 440 086	14 037 058	15 426 524	16 513 941	18 141 118	19 227 443	20 247 721
Unit cost (R thousand)	216	223	244	265	278	291	302

Table 5.7.3.2: Summary of provincial personnel numbers and costs

	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	As at 31 March 2017
Total for province							
Personnel numbers (head count)	57 646	62 822	63 249	62 387	65 129	66 006	66 935
Personnel cost (R thousand)	12 440 086	14 037 058	15 426 524	16 513 941	18 141 118	19 227 443	20 247 721
Human resources component							
Personnel numbers (head count)	835	988	821	1 148	1 021	1 037	1 009
Personnel cost (R thousand)	143 496	185 229	159 188	189 730	196 798	213 654	224 901
Head count as % of total for province	1.4%	1.6%	1.3%	1.8%	1.6%	1.6%	1.5%
Personnel cost as % of total for province	1.2%	1.3%	1.0%	1.1%	1.1%	1.1%	1.1%
Finance component							
Personnel numbers (head count)	614	885	713	997	1 048	1 084	1 032
Personnel cost (R thousand)	112 189	157 012	140 926	172 473	196 823	214 007	224 467
Head count as % of total for province	1.1%	1.4%	1.1%	1.6%	1.6%	1.6%	1.5%
Personnel cost as % of total for province	0.9%	1.1%	0.9%	1.0%	1.1%	1.1%	1.1%
Full time workers							
Personnel numbers (head count)	54 551	58 472	56 660	57 043	60 143	60 947	61 878
Personnel cost (R thousand)	7 928 992	8 868 208	9 045 846	10 312 212	11 472 614	12 221 603	12 355 033
Head count as % of total for province	94.6%	93.1%	89.6%	91.4%	92.3%	92.3%	92.4%
Personnel cost as % of total for province	63.7%	63.2%	58.6%	62.4%	63.2%	63.6%	61.0%
Part-time workers							
Personnel numbers (head count)	112	1 229	1 242	1 444	1 363	1 360	1 360
Personnel cost (R thousand)	1 320	141 144	80 020	97 113	111 914	120 528	128 633
Head count as % of total for province	0.2%	2.0%	2.0%	2.3%	2.1%	2.1%	2.0%
Personnel cost as % of total for province	0.0%	1.0%	0.5%	0.6%	0.6%	0.6%	0.6%
Contract workers							
Personnel numbers (head count)	1 384	1 130	888	1 294	1 107	1 112	1 112
Personnel cost (R thousand)	86 008	60 852	39 762	82 751	59 734	61 177	63 443
Head count as % of total for province	2.4%	1.8%	1.4%	2.1%	1.7%	1.7%	1.7%
Personnel cost as % of total for province	0.7%	0.4%	0.3%	0.5%	0.3%	0.3%	0.3%

5.7.4 Payments on training

Table 5.7.4.1: Summary of provincial payments on training by Vote

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
1 Department of the Premier	490	492	823	2 317	1 913	1 374	1 789	1 879	1 979
2 Free State Legislature	840	769	682	676	676	426	508	534	564
3 Economic Development, Tourism and Environmental Affairs	806	647	663	8 997	8 997	8 997	9 448	9 883	9 883
4 Provincial Treasury	10 899	7 947	9 416	10 630	15 392	14 083	15 634	11 315	11 910
5 Health	20 088	21 968	23 084	25 596	29 299	27 169	10 113	13 683	13 676
6 Education	58 382	58 385	49 601	78 074	80 263	79 144	94 473	100 995	107 965
7 Social Development	1 177	1 492	1 084	4 461	3 987	2 424	4 723	5 010	5 276
8 Cooperative Governance and Traditional Affairs	542	1 790	537	2 862	1 750	1 770	2 500	2 389	2 515
9 Public Works	3 107	2 503	4 351	3 692	3 441	3 335	4 078	4 308	4 558
10 Police, Roads and Transport	1 035	933	808	5 295	5 295	5 295	5 488	5 604	5 388
11 Agriculture	4 170	2 162		2 454	2 454	2 454	2 810	3 092	3 239
12 Sport, Arts, Culture and Recreation	894	847	547	470	1 646	1 646	1 681	1 716	1 753
13 Human Settlements	175	82	76	557	675	242	1 177	1 241	1 308
Total provincial payments on training	102 605	100 017	91 672	146 081	155 788	148 359	154 422	161 649	170 014

ANNEXURE TO THE OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table A.1: Details of total provincial own receipts

R thousand	Audited outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Tax receipts	337 697	410 650	442 705	445 168	485 820	485 820	513 025	540 729	569 928
Casino taxes	25 739	30 176	30 732	34 609	34 909	34 909	36 864	38 855	40 953
Horse racing taxes	5 427	6 747	6 410	7 615	7 615	7 615	8 041	8 476	8 933
Liquor licences	5 624	5 150	5 744	5 408	5 760	5 760	6 082	6 410	6 757
Motor vehicle licences	300 907	368 577	399 819	397 536	437 536	437 536	462 038	486 988	513 285
Sales of goods and services other than capital assets	224 515	270 162	268 142	264 668	281 270	282 281	299 687	316 923	334 217
Sale of goods and services produced by department (excluding capital assets)	224 306	269 936	267 934	264 449	281 051	282 062	299 462	316 692	333 981
Sales by market establishments	22 869	36 867	49 793	42 018	45 208	45 096	56 437	60 181	63 495
Administrative fees	66 215	67 995	67 608	69 054	77 147	77 147	80 124	84 535	89 184
Other sales	135 222	165 074	150 533	153 377	158 696	159 819	162 901	171 976	181 302
Of which									
Health patient fees									
Commission Insurance									
Fines, penalties and forfeits									
International organisations									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	209	226	208	219	219	219	225	231	236
Transfers received from:	2 770	2 295	6 145		3 260	3 391			
Other governmental units	2 710	2 060	6 020		3 260	3 391			
Higher education institutions									
Foreign governments									
International organisations									
Public corporations and private enterprises	60		125						
Households and non-profit institutions		235							
Fines, penalties and forfeits	37 897	27 066	22 305	25 650	13 000	13 050	13 761	14 513	15 280
Interest, dividends and rent on land	113 758	91 631	53 699	76 547	31 764	31 824	33 398	35 179	37 310
Interest	1 389	1 453	2 144	1 085	1 302	1 362	1 230	1 274	1 574
Dividends	112 369	90 178	51 555	75 462	30 462	30 462	32 168	33 905	35 736
Rent on land									
Sales of capital assets	21 494	19 278	10 792	13 771	12 375	13 687	15 204	15 364	16 154
Land and subsoil assets	1 701	184	240	1 790			2 000	1 500	1 500
Other capital assets	19 793	19 094	10 552	11 981	12 375	13 687	13 204	13 864	14 654
Financial transactions in assets and liabilities	71 224	44 132	54 491	24 759	28 799	27 859	25 780	26 969	28 218
Total provincial own receipts	809 355	865 214	858 279	850 563	856 288	857 912	900 855	949 677	1 001 107

Table A.2: Information relating to Conditional Grants

Vote and Grant	Adjusted appro- priation	Actual transfer	Audited expen- diture	Adjusted appro- priation	Actual transfer	Audited expen- diture	Adjusted appro- priation	Actual transfer	Revised expenditure estimate	Adjusted appro- priation	Revised transfer estimate	Revised expenditure estimate	Medium-term estimates		
R thousand	2010/11			2011/12			2012/13			2013/14			2014/15	2015/16	2016/17
Agriculture	107 099	106 132	94 226	167 730	164 290	167 561	190 382	190 382	190 121	206 844	206 844	206 844	212 760	209 113	208 418
Agriculture Disaster Management Grant				4 736	4 736	4 736									
Comprehensive Agricultural Support Programme Grant	75 772	75 772	64 754	106 372	102 932	106 360	126 829	126 829	126 637	140 274	140 274	140 274	146 531	140 760	141 792
Ilimal Letsame Projects Grant	26 967	26 000	25 112	52 000	52 000	51 843	54 600	54 600	54 531	57 999	57 999	57 999	60 802	62 877	60 882
Land Care Programme Grant: Poverty Relief and Infrastructure Development	4 360	4 360	4 360	4 622	4 622	4 622	8 953	8 953	8 953	8 571	8 571	8 571	5 427	5 476	5 744
Arts and Culture	45 251	45 197	45 234	47 909	47 909	45 418	52 795	50 304	48 502	65 586	64 401	64 103	119 013	155 776	155 869
Community Library Services Grant	45 251	45 197	45 234	47 909	47 909	45 418	52 795	50 304	48 502	65 586	64 401	64 103	119 013	155 776	155 869
Sport and Recreation South Africa	28 291	28 186	28 291	33 078	33 078	33 078	34 116	34 116	34 114	38 832	38 832	38 832	40 318	42 133	44 240
Mass Sport and Recreation Participation Programme Grant	28 291	28 186	28 291	33 078	33 078	33 078	34 116	34 116	34 114	38 832	38 832	38 832	40 318	42 133	44 240
Education	478 062	470 611	427 336	1 044 077	996 270	1 026 253	1 146 167	1 144 346	1 113 063	966 897	957 036	966 897	1 098 782	1 321 581	590 452
Dinaledi Schools Grant				5 040	5 040	4 816	7 374	7 179	5 184	7 573	7 573	7 573	8 006	8 374	8 818
OSD for Therapists													18 358	5 775	
Education Infrastructure Grant				425 256	425 256	420 881	519 635	519 635	512 348	476 218	468 931	476 218	554 313	757 553	
HIV and Aids (Life Skills Education) Grant	11 041	10 866	11 000	11 772	11 772	10 434	13 155	12 491	9 910	14 441	12 135	14 441	11 570	11 129	13 906
National School Nutrition Programme Grant	202 470	195 194	189 926	254 365	244 699	248 201	262 329	261 367	257 762	274 820	274 552	274 820	299 205	317 157	333 966
Technical Secondary Schools Recapitalisation Grant	7 477	7 477	7 477	14 428	14 428	14 428	19 870	19 870	19 594	20 963	20 963	20 963	22 219	23 309	24 544
Further Education and Training Colleges Grant	257 074	257 074	218 933	333 216	295 075	327 493	323 804	323 804	308 265	172 882	172 882	172 882	185 111	198 284	209 218
Health	1 631 900	1 630 096	1 442 374	1 989 595	1 959 139	1 815 224	2 422 616	2 335 931	2 143 463	2 361 380	2 361 380	2 278 499	2 343 498	2 581 437	2 200 275
Comprehensive HIV and Aids Grant	437 583	437 583	388 329	533 319	530 440	456 532	642 641	615 160	639 245	742 984	742 984	742 984	843 026	926 533	1 042 024
Forensic Pathology Services Grant	37 218	37 218	30 738	39 451	39 451	38 475									
Hospital Facility Revitalisation Grant	378 426	378 426	244 634	577 177	549 600	480 566	845 821	786 617	575 499	625 754	625 754	542 873	448 962	554 950	
of which															
Health infrastructure component				131 717	131 717	75 051	181 717	139 073	81 950	139 192	139 192	92 741	73 293	87 877	
Hospital Revitalisation component	378 426	378 426	244 634	445 460	417 883	405 515	654 944	638 384	490 284	484 320	484 320	447 890	370 674	464 158	
Nursing Colleges and Schools component							9 160	9 160	3 265	2 242	2 242	2 242	4 995	2 915	
Health Professions Training and Development Grant	117 400	117 400	117 400	124 444	124 444	124 447	130 930	130 930	130 945	138 131	138 131	138 131	146 419	153 154	161 271
National Tertiary Services Grant	659 469	659 469	659 469	715 204	715 204	715 204	786 724	786 724	786 801	849 661	849 661	849 661	898 091	939 403	989 191
National Health Insurance Grant							16 500	16 500	10 973	4 850	4 850	4 850	7 000	7 397	7 789
World Cup Health Preparation Strategy Grant	1 804		1 804												
Human Settlements	1 037 691	1 037 691	1 037 685	958 007	958 007	927 821	991 804	961 619	991 804	1 350 936	1 350 936	1 120 936	1 061 756	1 131 794	1 252 868
Housing Disaster Relief Grant				44 100	44 100	16 631	27 469		27 469						
Human Settlements Development Grant	1 037 691	1 037 691	1 037 685	913 907	913 907	911 190	964 335	961 619	964 335	1 350 936	1 350 936	1 120 936	1 061 756	1 131 794	1 252 868
Public Works	222 386	222 386	222 376	240 163	240 163	240 150	268 014	268 014	268 005						
Devolution of Property Rate Funds Grant	222 386	222 386	222 376	240 163	240 163	240 150	268 014	268 014	268 005						
Transport	169 264	169 264	187 077	653 499	653 499	525 607	864 956	811 379	758 448	1 577 205	1 528 705	1 133 465	1 241 582	1 556 772	1 639 164
Provincial Roads Maintenance Grant				447 165	447 165	321 905	672 084	618 507	565 702	1 373 823	1 325 323	924 083	1 025 682	1 331 043	1 401 588
Public Transport Operations Grant	169 264	169 264	187 077	184 566	184 566	181 934	192 872	192 872	192 746	203 382	203 382	209 382	215 900	225 729	237 576
Transport Disaster Management Grant				21 768	21 768	21 768									
Social Development													2 000	6 500	29 500
Substance Abuse													2 000	6 500	29 500
Other (Not included above)	1 704	1 704	4 055	4 388	4 388	15 859	45 299	45 299	23 485	30 404	30 404	24 129	38 301		
Expanded Public Works Programme Incentive Grant for Provinces				4 388	4 388	4 378	21 391	21 391	12 114	18 001	18 001	14 752	11 700		
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 704	1 704	4 055			11 481	23 908	23 908	11 381	12 403	12 403	9 377	26 601		
Total conditional grants	4 590 988	4 580 607	4 215 865	5 255 565	5 173 862	4 913 185	6 016 149	5 841 390	5 571 015	6 598 084	6 538 538	5 833 705	6 158 010	7 005 106	6 120 786

Table A.3: Details of provincial payments and estimates by economic classification

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	16 241 841	18 277 842	19 627 738	20 343 836	20 484 032	21 267 585	22 496 609	24 222 041	25 621 978
Compensation of employees	12 440 086	14 037 058	15 426 524	15 862 673	15 876 550	16 513 941	18 141 118	19 227 443	20 247 721
Salaries and wages	10 657 617	12 020 343	13 262 106	13 473 838	13 512 028	14 137 999	15 448 968	16 427 254	17 251 192
Social contributions	1 782 469	2 016 715	2 164 418	2 388 835	2 364 522	2 375 942	2 692 150	2 800 189	2 996 529
Goods and services	3 797 694	4 239 215	4 197 859	4 479 485	4 606 739	4 752 093	4 354 873	4 994 353	5 373 998
Interest and rent on land	4 061	1 569	3 355	1 678	743	1 551	618	245	259
Interest	4 059	1 569	3 355	1 678	695	1 479	618	245	259
Rent on land	2				48	72			
Transfers and subsidies to:	3 352 692	3 502 604	3 510 716	3 768 159	4 273 170	4 309 749	3 619 605	3 770 064	3 758 661
Provinces and municipalities	435 242	345 011	319 637	346 383	364 925	357 629	366 446	386 593	400 925
Provinces ²	30	37	73	55	2 555	55	60	60	63
Provincial Revenue Funds	28	27	73	55	55	55	60	60	63
Provincial agencies and funds	2	10			2 500				
Municipalities ³	435 212	344 974	319 564	346 328	362 370	357 574	366 386	386 533	400 862
Municipalities	430 212	310 974	319 402	346 328	355 631	350 835	366 386	386 533	400 862
Municipal agencies and funds	5 000	34 000	162		6 739	6 739			
Departmental agencies and accounts	118 537	152 619	179 352	152 277	178 629	175 815	158 945	163 965	172 399
Social security funds									
Provide list of entities receiving transfers ⁴	118 537	152 619	179 352	152 277	178 629	175 815	158 945	163 965	172 399
Higher education institutions	1 248	7 300	556	1 055	2 355	355	1 120	1 172	1 235
Foreign governments and international organisations									
Public corporations and private enterprises ⁵	252 772	240 499	240 168	231 647	232 928	250 958	230 886	244 358	257 182
Public corporations	241 653	226 869	236 445	225 647	231 951	231 187	217 130	226 929	238 776
Subsidies on production	188 824	185 315	209 186	203 382	209 382	209 382	215 930	225 729	237 576
Other transfers	52 829	41 554	27 259	22 265	22 569	21 805	1 200	1 200	1 200
Private enterprises	11 119	13 630	3 723	6 000	977	19 771	13 756	17 429	18 406
Subsidies on production		100							
Other transfers	11 119	13 530	3 723	6 000	977	19 771	13 756	17 429	18 406
Non-profit institutions	1 276 851	1 468 833	1 463 120	1 506 908	1 512 286	1 528 909	990 135	990 414	844 676
Households	1 268 042	1 288 342	1 307 883	1 529 889	1 982 047	1 996 083	1 872 073	1 983 562	2 082 243
Social benefits	47 067	58 874	81 824	43 485	48 096	82 122	49 895	48 150	47 414
Other transfers to households	1 220 975	1 229 468	1 226 059	1 486 404	1 933 951	1 913 961	1 822 178	1 935 412	2 034 829
Payments for capital assets	1 357 415	1 940 876	2 497 738	2 759 623	2 891 168	2 495 790	1 808 996	2 104 129	836 499
Buildings and other fixed structures	1 052 862	1 688 340	2 249 043	2 461 567	2 615 874	2 173 118	1 638 236	1 950 427	675 478
Buildings	518 769	1 182 546	913 846	940 670	968 801	908 550	901 170	1 036 555	496 176
Other fixed structures	534 093	505 794	1 335 197	1 520 897	1 647 073	1 264 568	737 066	913 872	179 302
Machinery and equipment	290 998	241 496	233 646	293 002	273 468	320 480	169 043	151 964	159 200
Transport equipment	27 936	3 415	56	22 344	9 480	10 536		2 619	4 787
Other machinery and equipment	263 062	238 081	233 590	270 658	263 988	309 944	169 043	149 345	154 414
Heritage assets	33	261	49						
Specialised military assets									
Biological assets	8 905	7 154	10 606	1 440					0
Land and subsoil assets	2 330	865	2 964	2 728	1 700	1 699	700	700	738
Software and other intangible assets	2 287	2 760	1 430	886	126	493	1 017	1 038	1 083
Payments for financial assets	22 054	40 002	9 941		800	2 936			
Total economic classification	20 974 002	23 761 324	25 646 133	26 871 618	27 649 170	28 076 060	27 925 210	30 096 234	30 217 137

Table A.4(a): Details of function

Function	Category	Department	Programme
General public services	Legislative	Premier	Administration Management services
		Provincial Legislature	Administration National Council of Provinces Management services
	Financial and fiscal affairs	Finance	Administration Financial planning and resource management Financial management Procurement Management services
Public order and safety	Police services	Provincial Safety and Liaison	Administration
Economic Affairs	General economic affairs	Economic Affairs	Administration Trade, industry and tourism development Economic and development services Consumer protection and inspectorate services Management services
			Administration Agricultural development and research Veterinary services Conservation management Environmental management Specialist environmental services Management services
			Roads Road traffic and law enforcement Transport
	Communication	Tourism	Tourism
Environmental Protection	Environmental protection		Conservation management Environmental management Specialist environmental services
Housing and community amenities	Housing development	Housing	Technical service Planning and development
Health	Outpatient service	Health	District health services Primary nutrition programme
	R&D health (CS)		Health science
	Hospital services		Provincial hospital services Specialised hospital services
Recreation, culture and religion	Recreational and sporting services	Sport, recreation, arts and culture	Sport and recreation
	Cultural services		Art, culture and heritage Facility development
Education	Pre-primary and primary	Education	Pre-primary Primary
	Secondary education		Secondary
	Subsidiary service to education		Provision of subsidiary
	Education not definable by level		ABET
Social protection	Social security services	Social service and population development	Administration Social security Social assistance Social welfare services Social development Population development Management services

Table A.4(b): Payments and estimates by policy area

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13		2013/14		2014/15	2015/16	2016/17
GENERAL PUBLIC SERVICES	2 073 238	2 449 111	2 476 069	2 755 982	2 738 918	2 855 412	2 750 574	2 887 732	3 005 935
Executive and Legislative	175 759	215 161	227 380	194 594	214 563	215 558	200 538	209 253	218 559
Office of the Premier	25 625	19 573	21 495	20 896	21 614	22 609	24 329	25 673	27 237
Provincial Legislature	150 134	195 588	205 885	173 698	192 949	192 949	176 209	183 580	191 322
General Services	1 734 701	2 048 978	2 042 144	2 345 033	2 304 719	2 417 370	2 323 296	2 442 431	2 540 435
Office of the Premier	159 425	193 941	231 360	259 060	257 801	260 721	246 185	256 276	266 670
Police, Roads and Transport	101 399	137 707	158 060	205 262	197 633	196 633	196 415	193 956	201 979
Public Works	1 000 054	1 254 538	1 255 252	1 418 308	1 402 953	1 517 899	1 414 916	1 492 622	1 552 039
Cooperative Governance & Traditional Affairs	388 061	379 245	300 530	348 413	317 456	316 541	341 625	362 184	376 081
Economic Development, Tourism and Environmental Affairs	85 762	83 547	96 942	113 990	128 876	125 576	124 155	137 393	143 666
Financial and Fiscal Services	162 778	184 972	206 545	216 355	219 636	222 484	226 740	236 048	246 942
Provincial Treasury	162 778	184 972	206 545	216 355	219 636	222 484	226 740	236 048	246 942
PUBLIC ORDER AND SAFETY	277 369	251 364	311 376	307 117	309 202	310 202	347 554	347 499	363 953
Police Services	21 300	12 633	23 440	18 176	19 176	20 176	25 315	24 806	26 174
Police, Roads and Transport	21 300	12 633	23 440	18 176	19 176	20 176	25 315	24 806	26 174
Traffic Control	256 069	238 731	287 936	288 941	290 026	290 026	322 239	322 693	337 779
Police, Roads and Transport	256 069	238 731	287 936	288 941	290 026	290 026	322 239	322 693	337 779
EDUCATION	8 474 429	9 729 149	10 518 616	10 473 264	10 633 494	11 681 426	11 275 767	12 144 292	11 915 890
Pre-primary & Primary Phases	3 799 602	4 110 697	4 423 366	4 428 962	4 500 822	4 800 767	4 878 348	5 213 061	5 458 843
Education	3 799 602	4 110 697	4 423 366	4 428 962	4 500 822	4 800 767	4 878 348	5 213 061	5 458 843
Secondary Education Phase	2 605 690	2 885 337	3 016 646	2 930 321	2 866 535	3 172 275	3 248 717	3 470 093	3 654 894
Education	2 605 690	2 885 337	3 016 646	2 930 321	2 866 535	3 172 275	3 248 717	3 470 093	3 654 894
Education not defined by level	579 416	760 494	774 391	634 195	706 727	710 878	783 160	819 155	828 715
Agriculture	13 260	14 515	16 106	17 047	20 483	20 154	16 913	19 098	20 110
Education	566 156	745 979	758 285	617 148	686 244	690 724	766 247	800 057	808 605
Subsidiary Services to Education	1 489 721	1 972 621	2 304 213	2 479 786	2 559 410	2 997 506	2 365 542	2 641 983	1 973 438
Education	1 489 721	1 972 621	2 304 213	2 479 786	2 559 410	2 997 506	2 365 542	2 641 983	1 973 438
HEALTH	6 019 179	6 811 239	7 611 720	7 894 778	7 992 328	7 938 201	8 155 342	8 734 771	8 655 686
Outpatient services	912 855	1 010 065	1 083 889	1 157 767	1 152 648	1 197 636	1 194 401	1 309 993	1 377 589
R and D Health (CS)									
Hospital Services	5 106 324	5 801 174	6 527 831	6 737 011	6 839 680	6 740 565	6 960 941	7 424 778	7 278 097
SOCIAL PROTECTION	712 546	803 679	867 136	951 229	965 096	965 096	973 054	1 019 189	1 087 273
Social Security Services									
Social Development									
Social Services and Population Development	712 546	803 679	867 136	951 229	965 096	965 096	973 054	1 019 189	1 087 273
Social Development	712 546	803 679	867 136	951 229	965 096	965 096	973 054	1 019 189	1 087 273
HOUSING AND COMMUNITY AMENITIES	1 144 733	1 061 255	1 068 052	1 233 625	1 484 167	1 257 025	1 210 317	1 298 232	1 426 135
Housing Development	1 144 733	1 061 255	1 068 052	1 233 625	1 484 167	1 257 025	1 210 317	1 298 232	1 426 135
Human Settlements	1 144 733	1 061 255	1 068 052	1 233 625	1 484 167	1 257 025	1 210 317	1 298 232	1 426 135
ENVIRONMENTAL PROTECTION	379 274	501 457	551 121	654 345	627 201	604 895	648 262	663 135	685 625
Environmental Protection	379 274	501 457	551 121	654 345	627 201	604 895	648 262	663 135	685 625
Economic Development, Tourism and Environmental Affairs	115 584	154 663	154 307	171 458	141 267	150 445	174 832	171 906	178 342
Agriculture	263 690	346 794	396 814	482 887	485 934	454 450	473 430	491 229	507 283
RECREATION, CULTURE AND RELIGION	451 968	553 852	540 952	606 479	647 420	640 781	677 332	720 356	711 260
Sporting and Recreational Affairs	451 968	553 852	540 952	606 479	647 420	640 781	677 332	720 356	711 260
Sport, Arts, Culture and Recreation	381 525	479 714	445 337	515 137	550 899	544 285	589 043	632 064	618 288
Economic Development, Tourism and Environmental Affairs	70 443	74 138	95 615	91 342	96 521	96 496	88 289	88 292	92 971
Premier									
ECONOMIC AFFAIRS	1 441 266	1 600 218	1 701 091	1 994 799	2 251 344	1 822 751	1 887 008	2 281 028	2 365 380
General Economic Affairs	55 499	77 507	60 275	73 405	73 532	70 873	56 808	65 179	66 122
Economic Development, Tourism and Environmental Affairs	55 499	77 507	60 275	73 405	73 532	70 873	56 808	65 179	66 122
Agriculture	121 970	149 324	154 340	137 330	147 583	160 615	147 337	149 123	168 310
Agriculture	121 970	149 324	154 340	137 330	147 583	160 615	147 337	149 123	168 310
Rural Development	24 436	45 565	28 230	36 030	33 332	36 030	31 590	37 566	17 509
Rural Development	24 436	45 565	28 230	36 030	33 332	36 030	31 590	37 566	17 509
Transport	1 239 361	1 327 822	1 458 246	1 748 034	1 996 897	1 555 233	1 651 273	2 029 160	2 113 439
Police, Roads and Transport	1 239 361	1 327 822	1 458 246	1 748 034	1 996 897	1 555 233	1 651 273	2 029 160	2 113 439
Total provincial payments and estimates by policy area	20 974 002	23 761 324	25 646 133	26 871 618	27 649 170	28 075 789	27 925 210	30 096 234	30 217 137

Table A.5: Transfers to local government by category and municipality

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Category A	63 810	58 049	51 148	72 905	84 009	84 009	75 443	78 881	86 881
Mangaung	63 810	58 049	51 148	72 905	84 009	84 009	75 443	78 881	86 881
Category B	85 422	35 781	32 366	12 557	43 362	38 299	22 842	27 884	23 685
Letsemeng	3 300	100	1 175						
Kopanong	7 300	100	3 000						
Mohokare	3 000	5 451	3 286		4 499	4 499			
Naledi	4 898	2 765	733		5 720	5 720			
Masilonyana	19 000								
Tokologo	3 180		200						
Tswelopele		1 900			5 186	5 185			
Matjhabeng			12 635		3 239	3 239			
Nala	7 000	8 083	6 086						
Setsoto		4 355	3 291		9 543	6 542			
Dihlabeng	10 000	1 000	960	667	667	667	1 667	2 000	2 334
Nketoana									
Maluti a Phofung	14 000		500	667	667	667	1 667	2 000	2 333
Phumelela	2 310	3 796							
Mantsopa					4 000	4 000			
Moqhaka					5 000				
Ngwathe	5 850				671	670			
Metsimaholo	84	5 431	500	666	4 170	4 169	1 666	2 000	2 333
Mafube	5 500	2 800							
Unallocated				10 557		2 941	17 842	21 884	16 685
Category C	285 980	251 149	236 050	260 866	234 999	235 266	268 101	279 768	290 296
Xhariep	30 203	15 204	14 564	36 423	31 423	31 423	22 438	24 512	25 012
Lejweleputswa	14 832	24 824	40 520	25 851	25 851	25 851	26 174	28 236	28 236
Thabo Mofutsanyana	151 109	142 556	156 869	140 610	140 610	140 610	155 061	159 185	167 753
Fezile Dabi	89 836	33 028	19 454	37 115	37 115	37 115	37 545	40 295	40 295
Unallocated		35 537	4 643	20 867		267	26 883	27 540	29 000
Inter-provincial transfers									
Total transfers to local government	435 212	344 979	319 564	346 328	362 370	357 574	366 386	386 533	400 862

Table A.6: Summary of provincial payments and estimates by region and district

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Metro	63 810	58 049	51 148	72 905	84 009	84 009	75 443	78 881	86 881
Motheo	63 810	58 049	51 148	72 905	84 009	84 009	75 443	78 881	86 881
Region	371 402	251 393	263 773	241 999	278 361	270 357	246 218	258 228	268 296
Xhariep	48 701	23 620	22 758	36 423	41 642	41 642	22 438	24 512	25 012
Letsemeng	3 300	100	1 175						
Kopanong	7 300	100	3 000						
Mohokare	3 000	5 451	3 286		4 499	4 499			
Naledi	4 898	2 765	733		5 720	5 720			
Xhariep	30 203	15 204	14 564	36 423	31 423	31 423	22 438	24 512	25 012
Thabo Mofutsanyane	177 419	151 707	161 620	141 944	155 487	152 486	158 395	163 185	172 420
Setsoto		4 355	3 291		9 543	6 542			
Dihlabeng	10 000	1 000	960	667	667	667	1 667	2 000	2 334
Nketoana									
Maluti a Phofung	14 000		500	667	667	667	1 667	2 000	2 333
Phumelela	2 310	3 796							
Mantsopa					4 000	4 000			
Thabo Mofutsanyane	151 109	142 556	156 869	140 610	140 610	140 610	155 061	159 185	167 753
Fezile Dabi	101 270	41 259	19 954	37 781	46 956	41 954	39 211	42 295	42 628
Moghaka					5 000				
Nqwathe	5 850				671	670			
Metsimaholo	84	5 431	500	666	4 170	4 169	1 666	2 000	2 333
Mafube	5 500	2 800							
Fezile Dabi	89 836	33 028	19 454	37 115	37 115	37 115	37 545	40 295	40 295
Lejeleputswa	44 012	34 807	59 441	25 851	34 276	34 275	26 174	28 236	28 236
Masilonyana	19 000								
Tokologo	3 180		200						
Tswelopele		1 900			5 186	5 185			
Matjabeng			12 635		3 239	3 239			
Nala	7 000	8 083	6 086						
Lejeleputswa	14 832	24 824	40 520	25 851	25 851	25 851	26 174	28 236	28 236
Unallocated funds		35 537	4 643	31 424		3 208	44 725	49 424	45 685
Inter-provincial transfer									
Total provincial payments by region and district	435 212	344 979	319 564	346 328	362 370	357 574	366 386	386 533	400 862

Table A.7: Summary payments and estimates of provincial infrastructure by category

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
New infrastructure assets	306 583	660 106	861 512	800 457	738 142	720 019	692 401	920 764	439 320
Economic Development, Tourism and Environmental Affairs	29 355	35 235	25 358	20 000	21 468	12 269	25 400	32 800	33 400
Health	77 727	207 915	378 411	255 030	268 091	268 091	82 888	238 560	18 292
Education	60 878	93 081	141 405	124 400	90 900	78 376	126 357	146 664	
Social Development	117	8 700	26 209	31 324	28 000	28 000	11 828	16 974	39 974
Public Works	97 988	218 589	167 326	248 573	248 573	248 573	189 510	231 182	227 906
Police Roads and Transport	749	-	8 446	23 200	19 600	23 200	25 916	22 000	32 550
Agriculture	34 314	70 481	84 002	36 178	9 500	9 500	136 737	138 500	29 250
Sport, Arts, Culture and Recreation	5 455	26 105	30 355	61 752	52 010	52 010	93 765	94 084	57 948
Existing infrastructure assets	1 308 038	1 569 254	1 449 372	1 973 941	2 177 652	1 953 210	2 032 204	2 422 875	1 631 497
Upgrading and additions	294 462	603 108	494 132	665 119	589 797	590 279	629 558	755 788	137 446
Economic Development, Tourism and Environmental Affairs		870	7 072	27 770	8 571	17 770	26 500	18 600	18 000
Health	177 441	221 096	163 416	234 029	219 321	219 321	170 965	150 786	
Education	52 515	229 159	222 922	204 625	169 116	146 849	283 471	460 562	
Social Development							2 000		
Police Roads and Transport	39 657	38 672	21 262	40 000	26 450	40 000	7 200	12 000	5 000
Agriculture	20 410	63 542	22 175	45 353	38 353	38 353	40 475	26 548	24 548
Sport, Arts, Culture and Recreation	4 439	49 769	57 285	113 342	127 986	127 986	98 947	87 292	89 898
Rehabilitation and refurbishment	369 561	688 588	523 754	883 776	1 195 538	886 751	462 913	362 521	104 810
Health	3 271	6 170	26 199	41 452	46 969	46 969	192 291	133 403	5 958
Education	31 559	74 080	83 987	126 571	139 335	129 167	113 917	129 718	
Police Roads and Transport	307 999	608 338	413 568	706 784	1 009 234	710 615	153 705	95 400	92 852
Agriculture	26 732			8 969			3 000	4 000	6 000
Maintenance and repair	644 015	277 558	431 486	425 046	392 317	476 180	939 733	1 304 566	1 389 241
Economic Development, Tourism and Environmental Affairs	472	6 746	10 435	1 800	1 800	1 800	2 119	2 067	2 067
Education	7 380	15 725	18 575	17 000	27 500	24 858	4 000	7 099	
Social Development			767	1 000	1 000	899	1 100	1 145	1 206
Public Works									
Police Roads and Transport	632 445	241 977	395 528	398 278	356 341	442 947	926 012	1 285 393	1 374 936
Agriculture		4 581							
Sport, Arts, Culture and Recreation	3 718	8 529	6 181	6 968	5 676	5 676	6 502	8 862	11 032
Infrastructure transfers	88 189	97 937	64 326	205 950	227 623	187 878	111 070	144 721	85 045
Infrastructure transfer - current	1 650	1 000		31 500	28 000	28 000	35 426	61 721	5 555
Health				31 500	28 000	28 000	30 426	56 451	
Education	1 650	1 000							
Social Development							5 000	5 270	5 555
Infrastructure transfer - Capital	86 539	96 937	64 326	174 450	199 623	159 878	75 644	83 000	79 490
Economic Development, Tourism and Environmental Affairs				10 000	10 000	10 000			
Education	86 539	84 437	64 015	40 500	75 673	35 928	37 644	20 000	16 490
Agriculture		12 500		123 950	113 950	113 950	35 000	60 000	60 000
Sport, Arts, Culture and Recreation			311				3 000	3 000	3 000
Total provincial infrastructure	1 702 810	2 327 297	2 375 210	2 980 348	3 143 417	2 861 107	2 835 675	3 488 360	2 155 862

Table A.8: Summary of Infrastructure Enhancement Allocation payments and estimates by Vote

R thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
2 Legislature		38 498							
3 Economic Development Tourism & Environmental Affairs	29 287	42 851	35 050	64 570	41 839	41 839	54 019	53 467	53 467
5 Health	59 747		1 000	19 800	11 800	11 800	24 500	24 250	24 250
6 Education	60 509	11 146	12 000	14 850			16 660	16 490	16 490
7 Social Development	117	8 700		31 324	28 000	28 000	14 828	15 744	16 029
9 Public Works	32 564	152 244	116 767	187 151	187 151	187 151	154 485	186 309	186 309
10 Police, Roads and Transport	458 877	321 905	638 362	382 992	357 568	357 568	374 225	436 775	436 775
11 Agriculture	20 710	27 119	24 681	103 178	86 666	86 666	78 475	90 548	90 548
12 Sport, Arts, Culture and Recreation	80 638	98 424	91 488	162 287	162 287	162 287	164 506	164 143	138 572
Unallocated								4 923	3 740
Total Infrastructure Enhancement Allocation	742 449	700 887	919 348	966 152	875 311	875 311	881 698	992 649	966 180

Table A.9: Summary of Infrastructure Grant to Provinces payments and estimates by Vote

R' thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
5 Health	58 344	3 543							
6 Education	146 894	65 455							
10 Police, Roads and Transport	521 973	47 216							
Total Infrastructure Grant to Provinces	727 211	116 214							

Table A.10: Summary of Revenue Enhancement Allocation payments and estimates by Vote

R' thousand	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
3 Economic Development Tourism & Environmental Affairs			11 475	3 258	3 058	3 058	200		
4 Provincial Treasury							2 000		
5 Health				2 200	1 000	1 000	3 000		
9 Public Works			2 800	6 607	5 407	5 407	1 200		
10 Police, Roads and Transport			3 530				23 734		
11 Agriculture				4 775	4 775	4 775			
Unallocated					2 600	2 600		47 484	50 055
Total Revenue Enhancement Allocation			17 805	16 840	16 840	16 840	30 134	47 484	50 055

Table A.11: Summary of Expanded Public Works Programme Incentive Grant for Provinces payments and estimates by Vote

R' thousand	Audited outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
3 Economic Development Tourism & Environmental Affairs			738	550	550	550	2 102		
5 Health			2 032	3 249	3 249		3 108		
6 Education			1 000	3 000	3 000	3 000	2 416		
7 Social Development							2 000		
9 Public Works		4 193	5 377	7 102	7 102	7 102	5 955		
10 Police, Roads and Transport				3 000	3 000	3 000	4 635		
11 Agriculture			4 000	550	550	550	2 254		
12 Sport, Arts, Culture and Recreation		185	999	550	550	550	2 131		
13 Human Settlement							2 000		
Total Revenue Enhancement Allocation		4 378	14 146	18 001	18 001	14 752	26 601		

Table A.12: Summary of Social Sector Expanded Public Works Programme Incentive Grant for Provinces payments and estimates by Vote

R' thousand	Audited outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
3 Economic Development Tourism & Environmental Affairs									
5 Health	2 352	11 481	7 470				2 580		
6 Education			4 742				2 846		
7 Social Development	1 703		6 240	8 545	12 403	9 377	3 694		
9 Public Works									
10 Police, Roads and Transport									
12 Sport, Arts, Culture and Recreation							2 580		
Unallocated			399						
Total Revenue Enhancement Allocation	4 055	11 481	18 851	8 545	12 403	9 377	11 700		