



2014/15 • EPRE •

ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2014



The Estimates of Provincial Revenue and Expenditure 2014 report is compiled using the available information from different sources. Some of this information is subject to revision.

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**Mandla Nkomfe**

MEC for Finance

FOREWORD

The 2014 Budget is a hallmark in the journey that begun in 1994. The journey that has been characterized by changing the legacy of apartheid that has divided the South African society based on race. This budget not only does it provide the plans for the next three years but it also provide progress that have been made since 1994 and 2009. In 2009, the present term of government started the term of office with high uncertainties lingering in the global economic environment. South Africa entered its first recession since the dawn of democracy in 2009. This posed both an opportunity and threat at the same time. It was an opportunity in the sense that in an environment of uncertain global economy, government had to maintain a sound fiscal position to bolster confidence and growth. It was also a challenge in that revenue to finance government programmes dwindled and posed a threat to sustaining service delivery to the people of Gauteng.

In this term, despite all these challenges, government learnt to do things differently. The provincial finances were set on the right footing through a number of reforms that the provincial Treasury embarked on, which included amongst the others:

- Ring fencing of earmarked cash;
- Enhanced budget process;
- Allocation of infrastructure resources based on readiness to implement projects; and
- Re-orientation of public spending.

Government has taken strides to overcome the systemic divisions of apartheid in the economy, education, health and human settlements. The lives of most people in Gauteng have greatly improved. Over the past 20 years, schools were built to bring learning opportunities to the historically deprived communities thereby achieving more equitable access to public education for all. Clinics and hospitals were built to provide a better health care for the Gauteng citizens. The apartheid spatial developments were redesigned to have an inclusive society through a number of government interventions i.e. mixed housing development. Economic development was prioritized through a direct investment on economic infrastructure as contextualized in the establishment of the Blue IQ.

This budget serves as a continuation of what government has attained in the past 20 years. This is a budget that indeed takes the Gauteng Province forward. The challenges that lie ahead are immense, however we remain confident that we will overcome. In the effort to move the Gauteng Province forward, both the G2055 and the National Development Plan are the epicentre of our resource allocations. Education, health, rural development, land reform and food security, the creation of more jobs, decent work and sustainable livelihoods, and the fight against crime and corruption remain priorities for government.

This budget gives expression to the government's intention to deal with the scourge of poverty, inequality and unemployment. The social services spending as the main programme to push the frontiers of poverty back, receives the biggest share of the budget over the MTEF. Gauteng Provincial Government (GPG) has allocated R32.4 billion over the 2014 Medium Term Expenditure Framework (MTEF) period for the delivery of social and economic infrastructure. Over the 2014 MTEF, R16.8 billion is

allocated towards new infrastructure mainly for the provision of new housing units and houses, schools, clinics, community health centres, hospitals, roads and public transport facilities.

The budget is but one step in meeting the society's challenges, our historic journey has taught us that it takes many small steps to walk a mile. With this budget we commit to make small steps towards eradicating poverty, dealing with unemployment and inequality.

The Budget is the collective outcome of the efforts of diligent and dedicated staff within the Provincial Treasury, departments and office bearers in all departments. My heartfelt gratitude goes to the Head of Department of Treasury and the staff within Sustainable Resources Management for the sterling work in the production of this budget.



Mandla Nkomfe

MEC for Finance

Gauteng



LIST OF ABBREVIATIONS

AARTO	Administrative Adjudication of Road Traffic Office
ABET	Adult basic education and training
ABSA	Amalgamated Bank of Southern Africa
AC	Audit Committee
ACO	Assessment of Company Operations
ACSA	Airports Company of South Africa
AET	Adult education and training
AFP	Acute Flaccid Paralysis
AG	Auditor General
AIDC	Automotive Industry Development Centre
AIDS	Acquired Immune Deficiency Syndrome
ALLS	Automated Liquor Licensing System
AMD	Acid mine drainage
AMF	Asset Management Forum
ANA	Annual National Assessment
ANC	African National Congress
AoPO	Auditing of Predetermined Objectives
APP	Annual performance plan
AQMP	Air Quality Management Plan
ARC	Agricultural Research Council
ART	Antiretroviral Treatment
ARV	Anti-retroviral
AM	Asset Management
ASF	African swine fever
ATC	Approved Training Centre
ATM	Automated Teller Machine
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BBC	Buy - back Centre
BEC	Bid Evaluation Committee
BKB	Bontle ke Botho
BLSA	Business leadership South Africa
BMC	Business Communication Management
BNG	Breaking New Ground
BNM	Basa nje ngo Magogo
BPO-O	Business process outsourcing/offshoring
BUSOSA	Burial Society of South Africa
CAATS	Revenue Computer Assisted Audit Techniques
CAF	Confederation of African Football
CAP	Cooperatives Assistance Programme
CAPEX	Capital expenditure
CAPS	Curriculum Assessment Policy Statement
CARMMSA	Campaign on Accelerated Reduction of Maternal and Child Mortality In Africa
CASP	Comprehensive Agricultural Support Programme
CBD	Central Business District
CBNRM	Community Based Natural Resource Management
CBO	Community Based Organization
CBP	Community Based Programme
CCMT	Comprehensive Care Management and Treatment
CCS	Carbon Capturing and Sequestration
CCTV	Closed circuit television
CDC	Centre for Disease Control
CDE	Centre for Development Enterprise
CDW	Community Development Worker
CEO	Chief Executive Officer

CFO	Chief Financial Officer
CHC	Community Health Centre
CHH	Child Headed House
CHW	Community Health Worker
CIC	Climate Innovation Centre
CIDA	Community Development and Individual Development of Johannesburg
CIDB	Construction and Infrastructure Development Board
CJCC	Criminal Justice coordinating committee
CJS	Criminal justice system
CMDF	Curriculum Management and Framework
COGTA	Cooperative Governance and Traditional Affairs
COH WHS	Cradle of Humankind World heritage Site
CoJ	City of Johannesburg
CONTRALESA	Congress of Traditional Leaders of South Africa
COSSASA	Confederation of School Sport Associations of Southern Africa
CPA	Commonwealth Parliamentary Association
CPD	Continuing Professional Development
CPF	Community Police Forum
CPI	Consumer price index
CPI	Consumer price inflation
CPSI	Creative Problem Solving Institute
CRDP	Comprehensive Rural Development Programme
CRM	Credit Risk Management
CRM	Customer Relationship Management
CRO	Chief Risk Officer
CRU	Community residential unit
CSSL	Committee of Scrutiny of Subordinate Legislation
CSU	Committee Support Unit
CTOP	Choice on Termination of Pregnancy
CWP	Community Work Programme
CYCC	Centre for children and youth
DAC	Departmental Acquisition Council
DAFF	Department Of Agriculture, Forestry and Fisheries
DAM	Digital Asset Management
DARD	Department of Agriculture and Rural Development
DAV	Design and Validation
DBSA	Development Bank of Southern Africa
DCS	Department of Community Safety
DCST	District Clinical Specialist Teams
DDG	Deputy-Director General
DDI	Domestic direct investment
DED	Department of Economic Development
DFI	Development Financial Institutions
DG	Director-General
DGR	Dinokeng Game Reserve
DHET	Department of Higher Education and Training
DID	Department of Infrastructure Development
DLGH	Department of Local Government and Housing
DLGTA	Department of Local Government and Traditional Affairs
DLTC	Drivers' License Testing Centre
DMC	Debt Management Committee
DMC	Disaster Management Centre
DMO	Destination Marketing Organization
DoH	Department of Housing
DORA	Division of Revenue Act
DORB	Division of Revenue Bill
DOT	Direct Observation Therapy
DPME	Department of Performance Monitoring and Evaluation



DPSA	Department of Public Service and Administration
DRDLR	Department of Rural Development and Land Reform
DRMC	Documents and Records Management Centre
DRT	Department of Roads and Transport
DSACR	Department of Sport, Arts, Culture and Recreation
DSD	Department Of Social Development
DTA	Department of Traditional Affairs
DTI	Department of Trade and Industry
EaaS	Email as a Service
ECC	Employment Condition Commission
ECD	Early childhood development
ECE	Estimates of Capital Expenditure
ECM	Environmental Compliance Monitoring
EDI	Electronic Data Interchange
EDL	Essential Drugs List
EE	Employment Equity
EEDBS	Enhanced Extended Discount Benefit Scheme
EHP	Environmental Health Perspective
EHWP	Employee Health and Wellness Programme
EIA	Environmental Impact Assessment
EIP	Environmental Implementation Plan
EMDP	Emerging Management Development Programme
EME	Exempted Micro Enterprises
EMF	Environmental Management Framework
EMI	Environmental management inspector
EMIS	Education Management Information Systems
EMM	Ekurhuleni Metropolitan Municipality
EMS	Emergency medical service
EPE	Estimates of Capital Expenditure
EPI	Expanded Programme on Immunization
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERM	Enterprise-wide risk management
ERP	Enterprise resource planning
ESMOE	Essential Steps in the Management of Obstetric Emergencies
ESSP	Extra school support Programme
EWP	Employee Wellness Programme
EXCO	Executive Council
FACIM	Feira International De Maputo
FAL	First additional Language
FAMLA	Financial Management of Gauteng Provincial Legislative Act
FCS	Family Violence, Child Protection and Sexual Offences
FDC	Fixed –Dose Combination
FDI	Foreign direct investment
FET	Further education and training
FFC	Financial and Fiscal Commission
FIFA	Federation of International Football Associations
FLISP	Finance-linked individual subsidy Programme
FMCMM	Financial Management Capability Maturity Model
FMDC	Fully Managed Data Centre
FSDM	Frontline service delivery monitoring
FTE	Full-time equivalent
G2055	Gauteng Vision 2055
GAC	Gauteng Advisory Committee
GACC	Gauteng Arts and Culture Council
GAP	Gauteng Accelerator Programme
GAPA	Gauteng Agriculture Potential Atlas
GAS	Gauteng Audit Services

GBCP	Gender Based Violence Prevention Interventions
GBN	Gauteng Broadband Network
GBV	Gender Based Violence
GCR	Global City Region
GCRA	Gauteng City Region Academy
GCRO	Gauteng City Region Observatory
GCRS	Global City Region Strategy
GDARD	Gauteng Department of Agriculture and Rural Development
GDCCS	Gauteng Department of Community Safety
GDE	Gauteng Department of Education
GDED	Gauteng Department of Economic Development
GDF	Gauteng Department of Finance
GDID	Gauteng Department of Infrastructure Development
GDLGH	Gauteng Department of Local Government and Housing
GDLTa	Gauteng Department of Local Government and Traditional Affairs
GDoH	Gauteng Department of Health
GDoH	Gauteng Department of Housing
GDRT	Gauteng Department of Roads and Transport
GDSACR	Gauteng Department of Sport, Arts, Culture and Recreation
GDSD	Gauteng Department of Social Development
GEDA	Gauteng Economic Development Agency
GEGDS	Gauteng Employment, Growth and Development Strategy
GEP	Gauteng Enterprise Propeller
GET	General Education and Training
GEYODI	Gender, youth and people with disabilities
GFA	Gauteng Funding Agency
GFC	Gauteng Film Commission
GFSP	Gauteng Farmer Settlement Programme
GGB	Gauteng Gambling Board
GGDA	Gauteng Growth and Development Agency
GGT	Gauteng Government Transport
GHG	Greenhouse Gas
GIAMA	Government Immovable Asset Management Act
GIC	Government Information Centre
GIDP	Gauteng Integrated Development Plan
GIPF	Gauteng Industrial Policy Framework
GIZ	German Development Agency
GLB	Gauteng Liquor Board
GMA	Gautrain Management Agency
GNC	Geographic Names
GoL	Gauteng Online
GP	Gauteng Province
GPC	Gauteng Planning Commission
GPDB	Gauteng Planning and Development Bill
GPG	Gauteng Provincial Government
GPL	Gauteng Provincial legislature
GPLMS	Gauteng Primary Literacy and Mathematics Strategy
GPT	Gauteng Provincial Treasury
GRAP	Generally Recognized Accounting Practice
GRRLP	Gautrain Rapid Rail Link Project
GRT	Department of Roads and transport
GSC	Gauteng Smart City
GSDF	Gauteng Spatial Development Framework
GSSD	Gauteng Strategy for Sustainable Development
GT	Gauteng Treasury
GTA	Gauteng Tourism Authority
GTIA	Gauteng Transport Infrastructure Act
GTP	Graduate Teacher Programme



GYC	Gauteng Youth Commission
HAART	Highly Active Anti-retroviral Therapy
HCBC	Home community based care Programme
HCT	HIV Counselling and Testing
HCW	Health care waste
HDI	Human Development Index
HH	Households
HIS	Health Info System
HIV	Human Immunodeficiency Virus
HIV/AIDS	Human Immune Virus and Acquired Immune Deficiency Syndrome
HoD	Head of Department
HPTDG	Health Professions and Training Development Grant
HPV	Human Papillomavirus Vaccine
HR	Human resources
HRD	Human Resource Development
HRIMS	Human resources information management system
HRM	Human Resource Management
HWSETA	Health and Welfare Sector Education and Training Authority
IAP	Innovation Advisory Panel
ICD	Independent Complaints Directorate
ICS	Improvement in conditions of service
ICSW	Institute of Climate, Soil and Water
ICT	Information and Communications Technology
ICU	Intensive Care Unit
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure delivery management system
IDP	Infrastructure Development Plan
IDP	Integrated development plan
IDT	Independent Development Trust
IDZ	Industrial Development Zone
IED	Institute for Enterprise Development
IFMS	Integrated Financial Management System
IFS	Interim financial statement
IGR	Inter-governmental relations
IIA	Institute of Internal Auditors
IIAL	Incremental Introduction of African Language
IIP	Integrated infrastructure plan
IISE	Impophoma Infrastructure Support Entity
ILO	International Labour Organization
IMCI	Integrated Management of Childhood Illness
IOD	Injury on Duty
IPID	Independent Police Investigative Directorate
IPS	Intrusion Projection System
IPTN	Intermodal Public Transport Facilities
IR	International Relations
IRE	Invoice and receipting engine
IRM	Information Resource Management
ISHP	Integrated School Health Programme
IT	Information technology
ITSM	Information Technology Service Management
IVS	Identity Verification Solution
IYM	In-year Monitoring
JEC	Johannesburg Expo Centre
JMP	Jewellery Manufacturing Precinct
JRA	Johannesburg Roads Agency
LAN	Local Area Network
LDAC	Local drug action committee
LED	Local Economic Development
LGAC	Local Government Accounting Certificate

LGFS	Local Government Financial Services
LGSETA	Local Government Sector Education Training Authority
LIMS	Legislation Information Management System
LM	Local Municipality
LEA	Law Enforcement Agencies
LOE	Letter of Engagement
LSB	Legislative Services Board
LSEN	Learner with special education needs
LTSM	Learner and teacher support materials
LWA	Leading Women of Africa
M&E	Monitoring and Evaluation
MACC	Minimum Anti-Corruption Capacity
MAFISA	Micro Agricultural Financial Institutional Scheme
MANCOM	Management committee
MASP	Men as Safety Promoters
MBM	Municipal Budget Management
MBS	Monthly Budget Statement
MDB	Municipal Demarcation Board
MDG	Millennium Development Goal
MEC	Member of the Executive Council
MEDSAS	Medical Stores Administration System
MFHSP	Municipal Finance Hands on Support Programme
MFMA	Municipal Finance Management Act
MGSLG	Mathew Goniwe school of leadership and governance
MHD	Mixed housing development
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agency
MISS	Minimum Information Security Standard
MMC	Member of Mayoral Committee
MMDP	Middle Management Development Programme
MoA	Memorandum of Agreement
MOU	Midwife Obstetric Units
MPAC	Municipal Public Accounts Committee
MPAT	Monitoring and performance assessment tool
MPL	Members of Parliament
MPP	Mass Participation Programme
MRR	Market related rental
MSA	Municipal Systems Act
MSAU	Multi-Sectoral Aids Unit
MSD	Medical Supply Depot
MSIG	Municipal Systems Improvement Grant
MSP	Master Skills Plan
MST	Mathematics, science and technology
MSTEF	Medium Term Strategic Framework
MTBPS	Medium Term Budget Policy Statement
MTBS	Medium Term Budget Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTK	Mma-Tshepo Khumbane Awards
MTREF	Medium Term Revenue Expenditure Framework
MTSF	Medium Term Strategic Framework
MV	Military Veterans
MVLF	Motor Vehicle License Fee
NARYSEC	National Rural Youth Service Corps
NCOP	National Council of Provinces
NCPS	National Crime Prevention Strategy
NDA	National Development Agency
NDoh	National Department of Health
NDot	National Department of Transport



NDP	National Development Plan
NDPW	National Department of Public Works
NEMA	National Environmental Management Act
NEPA	National Education Policy Act
NGO	Non-governmental Organization
NHFC	National Housing Finance Corporation
NHI	National Health Insurance
NHLS	National Health Laboratory Service
NIMART	Nurse Initiated Management of Anti-retroviral
NLTA	National Land Transport Act
NMT	Non-motorized transport
NPA	National Prosecuting Authority
NPI	Non-profit Institutions
NPO	Non-profit organization
NQF	National Qualification Framework
NRTA	National Road Traffic Act
NRTLEC	National Road Traffic Law Enforcement Code
NSC	National Senior Certificate
NSNP	National School Nutrition Programme
NSP	National Strategic Plan
NT	National Treasury
NTSG	National Tertiary Services Grant
NYDA	National Youth Development Agency
NYS	National Youth Service
OBA	Outcome Based Approach
OBB	Outcome Based Budgeting
OHS	Occupational health and safety
OHSA	Occupational Health and Safety Act
OHSC	Office of Health Standards Compliance
OoP	Office of the Premier
OPCA	Operation Clean Audit
OPD	Out Patience Department
ORTIA	OR Tambo International Airport
ORY	Oral Rehydration Therapy
OSD	Occupation Specific Dispensation
OVCs	Orphaned and vulnerable children
20PTP	Twenty Priority Townships
PACCC	Provincial Anti-Corruption Coordinating Committee
PACF	Provincial Anti-Corruption Forum
PAHC	Primary Animal Health Care
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administration Justice Act
PALAMA	Public Administration Leadership and Management Academy
PAM	Personnel Administration Measures
PANSALB	Pan South African Language Board
PAS	Provincial Accounting Services
PBC	Premier's Budget Committee
PCF	Premier's Coordinating Forum
PDE	Patient Day Equivalent
PDMC	Provincial Disaster Management Centre
PDP	Personal development plan
PEBA	Programme Evaluation and Budget Analysis
PEPFAR	Presidential Emergency Plan for Aids Relief
PERO	Provincial Economic Review and Outlook
PERSAL	Personnel salary
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PHC	Primary health care
PHP	People's housing process

PHRA-G	Provincial Heritage Resource Agency of Gauteng
PLC	Language Heritage
PLG	Professional learning group
PLTF	Provincial Land Transport Framework
PMDS	Performance Management and Development System
PME	Performance monitoring and evaluation
PMO	Project management office
PMS	Performance Management System
PMTCT	Prevention of mother to child transmission
POA	Programme of action
POBA	Public Office Bearers Act
POPS	Personal Development Plans
POS	Public Ordinary Schooling
PP	Preferential Procurement
PPF	Public Participation Framework
PIIP	Perinatal Problem Identification Programme
PPP	Public-private partnership
PPPFA	Preferential Procurement Policy Financial Act
PPRS	Provincial Policy Strategy
PPT	Planned patient transport
PRASA	Passenger Rail Agency of South Africa
PRE	Public transport regulatory entity
PRMG	Provincial Roads Maintenance Grant
PRMG	Provincial Roads Maintenance Grant
PROVJOINT	Provincial Joint Operational Intelligence Structure
PSA	Public Service Act
PSC	Public Service Commission
PSETA	Public Service Sector Education and Training
PSI	Public Service Induction
PSLDC	Provincial State Land Disposal Committee
PT	Provincial Treasury
PTB	Pulmonary tuberculosis
PTOG	Public Transport Operations Grant
PTP	Priority Township Programme
PTSA	Parent Teacher Student Association
PWC	Price Waterhouse Coopers
PWD	Person with disabilities
QPR	Quarterly performance report
QSE	Qualifying Small Enterprises
RA	Registering Authority
RAF	Road Accident Fund
RCC	Roller compacted concrete
RDP	Reconstruction and Development Programme
REM	Regional Economies Monitor
RFP	Request for proposal
RFQ	Request for quotation
ROD	Record of Decision
RTMC	Road Traffic Management Corporation
RTT	Race to the Top
RV	Rota Virus
RWOPS	Remunerated Work Outside of the Public service
SABRIC	South African Banking Risk Identification Centre
SABS	South African Bureau of Standards
SACE	South African Council of educators
SACR	Sports Arts, Culture and Recreation
SAFEC	South Africa Flower Export Council
SAHRA	South African Heritage Resources Agency
SAICA	South African Institute of Chartered Accountants
SAICE	South African Institute of Civil Engineers



SAIPA	South African Institute of Professional Accountants
SALGA	South African Local Government Association
SALSA	Secretary Association of the Legislature of South Africa
SANBI	South African National Biodiversity Institution
SANBS	South African National Blood Service
SANRAL	South African Roads Agency Limited
SAP	System Application Program
SAPR	Semi-annual Performance Report
SAPS	South African Police Service
SARS	South African Revenue Services
SASCE	Southern African Society for Cooperative Education
SASSA	South African Social Security Agency
SCM	Supply chain management
SCOA	Standard Chart of Accounts
SCOPA	Standard Committee on Public Accounts
SDF	Service Delivery Forum
SDF	Spatial Development Framework
SDS	Social Development Strategy
SEA	Strategic Environmental Assessment
SED	Socio-economic development
SERO	Socio-Economic Review and Outlook
SETA	Sector Education Training Authority
SEZ	Special Economic Zone
SGB	School Governing Body
SIP	Strategic Infrastructure Project
SITA	State Information Technology Agency
SLA	State Law Advisor
SLA	Service Level Agreement
SMART	Specific, Measurable, Achievable, Relevant and Time-based
SMMEs	Small medium and micro enterprises
SMPP	School Mass Participation Programme
SMS	Senior Management Services
SMT	School Management Team
SOC	Security operations Centre
SOCCAT	Society of Clerks at the Table
SOI	School of Industries
SOP	Standard operating procedure
SOPA	State of the Province Address
SPDC	Supplier Park Development Company
SRM	Sustainable Resource Management
SRSA	Sport and Recreation South Africa
SSA	State Security Agency
SSE	Special School Education
SSIP	Secondary School Improvement Plan
SSMPP	School Support Mass Participation Programme
SSP	Strategic support plan
STD	Sexually Transmitted Diseases
SWH	Solar water heater
TB	Tuberculosis
TBC	To Be Confirmed
TC	Traditional Councils
TCC	Tax Clearance Certificates
TDS	Technology Development and Support
TIH	The Innovation Hub
TL	Traditional leadership
TMG	Traffic Management Gauteng
TOLAB	Transport operating license administrative body
TR	Treasury regulation
TSC	Thusong Service Centre

TSS	Technology Support Services
TUT	Tshwane University of Technology
UJ	University of Johannesburg
UN	United Nations
UNICEF	United Nations Children Fund
UNISA	University of South Africa
URP	Urban renewal project
UTRC	Ultra-thin reinforced concrete
VAWAC	Violence against women and children
VEP	Victim Empowerment Programme
VIC	Visitor Information Centre
VOIP	Voice over Internet Protocol
VTC	Vehicle Testing Centre
VTs	Vehicle testing station
WAN	Wide Area Network
WBOT	Ward-based Outreach Teams
WC/WDM	Water conservation and water demand management
WFW	Work for Waste
WHH	Women Headed House
WHO	World Health Organization
WISN	Workload indicators for Shafting Needs
WITS	University of the Witwatersrand
WOP	War on poverty
WRDP	Water Resources Development Project
WROP	War Room on Poverty
WWTW	Waste-Water Treatment Works
XDR	Extensive Drug-Resistant



TABLE OF CONTENTS

Foreword	iii
Abbreviations	v

OVERVIEW OF THE PROVINCIAL ESTIMATES	1
---	----------

1.	Socio-economic outlook
2.	Budget strategy and aggregates
3.	Medium term expenditure framework and budget process
4.	Receipts
4.1	Overview of provincial receipts
4.2	Equitable share
4.3	Conditional grants
4.4	Provincial own receipts
5.	Payments
5.1	Payments by votes
5.2	Payments by economic classification
5.3	Payments by policy area
5.4	Transfers to public entities
5.5	Transfers to local government
5.6	Infrastructure payments
5.7	Personnel numbers and costs
5.8	Payments on training

ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

VOTE 1: OFFICE OF THE PREMIER	29
--------------------------------------	-----------

1.	Overview
2.	Review of the current financial year (2013/14)
3.	Outlook for the coming financial year (2014/15)
4.	Reprioritisation
5.	Procurement
6.	Receipts and financing
7.	Payment summary
8.	Programme description
9.	Other programme information

VOTE 2: GAUTENG PROVINCIAL LEGISLATURE	61
---	-----------

1.	Overview
2.	Review of the current financial year (2013/14)
3.	Outlook for the coming financial year (2014/15)
4.	Reprioritisation
5.	Receipts and financing
6.	Payment summary
7.	Programme description
8.	Other programme information

VOTE 3: ECONOMIC DEVELOPMENT

81

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 4: HEALTH

117

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 5: EDUCATION

177

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 6: SOCIAL DEVELOPMENT

241

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 7: COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

285

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing



7. Payment summary
8. Programme description
9. Other programme information

VOTE 8: HUMAN SETTLEMENTS

315

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information

VOTE 9: ROADS AND TRANSPORT

343

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and Financing
7. Payment summary
8. Programme description
9. Other programme information

VOTE 10: COMMUNITY SAFETY

381

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 11: AGRICULTURE AND RURAL DEVELOPMENT

413

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 12: SPORT, ARTS, CULTURE AND RECREATION

445

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation

5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 13: FINANCE

481

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 14: GAUTENG PROVINCIAL TREASURY

511

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

VOTE 15: INFRASTRUCTURE DEVELOPMENT

539

1. Overview
2. Review of the current financial year (2013/14)
3. Outlook for the coming financial year (2014/15)
4. Reprioritisation
5. Procurement
6. Receipts and financing
7. Payment summary
8. Programme description
9. Other programme information
10. Cross cutting issues

GLOSSARY

565



2014/15 • EPRE •



OVERVIEW OF PROVINCIAL ESTIMATES



• EPRE • 2014/15





1. SOCIO-ECONOMIC OUTLOOK

1.1 Introduction

This section briefly outlines the state of the world economy from the recession and provides a short review of the country's economy and that of the Gauteng Province. It also analyses the demographic profile and presents information about the distribution of income amongst households in the Province.

1.2 World economic review and outlook

The International Monetary Fund's (IMF) World Economic Outlook (WEO) update for January 2014 reports growth in world output at 3.1 and 3 per cent in 2012 and 2013, respectively. The report forecasts that global growth will reach 3.7 per cent in 2014 and then 3.9 per cent in 2015. These expectations are largely unchanged from the predictions made in the October 2013 report. This indicates that economic conditions since then have been in line with the IMF expectations. The IMF, however, warns that many economies still face downside risks to their future economic growth.

On average, advanced economies grew by 1.4 and 1.3 per cent in 2012 and 2013, respectively. This is despite continued contraction in the Euro area. The Euro area is expected to return to positive growth in 2014, contributing favourably to forecast averages of advanced economy growth rates of 2.2 per cent in 2014 and 2.3 in 2015. More rapid growth in advanced economies should increase these economies' demand for imports, improving global trade and contributing to the already positive growth in emerging markets and developing economies. Emerging markets and developing economies grew by 4.9 and 4.7 per cent in 2012 and 2013, respectively. The IMF predicts that the growth rates in these economies will reach 5.1 per cent in 2014 and 5.4 in 2015. Sub-Saharan Africa grew faster than the average growth for emerging markets and developing economies in 2013, at 5.1 per cent. It is forecast to continue growing faster with a rate of 6.1 per cent in 2014 and 5.8 in 2015.

A significant downside risk for both advanced and emerging markets, including developing economies is that Central Banks in advanced economies may withdraw their monetary stimulus rapidly. In advanced economies, output is still below potential, inflation is generally low and many governments are still implementing austerity measures. Tightening monetary stimulus thus risks returning advanced economies to recession and must be carefully managed.

Emerging markets and developing economies have been receiving significant portions of advanced economies' monetary stimulus as investment, which has strengthened their financial markets and their currencies. The reduction in stimulus would adversely affect Foreign Direct Investment these economies benefited from, previously, thus potentially causing instability into exchange rates and financial markets. Although the global economic recovery is on course, care must be taken to keep it on track.

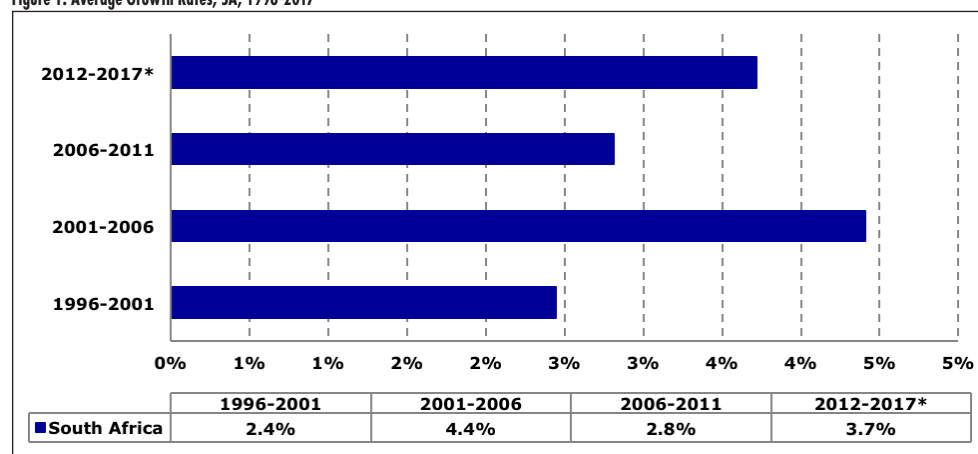
1.3 National economic review and outlook

It is still evident that the impact of the 2008 and 2009 financial crisis continue to exist in most economies of the world, as shown by relatively low growth rates. Being part of the global economy, South Africa continues to be affected by the effects of the financial crisis. Economic growth in the Euro area, South Africa's major trading partner, is forecast to be positive but presently remains relatively low at 1 per cent in 2014 and 1.4 per cent in 2015.¹ The South African Reserve Bank's Monetary Policy Committee estimates economic growth to have reached 1.9 per cent in 2013. It has revised growth forecast for 2014 and 2015 to 2.8 and 3.3 per cent, down from the 3 and 3.4 per cent respectively, citing amongst other reasons, low business confidence and labour unrests.²

1 Information from the International Monetary Fund (IMF), World Economic Outlook, January 2014 Update.

2 Information from the South African Reserve Bank, Monetary Policy Media Statement, 29th January 2014.

Figure 1: Average Growth Rates, SA, 1996-2017*

Source: IHS Global Insight, 2014³

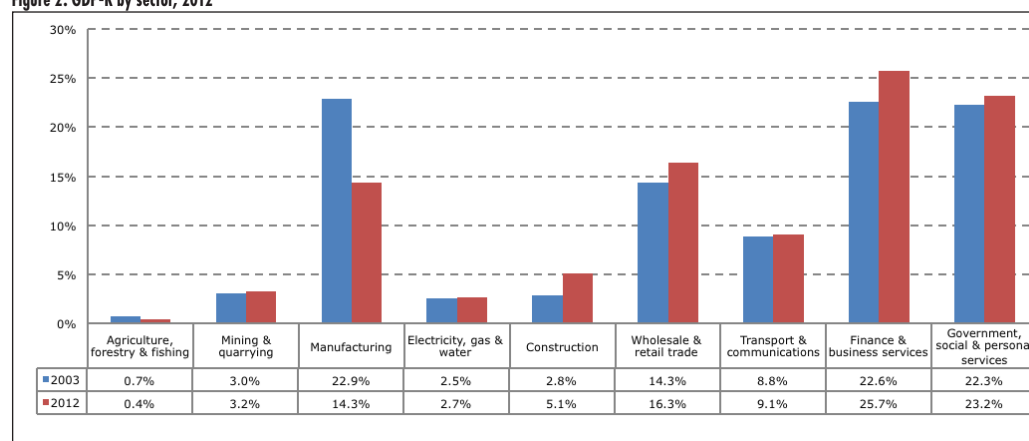
Note: * indicates forecasts

Figure 1 shows the average economic growth rates and forecast rates for South Africa. Between 1996 and 2001, the country's economy grew by an average of 2.4 per cent, which increased to 4.4 per cent between 2001 and 2006. This growth was mainly accounted for by the finance and business services sub-sector. Growth between 2006 and 2011 declined to 2.8 per cent, mainly due to the global financial crisis. It is forecast to be at 3.7 per cent between 2012 and 2017.

1.4 Gauteng economic review and outlook

As the economic hub of South Africa, Gauteng province is also affected by the global economic trends that affect the country. The province accounted for 36 per cent of the country's GDP in 2012.⁴ The metro municipalities contributed the largest share to the GDP-R of Gauteng and accounted for a combined 92.7 per cent of the province's GDP-R in 2012. The City of Johannesburg contributed the largest share at 46.2 per cent followed by the City of Tshwane at 27.9 per cent. Ekurhuleni contributed the least of the three municipalities at 18.6 per cent. The two districts, accounted for 7.3 per cent of the province's GDP-R. About 3.8 per cent was from Sedibeng and 3.5 per cent from the West Rand. The figure below shows Gauteng's sectoral contribution to the GDP-R.

Figure 2: GDP-R by sector, 2012



Source: IHS Global Insight, 2014

As shown in Figure 2, the manufacturing sub-sector was the main driver of growth in the province in 2003, contributing almost 23 per cent to GDP-R. However, its contribution to the GDP-R has since declined to 14.3 per cent in 2012. The manufacturing sub-sector was by-passed by the finance and business services sub-sector in 2012, which accounted for 25.7 per cent of GDP-R. The contribution by the government, social and personal services sub-sector increased from 22.3 per cent in 2003 to 23.2 per cent in 2012. Despite accounting for the largest proportion of the country's total exports, the mining and quarrying sub-sectors contributed a mere 3 per

³ All data is obtained from IHS Global Insight. However, IHS Global Insight sources most of their data from Statistics South Africa.

⁴ Information is according to IHS Global Insight

cent to the GDP-R in 2003 and 3.2 per cent in 2012. Agriculture, forestry and fishing sub-sectors contributed the least to the GDP-R at 0.7 per cent in 2003 and 0.4 per cent in 2012.

1.5 Demographics

The following section provides an overview of the demographics of Gauteng Province and its municipalities in 2012.

TABLE 1: POPULATION SIZE AND DISTRIBUTION BETWEEN REGIONS, 2012

Region	Total Population	Percentage Share
City of Johannesburg	4,488,843	36.2%
City of Tshwane	2,961,022	23.9%
Ekurhuleni	3,197,299	25.8%
Sedibeng	927,351	7.5%
Emfuleni	723,421	5.8%
Midvaal	97,847	0.8%
Lesedi	106,083	0.9%
West Rand	820,165	6.6%
Mogale City	363,383	2.9%
Randfontein	150,654	1.2%
Westonaria	110,169	0.9%
Merafong City	195,959	1.6%
Total/Gauteng	12,394,681	100%

Source: IHS Global Insight, 2014

Although Gauteng is the smallest province geographically, it is the most populated province in South Africa. In 2012, there were 12.4 million people living in Gauteng, accounting for 23.7 per cent of the total population of South Africa. There were 4.5 million people living in the City of Johannesburg; making it the municipality with the highest share of the population in Gauteng. This was followed by the Ekurhuleni metro (with a share of 25.8 per cent), and the City of Tshwane with a share of 23.9 per cent. The two district municipalities had the lowest share of Gauteng's population at 7.5 per cent for Sedibeng and 6.6 per cent for the West Rand. The seven local municipalities had even smaller shares of the population of Gauteng. Emfuleni, a local municipality of Sedibeng, had the highest share amongst the local municipalities at 5.8 per cent.

TABLE 2: CHANGES IN PROVINCIAL DEMOGRAPHICS, 2002-2012

Description	Period	Effective change
Population growth rate	2002-2012	2.6% p.a, 9.5 million to 12.4 million
Population increase	2002-2012	increase of 2.8 million or 29.8%
Number of households	2002	3 million
	2012	4.1 million (36.2% increase)
Average household size	2002	3.2
	2012	3.1

Source: IHS Global Insight, 2014

Table 2 shows the changes in population and household numbers in Gauteng between 2002 and 2012. The population of Gauteng grew on average by 2.6 per cent per year between 2002 and 2012, reaching 12.4 million in 2012. In 2002, there were 3 million households in Gauteng. These increased to 4.1 million in 2012, bringing the average size of a household in Gauteng to 3.1.

TABLE 3: GENDER AND AGE DISTRIBUTION, 2012

Age Cohort	Male	Female	Total	Percent Share
00-14	1,562,470	1,615,689	3,178,159	25.60%
15-29	1,584,333	1,562,158	3,146,492	25.40%
30-44	1,691,584	1,528,266	3,219,850	26.00%
45-59	923,660	931,372	1,855,031	15.00%
60+	434,805	560,343	995,148	8.00%
	6,196,853	6,197,828	12,394,681	100%

Source: IHS Global Insight, 2014

Table 3 depicts the distribution of the population in Gauteng by gender and age cohort. The 30-44 age cohorts made up the highest share of those living in Gauteng. Males of that age cohort equalled 1.7 million while females equalled 1.5 million. The age cohort of 60 and above made up the lowest share of those residing in Gauteng.

TABLE 4: INCOME DISTRIBUTION, 2012

Annual Income per Household	Number of Households	Percentage of Households
Less than R12,000	169,070	4.20%
R12,000 to R42,000	1,154,228	28.50%
R42,000 to R96,000	1,101,181	27.10%
R96,000 to R360,000	1,084,824	26.70%
R360,000 to R2,400,000	543,332	13.40%
R2,400,000+	4,085	0.10%
Total	4,056,720	100.00%

Source: IHS Global Insight, 2014

Table 4 shows income distribution for the households in Gauteng. Households who earn between R12 000 to R42 000 per year account for the highest share of 28.5 per cent of all households in Gauteng. About 86.5 per cent of households in Gauteng earn R360 000 or less per year and the remaining 13.5 per cent earn more than R360 000 per year. Overall, the data shows that as the income increases, the household shares decreases.

2. BUDGET STRATEGY AND AGGREGATES

The provincial budget sets out the allocations proposed by the MEC for Finance following consideration by political office-bearers and officials of the expenditure requirements of all spending agencies. Detailed submissions to the Provincial Treasury by all departments provided the essential information needed to assess competing demands on available funds. Given the continued tight fiscal constraints the province had to make the difficult trade-offs between competing priorities. Also given the limited resources amid a myriad of needs, it was necessary for departments to prioritise core functions and continue to assess how to improve both the method and vehicle of delivery to ensure that services are delivered in the most effective and efficient manner.

In preparing the budget submissions, departments were expected to pursue cost-effective strategies for delivering the services for which they are responsible and to ensure full political endorsement of departmental plans and priorities. They were expected to review their policy priorities and spending programmes with the intention of aligning the plans with set government priorities and outcomes. Key principles that inform the budget preparation include the following:

- Implementation of cost containment given the anticipated increases in goods and services and other inflationary pressures.
- Reprioritization of funding to critical areas of need
- Readiness assessment to deliver infrastructure
- Shifting spending away from consumption to investment
- Alignment of budget to outcomes

The bulk of provincial spending goes to social services, namely: basic education; primary health care and social security. These services make up approximately 78 per cent of total provincial spending. The remainder of the budgets goes to the non-social services departments with 22 per cent. Provinces also fund other key economic infrastructure such as provincial roads, housing, agriculture and economic development programmes. This is indicative of our commitment to improving social services and investing in social and economic infrastructure. The province remains committed to delivery of economic infrastructure which will create an environment in which the economy can grow while ensuring that job creation remains a priority in the delivery of social infrastructure.



2.2 Outcomes

The province continues to implement outcomes based planning and budgeting when preparing the budget over the next MTEF and has adopted 14 outcomes for the 2004-2019 planning process. The details of outcomes and related outputs over MTEF are listed below:

2.2.1 Quality basic education

The department is in concurrence with the objectives and goals articulated in the NDP and Action Plan 2014 and have prioritized these plans over the 2014-2019 which will contribute to quality basic education. The 2014/15 financial year will focus on mainstreaming the intervention programmes put in place. These intervention programmes are aimed at ensuring that all targets as set in the 2009-2014 strategic plan of the GDE are achieved.

2.2.2 A long and healthy life for all

The province will achieve this outcome through implementing key interventions to increase life expectancy, which include all programmes that deal with maternal and child health, HIV and AIDS, Sexual Transmitted Infections (STIs), TB, Primary Health Care (PHC), Emergency Medical Services (EMS) and other programmes related to promoting healthy lifestyles and addressing non-communicable diseases.

2.2.3 All people in South Africa are and feel safe

Intensifying the efforts with respect to the responsibility of overseeing the law enforcement agencies in Gauteng will help the province contribute to the safety of people in South Africa. The Department of Community Safety, supported by the Department of Social Development will implement strategies such as the Co-Created Policing Strategy, Social Crime Prevention Strategy and Violence against Women and Children (VAWAC) Strategy in its programmes for monitoring of law enforcement agencies, combating crime and protecting the vulnerable members of the society.

2.2.4 Decent employment through inclusive economic growth

The Department of Roads and Transport supports the Department of Economic Development in the implementation of programmes that aim to (a) move towards a more equitable competitive urban economy; (b) facilitate transition to a vibrant capacitated knowledge economy; (c) move the economy from a resource based to a green economy and (e) position the Gauteng City Region (GCR) in a regional, continental and global space. The ultimate results of these programmes are the creation of employment opportunities in the province.

2.2.5 Skilled and capable workforce to support an inclusive growth path

The Gauteng Master Skills Plan (MSP) is a key component of the province's strategy for providing a sustainable pool of economically relevant skills, thus eradicating poverty and decreasing the unemployment rate. The Gauteng MSP provides an opportunity to learners and students to attend institutions of higher learning. The Department of Education supports increased access to post-secondary education by providing bursaries and directing resources towards the transition from school to tertiary institutions and helping learners to gain access to universities and colleges. The Department of Economic Development plays a supportive role in the achievement of this outcome.

2.2.6 An efficient, competitive and responsive economic infrastructure network

The Department of Roads and Transport overall mandate is linked to this outcome through plans to provide affordable new transport infrastructure and upgrade current infrastructure and systems. There will also be a focus on promoting accessibility to major economic hubs and creating jobs for citizens in the province. The department will contribute to this outcome through the construction and maintenance of the provincial road network.

2.2.7 Vibrant, equitable, sustainable rural communities contributing to food security for all

The provision of support to the farming community and the implementation of programmes to create jobs and to secure continued food supply for consumption and trade are one of the driving factors in the achievement of this outcome. The beneficiaries of these programmes include the emerging farmers, large scale farmers and poor households.

2.2.8 Sustainable human settlements and improved quality of household life

The province will provide differentiated quality housing solutions through the implementation of the various national housing programmes, utilising the Human Settlements Development Grant and by the eradication of informal settlements. The Department of Human Settlements continues to deliver in its key priority programmes, which are Mixed Housing Development, Eradication of informal settlement, Alternative Tenure, Urban Renewal Programme and Priority Township Programme.

2.2.9 Responsive, accountable, effective and efficient local government system

The Department of Cooperative Governance and Traditional Affairs plays a lead role in the implementation of programmes to achieve this outcome. The support provided to local government aims to improve institutional and administrative systems to municipalities. The Provincial Treasury supports municipalities through the financial management interventions that are aimed at increasing the number of municipalities that achieve unqualified audits.

2.2.10 Protect and enhance our environmental assets and natural resources

The Department of Agriculture and Rural Development is the lead department for this outcome and is responsible for ensuring that they protect and enhance the environmental assets and natural resources. Six Provincial Nature Reserves are managed as part of the Department's Protected Area Management portfolio. The Department implements strategies that involve communities when delivering programmes relating to the management of natural resource.

2.2.11 Create a better South Africa, a better Africa and a better world

The province will implement the Integrated Service Delivery Improvement Framework in three wards (i.e. Westrand, Sebokeng and Ekurhuleni). The framework will ensure that appropriate institutional mechanisms are in place for inter-sphere coordination as well as empower citizens to contribute to the development of communities. It will also promote integrated approach to decentralize service delivery to improve access (including Thusong and mobile services), and will improve the capability of Community-based workers (including Community Development Workers) to offer integrated service delivery through appropriate empowerment programmes. These are some of the interventions that the province will implement to create a better South Africa.

2.2.12 An efficient, effective and development oriented public service

It is the core of this outcome to ensure improvement in the efficiency and effectiveness of public service which impacts on service delivery to the citizenry. The government programmes and strategies that will help the province achieve this objective involve improving financial management to achieve clean audit in the province and municipalities; increasing the efficiency in government expenditure and reducing incidences of corruption in procurement processes; better management of human resources and the implementation of the outcomes-based approach in planning and budgeting to ensure proper resourcing the government outcomes.

2.2.13 Social protection

The Gauteng Department of Social Development is the lead department for outcome Social Protection, which aims to address the challenges of unemployment, poverty and inequality. The protection of vulnerable members of the society including older persons, people with disabilities, children and youth is central to the implementation of various interventions that contribute to the achievement of this outcome.

2.2.14 Nation building and social cohesion

The Department of Sports Arts Culture and Recreation and the Office of the Premier are the main departments that are responsible for this outcome. The province will identify, grade, preserve, protect, brand and promote the heritage resources, in partnership with strategic role-players, including national and local government, the South African Heritage Resources Agency (SAHRA) and the Provincial Heritage Resource Agency of Gauteng (PHRA-G). The department will also focus on the celebration of 20 Years of Democracy by implementing activities such as Freedom Fridays with Lead SA, to promote nation building and social cohesion.

3. MEDIUM TERM EXPENDITURE FRAMEWORK AND THE BUDGET PROCESS

3.1 The importance of a medium term perspective for budgeting

The Medium Term Expenditure Framework (MTEF) is an annual, three year rolling planning and budgeting framework which is used for the strategic allocation of resources in line with government's policies and priorities. In most cases, the priorities needs exceed the available resources and the MTEF is therefore used as a mechanism for assisting decision makers in allocating the limited resources between sectors and between specific activities within particular sectors.

Adopting the MTEF ensures that there is more efficient use of public funds, greater political accountability and credibility of budgetary decision making as well budgets ensuring that there is predictability in funding for a three



year period for programmes within the different sectors of the economy.

3.2 Overview of the 2014 budget process

The Gauteng Provincial Treasury in collaboration with other stakeholders is responsible for facilitating the provincial budget process, preparing the provincial budget and exercising control over the utilisation of resources. The key underlining principles which informed the formulation of the 2014 reprioritised budget are as indicated above.

The Premier Budget Committee (PBC) and the MTEC considered the aforementioned principles and criteria amongst other factors to decide on budget allocations. The key stages of the 2014 budget process with developments in stages are described below:

Strategic planning

During this stage the strategic direction of departments are determined taking into account policy directives and priorities. The 2014/15 financial year marks the start of a new term of governance and therefore an examination and consolidation of past performance was done to better inform plans for the next political cycle.

The Executive Council meetings and Finance Lekgotla took place during the second quarter of the financial year. Gauteng received the initial allocations from the National Government in terms of its Provincial Equitable Share which spelt out the share of funding that the Gauteng Province will receive from the nationally raised revenue. For 2014, the Provincial Equitable Share allocations for Gauteng were increased after the provincial equitable share formula was revised to take into account the population profiles of province, which has seen an increase in the population due to in migration.

The MTEC databases were sent to departments to establish the baselines which informed the extensive engagement with the National Treasury and sector departments during the functional group meetings in July 2013. The Gauteng Provincial Treasury trained the departments on the completion of the database to ensure that appropriate budget baselines are established.

Preparation

At this stage the departments begins to prepare their budget submissions according to the resolutions of the Lekgotla.

The Budget Forum was held in July 2013 with departments to provide guidance on the socio-economic environment within which departments must plan, the key dates in the budget process and the compilation of budget submissions. A new development is MTEC focus groups which are bilateral discussions between departments and GPT around the overall analysis of the budget baselines, policy priorities, analysis of spending pressures and achieving value for money. This took place in October 2013. The GPT also held feedback sessions with departments to enhance the credibility of budget documents during January 2014.

Recommendation and decision making

During the preparation of the 2014 MTEF budget, the MTEC focus groups assessed the baseline realignment to determine how existing core operations are funded, the baseline reprioritisation to fund priorities and spending pressures from identified efficiencies and implementing cost containment measures. Departments were advised to improve the alignment between budgets and outcomes as there will be increased focus on increasing service delivery while sustaining existing funding levels.

The MTEC met with all departments in October and November 2013, and looked critically at departments existing baselines and spending proposals. Departments were advised to allocate resources to priority areas and to be prudent when allocating resources in light of the tight fiscal environment. MTEC resolutions informed further deliberations at the PBC. The strategic allocation of limited funding was completed after continuous engagements at the PBC.

Implementation

The legislative process is concluded with the MEC of Finance for tabling of the provincial budget to be adopted by the Legislature. The approved budget is implemented in line with the plans of the department.

Monitoring and evaluation

Financial and non-financial performance of the departments is monitored monthly and quarterly in the form of In-Year Monitoring (IYM) report and Quarterly Performance Report (QPR). Evaluation takes place in the form of Annual Financial Statements (AFS) and periodically through internal audit process.

The credibility of monthly expenditure and projections in the IYM is significant because it allows departments and other stakeholders to make informed decisions. In order to improve accountability, the quarterly performance information of sector departments will continue to be published.

4. RECEIPTS

4.1 Overview of provincial receipts

The provincial receipts constitute mainly of the equitable share, conditional grants and provincially generated revenue. The equitable share portion constitutes a significantly higher proportion of the total revenue followed by conditional grants and provincially generated own revenue. Section 227 (1) of the Constitution of the Republic of South Africa of 1996 (Act 108 of 1996) requires that revenue raised nationally should be distributed equitably amongst the three spheres of government and it is an unconditional transfer designed to assist in delivery of basic services and assigned functions.

Conditional grants are additional transfers from the national government with conditions attached to them. Their limited flexibility is often emphasised as they are designed to fund national priorities and compensate provinces in their quest to provide services to citizens. Conditional grants therefore remain centralised and accompanied by strict conditions.

Provincial own revenue is mainly generated through motor vehicle taxes, casino taxes, patient fees, interest revenue and other user charges and levies. The proclamation of the Provincial Tax Regulation Process Act (Act 53 of 2001) served as a great initiative for provinces because it allowed provinces to explore increasing its own revenue base as the Constitution sanctions provinces to impose certain taxes.

TABLE 5: SUMMARY OF PROVINCIAL RECEIPTS

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Transfer receipts from national	59 870 361	65 701 420	70 858 193	76 869 746	77 230 702	77 230 702	85 608 012	92 234 526	98 502 964
Equitable share	45 869 090	50 967 615	55 212 862	61 374 917	61 494 894	61 494 894	68 672 720	74 214 208	80 243 782
*Conditional grants	14 001 271	14 733 805	15 645 331	15 494 829	15 735 808	15 735 808	16 935 292	18 020 318	18 259 182
Provincial own receipts	3 098 509	3 615 241	3 779 326	3 972 410	4 081 807	4 161 020	4 265 929	4 568 931	4 817 895
Total provincial receipts	62 968 870	69 316 661	74 637 519	80 842 156	81 312 509	81 391 722	89 873 941	96 803 457	103 320 859

*Including funds allocated in the 2nd adjustment budget

The table above shows aggregates of provincial receipts over a seven financial year period. Total receipts have increased from R62.7 billion in 2010/11 to R81.3 billion in 2013/14 thus showing an average annual growth rate of 9.05 per cent. The total transfers from national government have increased from R59.8 billion in 2010/11 to R77.2 billion in 2013/14 and this shows an increase of R17.3 billion or 29 per cent. On average the annual growth in total transfers from national government from 2010/11 to 2013/14 amounts to 8.8 per cent. National transfers are projected at R85.6 billion in 2014/15; R92.2 billion in 2015/16 and R98.5 billion in 2016/17. This represents an average annual growth rate of 8.5 per cent over the 2014 Medium Term Expenditure Framework.

For 2013/14 the equitable share amounts to R61.4 billion or 75.6 per cent of total provincial receipts, while conditional grants and own revenue account for R15.7 billion or 19.4 per cent and R4 billion or 5.0 per cent respectively. Over the 2014 MTEF, total provincial receipts are recorded at R89.9 billion in 2014/15; R96.9 billion in 2015/16 and R103.4 billion in 2016/17 thus showing an average annual growth rate of 8.4 per cent.

4.2 Equitable share

Section 214 of the Constitution states the Act of Parliament must provide for the equitable division of revenue raised nationally among the national, provincial and local spheres of government and furthermore must provide for the determination of each province's equitable share of the provincial share of that revenue. The determination of each province's equitable share is derived by using the equitable share formula which is reviewed and updated annually with new data taking into account the recommendations by the Financial and Fiscal Commission (FFC). Provincial governments have limited discretion on how to allocate the equitable share between functions assigned to them by the Constitution within the framework of government policy priorities.

TABLE 6: EQUITABLE SHARE ALLOCATION FOR GAUTENG PROVINCE

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
Equitable share	45 869 090	50 967 615	55 212 862	61 374 917	61 494 894	61 494 894	68 672 720	74 214 208	80 243 782

The above table shows the allocation in the equitable share over a seven financial year period. The equitable share shows an increase from R45.9 billion in 2010/11 to an adjusted appropriation amount of R61.5 billion in the 2013/14 financial year; this represents an average annual growth rate of 10.3 per cent in the equitable share allocation to the province. The total projected allocation for 2014/15 is R68.7 billion and R74.2 billion for 2015/16 and this amount is further projected to increase to R80.2 billion during the 2016/17 financial year. Over the 2014 MTEF the allocation is projected to increase on average at an annual rate of 9.3 per cent.

The increase in allocations in 2011/12 was informed by the following:

- Provision for the shortfall and carry through effect of the OSD for educators; and
- Provision to fund health priorities including health therapeutic OSD, Doctors OSD and medical registrars in obstetrics and paediatrics.

Specific allocations that increased the 2012/13 funding:

- Personnel costs for the education and health sector;
- Child and youth care services by increasing subsidies;
- Expansion of the no-fee schools by equalising the per-capita subsidies paid at schools in quintile 1 to 3; and
- Universalisation of Grade R.

In 2013/14, equitable share allocation increased due to the phasing in of the Devolution of the property rates funds grant into the equitable share and also as a result of increased allocation to the social sector to fund the following priorities:

- Increasing the number of teachers in quintile 1 schools to reduce the learner: teacher ratio in poorer schools;
- Increase number of Grade R teachers to achieve the objectives of universalising access to the Grade R;
- Improved tuberculosis diagnostic test using the quicker and more accurate GeneXpert machines;
- Absorption of social work graduates, whose studies were funded by national government and in the province;
- Support to the NGO sector to ensure that continued service delivery; and
- Increased demand of services due to increased population in Gauteng as per the 2011 Census results.

During the 2013/14 adjustment budget process, the province received an additional R119.9 million to fund the difference of 0.3 per cent between the 6.6 per cent actual salary increment and the 6.3 per cent on the budget baseline. The other component that received funding was the re-grading of clerical positions especially in the social sector as per the December 2012 circular from Department of Public Service and Administration.

Allocations over the 2014 MTEF provide carry-through costs of all key priorities in the social sector as stated above, funding for the re-grading of clerical positions to level 5 as per the above abovementioned circular was allocated, provision for ICS, strengthening of PHC engineering, funding to relieve pressure on compensation of employees within the education sector and provision for e-learning. Funds phased into the equitable share on the Devolution of Property Rates and Taxes grant amounts to R312.7 million in 2014/15 and R327.1 million in 2015/16.

TABLE 7: PROVINCIAL EQUITABLE SHARE WEIGHTED AVERAGE

Components	Education	Health	Basic	Poverty	Economic Activity	Institutional	Weighted average
Weights	48%	27%	16%	3%	1%	5%	100%
Eastern Cape	16.30%	14.20%	13.50%	16.70%	7.60%	11.10%	14.90%
Free State	5.60%	5.50%	5.50%	5.70%	5.50%	11.10%	5.80%
Gauteng	15.70%	20.50%	22.40%	15.70%	33.90%	11.10%	18.00%
KwaZulu-Natal	23.20%	23.00%	21.40%	23.00%	16.10%	11.10%	22.20%
Limpopo	13.90%	10.70%	11.00%	14.40%	7.00%	11.10%	12.40%
Mpumalanga	8.40%	6.80%	7.20%	8.60%	7.10%	11.10%	7.90%
Northern Cape	2.20%	2.20%	2.20%	2.40%	2.30%	11.10%	2.60%
North West	6.30%	6.50%	6.40%	7.50%	6.50%	11.10%	6.60%
Western Cape	8.40%	10.60%	10.50%	6.00%	14.00%	11.10%	9.40%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 7 shows a breakdown of Provincial Equitable Share (PES) weighted average that determines the share of each province. The PES is revised and updated annually with new data to ensure that the formula is objective and redistributive. The weights consist of six components related to the demand for services amongst provinces. The shares are allocated in relation to nationally determined weights. The total provincial equitable share weighted average for Gauteng was revised to 18 per cent. The formula consists of six following components and they are set out as follows:

- An education share (48 per cent) based on the size of the school-age population (ages 5-17) and the number of learners (grade R to 12) enrolled in public ordinary schools. In the education component, Gauteng weights is the third highest (15.7 per cent) implying that the enrolment of learners is higher than other provinces;
- A health share (27 per cent) based on a combination of a risk-adjusted capitation index for the population, which takes into account the health risks associated with the demographic profile of the population and the relative share of caseloads in hospitals. The risk-adjusted capitation index is given a 75 per cent weighting and the case load (output component) is given a 25 per cent weighting. Gauteng health component is allocated a share of 20.5 per cent;
- A basic share (16 per cent) derived from each province's share of the national population. The Gauteng basic share is allocated 22.4 per cent;
- An institutional component (5 per cent) divided equally between the provinces. Institutional share is equally divided amongst all the provinces at 11.1 per cent;
- A poverty component (3 per cent) reinforcing the redistributive bias of the formula. The Gauteng poverty component share is allocated 15.7 per cent;
- An economic output component (1 per cent) based on Gross Domestic Product (GDP) data. The Gauteng economic activity share is the highest in the country with 33.9 per cent, due to contribution the province makes to South Africa's GDP; and
- The total weighted average share for Gauteng is 18 per cent, the second highest after Kwazulu-Natal.

4.3 Conditional grants

Conditional grants are assigned to provinces from national government to pursue specific national objectives and targets aimed at enhancing the delivery of services. Conditional grants are also used to ensure that the minimum nation-wide standards for the provision of services of national concern are met across all provinces. The grants allow government to supplement various programmes such as infrastructure and tertiary services at central hospitals, school nutrition and other support specific programmes.

TABLE 8: CONDITIONAL GRANTS ALLOCATION FOR GAUTENG PROVINCE

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
Conditional grants	14 001 271	14 733 805	15 645 331	15 494 829	15 735 808	15 735 808	16 935 292	18 020 318	18 259 182

Table 8 provides provincial conditional grant allocation over a seven financial year period. Conditional grants increased from R14 billion in 2010/11 to R15.6 billion in 2012/13, this shows an average annual growth rate of 3.9 per cent. For the 2013/14 financial year the revised estimates for conditional grants amounts R15.7 billion.

From the 2014/15 to 2016/17 financial year conditional grants are expected to increase from R16.9 billion to R18.3 billion, increasing by R1.4 billion at an average growth rate of 3.8 per cent.

Budget allocation over the 2014 MTEF has increased as a result of the introduction of the new grant within the education sector for the payment of Occupational Specific Dispensation (OSD) for therapist grant which amounts to R93.6 million in 2014/15 and R29.4 million in 2015/16 and it will be phased in to equitable share from 2016/17 going forward. The province also received the EPWP grant which is split between the Integrated and the social sector incentive. The objective of both grants is to increase job creation. The EPWP incentive grant amounts to R73.3 million and R23.6 million for the integrated grant.

TABLE 9: CONDITIONAL GRANT PER DEPARTMENT

R thousand	Medium-term estimates		
	2014/15	2015/16	2016/17
Health	7 632 101	7 789 201	8 095 471
Comprehensive HIV and Aids Grant	2 632 578	2 975 139	3 345 986
Health Facility Revitalisation Grant	671 033	303 630	
Health Professions Training and Development Grant	811 114	848 425	893 392
National Tertiary Services Grant	3 493 891	3 654 610	3 848 304
National Health Insurance	7 000	7 397	7 789
Social Sector EPWP Incentive Grant	14 475		
EPWP Integrated Grant	2 010		
Education	2 202 628	2 420 844	1 623 548
Further Education and Training College Grant	725 809	777 452	820 320
Dinaledi Schools Grant	22 458	23 491	24 736
Education Infrastructure Grant	623 602	852 247	
HIV and Aids (Life Skills Education) Grant	30 195	30 611	33 388
National School Nutrition Programme Grant	640 541	678 974	714 960
Technical Secondary Schools Recapitalisation Grant	27 958	28 627	30 144
OSD Therapists	93 599	29 442	
Social Sector EPWP Incentive Grant	36 016		
EPWP Integrated Grant	2 450		
Social Development	22 267		
Social Sector EPWP Incentive Grant	20 267		
EPWP Integrated Grant	2 000		
Roads and Transport	2 337 897	2 392 873	2 518 690
Provincial Roads Maintenance Grant	514 903	490 172	516 152
Public Transport Operations Grant	1 819 854	1 902 701	2 002 538
EPWP Integrated Grant	3 140		
Agriculture and Rural Development	88 144	89 755	113 441
Comprehensive Agricultural Support Programme Grant	60 816	60 720	72 890
Ililima/Letsema Projects Grant	20 126	24 234	35 515
Land Care Programme Grant: Poverty Relief and Infrastructure Development	4 748	4 801	5 036
EPWP Integrated Grant	2 454		
Sport, Arts, Culture and Recreation	225 103	261 879	276 595
Community Library Services Grant	125 608	162 693	172 450
Mass Sport and Recreation Participation Programme Grant	94 915	99 186	104 145
Social Sector EPWP Incentive Grant	2 580		
EPWP Integrated Grant	2 000		
Human Settlement	4 419 641	5 065 766	5 631 437
Integrated Housing and Human Settlement Development Grant	4 417 641	5 065 766	5 631 437
Of which the following should be allocated to:			
EPWP Integrated Grant	2 000		
Cooperative Governance and Traditional Affairs	2 000		
EPWP Integrated Grant	2 000		
Infrastructure Development	5 511		

R thousand	Medium-term estimates		
	2014/15	2015/16	2016/17
EPWP Integrated Grant	5 511		
Total conditional grants	16 935 292	18 020 318	18 259 182

Table 9 shows a breakdown of the conditional grants allocations per department over a period of three years. It is estimated that over the period under review conditional grants will increase from R16.9 billion in 2014/15; R18 billion in 2015/16 and to R18.3 billion in 2016/17. This represents annual average growth rate of 3.8 per cent over the three years.

The Department of Health has numerous grants which are aimed at achieving amongst other priorities, ensuring a healthy lifestyle for all South Africans. The Comprehensive HIV and Aids grant is aimed at enabling the health sector to respond to the HIV and AIDS epidemic. The National Health Insurance Grant is aimed at testing innovative interventions and methods of service delivery. Other grants within the Department of Health include the Hospital Facility Revitalisation Grant which is meant for the transforming and modernising infrastructure and equipment in hospitals and comprises of two components: health infrastructure and hospital revitalisation. The National Tertiary Services Grant aims at providing strategic funding to enable provinces to plan modernise and transform the tertiary hospital service delivery platform in line with national policy objectives. The Health Facility Revitalisation grant was reduced in the 2014 MTEF; this is as a result of the bidding system introduced by National Treasury as per 2013 Division of Revenue Act. The outcome of the bid resulted in the infrastructure grant reduced in 2014/15 and 2015/16 as compared to the 2013 MTEF baselines and not allocated in the outer year. The allocation for the Department of Health is estimated to increase from R7.6 billion in 2014/15; R7.8 billion in 2015/16 to R8.1 billion in 2016/17 at an annual growth rate of 3 per cent.

Conditional grants for the Department of Education include the National School Nutrition Programme Grant which seeks to improve the nutrition of poor school children, enhance active learning capacity and improve attendance in schools. The Dinaledi Schools Grant aims at enhancing the quality of Maths and Science in Dinaledi schools by providing additional resources to deserving schools. The other grants are the Education Infrastructure grant, the Technical Secondary Schools Recapitalisation grant and the HIV and AIDS (life skills education) grant; all of which are administered by the National Department of Basic Education. The Department of Education is projected to receive allocations of R2.2 billion in 2014/15; R2.4 billion in 2015/16 and R1.6 billion in 2016/17. In addition, the Department of Education has a new grant introduced for the payment of OSD to therapists which is allocated in 2014/15 and 2015/16 and it will be phased into equitable share from 2016/17 going forward. The method for allocating the infrastructure grant to Education was revised by National Treasury, as a result of the two year bidding system. The outcome of the bid resulted in the Education Infrastructure Grant being reduced in the first two years as compared to the 2013 MTEF baseline allocations and not allocated in the outer year. This resulted in the conditional grant allocation decreasing from R2.4 billion in 2015/16 to R1.6 billion in 2016/17. The allocation for Further Education and Training is still with Basic education and the transfer to Department of Higher Education and Training (DHET) will be effected 1st April 2015, this is due to concerns that have been raised on the operational issues which have delayed the process.

The Department of Transport's overall purpose is to provide a balanced and equitable road network. The Provincial Roads Maintenance Grant and the Public Transport Operations Grant make up the bulk of the allocation to the Department. The Public Transport Operations subsidises is for commuter bus services and are paid to operators of commuter. The Department is projected to receive conditional grants allocations of R2.3 billion in 2014/15; R2.4 billion in 2015/16 and R2.5 billion in 2016/17 which grows by an average annual growth rate of 3.8 per cent.

In order to support newly established and emerging farmers in the province the Comprehensive Agricultural Support Programme Grant is estimated to receive the highest allocation at R60.8 million; R60.7 million and R72.8 million over the 2014 MTEF, this shows a growth of 19.8 per cent over the three year period. The Ilima/Letsema Projects Grant is intended to boost food production by assisting previously disadvantaged farming communities and the allocation is estimated to increase from R20.1 million in 2014/15 to R35.5 million in 2016/17 representing a growth of 32.8 per cent. The Department of Agriculture and Rural Developments' overall conditional grants allocation is expected to grow from R88.1 million in 2014/15; R89.8 million in 2015/16 and to R113.4 million in the 2016/17 financial year; growing at an average growth rate of 13.4 per cent.

The Department of Sport, Arts, Culture and Recreation through Mass Sport and Recreation Grant promotes mass participation by historically disadvantaged communities in a selected number of developmental sporting

activities. The estimated allocation for the grant grows from R94.9 in 2014/15 to R99.2 million in 2015/16 and to R104.1 million in the 2016/17 financial year; this shows a growth of 9.7 per cent in the allocation. The highest allocation however is allocated to the Community Library Service Grant which aims to help South Africans access knowledge and information, so that their socio economic situation can be improved. The allocation increases from R125.6 million to R172.5 million at an annual average growth rate of 17.2 per cent over the 2014 MTEF.

The Department of Human Settlement receives conditional grants mainly through the Human Settlements Development Grant which seeks to establish habitable, stable and sustainable human settlements in which all citizens have access to social and economic amenities. The allocation for the grant is expected to increase from R4.4 billion in 2014/15; R5.1 billion in 2015/16 and to R5.6 billion in 2016/17, growing at an annual average growth rate of 12.9 per cent.

The social sector EPWP incentive grant allocation is R73.3 million which is allocated to Education (R36 million); Health (R14.5 million); Social Development (R20.3 million) and Sports, Arts, Culture and Recreation (R2.6 million). This is allocated for the payment of stipends to volunteers to enhance and expand services within the social sector concurrently creating work opportunities.

The integrated EPWP grant allocation to the province is R23.6 million split between Health (R2 million); Education (R2.5 million); Social Development (R2 million); Agriculture and Rural Development (2.5 million); Sports, Arts, Culture and Recreation (R2 million); Housing (R2 million) and Infrastructure Development (R5.5 million).

4.4. Provincial own receipts

The four main contributors to provincial own revenue is the Gauteng Department of Roads and Transport (GDRT), Gauteng Department of Economic Development (GDED), Gauteng Department of Health (GDoH) and the Gauteng Provincial Treasury (GPT). The combined own revenue generated by the four mentioned departments amounts to approximately 97 per cent of the total provincial own revenue. In the 2012/13 financial year the GDRT alone contributed approximately 61.8 per cent to total own revenue through the collection of motor vehicle licences. The GDED generates its own revenue mainly from casino taxes and horse racing taxes, this department contributed 18.1 per cent to total own revenue in the 2012/13 financial year. The GDoH generates own revenue mainly from patient fees, while GPT generates revenue from interest, dividends, and rent on land from provincial reserves, these departments contributed 12.7 per cent and 4.7 per cent respectively to total own revenue collected in the 2012/13 financial year. Other departments worth noting are the Gauteng Department of Education (GDoE) which generates significant revenue from examination fees; and the Gauteng Department of Community Safety (GDSCS) which generates its own revenue through traffic fines; and Gauteng Department of Infrastructure Development (GDID) through property fees. Contribution to provincial own revenue is less significant in other departments as their activities are not geared towards revenue generation.

TABLE 10: GPG OWN REVENUE PER CLASSIFICATION

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
Tax receipts	2 322 450	2 840 664	3 120 962	3 251 481	3 251 481	3 301 032	3 502 304	3 756 343	3 955 429
Casino taxes	585 980	580 337	684 364	622 371	622 371	622 371	666 229	706 204	743 633
Horse racing taxes	30 656	32 602	34 979	86 202	86 202	86 202	92 277	97 813	102 997
Liquor licences									
Motor vehicle licences	1 705 814	2 227 725	2 401 619	2 542 908	2 542 908	2 592 459	2 743 798	2 952 326	3 108 799
Sales of goods and services other than capital assets	435 827	490 363	576 011	561 291	572 203	598 393	609 510	647 118	681 665
Transfers received		686		40					
Fines, penalties and forfeits	8 462	7 083	11 791	9 348	9 348	9 475	9 909	10 492	11 047
Interest, dividends and rent on land	46 612	170 633	198 159	66 213	185 562	186 193	86 550	94 873	107 175
Sales of capital assets	62	152	10 419		7 000	6 892			
Transactions in financial assets and liabilities	25 518	105 660	74 398	84 037	56 213	59 035	57 656	60 105	62 579
Total provincial own receipts	2 838 931	3 615 241	3 991 740	3 972 410	4 081 807	4 161 020	4 265 929	4 568 931	4 817 895

Table 10 shows own revenue collection per economic classification over a seven-year period. Provincial own revenue has been on an increasing trend since 2010/11 at R2.8 billion, increasing to R3.9 billion in the 2012/13 financial year, this represents an average annual growth rate of 18.5 per cent. In the 2013/14 financial year, the main appropriation was R3.9 billion and was adjusted to an adjusted appropriation of R4.1 billion showing a growth rate of 2.8 per cent. Over the 2014 MTEF own revenue is expected to increase from R4.3 billion in 2014/15, increasing to R4.6 billion in 2015/16 and to R4.8 billion in 2016/17. This shows an average annual growth rate of 6.3 per cent. Tax receipts is the highest contributor to provincial own revenue and is expected to contribute R3.2 billion in the 2013/14 financial year. Motor vehicle licences fees contributed approximately 60.2 per cent to the total tax receipt in 2012/13 financial year while in the same period gambling taxes contributed 18 per cent. Sales of goods and services other than capital assets dominate the non-tax receipts sources and comprises mostly of patient fees collected by the GDoH. The source is expected to contribute R609.5 million, R647.1 million and R681.6 million in 2014/15, 2015/16 and 2016/17 respectively; which shows an average annual growth rate of 5.7 per cent over the three years.

TABLE 11: SUMMARY OF ACTUAL AND BUDGETED OWN RECEIPTS BY DEPARTMENT

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
Office Of The Premier	697	465	277	190	565	565	430	452	476
Gauteng Provincial Legislature									
Economic Development	565 128	614 769	721 855	710 701	710 701	710 701	760 762	806 405	849 145
Health	437 824	449 362	506 939	509 429	493 721	522 048	524 510	555 727	585 100
Education	37 063	44 452	48 612	44 100	44 100	44 100	45 202	46 333	47 492
Social Development	1 155	4 143	5 941	2 713	4 963	5 368	1 684	1 767	1 861
Human Settlements	1 204	19 461	12 701	3 969	3 660	4 465	4 235	4 429	4 664
Cooperative Governance And Traditional Affairs	239	613	441	455	455	646	465	481	506
Roads And Transport	1 722 896	2 283 876	2 466 851	2 606 626	2 610 556	2 660 021	2 812 550	3 026 303	3 186 697
Community Safety	11 848	13 781	20 612	13 442	13 442	12 913	14 248	15 087	15 887
Agriculture And Rural Development	1 268	1 058	2 106	1 390	1 390	1 240	1 463	1 532	1 613
Sport, Arts, Culture And Recreation	620	295	184	383	206	206	208	217	228
Finance	5 559	2 572	2 355	1 807	1 048	1 048	961	976	993
Gauteng Treasury	37 044	164 758	187 811	60 205	180 000	180 372	80 211	88 222	100 234
Infrastructure Development	16 386	15 636	15 055	17 000	17 000	17 327	19 000	21 000	23 000
Total provincial own receipts by Vote	2 838 931	3 615 241	3 991 740	3 972 410	4 081 807	4 161 020	4 265 929	4 568 931	4 817 895

Table 11 above summarises own revenue collection over a seven-year period per departments. In the 2010/11 the total own revenue collected amounted R2.8 billion; increasing to R3.6 billion in 2011/12 and to R3.9 billion in 2012/13. This shows an average annual growth of 18.5 per cent which is significantly high when compared to the expected annual average growth rate in own revenue of 6.3 per cent over the 2014 MTEF.

The four main revenue generating departments determine to a large extent the amount of own revenue collected in GPG. The GDRT collects most of its revenue from motor vehicle licence fees, which is the most vital and productive source in the province. Municipalities and the South African Post Office (SAPO) are the agents responsible for collecting revenue on behalf of the Department of Roads and Transport in terms of the Road Traffic Act (Act 93 of 1996). The Road Traffic Act (RTA) provides for the registration and licencing system for motor vehicles in the country, and for agreements between the department and Metro/Local authorities for collection of licencing fees on an agency bases. In order to optimise own revenue the Department utilises a revenue information management system which contributes to the completeness of revenue. In addition, the provincial Driver's License Testing Centre upgrade is aimed at improving service and revenue collection. In the 2013/14 financial year, the main appropriation was adjusted by R3.9 million indicating an increase of 0.15 per cent. Over the 2014 MTEF the Department of Roads and Transport anticipates to collect R2.8 billion, R3 billion and R3.2 billion in 2014/15, 2015/16 and 2016/17 respectively; showing an average annual growth rate of 6.4 per cent over the 2014 MTEF.

Health generates own revenue from patient fees. The department projects to collect an estimated R493.7 million in the 2013/14 which will increase to an estimated R524.5 million in 2014/15 and to R555.7 million in 2015/16 and to R585.1 million in 2016/17. This shows an average annual growth rate of 5.6 per cent over the 2014 MTEF.

The department is currently faced with difficulties in the collection of debt particularly those related to patient fees and other state organs. GPT has provided funding to improve patient data systems such as MEDICOM and PAAB; this contributes to completeness of revenue which has been the main reason for increasing debt in the department.

Economic Development generate revenue mainly from gambling (casino and horse racing) taxes which contribute approximately 98 per cent of the department's total own revenue. The Gauteng Gambling Board (GGB) collects gambling taxes on behalf of the Department and receives a commission of an 8 per cent flat agency fee. The Department anticipates collecting an estimated R710.7 million for 2013/14, R760.8 million for 2014/15 and R806.4 million for 2015/16 and R849.1 million in 2016/17. This shows an average annual growth rate of 5.7 per cent in revenue over the 2014 MTEF.

The main source of revenue for GPT is interest generated from positive cash balances held in the Corporation of Public Deposit (CPD) account within the South African Reserve Bank (SARB). Anticipated revenue for 2013/14 financial year amounts to R180 million and this decreases to R80.2 million in 2014/15; to R88.2 in 2015/16 and R100.2 million in 2016/17 showing an average annual growth rate of 11.89 per cent over the MTEF.

Education has projected to collect R44.1 million in 2013/14, which will increase to R45.2 million in 2014/15 and to R46.3 million in 2015/16 and R47.5 million in 2016/17; showing an average annual growth rate of 2.5 per cent over the 2014 MTEF.

The activities of other provincial departments are not geared towards significant revenue generation and as a result the revenue contribution is minimal and accounts for a combined contribution of approximately 2 per cent. The total provincial own revenue is projected at R4.2 million in 2013/14, R4.3 million in 2014/15; R4.5 million in 2015/16 and to R4.8 million in 2016/17 showing an average annual growth rate of 6.3 per cent over the 2014 MTEF.

5. PAYMENTS

5.1 Payments by vote

Reinforced by a carefully managed expansionary fiscal stance over the past 17 years, the Gauteng Provincial Government has made great strides to accelerate the progressive realisation of social and economic rights. Through cautious budget implementation the non-interest spending have decreased, while spending on social programmes like Education, Health, Human Settlement and Social Development continued to grow strongly in real terms. During the 2014/15 MTEF the province plans to continue providing adequate and sufficient service delivery and ensuring that resources are distributed fairly and equally to various departments to address various needs.

TABLE 12: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY VOTE

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Office Of The Premier	210 479	226 094	238 957	296 718	342 783	413 485	317 283	334 563	352 852
Gauteng Provincial Legislature	291 099	376 190	472 004	470 587	496 831	506 619	521 571	555 473	594 198
Economic Development	1 030 029	759 394	873 371	967 551	963 353	962 995	1 072 661	1 135 900	1 197 468
Health	20 475 420	23 666 337	26 834 347	27 992 680	28 770 785	29 774 439	31 524 334	33 985 127	35 776 432
Education	22 250 711	26 120 029	28 317 035	29 275 841	30 695 257	31 151 220	32 845 229	36 360 639	37 444 016
Social Development	1 933 115	2 351 013	2 524 726	2 896 320	2 916 748	2 916 750	3 524 662	3 957 090	4 170 464
Human Settlements	4 300 443	4 186 196	4 421 597	4 616 498	4 619 641	4 617 472	4 968 101	5 647 976	6 245 724
Cooperative Governance And Traditional Affairs	231 879	274 413	208 770	312 560	312 703	312 703	340 598	359 972	379 838
Roads And Transport	6 967 647	5 784 647	5 564 906	4 769 964	5 671 487	5 690 222	6 152 859	6 646 106	7 188 862
Community Safety	382 300	401 469	414 662	496 937	496 937	511 403	573 510	606 807	639 954
Agriculture And Rural Development	412 807	478 124	515 888	553 571	554 177	561 020	602 825	635 969	689 683
Sport, Arts, Culture And Recreation	341 370	409 623	434 025	537 292	521 192	521 192	714 362	779 406	651 320
Finance	1 249 364	1 253 578	1 291 785	985 328	1 298 355	1 298 478	1 422 223	1 404 146	1 131 656

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Gauteng Treasury	209 428	204 484	224 927	320 292	322 423	314 836	412 774	402 323	424 379
Infrastructure Development	1 167 195	1 260 419	1 408 343	1 472 513	1 532 081	1 529 775	1 975 628	1 931 880	2 076 361
Total provincial payments and estimates by Vote	61 453 286	67 752 010	73 745 343	75 964 652	79 514 753	81 082 609	86 968 620	94 743 377	98 963 207

From the Table 12 above, the expenditure of GPG departments increased by 20 per cent from R61.5 billion in 2010/11 to R73.7 billion in the 2012/13 financial year.

For 2013/14 financial year the total main appropriation of the province amounted to R75.9 billion and increased by R3.6 billion to R79.5 billion during the 2013/14 adjustment budget. The growth in the mainly as a result of funding allocated to Department of Education; the Department of Health and the Department of Roads and Transport to address unforeseeable expenditure and ease budget pressures.

The provincial budget grows from R86.9 billion to R98.9 billion from 2014/15 to the 2016/17 financial year, which represent a growth of 14 per cent with the social sector receiving the lion's share.

Over the MTEF, the Departments of Education, Health and Social Development received 78 per cent of the overall provincial budget as a result of government's commitment to deliver quality education and health services. The budget for these departments grow from R62.4 billion in 2013/14 to R67.9 billion in the 2014/15 financial year.

The Department of Education receives the largest share of the total provincial budget which is R32.8 billion in 2014/15 and grows to R37.4 billion in the 2016/17 financial year. This is mainly due to the appointment of educators to accommodate the growth in the number of learners as a result of in-migration in the province. The baseline of the Department of Health in 2014/15 is at R31.5 billion due to the reengineering of Primary Health Care and other budget priorities such as emergency medical services and personnel requirements to address the growing need for services.

The Department of Roads and Transport receives the third largest share of the total provincial budget, which is R6.2 billion in 2014/14. Through this budget allocation the Department of Roads and Transport aims to upgrade existing road infrastructure and provide affordable new transport infrastructure which contributes to job creation and promotes accessibility to the major economic hubs in Gauteng.

5.2 Payments by economic classification

TABLE 13: SUMMARY OF PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	45 016 057	51 006 273	55 160 039	57 781 174	60 204 178	61 699 967	66 088 375	71 846 380	75 890 457
Compensation of employees	32 735 846	37 020 666	39 986 309	43 458 527	44 235 600	44 880 169	48 869 091	53 606 991	56 644 096
Goods and services	12 243 108	13 940 992	15 163 479	14 316 558	15 962 351	16 814 804	17 218 134	18 238 239	19 245 176
Interest and rent on land	37 103	44 616	10 251	6 089	6 227	4 994	1 150	1 150	1 185
Transfers and subsidies	14 327 522	13 968 589	14 739 644	14 004 680	14 813 313	14 964 201	16 037 603	17 604 689	19 033 141
Provinces and municipalities	551 716	749 617	1 441 852	987 962	949 370	949 664	1 027 439	1 091 590	1 151 311
Departmental agencies and accounts	4 759 683	2 807 853	2 312 663	1 570 894	2 200 640	2 200 312	2 090 952	2 390 225	2 704 805
Higher education institutions	13 583	15 728	17 156	15 835	16 833	16 916	16 581	18 057	19 014
Foreign governments and international organisations									
Public corporations and private enterprises	1 368 863	1 906 289	1 702 133	1 787 250	1 826 526	1 855 902	1 951 137	2 067 324	2 176 031
Non-profit institutions	3 527 951	4 412 714	4 888 623	5 182 377	5 352 511	5 370 756	6 080 677	6 491 027	6 851 065
Households	4 105 726	4 076 388	4 377 217	4 460 362	4 467 433	4 570 651	4 870 817	5 546 466	6 130 915
Payments for capital assets	2 035 105	2 674 235	3 732 582	4 178 797	4 497 261	4 406 422	4 842 642	5 292 308	4 039 609
Buildings and other fixed structures	1 449 846	1 951 691	3 007 381	3 076 749	3 432 731	3 376 936	3 892 445	4 420 830	2 916 422

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Machinery and equipment	518 628	684 255	625 703	1 034 696	1 032 078	998 687	897 912	829 808	1 050 634
Land and sub-soil assets	59 537	18 053	6 569	27 500	12 500	12 500	22 000	25 000	55 000
Software and other intangible assets	7 094	20 236	92 929	39 852	19 952	18 299	30 285	16 670	17 553
Payments for financial assets	74 602	102 913	113 078			12 019			
Total economic classification	61 453 286	67 752 010	73 745 343	75 964 652	79 514 753	81 082 609	86 968 620	94 743 377	98 963 207

Current Payments

Total payment and estimates by economic classification show that for the 2014/15 financial year, current payment accounts for 76 per cent of the total share of provincial payments. The reason for the large budget under current payments is provision made for compensation of employees.

Expenditure incurred by the province on compensation of employees grew by 22 per cent from R32.7 billion in 2010/11 to R40 billion in the 2012/13 financial year primarily due to the growth in the head count in the big departments, namely Health and Education that has seen the demand for these basis services grow due to the population size. In the 2013/14 financial year, the personnel budget in the province increased from R43.5 billion to R44.2 billion as a result of funding allocation to address in-year budget pressures in relation to compensation of employees. The Department of Education received additional funding for personnel in order to achieve the prescribed learner-educator ratio.

The budget for personnel continues to grow at an annual average of 5.3 per cent over the MTEF. The budget growth for personnel relates to all the aspects of personnel policy including anticipated higher personnel cost that arises from high inflation general salary increases, carry through cost of personnel an increase in departmental post establishments and the Occupational Specific Dispensation.

The expenditure for goods and service has risen by 7.6 per cent on annual average from 2010/11 to 2012/13 as results of increased spending on priorities such as scholar transport, medical supplies, Learner Teacher Support Material, the expansion of the National School Nutrition programme, also due to inflationary increases on costs of goods and services. The budget for goods and services continues to grow slightly from R17.2 billion in 2014/15 to R18 billion and R19 billion 2015/16 and 2016/17 respectively. The growth in goods and services budget estimates is attributed to the additional allocations for the Sport Academic, OR Tambo Memorial, and Library services, the maintenance of infrastructure projects. Furthermore, the increase to EPWP and projects for the Women's Monument and additional funding allocated towards the re-engineering of Primary Health Care.

Transfer and subsidies

Total transfers and subsidies for both current and capital transfers and subsidies and from 2010/11 to 2012/13 transfer payments trends are relatively stable from R14.3 billion to 14.7 billion. The increases in transfer and subsidies payments are also attributed to social infrastructure projects and transfer payments to non-profit organisations in Department of Social Development. During 2013/14 transfers and subsidies payments were increase from R14 billion to R14.8 billion during adjustment budget. For the period under review, payments for transfers and subsidies grow from R16 billion in the 2015/16 to R19 billion in the outer year.

This includes Department of Health's provision for transfer payments to municipalities for primary health care, HIV and AIDS as well as emergency medical services. Furthermore, transfers and subsidies growth is also attributed the Integrated Human Settlement Conditional Grant which planned to transfers significant amount of the grant allocation to municipalities in line with their level 2 accreditation.

Payments for capital assets

Payment for capital assets increases by 1.7 billion or 85 per cent from R2 billion to R3.7 billion between 2010/11 and 2012/13 financial year. The expenditure increases are attributed to the reclassification of infrastructure related funds from goods and services as per Standard Chart of Accounts. For the period under review, the capital budget allocated over the MTEF amount to R14 billion to fund infrastructure project as part of enhancing the economic growth and service delivery in the province.

5.3 Payments by policy area

TABLE 14: SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY FUNCTIONAL AREA

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
General public services	3 366 591	3 669 291	3 844 786	3 643 520	4 090 698	4 161 419	5 057 580	4 988 357	4 959 284
Public order and safety	381 538	423 747	414 662	477 153	483 135	485 369	506 007	511 675	526 761
Economic affairs	8 574 262	7 797 415	6 825 431	7 673 951	7 266 246	7 298 452	7 666 471	8 341 134	8 896 661
Environmental protection	102 294	117 062	128 734	150 866	151 051	156 296	161 874	171 973	179 353
Housing and community amenities	4 068 751	4 141 357	4 421 597	4 608 270	4 619 641	4 617 472	4 968 101	5 647 976	6 245 724
Health	20 627 385	23 010 748	26 834 347	27 588 858	28 770 785	29 774 439	31 524 334	33 985 127	35 776 432
Recreation, culture and religion	323 363	375 598	434 025	436 737	521 192	521 192	714 362	779 406	764 513
Education	22 256 305	25 965 171	28 317 035	28 776 868	30 695 257	31 151 220	32 845 229	36 360 639	37 444 016
Social protection	1 752 797	2 251 621	2 524 726	2 608 429	2 916 748	2 916 750	3 524 662	3 957 090	4 170 464
Total provincial payments and estimates by policy area	61 453 286	67 752 010	73 745 343	75 964 651	79 514 753	81 082 609	86 968 620	94 743 377	98 963 206

As in the previous financial years, the main beneficiaries of the 2014 MTEF provincial budget are the Departments of Health and Education. This is necessary in order to continuously build on government's efforts to attain high quality health services and access to quality education in order to attain the provincial outcomes the province set for itself in respect of Health and Education in 2009. In this regard, the budget for the Department of Health increases from a revised estimate of R29.8 billion in the 2013/14 financial year to a budget of R31.5 billion in 2014/15; R34 billion in 2015/16; and R35.8 billion in the 2016/17 financial year. In a similar vein the revised estimate of R31.1 billion in 2013/14 for the Department of Education is increased to a budget of R32.8 billion in 2014/15; R36.4 billion in 2015/16; and to R37.4 billion in the 2016/17 financial year.

Over the 2014 MTEF, the province will continue to deliver quality health services and achieving health outcomes through the provision of key interventions to increase life expectancy. The key interventions will include, amongst other things, strengthening primary health care, emergency medical services, promoting healthy lifestyles and addressing non-communicable diseases. Primary Health Care (PHC) interventions in the 2014/15 financial year will include the full implementation of the three streams of PHC re-engineering, the Integrated School Health Programme (ISHP), the District Clinical specialist Teams (DCSTs), and the Ward-based Outreach Teams (WBOTs). During the 2014/15 financial year, Emergency Medical Services will be improved with the purchase of additional ambulances in order to improve the response times for delivering patients threatened with emergency conditions to their respective hospitals and clinics. The department will also ensure that mechanisms to address non-communicable diseases are put in place. The department will also continue to strengthen services rendered by hospitals during the 2014/15 financial year.

In order to decrease maternal, infant and child mortality, the department will continue to focus on the campaign to reduce maternal and child mortality by increasing awareness by booking early for antenatal visits. The department will work with various stakeholders in order to achieve this. The emphasis on infant and child health will continue to receive attention, with a particular focus on the Expanded Programme on Immunization (EPI) and the perinatal problems. During the 2014/15 financial year, the national Department of Health has planned to roll out the HPV vaccine to girls aged 9 – 10 attending in quintiles 1 – 4 schools. The vaccine has shown to have a dramatic impact on reducing rates of cervical cancer. The Gauteng Department of Health will aim to reach 80 percent of girls in this age group.

The Gauteng Department of Health will also continue further to reduce new HIV infections in babies, youths and adults. This fight will manifest through mass education to increase safe sex behaviors to reduce HIV and pregnancy through ward based door to door education. The department has also planned to continue to strengthen to fight the scourge of deaths from TB and AIDS in babies, mothers and adults. The department will make further steps aimed at strengthening health system effectiveness by working to continuously to implement the turnaround strategy in order to ensure there is not just adequate capacity to run the provincial health system, but to ensure there is effectiveness in the delivery of quality health care.

The Gauteng Department of Education aims to ensure that all targets set out in the 2009 -2014 strategic plan are realized. The outcomes where the increased budget over the 2014 MTEF will be spent include:

Improving the quality of education in the foundation phase

This entails improving the quality of education in the foundation phase and the expansion of Grade R in the province.

Improving the quality of education in the foundation phase

The department will continue to improve language and mathematics in the intermediate phase.

Improving the quality of education in the senior phase

This translates into the improving Language and Mathematics in the senior phase.

Secondary School Improvement Programme (SSIP)

The department aims to ensure that 50 percent of Grade 12 learners perform at the required level in science and 60 percent at the required level in mathematics. These targets should lead to improvements in Science in the FET phase, improvements in Mathematics in the FET phase, and improvements in the Grade 12 pass rate.

Education support services

The main interventions here include improvements in nutrition, increasing access to schooling, improving the conditions of learning, extra school support programmes, strengthening school safety programmes, improving school sport, enhancing access to LTSM, implementing "e-Learning", and teacher development.

Skilled and capable workforce to support an inclusive growth path

The Gauteng Master Skills Plan places emphasis on improvements in technical and vocational education, career options for learners that dropped out of school, skills development for government officials, training and skills development to enable economic growth, and partnering with sector organizations to respond to the skills needs and provide access to work experience.

5.4 Transfers to public entities

TABLE 15: SUMMARY OF DEPARTMENTAL TRANSFERS TO PUBLIC ENTITIES

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
1. Blue IQ Investment Holding (Pty) Ltd	255 837	180 453	225 223	302 320	302 320	302 320	283 369	307 559	323 860
2. Gauteng Economic Development Agency	65 836	48 362	68 000	55 785	55 785	55 785	55 703	30 474	32 089
3. Gauteng Enterprise Propeller	131 659	93 912	104 300	128 447	128 447	128 447	129 291	125 838	132 507
4. Gauteng Tourism Agency	70 551	61 488	52 045	62 016	62 016	62 016	65 427	60 298	63 494
Total departmental transfers to public entities	523 883	384 215	449 568	548 568	548 568	548 568	533 790	524 169	551 950

Table 15 depicts the total actual and estimated transfers to public entities for the seven year period under review. The provincial public entities in the table above play a major role in the creation of decent work opportunities and contribute to economic growth and addressing socio-economic challenges such as unemployment.

Transfers to public entities fluctuated for the period 2010/11 to 2012/13 declining from R523.9 million in 2010/11 to R384.2 million in 2012/13 and increasing again to R449.6 million in 2012/13. The substantial transfer payments to public entities in 2010/11 are due to the motorsport contract which was undertaken by Blue IQ Investment Holdings (Pty) Ltd. In the 2012/13 financial year transfers to Blue IQ (Pty) Ltd increased again as a result of investment in strategic economic infrastructure and a greener economy amongst other projects.

Over the 2014 MTEF transfers to public entities amounts to R533.8 million; R524.2 million; and R552 million for the respective years of the MTEF.

The Blue IQ Investment Holdings (Pty) Ltd budget grows from R283.4 million in 2014/15 to R323.9 million in the 2016/17 financial year, at a rate of 14 per cent to make provision for inter alia strategic economic infrastructure and the green economy. The Blue IQ (Pty) Ltd budget is primarily intended for key projects such as metal and machinery sector development, the Gauteng Tooling Initiative, the BPO-O strategy and automotive

sector development. In terms of developing the Constitution Hill Precinct as a lead project in city renewal and for the establishment of a struggle history route, the Nelson Mandela Centre of Memory will be developed as an anchor attraction to enhance the visitor experience. The budgeted transfer to the GEP escalates from R128.4 million in 2013/14 to R132.5 million in the 2016/17 financial year primarily to support and train SMMEs and cooperatives. The Gauteng Enterprise Propeller (GEP) will also continue with the Regeneration Old Townships Programme and targets to regenerate three old township industrial sites.

The budget for the GEDA declined over the 2014 MTEF from R55.7 million in 2014/15 to R30.5 million 2015/16 due to the plans to merge Blue IQ Investment Holdings (Pty) Ltd and GEDA into one public entity, the Gauteng Growth and Development Agency (GGDA). The GEDA will continue with the mineral beneficiation, jewelry fabrication, furniture sector development projects and initiatives directed at export promotion and investment attraction.

The Gauteng Tourism Authority (GTA) will continue to market Gauteng as a tourism destination. An increase was observed in the number of domestic trips to Gauteng, which will be stimulated through targeted domestic campaigns and niche product development hence the GTA budget grows from R62 million in 2013/14 to R65.4 million in 2014/15 to make Gauteng a preferred tourism destination and to continue with the refurbishment of ramparts and interior office space at the Constitution Hill Precinct and the state-of-the-art visitor information Centre.

5.5 Transfer to local government

TABLE 16: TRANSFERS TO LOCAL GOVERNMENT (BY CATEGORY)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Category A	427 968	584 892	1 258 591	827 946	829 370	829 370	876 183	925 272	1 521 952
Category B	57 257	85 905	65 500	70 122	69 522	69 522	85 449	98 810	103 584
Category C	41 475	57 682	112 409	88 494	49 078	49 078	62 007	65 309	71 361
Total transfers to municipalities	526 700	728 479	1 436 500	986 562	947 970	947 970	1 023 639	1 089 390	1 696 896

In terms of section 30(2a)(i) of the Division of Revenue Bill 2014, the Gauteng Provincial Treasury is required to publish the transfer allocations to local government as budgeted by each department by means of a Gazette. These allocations must also be published in the budget documents of the Gauteng Provincial Treasury.

The table above indicates the actual and estimated transfers over the seven year period.

Total transfers increased significantly from R526.7 million in 2010/11 to R1.4 billion in 2012/13. The 2010/11 transfers amounted to R526.7 million included R21.5 million from the Department of Economic Development to various municipalities for the development of local economies in partnership with key stakeholders by aligning local economic development (LED) initiatives with government programmes.

In 2011/12 the transfer made by the Department of Cooperative Governance and Traditional Affairs was allocated to Tshwane Municipality as once off costs for the operational requirements that needed to be concluded for integrating the Metsweding District Municipality. The department also made transfers in 2010/11 and 2011/12 for funds to municipalities for HIV/AIDS and water demand programmes. These functions currently reside with the Department of Health and Water Affairs respectively.

During the 2013/14 financial year total transfers amounted to R986.6 million, with a significant transfer of R828 million being made under Category A municipalities. A portion of the transferred emanates from the Department of Health whilst the transfer by the Department of Sports, Arts, Culture and Recreation was to make provision for the library facilities.

The following departments will make transfers over the 2014 MTEF:

The Department of Health will transfer a total amount of R647 million in Category A and Category C municipalities during the 2014/15 financial year to cater for:

- **Primary Health Care (PHC) services:** to improve access to extended hours, increase availability of elderly and rehabilitative services, also to improve TB cure rate and the nutritional state of children;
- **HIV and AIDS:** to reduce HIV and pregnancy through ward-based and door-to-door mass education, peer

education for high risk groups and in workplaces, life skills training in schools and the HIV Counselling and Testing (HCT) programme;

- **Emergency Medical Services (EMS):** to maintain the number of calls attended and services within the acceptable norms and standards.

The primary health care services in district councils have been partially provincialized as the staff and assets are still not handed over for Lesedi, Midvaal and Emfuleni local municipalities. The Emergency Medical Services unit in the Sedibeng District have been provincialised.

A total amount of R313 million during 2014/15 will be transferred by the Department of Infrastructure Development to various municipalities for the payment of rates and taxes on provincial properties. Over the past financial years the department has been unable to transfer their entire allocated budget this was due late submission of claims by the municipalities which has since improved as a result of the continuous verification of provincial properties.

The Agriculture and Rural Development will transfer a total amount of R8.7 million to municipalities. The department will transfer R4.5 million under Category A to the City of Johannesburg for the implementation of the Klipspruit and Diepsloot River clean-up which includes the creation of temporary jobs, removal of waste, reeds and grass from the river, skills development and pollution awareness campaigns. A further amount of R2.7 million will be transferred to Emfuleni, Lesedi and Merafong City under Category B for the implementation of alien vegetation eradication projects as part of job creation initiatives. A total of R1.4 million will be transferred under Category C to Sedibeng and West Rand for the maintenance of mechanization inputs.

Sports, Arts, Culture and Recreation will transfer an amount of R55.2 million over the 2014 MTEF. The allocation for transfer to Category B (R34.5 million) is significant when compared to Category A (R20 million) and C (R500 000), this increase is to provide additional support to municipalities in relation to the building of new libraries and libraries that are still to be built over the MTEF.

5.6 Infrastructure payments

For more information on infrastructure payments refer to Estimates of Capital Expenditure (ECE)

5.7 Personnel numbers and costs

TABLE 17: PROVINCIAL PERSONNEL NUMBERS

Department	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Office Of The Premier	310	270	278	294	294	294	300	300	304
Gauteng Provincial Legislature	351	382	418	474	474	474	487	487	487
Economic Development	338	366	282	278	278	278	305	371	376
Health	60 738	63 882	63 443	62 945	62 945	62 945	63 054	63 961	64 489
Education	91 470	96 063	101 979	111 042	111 042	111 042	112 876	114 185	114 496
Social Development	3 294	3 392	3 461	3 533	3 533	3 533	3 640	3 747	3 854
Human Settlements	1 160	1 160	1 160	1 411	1 411	1 411	1 411	1 411	1 411
Cooperative Governance And Traditional Affairs	937	936	782	783	783	783	783	783	783
Roads And Transport	1 845	1 697	1 663	2 177	2 177	2 177	2 177	2 177	2 177
Community Safety	929	938	938	1 628	1 628	1 628	1 494	1 494	1 494
Agriculture And Rural Development	904	904	904	904	904	904	949	949	949
Sport, Arts, Culture And Recreation	712	645	567	696	696	696	739	532	522
Finance	1 126	1 126	1 122	1 477	1 477	1 477	1 477	1 477	1 477
Gauteng Treasury	307	538	406	455	455	455	496	524	552
Infrastructure Development	2 093	1 871	2 179	2 396	2 396	2 396	2 410	2 417	2 417
Total provincial personnel numbers	166 514	174 170	179 582	190 493	190 493	190 493	192 598	194 823	195 788

The above table depicts the total personnel head count of each one of the Gauteng Provincial Government (GPG) departments. The GPG remains a main employer in the province with the total wage bill at R48.9 billion in 2014/15 financial year which grows to R53.6 billion and R56.6 billion for the 2014/15 and 2015/16 financial years respectively. The growing wage bill is however impacted by ICS and the re-grading of clerical posts as per the DPSA circular. As a result of the nature of the services delivered by Education and Health, these departments continue to contribute the largest share to the total provincial wage bill.

The total head count in the province grow at a moderate pace, from 190 493 in 2013/14 to 192 598 in the 2014/15 financial year which shows that the province will appoint 2 330 officials in the 2014/15 financial year.

The total head count of the Department of Health grows from 62 945 in 2013 to 63 054 in 2014/15 to appoint additional staff to perform critical services. This is fundamentally because of the plans to appoint health professionals to perform community service and specialists to address need for doctors and nurses in the institutions. This is due to the re-classification and revitalisation of hospitals, to be in line with the norms and standards of tertiary services; the reengineering of PHC; and the growing demand for health services in Gauteng. The Department of Health will also appoint emergency care technicians to improve response times.

The Department of Education projects to appoint approximately 1 834 officials which will mostly be educators as a result of migration of the province. The appointment of educators is as a result of a concerted effort to meet the targets for public schools in respect of the learner educator ratio.

The personnel head count in the Department of Social Development increases from 3 533 in 2013/14 to 3 640 in the 2014/15 financial year. This is due to the absorption of social work graduates, the filling of critical posts at School of Industry, and the adsorption of social work graduates.

TABLE 18: PROVINCIAL PERSONNEL COSTS

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
Office Of The Premier	99 587	105 615	104 612	146 341	131 875	131 877	156 343	170 601	179 927
Gauteng Provincial Legislature	119 849	159 489	181 637	199 050	219 259	218 563	254 958	274 705	296 880
Economic Development	80 372	91 036	110 304	124 786	124 988	124 988	190 540	214 001	225 786
Health	12 221 463	14 163 518	15 244 542	16 826 726	16 998 724	17 201 950	18 778 461	20 412 706	21 567 471
Education	17 355 058	19 370 174	21 040 358	22 082 190	22 747 164	23 203 024	24 703 031	27 291 025	28 801 339
Social Development	639 942	743 797	782 298	930 904	929 994	929 994	1 107 801	1 284 721	1 352 811
Human Settlements	245 651	247 082	298 769	320 437	320 580	320 580	348 460	372 402	393 149
Cooperative Governance And Traditional Affairs	183 843	207 695	182 711	235 345	235 488	235 488	252 131	266 481	281 297
Roads And Transport	370 159	433 527	437 039	540 237	540 560	498 805	640 092	693 032	731 401
Community Safety	221 168	236 077	252 299	330 415	330 415	326 388	394 272	410 194	428 494
Agriculture And Rural Development	229 400	254 125	267 441	303 223	303 632	303 085	326 875	354 462	374 136
Sport, Arts, Culture And Recreation	106 122	111 667	109 238	168 403	148 283	148 283	176 109	179 441	189 375
Finance	345 443	368 358	385 173	513 916	464 640	464 241	557 272	588 899	628 127
Gauteng Treasury	126 878	126 663	141 098	188 365	188 241	180 579	244 877	267 075	281 828
Infrastructure Development	390 911	415 543	448 790	548 189	551 757	592 324	737 869	827 246	912 075
Total provincial personnel costs	32 735 846	37 034 366	39 986 309	43 458 527	44 235 600	44 880 169	48 869 091	53 606 991	56 644 096

The table above demonstrates compensation of employees for the seven year period for each provincial department in Gauteng. The expenditure grew at a moderate pace by 22 per cent from R32.7 billion in 2010/11 to R39.9 million in 2012/13. The province projects to spend R48.9 billion on personnel, thus an increase of R5.4 million when compared with the main appropriation of R43.5 million due to filling critical vacancies, the re-grading of clerical posts and ICS. Provision was made for the cost of living adjustments in over the medium term.

The Gauteng Department of Education is the highest contributor to the wage bill and forecasts to spend R24.7 billion in the 2014/15 financial year. This is attributable to the growth in the population size which resulted in more learners. There is a substantial increase in personnel costs for Education over the 2014 medium term as a result of the implementation of cost of living increases, Occupational Specific Dispensation (OSD) and the

continuous efforts to meet the prescribed learner educator ratio. The second highest contributor is the Department of Health with a personnel budget of R18.7 billion in 2014/15, which is a growth of 12 per cent, as a result of an increasing need to deliver health services and appoint the essential health professionals. The Department of Social Development will also increase its capacity, which produced a growth of 19 per cent in its personnel budget from the main budget of R920.4 million in 2013/14 to R1.1 billion in the 2014/15 financial year. Factors that contributed to the higher personnel budget for Social Development in the 2014/15 financial year are the absorption of social work graduates, the filling of critical posts at School of Industries and the identified critical posts.

Furthermore, other provincial departments that contribute significantly to the provincial personnel budget in the 2014/15 financial year are the Department of Infrastructure Development, the Department of Roads and Transport, the Department of Community Safety. The Department of Road and Transport started filling posts in line with the approved structure in 2013/14, hence the increase in budget. The organisational structure has been in a restructuring process since the reconfiguration process of 2010, and was subsequently approved by the DPSA in November 2012. With regard to the Department of Infrastructure development, the 2014/15 personnel budget allocation has increased by 24 per cent to R737.9 million as a result of the establishment of the Infrastructure Delivery Management System (IDMS) in the department and changes in the classification of expenditure for the payment of stipends to the National Youth Service (NYS). In the Department of Community Safety, the personnel budget allocation of R394.3 million in 2014/15 makes provision for the complete establishment of the functions pertaining to the Civilian Secretariat Act as well as the continuation of other mandatory functions.

5.8 Payments on training

TABLE 19: PAYMENTS ON TRAINING BY VOTE

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
Office Of The Premier	369	1 037	2 262	860	860	860	1 350	896	943
Gauteng Provincial Legislature	1 322	1 504	4 884	2 000	1 755	1 755	3 366	3 548	3 736
Economic Development	3 423	1 199	1 399	1 808	1 808	1 808	4 044	5 667	5 664
Health	25 903	18 780	28 499	23 945	28 941	56 690	43 019	55 811	75 818
Education	249 434	266 375	379 253	478 134	483 386	475 688	398 977	463 575	408 747
Social Development	4 335	8 942	4 465	4 885	7 166	7 229	9 995	10 011	10 541
Human Settlements	394	1 307	2 062	7 120	7 120	7 120	6 410	9 050	9 050
Cooperative Governance And Traditional Affairs	1 056	1 559	8 974	5 683	5 683	5 683	11 501	10 642	11 321
Roads And Transport	8 202	8 655	8 713	564	564	564	7 600	8 140	8 860
Community Safety	5 392	28 640	4 080	2 239	2 239	3 777	4 841	6 552	5 616
Agriculture And Rural Development	5 758	6 115	6 519	6 909	6 909	6 909	5 579	5 782	6 094
Sport, Arts, Culture And Recreation	772	805	1 559	1 607	1 607	1 631	1 719	1 719	2 160
Finance	419	994	1 899	657	2 571	2 571	2 805	2 939	3 070
Gauteng Treasury	187	3 260	3 513	1 995	1 995	1 995	1 838	1 937	2 040
Infrastructure Development	4 654	6 808	11 661	11 689	6 350	18 039	19 842	23 810	20 827
Total provincial payments on training	311 620	355 980	469 742	550 095	558 954	592 319	522 886	610 079	574 487

The table above presents the provincial payments and estimates on training budget.

Provincial payments and estimates on training have grown substantially from R311.6 million in 2010/11 to R469.7 million in the 2012/13 financial year demonstrating the commitment of the province to develop the skills and competencies of its staff and improving service delivery.

Over the 2014 MTEF the total provincial budget allocation for training fluctuates from R522.9 million in 2014/15 increasing to R610 million in 2015/16 and decreasing again to R574.5 million in 2016/17 as a result of bursary contracts that end in the 2015/16 financial year. Indeed, the departments that spend the most on training is Health and Education due to the large head count in both these departments followed by the Department of Infrastructure Development.

The Department of Infrastructure development allocated R19.8 million to training in 2014/15 period which

is aimed at providing 60 learnerships and 110 internships. In the Department of Infrastructure Development, emphasis will be placed on addressing the capacity constraints in areas such as engineering and thereafter registering the qualified officials with the respective professional bodies (Engineering Council and others).

Other GPG departments in the table above made provision for training which is aimed at building capacity to improve the efficiency and effectiveness of each department and to enable staff members to participate in continuous professional managerial development programmes.

The GPG departments implement various training programmes, but the budget allocation is not captured in the table above. Some of these capacity building strategies are described hereunder.

Learnerships and internship programmes are one of the areas that are not reflected in Table 21 but exist in all of the GPG departments. As part of each department's contribution towards skills development and job creation, youth are awarded with internship or learnership programmes which not only contribute to enhancing service delivery but concurrently provide them with skills that will make them potential future employees.

The training initiatives in the Department of Education aim to support and develop educators and support staff through offering formal and certificated programmes. These programmes have three main aims: to respond to growth needs identified through performance management systems; to address targets identified through system-wide improvement strategies; and to support enhancement and continuous professional development. One of the strategic focus areas in the Education department is the implementation of the Teacher Development Strategy that focuses on underperforming schools and assists these schools in Mathematics, Science and Technology and Curriculum and Assessment Policy Statements (CAPS). Educators also benefit from the intervention strategies such as Gauteng Primary Literacy and Mathematics Strategy (GPLMS), Secondary School Improvement Plan (SSIP) and the Mathematics and Science Strategy (MST) as these innovative interventions aim to develop educators to provide teaching and learning of a high standard to all learners. Coaches are appointed to assist and provide technical support as the teacher implements the curriculum. The budget allocation on these strategies is not included on the above table as it forms part of transfers to the implementing agencies, Matthew Goniwe School of Leadership, Sci-Bono Discovery Centre and the Gauteng Education Development Trust.

The Department of Health is the second largest contributor to training which focuses on reengineering PHC primary health care through training of community health workers thus relieving the pressure on central hospitals. The Department of Health also trains medical and support staff to improve the HIV and AIDS and other health interventions. The department will also focus on training the project managers which mainly aims at organisational development and improving service deliverables on infrastructure projects. The Department of Health will continue to offer bursaries as part of the South African Cuban Medical Training Programme to address the shortage of medical professionals in Gauteng. This is in line with the ministerial determination and continued bilateral cooperation agreement between South Africa and Cuba.



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