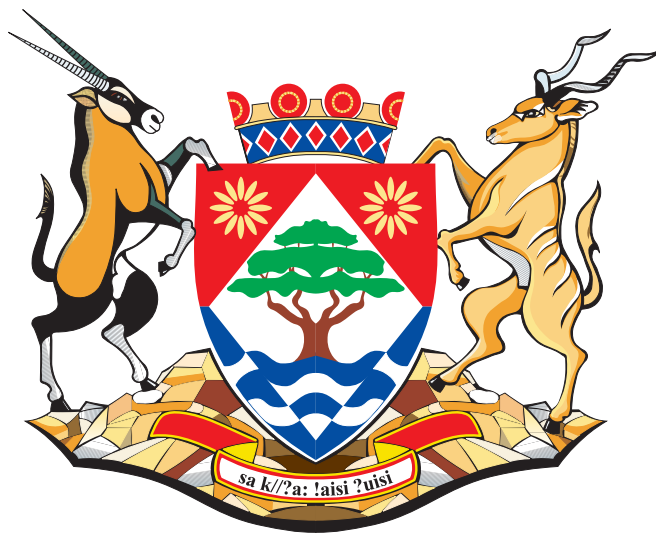


NORTHERN CAPE
PROVINCIAL GOVERNMENT

ESTIMATES OF PROVINCIAL REVENUE
AND EXPENDITURE

2014



MEDIUM TERM EXPENDITURE
FRAMEWORK

2014/15 - 2016/17

Overview of Provincial Revenue and Expenditure

12 March 2014

1. Socio-Economic Outlook

The South African Economy's growth slowed down from 2.5 per cent in 2012 to an estimated 1.9 per cent in 2013. This shows a slow-down in economic activity, affecting tax revenue. According to National Treasury, expected gross tax revenue for 2013/14 has been revised down by R3 billion to R895 billion. This puts more pressure on the allocation of resources for service delivery.

The following socio-economic indicators should thus be considered in order for the Northern Cape provincial departments to optimally allocate the limited resources for the provision of services.

1.1 Demographic profile

The demographic profile gives the status quo of the population of a region at a specific time or for a period. Figure 1.1 below shows population per region in the Northern Cape for 2012.

Table 1.1: Population size and distribution between regions, 2012

Regions	Total Population	Percentage
Namakwa	115 613	10.3
Pixley ka Seme	185 026	16.4
ZF Mgcawu	234 445	20.8
Frances Baard	372 949	33.1
John Taolo Gaetsewe	217 400	19.3
Total	1 125 433	100

Source: Global Insight, 2013

The total population of the Northern Cape was 1.1 million in 2012. The region with the highest population size was Frances Baard district which contributed about 33.1 per cent to the total population of the province, followed by John Taolo Gaetsewe district at 19.3 per cent while Namakwa district contributed the least at 10.3 per cent.

Table 1.2 below presents the changes in the demographic profile of the Northern Cape between 2002 and 2012.

Table 1.2: Changes in provincial demographic profile, 2002 and 2012

Description	Period	Effective change
Population Growth	2002-2012	1% per Annum; 1 023 615 to 1 125 434
Population Increase	2002-2012	Increase of 101 819 or 9.9%
Number of Households	2002	270 100
	2012	360 827 (34% increase)
Average household Size	2002	3.8
	2012	3.1

Source: Global Insight, 2013

The population of the Northern Cape grew year-on-year on average by 1 per cent from 2002 to 2012. The number of households increased by 34 per cent for the period mentioned above. The average number of people per household decreased from 3.8 in 2002 to 3.1 in 2012.

Table 1.3 below shows the gender and age distribution in the Northern Cape for 2012.

Table 1.3: Gender and age distribution, 2012

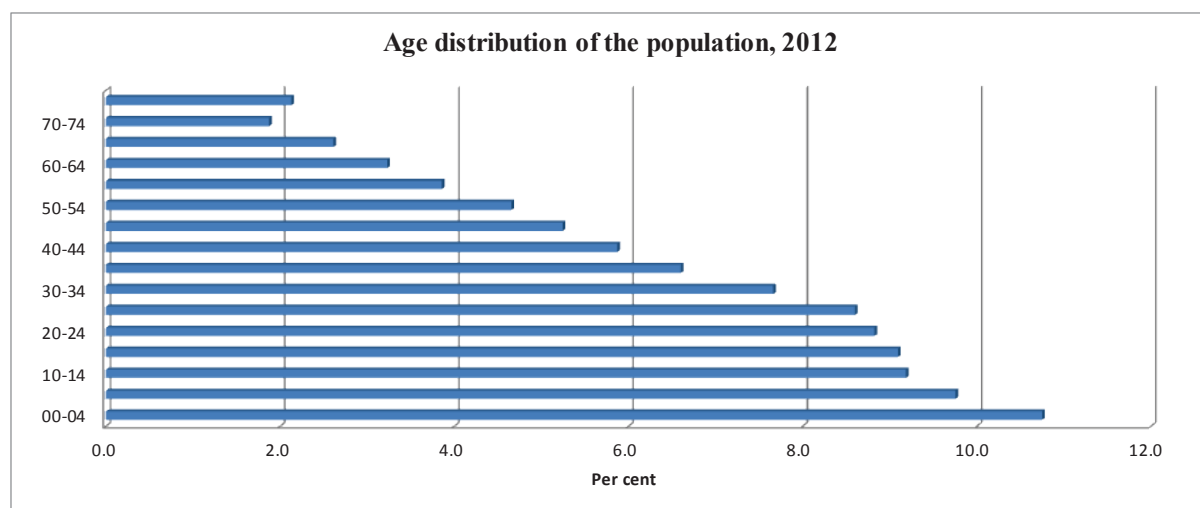
Age Group	Male	Female	Total	Percentage
00-04	59 989	61 008	120 997	10.8
05-09	54 422	55 398	109 821	9.8
10-14	51 277	52 113	103 391	9.2
15-19	50 530	51 885	102 414	9.1
20-24	48 643	50 729	99 372	8.8
25-29	46 136	50 674	96 809	8.6
30-34	43 758	42 522	86 280	7.7
35-39	38 847	35 480	74 327	6.6
40-44	32 864	33 274	66 138	5.9
45-49	28 492	30 577	59 069	5.2
50-54	25 550	26 892	52 443	4.7
55-59	20 439	23 014	43 453	3.9
60-64	16 066	20 331	36 397	3.2
65-69	12 421	16 991	29 412	2.6
70-74	8 502	12 636	21 138	1.9
75+	8 655	15 320	23 974	2.1
Total	546 592	578 842	1 125 434	100

Source: Global Insight, 2013

The age cohort 00-04, 05-09, 10-14 and 15-19 had the largest population shares at 10.8, 9.8, 9.2 and 9.1 per cent respectively. The age cohort 70-74 and 75 + had the smallest population size.

The percentage distribution by age cohort is presented in figure 1.1.

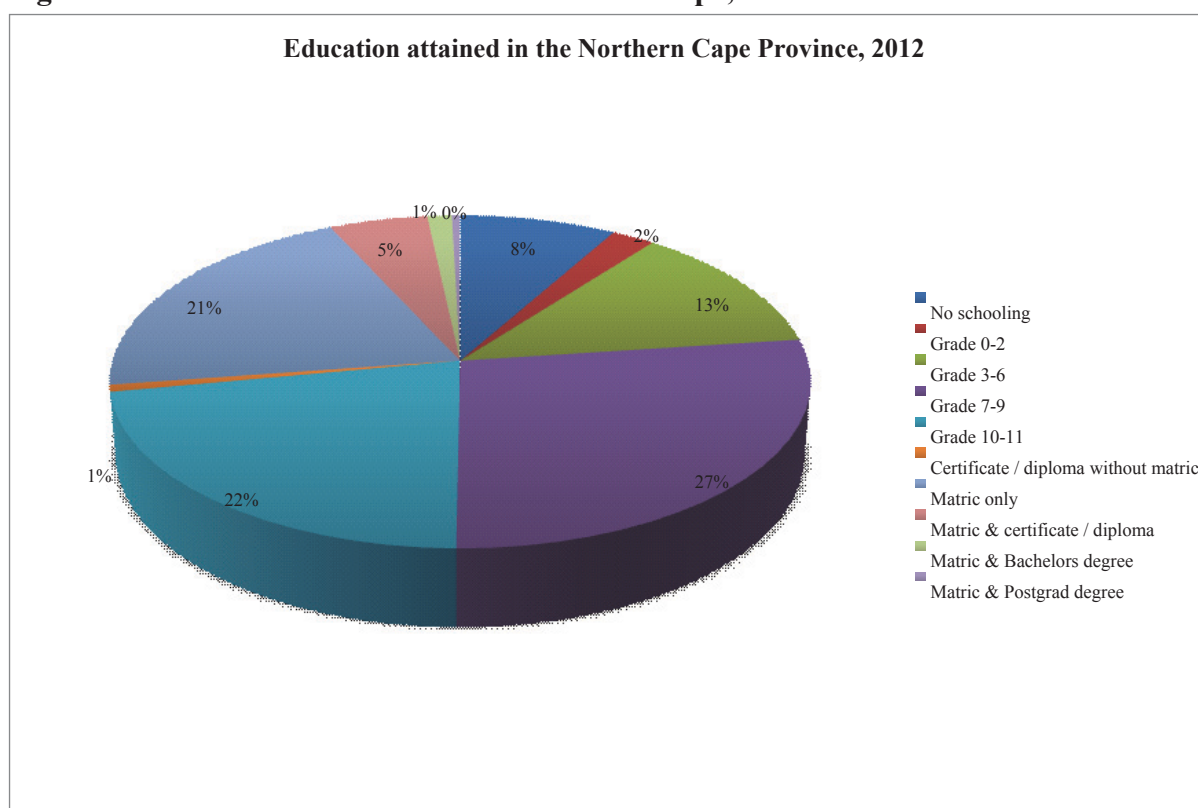
Figure 1.1: Age distribution of the population, 2012



Source: Global Insight, 2013

Figure 1.2 below shows education attained in the Northern Cape in 2012.

Figure 1.2: Education attained in the Northern Cape, 2012

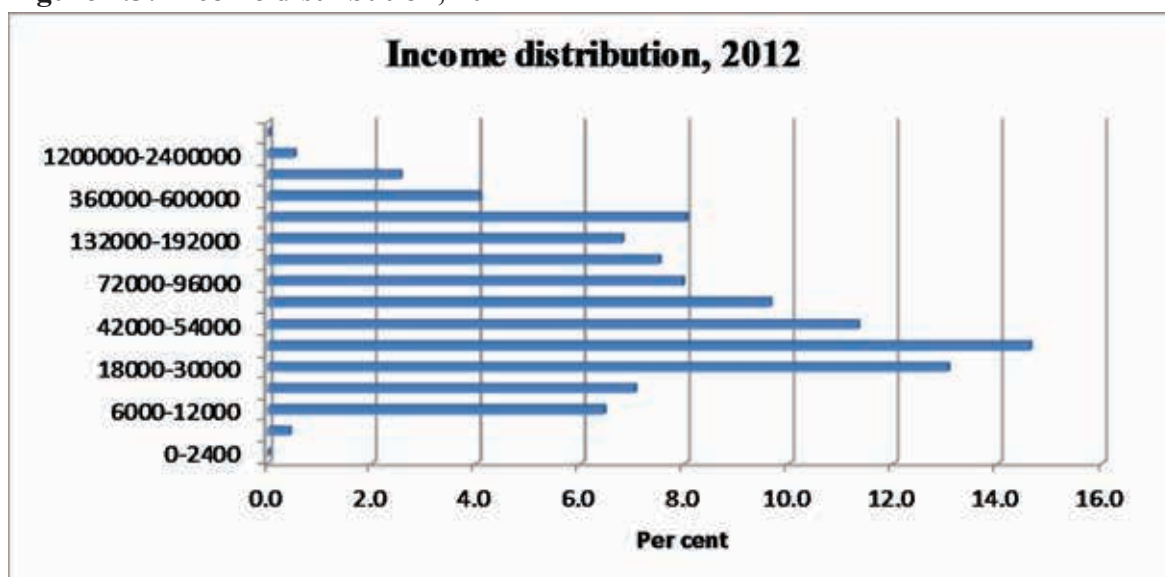


Source: Global Insight, 2013

According to the figure above, approximately 65 per cent of the population had attained Grade 11 and below whereas 8 per cent had no formal education in 2012. Furthermore 21 per cent of the population attained matric and 1 per cent attained certificates or diplomas without matric. Only 7 per cent managed to attain post matric qualifications, especially postgraduate degrees.

Figure 1.3 below shows the provincial income distribution in 2012.

Figure 1.3: Income distribution, 2012

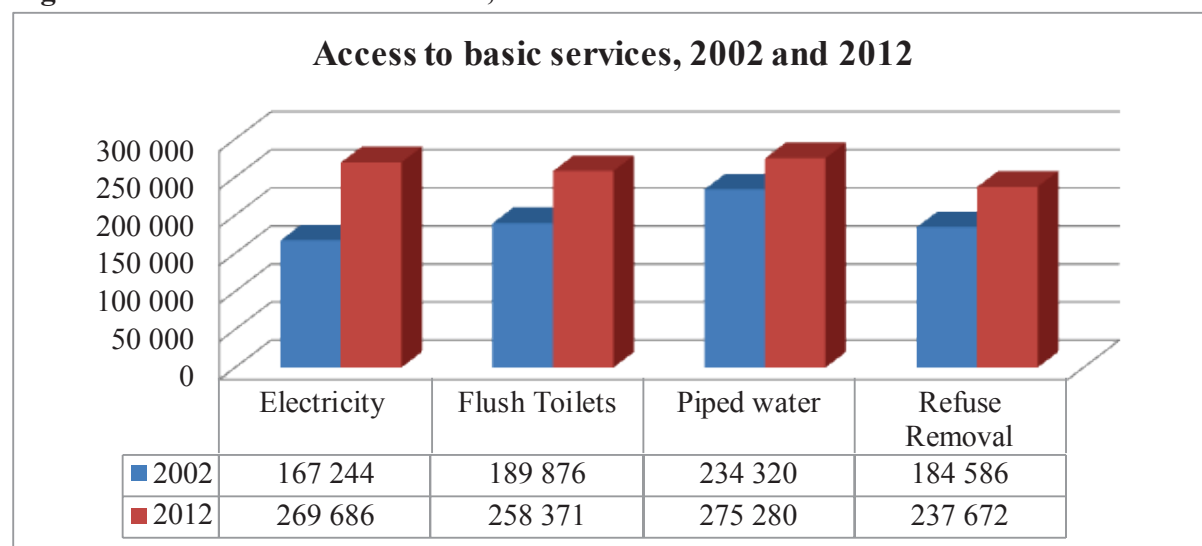


Over a quarter of the households in the province earned between R18 000 and R42 000 in 2012. Less than 1 per cent of the households earned above R1.2 million per annum in the same year.

1.2 Socio-economic indicators

Generally there has been an improvement in the provision of basic services in the Northern Cape as indicated in the figure below. Figure 1.4 shows access to basic services for both 2002 and 2012.

Figure 1.4: Access to basic services, 2002 and 2012



Source: Global Insight, 2013

The figure above shows that there was an increase in the number of households with access to electricity, flush toilets, piped water and refuse removal.

1.3 Economic Indicators

1.3.1 Income distribution

The table below shows income distribution amongst households in the province

Table 1.4: Income distribution, 2012

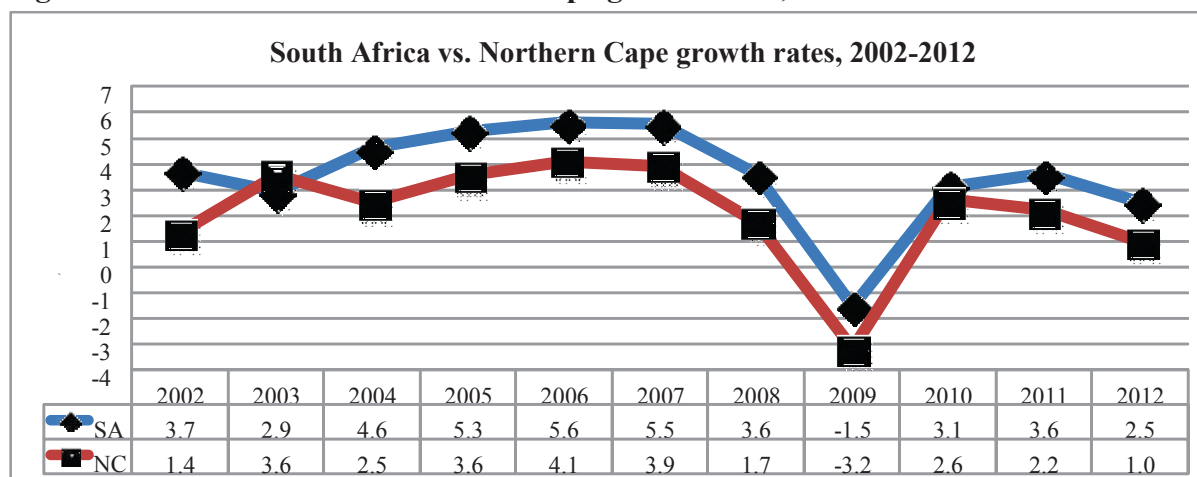
Annual income per household	Number of households	Percentage of households
0-2400	70	0.0
2400-6000	1 496	0.4
6000-12000	23 276	6.5
12000-18000	25 391	7.0
18000-30000	47 066	13.0
30000-42000	52 745	14.6
42000-54000	40 851	11.3
54000-72000	34 779	9.6
72000-96000	28 730	8.0
96000-132000	27 104	7.5
132000-192000	24 531	6.8
192000-360000	28 927	8.0
360000-600000	14 682	4.1
600000-1200000	9 191	2.5
1200000-2400000	1 861	0.5
2400000+	126	0.0

Source: Global Insight, 2013

1.3.2 Economic performance

Global output strengthened during the third and fourth quarters of 2013 mainly due to recovery in the advanced economies. Their stronger external demand will boost growth in the emerging and developing economies. According to the South African Reserve Bank (MPC Statement) the South African economy grew by an estimated 1.9 per cent in 2013. This is 0.6 percentage points below the 2.5 per cent growth recorded in 2012. This was mainly due to slower activities in the finance and manufacturing industries.

Figure 1.5: South Africa vs. Northern Cape growth rates, 2002-2012



Source: Statistics South Africa P0441, 3rd Quarter, 2013

The South African and Northern Cape economies experienced an average real annual economic growth rate of 3.9 and 2.4 per cent respectively for the period from 2002 to 2012. Even though both economies experienced negative growth in 2009, they improved between 2010 and 2012.

The structure of the Northern Cape economy has not yet changed. The tertiary sector continues to be the main contributor followed by the primary and secondary sectors. Table 1.5 below shows the contributions by industry to the Northern Cape economy for 2012.

Table 1.5: Cross geographic product by sector, 2012

Sectors	Percentage
Agriculture, forestry and fishing	6.2%
Mining and quarrying	26.5%
Manufacturing	1.1%
Electricity, gas and water	3.0%
Construction	1.8%
Wholesale, retail and motor trade; catering and accommodation	9.7%
Transport, storage and communication	7.8%
Finance, real estate and business services	11.6%
Personal services	8.4%
General government services	13.5%
Other	10.3%
Total	100.0%

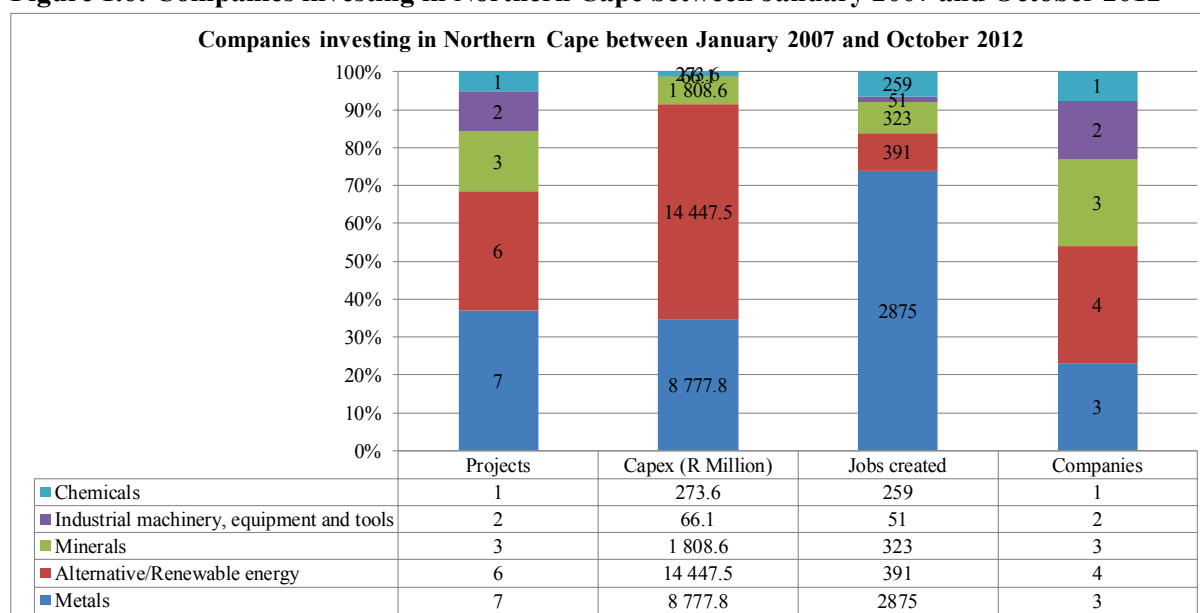
Source: Statistics South Africa, P0441 3rd Quarter 2013

The mining and quarrying industry contributed the most at 26.5 per cent followed by general government services and finance, real estate and business services while manufacturing contributed the least at 1.1 per cent.

1.3.2.1 Foreign Direct Investment into the Northern Cape

Figure 1.6 below is an illustration of foreign direct investment into the Northern Cape for the period from January 2007 to October 2012.

Figure 1.6: Companies investing in Northern Cape between January 2007 and October 2012



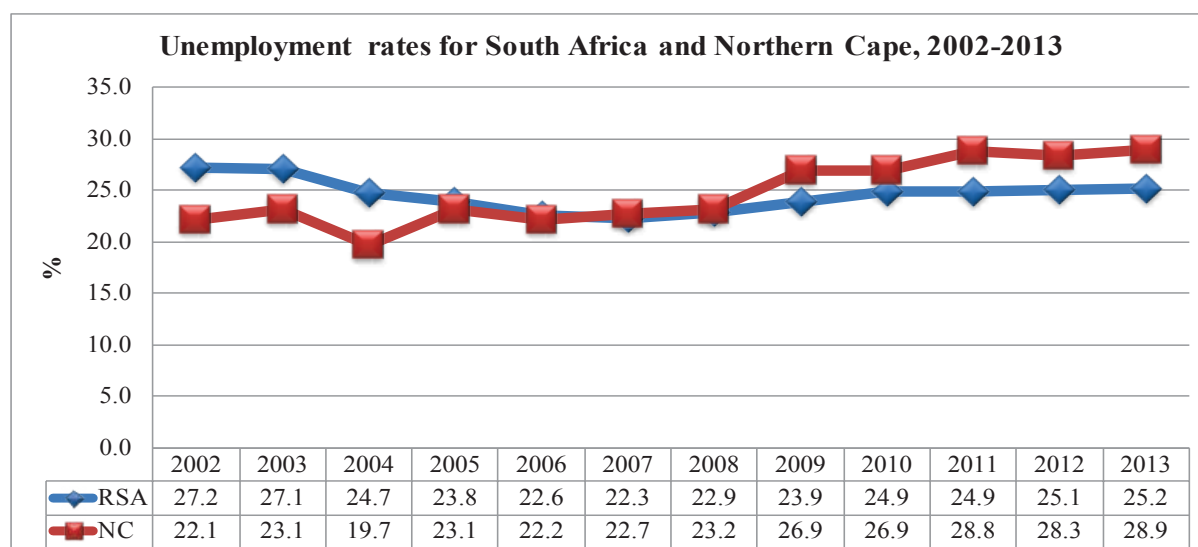
Source: FDI Intelligence, Financial Times Ltd, 2012

The figure above shows that during the period from January 2007 to October 2012 through foreign direct investment, a total of 13 companies invested in the Northern Cape with a total of R25.373 million in capital investment and an estimated 3 899 jobs created. The majority of these companies have invested in renewable energy and mining industries in the province. The Financial Times indicated that Anglo American was the largest investor into the Northern Cape with a capital expenditure of R8.266 million and an estimated 1 716 jobs created. The second largest investor was Mainstream Renewable Power with a capital expenditure of R5.333 million, however, it is estimated that only 190 jobs will be created.

It may therefore be deduced that the mining industry remains a large job creating industry and that more focus should be placed on beneficiation and empowering SMMEs by linking them up with opportunities within this industry especially related to manufacturing. It may also be deduced that there are definite opportunities within the new economies such as renewable energy.

1.3.3 Labour Analysis

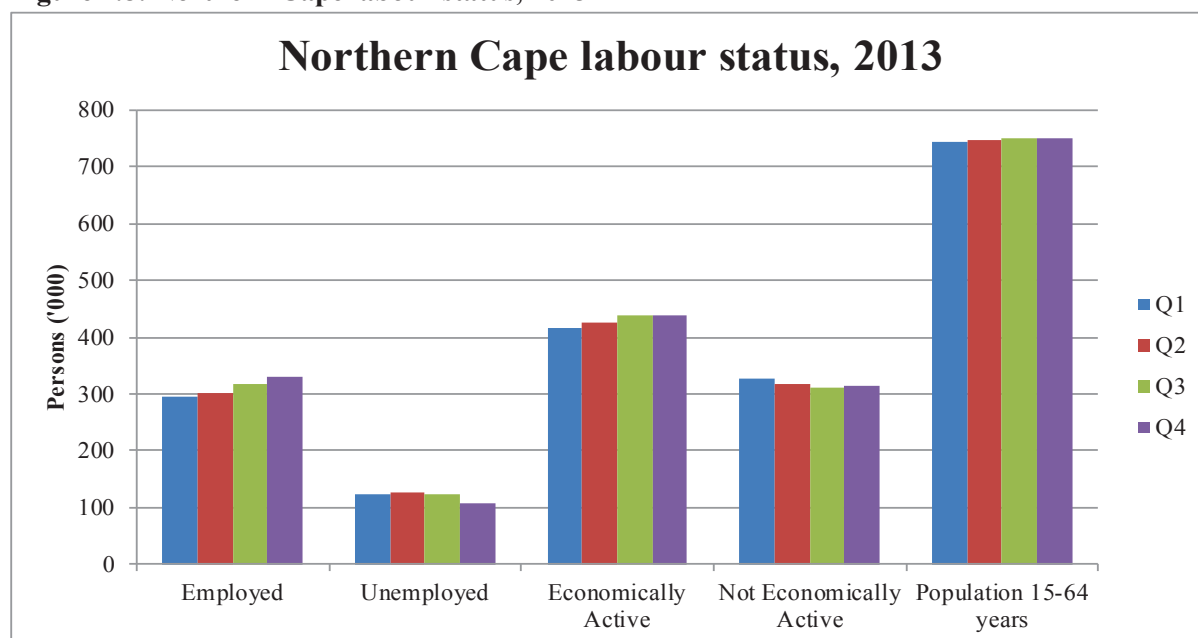
In this sub-section, the focus is on the unemployment rates of South Africa and the Northern Cape, as well as the labour status and the distribution of employment among the different industries of the Northern Cape.

Figure 1.7: Unemployment rates for South Africa and Northern Cape, 2002-2013

Source: Statistics South Africa, LFS & QLFS, 2013

Evident from the figure above, the South African unemployment rate recorded a decrease from 27.2 to 25.2 per cent while that of the Northern Cape recorded an increase from 22.1 to 28.9 per cent over the period from 2002 to 2013. Up to 2006 the Northern Cape had an unemployment rate lower than the national rate, but since 2007 the provincial unemployment rate was above the national rate.

Figure 1.8 below shows the Northern Cape Labour Status for 2013.

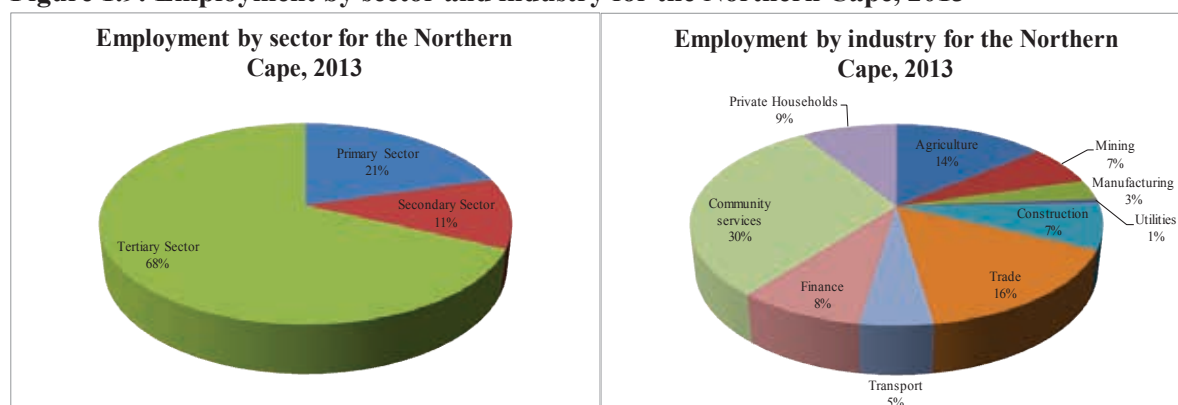
Figure 1.8: Northern Cape labour status, 2013

Source: Statistics South Africa, QLFS, 2013

As illustrated in the figure above, the number of people who are employed increased by 34 000 and the number unemployed decreased by 13 000 from quarter 1 to quarter 4 of 2013. The working age population experienced an increase in the economically active population and a decrease in the not economically active population for the period under review.

Employment by sector and industry for the Northern Cape in 2013 is shown in figure 1.9 below.

Figure 1.9: Employment by sector and industry for the Northern Cape, 2013



Source: Statistics South Africa, QLFS, 2013

In 2013 the tertiary sector had the most workers at 68.2 per cent of total employment while the secondary sector had the least at 11.3 per cent. In terms of industry, community services recorded the largest share of workers at 30.2 per cent of total employment.

2. Budget strategy and aggregates

2.1 Introduction

The continued reduction in the equitable share stifles the growth of the Northern Cape Fiscal Framework. The increase in the budget during the 2013 MTEF is been set off by these reduction and the 2014 MTEF is no exception in this regard. This trend persists despite the fact that the Northern Cape gained additional equitable share as a result of the 2011 Census data update, whilst the province benefitted, a general baseline reduction that National Treasury has implemented across all provinces over the 2013 MTEF to fund some of the national priorities meant further reduction in the equitable share.

In keeping with the expansionary fiscal policy stance, the budget framework increases social spending and infrastructure investment. Because of the fiscal discipline that province has maintained over the years, the said reductions were contained entirely within budget framework and not a single department was affected by this budget cut. This is a clear confirmation of Provincial Treasury's assertion that the fiscus is in a healthy and buoyant state. This framework will maintain the spending plans to reignite growth in the provincial baseline of departments.

The 2014 budget framework makes provision for an additional R1.2 billion over the next three years compared to the 2013 budget forward estimates. The main budget provides for total expenditure of R13.1 billion in 2014/15 rising to R13.9 billion by 2016/17. Total revenue increases from R13.3 billion to R14.3 billion over the same period, of which equitable share increases from R9.6 billion in 2014 to R10.9 billion in 2016/17, conditional grants declines from R3.4 billion to R2.9 billion over the same period and own provincial revenue increases from R280 million to 315 million in 2014/15 and 2016/17 respectively. This framework also provides for earmarked reserves including an amount of R430 million over the MTEF which has been set aside to clear the province's debt.

The budget drives to improve efficiency and effectiveness in spending within available provincial resources. In order to stimulate economic activity and to supplement the ever dwindling equitable share, it will become necessary for the province to prudently look at own revenue collection measures, which remains an essential source of provincial funding. The province will have to find innovative ways and means to optimise collection on existing sources as well as exploring new sources of own revenue.

Provincial Treasury has made significant progress towards redeeming unauthorised expenditure. The cumulative value of the surplus generated in the past years to address the province's debt amounted to R797 million as at March 2014, and thereby reducing the province's net debt from R932 million to R135 million. It is projected that by the end of 2015/16 financial year the province's debt will be cleared completely.

The state of personnel budgets across departments remains a significant risk to the fiscal sustainability of the province mainly as a result of appointments made without providing for the associated carry through costs, 2014 MTEF has provided adequate resources for the carry through effects of the 2013 salary increases.

2.2 Aligning provincial budgets to achieve government's prescribed outcomes

Outcomes based approach budgeting was introduced in 2009 to ensure that resources are grouped together and aligned appropriately to facilitate proper planning. This approach necessitate that programmes be grouped together to facilitate effective budgeting and for the purpose of forecasting, this also assist in eliminating duplication in terms of funding the same priority differently. This is a well-established approach to budgeting as it ensures sustainability of funding over the long term. Efficacy in spending available budgets will ensure improved outcomes in the delivery of public services.

2.3 Summary of Budget Aggregates

Table 1.6 below outlines the summary of the revenue, payments and own financing components of the budget.

Table 1.6: Provincial budget summary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13		2013/14		2014/15	2015/16	2016/17
Provincial receipts									
Transfer receipts from national	9 540 614	10 612 590	11 320 450	12 295 062	12 615 826	12 615 826	13 057 462	13 871 862	13 938 470
Equitable Share	7 201 470	7 827 173	8 255 155	9 021 508	9 056 118	9 056 118	9 651 945	10 276 650	10 941 191
Conditional grants	2 339 144	2 785 417	3 065 295	3 273 554	3 559 708	3 559 708	3 405 517	3 595 212	2 997 279
Provincial own receipts	216 340	225 664	269 908	245 507	250 669	270 501	279 438	294 499	314 420
Total Provincial receipts	9 756 954	10 838 254	11 590 358	12 540 569	12 866 495	12 886 327	13 336 900	14 166 361	14 252 890
Provincial Payments									
Current payments	7 013 372	7 991 951	8 402 620	9 975 779	9 802 306	10 018 269	10 744 105	11 382 175	11 984 770
Transfers and subsidies	1 323 262	1 348 847	1 411 733	1 341 479	1 661 147	1 438 440	1 345 215	1 454 549	1 574 658
Payments for capital assets	939 395	1 506 373	1 418 331	930 855	1 433 660	1 517 827	1 033 052	1 060 216	307 940
Payments for financial assets	21 612	1 452	3 304	-	-	-	328	343	354
Unallocated contingency reserves	-	-	-	-	-	-	-	-	-
Total Provincial Payments	9 297 641	10 848 623	11 235 987	12 248 113	12 897 113	12 974 536	13 122 701	13 897 282	13 867 721
Surplus/(deficit) before financing	459 313	(10 369)	354 371	292 456	(30 618)	(88 209)	214 200	269 078	385 168
Financing									
Provincial roll-overs	64 141	62 311	101 089	-	77 667	-	-	-	-
Other (specify)	126 292	242 169	181 251	-	189 021	-	-	-	-
Other (specify)	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	649 746	294 111	636 711	292 456	236 070	(88 209)	214 200	269 078	385 168

The Northern Cape equitable share allocation for the 2014/15 financial year has increased by 7 per cent to R9.652 billion. Conditional grants have decreased by 4 per cent to R3.406 billion compared to the revised estimates. The revenue generated within the province shows an increase of 3 per cent to R279.438 million from a revised estimate of R270.501 million.

The total provincial receipts amount to R13.337 billion in the 2014/15 financial year. The two outer medium term years increase to R14.166 billion and R14.253 billion respectively. The remaining surpluses after factoring out provincial payments, amounts to R214.200 million in 2014/15 and R654.246 million in the two outer years of the MTEF.

2.4 Financing

The budget of the province is mainly financed through transfers from national in the form of the equitable share and conditional grants and supplemented by provincial own revenue which constitutes only 2 per cent of the total provincial budget.

Surplus

The province has in total budgeted for a surplus amounting to R868 million over the 2014 MTEF. In the 2014/15 financial year, an amount of R130 million is set aside for the Debt Redemption Strategy, which increases to R150 million in the two outer years of the MTEF. The net surplus after factoring out the debt redemption amounts to R438 million over the MTEF period. R10 million is earmarked for Operation Khotso Pula Nala in relation to townships revitalisation projects and an amount of R67.370 million is earmarked for other provincial priorities.

3 Budget Process and the Medium-Term Expenditure Framework

The budget is a well thought process that determines the various stages of deliberations to allow the stakeholders to participate in the trade-offs and decision making. The MTEF determines three year rolling budgets, but it is through the budget process that decisions are made to provide for other pressures that may become urgent. This enhances planning and certainty but the process is dynamic as it gives leverage to re-align resources towards priorities that demonstrate ability to spend effectively.

The flexibility to move funds within and between votes is also encompassed in the annual Division of Revenue Act for prompt intervention where under spending is likely to occur. This flexibility is in terms of the management of grants to provinces and enhance certainty where spending is effective and allows for the necessary reallocation of the budget.

Provincial Treasury is central in managing the budget process and continues to play a critical role in terms of Section 215 of the Constitution, which affirms the importance of the budget and the budget process, by stating that “national, provincial and municipal budgets and budget processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector”. Chapter 4 in both the Public Finance Management Act (PFMA) and Municipal Finance Management Act (MFMA) give effect to this provision, by requiring transparency in the budget process and budget documents.

Section 26 of the Public Finance Management Act of 1999 requires each provincial legislature to appropriate money for each financial year to fund the services it provides to the community. The final tabling of the budget is therefore a consultative process between all provincial departments (including national departments in terms of sector priorities funded at a national level).

Municipal Finance Management Budget Process Highlights

The capacity of government to deliver to communities is compromised by municipality’s inability to provide the necessary basic infrastructure. A lot of resources are directed to this sphere of government but the capacity to implement remains a challenge, this inevitably results in communities not receiving the services promised by government.

One of the challenges that municipalities must address is their planning capacity. Most of the municipalities are unable to spend the conditional grants that they receive, resulting in them having to refund the unspent amounts to the national revenue fund at the expense of much needed services. Some of the municipalities face the challenge of being unable to pay this with the result that these amounts being off-set against their equitable share.

Although the number of municipalities that under-spent their capital budgets reduced from twenty eight to twenty four during 2012/13 as compared to 2011/12, the level of under-spending increased from R439,556 million to R451,867 million. The situation seems not to have improved during their current financial year with 11 municipalities threatened with withholding of their Municipal Infrastructure Grant (MIG) because of low spending. In aggregate municipalities have spent 41 per

cent of their budgets as at 31 December 2013, the same situation as the 2012/13 financial year. The situation is even worse on the spending of their capital budgets, which stood at 34 per cent for the same period, which is a slight improvement to last financial year. The municipalities have been under-spending their capital budgets for the last three financial years. Majority of the municipalities are dependent on conditional grants to fund their capital budgets.

It is important that the municipality table their budgets according the regulated format in terms of the Municipal Budget and Reporting Regulations, as prescribed in terms of Section 168 of the Municipal Finance Management Act, No 56 of 2003

4 Receipts

4.1 Overall position

Table 1.7 shows the actual and projected total receipts of the province over a seven year period, which includes the three year estimates of the 2014 MTEF.

The total provincial receipts consists of the equitable share, conditional grants and provincial own receipts. The equitable share and conditional grants are transfers from the national government in terms of the Division of Revenue Act. The provincial own revenue is raised by the province in terms of Section 228 of the Constitution, which allows provinces to raise their own revenue through taxes and levies.

Table 1.7: Summary of provincial receipts

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	7 201 470	7 827 173	8 255 155	9 021 508	9 056 118	9 056 118	9 651 945	10 276 650	10 941 191
Conditional grants	2 339 144	2 785 417	3 065 295	3 273 554	3 559 708	3 559 708	3 405 517	3 595 212	2 997 279
Total transfer receipts from National	9 540 614	10 612 590	11 320 450	12 295 062	12 615 826	12 615 826	13 057 462	13 871 862	13 938 470
Provincial own receipts									
Tax receipts	131 443	143 833	151 923	155 219	158 164	150 376	179 642	187 659	200 175
Casino taxes	13 706	15 154	15 309	17 472	18 933	16 926	20 275	21 370	22 524
Horse racing taxes	616	723	1 008	1 030	1 400	1 239	1 307	1 378	1 452
Liquor licences	1 070	3 612	3 714	3 654	4 036	3 515	3 654	3 654	3 654
Motor vehicle licences	116 051	124 344	131 892	133 063	133 795	128 696	154 406	161 257	172 545
Sales of goods and services other than capital assets	54 586	61 933	69 368	81 327	81 260	70 513	87 839	94 334	101 209
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 403	3 763	3 046	2 542	2 700	2 906	3 020	3 149	3 311
Interest, dividends and rent on land	21 453	9 780	28 236	808	815	30 589	870	918	967
Sales of capital assets	1 568	1 268	4 986	2 054	2 404	1 784	733	834	851
Transactions in financial assets and liabilities	3 887	5 089	12 350	3 557	5 326	5 072	7 334	7 604	7 906
Total provincial own receipts	216 340	225 666	269 908	245 507	250 669	261 240	279 438	294 499	314 420
Total provincial receipts	9 756 954	10 838 256	11 590 358	12 540 569	12 866 495	12 877 066	13 336 900	14 166 361	14 252 890

The total projected receipts for the 2014 MTEF amount to R40.868 billion, of which R13.057 billion in 2014/15, R13.872 billion in 2015/16 and R13.938 billion in the last year. Total receipts in the form of equitable share is projected to amount to R30.870 billion over the MTEF and conditional grants are projected to amount to R9.998 billion.

The remaining portion of the projected total receipts is derived from own revenue, which constitute 2 per cent of the overall receipts of the province. There has been consistent growth in own revenue over the recent past years and the trend is anticipated to continue in the coming financial years. The total projected own revenue amounts to R888.357 million over the MTEF which represents average growth of 5 per cent, whilst average growth in the equitable share amount to 6 per cent for the same period.

4.2 Equitable share

The provincial equitable share is nationally raised revenue and is divided amongst the three spheres of government based on a formula. The formula comprises of six components namely; Education, Health, Basic Share, Poverty, Economic Activity and Institutional. The six components of the formula are updated annually with the release of official data from Statistics South Africa.

The equitable share is the largest source of funding and the biggest contributor to the total provincial receipts over the 2014 MTEF period. The equitable share amounts to R9.652 billion, which makes up 72.4 per cent of the total provincial receipts in the 2014/15 financial and will rise to R10.941 billion in the 2016/17 financial year.

4.3 Conditional grants

Conditional grants funding is the second largest source of funding for the province and averages 25.5 per cent of the total receipts over the next three years. Conditional grants amount to R3.406 billion which makes up 25 per cent of the total provincial receipts in 2014/15 and decreases to R2.997 billion in the 2016/17 financial year.

Table 1.8 below shows a decrease of 1 per cent in 2014/15 from the revised estimate of R3.439 billion in 2013/14. Projected conditional grants allocations will decline to R2.997 billion in the outer year of the MTEF.

Table 1.8: Summary of Conditional Grant 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
Agriculture	94 270	270 269	504 723	454 178	739 899	559 135	459 957	479 379	520 136
Agricultural Disaster Management Grant	-	131 862	-	-	-	-	-	-	-
Comprehensive Agricultural Support Programme Grant	58 275	72 052	424 999	371 539	641 306	460 366	378 390	396 381	436 166
Ilma/Letsema Projects Grant	30 000	60 000	63 000	70 034	84 393	84 393	72 003	75 500	76 103
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 995	6 355	12 724	12 055	12 055	12 055	7 462	7 498	7 867
Expanded Public Works Programme Incentive Grant for Provinces	-	-	4 000	550	2 145	2 321	2 102	-	-
Education	144 144	480 493	518 814	509 059	557 864	557 864	552 830	572 929	224 512
Dinaledi Schools Grant	-	2 380	3 391	3 577	3 577	3 577	3 782	3 956	4 166
Education Infrastructure Grant	-	289 158	307 609	316 934	365 548	365 548	346 445	359 545	-
HIV and Aids (Life Skills Education) Grant	4 084	4 357	4 579	5 205	5 205	5 205	5 059	5 281	5 281
National School Nutrition Programme Grant	84 536	105 116	113 136	119 859	119 859	119 859	134 645	142 724	150 289
Technical Secondary Schools Recapitalisation Grant	3 423	7 667	12 500	13 188	13 188	13 188	13 978	14 663	15 440
Expanded Public Works Programme Incentive Grant for Provinces	-	6 159	1 000	5 845	5 845	5 845	2 025	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	-	-	-	3 932	3 932	3 932	3 237	-	-
OSD for Therapists	-	-	-	-	-	-	7	2	-
Further Education and Training College Sector Grant	52 101	65 656	76 599	40 519	40 710	40 710	43 652	46 758	49 336
Health	914 774	1 037 087	1 046 497	1 096 236	1 178 929	1 097 673	1 156 093	1 223 688	845 502
Comprehensive HIV and Aids Grant	182 306	212 923	248 372	302 468	321 150	302 468	342 789	377 191	424 207
Forensic Pathology Services Grant	22 868	24 240	-	-	-	-	-	-	-
Health Professions Training and Development Grant	61 802	65 510	68 583	72 356	72 356	72 356	76 697	80 225	84 477
Health Facility Revitalization Grant	420 218	496 393	450 421	421 428	483 531	422 865	421 428	446 407	-
Health Infrastructure Grant	-	89 501	98 258	90 154	90 154	90 154	103 029	108 320	-
Hospital Revitalisation Grant	420 218	406 892	346 083	331 274	388 274	331 274	318 399	338 087	-
Nursing Colleges and Schools Grant	-	-	6 080	-	5 103	1 437	-	-	-
National Tertiary Services Grant	225 948	235 948	266 621	282 618	282 618	282 618	298 727	312 468	329 029
Expanded Public Works Programme Incentive Grant for Provinces	1 632	2 073	1 000	3 000	3 330	3 000	2 115	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	-	-	-	9 516	9 516	9 516	7 337	-	-
National Health Insurance Grant	-	-	11 500	4 850	6 428	4 850	7 000	7 397	7 789
Human Settlements	447 260	332 989	339 551	395 724	395 724	395 724	377 668	376 006	416 487
Housing Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Human Settlements Development Grant	447 260	332 989	339 551	395 724	395 724	395 724	374 832	376 006	416 487
Expanded Public Works Programme Incentive Grant for Provinces	-	-	-	-	-	-	2 836	-	-
National Treasury	598 847	-	-	-	-	-	-	-	-
Infrastructure Grant to Provinces	598 847	-	-	-	-	-	-	-	-
Roads and Public Works	40 767	416 543	529 532	662 484	519 326	664 399	643 436	686 761	723 159
Devolution of Property Rate Funds Grant to Provinces	39 600	41 754	43 911	-	2 646	-	-	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Incentive Grant for Provinces	1 167	4 810	1 915	3 000	4 915	4 915	2 964	-	-
Provincial Roads Maintenance Grant	-	308 760	483 706	659 484	511 765	659 484	640 472	686 761	723 159
Transport Disaster Management Grant	-	61 219	-	-	-	-	-	-	-
Sport, Art and Culture	89 870	96 272	101 366	107 442	118 535	115 845	154 528	188 512	201 133
Community Library Services Grant	65 943	69 900	72 395	75 596	86 689	84 855	118 396	155 121	164 424
Mass Participation and Sport Development Grant	23 927	26 372	27 404	30 806	30 806	30 081	31 450	33 391	36 709
Expanded Public Works Programme Incentive Grant for Provinces	-	-	1 000	550	550	560	2 102	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	-	-	567	490	490	349	2 580	-	-
Transport	30 370	37 565	39 255	41 586	41 586	41 586	46 640	45 937	48 350
Public Transport Operations Grant	30 370	37 565	39 255	41 390	41 390	41 390	43 937	45 937	48 350
Expanded Public Works Programme Incentive Grant for Provinces	-	-	-	196	196	-	2 703	-	-
Expanded Public Works Programme Incentive Grant for Provinces	-	-	1 000	1 100	2 100	560	6 204	-	-
Economic Development And Tourism	-	-	1 000	550	1 550	560	4 102	-	-
Environment And Nature Conservation	-	-	-	550	550	-	2 102	-	-
Social Development	1 038	5 658	1 506	5 745	5 745	5 745	8 161	22 000	18 000
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 038	5 658	1 506	5 745	5 745	5 745	6 161	-	-
Substance Abuse Treatment Grant	-	-	-	-	-	-	2 000	22 000	18 000
Total conditional grants	2 361 340	2 676 876	3 082 244	3 273 554	3 559 708	3 438 531	3 405 517	3 595 212	2 997 279

The Further Education and Training (FET) Colleges Grant will shift to the Department of Higher Education (DHET) with effect from the 1st of April 2015.

The Human Settlements Development Grant allocation has been revised downwards to provide funds towards the eradication of bucket system and sanitation. These funds have been moved to the national Department of Human Settlements. The Human Settlements Development Grant has been allocated an amount of R374.382 million in the 2014/15 financial year and R1.167 billion over the next three years.

The Health Facility Revitalisation Grant has been increased by rescheduling the National Health Grant to a direct grant under the Health Facility Revitalisation grant. The province is allocated R421.428 million in 2014/15 and R446.407 million in 2015/16.

The conditional grants allocations to the province decreases by 1 per cent in the 2014/15 financial year, followed by slight growth in the 2015/16 financial year of 5 per cent and a huge decline of 16.6 per cent in the outer year of the MTEF.

4.4 Provincial own revenue

Table 1.9: Summary of provincial own receipts 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
Vote 1: Office of the Premier	469	96	173	200	200	200	162	162	162
Vote 02: Provincial Legislature	2 762	3 233	3 271	2 427	2 427	2 720	2 548	2 665	2 806
Vote 03: Transport, Safety and Liaison	129 543	140 657	150 213	151 361	151 614	147 482	177 662	187 493	202 197
Vote 04: Education	5 312	6 720	13 509	6 545	7 905	6 879	8 346	8 799	9 274
Vote 05: Roads and Public Works	4 153	4 349	4 521	4 961	5 015	5 015	5 469	6 064	6 385
Vote 06: Economic Development	15 783	19 786	20 309	22 340	24 590	21 862	25 429	26 597	27 827
Vote 07: Sport, Arts and Culture	804	617	228	151	207	224	156	161	170
Vote 08: Provincial Treasury	20 760	9 464	27 690	888	888	30 286	848	895	943
Vote 09: Co-Operative Governance, Human Settlement and Traditional Affairs	543	744	458	477	827	634	480	501	528
Vote 10: Health	29 691	33 887	42 323	50 595	50 595	39 713	51 781	54 269	56 892
Vote 11: Social Development	892	737	672	623	962	966	846	900	948
Vote 12: Agriculture, Land Reform and Rural Development	3 491	2 291	3 442	1 848	2 348	2 500	1 949	2 055	2 165
Vote 13: Environment and Nature Conservation	2 137	3 085	3 099	3 091	3 091	2 759	3 762	3 937	4 123
Total provincial own receipts by Vote	216 340	225 666	269 908	245 507	250 669	261 240	279 438	294 499	314 420

Provincial own revenue is revenue raised by the province given effect by section 228 of the Constitution. The provincial own revenue collection from 2010/11 to 2012/13 financial years shows a steady growth from R216.340 million in 2010/11 to R269.908 million in 2012/13. This shows year on year growth of 19 per cent, 4.3 per cent and 19.6 per cent from 2010/11, 2011/12 and 2012/13 financial years respectively. The changes in the growth was caused by the increase in Motor Vehicle licence fees, interest from positive bank balances and patient fees under sale of goods and services other than capital assets.

The major revenue collecting departments over recent years are Transport, Safety and Liaison, Health, Economic Development and Tourism and Provincial Treasury.

Provincial own revenue is projected at R279.438 million in 2014/15, rising to R314.420 million in the outer year of the MTEF. Own revenue is projected to increase by 11.5 per cent from 2013/14 to 2014/15 financial years, by 5.4 per cent from 2014/15 to 2015/16 financial years and by another 6.8 per cent from 2015/16 to 2016/17 financial years.

Major revenue collecting departments

The departments that contribute a large portion of the provincial own revenue is the Department of Transport, Safety and Liaison, Department of Health, and the Department of Economic Development and Tourism. These departments account for 91 per cent of the total provincial own revenue budget in the 2014/15 financial year.

Transport, Safety and Liaison

Department of Transport, Safety and Liaison continues to be the main contributor to total provincial own revenue, accounting for an average of 63.9 per cent of total provincial own revenue over the 2014 MTEF. Motor vehicle licence taxes are the main contributor to the own revenue of the department and the province.

The revenue enhancement measures includes the renewal of motor vehicle license at Enatis help desk, the Post Office pilot project, the handing over of outstanding traffic fines to debt collecting agent and the Enatis clean-up also contributes to the increase in revenue of the department.

Motor vehicle licences

Revenue from motor vehicle licence fees has been showing consistent growth, rising from R116.051 million in the 2010/11 financial year to R138.388 million in the 2013/14 revised estimates. This increase is set to continue to R154.406 million in 2014/15 financial year, R161.257 million in 2015/16 financial year and R172.545 million in 2016/17 financial year, growing at an annual average rate of 7.7 per cent over the MTEF period.

These increases are linked to the net growth of the motor vehicle live population, coupled with the annual increase in motor vehicle licence fees.

Fines, penalties and forfeits

The department is also collecting revenue from the fines issued by the traffic officers. The fines will be administered by the Adjudicative Administration of Roads Traffic Offence (AARTO). AARTO processes are still being piloted in certain provinces, and its implementation will impact the department's future revenue collection.

Health

The Department of Health remains the second largest contributor towards the own revenue of the province, accounting for an average of 18.3 per cent of total provincial own revenue over the 2014 MTEF.

Patient fees

The revenue of the department is mainly derived from Patient Fees which is contributing an average of 89.5 per cent over the MTEF to the total revenue of the department. Health Patient fees are the second largest revenue source of the province. The department is focusing on patient billing for revenue collection. One of the major objectives is to eliminate leakages in the system, and to shorten patient payment intervals. More attention is being paid to the assessment of patients' ability to pay, the correct billing of patients and the timeous recovery of debts from patients and other third parties, such as medical aids.

Economic Development and Tourism

Department of Economic Development and Tourism is the third biggest contributor to total provincial own revenue, accounting for an average of 9 per cent of total provincial own revenue over the 2014 MTEF. Casino Taxes and Liquor licences are the main contributors to the collection of the department.

Casino Taxes

Casino taxes are the third biggest revenue source in the province. They contribute 7.3 per cent to the total own revenue of the province. Revenue from casino taxes has been showing constant growth, rising from R13.706 million in 2010/11 financial year to R16.926 million in the 2013/14 revised estimates. This trend is set to continue to R20.275 million in 2014/15 and R22.524 million in the 2016/17 financial year.

5 Payments

5.1 Overall Position

Financial year 2014/15: R13.123 billion

Financial year 2015/16: R13.897 billion

Financial year 2016/17: R13.867 billion

5.2 Payments by Vote

Table 1.10: 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	2013/14			2014/15	2015/16	2016/17
Vote 01: Office of the Premier	152 408	152 079	151 787	167 828	187 172	187 172	173 394	180 881	190 795
Vote 02: Provincial Legislature	115 805	126 521	136 825	138 785	142 287	142 287	156 483	156 811	165 359
Vote 03: Transport, Safety and Liaison	242 339	257 285	282 063	299 255	314 730	314 730	328 902	340 006	358 452
Vote 04: Education	3 418 734	4 077 770	4 233 621	4 448 073	4 527 959	4 575 151	4 744 333	5 042 790	4 942 549
Vote 05: Roads and Public Works	720 018	1 055 695	1 016 536	1 146 915	1 113 779	1 261 498	1 152 494	1 217 276	1 282 639
Vote 06: Economic Development	214 205	206 956	223 288	223 028	267 134	267 346	235 601	241 011	254 132
Vote 07: Sport, Arts and Culture	200 458	268 610	221 908	235 837	269 214	270 320	290 801	330 677	351 104
Vote 08: Provincial Treasury	115 849	117 844	151 597	195 660	224 444	200 857	202 393	205 464	211 667
Vote 09: Co-Operative Governance, Human Settlement and Traditional Affairs	697 702	589 541	581 941	652 413	655 501	665 861	648 810	658 805	714 835
Vote 10: Health	2 540 138	3 005 742	3 165 498	3 341 990	3 476 988	3 557 211	3 696 293	3 941 936	3 718 834
Vote 11: Social Development	478 233	522 687	531 722	603 823	607 507	607 507	651 206	705 859	739 084
Vote 12: Agriculture, Land Reform and Rural Development	311 362	369 638	436 462	690 023	992 754	806 952	715 690	746 084	801 480
Vote 13: Environment and Nature Conservation	90 390	98 543	102 739	104 683	117 644	117 644	126 300	129 682	136 791
Total provincial payments and estimates by Vote	9 297 641	10 848 911	11 235 987	12 248 313	12 897 113	12 974 536	13 122 700	13 897 282	13 867 721

The above table shows an annual average growth for the provincial payments over the 2014 MTEF at 2.3 per cent. The Department of Education's share 36 per cent of the total provincial budget is the highest, followed by the Department of Health at 28 per cent and the Department of Roads and Public Works at 9 per cent which mainly relates to infrastructure investments.

5.3 Payment by Economic Classification

Table 1.11: Summary of provincial payments and estimates by economic 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
Current Payments	7 013 265	7 993 258	8 402 620	9 975 783	9 802 306	10 018 269	10 744 104	11 382 175	11 984 770
Compensation of employees	5 043 978	5 551 766	6 030 171	6 645 373	6 795 412	6 802 609	7 332 714	7 751 820	8 150 307
Goods and services	1 967 543	2 438 060	2 370 881	3 329 162	3 005 850	3 213 181	3 410 367	3 629 250	3 833 301
Interest and rent on land	1 745	3 431	1 568	1 248	1 044	2 479	1 023	1 104	1 162
Transfers and subsidies to:	1 323 262	1 348 846	1 411 733	1 341 675	1 661 147	1 438 440	1 345 215	1 454 549	1 574 658
Provinces and municipalities	119 128	119 349	97 888	82 225	123 306	127 502	93 221	116 101	127 087
Departmental agencies and accounts	51 108	145 468	104 876	77 469	78 846	81 140	75 934	84 794	89 420
Universities and technikons	2 242	1 326	2 634	3 018	3 018	2 997	2 109	2 218	2 340
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	89 293	77 287	84 102	84 822	97 127	122 327	93 417	92 051	94 038
Non-profit institutions	523 148	579 606	648 084	647 773	637 186	633 727	646 276	726 676	786 007
Households	538 343	425 810	474 149	446 368	721 664	470 747	434 258	432 709	475 766
Payments for capital assets	939 512	1 506 355	1 418 331	930 855	1 433 660	1 517 827	1 033 052	1 060 216	307 940
Buildings and other fixed structures	795 204	1 252 744	1 220 285	799 768	1 207 070	1 307 041	843 814	884 948	160 891
Machinery and equipment	137 911	250 823	192 813	130 358	221 535	203 456	188 454	174 545	146 287
Heritage assets	-	39	-	-	-	15	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	1 173	743	943	-	698	814	-	-	-
Land and sub-soil assets	38	-	-	-	-	-	-	-	-
Software and other intangible assets	5 186	2 006	4 290	729	4 357	6 501	784	723	762
Payments for financial assets	21 602	1 452	3 304	-	-	-	328	343	354
Total economic classification	9 297 641	10 849 911	11 235 987	12 248 313	12 897 113	12 974 536	13 122 700	13 897 282	13 867 721

5.4 Payments by Policy Area

Table 1.12: Summary of provincial payments and estimates by policy area

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
General public services	1 104 080	1 452 139	1 456 745	1 649 188	1 667 682	1 791 814	1 684 764	1 760 432	1 850 461
Public order and safety	45 910	50 449	63 759	64 592	67 698	68 552	78 206	79 037	85 605
Economic affairs	721 996	783 430	878 054	1 147 714	1 506 920	1 320 476	1 201 987	1 248 064	1 328 459
Environmental protection	90 390	98 543	102 739	104 683	117 644	117 644	126 300	129 682	136 791
Housing and community amenities	697 702	589 541	581 941	652 413	655 501	665 861	648 810	658 805	714 835
Health	2 540 138	3 005 742	3 165 498	3 341 990	3 476 988	3 557 211	3 696 293	3 941 936	3 718 834
Recreation, culture and religion	200 458	268 610	221 908	235 837	269 214	270 320	290 801	330 677	351 104
Education	3 418 734	4 077 770	4 233 621	4 448 073	4 527 959	4 575 151	4 744 333	5 042 790	4 942 549
Social protection	478 233	522 687	531 722	603 823	607 507	607 507	651 206	705 859	739 084
Total provincial payments and estimates by policy area	9 297 641	10 848 911	11 235 987	12 248 313	12 897 113	12 974 536	13 122 700	13 897 282	13 867 721

5.5 Infrastructure Payments

Through the commitment of the provincial government to increase investments on infrastructure development, since 2010/11 an amount of R 4.027 billion has been spent on infrastructure. The total infrastructure budget of the province for the 2014/15 financial year amounts to R1.869 billion, which is an increase of R215.504 million or 13 per cent from the 2013/14 revised estimate. The projected spending on infrastructure in the province amounts to R5.058 billion over the MTEF. The departments of Health, Education and Roads and Public Works are major infrastructure driven departments.

Table 1.13(a) shows capital infrastructure by Vote.

Table 1.13(a): Summary of provincial infrastructure payments and estimates 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
Vote 04: Education	112 578	314 554	307 609	306 934	306 934	306 934	336 481	349 581	-
Vote 05: Roads and Public Works	463 483	582 434	612 018	795 725	755 661	903 379	771 112	817 686	860 070
Vote 07: Sport, Arts and Culture	18 746	35 168	18 113	15 087	47 913	48 948	32 521	21 183	21 218
Vote 10: Health	309 428	489 740	479 546	444 686	501 686	-	443 206	463 127	-
Vote 11: Social Development	12 780	6 803	5 587	3 550	-	3 550	5 650	25 832	22 052
Vote 12: Agriculture, Land Reform and Rural Developm	75 110	99 249	83 982	382 732	391 340	391 340	280 685	295 842	311 817
Total provincial infrastructure payments and estir	992 125	1 527 948	1 506 855	1 948 714	2 003 534	1 654 151	1 869 655	1 973 251	1 215 157

Table 1.13(b) shows that the province will spend R727.307 million on the construction and replacement of infrastructure in province in the 2014/15 financial and in total R1.590 million over the MTEF. Furthermore, the province will spend R1.142 billion on the upgrading, rehabilitation and maintenance of existing infrastructure in 2014/15 and R3.468 billion over the MTEF.

Table 1.13(b) shows capital Infrastructure by Category.

Table 1.13(b): Summary - Payments and estimates of provincial infrastructure by category

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
New and replacement assets	454 267	730 131	651 512	652 261	728 474	315 904	727 307	774 629	88 025
Existing infrastructure assets	493 463	780 292	835 406	1 296 453	1 239 997	1 303 184	1 142 348	1 198 622	1 127 132
Upgrades and additions	333 064	515 450	547 993	219 627	226 030	215 617	210 001	206 531	159 633
Rehabilitation, renovations and refurbishments	52 500	101 818	85 755	318 026	326 634	319 712	218 900	222 305	202 351
Maintenance and repairs	107 899	163 024	201 658	758 800	687 333	767 855	713 447	769 786	765 148
Infrastructure transfers									
Current	152 294	180 549	221 595	758 800	722 396	802 918	713 447	769 786	765 148
Capital	839 831	1 347 399	1 285 260	1 189 914	1 281 138	851 233	1 156 208	1 203 465	450 009
Total provincial infrastructure	947 730	1 510 423	1 486 918	1 948 714	1 968 471	1 619 088	1 869 655	1 973 251	1 215 157

Table 1.13(c): Summary of provincial infrastructure payments and estimates by Source of Funding

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
Provincial Equitable Share	617 275	330 831	324 913	614 041	460 568	593 975	337 933	372 218	979 671
Conditional grants ¹	374 850	1 197 117	1 181 941	1 343 281	1 542 966	1 543 066	1 531 722	1 601 033	723 159
Education Infrastructure Grant	112 911	290 426	248 939	316 934	365 548	365 548	346 445	359 545	-
Health Infrastructure Grant	-	104 930	101 038	90 154	90 154	90 154	103 029	108 320	-
Hospital Revitalisation Grant	261 939	492 925	466 996	421 428	422 865	422 965	421 428	446 407	-
Provincial Roads Maintenance Grant	-	308 760	363 053	511 765	659 484	659 484	640 472	686 761	723 159
Public Works	-	76	1 915	3 000	4 915	4 915	20 348	-	-
Own revenue	-	-	-	-	-	-	-	-	-
Total provincial infrastructure payments and estimates	992 125	1 527 948	1 506 854	1 957 322	2 003 534	2 137 041	1 869 655	1 973 251	1 702 830

1. Include all relevant Conditional Grants per sector

2. Total provincial infrastructure is the sum of "Capital" plus "Recurrent maintenance".

Reforms were made to the provincial infrastructure grant system that is intended to institutionalize proper planning for infrastructure. Provinces were informed in 2012 that they will be required to bid for these allocations two years in advance and financial incentives will be built into the grant for provinces that implement best practices in delivering infrastructure.

In terms of the 2013 Division of Revenue Act, provinces were required in 2013/14 to bid for their 2015/16 infrastructure grant allocations in Education and Health. A set of criteria was used to evaluate these bids. The outcome of these bids resulted in the current allocation in terms of the grant, where the 2014 MTEF allocation will only include sufficient provision for provinces to meet their existing commitments for projects under construction. Unsuccessful bids will however not be funded and those unallocated be pooled and considered as per the requirements of the 2014 Division of Revenue Act Infrastructure Delivery Improvement Programme (IDIP).

Infrastructure Delivery Improvement Programme (IDIP)

The Infrastructure Delivery Improvement Programme (IDIP) phase 3(b) will reach its culmination at the 31 March 2014. The programme is currently being reviewed and redesigned to proceed into phase 4 of the programme which will focus mainly on the institutionalisation of the Infrastructure Delivery Management Systems and capacity building. Further reforms will also be instituted in terms of the appointment of the Technical Assistants that have been provided to the Provinces through the Technical Assistant Unit on behalf of National Treasury. The main impetus of IDIP Phase 4 would be to institutionalize the, NC IDMS which is applicable to all Provincial Government Departments and has been developed through a consultative process with the Provincial Departments. The system complies with the legal requirements for infrastructure management including the pre-requisite requirements to submit bids for performance grants.

The NC IDMS clearly describes the different mandates and functions of each Provincial Department in terms of the following roles: Custodian and User Roles, Infrastructure planning, budgeting, implementation, monitoring, evaluation and reporting.

Emphasis is specially placed on the clarification of roles, responsibilities and strategic decision-making points to ensure that "grey areas" in respect of mandates, functions and responsibilities are eliminated. Strategic decision-making points (referred to as 'Gates') are included in the NC IDMS to facilitate seamless service delivery across and within Departments. The roles of each Department and required timeframes/target dates to fulfil these roles are clearly defined in the strategic decision making points. In essence the majority of the work in terms of infrastructure delivery needs to be performed by the Department of Roads and Public Works (NCDRPW). The other Provincial Departments fulfil planning, budgeting, reporting and specific oversight roles.

The Provincial Department of Roads and Public Works is the custodian of immovable assets and the Implementing Agent of Infrastructure Projects and Programmes on behalf of provincial departments. Construction procurement and contract management are key responsibilities of the Implementing Agent. All provincial departments must plan and budget for infrastructure needs, projects and

programmes, and manage the utilisation of movable and immovable assets within the required legal frameworks. Northern Cape Provincial Treasury (NCPT) fulfils an oversight role and enhances performance of infrastructure in the province.

The departments agreed through the NC IDMS, that infrastructure is a joint responsibility of the Provincial Departments which will be implemented within the spirit and rules of co-operative governance. Special emphasis will be placed on capacity building in all the provincial departments. Overall, the aim is to achieve seamless service delivery in terms of the infrastructure mandate of the Province, and promote effectiveness, efficiency, transparency and value for money.

5.6. Public-Private Partnership (PPP) projects

The Northern Cape Provincial Treasury has gone through a rigorous process of capacitating the Public Private Partnership unit to enable the province to leverage the full alternative potentials that the PPP process provides to assist the province in managing infrastructure at provincial and local government more effectively. Through the efforts of the newly established PPP unit with in Provincial Treasury the province has been able to register the following Potential PPP projects with further research being conducted on future projects to assist the province to leverage the full potential presented by the PPP option. The projects are:

Northern Cape Renal Replacement Therapy with the Department of Health: Reg No: P134

Renosterberg Municipality: Vanderkloof Tourism PPP project: M064

Siyathemba Municipality: Prieska – The “Die Bos” Resort as a potential PPP

The NCISS e-Infrastructure Project: Reg No: P135

A PPP is therefore defined in South African Law as: A contract between a government institution and private party, where:

- the private party performs an institutional function and/or uses state property in terms of output specifications
- substantial project risk (financial, technical, operational) is transferred to the private party
- the private party benefits through: unitary payments from government budgets and/or user fees

A PPP is a facilitating framework that enables sustainable development by effectively leveraging limited public funds, integrating scale with efficiency, reducing life cycle costs, harnessing national resources and applying best practices, to achieve a social purpose. A PPP provides a format in which all the important stakeholders are incentivized to come together in achieving the community development goals enshrined in the project. To that effect, a PPP is more than a joint venture.

Treasury Regulations are not prescriptive about the financing structure of a PPP. It is assumed that this will vary widely from project to project and sector to sector, and will be closely linked to the funding sources that can be secured for each deal.

However, PPPs usually involve the private party raising both debt and equity to finance the project. In most PPPs, a dedicated business entity is set up by the private party. This is called a special purpose vehicle (SPV), whose sole purpose is to deliver the project.

PPPs may involve some capital contribution by government to the initial costs of the project. Some PPP projects do not involve debt finance at all, being initially funded either wholly through corporate finance or by a combination of government funds and private equity. In end-user-pay projects, there may also be some government funding for either or both the capital and operating costs of the project.

The concept of a PPP is where government needs infrastructure and services, but the annual budget does not allow for this type of expense. Private sector through the PPP process gets involved in the provision of this infrastructure and government can pay this over a concession period. Certain services are linked to manage this infrastructure during this period of payment for physical infrastructure. The private sector interest is enhanced since there is big enough value and the private sector can look after the capital investment until government takes full ownership which is at the end of concession agreement.

5.7 Transfers

5.7.1 Transfers to Public Entities

Table 1.15: Summary of provincial transfers to public entities by transferring 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
Vote 06: Economic Development	29 980	39 365	35 312	42 338	42 466	36 838	38 500	39 868	42 021
Vote 12: Agriculture, Land Reform and Rural Development	2 400	3 200	6 400	2 550	2 550	2 550	2 550	2 550	2 685
Total provincial transfers to public entities	32 380	42 565	41 712	44 888	45 016	39 388	41 050	42 418	44 706

The province has allocated an amount of R41.050 million towards transfers to existing public entities and the budget is projected to rise to R44.706 in the 2016/17 financial year. Department of Economic Development and Tourism will transfer R120.389 million over the next three years to 4 public entities, namely: Northern Cape Gambling Board, Northern Cape Liquor Board, Northern Cape Economic Development Agency and the Northern Cape Tourism Authority.

The Department of Agriculture, Land Reform and Rural Development will transfer an amount of R7.785 million over the MTEF to Kalahari Kid for the marketing of live animals and animal products.

5.7.2 Transfers to Development Corporations

The province does not have any development corporations

5.7.3 Transfer to Local Government

5.8 Personnel Numbers and Costs

Table 1.18: Summary of personnel numbers and costs by Vote¹

Personnel numbers	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017
Vote 01: Office of the Premier	213	230	237	263	263	263	263
Vote 02: Provincial Legislature	154	155	155	160	160	160	160
Vote 03: Transport, Safety and Liaison	331	347	369	395	395	395	395
Vote 04: Education	12 368	12 237	12 345	13 163	13 187	13 191	13 191
Vote 05: Roads and Public Works	572	766	794	998	1 001	1 001	1 001
Vote 06: Economic Development	155	157	157	154	179	181	179
Vote 07: Sport, Arts and Culture	642	511	633	417	669	434	434
Vote 08: Provincial Treasury	261	243	287	286	316	316	316
Vote 09: Co-Operative Governance, Human Settlement and	654	652	654	658	659	659	659
Vote 10: Health	6 169	6 372	6 455	6 822	6 895	6 962	7 029
Vote 11: Social Development	933	944	945	962	1 015	1 015	1 015
Vote 12: Agriculture, Land Reform and Rural Development	551	579	547	585	627	630	636
Vote 13: Environment and Nature Conservation	221	224	223	223	223	225	228
Total provincial personnel numbers	23 224	23 417	23 801	25 086	25 589	25 432	25 506
Total provincial personnel cost (R thousand)	5 043 978	5 551 766	6 030 171	6 802 609	7 332 773	7 752 650	8 152 119
Unit cost (R thousand)	217	237	253	271	287	305	320

Table 1.19: Summary of provincial personnel numbers and costs

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Total for province									
Personnel numbers (head count)	23 224	23 417	23 801	25 116	25 086	25 086	25 589	25 432	25 506
Personnel cost (R thousands)	5 043 978	5 551 766	6 030 171	6 645 373	6 795 412	6 802 609	7 332 773	7 752 650	8 152 119
Human resources component									
Personnel numbers (head count)	407	440	546	582	582	582	584	589	596
Personnel cost (R thousands)	89 049	93 210	107 382	129 149	129 149	129 149	136 185	141 410	146 765
Head count as % of total for province	1.8%	1.9%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Personnel cost as % of total for province	1.8%	1.7%	1.8%	1.9%	1.9%	1.9%	1.9%	1.8%	1.8%
Finance component									
Personnel numbers (head count)	482	503	575	633	633	633	679	685	692
Personnel cost (R thousands)	90 212	100 099	127 280	148 729	148 729	148 729	161 105	168 507	164 327
Head count as % of total for province	2.1%	2.1%	2.4%	2.5%	2.5%	2.5%	2.7%	2.7%	2.7%
Personnel cost as % of total for province	1.8%	1.8%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.0%
Full time workers									
Personnel numbers (head count)	20 931	21 059	21 858	23 118	23 118	23 118	24 008	24 224	24 342
Personnel cost (R thousands)	4 435 681	4 892 131	5 378 853	6 098 143	6 098 143	6 098 143	6 601 575	7 027 311	7 400 015
Head count as % of total for province	90.1%	89.9%	91.8%	92.0%	92.2%	92.2%	93.8%	95.3%	95.4%
Personnel cost as % of total for province	87.9%	88.1%	89.2%	91.8%	89.7%	89.6%	90.0%	90.6%	90.8%
Part-time workers									
Personnel numbers (head count)	109	151	38	39	39	39	276	40	40
Personnel cost (R thousands)	22 930	29 725	9 588	10 535	10 535	10 535	16 301	12 709	13 693
Head count as % of total for province	0.5%	0.6%	0.2%	0.2%	0.2%	0.2%	1.1%	0.2%	0.2%
Personnel cost as % of total for province	0.5%	0.5%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Contract workers									
Personnel numbers (head count)	1 942	1 979	1 736	1 851	1 851	1 851	1 101	961	920
Personnel cost (R thousands)	347 976	390 384	379 024	404 623	404 623	404 623	305 718	276 569	274 159
Head count as % of total for province	8.4%	8.5%	7.3%	7.4%	7.4%	7.4%	4.3%	3.8%	3.6%
Personnel cost as % of total for province	6.9%	7.0%	6.3%	6.1%	6.0%	5.9%	4.2%	3.6%	3.4%

5.9 Payments on Training

Table 1.20 : Summary of provincial payments on training 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
Vote 01: Office of the Premier	833	892	838	897	897	897	952	999	1 052
Vote 02: Provincial Legislature	169	170	-	190	190	190	906	208	219
Vote 03: Transport, Safety and Liaison	1 024	454	948	1 174	1 174	1 174	1 237	1 303	1 374
Vote 04: Education	12 210	13 079	23 431	14 118	14 118	17 827	18 306	18 734	18 642
Vote 05: Roads and Public Works	1 901	1 127	1 714	2 247	2 247	2 423	2 420	2 591	2 728
Vote 06: Economic Development	346	366	457	613	613	613	613	613	613
Vote 07: Sport, Arts and Culture	1 090	296	514	650	650	650	532	550	648
Vote 08: Provincial Treasury	1 585	2 040	1 500	1 620	1 620	1 620	1 850	1 850	1 950
Vote 09: Co-Operative Governance, Human Settlement and Traditional Affairs	1 241	1 100	2 398	2 517	2 726	2 726	3 420	3 890	3 185
Vote 10: Health	14 892	10 801	6 981	17 253	18 453	18 453	21 172	26 563	25 542
Vote 11: Social Development	2 242	1 326	2 145	2 617	-	2 617	2 867	3 011	3 180
Vote 12: Agriculture, Land Reform and Rural Development	938	1 257	1 570	1 660	1 660	1 660	1 760	1 848	1 959
Vote 13: Environment and Nature Conservation	806	1 287	1 364	1 364	1 364	1 480	1 510	1 521	1 540
Total provincial payments on training	39 277	34 195	43 860	46 920	45 712	52 330	57 545	63 681	62 632

Annexure: Overview of Provincial Revenue and Expenditure Estimates

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table A.1: Details of total provincial own receipts

R thousand	Audited Outcome			Revised estimate			Medium-term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16		
Tax receipts	131 443	143 833	151 923	155 219	158 164	160 068	179 642	187 659	200 175
Casino taxes	13 706	15 154	15 309	17 472	18 933	16 926	20 275	21 370	22 524
Horse racing taxes	616	723	1 008	1 030	1 400	1 239	1 307	1 378	1 452
Liquor licences	1 070	3 612	3 714	3 654	4 036	3 515	3 654	3 654	3 654
Motor vehicle licences	116 051	124 344	131 892	133 063	133 795	138 388	154 406	161 257	172 545
Sales of goods and services other than capital assets	54 586	61 933	69 368	81 327	81 260	70 098	87 839	94 334	101 209
Sale of goods and services produced by department (excluding capital assets)	54 357	61 813	69 368	81 267	81 200	70 098	87 839	94 334	101 209
Sales by market establishments	9 607	12 109	8 836	11 710	11 722	11 162	12 963	13 683	14 188
Administrative fees	15 546	20 111	22 667	23 009	22 411	22 783	25 931	29 050	32 639
Other sales	29 204	29 593	37 865	46 548	47 067	36 154	48 945	51 601	54 382
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	229	120	-	60	60	-	-	-	-
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 403	3 763	3 046	2 542	2 700	2 951	3 020	3 149	3 311
Interest, dividends and rent on land	21 453	9 780	28 236	808	815	30 589	870	918	967
Interest	21 446	9 762	28 175	807	814	30 556	869	917	966
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	7	18	61	1	1	33	1	1	1
Sales of capital assets	1 568	1 268	4 986	2 054	2 404	1 784	733	834	851
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	1 568	1 268	4 986	2 054	2 404	1 784	733	834	851
Transactions in financial assets and liabilities	3 887	5 089	12 350	3 557	5 326	5 011	7 334	7 604	7 906
Total provincial own receipts	216 340	225 666	269 908	245 507	250 669	270 501	279 438	294 499	314 420

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

Table A.2: Information relating to Conditional grants

Vote and Grant	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Revised transfer estimate	Revised expenditure estimate	Medium-term estimates		
R thousand	2010/11			2011/12			2012/13			2013/14			2014/15	2015/16	2016/17
Agriculture	95 704	95 704	91 028	275 084	275 084	142 982	500 723	500 723	248 625	737 754	737 754	556 814	457 555	479 379	520 136
Agricultural Disaster Management Grant	1 434	1 434	1 405	131 862	131 862	-	-	-	-	-	-	-	-	-	-
Comprehensive Agricultural Support Programme Grant	58 275	58 275	54 642	75 685	75 685	75 620	424 999	424 999	172 901	641 306	641 306	460 366	378 390	396 381	436 166
Ilma/Lelema Projects Grant	30 000	30 000	29 832	60 336	60 336	60 163	63 000	63 000	63 000	84 393	84 393	84 393	72 003	75 500	76 103
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 995	5 995	5 149	7 201	7 201	7 199	12 724	12 724	12 724	12 055	12 055	12 055	7 462	7 498	7 861
Education	149 622	149 622	256 517	476 586	476 586	475 195	519 732	519 732	460 971	548 087	548 087	548 087	547 568	572 399	224 512
Disabled Schools Grant	-	-	-	2 380	2 380	2 380	3 391	3 391	3 390	3 577	3 577	3 577	3 782	3 956	4 168
OSD for Therapist	-	-	-	-	-	-	-	-	-	-	-	-	7	2	-
Education Disaster Management Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Infrastructure Grant	5 282	5 282	112 911	290 426	290 426	290 426	307 609	307 609	248 939	365 548	365 548	365 548	346 445	369 545	-
HIW and Aids (Life Skills Education) Grant	4 084	4 084	4 084	4 357	4 357	4 357	4 754	4 754	4 754	5 205	5 205	5 205	5 059	5 281	5 281
National School Nutrition Programme Grant	84 536	84 536	84 536	105 116	105 116	105 116	113 136	113 136	113 136	119 859	119 859	119 859	134 645	142 724	150 289
Technical Secondary Schools Recapitalisation Grant	3 423	3 423	2 889	7 667	7 667	7 663	12 500	12 500	12 500	13 188	13 188	13 188	13 978	14 663	15 440
Further Education and Training College Sector Grant	52 297	52 297	52 297	66 640	66 640	65 247	78 342	78 342	78 342	40 710	40 710	40 710	43 652	46 758	49 336
Health	847 142	847 142	747 643	1 058 773	1 058 773	1 019 295	1 083 279	1 083 279	1 057 730	1 166 083	1 166 083	1 085 157	1 146 641	1 223 688	845 502
Comprehensive HIV and Aids Grant	186 306	186 306	183 483	215 736	215 736	214 059	248 372	248 372	229 884	321 150	321 150	302 468	342 789	377 191	424 201
Forensic Pathology Services Grant	22 868	22 868	20 131	26 977	26 977	26 317	641	641	641	-	-	-	-	-	-
Health Professions Training and Development Grant	61 802	61 802	62 430	65 510	65 510	61 191	72 902	72 902	72 902	72 356	72 356	72 356	76 697	80 225	84 477
Health Facility Revitalization	350 218	350 218	261 939	514 602	514 602	492 925	477 518	477 518	475 600	483 531	483 531	422 865	421 428	446 407	-
Health Infrastructure Grant	-	-	-	107 710	107 710	104 930	101 038	101 038	101 038	90 154	90 154	90 154	103 029	108 320	-
Hospital Revitalization Grant	350 218	350 218	261 939	406 892	406 892	387 995	364 980	364 980	364 981	388 274	388 274	331 274	318 399	338 087	-
Nursing Colleges and Schools Grant	-	-	-	-	-	-	11 500	11 500	9 581	5 103	5 103	1 437	-	-	-
National Tertiary Services Grant	225 948	225 948	219 650	235 948	235 948	224 803	277 766	277 766	277 926	282 618	282 618	282 618	298 727	312 468	329 029
National Health Insurance Grant	-	-	-	-	-	-	6 080	6 080	9 771	6 428	6 428	4 850	7 000	7 397	7 789
Human Settlements	447 260	447 260	447 260	332 989	332 989	332 983	339 551	339 551	339 540	395 724	395 724	395 724	374 832	376 006	416 487
Housing Disaster Relief Grant	-	-	-	10 350	10 350	10 350	16 949	16 949	16 949	-	-	-	-	-	-
Human Settlements Development Grant	447 260	447 260	447 260	322 639	322 639	322 633	322 602	322 602	322 591	395 724	395 724	395 724	374 832	376 006	416 487
Roads and Public Works	39 600	39 600	37 061	414 114	414 114	425 848	538 717	538 717	418 064	514 411	514 411	659 484	640 472	686 761	723 159
Devolution of Property Rate Funds Grant to Provinces	39 600	39 600	37 061	44 135	44 135	58 036	55 011	55 011	55 011	2 646	2 646	-	-	-	-
Expanded Public Works Programme Incentive Grant for Provinces	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Roads Maintenance Grant	-	-	-	308 760	308 760	308 759	483 706	483 706	363 053	511 765	511 765	659 484	640 472	686 761	723 159
Transport Disaster Management Grant	-	-	-	61 219	61 219	59 054	-	-	-	-	-	-	-	-	-
Sport, Art and Culture	101 241	101 241	82 751	100 174	100 174	100 641	103 035	103 035	91 063	117 495	117 495	114 938	149 846	188 512	201 133
Community Library Services Grant	77 314	77 314	61 364	73 802	73 802	73 905	73 026	73 026	61 933	86 689	86 689	84 855	118 396	155 121	164 421
Mass Participation and Sport Development Grant	23 927	23 927	21 387	26 372	26 372	26 736	30 009	30 009	29 130	30 806	30 806	30 081	31 450	33 391	36 709
Transport	30 370	30 370	28 858	37 565	37 565	36 259	40 561	40 561	39 255	41 390	41 390	41 390	43 937	45 937	48 350
Gautrain Rapid Rail Link Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead Control Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Transport Operations Grant	30 370	30 370	28 858	37 565	37 565	36 259	40 561	40 561	39 255	41 390	41 390	41 390	43 937	45 937	48 350
Sani Pass Roads Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Social Development	-	-	-	-	-	-	-	-	-	-	-	-	2 000	22 000	18 000
Substance Abuse Treatment Grant	-	-	-	-	-	-	-	-	-	-	-	-	2 000	22 000	18 000
Expanded Public Works Programme Incentive Grant for Provinces	2 799	2 799	1 307	6 883	6 883	1 937	7 915	7 915	5 664	16 972	16 972	15 288	21 560	-	-
Education	-	-	-	-	-	-	-	-	-	3 932	3 932	3 932	3 237	-	-
Economic Development And Tourism	-	-	-	-	-	-	-	-	-	1 550	1 550	560	4 102	-	-
Environment and Nature Conservation	-	-	-	-	-	-	-	-	-	550	550	-	2 102	-	-
Agriculture	-	-	-	-	-	-	4 000	4 000	2 405	2 145	2 145	2 321	2 102	-	-
COGISTA	-	-	-	-	-	-	-	-	-	-	-	-	2 836	-	-
Health	1 632	1 632	1 307	2 073	2 073	1 861	1 000	1 000	670	3 330	3 330	3 000	2 115	-	-
Roads and Public Works	1 167	1 167	-	4 810	4 810	76	1 915	1 915	1 915	4 915	4 915	4 915	2 964	-	-
Sport, Arts and Culture	-	-	-	-	-	-	1 000	1 000	674	550	550	560	2 102	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 038	1 038	910	11 817	11 817	10 980	3 073	3 073	3 066	21 792	21 792	21 651	20 806	-	-
Social Development	1 038	1 038	910	5 658	5 658	5 651	1 506	1 506	1 506	5 745	5 745	5 745	6 161	-	-
Education	-	-	-	6 159	6 159	5 329	1 000	1 000	1 000	5 845	5 845	5 845	2 025	-	-
Sport, Arts and Culture	-	-	-	-	-	-	567	567	500	490	490	349	2 580	-	-
Health	-	-	-	-	-	-	-	-	-	9 516	9 516	9 516	7 337	-	-
Transport, Safety And Liaison	-	-	-	-	-	-	-	-	-	196	196	196	2 703	-	-
National Treasury	15 444	15 444	11 110	4 334	4 334	4 334	-	-	-	-	-	-	-	-	-
Infrastructure Grant to Provinces	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	15 444	15 444	11 110	4 334	4 334	4 334	-	-	-	-	-	-	-	-	-
Total conditional grants	1 730 220	1 730 220	1 704 445	2 718 319	2 718 319	2 550 448	3 136 586	3 136 586	2 663 918	3 559 708	3 559 708	3 438 531	3 405 517	3 595 212	2 997 279

OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium term estimate		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	7 013 265	7 993 258	8 402 620	9 975 783	9 802 306	10 018 269	10 744 105	11 382 175	11 984 770
Compensation of employees	5 043 978	5 551 766	6 030 171	6 645 373	6 795 412	6 802 609	7 332 714	7 751 820	8 150 307
Salaries and wages	4 407 630	4 876 951	5 315 164	5 729 076	5 872 663	5 940 845	6 414 864	6 781 497	7 127 020
Social contributions	636 348	674 815	715 007	916 297	922 749	861 764	917 850	970 323	1 023 287
Goods and services	1 967 543	2 438 060	2 370 881	3 329 162	3 005 850	3 213 181	3 410 367	3 629 250	3 833 301
Administrative fees	22 591	10 693	12 321	17 538	19 339	13 502	23 460	25 477	26 789
Advertising	37 930	38 049	27 853	26 122	28 707	30 130	26 926	31 359	32 743
Assets less than the capitalisation threshold	17 960	21 420	34 527	60 101	61 153	39 297	41 878	53 221	64 413
Audit cost: External	38 557	48 047	53 313	51 149	52 475	54 962	52 048	54 829	56 444
Bursaries: Employees	5 361	7 563	6 158	5 785	5 867	6 612	9 912	9 453	9 980
Catering: Departmental activities	31 122	43 679	40 311	32 368	34 598	42 599	34 157	36 632	38 439
Communication (G&S)	50 266	56 200	58 108	65 628	60 596	55 067	49 564	55 720	59 401
Computer services	47 319	48 989	55 504	70 878	72 909	71 048	83 827	96 904	96 768
Consultants and professional services: Business and advisory services	55 984	79 216	129 353	80 334	131 397	105 110	50 797	47 932	41 497
Consultants and professional services: Infrastructure and planning	16 014	33 531	26 049	36 920	44 518	36 037	64 624	84 497	73 422
Consultants and professional services: Laboratory services	106 139	102 679	91 505	87 478	95 368	105 979	150 288	167 196	177 455
Consultants and professional services: Scientific and technological services	-	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	4 388	8 601	12 242	8 411	18 046	26 710	10 630	11 104	11 701
Contractors	90 712	111 804	310 785	1 104 137	718 903	802 391	1 076 016	1 120 863	1 190 872
Agency and support / outsourced services	113 746	134 610	143 951	236 073	180 081	169 093	252 091	260 518	278 302
Entertainment	1 847	1 633	2 110	1 691	2 041	1 690	1 246	1 335	1 455
Fleet services (including government motor transport)	22 869	6 796	43 239	87 886	67 997	97 101	66 732	70 113	74 715
Housing	835	5	-	15	15	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	3 493	3 656	2 730	5 500	5 781	6 087
Inventory: Farming supplies	-	-	-	14	64	3 351	54	56	59
Inventory: Food and food supplies	61 871	47 739	21 903	15 828	16 271	22 252	22 620	29 422	37 519
Inventory: Fuel, oil and gas	95 436	64 661	46 871	32 052	29 915	23 837	44 010	46 792	56 024
Inventory: Learner and teacher support material	33 718	70 883	95 194	81 363	76 292	94 137	68 454	74 059	75 677
Inventory: Materials and supplies	6 065	41 431	10 585	9 924	16 396	18 997	12 451	14 812	16 015
Inventory: Medical supplies	210 279	19 171	82 412	111 576	111 561	128 575	142 255	134 466	155 596
Inventory: Medicine	665	197 020	191 800	219 863	193 583	191 761	207 829	241 975	282 547
Medas inventory interface	-	56 416	-	12	13	-	85	620	653
Inventory: Other supplies	1 670	1 006	1 532	103	2 294	1 057	240	335	1 078
Consumable supplies	49 079	50 467	63 323	61 171	85 464	99 888	67 998	65 859	73 975
Consumable: Stationery, printing and office supplies	79 578	54 577	43 618	51 763	52 101	44 666	53 863	53 703	55 258
Operating leases	205 262	199 102	175 074	174 755	248 934	260 374	155 970	178 972	180 036
Property payments	183 915	333 870	214 686	245 188	220 475	247 273	259 342	265 721	249 025
Transport provided: Departmental activity	104 689	208 135	30 477	10 562	9 372	14 512	16 239	17 001	21 684
Travel and subsistence	179 637	223 895	250 266	233 949	242 773	271 018	239 499	245 556	260 674
Training and development	43 967	53 914	47 129	58 394	56 239	74 336	63 629	70 322	68 163
Operating payments	22 940	26 303	22 838	19 349	19 369	32 868	28 931	27 431	29 676
Venues and facilities	19 078	30 869	23 704	26 292	25 896	22 669	26 156	28 358	28 302
Rental and hiring	6 054	5 086	2 140	997	1 172	1 530	1 046	856	860
Interest and rent on land	1 745	3 431	1 568	1 248	1 044	2 479	1 024	1 104	1 162
Interest	1 016	2 593	682	315	111	1 763	44	76	80
Rent on land	729	838	886	933	933	716	980	1 028	1 082
Transfers and subsidies to:	1 323 262	1 348 846	1 411 733	1 341 675	1 661 147	1 438 440	1 345 215	1 454 549	1 574 658
Provinces and municipalities	119 128	119 349	97 888	82 225	123 306	127 502	93 221	116 101	127 087
Provinces	2 238	5	-	7 313	7 313	7 281	7 686	8 063	8 490
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	2 238	5	-	7 313	7 313	7 281	7 686	8 063	8 490
Municipalities	116 890	119 344	97 888	74 912	115 993	120 221	85 535	108 038	118 597
Municipal bank accounts	98 046	108 915	86 166	66 511	107 538	107 610	76 693	98 563	108 777
Municipal agencies and funds	18 844	10 429	11 722	8 401	8 455	12 611	8 842	9 475	9 820
Departmental agencies and accounts	51 108	145 468	104 876	77 469	78 846	81 140	75 934	84 794	89 420
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	51 108	145 468	104 876	77 469	78 846	81 140	75 934	84 794	89 420
Universities and technikons	2 242	1 326	2 634	3 018	3 018	2 997	2 109	2 218	2 340
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	89 293	77 287	84 102	84 822	97 127	122 327	93 417	92 051	94 038
Public corporations	2 612	4 822	9 509	3 890	12 095	37 295	7 892	4 001	4 213
Subsidies on products and production (pc)	205	-	2 423	200	200	2 008	200	200	211
Other transfers to public corporations	2 407	4 822	7 086	3 690	11 895	35 287	7 692	3 801	4 002
Private enterprises	86 681	72 465	74 993	80 932	85 032	85 032	85 525	88 050	89 825
Subsidies on products and production (pe)	28 866	36 259	40 285	41 390	41 390	41 390	43 937	45 937	45 480
Other transfers to private enterprises	57 815	36 206	34 308	39 542	43 642	43 642	41 588	42 113	44 345
Non-profit institutions	523 148	579 606	648 084	647 773	637 186	633 727	646 276	726 676	786 007
Households	538 343	425 810	474 149	446 368	721 664	470 747	434 258	432 709	475 766
Social benefits	14 299	10 532	9 962	9 480	13 760	15 086	11 555	12 029	12 589
Other transfers to households	524 044	415 278	464 187	436 888	707 904	455 661	422 703	420 680	463 177
Payments for capital assets	939 512	1 505 355	1 418 331	930 855	1 433 660	1 517 827	1 033 052	1 060 216	307 940
Buildings and other fixed structures	795 204	1 263 830	1 220 285	799 768	1 207 070	1 307 041	843 814	884 948	160 891
Buildings	501 006	862 015	332 782	314 148	480 485	736 011	350 051	373 118	40 176
Other fixed structures	294 198	401 815	887 503	485 620	726 585	571 030	493 763	511 830	120 715
Machinery and equipment	137 911	238 737	192 813	130 358	221 535	203 456	188 454	174 545	146 287
Transport equipment	27 513	73 519	41 727	14 347	60 598	50 917	34 935	34 678	34 057
Other machinery and equipment	110 398	165 218	151 086	116 011	160 937	152 539	153 519	139 867	112 230
Heritage assets	-	39	-	-	-	15	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	1 173	743	943	-	698	814	-	-	-
Land and sub-soil assets	38	-	-	-	-	-	-	-	-
Software and other intangible assets	5 186	2 006	4 290	729	4 357	6 501	784	723	762
Payments for financial assets	21 602	1 452	3 304	-	-	-	328	343	354
Total economic classification	9 297 641	10 848 911	11 235 987	12 248 313	12 897 113	12 974 536	13 122 701	13 897 282	13 867 721

Table A.3 (a): Details of provincial payments and estimates: "Goods and Services level 4 items"

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
Current payments									
Goods and services									
<i>of which</i>									
Administrative fees	22 591	10 693	12 321	17 538	19 339	13 502	23 460	25 477	26 789
Advertising	37 930	38 049	27 853	26 122	28 707	30 130	26 926	31 359	32 743
Assets less than the capitalisation threshold	17 960	21 420	34 527	60 101	61 153	39 297	41 878	53 221	64 413
Audit cost: External	38 557	48 047	53 313	51 149	52 475	54 982	52 048	54 829	56 444
Bursaries: Employees	5 361	7 563	6 158	5 785	5 867	6 612	9 912	9 453	9 980
Catering: Departmental activities	31 122	43 679	40 311	32 368	34 598	42 599	34 157	36 632	38 439
Communication (G&S)	50 266	56 200	58 108	65 628	60 596	55 067	49 564	55 720	59 401
Computer services	47 319	48 989	55 504	70 878	72 909	71 048	83 827	96 904	96 768
Consultants and professional services: Business and advisory services	55 984	79 216	129 353	80 334	131 397	105 110	50 797	47 932	41 497
Consultants and professional services: Infrastructure and planning	16 014	33 531	26 049	36 920	44 518	36 037	64 624	84 497	73 422
Consultants and professional services: Laboratory services	106 139	102 679	91 505	87 478	95 368	105 979	150 288	167 196	177 455
Consultants and professional services: Scientific and technological services	-	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	4 388	8 601	12 242	8 411	18 046	26 710	10 630	11 104	11 701
Contractors	90 712	111 804	310 785	1 104 137	718 903	802 391	1 076 016	1 120 863	1 190 872
Agency and support / outsourced services	113 746	134 610	143 951	236 073	180 081	169 093	252 091	260 518	278 302
Entertainment	1 847	1 633	2 110	1 691	2 041	1 690	1 246	1 335	1 455
Fleet services (including government motor transport)	22 869	6 796	43 239	87 886	67 997	97 101	66 732	70 113	74 715
Housing	835	5	-	15	15	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	3 493	3 656	2 730	5 500	5 781	6 087
Inventory: Farming supplies	-	-	-	14	64	3 351	54	56	59
Inventory: Food and food supplies	61 871	47 739	21 903	15 828	16 271	22 252	22 620	29 422	37 519
Inventory: Fuel, oil and gas	95 436	64 661	46 871	32 052	29 915	23 837	44 010	46 792	56 024
Inventory: Learner and teacher support material	33 718	70 883	95 194	81 363	76 292	94 137	68 454	74 059	75 677
Inventory: Materials and supplies	6 065	41 431	10 585	9 924	16 396	18 997	12 451	14 812	16 015
Inventory: Medical supplies	210 279	19 171	82 412	111 576	111 561	128 575	142 255	134 466	155 596
Inventory: Medicine	665	197 020	191 800	219 863	193 583	191 761	207 829	241 975	282 547
Medsas inventory interface	-	56 416	-	12	13	-	85	620	653
Inventory: Other supplies	1 670	1 006	1 532	103	2 294	1 057	240	335	1 078
Consumable supplies	49 079	50 467	63 323	61 171	85 464	99 888	67 998	65 859	73 975
Consumable: Stationery, printing and office supplies	79 578	54 577	43 618	51 763	52 101	44 666	53 863	53 703	55 258
Operating leases	205 262	199 102	175 074	174 755	248 934	260 374	155 970	178 972	180 036
Property payments	183 915	333 870	214 686	245 188	220 475	247 273	259 342	265 721	249 025
Transport provided: Departmental activity	104 689	208 135	30 477	10 562	9 372	14 512	16 239	17 001	21 684
Travel and subsistence	179 637	223 895	250 266	233 949	242 773	271 018	239 499	245 556	260 674
Training and development	43 967	53 914	47 129	58 394	56 239	74 338	63 629	70 322	68 163
Operating payments	22 940	26 303	22 838	19 349	19 369	32 868	28 931	27 431	29 676
Venues and facilities	19 078	30 869	23 704	26 292	25 896	22 669	26 156	28 358	28 302
Rental and hiring	6 054	5 086	2 140	997	1 172	1 530	1 046	856	860
Total economic classification	1 967 543	2 438 060	2 370 881	3 329 162	3 005 850	3 213 181	3 410 367	3 629 250	3 833 301

Table A.4(a): Payments summary by functional area

Function	Category	Department	Programme
General Public Services	Legislative	Office of the Premier	Administration Institutional Development Policy and Governance
		Provincial Legislature	Administration Facilities for Members and Political Parties Parliamentary Services
		Provincial Treasury	Administration Sustainable Resource Assets and Liabilities Management Financial Governance Provincial Internal Audit
		Public Works	Administration Public Works Infrastructure Transport Infrastructure Community Based Programme
		Cooperative Governance and Traditional Affairs	Administration Co-Operative Governance Traditional Affairs
Public Order and Safety	Police Services	Transport, Safety and Liaison	Administration Civilian Oversight Crime Prevention and Community Police Relations
Economic Affairs	General Economic Affairs	Economic Development and Tourism	Administration Integrated Economic Development Services Trade And Sector Development Business Regulation And Governance Economic Planning Tourism
	Agriculture	Agriculture	Administration Sustainable Resource Management Farmer Support and Development Veterinary Services Research and Technology Development Services Agricultural Economics Services Rural Development Coordination
	Transport	Transport	Transport Operations Transport Regulations
Environmental Protection	Environmental protection	Environment and Nature Conservation	Administration Environmental Policy, Planning and Coordination Compliance and Enforcement Environmental Quality Management Biodiversity Management Environmental Empowerment Services
Housing and Community Amenities	Housing Development	Human Settlements	Human Settlements
Health	Health	Health	Administration District Health Services Emergency Medical Services Provincial Hospital Services Central Hospital Services Health Sciences Health Care Support Services Health Facilities Management
Recreation, Culture and Religion	Recreational and sporting services Cultural services	Sport, Arts and Culture	Administration Cultural Affairs Library and Archives Services Sport and Recreation
Education	Pre-primary & Primary Phases Secondary Education Phase Subsidised Services to Education Education not defined by level	Education	Administration Public Ordinary School Education Independent Schools Education Public Special Schools Education Further Education and Training Adult Basic Education and Training Early Childhood Development Infrastructure Development Auxiliary and Associated Services
Social protection	Social Security Services	Social Development	Administration Social Welfare Services Children and Families Restorative Services Development and Research

Table A.4(b): Details of provincial payments and estimates by policy area

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
General Public Services									
Executive and Legislature	268 213	278 600	288 612	306 613	329 459	329 459	329 877	337 692	356 154
Office of the Premier	152 408	152 079	151 787	167 828	187 172	187 172	173 394	180 881	190 795
Provincial Legislature	115 805	126 521	136 825	138 785	142 287	142 287	156 483	156 811	165 359
Financial and Fiscal Services	115 849	117 844	151 597	195 660	224 444	200 857	202 393	205 464	211 667
Provincial Treasury	115 849	117 844	151 597	195 660	224 444	200 857	202 393	205 464	211 667
General Services (Public Works, Local Government)	720 018	1 055 695	1 016 536	1 146 915	1 113 779	1 261 498	1 152 494	1 217 276	1 282 639
Total: General Public Services	1 104 080	1 452 139	1 456 745	1 649 188	1 667 682	1 791 814	1 684 764	1 760 432	1 850 461
Public Order and Safety									
Police Services	45 910	50 449	63 759	64 592	67 698	68 552	78 206	79 037	85 605
Transport, Safety and Liaison	45 910	50 449	63 759	64 592	67 698	68 552	78 206	79 037	85 605
Total: Public Order and Safety	45 910	50 449	63 759	64 592	67 698	68 552	78 206	79 037	85 605
Economic Affairs									
General Economic Affairs	214 205	206 956	223 288	223 028	267 134	267 346	235 601	241 011	254 132
Dept of Economic Affairs	214 205	206 956	223 288	223 028	267 134	267 346	235 601	241 011	254 132
Agriculture	311 362	369 638	436 462	690 023	992 754	806 952	715 690	746 084	801 480
Dept of Agriculture Affairs	311 362	369 638	436 462	690 023	992 754	806 952	715 690	746 084	801 480
Transport	196 429	206 836	218 304	234 663	247 032	246 178	250 696	260 969	272 847
Department of Transport	196 429	206 836	218 304	234 663	247 032	246 178	250 696	260 969	272 847
Total: Economic Affairs	721 996	783 430	878 054	1 147 714	1 506 920	1 320 476	1 201 987	1 248 064	1 328 459
Environmental Protection									
Environmental Protection	90 390	98 543	102 739	104 683	117 644	117 644	126 300	129 682	136 791
Total: Environmental Protection	90 390	98 543	102 739	104 683	117 644	117 644	126 300	129 682	136 791
Housing and Community Amenities									
Housing Development	697 702	589 541	581 941	652 413	655 501	665 861	648 810	658 805	714 835
Department of Housing	697 702	589 541	581 941	652 413	655 501	665 861	648 810	658 805	714 835
Total: Housing and Community Amenities	697 702	589 541	581 941	652 413	655 501	665 861	648 810	658 805	714 835
Health									
Outpatient services	1 257 085	1 309 037	1 280 366	1 475 023	1 492 674	1 468 775	1 594 139	1 681 859	1 804 522
R and D Health (CS)	570 636	665 668	729 538	681 448	689 386	790 027	681 448	722 665	767 346
Hospital Services	712 417	1 031 037	1 155 594	1 185 519	1 294 928	1 298 409	1 420 706	1 537 412	1 146 966
Total: Health	2 540 138	3 005 742	3 165 498	3 341 990	3 476 988	3 557 211	3 696 293	3 941 936	3 718 834
Recreation, Culture and Religion									
Sporting and Recreational Affairs	200 458	268 610	221 908	235 837	269 214	270 320	290 801	330 677	351 104
Sport, Arts and Culture	200 458	268 610	221 908	235 837	269 214	270 320	290 801	330 677	351 104
Total: Recreation, Culture and Religion	200 458	268 610	221 908	235 837	269 214	270 320	290 801	330 677	351 104
Education									
Pre-primary & Primary Phases	1 718 612	1 919 436	2 053 306	2 105 517	2 115 285	2 017 884	2 246 221	2 328 776	2 378 029
Secondary Education Phase	841 695	934 367	961 027	1 097 483	1 100 483	1 213 871	1 214 072	1 359 588	1 451 942
Subsidised Services to Education	539 666	642 953	662 379	701 905	750 223	795 108	802 956	881 014	622 421
Education not defined by level	318 761	581 014	556 909	543 168	561 968	548 288	481 083	473 412	490 157
Total: Education	3 418 734	4 077 770	4 233 621	4 448 073	4 527 959	4 575 151	4 744 333	5 042 790	4 942 549
Social protection									
Social Security Services									
Social Services and Population Development	478 233	522 687	531 722	603 823	607 507	607 507	651 206	705 859	739 084
Total: Social protection	478 233	522 687	531 722	603 823	607 507	607 507	651 206	705 859	739 084
Total provincial payments and estimates by policy area	9 297 641	10 848 911	11 235 987	12 248 313	12 897 113	12 974 536	13 122 700	13 897 282	13 867 721

Table A.5: Transfer to local government by category and Municipality

Entity	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
Type of transfer / grant name									
Category A	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Category B	73 436	102 335	81 230	79 225	82 351	82 351	90 434	112 362	123 399
Joe Morolong	297	467	1 034	437	917	917	970	1 651	1 917
Ga-Segonyana	1 266	1 203	1 542	1 526	1 526	1 526	1 814	2 701	3 075
Gammagara	1 894	590	590	604	604	604	1 099	1 797	2 074
Richtersveld	387	1 297	746	693	693	693	796	1 353	1 571
Nama Khoi	712	3 536	1 960	1 666	1 666	1 666	1 644	2 418	2 743
Kamiesberg	440	1 532	512	780	780	780	971	1 443	1 640
Hantam	592	1 401	758	973	973	973	1 348	2 021	2 300
Karoo Hoogland	486	1 333	642	939	939	939	1 131	1 898	2 200
Khai-Ma	463	868	412	727	727	727	920	1 451	1 666
Ubuntu	4 467	2 403	1 091	1 297	1 297	1 297	1 393	2 016	2 280
Umsobomvu	544	731	941	945	945	945	1 228	1 933	2 218
Emthanjeni	2 798	2 694	3 256	2 510	2 510	2 510	2 646	3 267	3 576
Kareeberg	721	1 673	1 329	1 433	1 433	1 433	1 524	2 153	2 425
Renosterberg	774	2 123	736	648	648	648	836	1 344	1 547
Thembelihle	465	1 336	501	894	894	894	1 073	1 633	1 863
Siyathemba	1 245	1 655	1 403	1 796	1 796	1 796	1 992	2 667	2 972
Siyancuma	896	696	518	1 166	1 166	1 166	1 362	1 965	2 221
Mier	181	946	1 195	396	396	396	489	831	965
!Kai! Garib	2 043	3 151	3 273	2 222	2 222	2 222	2 517	3 212	3 541
//Khara Hais	3 657	3 218	5 405	3 538	3 538	3 538	3 984	5 034	5 540
!Kheis	222	979	357	360	360	360	608	1 015	1 176
Tsantsabane	1 625	2 387	2 144	1 859	1 859	1 859	2 378	3 200	3 566
Kgatelopele	1 625	1 155	986	979	979	979	1 126	1 556	1 743
Sol Plaatje	39 234	56 275	48 014	48 119	50 765	50 765	53 726	59 211	63 297
Dikgatlong	817	950	-	839	839	839	792	1 352	1 568
Magareng	4 459	6 558	540	481	481	481	682	1 154	1 340
Phokwane	1 126	1 178	1 345	1 398	1 398	1 398	1 385	2 086	2 375
Category C	50 898	33 246	25 184	3 000	38 063	38 063	3 225	3 500	3 500
John Taolo Gaetsewe District Municipality	5 391	10 223	2 609	600	1 614	1 614	636	700	700
Namakwa District Municipality	10 338	7 323	1 191	600	10 600	10 600	635	700	700
Pixley Ka Seme District Municipality	13 308	11 813	5 990	600	10 600	10 600	638	700	700
Siyanda District Municipality	13 650	1 855	4 374	600	7 173	7 173	640	700	700
Frances Baard District Municipality	8 211	2 032	11 020	600	8 076	8 076	676	700	700
Total transfers to local government	124 334	135 581	106 414	82 225	120 414	120 414	93 659	115 862	126 899