

NORTH WEST PROVINCIAL GOVERNMENT



ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2014/15

**for the
year ending 31st March 2015**

PR54/2014

ISBN: 978-0-621-42528-4

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Presented to the Provincial Legislature on the 11th March 2014

FOREWORD

The tabling of the North West Provincial Government Budget Estimates for 2014/15 MTEF marks the last expenditure proposals of the current administration and coincide with the celebration of the twenty years of the existence of the democratically elected government of South Africa.

This budget continues to build on the commitment of government for sustained and improved service delivery to the citizens through the implementation of credible budget. It once again provides an opportunity to make further advance towards achieving higher levels and shared economic growth development which will translate in to more jobs, address challenges of poverty in order to improve the standard living of the citizens of North West Province.

The 2014/15 Budget Proposals were made possible through the process of reprioritization; trade-offs made between programmes/projects/priorities and hard choices relating to the sequencing of in order priorities and programmes to be funded. Furthermore, Province has over the past financials years initiated stringent fiscal disciplines by placing a cap on those provincial departments delivering less and thus compromise the intended service delivery mandates.

This was made possible by implementing the strategy of “Use it or lose it” as approved by EXCO in 2013/14. The enforcement of strategy gained momentum in the 2013/2014 financial year and resulted in the re-allocation of unspent funds based on expenditure trends to other key government priorities in the 2013/14 first and second adjustment budgets.

Government continue to sustain funding of critical programmes in particular infrastructure and the 2014/2015 MTEF budgets further provides sustain funding of key programmes such as capital expenditures focusing on construction of schools, clinics and community health centers, treatment centers/shelters, integrated housing deliveries, improvement of sporting grounds/ stadiums and offices for traditional leaders. These allocations further underscore the Province commitment to accelerate economic growth by resuscitating the Mafikeng International Airport and rail infrastructure in the Province.

Consistent with the National Development Plan, the Province has ensure that resources are availed through this budget to fund key government programmes and priorities including but not limited to primary health care, expanding no fee school policy, infrastructure delivery, provision of comprehensive social welfare services and initiatives that promotes economic development and growth.

Importantly, the 2014/2015 Budget Proposals respond to the Provincial priorities and programmes and with this allocation, government is committed to the improvement of the quality of life of the citizens.



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List of Abbreviations

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

HPRR	Health Professionals Remuneration Review
HRP	Hospital Revitalization Programme
ICS	Improvement in Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Plan
IDPs	Integrated Development Plans
IES	Income and Expenditure Survey
IGP	Infrastructure Grant to Provinces
IMF	International Monetary Fund
ISDP	Integrated Service Delivery Plan
IT	Information Technology
IYM	In-Year Monitoring
LFS	Labour Force Survey
LG	Local Government
M & E	Monitoring and Evaluation
MDR-TB	Multi-Drug Resistant TB
MEC	Member of Executive Council
MEDS	Micro-Economic Development Strategy
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSP	Master Systems Plan
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
NGO	Non-governmental Organisation
NQF	National Qualification Framework
NSDF	National Spatial Development Framework
NSF	National Skills Fund
NTSG	National Tertiary Services Grant
NYS	National Youth Service
NWPG	North West Provincial Government
OSD	Occupational Specific Dispensation
PES	Provincial Equitable Share
PFMA	Public Finance Management Act

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

1. Socio-economic Outlook

1.1 Introduction

The North West Province is one of the contributors to South Africa's economic growth, with mining and community services being the largest contributors to provincial economic growth and employment. Though there is positive economic growth at both national and provincial level; challenges of high unemployment, poverty and inequality remain unacceptably high. In an effort to address these challenges, government has put in place a long term plan, the National Development Plan (NDP) Vision 2030 with the primary objective of attaining high economic growth, create jobs and address inequality. The government has also put in place the New Growth Path (NGP) which identifies a number of growth areas that needs to be explored in a short to medium term to unlock the growth potential of the country. It is on these bases that the North West Province needs to develop its Provincial Development Plan (PDP) which should guide developmental initiatives and resource planning and allocation within the province.

1.1.1 Demography

The North West provincial population share to the total population of the country was 7.2 per cent in 1996; 6.7 per cent in 2001 and further decreased to 6.3 per cent in 2007. The recently published census data by Stats-SA indicated a slight increase in population share of the province from 6.3 per cent in 2007 to 6.8 per cent in 2011. In terms of population size, North West province is the third smallest province in South Africa with a population size of 3 509 953 (3.5 million). Of the 3 509 953, women constitute a total population of 1 779 903 (50.7 per cent) and 1 730 049 (49.3 per cent) being men.

In the North West Province, there is a positive relationship between poverty and unemployment for both males and females. The relationship between unemployed females and poverty is slightly stronger than that of males; this could be as a result of a large number of unemployed females in the province which in turn result in more females being trapped in poverty compared to males.

Education remains critical for economic growth and development. Educational level in North West Province shows an improvement in general access to education. The number of people with some secondary schooling have increased since 1996 (214 927 men, 236 025 women) to 2011 (353 654 men, 344 254 women). Though the improvement, more men still access education compared to women. The same situation is reflected at Grade 12/Std 10, there are more men with grade 12/Std 10 compared to women.

Most importantly in this category is that there has been a high increase from 2007 to 2011 for both men and women with a total of 277 259 to 535 104 respectively. Interestingly, only in 1996 did men have a higher level of education compared to women, from 2001 to 2011; women had acquired higher levels of education compared to men. This can be traced back to the levels of enrolment at tertiary institution as shown in the North West University Annual report (2011)¹. According to figure 6, there were more female students (66 per cent) registered compared to male students (34 per cent) during the 2001 academic year.

¹North West University Annual report (2011)

Good health is a crucial component of well-being. However, improvements in health status may be justified on purely economic grounds. It seems to be a logical assumption that good health raises human capital levels and therefore the economic productivity of individuals and a country's economic growth rate. Better health increases workforce productivity by reducing incapacity, debility, and the number of days lost to sick leave, and increase the opportunities an individual has of obtaining better paid work, (Guillem L. and Berta R.)².

North West medical aid membership increased from 13.7 per cent in 2009 to 14.7 per cent in 2010; and saw a decline to 13.6 per cent in 2011. This decrease remains a concern for government. The health services required by the public are likely to increase which then requires more resources from government into the health sector in order to meet the public needs. Access to health remains the key challenge in the province more especially for the unemployed and rural communities.

1.1.2 Labour and Employment

Generally, employment has decreased from 785³ in the 3rd Quarter to 746 in 4th quarter of 2012. Reduction in employment has been recorded in private household and agricultural sector which may be justified by the fact that its employment is seasonal. Trade industry has also recorded a decline from 151 to 142 in 3rd to 4th quarter of 2012 respectively. Utilities also recorded a decrease in employment in the same period from 8 to 5 in Q4:2012 compared to Q3:2012, the biggest decrease in the unemployment rate was observed in Limpopo (2.6 percentage points), North West (1.7 percentage points) and Mpumalanga (1.7 percentage points). The biggest increase in unemployment rate was recorded in KwaZulu-Natal (1.2 percentage points) and Free State (1.2 percentage points).

For both official and expanded labour force participation rate, North West remains in the same region as Mpumalanga and Free State following Western Cape and Gauteng Province. Various factors are likely to have contributed in the North West fairly high participation (55.3 per cent) which is above 50 per cent margin. There could be new entrants to the labour market such as increased employment of women or it could be that some of the economically active population are coming into the province. Noting the recent increase in population size of the province and decreasing unemployment rate, major reason for North West high participation rate could be amongst other, more women and young graduates entering the labour market.

1.1.3 Economic Structure and Performance

The North West Province's average annual regional gross domestic product (GDPR) for 2011 stands at 2.6 per cent. The North West Province's contribution to national GDP increased from 6.1 per cent to 6.7 per cent in 2010. According to Invest North West (2011), the contribution increased slightly to 5.4 per cent in 2011. Data shows that NWP is the third smallest contributor after Northern Cape and Free State Province.

The North West economy, with the exception of the mines, is characterised by small, medium and micro enterprises (SMMEs). The economy is characterized by primary industries and strategies for growth are aimed at adding value with the objective to move the economy from a resourced-based to a knowledge-based economy. Given the sensitivity of the province's economy to world mineral prices, the North West plans to reduce its dependence on the mining sector, with an increased diversification to mineral beneficiation, agri-business, tourism and non-mining related manufacturing industries, evident in the recent year-on-year growth in this sector, Invest North West (2011).

²Guillem L. and Berta R., "Health and Economic Growth: Findings and Policy Implications"

³ Numbers in Thousands

1.1.4 Infrastructure

The percentage of households with access to piped water inside the dwelling or yard has increased in all the nine provinces. Gauteng had the highest percentage at 89.4 per cent, followed by Free State, Western Cape and Northern Cape at 89.1 per cent, 88.4 per cent and 78.0 per cent respectively. Eastern Cape, KwaZulu-Natal, North West, Mpumalanga and Limpopo were at 49.4 per cent, 63.6 per cent, 69.3 per cent, 71.7 per cent and 52.3 per cent respectively, which is lower than the recorded national average of 73.4 per cent.

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

Data shows that the percentage of households that have a cell phone in working order increased from 32.3 per cent in 2001 to 73.3 per cent in 2007 and 88.9 per cent in 2011 nationally. Gauteng had the highest percentage in 2001 at 44.4 per cent and it has highly increased to 93.8 per cent in 2011. 24.5 per cent of households in Northern Cape owned cell phones in 2001, however, it increased to 81.1 per cent in 2011, which is the lowest in the country. North West has also increased significantly from 27.7 in 2001 to 86.8 in 2011.

Proportion of households with access to internet increased drastically in 2011 compared to 2007. In 2007, Western Cape (16.4 per cent) had the highest access to the internet, followed by Gauteng (46.6 per cent). Limpopo and Eastern Cape recorded the lowest access at 1.8 per cent and 3.2 per cent respectively. In 2011, Gauteng had the highest access to internet at 46.4 per cent followed by Western Cape at 43.7 per cent. Limpopo and Eastern Cape has the lowest proportion of the household with access to internet at 24.3 per cent and 24.1 per cent respectively. North West's household access to internet also increased from 2.9 per cent in 2007 to 26.3 per cent in 2011.

North West province also increased from 65.2 per cent to 75.3 per cent access to electricity for cooking; 57.9 per cent to 61.8 per cent for heating and a minor increase from 83.0 per cent to 84.0 per cent for lighting. This indicates a reduction in *energy poverty* which is defined as the *"inability to cook with modern cooking fuels and the lack of a bare minimum of electric lighting to read or for other household and productive activities at sunset"*, UNDP (2005)⁴.

1.1.5 Conclusion

North West Province is still faced with various socio-economic challenges which definitely require proper resource allocation and investment to overcome. Inclusive of the increasing unemployment and stubborn poverty trends, women and youth remains the most vulnerable members of the society. This requires decisive policy pronouncements and action from government to prioritize addressing challenges such the one stated above including gender inequality, income inequality, unemployment, poverty, etc.

⁴ UNDP (2005), Energizing Poverty Reduction. A Review of Energy-Poverty Nexus in Poverty Reduction Strategy papers.

1.1.6 Key Facts about NW Province

The North West Province accounts for 8.7 per cent of South Africa's land mass and has a population of 3.5 million people, 6.8 per cent of South Africa's entire population (Census 2011). Table 1 below presents comprehensive information on demographics of the North West Province (NWP).

Table 1: North West Province Fast Facts

North West Province Fast Facts	
Area (KM ²):	104 882KM ²
Share of total SA area:	8.7%
Capital:	Mahikeng
Population:	3 509 953
Share of SA Population:	6.8%
Population Density:	33.5 people per square kilometres
Gross Domestic Product -2005 constant prices(2011):	102 994 079 000
Contribution to National GDP (2011):	5%
GDP per Capita -2005 constant prices (2011):	31266
Economically Active Population:	1 054 060
Economically Active Population %:	32%
Literacy Rate:	70.5%
Rainfall:	400 – 700mm
Source: Census 2011	
Stats SA	

1.1.7 Background of the North West Province

The North West provincial population share to the total population of the country was 7.2 per cent in 1996; 6.7 per cent in 2001 and further decreased to 6.3 per cent in 2007. The recently published census data by Stats-SA indicated a slight increase in population share of the province from 6.3per cent in 2007 to 6.8 per cent in 2011. In terms of population size, North West province is the third smallest province in South Africa with a population size of 3 509 953 (3.5 million). Of the 3 509 953, women constitute a total population of 1 779 903 (50.7 per cent) and 1 730 049 (49.3 per cent) being men.

This has implications on equitable share to the province. The population size of the province remains one of the key variables the National Treasury takes into account when allocating budget.

The increase in population size is as a result of various factors such as migration, increased birth rate and increased life expectancy. According to StatsSA (2011)⁵, North West province had 31 721 net-migration which is as a result of 199 088 in-migration and 167 367 out-migration between 2007 and 2011. Clearly, more people have moved to the North West province in the past five years which to a certain extent has contributed to population increase. 20 per cent of the people who migrated to North West were born outside South Africa, and about 13 per cent and 22 per cent in the Free State and Gauteng respectively. The North West province has 4 district municipalities and 19 local municipalities, listed below.

Table 2: District municipalities in the North West Province – 2010 – 2012

Name	Seat	Area (km ²)	Pop. - 2010	Pop.(2011)	Pop.(2012)	Pop. Density (per km ²)
Bojanala Platinum District Municipality (BOJ)	Rustenburg	18,333	1,467,253	1,503,627	1,537,640	82.2
Dr Kenneth Kaunda District Municipality (DrKK)	Klerksdorp	14,642	683,929	694,795	705,322	47.5
Dr Ruth Segomotsi Mompati District Municipality (DrRUTH)	Vryburg	44,017	456,954	460,970	465,148	10.5
Ngaka Modiri Molema District Municipality (NMMD)	Mafikeng	27,889	828,715	837,278	846,448	30.2

Source: StatsSA

According to the 2007 community survey 90.8 per cent of the province's population was Black (mostly Tswana-speaking), 7.2 per cent as White (mostly Afrikaans speaking), 1.6 per cent as Coloured and 0.4 per cent as Asian. The 2007 community survey showed the province had a population of just over 3 million. The province's white population is very unevenly distributed. In the southern and eastern municipalities, the white percentage is in double figures such as the Tlokwe and Matlosana where the white percentages were 27 per cent and 12 per cent respectively.

The province has the lowest number of people aged 35 years and older (5.9per cent) who have received higher education. Since 1994 the number of people receiving higher education has increased.

The mainstay of the economy of North West Province is mining, which generates around 33 per cent of the province's gross domestic product and provides jobs for a quarter of its workforce. The chief minerals are gold, mined at Orkney and Klerksdorp; uranium, mined at Klerksdorp; platinum, mined at Rustenburg and Brits; and diamonds, mined at Lichtenburg, Christiana, and Bloemhof. The northern and western parts of the province have many sheep farms and cattle and game ranches. The eastern and southern parts are crop-growing regions that produce maize (corn), sunflowers, tobacco, cotton, and citrus fruits. The entertainment and casino complex at Sun City and Lost City also contributes to the provincial economy.

⁵Statistics South Africa (2011), Census in Brief.

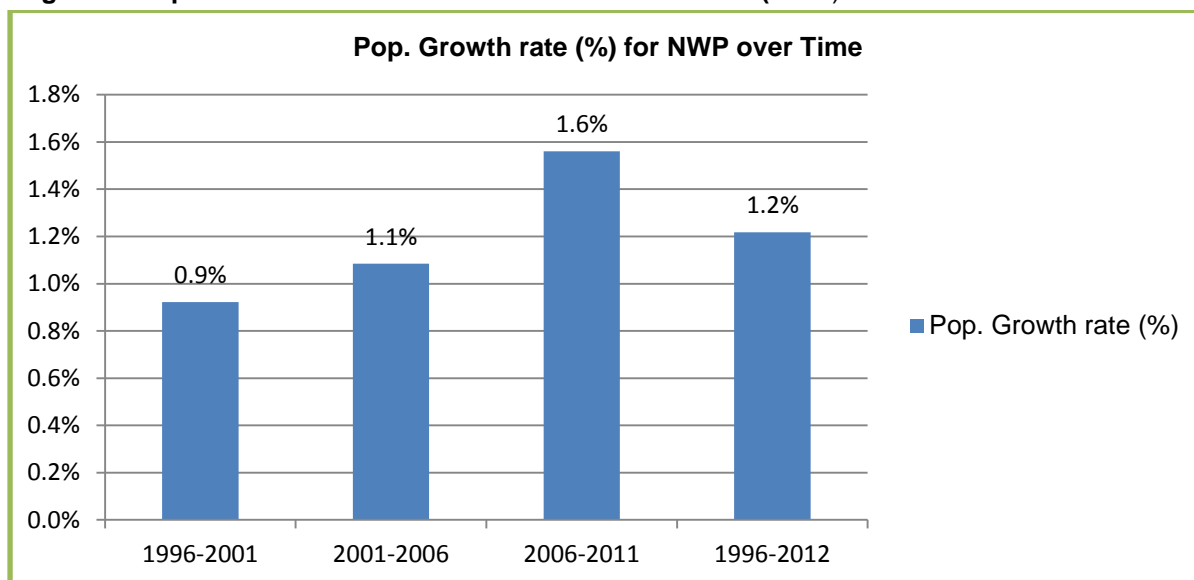
1.2 Demography

1.2.1 Population growth

The North West province showed a moderate population growth from 1996 to 2007 and a rapid growth from 2007 to 2012 as shown in figure 1 below. Between 2006 and 2011 the North West Province has experienced the highest population growth rate of 1.6 per cent compared to the period between 1996 and 2001 and 2001 to 2006, with population growth rate of 0.9 per cent and 1.1 per cent, respectively. From 1996 to 2012, the NWP has recorded the population growth rate of 1.2 per cent.

The significance of population growth can be noticed in an increase of budgetary allocation from National Treasury to the Provincial government (increase in equitable share). On the other flip side of the coin, increased population growth means demand increase in public goods and services such as housing, health facilities, schools, construction of new roads, provision of water, sanitation, electricity, etc. With the current backlog in infrastructure and service delivery, this is likely to increase more pressure on government as a provider of basic services.

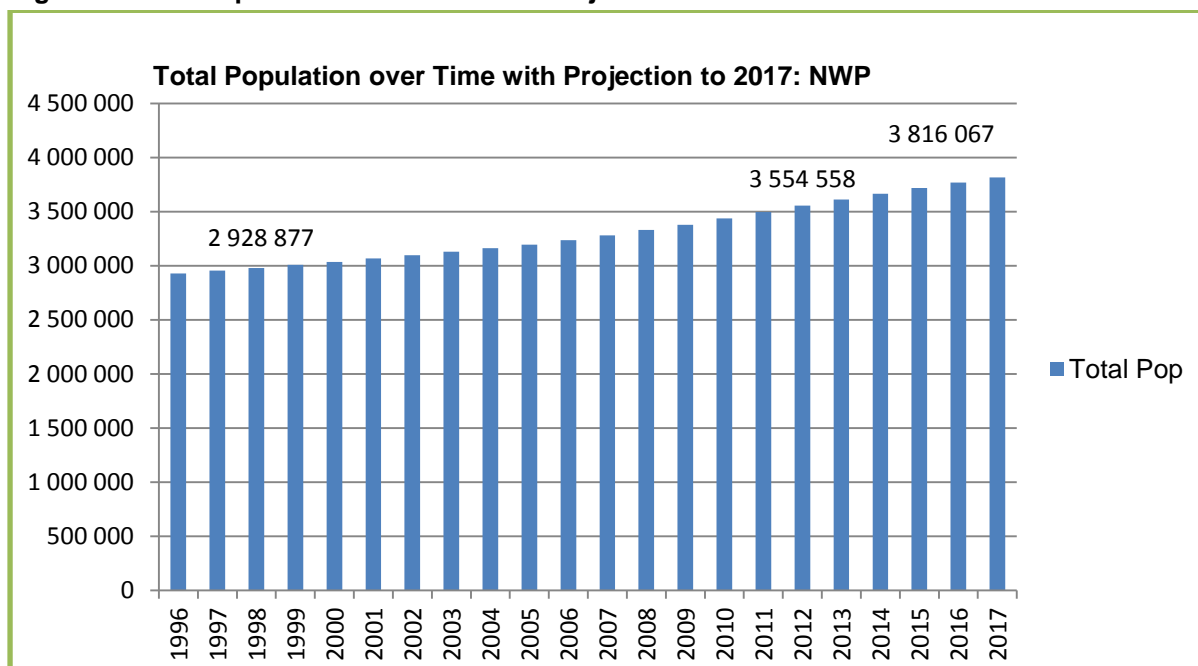
Figure 1: Population Growth Rate for North West Province (NWP)



Source: data sourced from IHS Global Insight (2013)

Figure 2 below indicates that the NWP population grown from 2,928,877 (million) in 1996 to 3,554,558 (million) in 2012. The population is expected to further increase to 3,816,067 by 2017.

Figure 2: Total Population Over Time with Projection to 2017 in NWP



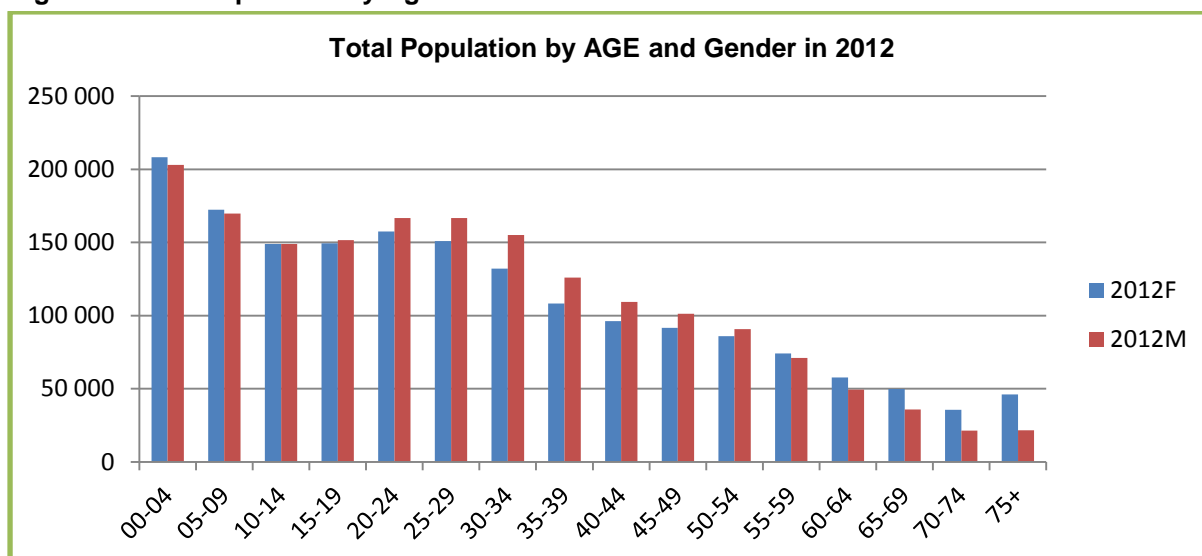
Source: data sourced from IHS Global Insight (2013)

1.2.2 Age and Gender

To ensure effective budget planning and effective resource allocation, government must understand population dynamics more importantly age and gender. According to figure 2 below, North West Province has more children aged between 0 – 9 years, followed by young people aged between 20 – 29 years then 10 – 19 years of age. The North West population is mainly composed of young people with population size decreasing gradually from the age of 35 to 85+ years. The resource implication of the North West population structure in terms of age and gender is that large investment is required in early-childhood development and education in general. Post-matriculation training remains essential for young people aged between 20 – 34 years who form the largest population cohort of the province. According to Vincent Castel, et al (2010)⁶ their study concluded that education is positively correlated with wage employment, and that wage employment is associated with higher levels of household income.

Figure 3 below shows the North West population by age and gender. There are more female children aged 0 to 9 years in the province. Which mainly indicate the need for effective and efficient use of resources in the health and education sector and other related sector to ensure proper growth and development of children. This is followed by a large number of young people in the province which is largely dominated by males. The changes again from the age 55 to 75+, which shows that there are more females than males in that age cohort.

⁶Vincent Castel, Martha Phiri and Marco Stampini; (2010), Education and Employment in Malawi, working paper No. 110.

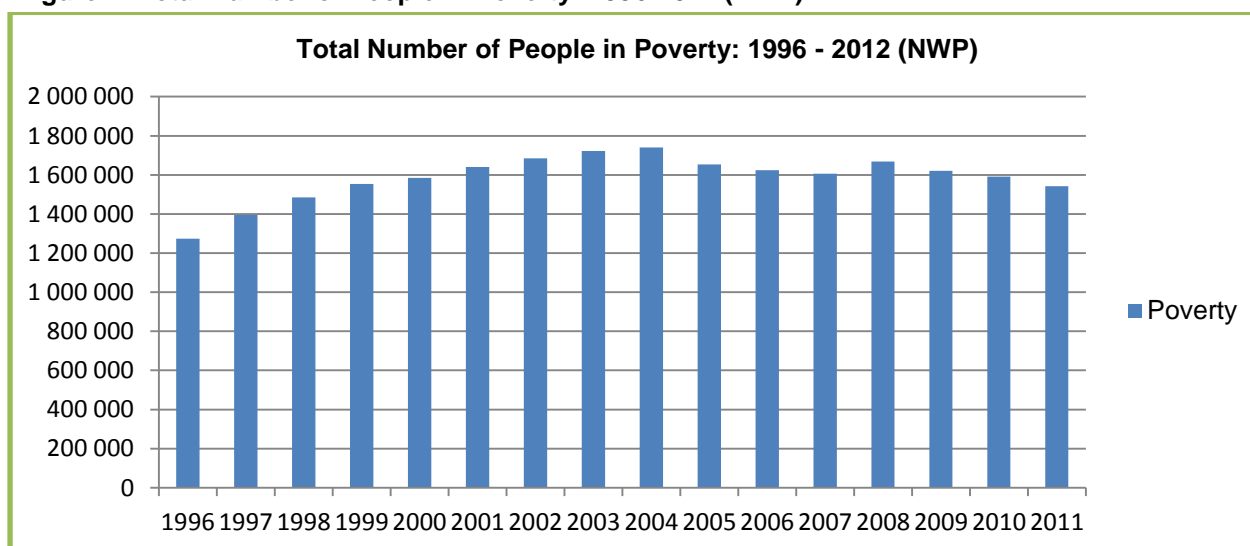
Figure 3: Total Population by Age and Gender in 2012

Source: data sourced from IHS Global Insight (2013)

1.3 Socio-economic indicators

1.3.1 Poverty and Household Income

Figure 4 below shows a total number of people leaving in poverty in the North West Province. Poverty levels increased from 1996 to 2004. From 2005 to 2012, number of people in poverty started decreasing. In general, the number of people in poverty from 1996 to 2012 has increased from just above 1,200, 000 to above 1,400,000 respectively.

Figure 4: Total Number of People in Poverty: 1996-2012 (NWP)

Source: data sourced from IHS Global Insight (2013)

1.3.2 Poverty estimates by sex

According to the LCS 2008/2009 results, *females had a higher poverty headcount (27.3 per cent) than males (25.2 per cent)* during the survey period when using the food poverty line. Table 3 indicates that the poverty headcount for females was 2.1 per cent higher than that of males.

A similar pattern is observed when using the upper-bound poverty line, yielding 54.1 per cent for females and 50.4 per cent for males. The percentage difference for male and for females using the upper-bound poverty line was higher at 3.7 per cent.

Table 3: Poverty indicators by sex

Sex	Food poverty line (R305)			Lower-bound poverty line (R416)			Upper-bound poverty line (R577)		
	P ₀	P ₁	P ₂	P ₀	P ₁	P ₂	P ₀	P ₁	P ₂
Male	25,2	8,1	3,6	37,3	14,3	7,2	50,4	22,7	12,3
Female	27,3	8,8	3,9	40,4	15,5	7,8	54,1	24,5	13,8
RSA	26,3	8,5	3,8	38,9	15,0	7,5	52,3	23,6	13,3

Source: StatsSA, LCS 2008/09

The poverty gap for males was also lower than that of females, indicating that males living below the poverty line were closer to the poverty line compared to females living below the same poverty line. The severity of poverty estimates further highlighted this pattern in gender poverty.

Table 4: Percentage share of poverty by sex

Sex	Food poverty line (R305) (%)	Lower-bound poverty line (R416) (%)	Upper-bound poverty line (R577) (%)	RSA (%)
Male	46,2	46,2	46,4	48,2
Female	53,8	53,8	53,6	51,8
RSA	100,0	100,0	100,0	100,0

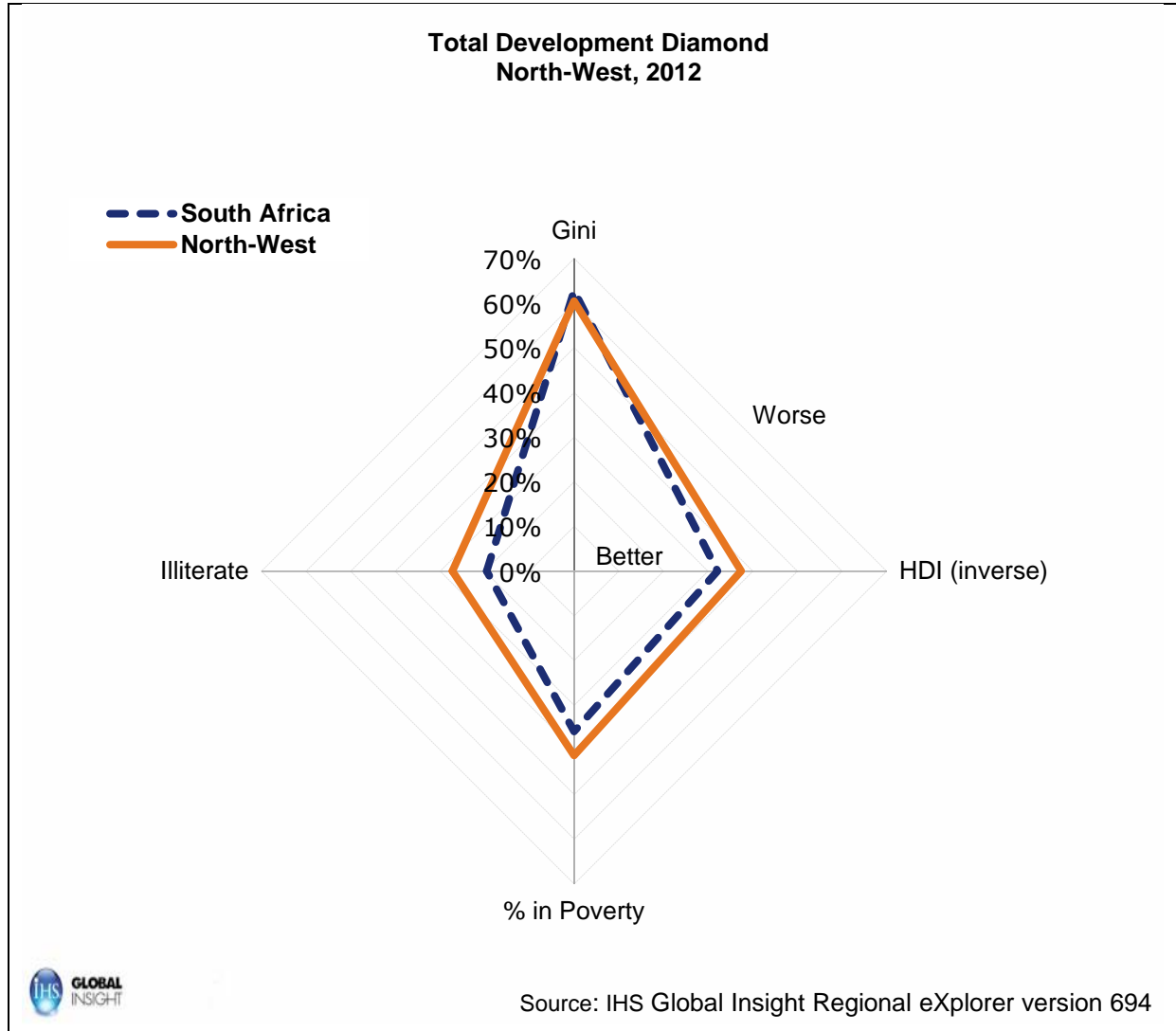
Source: StatsSA, LCS 2008/09

In general, the total number of females in the country is estimated to be greater than that of males by roughly 3.6 per cent. However, looking at the poverty shares using the upper-bound poverty line, the proportion of the female population living below the poverty line exceeded that of males by 7.2 per cent during the period September 2008 to August 2009; while the proportion of the female population living below the food poverty line exceeded that of males by 7.6 per cent.

Based on the information presented above in table 4, it becomes more important for government to ensure a gender sensitive approach towards planning and resource allocation. North West has more women and fewer men therefore initiatives emanating from provincial growth strategy/policy must reflect and cater for that. Failure to ensure gender mainstreaming in economic planning is likely to deepen poverty and feminize poverty.

Figure 5 below indicates the state of development in the North West Province compared to South Africa in general. NWP has comparable levels of inequality to the national average while it performs worse areas of illiteracy, poverty and human development index.

Figure 5: Development Diamond for NWP (2012)



Box 1: Simple Regression Analysis

Simple Regression Analysis between Poverty and Unemployment

Scenario 1: Relationship Between Poverty and Unemployed Males in the North West Province

Dependent Variable: LPOVERTY

Method: Least Squares

Sample: 1996 2011

Included observations: 16

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LU_MALE	0.306474	0.033948	9.027648	0.0000
C	10.70969	0.392675	27.27366	0.0000
R-squared	0.853401	Mean dependent var	14.25389	
Adjusted R-squared	0.842929	S.D. dependent var	0.080680	
S.E. of regression	0.031975	Akaike info criterion	-3.931238	

Sum squared resid	0.014314	Schwarz criterion	-3.834664
Log likelihood	33.44990	Hannan-Quinn criter.	-3.926292
F-statistic	81.49844	Durbin-Watson stat	1.101810
Prob(F-statistic)	0.000000		

Scenario 2: Relationship between Poverty and Unemployed Females in the North West Province

Dependent Variable: LPOVERTY

Method: Least Squares

Sample: 1996 2011

Included observations: 16

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LU_FEMALE	0.316119	0.032228	9.808839	0.0000
C	10.34389	0.398690	25.94472	0.0000
R-squared	0.872974	Mean dependent var	14.25389	
Adjusted R-squared	0.863900	S.D. dependent var	0.080680	
S.E. of regression	0.029764	Akaike info criterion	-4.074546	
Sum squared resid	0.012403	Schwarz criterion	-3.977972	
Log likelihood	34.59637	Hannan-Quinn criter.	-4.069600	
F-statistic	96.21333	Durbin-Watson stat	1.391115	
Prob(F-statistic)	0.000000			

Interpretation

The results for both scenarios show that there is a positive relationship between poverty and unemployment in the North West province for both males and females. The relationship between unemployed females and poverty is slightly stronger than that of males, this could be as a result of a large number of unemployed females in the province which in turn result in more females being trapped in poverty compared to males.

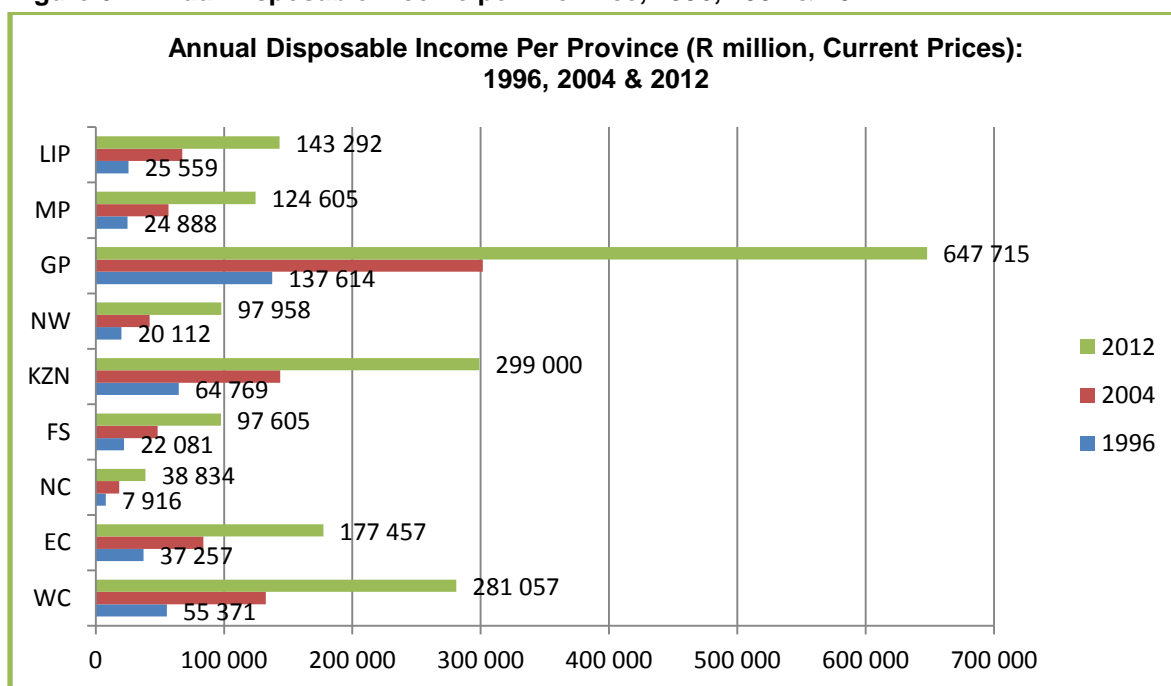
1.3.3 Household Income

Household income is dependent on various sources of income such as employment, business, social grants and return on investments. Employment forms the largest source of household income, which therefore means an increase in unemployment will result in high decrease in household income. Figure 6 indicates that, generally, between 2001 and 2012 there has been a significant increase in household disposable income in the North West Province. The North West household disposable income remains the third smallest in South Africa, with its average household disposable income increasing from 20,112 in 1999 to 97,958 in 2012.

While figure 6 below shows Gauteng and Western Cape as two provinces with the highest disposable Income, Limpopo and Free State are the only two provinces performing below North West Province, which places North West in third place from the bottom. This clearly indicates the growth potential that exists in "rural or underdeveloped" provinces such as North West, Limpopo and Free State. Proper planning, implementation and effective and efficient use of resources can result in further increase in household income in the future.

Household income is one of the most important determinants of welfare in most countries. The ability to meet basic needs, such as for adequate food, clothing, shelter and basic amenities, is largely determined by the level of income earned by the household, Meintjies (2001)⁷. Poverty is often defined as the lack of resources to meet these needs. On these bases, a growth in household income is likely to result in reduction in poverty and improved living standard. According to figure 4a below, North West province falls amongst provinces that have achieved higher disposable income between 2001 and 2012.

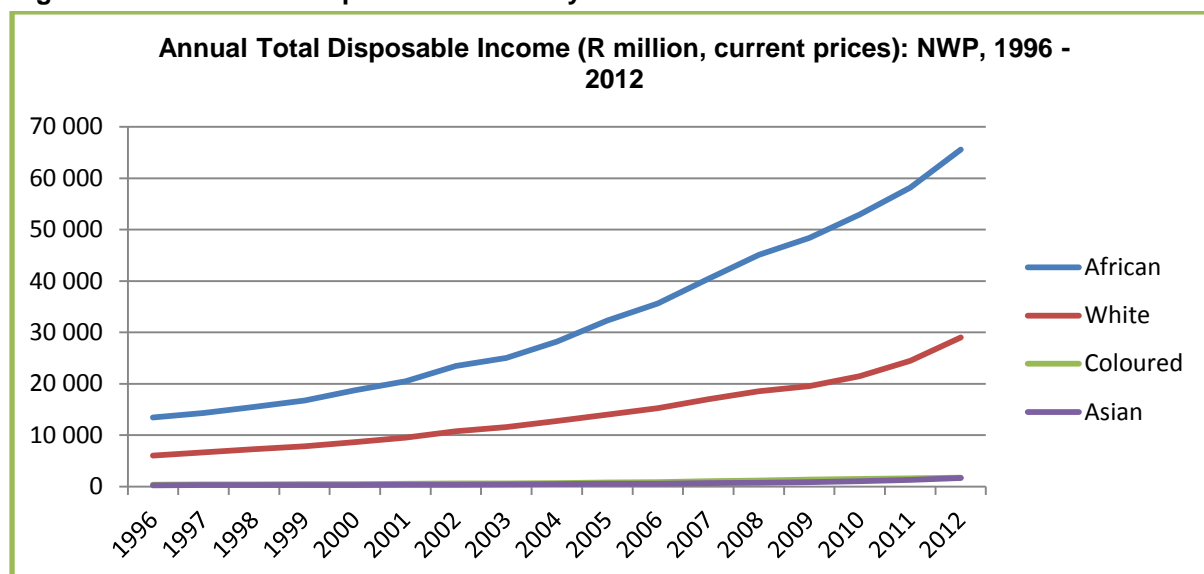
Figure 6: Annual Disposable Income per Province, 1996, 2004 & 2012



Source: data sourced from IHS Global Insight (2013)

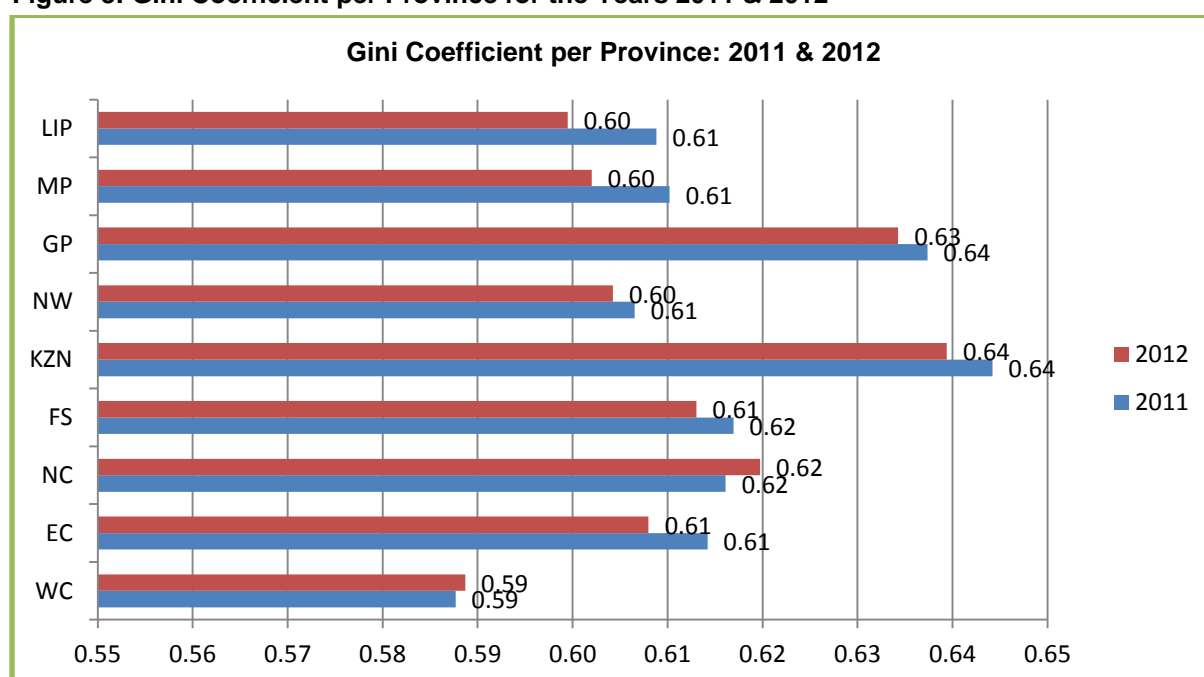
The figure 7 below clearly shows a trend of disposable income over the period 1996 to 2012. While income for coloured and Asian group remained steady, that of African group shows a sharp increase from just above 10 000 to just above 60,000. White group also shows fair progression in disposable income over the period 1996 to 2012 in the North West Province.

⁷Meintjies C.J., (2001), Guidelines to Regional Socio-economic Analysis, DBSA.

Figure 7: Annual Total Disposable Income by Race in NWP: 1996 - 2012

Source: data sourced from IHS Global Insight (2013)

According to figure 8 below, the provincial Gini Coefficients appear to be rather similar across all provinces, ranging from 0.59 to 0.64. Thus, all provinces are burdened with highly unequal societies. Additionally, figure 8 indicates that levels of inequality within provinces are generally lower than that of national average of 0.64.

Figure 8: Gini Coefficient per Province for the Years 2011 & 2012

Source: data sourced from IHS Global Insight (2013)

1.3.4 Education

Various international and regional bodies have set the tone and targets for development, and education has at all times remained at the centre of developmental goals setting. Goal 2 of Millennium Development Goals is to achieve universal primary education.

To achieve universal primary education, children everywhere must complete a full cycle of primary schooling. Current statistics show that the world is far from meeting that goal. Only 87 out of 100 children in the developing regions complete primary education, UN MDG Report (2011)⁸. The Dakar Framework for Action (DFA) also sets educational goals for African Countries to ensure equal access to education, Box 1 below shows goals set by the DFA.

South Africa and North West Province in particular are no exception to these instruments and status quo. These can be used to measure the progress on the implementation of universal access to education.

Box 2: Education for All Goals⁹.

Education For All

The six EFA goals are:

Goal 1:

Expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged Children.

Goal 2:

Ensuring that by 2015, all children and, more particularly girls, children in difficult circumstances and those belonging to ethnic minorities, will have access to free and compulsory primary education of good quality.

Goal 3:

Ensuring that the learning needs of all young people and adults are met via equitable access to appropriate learning and Life Skills Programmes.

Goal 4:

Achieving a 50% improvement in levels of adult literacy by 2015, especially with regard to women, as well as equitable access to basic and continuing education for all adults.

Goal 5:

Eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with special focus on ensuring female learners' full and equal access to, and achievement in basic education of good quality

Goal 6:

Improving all aspects of the quality of education, and ensuring excellence for all, so that recognised and measurable learning outcomes could be achieved by all, especially in literacy, numeracy and essential life skills.

Source: Department of Education Report, DFA, 2000.

⁸ United Nations, The Millennium Development Goals Report (2011).

⁹ Dakar Framework for Action; (2000).

Table 5 below shows the level of education for those aged 20 years and older by sex in the North West province.

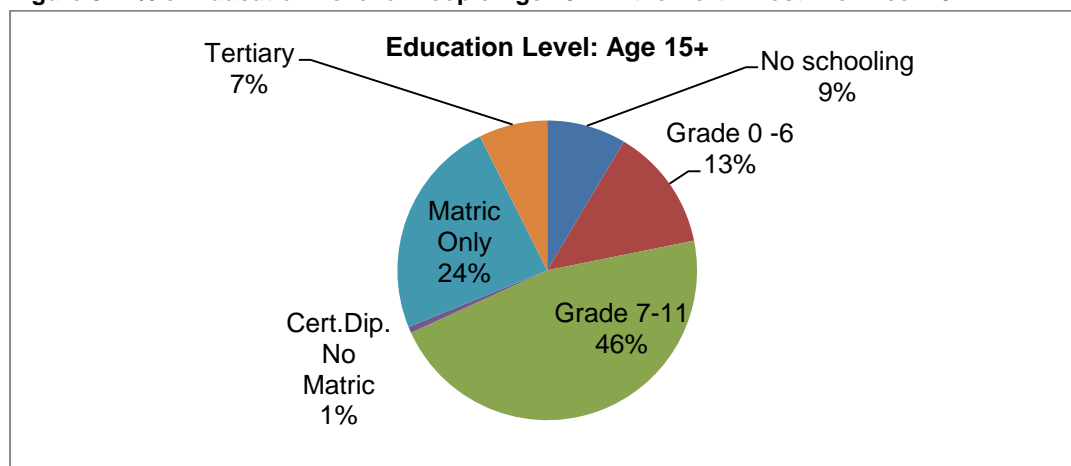
Table 5: Level of Education for those aged 20 years and older by sex: Census 1996, 2001, 2011 and Community Survey (North West)

North West	1996			2001			2007			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
No schooling	165 381	170 911	336 292	174 175	185 203	359 378	115 857	130 240	246 097	121 818	126 698	248 516
Some primary	156 734	146 102	302 836	179 332	170 622	349 954	184 824	186 976	371 800	177 372	176 381	353 753
Completed primary	54 382	59 348	113 730	58 228	58 881	117 109	56 560	55 461	112 021	55 681	55 758	111 439
Some secondary	214 927	236 025	450 952	247 410	249 959	497 369	305 489	321 781	627 270	353 654	344 254	697 908
Grade 12 / Std 10	89 602	97 737	187 339	158 699	156 548	315 247	137 377	139 882	277 259	269 949	265 155	535 104
Higher	37 997	34 466	72 463	46 751	52 304	99 055	51 908	56 227	108 135	73 660	83 171	156 831
Total	719 023	744 589	1 463 612	864 595	873 517	1 738 112	852 015	890 567	1 742 582	1 052 135	1 051 418	2 103 552

Source: StatsSA (2011)¹⁰

Figure 9A and 9B show the education level of people aged 15 and more in the North West Province. According to figure 9A, there are more people (46 per cent) people with grade 7 – 11, followed by 24 per cent of people with matric only and people with grade 0 – 6 standing at 13 per cent. Of a great concern is the number of people with no schooling standing at 9 per cent and the lower rate of people with tertiary qualification recording only 7 per cent and finally only 1 per cent of people in the province having diploma certificate with no matric. The level of education is not satisfactory and more investment is generally required in the province to change the status quo.

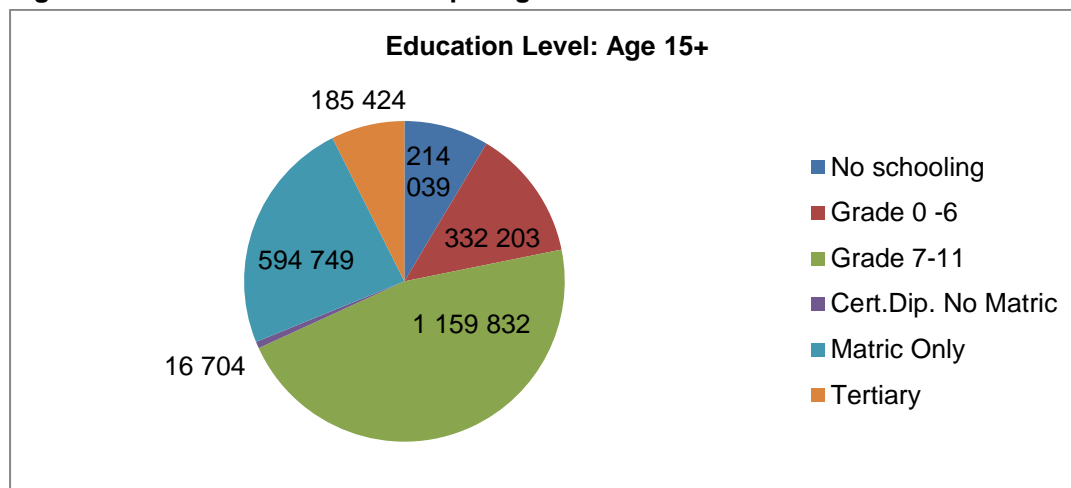
Figure 9A: % of Education Level of People Age 15 + in the North West Province: 2012



Source: data sourced from IHS Global Insight (2013)

¹⁰ Statistics South Africa, Census 2011

Figure 9B: Education Level of People Age 15 + in the North West Province: 2012

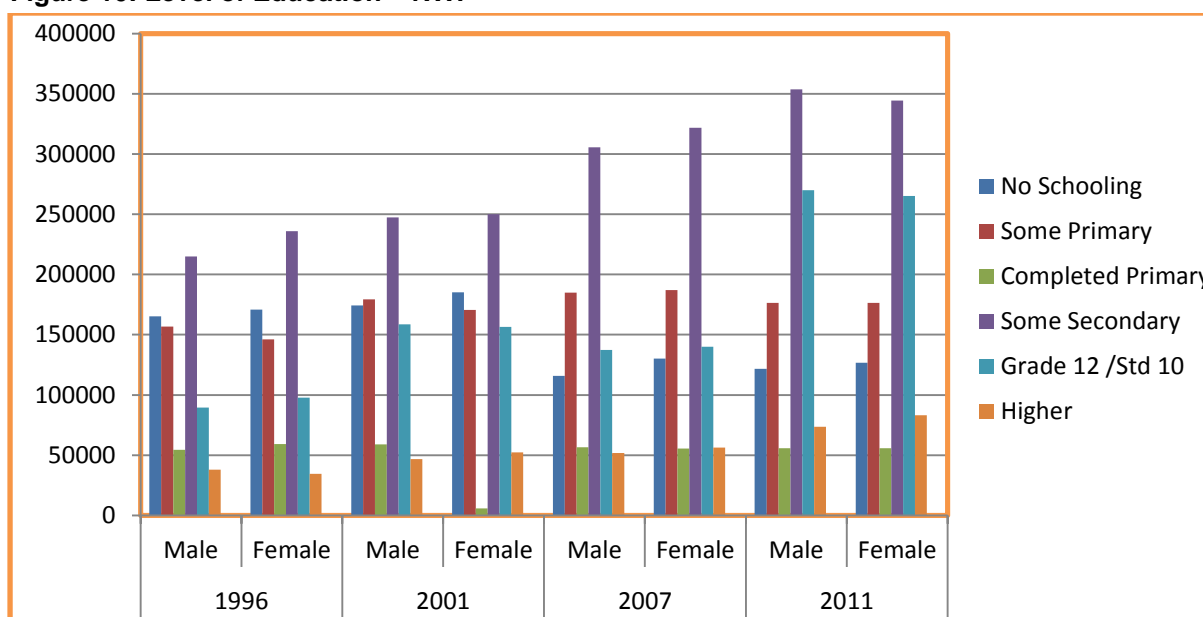


Source: data sourced from IHS Global Insight (2013)

According to Mitra (2011)¹¹ resources invested in improving the quality of public education should be viewed as more than current expenditures for schools and the students attending them. Such expenditures are long-term investments in strong families, a strong labour force, and strong communities. Education serves a vitally important role in granting access to the information and skills needed by individuals to participate in higher education, to sustain productive employment, and to make effective choices about crime, health care, and civic participation.

The investment amount in education must yield equivalent return on investment. This simply means the higher the investment in education, the higher the quality output. Total allocation for the department has increased from R10.9 billion in the 2012/13 Adjusted Appropriation, to R11.3 billion in 2013/14 which is an increase of R352 million, NWP - EPR&E (2013/14)¹².

Figure 10: Level of Education – NWP



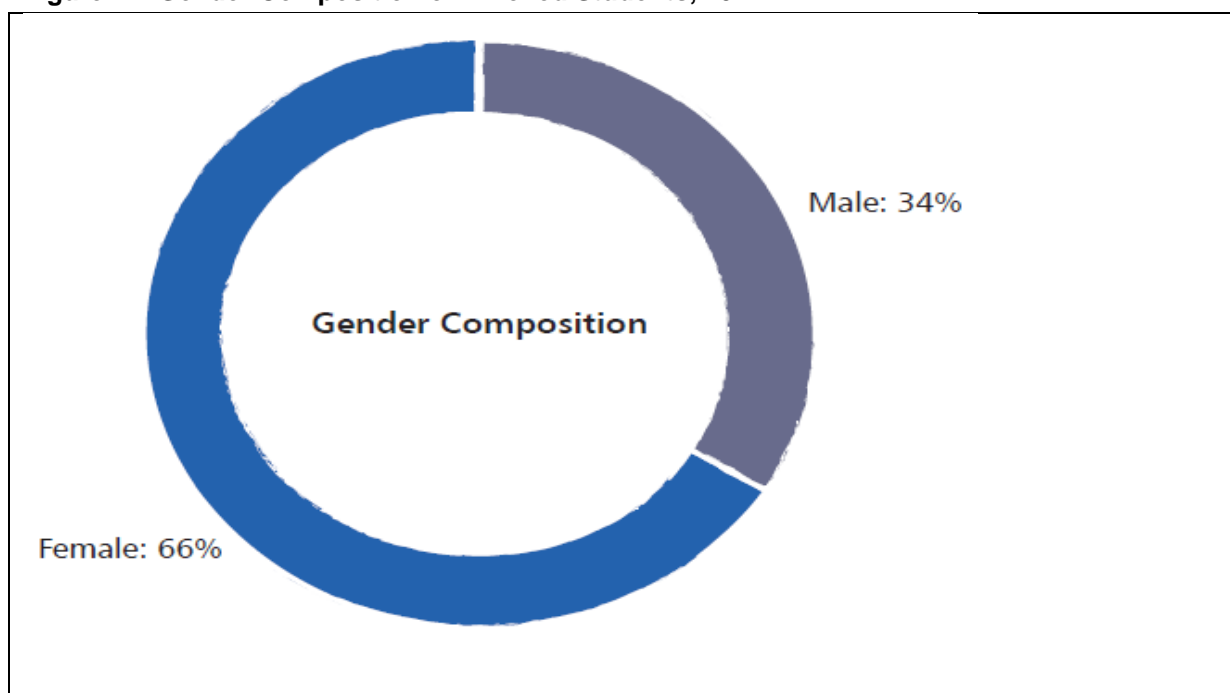
Source: StatsSA

¹¹ Dana Mitra (2011), Pennsylvania's Best Investment: The Social and Economic Benefits of Public Education.

¹² North West Provincial – Estimates of Provincial Revenue and Expenditure, 2013 – 2014.

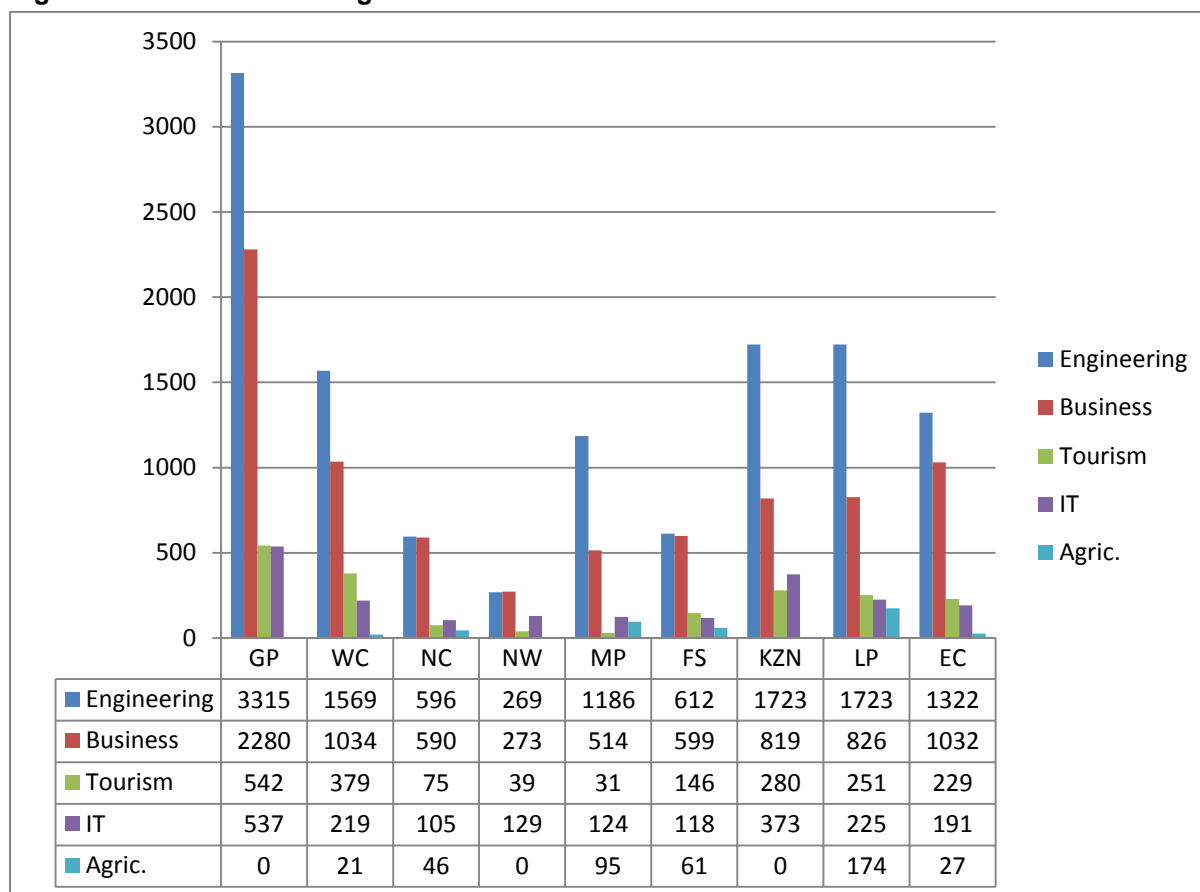
A graphical display of educational levels in the North West Province shows an improvement in general access to education and improvement in levels of education. According to Figure 10 above, the number of people with some secondary schooling have increased since 1996 (214 927 men, 236 025 women) to 2011 (353 654 men, 344 254 women). Though the improvement, more men still access education compared to women. The same situation is reflected at Grade 12/Std 10, there are more men with grade 12/Std 10 compared to women. Most importantly in this category is that there has been a high increase from 2007 to 2011 for both men and women with a total of 277 259 having increased to 535 104. Interestingly, only in 1996 did men have higher level of education compared to women, from 2001 to 2011; women had acquired higher levels of education compared to men. This can be affirmed by the levels of enrolment at tertiary institution as shown in the North West University Annual report (2011)¹³. According to figure 11, there were more female students (66 per cent) registered compared to male students (34 per cent) during the 2011 academic year.

Figure 11: Gender Composition of Enrolled Students, 2011



Source: NWU, Annual Report, 2011

¹³North West University Annual report (2011)

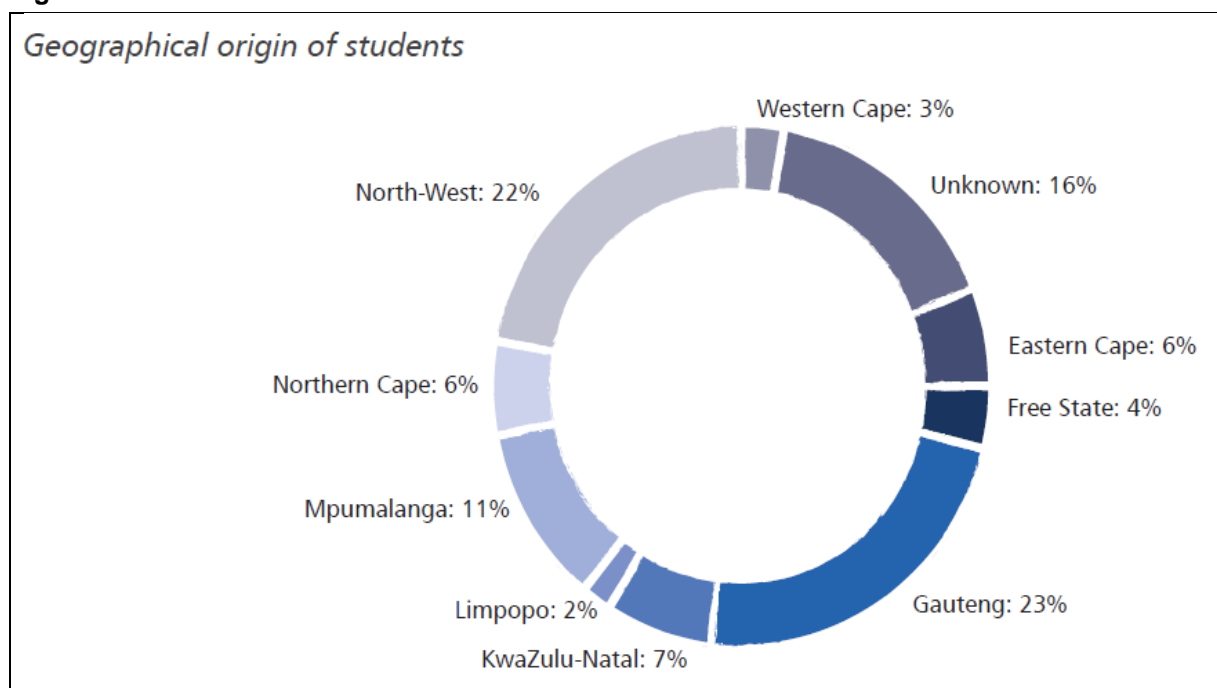
Figure 12: Actual FET College Enrolment

Source: data sourced from StatsSA

According to the Department of Education (2008)¹⁴, 50% of FET enrolments are in the engineering field, an area in which South Africa is currently experiencing an acute shortage of skills. However, it is reason for concern that fewer students are enrolling in the fields of agriculture and tourism in province like the Eastern Cape and Mpumalanga, where these sectors have the greatest growth potential.

Figure 12 above indicates that North West Province remains one of the lowest investors in FET college education, surprisingly with agricultural sector showing zero enrolment. Noting that the agricultural sector contributes to the North West rural employment and livelihood, the need for increased investment in capacity and skills development in this sector cannot be overemphasised. Further investment in tourism and agriculture, in initiatives like crop and animal farming and agro-processing, has the potential to stimulate economic growth and create more jobs.

¹⁴ Education for All (EFA) Country Report: South Africa, 2008.

Figure 13

Source: NWU, Annual Report, 2011

Most students enrolled at North West University come from the Gauteng Province (23 per cent) followed by North West Province (22 per cent). In 2011, the North West University had registered 56 641 students and the passing rate for undergraduate students was 85.2 per cent. According to table 9 below, total degrees and diplomas awarded for both contact and distance learning was 15 093 in 2011 compared to 15 083 in 2010.

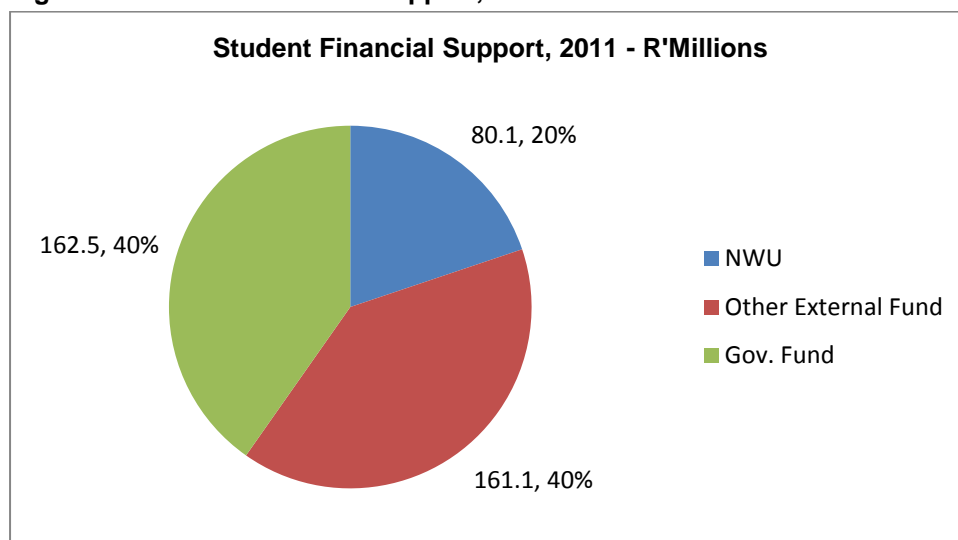
Table 6: Degrees and Diplomas Awarded 2004 - 2011

	2004	2005	2006	2007	2008	2009	2010	2011
Total student enrolment	40 145	38 596	38 709	44 726	47 008	50 589	55 732	56 641
Undergraduate pass rate (contact and distance)	75,20%	78,80%	78,36%	79,48%	81,20%	83,6%	83,5%	85,2%
Total degrees and diplomas awarded	9 657	7 746	9 825	11 345	12 337	13 445	15 083	15 093
Master's degrees awarded	626	700	765	618	583	659	633	639
PhDs awarded	87	85	110	124	100	123	129	115
Article equivalents published	275,05	326,19	360,85	376,22	512,64	452,50	578,24	772,68
Total research output units*	798	865	1 074	1 061	1 083	1 190	1 318	1 483
NRF-rated researchers	73	85	82	95	103	116	117	125
Graduation rate	24%	20%	25%	25%	26%	27%	27%	27%

Source: NWU Annual Report, 2011

One of the key factors contributing to access to tertiary education is finance. Students depend on various sources of financial support such as own source (family support) in cases where students do not have families that can support or finance their tertiary education they depend on bursaries or loans. According to figure 14 below, for students learning at North West University, government and other external funding remain the largest funders at 40 per cent each, while NWU contributes the remaining 20 per cent.

Figure 14: Student Financial Support, 2011



Source: data source from NWU 2011 Annual Report

One of the clues in support of the conclusion that education does contribute to growth is that countries with higher levels of economic growth have higher economic returns to invest in education and have labour forces with higher levels of formal schooling. Beyond such a *macroeconomic approach* to the relation between education and economic growth, the new growth theories assert that developing nations have a better chance of catching up with more advanced economies when they have a stock of labour with the necessary skills to develop new technologies themselves or to adopt and use foreign technology.

In such models, more education in the labour force increases output in two ways: education adds skills to labour, increasing the capacity of labour to produce more output; and it increases the worker's capacity to innovate (learn new ways of using existing technology and creating new technology) in ways that increase his or her own productivity and the productivity of other workers. The first of these emphasizes the human capital aspect of education (that is, that education improves the quality of labour as a factor of production and permits technological development); the second places human capital at the core of economic growth and asserts that the externalities generated by human capital are the source of self-sustaining economic growth—that human capital not only produces higher productivity for more educated workers but for most other labour as well.

1.3.5 Health

There is a widespread perception that services in hospitals have seriously deteriorated over the past few years, due in large part to staff shortages and the growing HIV/AIDS epidemic, Kerry Cullinan (2006)¹⁵.

¹⁵Kerry Cullinan, Health services in South Africa: *A basic introduction*, Health-e News Service, January 2006

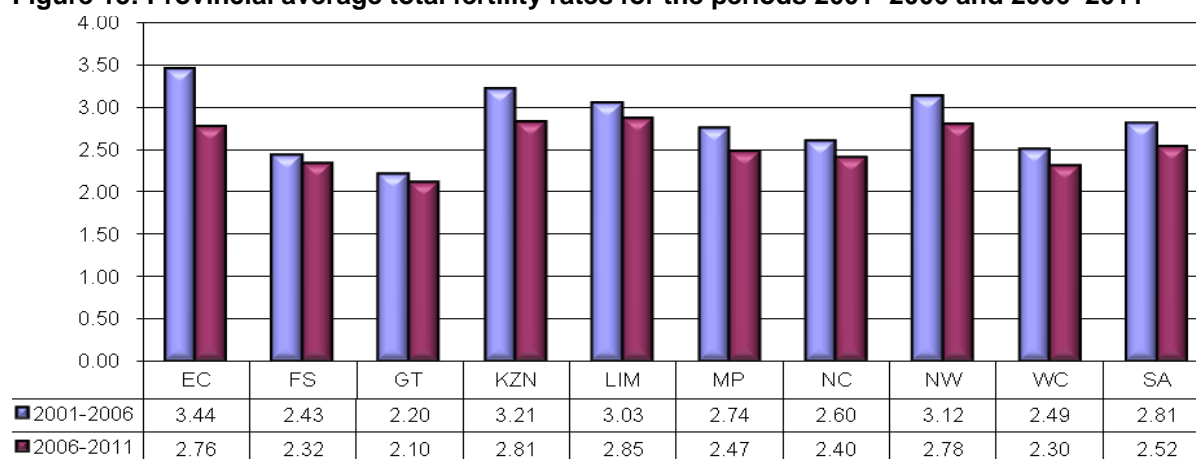
The province's total Primary Health Care (PHC) spent per capita of R1 015 in 2010/11 was the third lowest in the country after Gauteng and Free State. In the North West province Dr Ruth Segomotsi Mompati municipality spent twice as much per capita (R1 450) as Dr Kenneth Kaunda (R756). This is indicative of an attempt to be pro-active around equitable spending as Dr Ruth Segomotsi Mompati is relatively deprived compared to Dr Kenneth Kaunda district. The non-hospital per capita expenditure on PHC increased from R357 in 2005/06 to R519 in 2010/11 (very close to the South African average of R514) with a 7.8 per cent average annual growth rate. This expenditure ranged from R385 per capita in Dr Kenneth Kaunda district to R681 in Dr Ruth Segomotsi Mompati district. The average non-hospital cost per patient visit to a primary health care facility was R192. This was R16 higher than the national average and second highest in the country after Gauteng, Naledi, *et al* (2011)¹⁶.

In their study, Naledi, *et al* (2011), further indicate that the proportion of district health expenditure on district management decreased from 9.8 per cent in 2005/06 to 6.5 per cent in 2010/11. There was a marked decrease in the proportion of the district budget spent on district hospital services (28.6 per cent in 2010/11), down from 35.7 per cent in 2005/06. This proportion is the second lowest in South Africa after Gauteng. The average bed utilisation rate (BUR) of the 16 district hospitals in the province was 60.2 per cent for 2010/11. The North West has had the lowest BUR in the country for the last eight years with the BUR of 52.1 per cent in Ngaka Modiri Molema in 2010/11 the second lowest BUR in the country. The average length of stay in district hospitals has remained constant at 4.1 days over the last two years.

Prior to 2010/2011, the North West province had the second highest cost per patient per day but the current cost of R1 655 during 2010/11 has moved much closer to the national average of R1 543.

Figure 15 shows the provincial fertility estimates for the periods 2001–2006 and 2006–2011. For all the provinces the total fertility rates have declined over time.

Figure 15: Provincial average total fertility rates for the periods 2001–2006 and 2006–2011



Source: StatsSA, 2011¹⁷

Life expectancy in all Organization for Economic Co-operation and Development (OECD) countries has increased over the past two decades, with the average going up by 5.5 years from 74.3 years in 1990 to 79.8 years in 2010. By contrast, life expectancy at birth in South Africa fell sharply during this

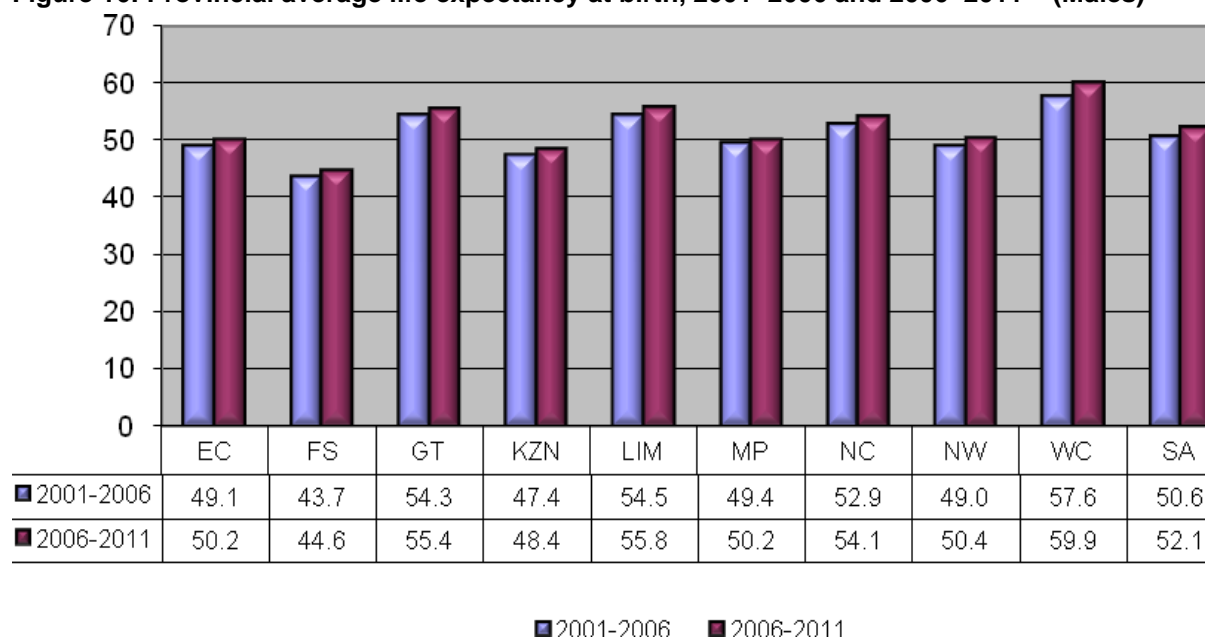
¹⁶ Tracey Naledi, Peter Barron and Helen Schneider, South African Health Review, Primary Health Care in SA since 1994 and Implications of the New Vision for PHC Re-engineering, (2011).

¹⁷ Source for Figure 15, 16 & 17. Statistics South Africa, Mid-year population estimates, 2011

period, going down from 61.5 years in 1990 to 52.1 years in 2010. This decrease in life expectancy is primarily due to the epidemic of HIV/AIDS, OECD Health Data (2012¹⁸).

According to Figures 16 and 17; the average provincial life expectancies at birth for males and females for the periods 2001–2006 and 2006–2011. The assumptions for this projection were that Western Cape has the highest life expectancy at birth for both males and females; while the Free State has the lowest life expectancy at birth. For men, South Africa had a life expectancy of 50.6 in 2001 – 2006 and 52.1 in 2006 – 2011, as for women, the life expectancy was 55.6 in 2001 – 2006 and 56.2 in 2006 – 2011. According to figure 16 and 17, women in South Africa had a longer life expectancy compared to men. In general, the life expectancy for South Africans has improved between two periods under review.

Figure 16: Provincial average life expectancy at birth, 2001–2006 and 2006–2011 (Males)

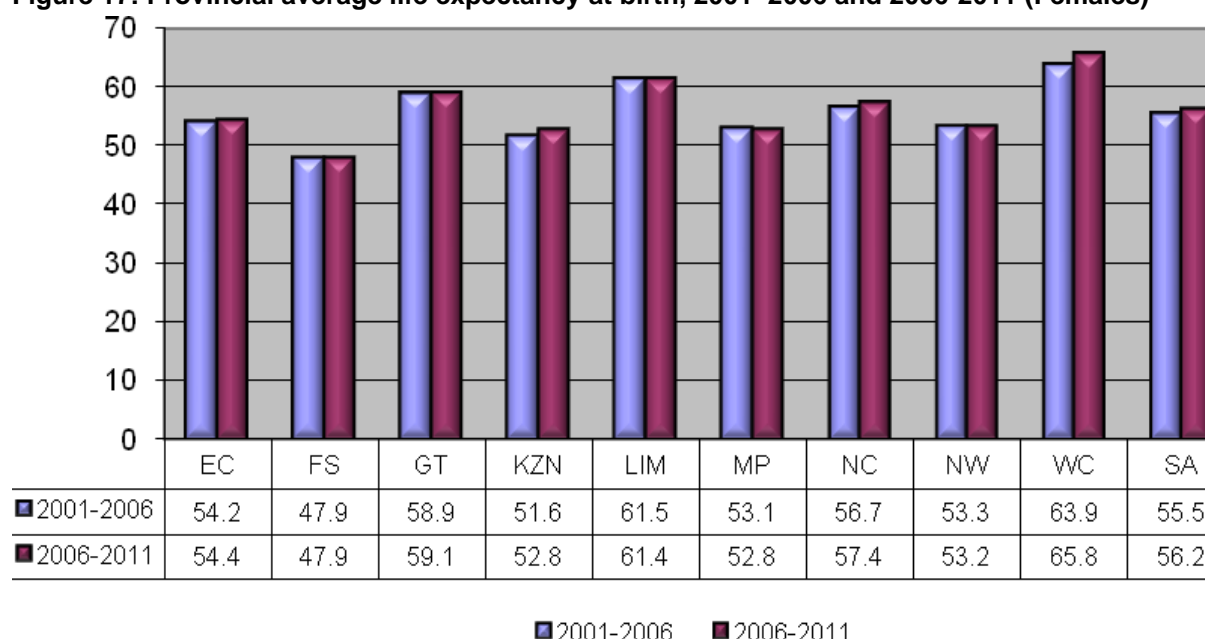


Source: StatsSA, 2011

Figure 16 shows that during the period 2006 – 2011, men in Western Cape (59.9) have longer life expectancy compared to men in other provinces with Limpopo province (55.8) being the second. Amongst men, North West ranks amongst the fourth lowest with a life expectancy of 50.4 in 2006 – 2011 followed by Eastern Cape, Free State and Mpumalanga.

Figure 17 below shows that during the period 2006 – 2011, women in Western Cape (65.8) have longer life expectancy compared to women in other provinces with Limpopo province (61.4) being the second. Amongst women, North West ranks amongst the fourth lowest with a life expectancy of 53.2 in 2006 – 2011 followed by Kwa-Zulu Natal, Free State and Mpumalanga.

¹⁸OECD Health Data, How Does South Africa Compare with OECD Countries (2012).

Figure 17: Provincial average life expectancy at birth, 2001–2006 and 2006–2011 (Females)

Source: StatsSA, 2011

Figure 16 and 17 above further show that in the North West Province, women have a longer life expectancy of 53.2 in comparison to male life expectancy of 50.4 between 2006 and 2011.

Access to clean water, education, employment, health facilities and medical aids have direct effects on the life expectancy of children, men and women across the globe. Despite various interventions to prevent disability or death during pregnancy and childbirth, maternal mortality remains a major burden in many developing countries. The most recent estimates suggest significant progress. In the developing regions as a whole, the maternal mortality ratio dropped by 34 per cent between 1990 and 2008, from 440 maternal deaths per 100,000 live births to 290 maternal deaths. However, the MDG target is still far off, UN MDG Report (2011)¹⁹.

Table 7 below shows severe malnutrition incidence for under-five children averaged over the period 2001 to 2010, according to data provided by District Health Information System in the Department of Health. Data shows that, on average, the highest incidences of severe malnutrition were in KwaZulu-Natal (13.3 per cent), Northern Cape (9.8 per cent) and North West (9.4 per cent), and these incidents are lowest in Limpopo (4.4 per cent), Free State (5.1 per cent), Mpumalanga (5.4 per cent) and Gauteng (6 per cent). Over the reference period, the national incidence of severe malnutrition averaged 7.8 per cent.

Table 7: Severe malnutrition incidence for children under 5 years by province

Prevalence of malnutrition (%)									
Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	RSA
3.8	8.1	9.8	5.1	13.3	9.4	6.0	5.4	4.4	7.8

Source: RSA – MDG Country Report (2010)²⁰

¹⁹ United Nations, The Millennium Development Goals Report (2011).

²⁰ Republic of South Africa; Millennium Development Goals - Country Report; 2010.

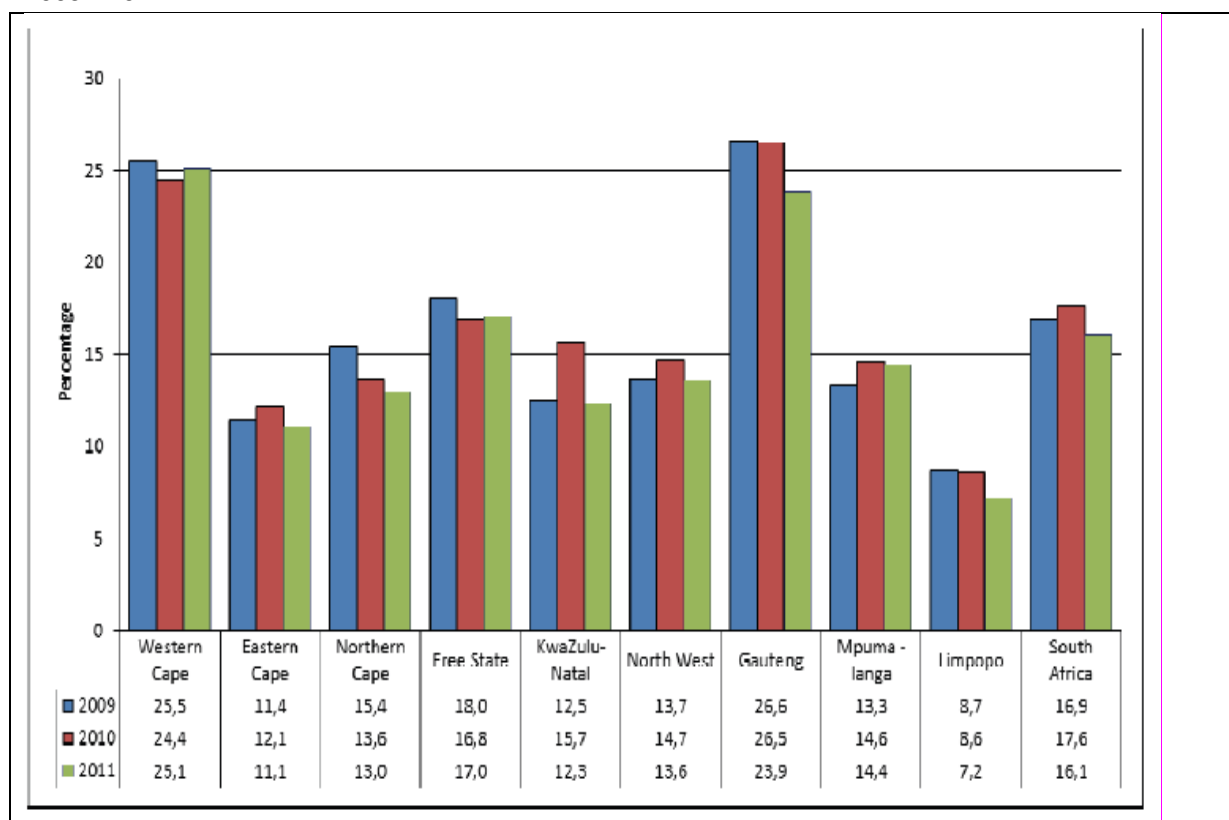
Good health is a crucial component of well-being. However, improvements in health status may be justified on purely economic grounds. It seems to be a logical assumption that good health raises human capital levels and therefore the economic productivity of individuals and a country's economic growth rate. Better health increases workforce productivity by reducing incapacity, debility, and the number of days lost to sick leave, and reduces the opportunities an individual has of obtaining better paid work, (Guillem L. and Berta R.)²¹.

In order to ensure citizens access to health services, the government provides such services at minimal costs if not cost free to the public. More than 65 per cent of the South Africa population depends on public health facilities for such services.

Figure 19 shows that Western Cape (25.1 per cent) and Gauteng (23.9 per cent) had the highest percentage of medical aid members while Limpopo (7.2 per cent) and Eastern Cape (11.1 per cent) had the lowest proportion of medical aid membership. Noticeable drops in the percentage of medical aid members are observed in all provinces between 2002 and 2011 except Western Cape and Northern Cape where slight increases occurred.

North West medical aid membership increased from 13.7 per cent in 2009 to 14.7 per cent in 2010; and saw a decline to 13.6 per cent in 2011. This decrease remains concerning for government. The health services required by the public are likely to increase which then requires more resources from government into the health sector in order to meet the public needs.

Figure 18: Percentage of individuals who are members of medical aid schemes per province, 2009 - 2011



Source: GHS, StatsSA 2011²²

²¹ Guillem L. and Berta R., "Health and Economic Growth: Findings and Policy Implications"

²² Source for (figure 13, Tables 11A & 11B); Statistics South Africa, General Household Survey (GHS), 2011

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

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

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

Source: GHS, StatsSA 2011

Table 8B: Level of satisfaction with public and private health care, 2011 (concluded)

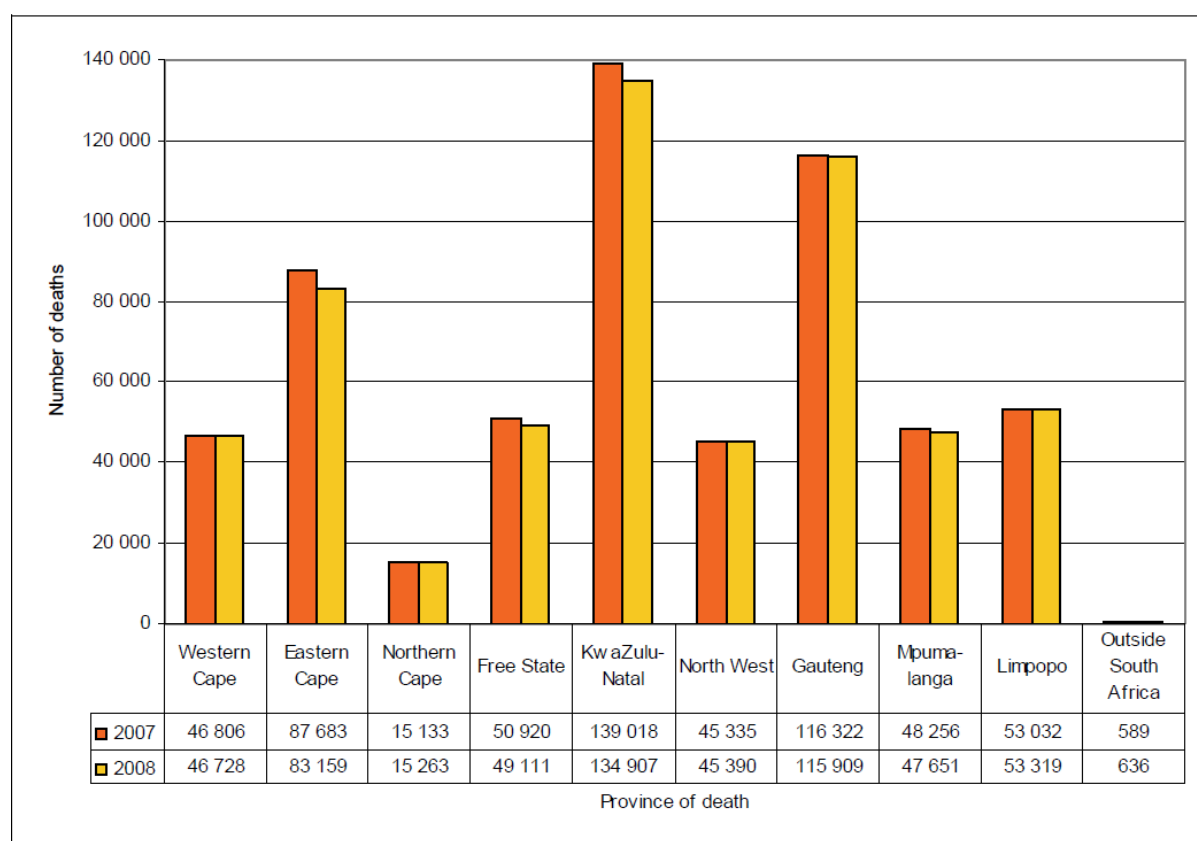
Type of institution	Statistic	Province									
		Western Cape	Eastern Cape	Northern Cape	Free State	KwaZulu-Natal	North West	Gauteng	Mpumalanga	Limpopo	South Africa
Private health care											
Very satisfied	Number	670	317	76	307	505	221	1 167	263	169	3 695
	Per cent	92,0	98,6	89,9	95,3	85,9	89,9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

Source: GHS, StatsSA 2011

Figure 19 shows that the highest number of deaths for both years (2007 & 2008) occurred in KwaZulu-Natal, followed by Gauteng and Eastern Cape. In 2008, 22.8 per cent of deaths occurred in KwaZulu-Natal, 19.6 per cent in Gauteng and 14.0 per cent in Eastern Cape.

The lowest percentage of deaths occurred in Northern Cape (2.6 per cent) and less than 1 per cent of deaths occurred outside South Africa. The percentage distribution of deaths in 2008 was largely similar to that observed in 2007. The figure further shows that the number of deaths by province in 2007 and 2008 has remained more or less the same for Western Cape, Northern Cape, North West, Gauteng and Limpopo. However, the number of deaths decreased slightly for Eastern Cape (5.2 per cent), Free State (3.6 per cent), KwaZulu-Natal (3.0 per cent) and Mpumalanga (1.3 per cent), StatsSA (2008)²³.

Figure 19 Number of deaths by year and province of death occurrence, 2007 and 2008

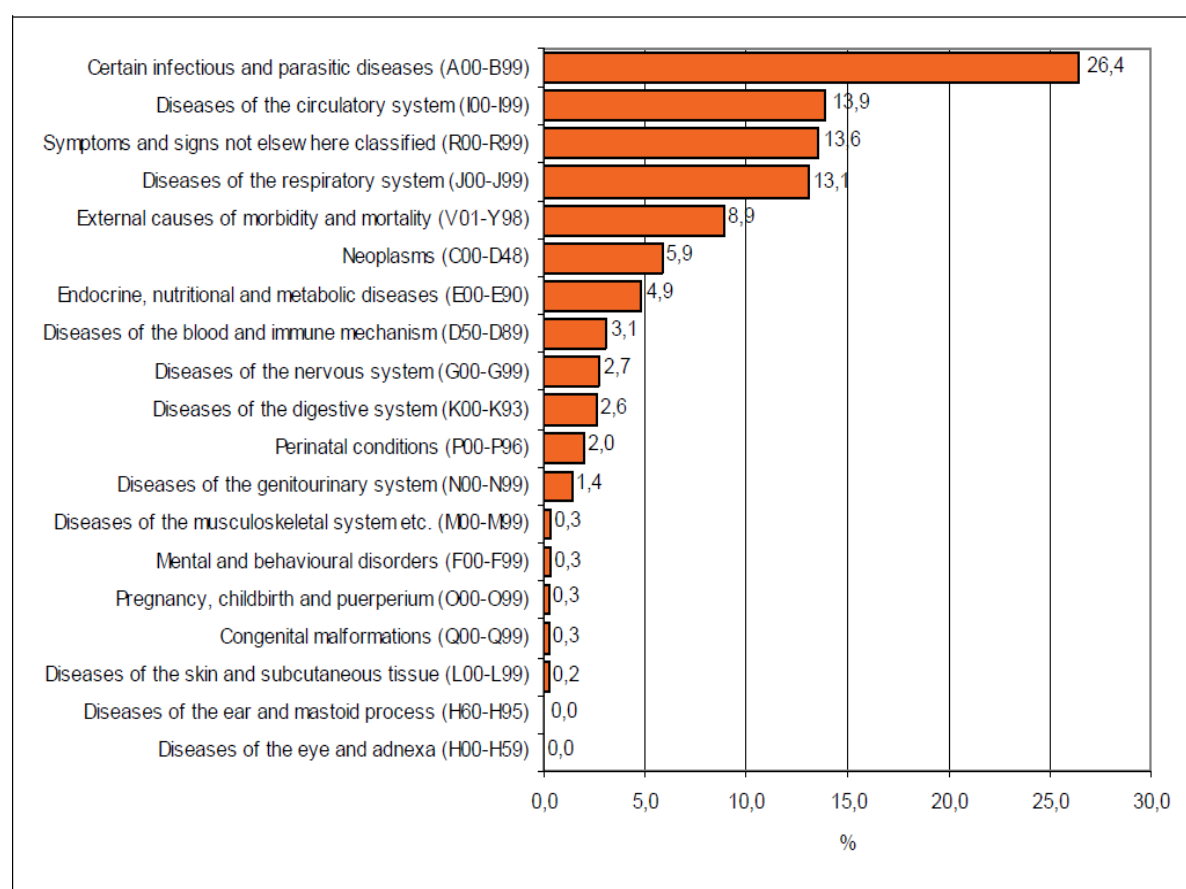


Source: StatsSA 2008

Figure 20 below shows the percentage distribution of deaths by the 19 main groups (chapters) of the classification of causes of death. The top ranking main group of causes of death in 2008 (as has been the case in the previous years) was *certain infections and parasitic diseases*, constituting over a quarter (26.4 per cent) of all deaths. This group also includes 712 deaths due to *multidrug-resistant tuberculosis* (MDR-TB) and 135 deaths due to *extensively drug-resistant tuberculosis* (XDR-TB).

The reported number of deaths due to MDR-TB and XDR-TB increased by 19.3 per cent and 60.7 per cent, respectively, between 2007 and 2008. The second most common main group of causes of death was *diseases of the circulatory system* (13.9 per cent) followed by *symptoms and signs not elsewhere classified* (13.6 per cent), and *diseases of the respiratory system* (13.1 per cent). Less than 10 per cent of the deaths were due to *external causes of morbidity and mortality* (8.9 per cent). *Neoplasms* comprised 5.9 per cent of all deaths, *perinatal conditions* contributed 2.0 per cent of all deaths, while *pregnancy, childbirth and puerperium* contributed 0.3 per cent of all deaths.

²³StatsSA, Mortality and causes of death in South Africa, Findings from death notification, 2008

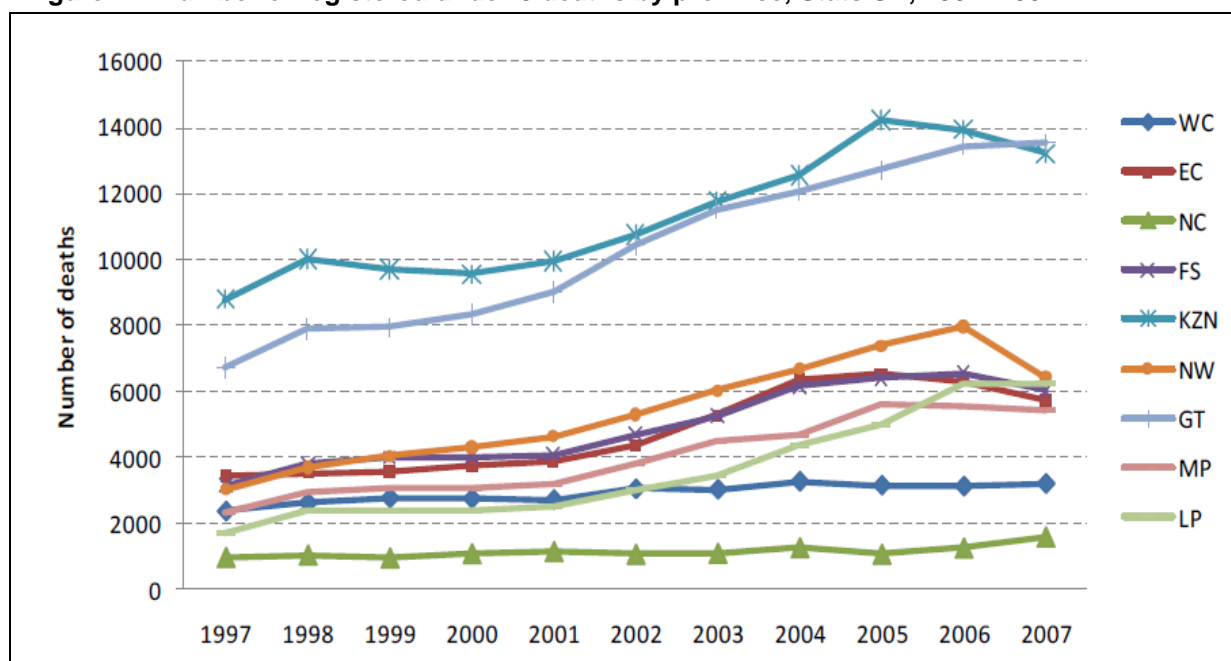
Figure 20: Percentage distribution of deaths by main groups of causes of death, 2008

*Including deaths due to MDR-TB and XDR-TB.

Source: StatsSA 2008

According to Barron, *et al* (2011), In 2007 North West had the lowest TB cure rate in the country, almost ten percentage points below the national average of 64.0 per cent. However, in the last two years the province has made significant progress and has managed to turn the declining cure rate around with an increase of 10.5 percentage points to a 64.6 per cent cure rate in 2009. The smear conversion rate, although improving to 55.5 per cent in 2010/11, is still ranked the lowest in the country and is close to 11 percentage points below the national average. The TB defaulter rate of 8.7 per cent is the worst in South Africa. Of people newly diagnosed with HIV, 77.6 per cent were screened for TB in 2010/11 and 6.4 per cent were found to be co-infected with TB.

Figure 21 shows the number of under-5 deaths recorded by Stats SA from 1997–2007 by province. Most provinces showed a general increase in the number of deaths over the period. However, an unusual decrease/levelling off is seen in deaths in KwaZulu-Natal and the Eastern Cape beginning in 1998 and 1999, with numbers increasing again by 2002. This pattern is not seen in other provinces, and although the reason for it is not clear, it may be due to administrative deficiencies in those provinces. Apart from this, provincial boundary changes in 2005/6 may have affected some of the provincial trends over this period.

Figure 21: Number of registered under-5 deaths by province, Stats SA, 1997–2007

Source: StatsSA 2008

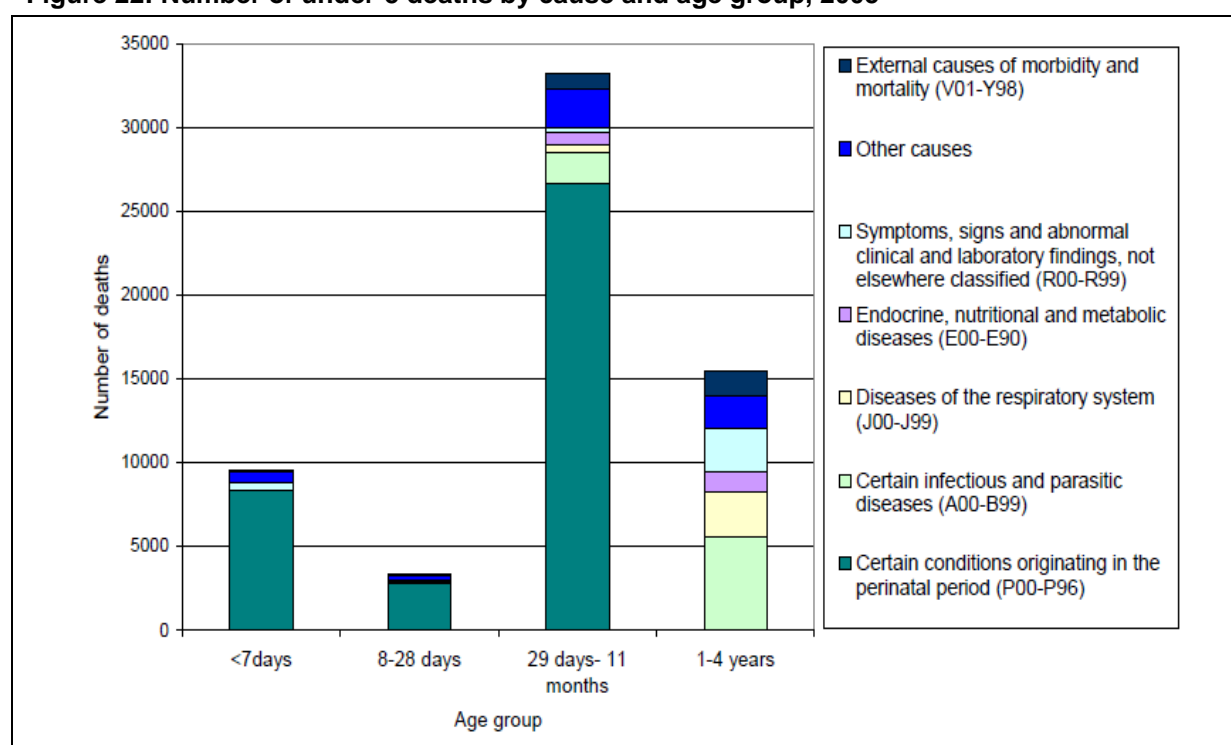
North West province is the third largest contributor to registered under 5 years' deaths in the country. Specific attention is thus required to address causing factors indicated in figure 22 below.

According to Barron, *et al* (2011)²⁴, In 2010/11, the proportion of infants with exposure to HIV (i.e. their mothers were HIV positive) who had a Polymerase Chain Reaction (PCR) test for HIV around six weeks after birth (Baby PCR coverage), ranged from 58.1 per cent in Bojanala Platinum to 65.6 per cent in Dr Kenneth Kaunda. An average of 3.4 per cent of babies tested positive for HIV. The Baby PCR coverage has increased over the last three years, and the HIV positivity rate has decreased.

The percentage of children under one year fully immunised in 2010/11 was 75.9 per cent, down from 85.1 per cent in 2009/10 and the second lowest coverage in the country after Mpumalanga. The lowest coverage among the North West's four districts was in Dr Kenneth Kaunda (65.2 per cent). The provincial coverage for the second dose of measles was also the lowest in South Africa with a coverage rate of 68.7 per cent. There was a marked improvement in rotavirus coverage from 39.0 per cent in 2009/10 to 72.0 per cent in 2010/11, although this is still below the national average of 81.6 per cent. The coverage for rotavirus and measles immunisation in Dr Kenneth Kaunda was far lower than the other districts. It is difficult to determine whether these were data quality or service delivery problems.

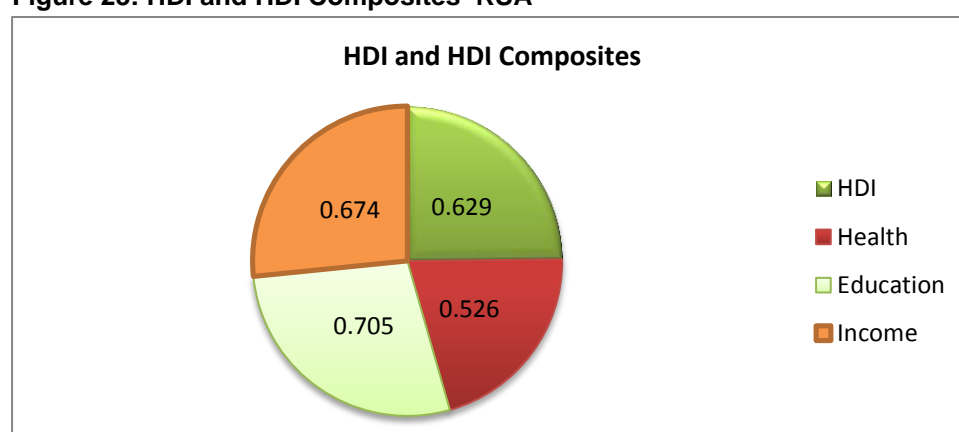
Although the diarrhoeal incidence in children under five of 100.8 cases per 1 000 children is lower than the national average of 109.3 in 2010/11, this rate has been fairly constant over the past four years. This is a different picture from all the other provinces where there has been a marked decrease in diarrhoeal incidence rates since 2007/08, Barron, *et al* (2011).

²⁴ Barron C, *et al* (2011), The District Health Barometer 2010/11, Health System Trust, South Africa.

Figure 22: Number of under-5 deaths by cause and age group, 2005Source: StatsSA 2008²⁵

1.3.6 Human Development Index (HDI)

The Human Development Index (HDI) is a composite statistic of life expectancy, education, and income. The index for any one country or region has a numerical range between 1 and 0. Countries or regions with an HDI below 0.5 are considered to have a low level of human development, a score of 0.5 to 0.79 a medium level of development and those with values of 0.8 and above are nations considered to have a high level of human development.

Figure 23: HDI and HDI Composites–RSASource: data sourced from SA, HDR 2003²⁶

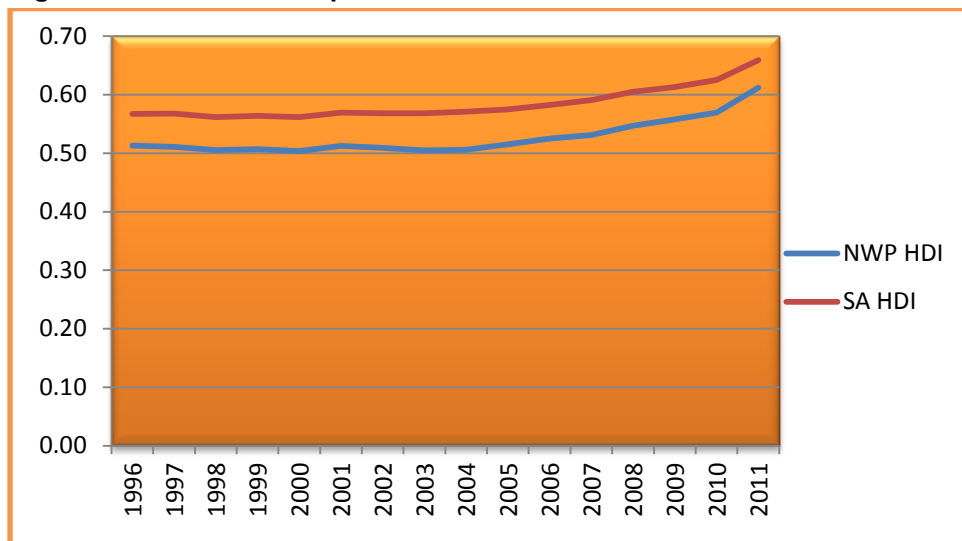
²⁵ Source for figures 15, 16 & 17, StatsSA, Mortality and causes of death in South Africa, Findings from death notification, 2008

²⁶ South African Human Development Report (2003), United Nations Development Programme.

According to figure 23 above, HDI in South Africa is 0.63 composed by health (0.53), education (0.71) and income (0.67). Health remains the lowest contributor to HDI and education is the largest contributor to South African HDI. South Africa has fallen short of 33 per cent of the maximum human development on the indicators in the HDI that could potentially be attained.

Figure 24 and 25 show human development index for South Africa and the North West province from 1996 to 2011.

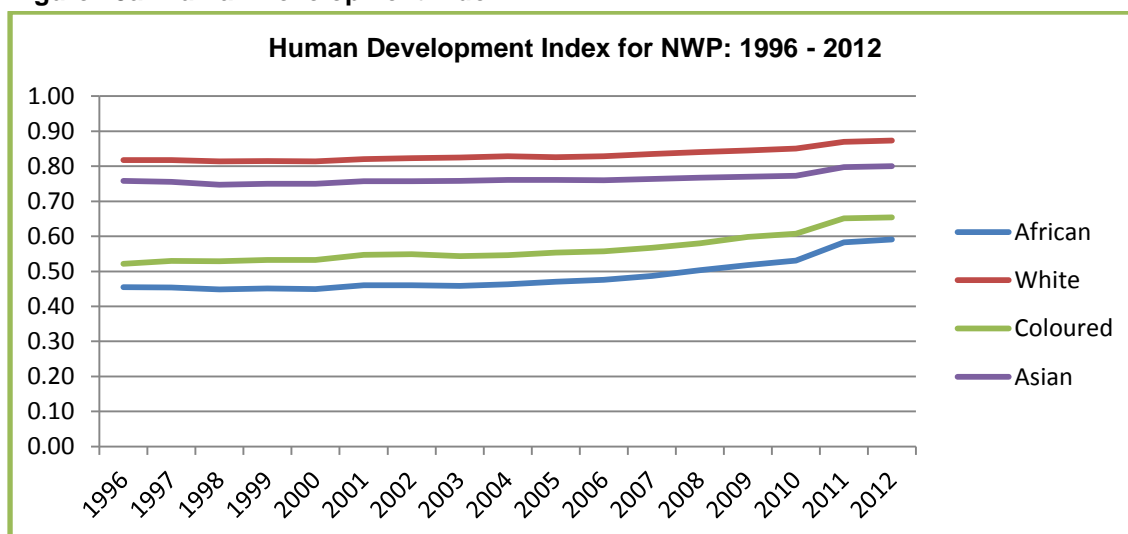
Figure 24: Human Development Index –RSA and NWP



Source: data sourced from IHS global insight

Human Development appeared to be stable from the period 1996 to 2003 where upward trend started showing signs of development. The graph above shows that from 2004 to 2009 both South Africa and North West province improved in terms of human developed with a steep increase in human development in 2010 to 2011. Interestingly, the HDI for both South Africa and North West moved and developed in the same pattern is shown above.

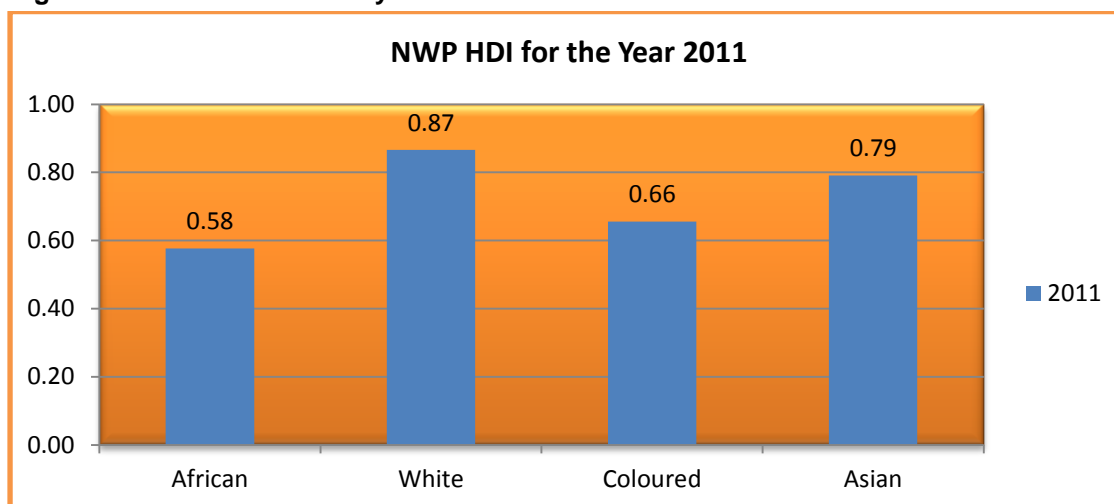
Figure 25a: Human Development Index – NWP



Source: data sourced from IHS Global Insight (2013)

Figure 25a shows the state of Human Development in the North West Province amongst different racial groups. According to the graph above, whites remains the most developed population in the province followed by Asians, Coloureds and Africans respectively. Racial Population size amongst other factors plays a role in human development with a specific race. This can be seen in the fact that while Africans make up the largest proportion of the North West population, they remain the least developed population group as a result of poor access to health, education and low levels of income.

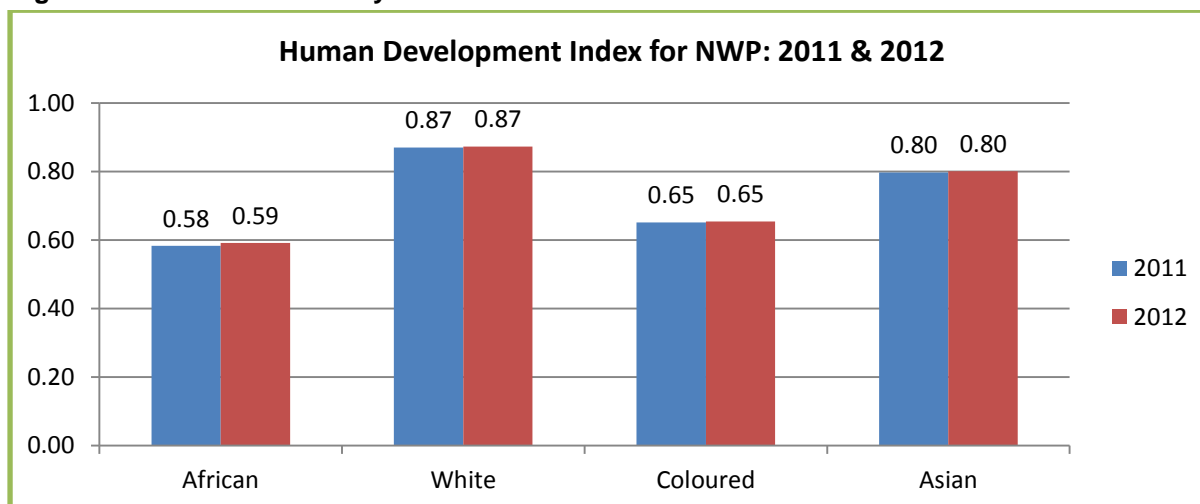
Figure 25b: NWP HDI for the year 2011



Source: data sourced from IHS global insight

Figure 25 b above shows that for the year 2011, whites remained the most developed population at 0.87 followed by Asians with 0.79, then Coloured by 0.66 with Africans being the least developed population group with an HDI of 0.58.

Figure 25c: NWP HDI for the year 2011 and 2012



Source: data sourced from IHS Global Insight

Clearly, the importance of education and rural development in the North West Province can never be over emphasised. Most Africans reside in rural areas and development (improved access to health services, improved access to and quality education and sustainable job creation) in their areas can to some extent improve their living conditions.

1.4 Economic indicators

1.4.1 Labour

This section focuses on labour and employment in the North West province in comparison to National progress to other provinces.

Employment

Table 9: Employment by province

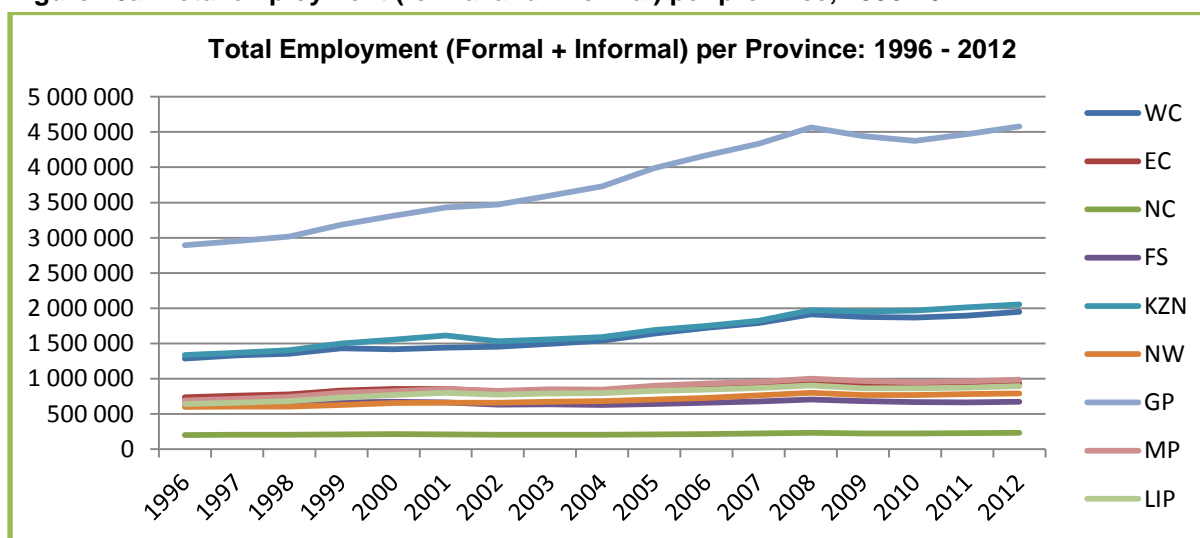
Province	Oct-Dec 2011	Jul-Sep 2012	Oct-Dec 2012	Qtr-to-qtr change	Year-on-year change	Qtr-to-qtr change	Year-on-year change
	Thousand				Per cent		
South Africa	13 497	13 645	13 577	-68	80	-0,5	0,6
Western Cape	1 842	1 806	1 824	18	-18	1,0	-1,0
Eastern Cape	1 326	1 330	1 261	-69	-65	-5,2	-4,9
Northern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

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

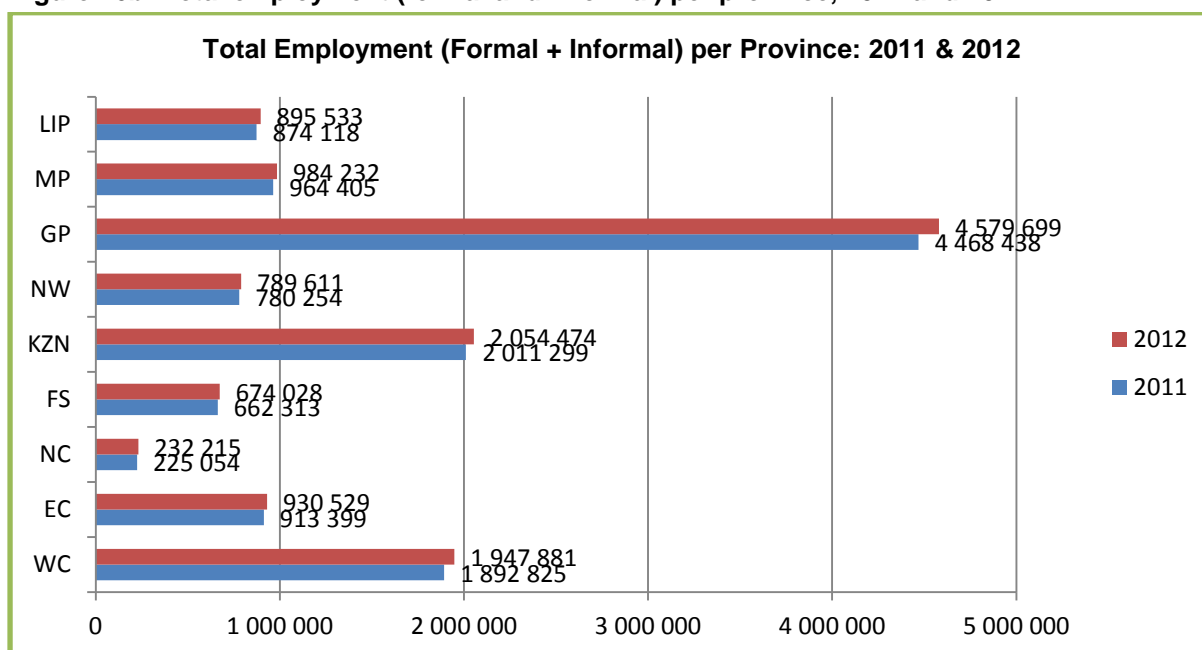
Source: StatsSA, QLFS, 2012

Table 9 shows that between Q3:2012 and Q4:2012, there were job losses in four of the nine provinces, with the largest declines observed in Eastern Cape (69 000), KwaZulu-Natal (40 000) and Gauteng (16 000). There were employment gains in Mpumalanga (31 000), Western Cape (18 000) and Limpopo (8 000) over the same period. Comparing to the year ending December 2011, employment increased in five of the nine provinces, with Limpopo (107 000), Gauteng (63 000) and North West (47 000) being the biggest contributors, while job losses were observed in KwaZulu-Natal (69 000), Eastern Cape (65 000) and Free State (21 000).

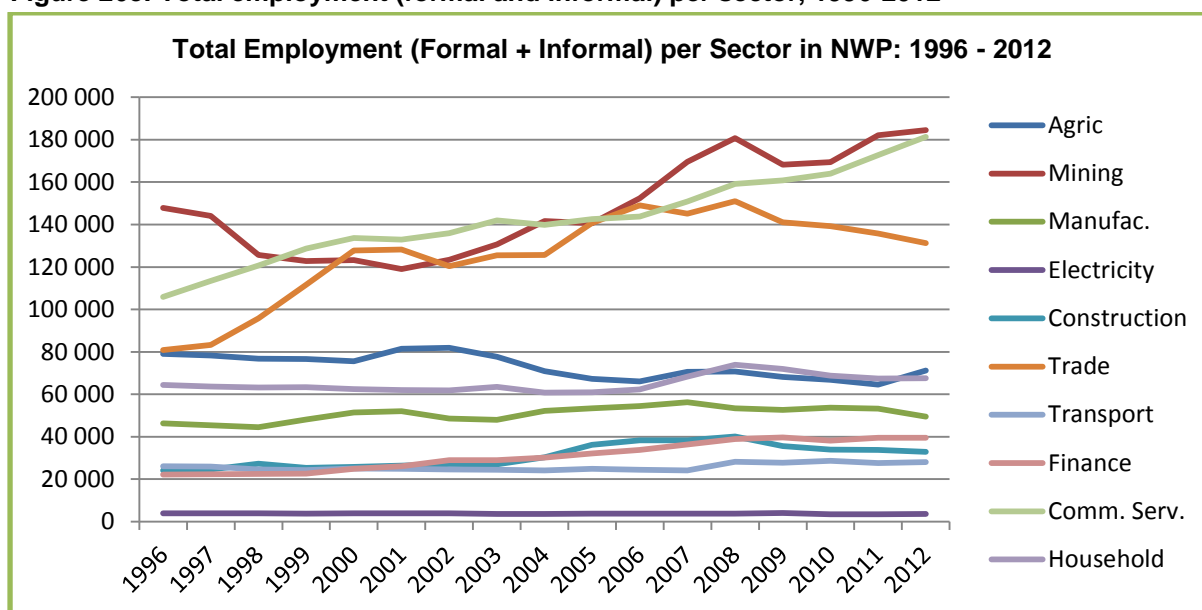
Figure 26a: Total employment (formal and informal) per province, 1996-2012



Source: data sourced from IHS Global Insight (2013)

Figure 26b: Total employment (formal and informal) per province, 2011 and 2012

Source: data sourced from IHS Global Insight (2013)

Figure 26c: Total employment (formal and informal) per sector, 1996-2012

Source: data sourced from IHS Global Insight (2013)

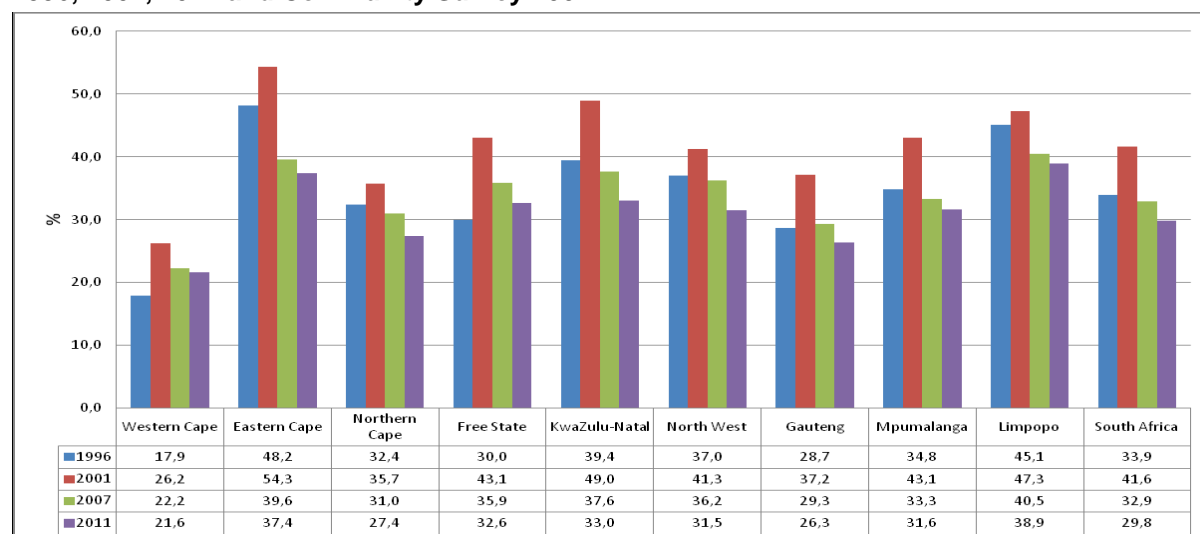
Generally, employment has decreased from 785 000 in the 3rd Quarter to 746 000 in 4th quarter of 2012. Reduction in employment has been recorded in private household and agricultural sector which may be justified by the fact that its employment is seasonal. Trade industry has also recorded a decline from 151 to 142 between the 3rd and 4th quarter of 2012 respectively. Utilities also recorded a decrease in employment in the same period from 8000 to 5000 employed people.

One of the major employers in the province, which is the mining industry, also recorded a larger decrease of employment from 155 000 in 3rd quarter to 122 000 in the 4th quarter.

1.4.2 Unemployment

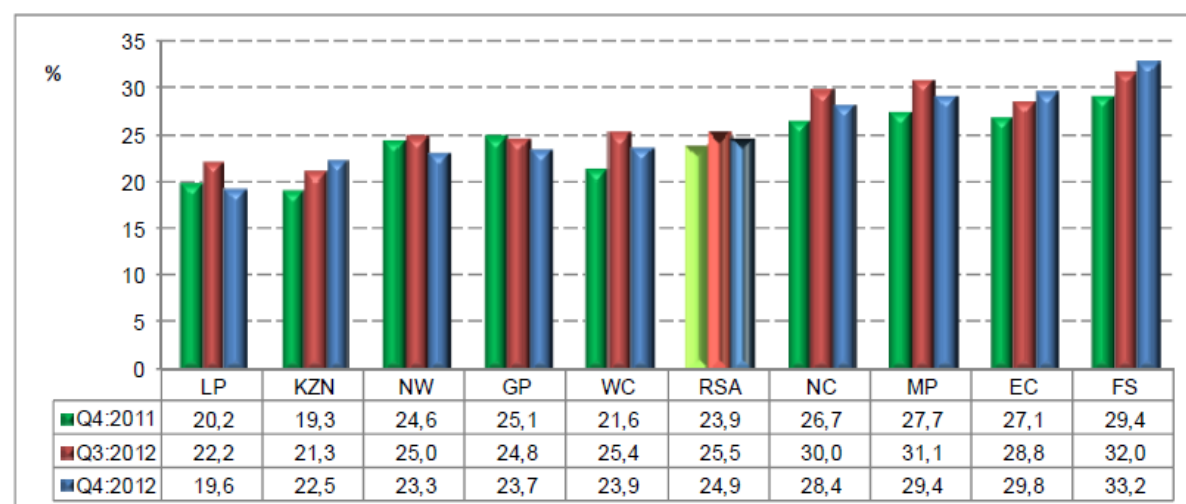
North West unemployment rate also shows a continued decline from 2001 to 2011, standing at 31.5 per cent from 37.0 per cent. Figure 27 shows the unemployment rates in all provinces for Census 1996, 2001, 2011, and Community Survey 2007. Between 1996 and 2001, there has been an increase in unemployment across all provinces, with an average unemployment increase of 33.9 per cent to 41.6 per cent in South Africa. However, between 2001, 2007 and 2011, there has been a notable drop in unemployment rates from all provinces. Western Cape sits at 21.6 per cent and remains the province with lowest levels of unemployment rate since 1996, followed by Gauteng at 26.3 per cent. Limpopo and Eastern Cape show the highest levels of unemployment rates in 2011 with 38.9 per cent and 37.4 per cent respectively.

Figure 27: Unemployment rates (official) for persons in the labour force aged 15–64: Census 1996, 2001, 2011 and Community Survey 2007



Source: StatsSA, 2011²⁷

Figure 28: Unemployment rate by province



Source: StatsSA, QLFS, 2012

²⁷ StatsSA, Statistical Release (revised), 2011

Figure 28 shows a decrease in the unemployment rate in six of the nine provinces in Q4:2012 compared to Q3:2012. The biggest decrease in the unemployment rate was observed in Limpopo (2.6 percentage points), North West (1.7 percentage points) and Mpumalanga (1.7 percentage points). The biggest increase in unemployment rate was recorded in KwaZulu-Natal (1.2 percentage points) and Free State (1.2 percentage points).

In comparison to the same period last year, the unemployment rate increased by 1.0 percentage points at the national level. The biggest increases in the unemployment rate were observed in Free State (3.8 percentage points), KwaZulu-Natal (3.2 percentage points) and Eastern Cape (2.7 percentage points). The biggest decrease in the unemployment rate was recorded in Gauteng (1.4 percentage points) in the same period. Unemployment in the North West has declined overtime when compared comparing 2012 level of 23 per cent to preceding years depicted in figure 27

Table 10: Labour market and unemployment rates (official by province (North West): Census 1996, 2001, 2011 and Community Survey 2007

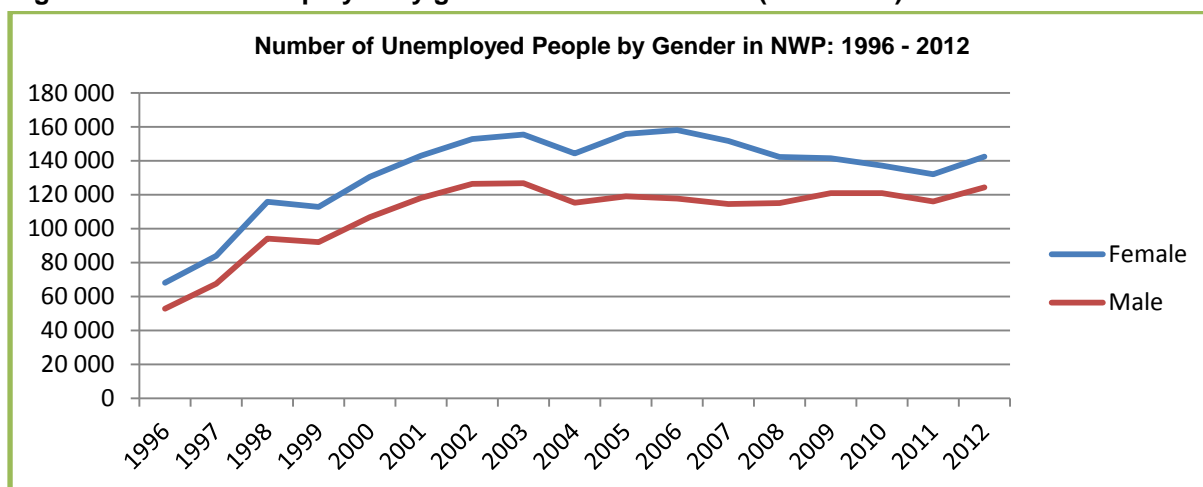
	1996			2001			2007			2011		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Employed	391 847	202 791	594 638	410 382	205 968	616 349	453 097	240 734	693 831	537 970	305 399	843 369
Unemployed	144 149	204 720	348 869	214 574	244 717	459 291	170 265	223 828	394 094	176 572	210 777	387 348
Not economically active	251 578	413 150	664 728	335 585	489 336	824 921	306 643	471 422	778 065	402 733	510 794	913 527
Unemployment Rate	15,3	21,7	37,0	19,9	22,8	42,7	15,7	20,6	36,2	14,3	17,1	31,5
Total	787 573	820 662	1 608 235	960 541	940 020	1 900 562	930 005	935 984	1 865 989	1 117 275	1 026 969	2 144 244

Unemployment rate is expressed as a percentage of unemployed persons over the sum of employed and unemployed persons

Source: StatsSA, 2011

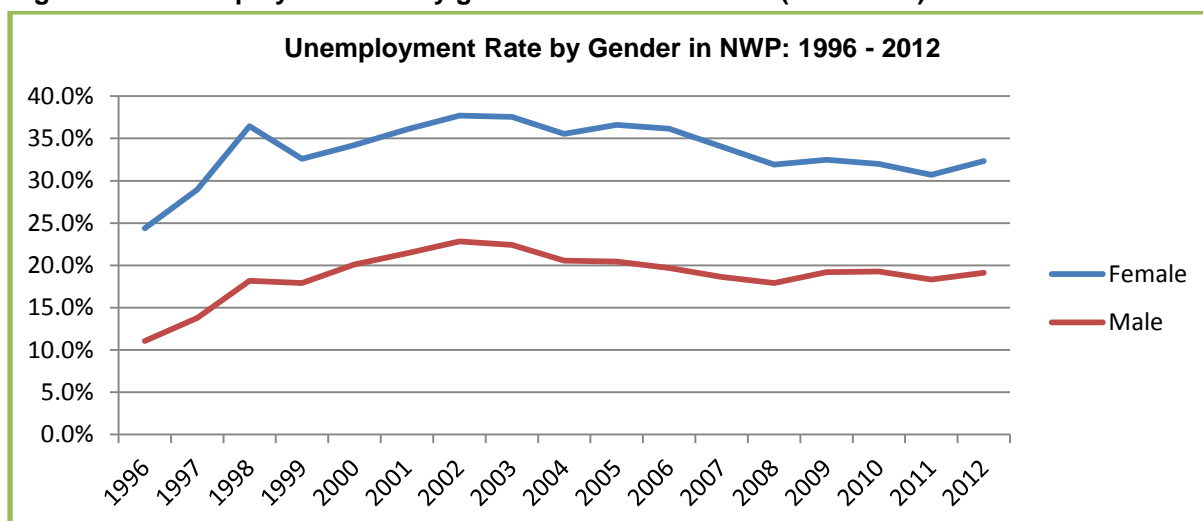
Table 10 above shows a gender disaggregated data of unemployment from 1996 to 2011. Of the 31.5 per cent unemployment rate in the North West Province in 2011; males form 14.3 per cent and females 17.1 per cent. Since 1996, women have been the largest unemployed population group in the North West Province as depicted in figure 29a and 29b.

Figure 29a: Total unemployed by gender in the North West (1996-2012)



Source: data sourced from IHS Global Insight (2013)

Figure 29b: Unemployment rate by gender in the North West (1996-2012)



Source: data sourced from IHS Global Insight (2013)

Figure 30A: Labour force participation rate (official) by province*

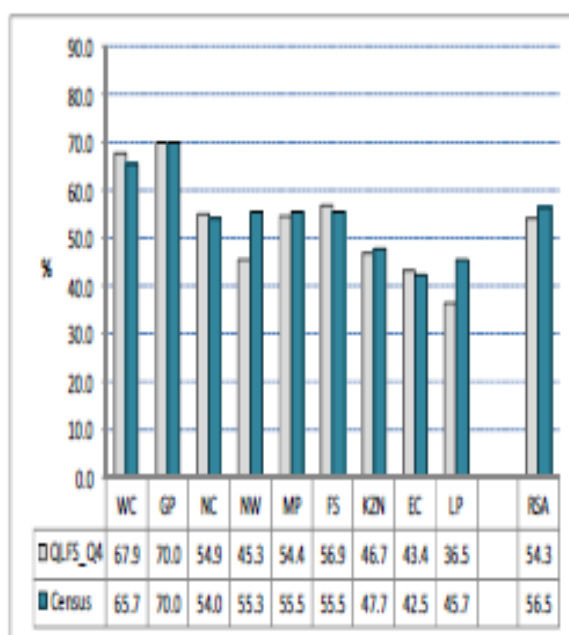
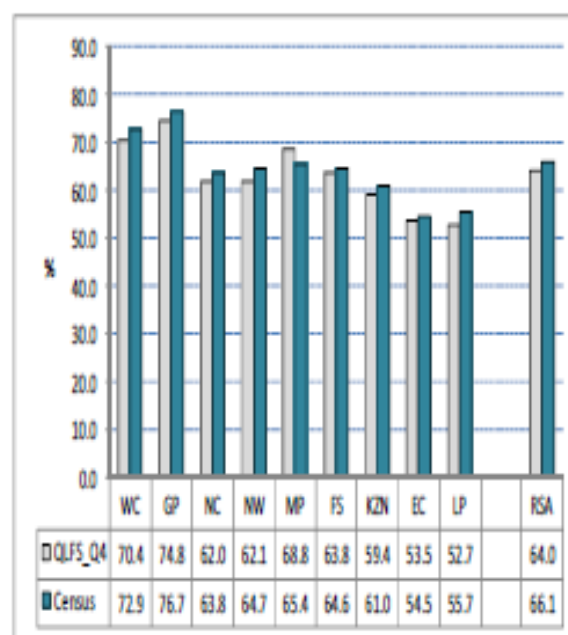


Figure 30B: Labour force participation rate (expanded) by province*



Source: StatsSA, 2011²⁸

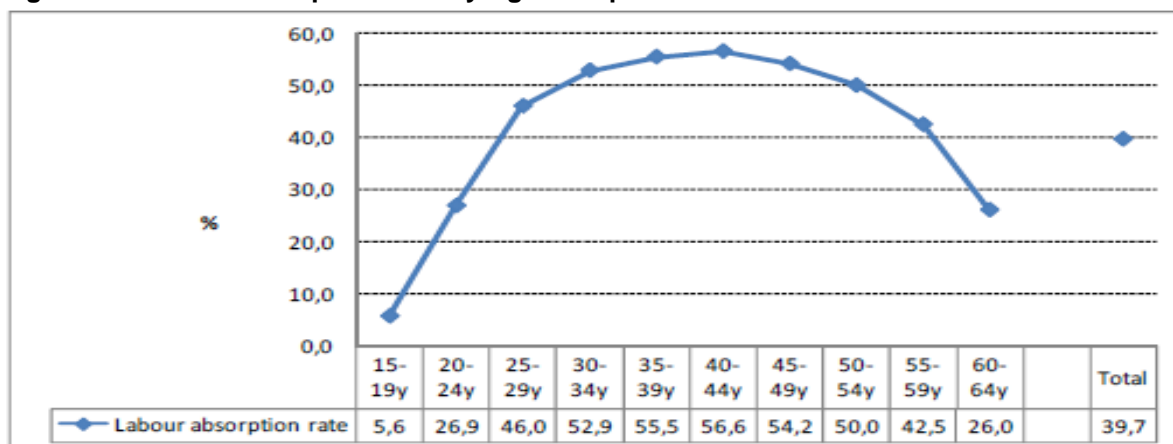
*Note: The provincial order in the above two figures corresponds with the order used in the QLFS, and is therefore different from the geocode which is used in other publications.

For both official and expanded labour force participation rate according to figure 30A and 30B, North West remains in the same region as Mpumalanga and Free State following Western Cape and Gauteng Province. Various factors are likely to have contributed in the North West fairly high participation (55.3 per cent) which is above 50 per cent margin. There could be new entrants to the labour market such as increased employment of women or it could be that most economically active population are entering the province.

²⁸StatsSA, Statistical Release (revised), 2011

Noting the recent increase in population size of the province and decreasing unemployment rate, major reason for North West high participation rate could be amongst other, more women and young graduates entering the labour market.

Figure 31: Labour Absorption Rate by Age Group

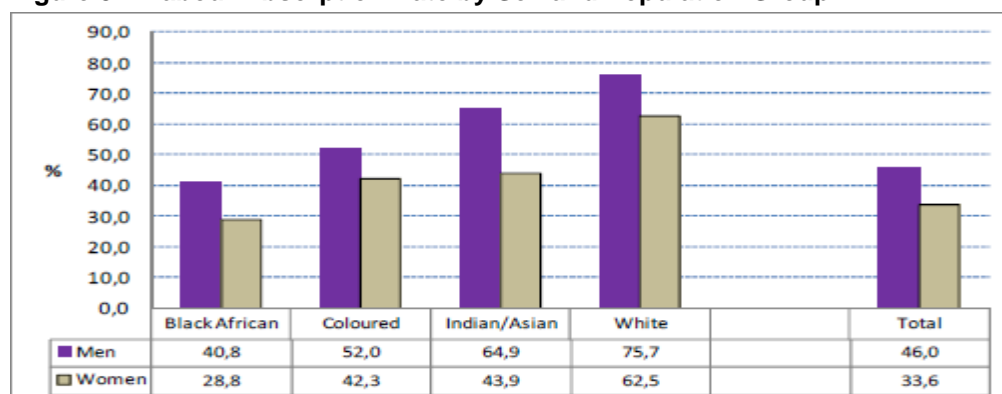


Source: StatsSA, 2011²⁹

Generally in South Africa, as figure 31 depicts, the labour absorption rate was lowest among young people aged 15–19 years (5.6 per cent) while among youth aged 20–24 years, the rate was 26.9 per cent. People from the age of 30 to 54 years constitute more than 50 per cent of the South African labour market and they are more employable than other age groups. Thus indicating that, people in that age group are likely to be employed than those below the age of 30 years and above the age of 54 years, due to the skills, knowledge and experience that they would have.

Despite various policies and legislations such as Employment Equity Act, Promotion of Equality and Prevention of Unfair Discrimination Act, Gender and Women Empowerment Policy Framework, etc. Figure 32 below further indicates that in South Africa, white males have better chances of employment, and also that more men in general stand a better chance of employment compared to women.

Figure 32: Labour Absorption Rate by Sex and Population Group



Source: StatsSA, 2011

Figure 32 reflects a skewed distribution of employment opportunities among men and women by population group.

²⁹ For Figures 25 & 26, StatsSA, Statistical Release (revised), 2011

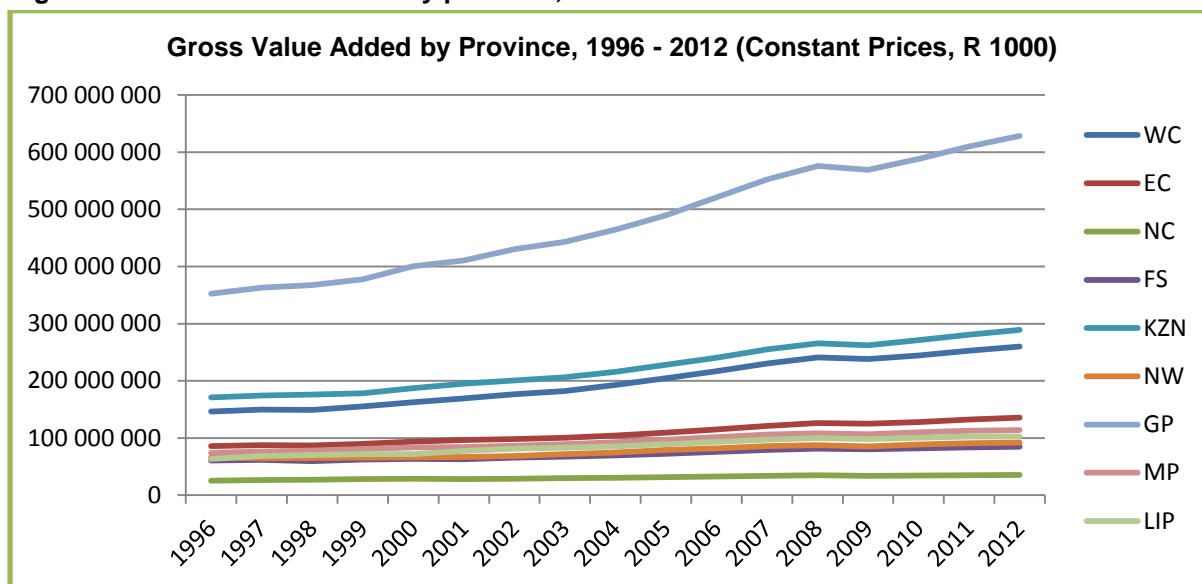
The labour absorption rate among black African men was 40.8 per cent compared with 75.7 per cent among white men, while the rate among black African women was 28.8 per cent compared with 62.5 per cent among white women.

According to figure 32, in terms of the other population groups, the labour absorption rate among men in the coloured population group was 52.0 per cent and among women in that group it was 42.3 per cent. Among the Indian/Asian population group, the absorption rate was 64.9 per cent among men and 43.9 per cent among women.

1.4.3 Economic Growth

According to Statistics South Africa the North West Province' average annual regional Gross Domestic Product (GDPR) growth rate currently (2011) stands at 2.6 per cent. According to StatsSA North West Province's contribution to national GDP increased from 6.1 to 6.7 in 2010. According to a report by Invest North West (2011), the contribution receded slightly to 5.4 per cent in 2011. Figure 33a depicts NWP as the third smallest contributor to National GDP after Northern Cape and Free State Province.

Figure 33a: Gross value added by province, 1996 to 2012

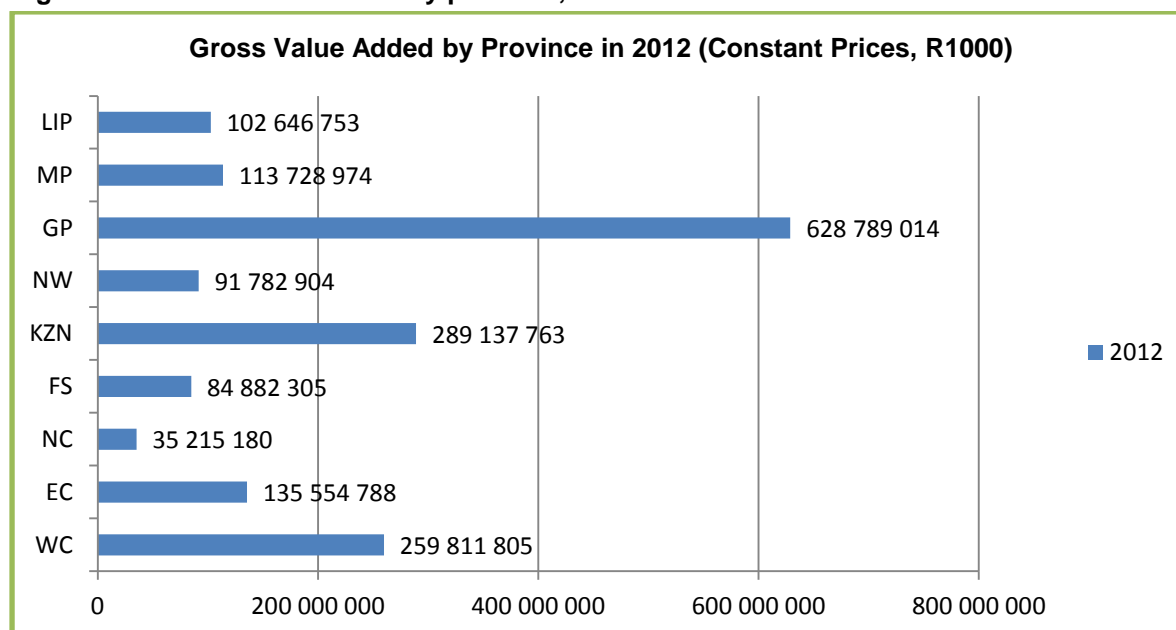


Source: data sourced from IHS Global Insight (2013)

The North West economy, with the exception of the mines, is characterised by small, medium and micro enterprises (SMMEs). The economy is characterized by primary industries and strategies for growth are aimed at adding value with the objective to move the economy from not just being a resourced-based economy, but to also be a knowledge-based economy. Given the sensitivity of the province's economy to world mineral prices, the North West plans to reduce its dependence on the mining sector, with an increased diversification to mineral beneficiation, agri-business, tourism and non-mining related manufacturing industries, evident in the recent year-on-year growth in this sector, Invest North West (2011).

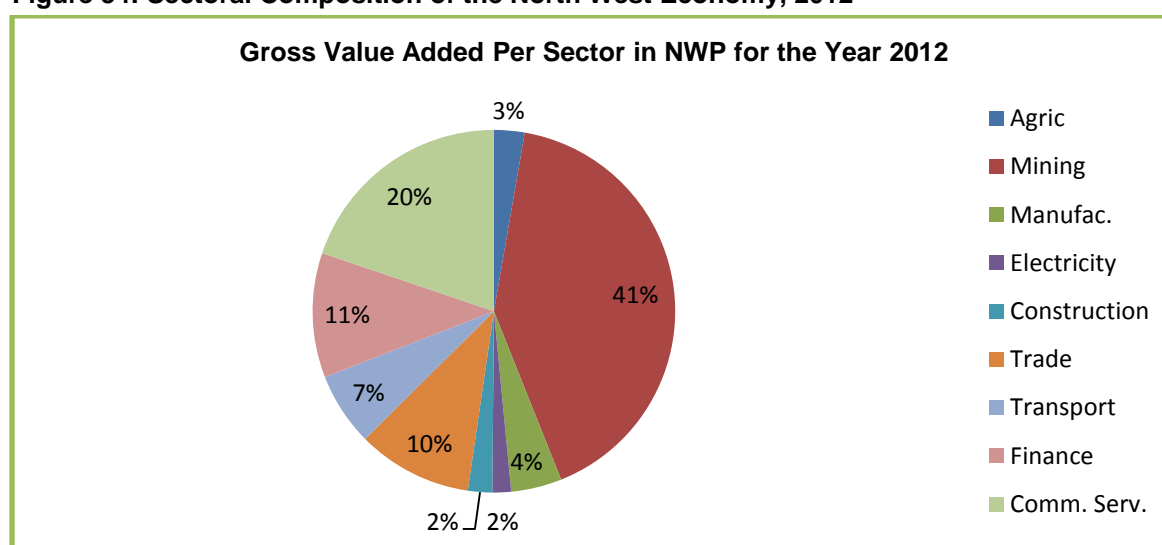
Figure 33b clearly indicates that the North West Province has been one of the lowest performing provinces in South Africa in terms of economic activity. It remains critical for this province to focus on developing its competitive advantage such as in agriculture and processing; venture into manufacturing and other economic sectors that can unleash the potential of the economy. Investment in infrastructural development remains one of the critical factors in developing the economy of the province through attraction of investment.

Figure 33b: Gross value added by province, 2012



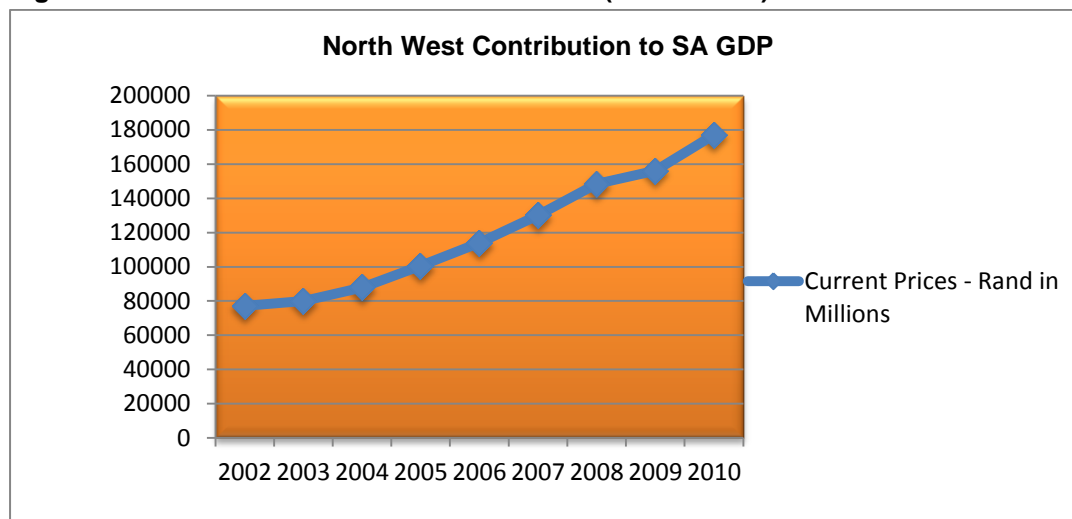
Source: data sourced from IHS Global Insight (2013)

Figure 34: Sectoral Composition of the North West Economy, 2012



Source: data sourced from IHS Global Insight (2013)

As shown in figure 34 the mining sector remains the leading economic sector in the North West Province with Gross Value Added by this sector at 41 per cent in the year 2012 followed by Community or general government services at 20 per cent and finance sector at 7 per cent.

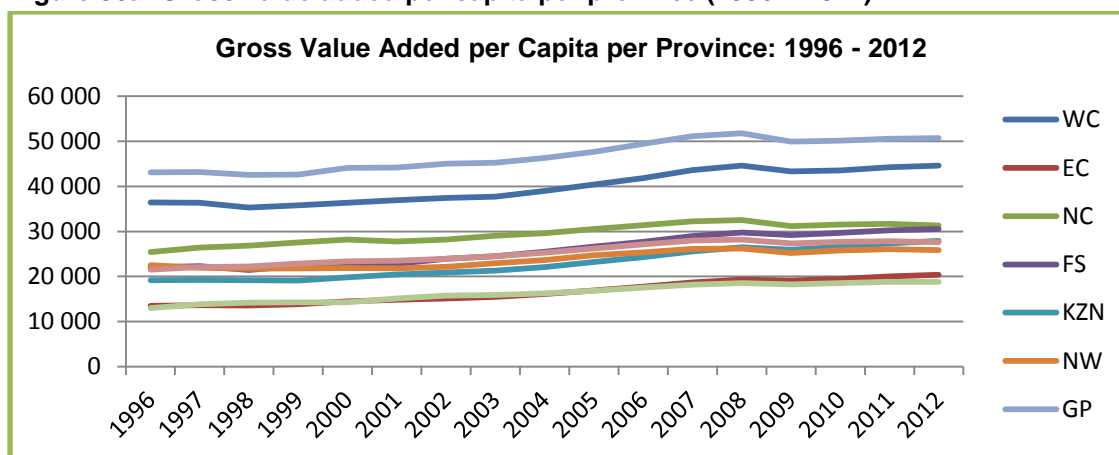
Figure 35: North West Contribution to SA GDP (2002 – 2010)

Source: data sourced from StatsSA³⁰

Figure 35 shows a trend of the NWP output and its contribution to National GDP. Since 2002 to 2010, the province has recorded and contributed positively to the South African economy.

Three key variables (population size, economic growth and income per capita) become essential to investigate further when seeking to understand factors around Northern Cape outpacing the North West Province on GDP per capita while North West leads Northern Cape in terms of GDP. One major key factor is the population size versus economic growth. A country or region having means of production with a small population size is likely to achieve higher average income than that with means of production yet a larger population, other things of course remaining the same (*ceteris paribus*).

Gauteng and Western Cape show higher average income levels of increases above 7 per cent with North West and Northern Cape showing average income increase of 55 per cent. According to figure 36a, North West ranks the fourth highest province in terms of GDP per capita. Which indicates that, the standard of living in the North West Province is fairly higher compared to other provinces such as Eastern Cape, Limpopo, Mpumalanga, etc.

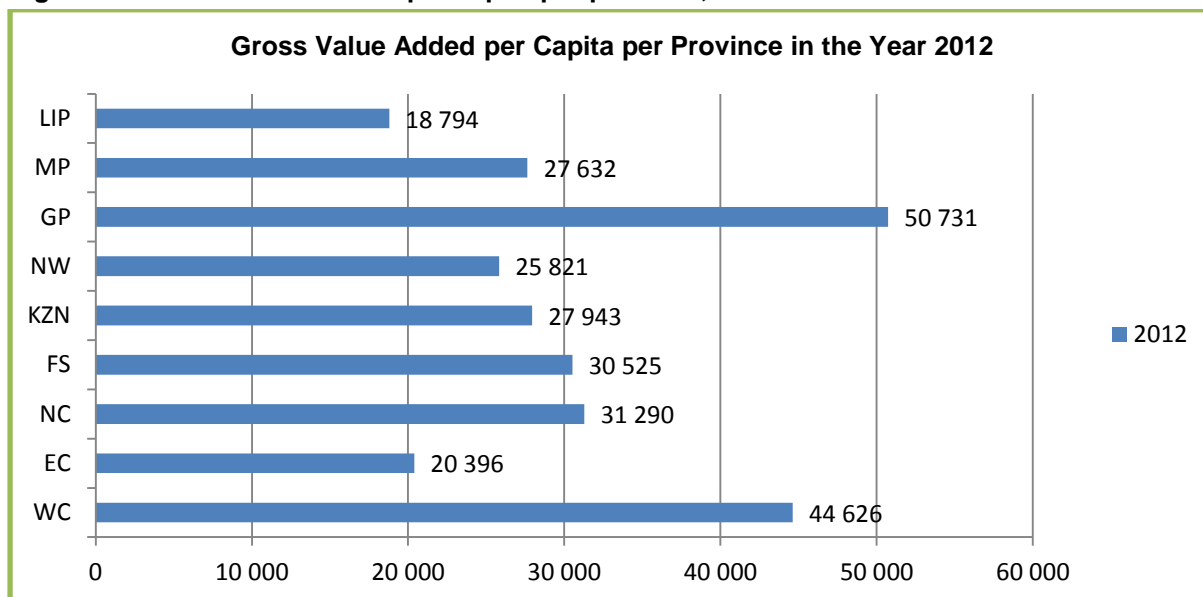
Figure 36a: Gross value added per capita per province (1996 – 2012)

Source: data sourced from IHS Global Insight (2013)

³⁰ Statistics South Africa, 29 November 2011, Gross Domestic Product, Regional Estimates.

While the North West Province performed better than three provinces in terms of Gross value added per Capita between 1996 and 2008, between 2008 to 2012 it was outperformed by KZN and fell to the third place from the bottom just before Eastern Cape and Limpopo. As indicated in figure 36b below, in 2012, North West Province remains one of the lowest productive economies in the country while Gauteng and Western Cape were taking the lead.

Figure 36b: Gross value added per capita per province, 2012



Source: data sourced from IHS Global Insight (2013)

1.4.4 Private Investment in North West Province

According to Invest North West (2011/12), during the reviewed period, the organisation successfully facilitated the implementation of three new expansion projects, worth a combined total of R173 million, that led to the creation of 526 direct and permanent jobs. When compared against our Annual Performance Plans, we have exceeded our job creation targets, while investment generated is R73 million short of our planned target of R246 million. This represents an impressive increase of 432 per cent from the level of investment generated during the 2010/2011 financial year.

Tables 11 and 12 below clearly depict the achievements recorded during the financial year 2011/12 and the number of the much needed jobs created in the same financial year.

Table 11: Successful opportunities during the year under review

Project	Project partners	Location	BEE (%)	Number of employment opportunities			Value of investment
				New investment	Expansion	Retention	
Choppies SA (Pty) Ltd	N/A	Rustenburg	N/A		225		R130 000 000
Pasdec Automotive Technologies	Malaysian Development Bank	Brits	49%		250		R35 000 000
Vent and Support Africa	None	Rustenburg	26%		51		R8 000 000
Total for 2011/2012					526		R173 000 000
Total for 2010/2011					182		R32 500 000

Source: Invest NW Annual Report (2011/12)³¹

³¹ Invest North West (2011/12), Annual Report.

Noting the current growth and jobs being created in both manufacturing and retail sector, there is a need to explore opportunities in these sectors and to further identify sector interrelated opportunities such mining to manufacturing and manufacturing to retail sector. This could assist in increasing value added; job creation and poverty reduction.

Table 12: Return on Investment (ROI)

Financial year	Amount invested in INW by government	Value of investment attracted by INW	% Increase/growth (i.e. ROI)	Total number of jobs
2010/2011	R17 402 000	R32 500 000	186,7%	182
2011/2012	R19 626 000	R173 000 000	881,4%	526
Running Total	R37 028 000	R205 500 000	454,9%	708

Source: Invest NW Annual Report (2011/12)

1.5 Household Infrastructure

1.5.1 Water

Throughout history human progress has depended on access to clean water and on the ability of societies to harness the potential of water as a productive resource. Water for life in the household and water for livelihoods through production are two of the foundations for human development. Yet for a large section of humanity these foundations are not in place. Access to water for life is a basic human need and a fundamental human right. Yet in our increasingly prosperous world, more than 1 billion people are denied the right to clean water and 2.6 billion people lack access to adequate sanitation. These headline numbers capture only one dimension of the problem. Every year some 1.8 million children die as a result of diarrhoea and other diseases caused by unclean water and poor sanitation, HDR (2006)³².

Access to basic infrastructure and service reflects the socio-economic conditions of the country's population. The provision and availing process of such infrastructural services has the potential to create short term employment, long-term employment and create economic opportunities for communities. These infrastructural services serve as inputs to production and as a result communities can start businesses and income generating projects.

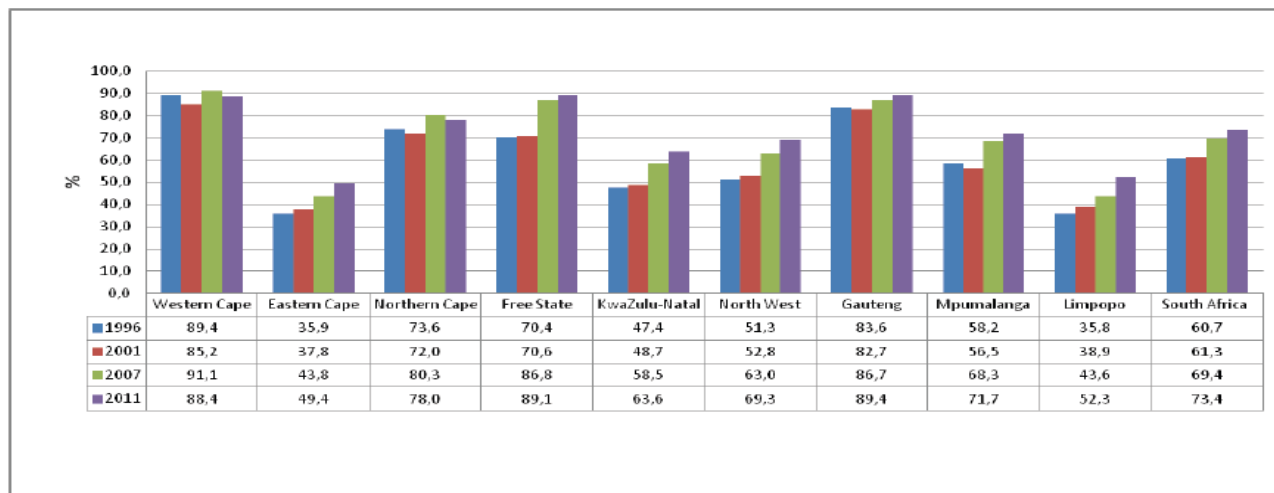
Access to infrastructure can also improve the quality of life. Communities will have access to safe and clean water and sanitation which will improve their health status, street lights which improves visibility and security, telecommunication which will improve their contact with the outside world and ease their access to other services such as ambulances and police service and transport which will also increase their access to facilities which are not available in their area.

Figure 37 shows that the percentage of households with access to piped water inside the dwelling or yard has increased in all the nine provinces. Gauteng had the highest percentage at 89.4 per cent, followed by Free State, Western Cape and Northern Cape at 89.1 per cent, 88.4 per cent and 78.0 per cent respectively.

³² UNDP (2006), Human Development Report. **Beyond scarcity:** Power, poverty and the global water crisis

Eastern Cape, KwaZulu-Natal, North West, Mpumalanga and Limpopo were at 49.4 per cent, 63.6 per cent, 69.3 per cent, 71.7 per cent and 52.3 per cent respectively, which is lower than the recorded national average of 73.4 per cent.

Figure 37: Percentage of households with access to piped water inside the dwelling/yard by province: Census 1996, 2001, 2011 and Community Survey 2007

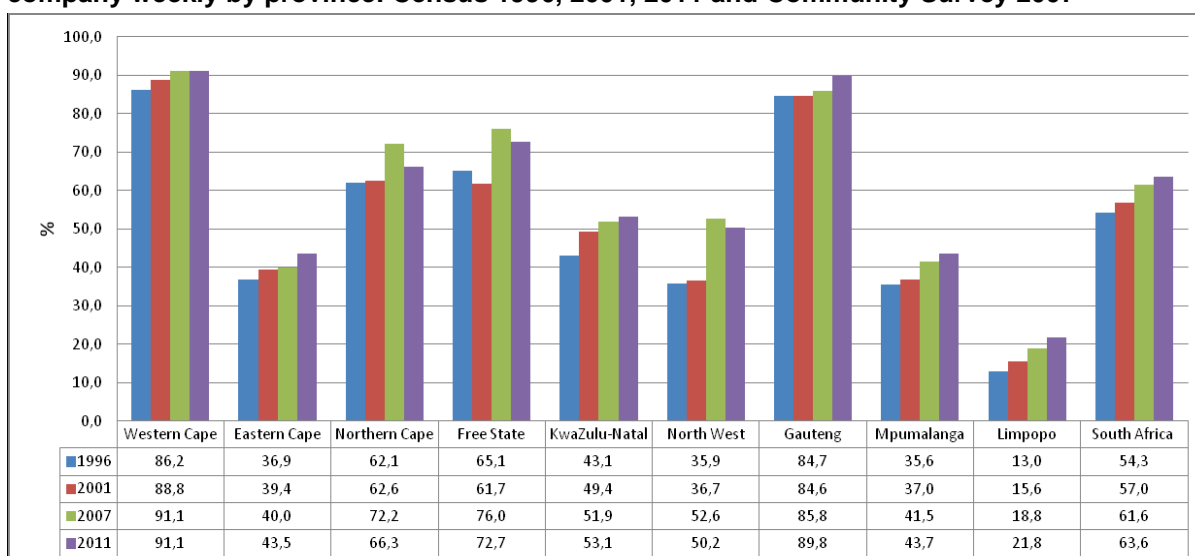


Source: Stats SA, Census 2011³³

1.5.2 Refuse removal

Figure 38 shows that the proportion of households with access to refuse removal by local authority/private company at least once a week increased in all provinces since 1996. Western Cape had the highest proportion of households with access to refuse removal at 91.1 per cent, followed by Gauteng at 89.8 per cent in 2011. Limpopo and Eastern Cape had percentages below the national average at 43.7 per cent and 43.5 per cent respectively. The National average was at 63.6 per cent in 2011.

Figure 38: Percentage of households where refuse is removed by local authority/private company weekly by province: Census 1996, 2001, 2011 and Community Survey 2007



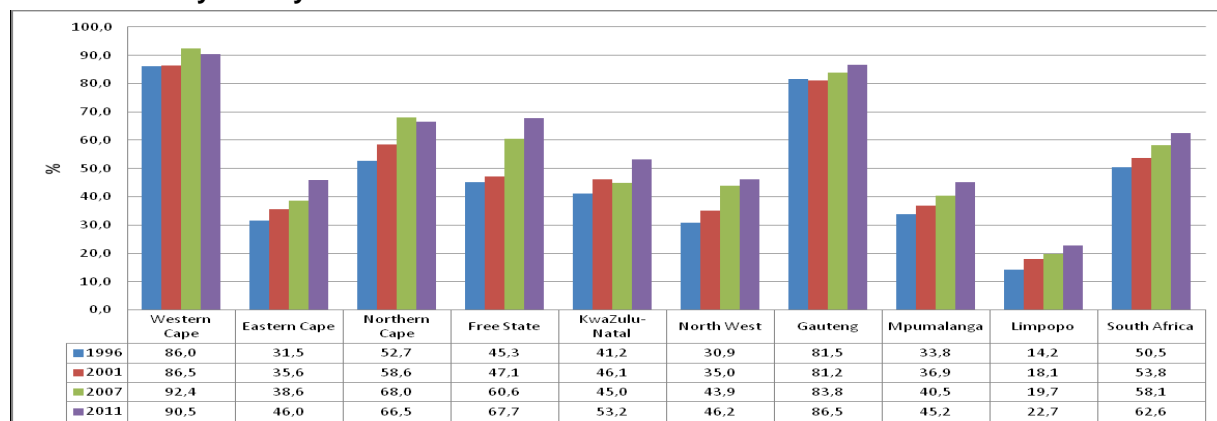
Source: Stats SA, Census 2011

³³ Statistics South Africa, Census (2011), Provinces at a glance

1.5.3 Toilet facilities

Figure 39 shows that the percentage of households with access to flush or chemical toilet has increased in all the provinces since 1996. Western Cape is the province with the highest percentage (90.5) of households with access to flush or chemical toilet, followed by Gauteng, Free State and Northern Cape with 86.5 per cent; 67.7 per cent and 66.5 per cent respectively. The percentage of households that have access to flush or chemical toilet in Eastern Cape, KwaZulu-Natal, North West, Mpumalanga and Limpopo is below the national average of 62.6 per cent.

Figure 39: Percentage of households with a flush toilet by province: Census 1996, 2001, 2011 and Community Survey 2007



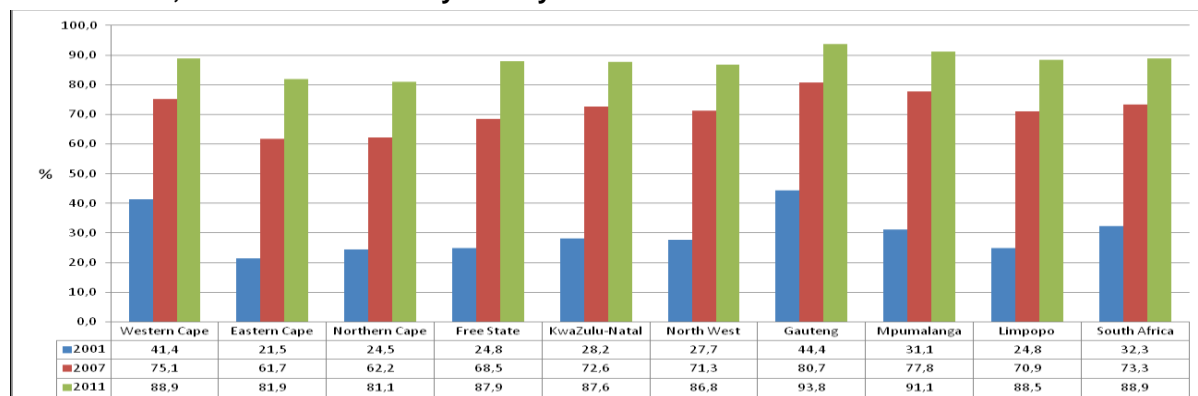
Source: Stats SA, Census 2011

According to Census 2011, service provision in the North West Province stands at 69.3 per cent in access to water within the dwelling, 50.2 per cent in refuse removal and 46.2 per cent in flush toilets. This clearly indicates the low level of service provision compared to other provinces.

1.5.4 Cell phone

Figure 40 shows that the percentages of households that have a cell phone in working order increased from 32.3 per cent in 2001 to 73.3 per cent in 2007 and 88.9 per cent in 2011 nationally. Gauteng had the highest percentage in 2001 at 44.4 per cent and it has highly increased to 93.8 per cent in 2011. 24.5 per cent of households in Northern Cape owned cell phones in 2001, however, it increased to 81.1 per cent in 2011, which is the lowest in the country.

Figure 40: Percentage of households that have a cell phone in working order by province: Census 2001, 2011 and Community Survey 2007

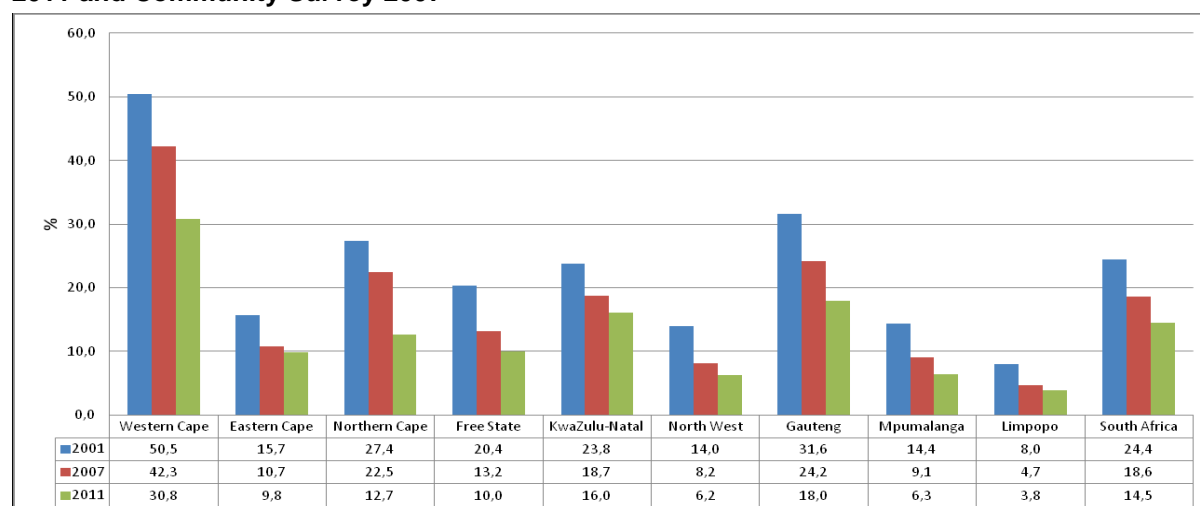


Source: Stats SA, Census 2011

1.5.5 Landline

Figure 41 gives the percentage of households that had a landline telephone in 2001, 2011 and 2007 Community Survey. The figure shows that all provinces recorded decrease in the proportion of households with landline telephones. Western Cape recorded the highest decrease of 11.5 per cent from 2007 to 2011 followed by Northern Cape and Gauteng. This significant decrease is attributable to the shift to the cell phone usage, which is easily accessible as compared to the landline.

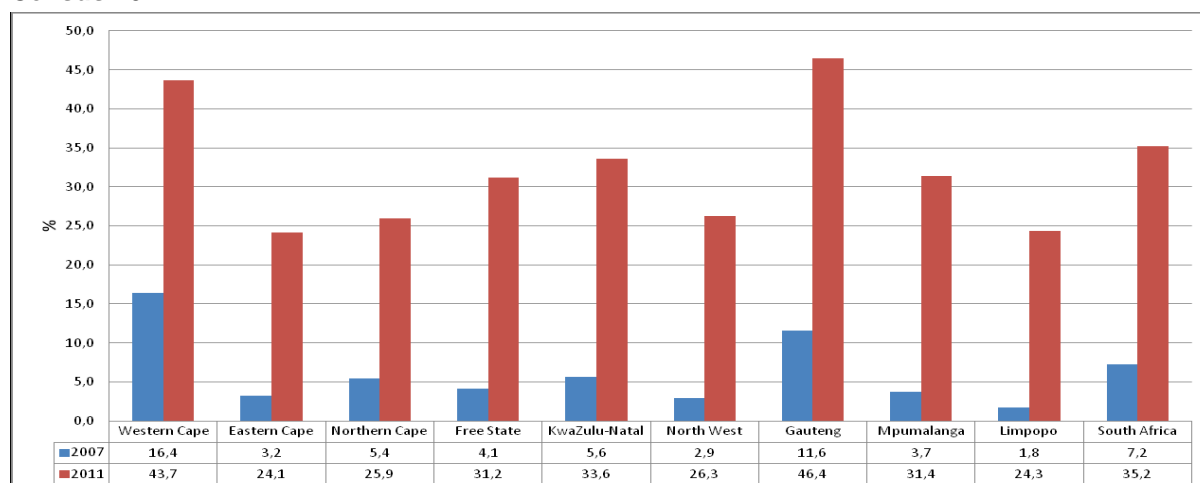
Figure 41: Percentage of households that have a landline telephone by province: Census 2001, 2011 and Community Survey 2007



Source: Stats SA, Census 2011

1.5.6 Internet

Figure 42 shows a proportion of households with access to internet increase drastically in 2011 compared to 2007. In 2007, Western Cape (16.4 per cent) had the highest access to the internet, followed by Gauteng (46.6 per cent). Limpopo and Eastern Cape recorded the lowest access at 1.8 per cent and 3.2 per cent respectively. In 2011, Gauteng had the highest access to internet at 46.4 per cent followed by Western Cape at 43.7 per cent. Limpopo and Eastern Cape had the lowest proportion of the households with access to the internet at 24.3 per cent and 24.1 per cent respectively.

Figure 42: Percentage of households with access to the internet: Community Survey 2007 and Census 2011

Source: Stats SA, Census 2011

Generally, there is an improvement in access to means of communication in the Country with more people gaining access to internet and reduction in usage of landline telephones to increased usage of cell phones.

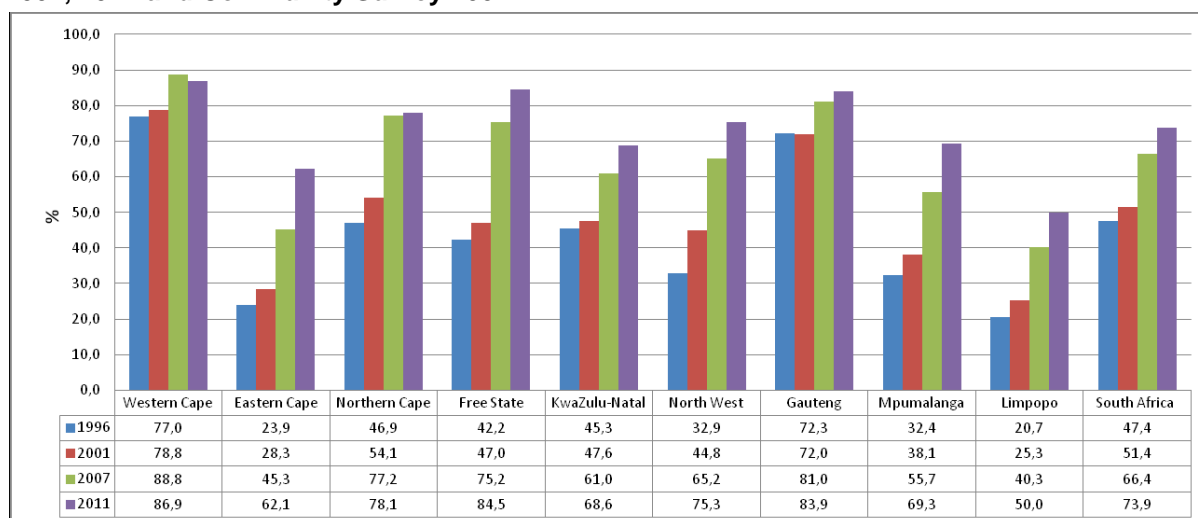
Sufficient and access to communication infrastructure is likely to increase access to markets and increased business opportunities for many. It is therefore important for the North West province to increase its investment in communication infrastructure coupled with public education on the effective and efficient use of technology and such means of communication.

1.5.7 Electricity

1.5.7.1 Electricity for cooking, heating and lighting

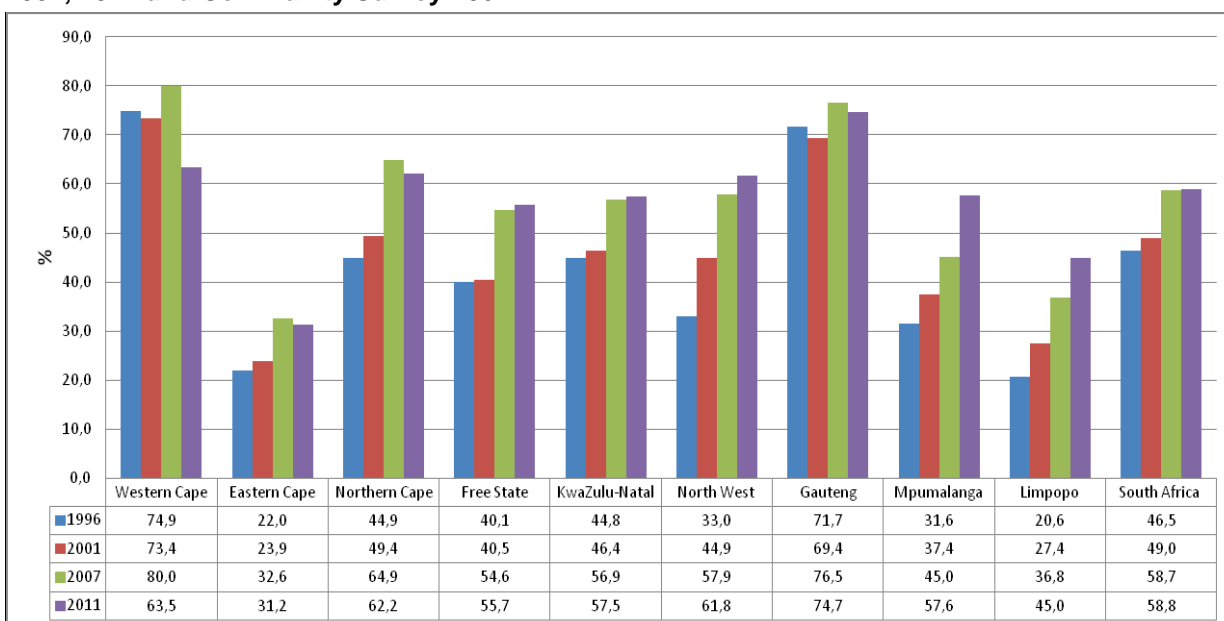
Access to modern energy services is fundamental to fulfilling basic social needs, driving economic growth and fuelling human development. This is because energy services have an effect on productivity, health, education, safe water and communication services. Modern services such as electricity, natural gas, modern cooking fuel and mechanical power are necessary for improved health and education, better access to information and agricultural productivity, Gaye (2007)³⁴.

³⁴ Gaye A., (2007), Access to Energy and Human Development, Human Development Report 2007/2008, UNDP

Figure 43: Percentage of households using electricity for cooking by province: Census 1996, 2001, 2011 and Community Survey 2007

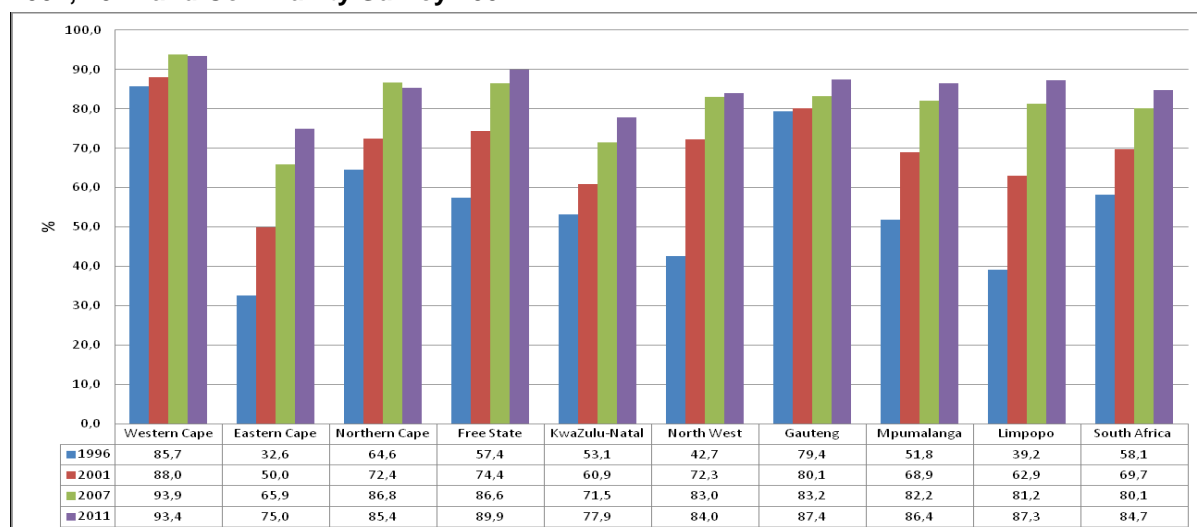
Source: Stats SA, Census 2011

Figure 43 shows the percentage of households which use electricity for cooking. The graph shows an increase in all the provinces since 1996. Nationally, it increased from 47.4 per cent in 1996 to 73.9 per cent in 2011. Western Cape recorded the highest at 86.9 per cent, followed by Gauteng at 83.9 per cent and the lowest being Limpopo at 50.0 per cent.

Figure 44: Percentage of households using electricity for heating by province: Census 1996, 2001, 2011 and Community Survey 2007

Source: Stats SA, Census 2011

Figure 44 shows the percentage of households that use electricity for heating in various provinces. The increase in the proportion of households using electricity for heating has significantly increased in eight of the nine provinces over the period 1996 – 2011.

Figure 45: Percentage of households using electricity for lighting by province: Census 1996, 2001, 2011 and Community Survey 2007

Source: Stats SA, Census 2011

Figure 45 shows that over the period 1996 – 2011, electricity was the main source of energy for lighting for most households in all provinces. The proportion of households using electricity for lighting in South Africa increased from 58.1 per cent in 1996 to 84.7 per cent in 2011. Western Cape recorded a highest proportion at 93.4 per cent, followed by Free State (89.9 per cent). Eastern Cape had a lowest at 75.0 per cent. Access to electricity for cooking in the North West province increased from 65.2 per cent to 75.3 per cent; for heating, it increased from 57.9 per cent to 61.8 per cent, and a minor increase from 83.0 per cent to 84.0 per cent for lighting.

This indicates a reduction in *energy poverty* which is defined as the *inability to cook with modern cooking fuels and the lack of a bare minimum of electric lighting to read or for other household and productive activities at sunset*, UNDP (2005)³⁵.

1.6 District Municipalities

1.6.1 Municipalities in the North West Province

This section focuses on key infrastructure development areas within four district municipalities in the North West Province. The sections will briefly discuss human development, inequality and infrastructure status in the four respective municipalities.

1.6.2 Human Development

Human development is measured in terms of human development index which is a tool widely used globally. According to Global Insight (2013), The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions. HDI is the combination of three basic dimensions of human development

- A long and healthy life
- Knowledge
- A decent standard of living

³⁵ UNDP (2005), Energizing Poverty Reduction. A Review of Energy-Poverty Nexus in Poverty Reduction Strategy papers.

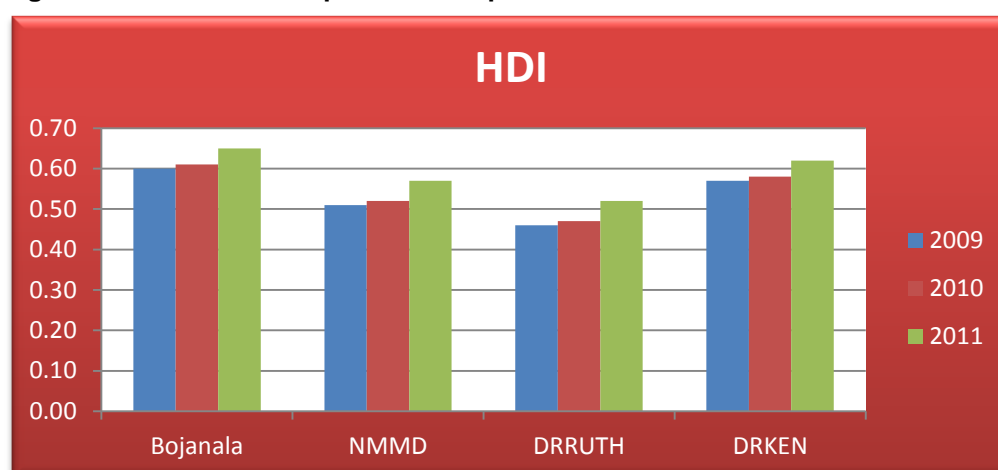
A long and healthy life is typically measured using life expectancy at birth. Knowledge is typically measured using adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. A decent standard of living is typically measured using GDP per capita.

The HDI can assume a maximum value of 1, indicating a very high level of human development. It has a minimum value of 0, indicating no human development.

According to figure 46 below, Bojanala District Municipality has been leading in terms of human development since 2009 to 2011 followed by Dr Kenneth Kaunda District Municipality. This could be as a result of mining activities in the area which open employment and other business opportunities. Dr Ruth Segomotsi Mompati district municipality is the lowest performing district in the province just behind Ngaka Modiri Molema District Municipality.

Ngaka Modiri Molema performance could be as a result of its close and interlink to Bojanala District and Dr Kenneth Kaunda. While the same could be a disadvantaging factor to Dr Ruth Segomotsi Mompati as it is located far from other districts especially Bojanala District.

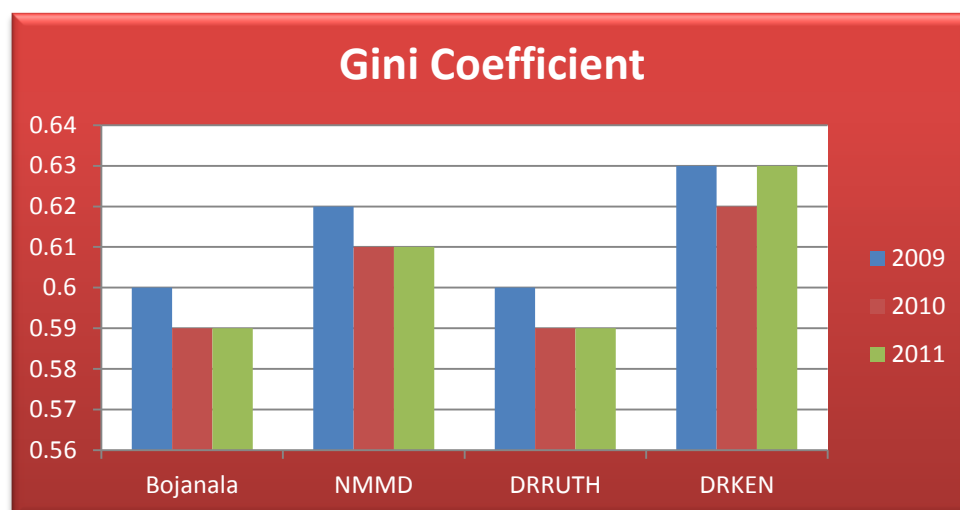
Figure 46: Human Development Index per District in the NWP



Source: data sourced from IHS Global Insight

1.6.3 Income Inequality

The Gini coefficient is a summary statistic of income inequality, which varies from 0 to 1. If the Gini Coefficient is equal to zero it means that incomes are distributed in a perfectly equal manner, indicating a low variance between high and low income earners in the population. If the Gini coefficient is equal to one, income is completely inequitably distributed, with one individual in the population earning income, whilst everyone else earns nothing. In practice this coefficient is likely to lie in a range between 0.25 to 0.70; (Global Insight, 2013).

Figure 47: Gini Coefficient for NW Municipalities

Source: data sourced from IHS Global Insight

Despite good trends in human development in Dr Kenneth Kaunda district municipality, data presented in figure 47 above shows a high level of income inequality over time; Ngaka Modiri Molema District Municipality also indicates a trend of high income inequality. Clearly, within the two districts there is a challenge of equal distribution of income which also indicates that there could be challenges in employment and access to business opportunities.

1.6.4 Municipal Infrastructure

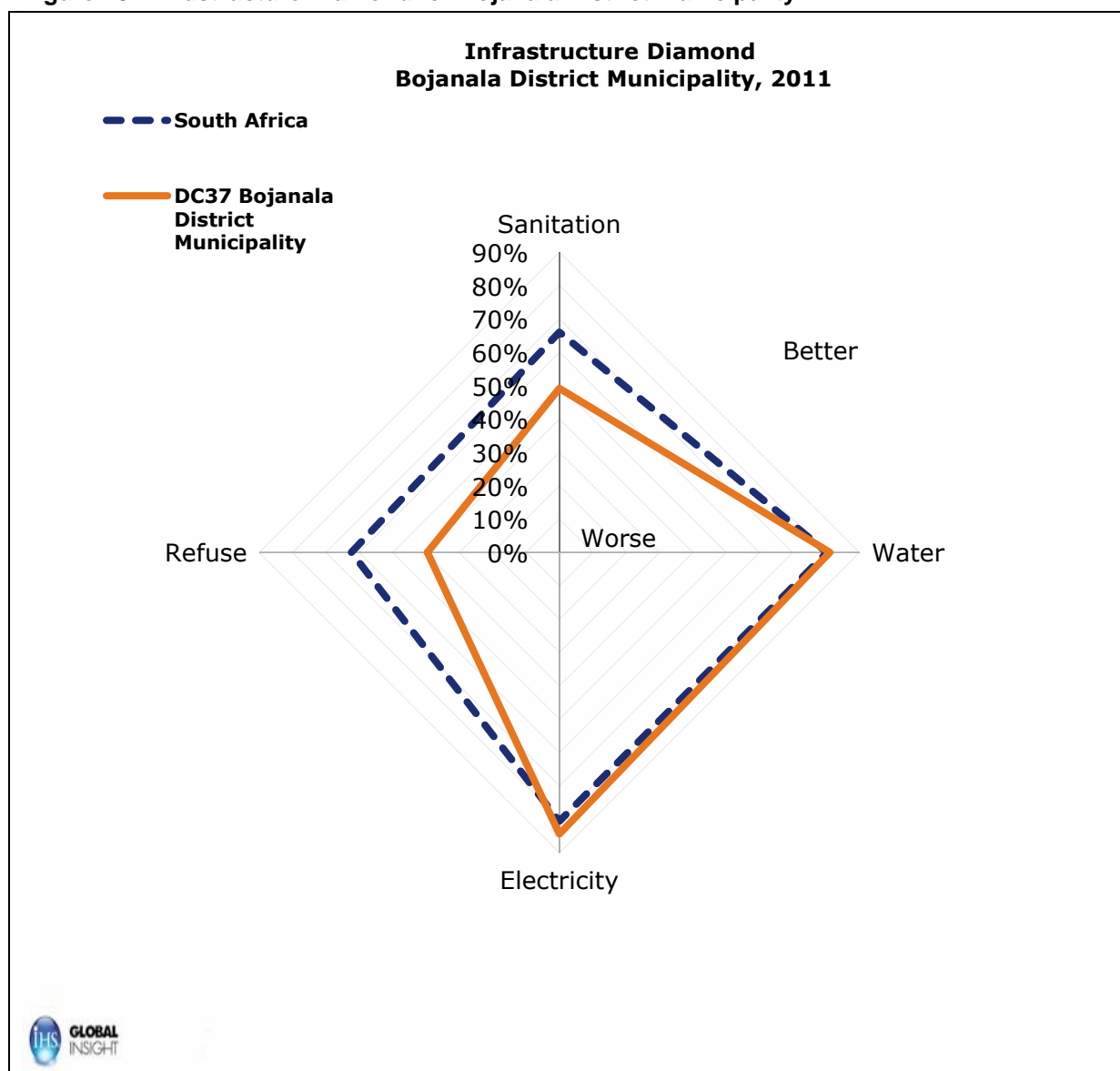
This section focuses on infrastructure diamond per district municipality.

The chart to be used in this section is the infrastructure diamond. The infrastructure diamond depicts the four household infrastructure measures on a single diamond shaped chart. The larger the diamond, the better serviced the region is in terms of refuse, electricity, sanitation and water access. The dotted blue line shows the national average as a means of comparison, whilst the red line shows the current region. If the dotted blue line falls *inside* of the orange line, the region is performing better than the national average. The opposite is true if the dotted blue line falls *outside* the orange diamond, (Global Insight, 2013).

1.6.5 Bojanala District Municipality

In the Bojanala District Municipality, more than 80 per cent of households have access to water, 50 per cent have access to sanitation, with provision of refuse removal services standing at 40 per cent and electricity supply is more than 80 per cent.

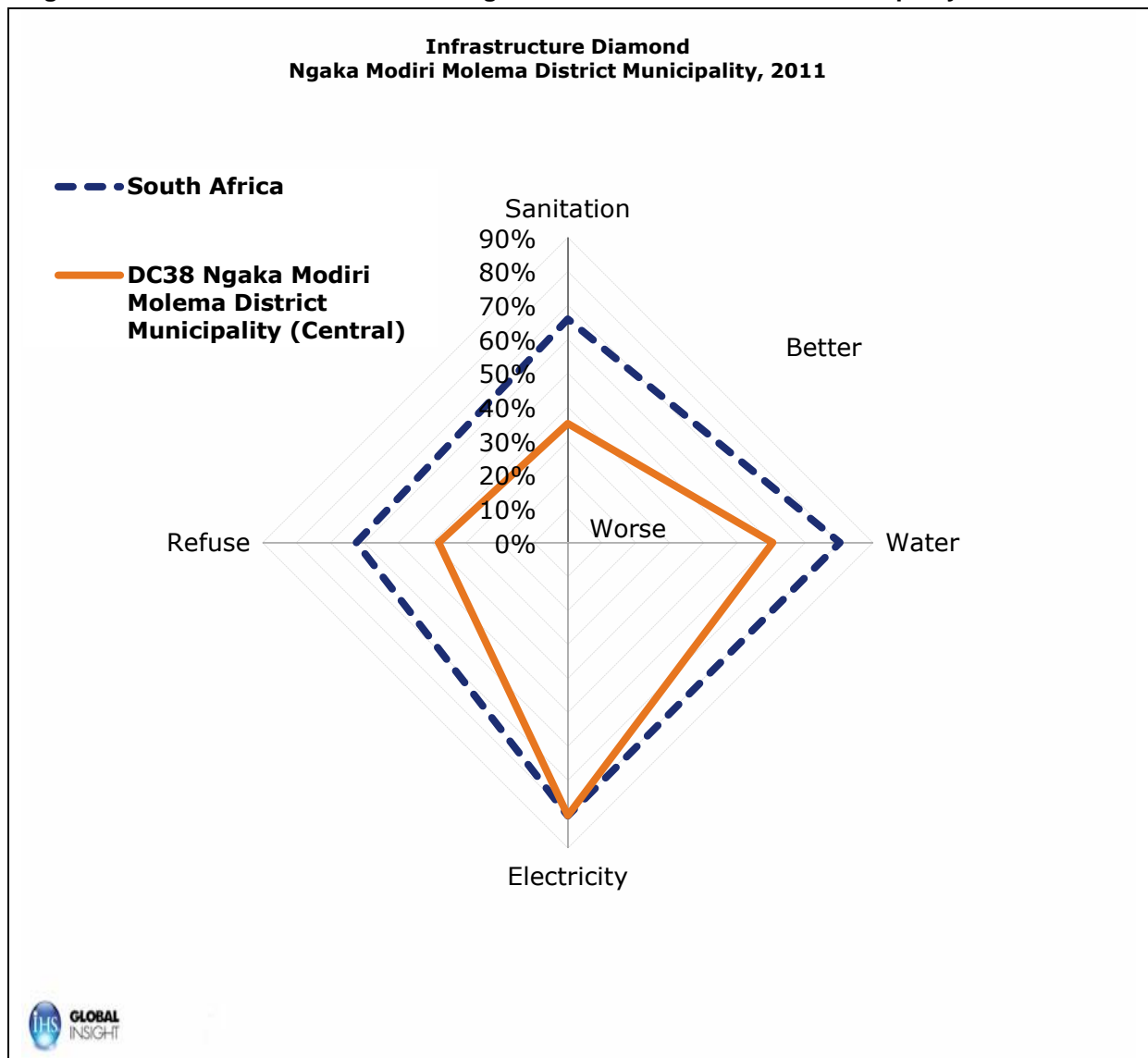
Figure 48: Infrastructure Diamond for Bojanala District Municipality



1.6.6 Ngaka Modiri Molema District Municipality

In the Ngaka Modiri Molema District Municipality, provision of sanitation services is between 30 and 40 per cent, water services is at 60 per cent while refuse removal services is at 40 per cent and provision of electricity remains the most provided service at 80 per cent. The most poorly provided service is sanitation.

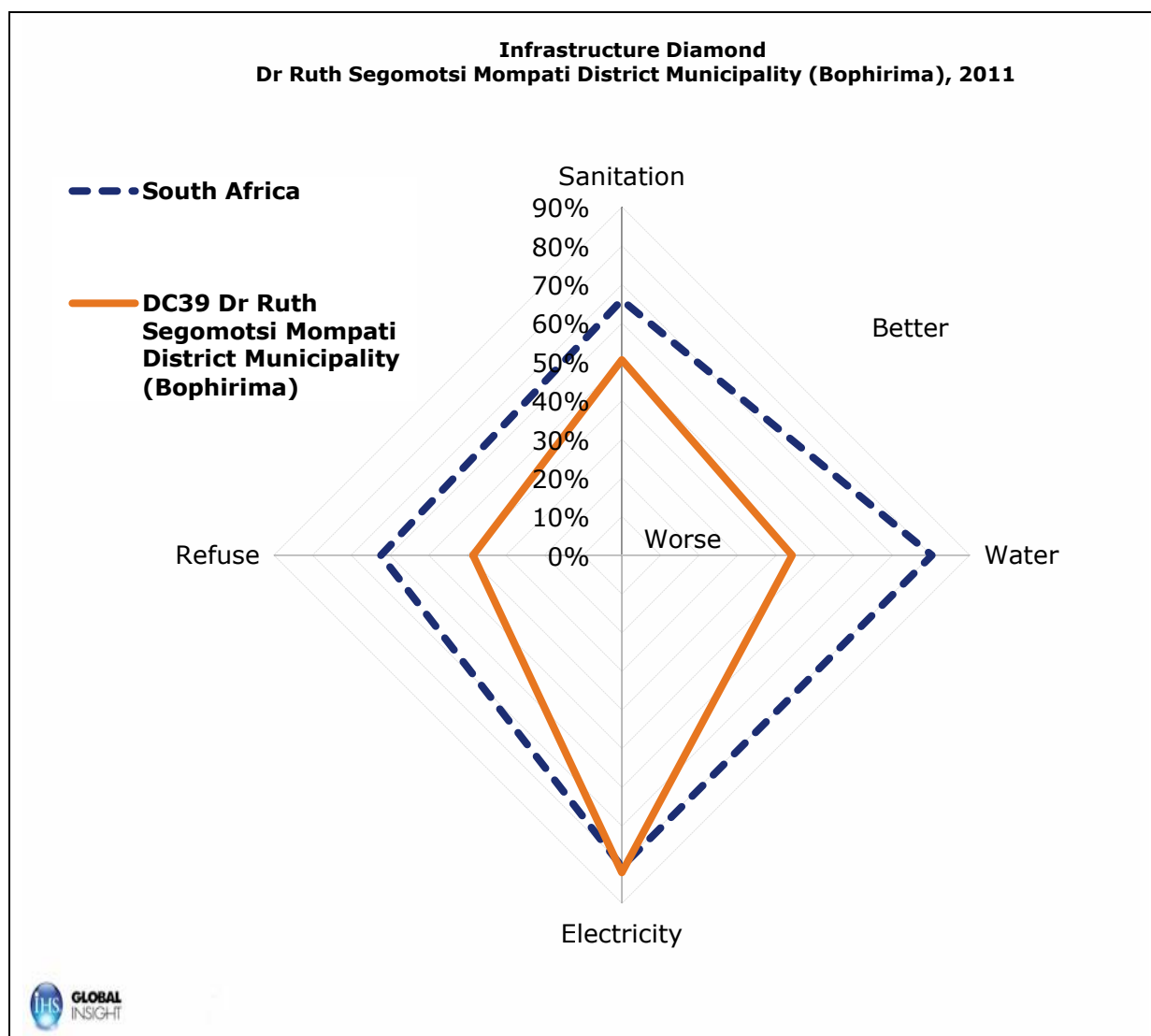
Figure 49: Infrastructure Diamond for Ngaka Modiri Molema District Municipality



1.6.7 Dr Ruth Segomotsi Mompoti District Municipality

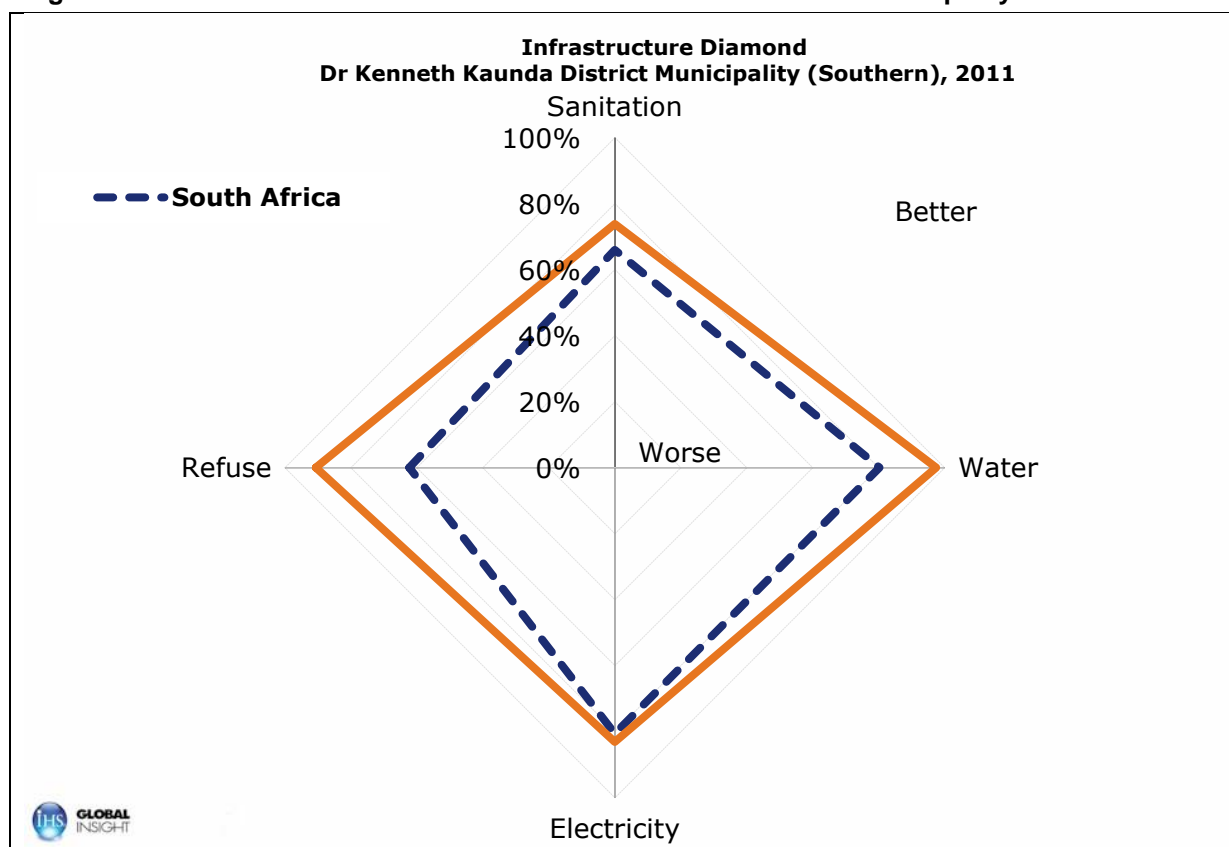
Provision of electricity in Dr Ruth Segomotsi Mompoti District Municipality is amongst the largest at 80 per cent, water standing between 40 and 50 per cent with sanitation service standing at 50 per cent and refuse removal standing at 40 per cent.

Figure 50: Infrastructure Diamond for Dr Ruth Segomotsi Mompoti District Municipality



1.6.8 Dr Kenneth Kaunda District Municipality

Interestingly, provision of basic services in the Dr Kenneth Kaunda District Municipality exceeds the national progress in provision of services as depicted in figure 51. Water service is standing at 50 per cent, electricity which is slightly higher than national is at 40 per cent with sanitation standing at just below 40 per cent and refuse removal services being between 40 and 50 per cent.

Figure 51: Infrastructure Diamond for Dr Kenneth Kaunda District Municipality

1.7 Conclusion

The provision of basic services in the North West District Municipalities ranges between 40 and 50 per cent on average excluding electricity. Electricity is the leading and better provided service across municipalities. Clearly this poses a challenge of service delivery in the province and requires much more increased investment and skilled human resource capacity to drive the process of service provision.

Based on the information presented above, North West Province is still faced with various socio-economic challenges which definitely require additional resources to overcome. Whether or not currently available resources at government's disposal, are effectively, efficiently and economically utilized, still remains in question. The status quo is unsatisfactory. Inclusive of the increasing unemployment and stubborn poverty trends, women and youth remain the most vulnerable members of the society. This requires decisive policy pronouncements and action from government to prioritize addressing challenges such as the one stated above including gender inequality, income inequality, unemployment, poverty, etc.

Noting the rural nature of the province and the likely high cost of providing both social and economic infrastructure, it remains critical for both provincial and local government to ensure effective deployment of public resources which will facilitate the achievement of desired state of human development in the province. To achieve this, concrete framework for monitoring and evaluation system must be put in place to trace reporting on both qualitative and quantitative development

In the course to alleviate poverty it should be government priority to ensure empowerment of community members as this will ensure long term sustainability of development programmes and projects.

2. Summary of Budget Strategy and Aggregates

Responding to the Medium Budget Policy Statement the North West Provincial Government will continue to utilize limited available resources sparingly by reducing the non-core spending substantially, enforcing reprioritization strategy and implementing EXCO resolution of “use it or lose it” in order to redirect limited funding where most needed for service delivery.

Despite concerns that sovereign debt problems in the Euro zone would destabilise the global financial system, policy responses in those countries appear to have found the way to contain the risk. In South Africa, economic recovery appears to be steadily under way. For instance during the fourth quarter of 2013, real Gross Domestic Product (GDP) at market prices registered growth of 3.8 per cent, from 0.8 per cent during the first quarter, mainly due to the recovery in the manufacturing sector and in particular, higher production of food, beverages, petroleum and chemical products in that sector. The North West economy, on the other hand, has been negatively affected by a myriad of service delivery strikes and mining sector strikes, which led to the North West GDP contraction of 0,6 per cent in 2012. Against the backdrop of slow recovery in the global economy, labour unrests in the mining sector, and high levels of consumer price inflation averaging 5,7 per cent in 2013, National treasury projects the South African economy to grow by 3.0 per cent in 2014, with further growth of up to 3.5 per cent in 2016 expected.

The North West Province will continue to focus and improve on the provision of quality education, proper health care, skill development and fight against crime and corruption. The implementation of these apex priorities will be overseen and coordinated by the Provincial Clusters Delivery Forums such as GACP, Social Cluster and the Economic Development and Infrastructure Cluster that coordinates the Presidential Outcomes as following:-

- Improved quality of basic education-(outcome 1)
- A long and healthy life for all South Africans- (outcome 2)
- All people in South Africa are and feel safe- (outcome 3)
- Decent Employment through inclusive economic growth- (outcome 4)
- A skilled and capable workforce to support an inclusive growth path (outcome 5)
- An efficient, competitive and responsive economic, infrastructure networks (outcome 6)
- Vibrant, equitable and sustainable rural communities with food security for all (outcome 7)
- Sustainable Human Settlements and improved quality of households' life (outcome 8)
- A responsive, Accountable, effective and efficient local government system (outcome 9)
- Environmental assets and natural resources that are well protected and continually enhances (outcome 10)
- Create a better South Africa and contribute to a better and safer Africa and World (outcome 11)
- Effective and development oriented public service (outcome 12)

This chapter seeks to demonstrate the Budget Aggregates which comprises estimates of provincial revenue expenditure for the 2014/2015 to 2016/2017 financial years; the audited outcomes of the previous years, from 2010/11 to 2012/13, the Provincial Socio Economic and Demographic Profile with a clear link to the National and Provincial Development Plan. The information for the 2013/14 financial year incorporates the second adjustments and revised estimates based on the December 2013 in year expenditure and projected figures.

The tabling of the 2014/15 Estimates of Provincial Revenue and Expenditure coincide with the tabling of the 2013/14 Second Adjustment of the Provincial Revenue and Expenditure which was initiated as part of the financial discipline, enforcement of reprioritization strategy in order to address financial challenges that were perpetuated by the tighter fiscal envelope. The departments with critical financial challenges such as Department of Health, Local Government and Traditional Affairs, Sports, Arts and Culture, Provincial Legislature, Public Safety and Liaison, Public Works, Roads and Transport and Human Settlements have benefited from this initiative.

Alignment of strategic development priorities and approaches in all planning and budgeting process

The 2014/15 Medium Term Expenditure Framework updates the fiscal policy framework for the province and make further progress towards the provincial goals and long term sustainable economic development and poverty alleviation in key targeted areas through improved management of public finance as defines in Outcome no 5 and the 2014 Medium Term Policy Statement,

The North West Province has embarked on a drive to ensure integrated planning across departments and to other spheres of the government. The following are some of the key intervention programmes:

- Economic Infrastructure
- Water
- Energy

The North West strategic priorities that were approved by EXCO in 2009 which are aimed at halving poverty by 2014 are still applicable and some have find expression in the 2030 National Development Plan such as;

- Halving poverty and building safe, secure and sustainable communities;
- Enabling faster economic growth and development
- Developing a healthy, skilled and productive people
- Building an effective and caring government;
- Fighting Crime and Corruption;

Furthermore, there are key strategies or programmes which are aimed at making significant impact towards achievement of national strategic goals. It is therefore imperative to reflect that these programmes or initiatives are linked to the outputs and outcomes to be delivered by relevant departments in North West as pronounced by the President and the Premier during the State of Nation Address (SONA) and the State of the Provincial Address (SOPA) which amongst others includes;

Economy and Jobs

The Executive Council has in 2013 financial year initiated the EPWP (Labour intensive) Programme. This programme targeted twenty- thousands unemployed citizens from all districts and is intended to continue until November 2014. The budget for 2013 was R172 million and R352 million in 2013/14 and 2014/15. This initiative was an addition to the nationwide EPWP that aims at drawing significant numbers of unemployed people in to productive work accompanied by training to improve their skills and capacity to earn income. As part of the EPWP implementation a number of jobs in various categories have been created such as care givers, child minders etc. In total the province has created 17 938 job opportunities which *inter alia* includes Infrastructure sector, (8 015) provincial Environment and Culture sector (1721) and Provincial Social sector at 8168. For 2014, the province has targeted a number which is estimated at 57 989 as recommended by National for EPWP job creation.

The Department of Human Settlement is implementing an integrated housing strategy to provide shelters for the unemployed and low and middle income earners. An amount of R1.3 billion in 2013 has been made available to produce an estimated number of 14 902 houses and delivered 7 528 houses as at the third quarter. In 2014 an amount of R1.5 billion has been affirmed through the Human Settlement Development Grant to construct habitable shelters. The department is planning to deliver 15 026 houses and create 10 164 job opportunities.

The province is also supporting the Municipalities through recruitment and deployment of technical experts. A number of these experts (technical assistants) have been deployed to build technical skills at Municipalities. The appointment and training of community development workers has advanced government effort to communicate with local municipalities. 319 of Community Development cadets have been trained and appointed.

Health and Social Security.

The re-engineering of Primary Health Care is a core Programme in this department although still at a pilot stage. The North West Province has directed more resources toward primary health care to ensure increased access by communities and health services. The department has developed a strategy to retain health care professionals including doctors and nurses. One hundred eighty (180) prospective medical doctors are receiving training at Cuba and an amount of R20 million have been allocated in 2014/15, increasing to R21 million in 2015/16 and R22 million in 2016/17 for this purpose.

The department of Health has also trained 7 775 Care Givers and has committed to give access to five hundred (500) Interns Community Health Workers (student doctors) that will be receiving training in hospitals. District health teams are also receiving training which entails general primary health care services to patients at home. In an attempt to strengthen primary health services, the department will collaborate with stakeholders such as tribal authorities, local councillors, faith based organizations, NGOs and society at large to support school health programmes and ward based teams. This approach will strengthen health care provision at local level where services are mostly needed.

WIRHE Scholarship Students

From previous years until 2013/14, the Department of Health has attracted 56 prospective students to study medicines, BSC Occupational therapy, BSC Pharmacy, Bachelor of Dental Surgery and BSC

Physiotherapy with Wits, Medunsa and Pretoria Universities. Nine students have graduated, 7 from medicines and 2 from BSC Occupational therapy and have been placed in the system.

The department of Social Development has put more effort to ensure provision of integrated comprehensive and high quality social protection services to maximise capacity of poor and vulnerable individuals, households and communities. The following were achieved: 62 726 food parcels, cooked meals, supplements and school uniforms were distributed through HCBC's & Drop in centres (target: 40 084); 67 473 orphans and other children made vulnerable by HIV and AIDS received services (target:54 000); about 4 445 job opportunities were created for Caregivers within HCBC's/ Drop-in- Centres & Prevention Partnership Programmes (target:1 436); a total number of 6 786 households and families benefited from the Social relief programme against a target of 5 000. 127 clients / service users admitted to fund inpatient substance abuse treatment centres managed by NPOs against a target of 108.

Improving and Expanding Education

The department of Education has made significant progress in the provision of Grade R resources to public ordinary schools and educator development. An amount of R44.3 million in 2013 and R70.4 million in 2014 respectively were allocated. R15 million was provided for GRD R Educator Development. The department has also collaborated with the department of Social Development in the training of Grade R Practitioners that are in ECD sites. By the end of the third quarter of 2013 universal access to grade R recorded 90 per cent, implying that only 150 schools remain to be covered.

Apart from that, the department of Education has a strategy to take care of youth with matric from poverty stricken rural areas in learnerships programme in collaboration with the Provincial Youth Structures and the Sector Education and Training Authorities (SETA). Upon graduation, graduates are placed in AET institutions as fully fledged AET Educators.

One of the primary focus of the North West Province over the MTEF is the need for further improved state capacity through skill training and learning. The province has successfully implemented the PALAMA Programme where quite number of its employees is receiving training.

Fighting Crime and Corruption

The North West safety strategy for 2014/15 aims to improve the criminal activities in the province and to alleviate serious threats to the quality of life and development. For instance, a close working partnership with criminal justice stakeholders, other non- government institutions and Community Police Forums is being maintained to fight against crime.

The Provincial Supply Chain will proceed to develop a strategy that will assist to upgrade the current quotation/ tendering and supplier database system with the aim to improve the efficiency and effectiveness of supply chain management through technology. This initiative would assist in the prevention of fraud and corruption by making it possible to verify and validate supplier information with the Companies and Intellectual Property Commission (CIPC) system, and the PERSAL system.

The Office of the Premier launched Local Anti-Corruption Forums (LACF) in areas such as Moretele, Madibeng, Rustenburg and Moses Kotane Matlosane in the Bojanala Platinum District and Matlosana LACF in the Dr. Kenneth Kaunda District. Inaugurated members were work shopped. The objective of the launching is to cascade advocacy to different wards within Communities.

Rural Development, land and agrarian reform and food security

Agriculture continues to remain an important vehicle for the economy of the North West. The department of Agriculture and Rural Development has entered into a strategic partnership with commodity group, Grain South Africa wherein identified farmers from the approved project list were assisted with crop mechanisation packages as well as skills transfers on crop production. A vigorous initiative geared towards alleviating poverty would be implemented under the Theme 'one family one garden'. The strategy would assist families through plantation of food gardens at identified households as a way of alleviating hunger. During the last quarter of 2013/14 the province was hit hard by drought and the department made an undertaking to assist farmers with an estimated amount of R43 million to purchase fodder for the livestock.

Through National School Nutrition grant, the department of Education is trying its utmost to enhance learning capacity as well as improving access to education by providing nutritious meal to the targeted learners. The Programme has been expanded to quintile 3 secondary learners. The programme is set to benefit almost 689 434 learners in 2014/15 with a budget allocation of R 367 million.

The Department of Social Development has profiled 69 169 households out of which 15 469 benefitted from poverty alleviation programme through food parcels and provision of school uniform.

A shared agreement on the nature and characteristics of the space economy

To unlock economic opportunities in the Province, the department of Economic Development and Tourism shall focus on implementation of large and long term infrastructure projects that have the potential to cushion the impact of low investments inflows and boosting tourism in the Province.

The Province has also established relations with Sun City, Anglo American and other private sector partners with a view of building relations towards the signing of social accord between the state and its partners. The implementation of this Accord would amongst others see the Province increasing its skills base and working with the private sector to turn around the performance of various sector that are struggling. The attention would be on those sectors with potential to employ high numbers of people in their value add processes.

To this end, value activities in leading sectors such as transport equipment, automotive components production, minerals beneficiation, agro-processing and enterprise development would receive attention. The growing market in Africa and BRICS countries offers this Province an opportunity to tap into new partners and creation of cost effective market access. Faster connectivity, network operations and efficient communications infrastructure are top on the agenda of the Department to create an enabling environment to retain current investors and attract new ventures. It is for these reasons amongst others that, the Department seeks to influence the resuscitation of the Mafikeng International Airport and rail infrastructure in the Province. The plan of turning Mafikeng airport into logistic hub will be launched in 2014/15 financial year.

The Department of Economic Development has developed a comprehensive economic development and industrialization strategy, which was informed by various policies and strategies such as Industrial Action Policy Action Plan (IPAP), New Growth Path, and Regional Industrialization Development Zones (RIDZ). This will enable programmes and projects to change the economic landscape of the Province and thus create jobs. To this end, the department has funded four youth projects towards promotion of youth employment. Overall the Department and its agencies contributed almost 10 000 jobs by either creating new jobs and/or sustaining the existing ones.

The efficiency of implementing economic development programs will further be enhanced by establishment of the New Development Agency that is planned to be fully operational in 2014/15 financial year with a budget allocation of R40 million. This Agency will be responsible for economic development, growth, trade and investment promotion enterprise development.

Strategic principle for infrastructure investment and development spending.

The key objective of the IDMS is to link the planning process so that better and cost effective service delivery is achieved. The Department has set up a Joint Infrastructure Committee in line with IDMS requirements, chaired by the MEC for Finance. Through the Joint Infrastructure Committee, the coordination of projects plans is managed through the appointed technical assistant(s) whose role is to provide technical advice and support the Infrastructure Coordination Unit with regards to the drafting and the development of instruments/ mechanisms in the form of Provincial Infrastructure Policies, strategies, regulations or instruction to plan, monitor and assess the implementation of infrastructure in the North West Province.

The mandate of this initiative was approved by EXCO in October 2012 and endorsed that, the IDMS operational Plan should be implemented within the Provincial Treasury, Public Works, Roads and Transport, Health and Education and other infrastructure sectors within the Province. In 2013/14 financial year, the province invested on 1 535 projects at an estimated cost of R5 170 billion.

The province, through the Department of Public Works, has the responsibility to fast track the implementation of projects, some of which are medium in size, that is, below R200 million as follows: construction of a road that stretches from Wolmaranstad to Shweizerenek which is progressing well and to be completed around October 2014/15. In Dr Ruth Segomotsi Mompati, three roads are to be upgraded; they are already in adjudication stage and expected to be awarded before the end of 2013. This upgrade affects roads from Morokweng to Bona-bona at the estimated cost of R163 million, Morokweng to Vosterhoop with an amount of R179 million and road from Ganyesa- Vragas to Madinonyane costing R299 million. In terms of building construction, the Bophelong Psychiatric Hospital is under construction at a cost R537 million and this project is expected to be completed in May 2014.

Major Policy Decisions of the Executive Council that have been publicly pronounced

The 2013/14 Adjusted Budgets marked some paradigm shifts which affected certain functions. This decision overlapped in to the 2014/15 MTEF budgets. For instance, the Provincial Information Technology that was attached to the Department of Finance was transferred to the Office of the Premier with its budget of R93.8 in 2013/14 and R99.5 million in 2014/15 to merge with GITO.

Special Programme/ function that resided with the Department of Social Development was also transferred to the Office of the Premier with its budget provision of R8.6 million in 2013/14, R8.9 million in 2015/16 and R10 million in 2016/17 respectively.

The Executive Council approved an amount of R142 million as funding earmarked for Premier Legacy Project to reduce backlog on sanitation and to address challenges on scarcity of water in the province over the period of three years. A partnership with Water Affairs and Ngaka Modiri Molema has been entered into with the view to construct the Dinokana Water supply phase 2. This project is estimated at R21.4 million and to be completed in November 2014.

The Province has also entered in to an agreement with Mafikeng South Regional Water Supply Scheme to develop reservoir that will serve villages around Mafikeng such as Majemantsho, Setlopo, Dithakong and Lomanyaneng. This contractual obligation will cost the province R22 million including Phase 4 of Mafikeng rural sanitation. Couple with that, an amount of R20 million was made available for water purification and desalination.

The Rural and Heritage Tourism Strategies offers yet another platform from which the Province will develop its offerings to attract tourist in the Province. For instance an amount of R60 million in 2014/15 and R69 million in 2015/16 was injected towards Taung skull project. In addition an amount of R34.7 million in 2014/15 and R20 million in 2015/16 was provided for industrialization projects. This is also one of the key project(s) that will create job opportunities in the province.

Through food security strategy, Kgora Farmer Training Centre has to be refurbished and repositioned in order to accelerate food security project. Thus far, fifty families including those infected and affected with HIV/AIDS have benefitted from it. An amount of R12.3 million in 2014/15, R28.4 million in 2015/16 and 2016/17 respectively has been set aside to successfully advance this project.

The North West Province align its self with the fact that, infrastructure support the restoration and development process of local economies, stimulate economic growth, advance investment and alleviate poverty through job creation. Therefore, the department of Public Works, Roads and Transport which is one of the key departments in terms of job creation, economic growth development through projects implementation has been allocated an amount of R690 million for roads infrastructure in 2014/15 as well as an amount of R55 million for War on Poverty Projects aiming at improving the status of the provincial roads through rehabilitation and maintenance.

2.1 Aligning provincial budgets to achieve governments prescribed outcome

The outcomes approach is geared towards assisting the provincial departments to improve planning and implementation on annual basis, monitor and evaluate systems that are meant to manage the twelve outcomes that collectively respond to the main strategic priorities of the government as approved by the Cabinet.

The North West province has improved in terms of aligning the provincial budgets to 2014/15 performance plans, presidential outcomes, other national priorities, policies and National Development Plan. The alignment included:

Outcome 1: Improved quality of basic education

The Department of Education has aligned its strategic goals and objectives to the Presidential Outcomes as well as to Education Action Plan 2014 Goals. This is an attempt to make sure that resources are targeted at processes that will give impetus to the attainment of the set targets. A sufficient budget allocation of R395.7 million in 2014/15, R453.4 million in 2015/16 and R476 million in 2016/17 has been made for Learner Teacher Support Material (LTSM) and workbooks.

An allocation of R15 Million was made available in 2013/14 MTEF baselines and; increased substantially to R55 million in 2015/16 for the appointment of GRD R teachers. Furthermore an amount of R69.3 million was allocated in 2015/16 (2013/14 baselines) for the appointment of Quintile 1 school teachers.

Outcome 2: A long and healthy life for all South Africans

The Department Health considers itself one of the most important forerunners in a nation's quest to attain Millennium Development Goals (MDGs). Plans on how to eradicate extreme poverty and hunger (Goal 1), Reduce Child Mortality (Goal 4), Improve Maternal health (Goal 5) and combat HIV and AIDS, Malaria and other diseases (Goal 6) are outlined in the APP. The Department has taken into consideration all material, financial and human resources required to make NHI a priority and reality.

Outcome 3: All people in South Africa are and feel safe

The Department of Public Safety and Liaison is committed to contribute towards achieving the national vision through oversight of the police, coordination of crime prevention and partnerships, traffic law enforcement, road safety management and road safety services. Meanwhile, the departments has committed itself to isolate and incorporated the following key objectives as part of its planning efforts for 2014/2015:

- To make the police service professional
- To build safety using an integrated approach

Outcome 4: Decent Employment through inclusive economic growth

Department of Economic Development, Environment, Conservation and Tourism addresses the objectives of outcomes 4, 6, 10 and 12.

The Annual Plan of the department is fully aligned to the goals enshrined in these Outcomes, the National Growth Plan and the Industrial policy Action Plan. Seventeen (17) projects that could stimulate economic growth and job creation on key sectors such as agro-processing, mining beneficiation, green economy, SMME and Cooperatives support, rural development etc were identified. In 2014/15, this department will be ready to implement Accords that would amongst others see the Province increasing its skills base and working with the private sector to turn around the performance of various sector that are struggling. Faster connectivity, network operations and efficient communications infrastructure are top on the agenda of the Department to create an enabling environment to retain current investors and attract new ventures.

Outcome 5: A skilled and capable workforce to support an inclusive growth path- Responsible - All Provincial Departments

Department of Finance – This department renders a financial transversal function which amongst others is to ensure that the finances of the province are managed with prudence as well as ensuring that proper financial systems and controls are in place to enable the province to attain the provincial turn around to clean audit, extend financial services, guidance and support to the Municipalities and build the necessary financial capacity that will enable Municipalities to comply with amongst others, Grap 17 implementation with budget provision of R77 million over the MTEF period and MFMA Phase 2 allocated a budget of R67 million for the next three years of the MTEF.

Outcome 6: An efficient, competitive and responsive economic, infrastructure networks

The Department of Public Works, Roads and Transport is key in terms of ensuring responsive economy through infrastructure development and networks. In response to outcome 6, the department is progressing well on various roads which are under upgrading and rehabilitation. For example, road D39 in Mooifontein is at 80 per cent of completion while the road from Tlaskgameng to Ganyesa was officially opened on the 26 November 2013. The departments will also continue to upgrade, rehabilitate and refurbish current and existing infrastructure according to the project list to ensure that North West road network and buildings are in a good and safe condition.

Outcome 7: Vibrant, equitable and sustainable rural communities with food security for all- Responsible Department- Department of Agriculture and Rural Development as well as Social Development

The department of Social Development is continuing to implement and coordinate the provincial interdepartmental poverty eradication programme through poverty eradication strategy/vehicle. The National Minister for Social Development launched the “Food for All campaign” since December 2011 with a view to upscale the Department’s fight against hunger and to highlight the necessity to address malnutrition. This Programme would be up scaled even in 2014/15 to benefit the following:-

- Home - Community Based Care Centres and Drop-In Centres which support households infected and affected by HIV and AIDS and related diseases.
- Transfer payments for ECDs, Children’s Homes and Places of Safety, Old Age Homes and Service Clubs;
- Transfer payments for Centres for People with Disabilities and to Food banks in areas of Vryburg and Rustenburg;
- Provide food parcels in a form of Social Relief of Distress Programme

This department is working in close collaboration with the Department of Health, Department of Agriculture and Rural Development, Municipalities and the private sector. A sub-committee will be established in 2014/15 to facilitate this Programme.

From Agriculture perspective, this department has pledge to implement the NDP initiative. Amongst others, focus for the coming 2014 – 2017 MTEF periods would include: Improve land administration and spatial planning for integrated development with a bias towards rural areas; up-scaled rural development as a result of coordinated and integrated planning , resource allocation and

implementation by all stakeholders and to ensure sustainable land reform (agrarian transformation). Improve food security and continue to drive Smallholder farmer development and support (technical, financial, infrastructure) for agrarian transformation

Outcome 8: Sustainable Human Settlements and improved quality of households' life

The department of Human Settlements contributes to achieving this outcome as indicated in the Constitution, Bill of Rights and in the National Development Plan 2030 (NDP): which requires that the human settlements future must at least consist of development of suitably located and affordable housing (shelter) and decent human settlements. In 2014/15, the department is planning to build 15 026 houses in 2014/15 financial year.

Outcome 9: A responsive, Accountable, effective and efficient local government system

The core mandate of the department of Local Government and Traditional Affairs is to support municipalities and thus enable them to render effective service delivery as well as providing strategic support to the institutions of the traditional leadership. To assist Municipalities delivering on basic services consideration must be given to the establishment of a Bulk Infrastructure Fund to unlock delivery of reticulation services, to upgrade and rehabilitate bulk infrastructure (such as Waste, Water Treatment Works).

Outcome 11: Create a better South Africa and contribute to a better and safer Africa and World

The department of Public Safety and Liaison is committed to build safer communities as entrenched in the 2013 National Development Plan. This Department has internalised this plan with specific reference to Chapter 12: "Building safer communities". For the 2014/15 MTEF, this department's focal point is to drive two key objectives as per Chapter 12 of the NDP which is to make police service professional and monitor their code of conduct: build safer community by implementing national rural safety strategy and plans.

Outcome 12: An efficient, effective and development oriented public service and empowered, fair and inclusive citizenship: All Provincial Departments

As a coordinating Institution, the Office of the Premier mainly responds to outcome 12 which aims at generating an efficient, effective and developed orientated public service. This outcome is aligned to National Strategic goal number 10. The Office has reprioritized its budget and used the outcomes based approach as well as zero based budgeting in order to enhance government's change agenda. It has shown impeccable leadership, overall coordination and monitoring of all 10 provincial strategic goals and all 12 priority outcomes which are being communicated to the Office of the Presidency on quarterly basis.

3. Receipts

3.1 Overall position

The equitable share formula was revised on the basis of the new data updates from the Census 2011 information. In line with the outcome of the Census, which indicated the increase in population for the North West Province, the provincial equitable share was increased by R113.9 million in 2014/15, R18 million in 2015/16 and R149.5 million in the last year of the MTEF compared to the 2013/14 baseline allocations.

The Conditional Grant allocation also recorded substantial increase from the adjusted R5.462 billion in 2013/14 to an amount of R5.621 billion in 2014/15, R6.769 billion in 2015/16 and declines to R5.814 billion in 2016/17.

The province has made significant allocation to Social Services and infrastructure through the departments of Education, Health, Social Development and Public Works, Roads and Transport. The Social Cluster has been allocated R21.8 billion of the R31.8 billion or 68.71 per cent of the 2014/15 provincial allocation. The total amount of R5.410 billion has been allocated for construction and maintenance of infrastructure in the province in 2014/15 financial year and is expected to increase to R6.232 billion in 2015/16 financial year. However, the declines reflected in the outer year came as a result of the non-allocation of the of infrastructure grant for Health and Education in line with the principles of IDMS.

The overview of the Provincial budget is provided in the table below. The size of the total provincial budget is R31 769 791 million for the 2014/15 financial year.

Table 1: Provincial budget summary

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 receipts									
Transfer receipts from national	21 281 694	23 686 262	24 814 407	27 743 949	28 372 513	28 342 689	30 328 339	33 296 416	34 199 903
Equitable share	17 378 076	19 300 528	20 425 575	22 754 262	22 910 363	22 997 539	24 706 979	26 527 825	28 385 986
Conditional grants	3 903 618	4 385 734	4 388 832	4 989 687	5 462 150	5 345 150	5 621 360	6 768 591	5 813 917
Provincial own receipts	598 489	718 235	944 833	822 106	891 906	891 906	961 452	1 019 208	1 071 155
Financing					1 022 180	1 022 180	480 000		
Total Provincial receipts	21 880 183	24 404 497	25 759 240	28 566 055	30 286 599	30 256 775	31 769 791	34 315 624	35 271 058
Provincial payments									
Current payments	16 663 996	18 494 012	20 059 554	22 008 418	22 618 530	22 821 699	24 074 751	25 686 742	27 532 207
Transfers and subsidies	3 607 104	4 019 915	3 970 206	4 357 521	4 676 586	4 539 072	4 866 470	5 591 334	6 068 512
Payments for capital assets	1 602 266	1 883 822	1 471 102	2 200 116	2 971 584	3 064 421	2 828 570	3 037 548	1 670 339
Payments for financial assets	85	6 757	651						
Unallocated contingency reserve									
Total Provincial payments	21 873 451	24 404 506	25 501 512	28 566 055	30 266 700	30 425 192	31 769 791	34 315 624	35 271 058
Surplus / (deficit) before financing	6 732	- 10	257 728		19 899	- 168 417			
Financing									
Provincial roll-overs	41 214	87 306	90 307		170 416				
national roll-overs	53 453	244 423	266 462		286 685	286 685			
donor funding	31 197								
other funding	28 418								
Previous surpluses									
Surplus / (deficit) after financing	161 014	331 719	614 497		477 000	118 268			

3.2. Equitable Share

The equitable share is defined as an unconditional allocation of the nationally raised revenue that is shared among the three spheres of government to address their constitutional mandate. It is worth noting to point out that, the provincial equitable share has been revised upward due to an increase in the provincial population size. The full impact of this will be phase in over the 2014/15 MTEF. This equitable share is set to increase by R1.503 billion between 20013/14 and 2014/15 financial years taking in to considerations the second adjustments that were factored in the main appropriation. The provincial percentage share will increase from the current 6.7 to 6.8 per cent in 2014/15 and 6.9 per cent in 2015/16 and 2016/17.

3.3. Conditional Grants

Table: 2 below represent conditional grants funding earmarked for specific programme or priority of government. The province received an amount of R18.204 billion for conditional grant over the MTEF. Provincial departments are expected to spend the conditional grants allocations in line with the conditions set out in the Division of Revenue framework. The table below provide for the details of conditional grants per department.

Table 2: Provincial summary of conditional grants

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
Health	1 161 586	1 383 622	1 544 150	1 674 174	1 729 815	1 729 815	1 788 684	1 952 879	1 541 787
Comprehensive HIV and Aids Grant	479 800	556 466	706 124	825 302	825 302	825 302	936 938	1 029 187	1 157 473
Forensic Pathology Services Grant	26 433	28 019							
Hospital Facility Revitalisation Grant	386 498	499 658	522 912	496 121	530 823	530 823	486 121	558 721	
Health Professions Training and Development Grant	83 899	88 323	93 522	98 666	98 666	98 666	104 586	109 397	115 195
National Tertiary Services Grant	179 279	194 280	192 833	224 470	243 385	243 385	237 264	248 178	261 331
National Health Insurance Grant			8 817	4 850	6 874	6 874	7 000	7 396	7 788
World Cup Health Preparation Strategy Grant			2 938						
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	5 677	16 876	17 004	24 765	24 765	24 765	16 775		
Sports	71 655	95 063	93 592	106 524	112 333	112 333	145 014	180 092	190 339
Community Library Services Grant	47 998	57 121	62 934	64 058	68 630	68 630	98 863	134 632	142 605
Mass Participation and Sports Development Grant	23 657	37 942	30 024	41 596	42 833	42 833	43 503	45 460	47 734
Expanded Public Works Programme Incentive Grant for Social Sector			634	870	870	870	2 628		
Education and Training	716 609	1 109 600	923 037	1 001 689	1 082 395	1 082 395	1 128 019	1 373 981	547 510
Dinaledi Schools Grant		6 542	8 777	11 147	13 369	13 369	11 785	12 327	12 980
Education Infrastructure Grant	230 422	522 021	295 637	521 622	587 459	587 459	623 602	852 247	
HIV and Aids (Life Skills Education) Grant	16 552	14 826	15 616	16 122	16 122	16 122	17 388	18 198	17 568
National School Nutrition Programme Grant	250 289	311 080	323 345	348 912	354 858	354 858	366 890	381 566	401 789
Technical Secondary Schools Recapitalisation Grant	7 595	7 662	14 234	18 850	25 193	25 193	19 981	20 960	22 071
OSD for Therapists							1 417	446	
Further Education and Training College Sector Grant	211 751	238 015	265 306	76 232	76 590	76 590	82 376	88 237	93 102
Expanded Public Works Programme Social Grant for Provinces		9 453	122	8 804	8 804	8 804	2 580		
Expanded Public Works Programme Integrated Grant for Provinces							2 000		
Local Government and Traditional Affairs							2 000		
Expanded Public Works Programme Integrated Grant to Provinces							2 000		
Public Works Roads and Transport	772 108	466 953	538 781	742 271	906 798	906 798	785 961	860 990	906 577
Devolution of Property Rate Funds Grant to Provinces	79 990	132 808	106 140						
Expanded Public Works Programme Incentive Grant for Provinces			6 444	17 266	13 166	13 166	5 638		
Provincial Roads Maintenance Grant	631 897	258 942	343 948	639 923	808 550	808 550	690 005	766 560	807 188
Public Transport Operations Grant	60 221	75 203	82 249	85 082	85 082	85 082	90 318	94 430	99 389
Social Development	1 427	10 955	8 834	16 431	16 431	16 431	16 323	10 000	
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 427	10 955	8 834	16 431	16 431	16 431	4 323		
Substance Abuse Treatment Grant							12 000	10 000	
Agriculture and Rural Development	140 070	168 464	216 121	224 060	269 291	269 291	236 121	237 104	264 082
Agricultural Disaster Management Grant	490	1 489							
Comprehensive Agricultural Support Programme Grant	112 424	121 126	163 289	169 663	170 714	170 714	179 410	180 993	200 217
Ilima/Letsema Project Grant	20 403	40 046	41 800	43 845	43 845	43 845	46 062	47 940	55 301
Land Care Programme Grant/Poverty Relief and Infrastructure Development	6 753	5 803	10 915	10 552	10 552	10 552	8 140	8 171	8 574
Expanded Public Works Programme Integrated Grant to Provinces			117		550	550	2 509		
Emergency Relief Funds					43 630	43 630			
Economic Development					550	550	2 102		
Expanded Public Works Programme Integrated Grant to Provinces					550	550	2 102		
Human Settlement, Safety and liaison (Human Settlement sector)	1 040 163	1 151 077	1 064 317	1 224 537	1 344 537	1 227 537	1 517 136	2 153 545	2 363 612
Housing Development Settlement Grant	1 040 163	1 148 709	1 050 856	1 224 537	1 341 537	1 224 537	1 517 136	2 153 545	2 363 612
Expanded Public Works Programme Integrated Grant to Provinces					3 000	3 000			
Housing Disaster Relief Grant		2 368	13 461						
Total payments and estimates:	3 903 618	4 385 734	4 388 832	4 969 686	5 462 150	5 345 150	5 621 360	6 768 591	5 813 917

The Department of Human Settlement and Public Safety (Human Settlement Branch) received an additional allocation of R117 million in the last quarter of the 2013/14 financial year which could only be appropriated in March 2013. It must therefore be noted that the projected under expenditure as

reflected in the revised column of the table 2 above is in line with departmental plan as at the end of December 2013, which was before the receipt of the additional amount indicated above.

New reforms implemented on conditional grants in 2014/15 MTEF cycle are: Occupational Specific Dispensation for Education Sector Therapists *Grant with an amount of R1.417 million in 2014/15 and decreased to R446 thousand in 2015/16, allocation of R4.960 million was phased in to the equitable share in 2016/17. These reforms were created with a purpose to introduce therapist in the education sector while Substance Abuse Treatment Grant was created for the provision of shelters for victims of gender based violence. An amount of R12 million in 2014/15 and R10 million in 2016/17 was made available for this purpose.*

The main budget increase on grants were depicted in Sports, Arts and Culture with 29.1 per cent under Community Library Services from R69 million to R99 million in 2014/15, followed by Human Settlements Development grant which increased substantially from R1.342 billion to R1.517 billion or by 13 per cent in the first year of the MTEF.

The overall increase of Conditional Grants for the Department of Education in 2014/15 registered only 4 per cent as a result of decrease in Technical School Recapitalization Grant from R25 million to R20 million or -20 per cent. Expanded Public Works Programme incentive grant also decreased from R8.8 million to R2.3 million or -70 per cent.

A negative growth of 13.9 per cent in Public Works, Roads and Transport was attributable to the revision of the Provincial Roads Maintenance Grant formula which negatively affected the share of the province. As a result this conditional grant was reduced from R809 million to R690 million in 2014/15 or -14 per cent while the Department of Agriculture and Rural Development also registered a negative growth of 13.2 per cent mainly from the budget of Land Care Programme grant which decreased from R10.5 million to R8.1 million or -23 in 2014/15. A once off allocation of R43.6 million for Agricultural Disaster Management Grant appropriated through the 2013/14 adjustment budget also contributed to this negative growth depicted in 2014/15.

3.4 Total provincial own receipts (own revenue)

The total provincial revenue budget for 2014/15 amounts to R961.452 million which is an increase of R70 million or 8 per cent from 2013/14. The increase on own revenue was contributed mainly by the Department of Human Settlement and Public Safety (Public Safety Branch) and Economic Development, Environment, Conservation and Tourism.

The Department of Human Settlement and Public Safety amended the model of budgeting for the motor vehicle license fees, whereby a provision is made to collect 100 per cent fees instead of the previous 80 per cent. The twenty per cent will still be made available commission payable to the collecting authorities. The increase from the Department of Economic Development, Environment, Conservation and Tourism will be derived mainly from intensification of monitoring of illegal gambling while at the same time improving collection from legal one.

Table 3 :Summary of Provincial own receipts

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
Office of the Premier	315	548	279	368	368	368	250	280	310
Provincial Legislature									
Health	55 360	55 908	56 729	62 455	62 455	62 455	65 578	68 857	72 144
Sport, Arts and Culture	1 263	877	1 151	945	945	945	992	1 042	1 097
Human Settlements, Safety and Liaison (Public Safety and Liaison Sector)	210 427	257 069	389 371	314 213	384 013	384 013	410 352	438 312	460 226
Economic Development, Environment, Conservation and Tourism	73 903	90 769	95 609	96 730	96 730	96 730	116 567	124 645	131 976
Finance	93 982	115 252	188 806	101 350	101 350	101 350	106 418	111 739	117 661
Education and Training	19 068	11 457	15 471	16 227	16 227	16 227	17 038	17 899	18 798
Local Government and Traditional Affairs	951	1 183	301	1 347	1 347	1 347	794	984	1 012
Public Works Roads and Transport	135 057	175 911	188 209	219 844	219 844	219 844	230 836	242 378	254 496
Social Development	71	340	595	706	706	706	1 004	1 059	1 112
Agriculture and Rural Development	7 996	7 237	7 540	7 690	7 690	7 690	11 267	11 603	11 899
Human Settlements, Safety and Liaison (Human Settlements sector)	96	1 684	772	231	231	231	356	410	424
Total payments and estimates: North West Province	598 489	718 235	944 833	822 106	891 906	891 906	961 452	1 019 208	1 071 155

Office of the Premier

The Office of the Premier contributed R315 thousand in 2010/11, R548 thousand in 2011/12, and declined to R287 thousand in 2012/13 due to under collection of bursary debts. In 2013/14 the budget was revised upward to R368, thousand. A decision was taken by the Office of the Premier to decentralised the bursaries to provincial departments which was implemented during the 2013/14 Adjusted Budgets hence a decline from R368 thousand to R250 thousand in 2014/15.

Department of Health

This department contributed R55.3 million in 2010/11, R55.9 million in 2011/12, and R56.7 million in 2012/13 respectively. Health is one of the main contributors of provincial revenue and their main sources of revenue are patient fees, recovery of outstanding patient debts from the Motor Road Accident Fund and Medical Schemes, 2.5 per cent commission earned through the third party payments from insurance companies and garnishee orders via payroll system. The own revenue budget shows an increase of R65.6 million in 2014/15, R68.8 million and R72.1 million in 2015/16 and 2016/17 respectively, which is a 5 per cent year-on-year increase.

Department Sports, Arts and Culture

The department of Sports contributed R1.263 million in 2010/11, R847 thousand in 2011/12, R1.151 million in 2012/13. An under collection marked in 2011/12 was as a result of renovations carried out at the Rustenburg Cultural Centre. Over the 2014 MTEF the revenue budget has been kept constant at an averages increase of 5 per cent. The revenue streams for this department is hiring of venue at the Rustenburg Cultural Centre, Stadiums, Tender Documents and also the 2.5 per cent commission earned through the third party payments from insurance companies and garnishee orders via payroll system.

Public Safety and Liaison

The actual collection registered R332.5 million, R281.5 million in 2011/12 and R389.4 million in 2012/13. This department is the key contributor of revenue in terms of raising more revenue in the province. The main source is Motor Vehicle Licences, Sales of Personalised Registrations and other non-taxed receipts such as Traffic Fines. The department anticipate a growth of 8 per cent and 6 per cent in 2015/16 and 5 per cent in the last outer year of the MTEF.

Department of Economic Development, Environment, Conservation and Tourism

This department contributed R73.9 million in 2010/11, R90.7 million in 2011/12 and R95.6 million in 2012/13 respectively. Its main sources of revenue emanate from tax receipts constituting Casino Licenses, Liquor Licences. This department is also perceived as the main contributor due to Gambling Board fees. The expected growth over the MTEF constitutes 21 per cent in 2014 and decreased to 7 per cent in 2015/16 and 6 per cent in the last year of the MTEF.

Department of Finance

The contribution from the Department of Finance shows a fast year on year increase from R94 million 2010/11 to R188.8 million in 2012/13. The interest earned from short term investments and positive bank balances from government bank accounts makes up the bulk of the departments' revenue. This is mainly due to slow spending of provincial departments. The departments anticipate increasing its revenue by 5 per cent in each year of the 2014/15 MTEF.

Department of Education

The Department of Education contributed R19 million in 2010/11, R51.8 million in 2011/12 and R15.4 million in 2012/13. A substantial increase of R32.7 million in 2011/12 was as a result of un-cleared cheques caused by the migration of Walker System to BAS. The departmental revenue is mainly derived from the 2.5 per cent commission earned through the third party payments from insurance companies and garnishee orders via payroll system, Remarking Fees, Sales of Receipt Books, Previous Year Expenditure and Staff debts. The department anticipate increasing its MTEF budgets constantly by 5 per cent

Department of Local Government and Traditional Affairs

The main contributor to departmental own revenue has been mainly derived from rental of Shell Garages, 2.5 per cent commission earned through the third party payments from insurance companies and garnishee orders via payroll system, and outstanding staff debts and previous year expenditure. Through these sources, the department has contributed R951 thousand in 2010/11, R971 thousand in 2011/12 and R1.584 million in 2012/13

A substantial increase of 63 per cent in 2012/13 resulted due to rental collection from the Shell Garages. The negative growth of 41 per cent between 2013/14 and 2014/15 financial years resulted due non receipt of the rental payments since two major sources (garages) were sold.

Department of Public Works, Roads and Transport

This department has contributed R135 million in 2010/11, R176 million in 2011/12 and R188 million in 2012/13. The main source of revenue for this department is the rental of Government Houses, Log Sheets, Motor Vehicle Auctions, Sales of Tender Documents, recoveries of the previous year's employee's debts and 2.5 per cent commission earned through the third party payments from insurance companies and garnishee orders via payroll system, and outstanding staff debts and Previous Year Expenditure. The department expected a growth of 5 per cent constant over the three years of the MTEF.

Department of Social Development

The department contributed R340 thousand in 2010/11, R838 thousand in 2011/12 and R1.267 million in 2012/13. Between 2013/14 and 2014/15 financial year, the budget increased substantially by 42 per cent due to adjustments made in line with the previous year revenue trends. The sources of own revenue for this department is selling of tender documents, 2.5 per cent Commission earned through the third party payments from insurance companies and garnishee orders via payroll system

and Staff Debts. For 2014/15 MTEF, the revenue budget is expected to increase by 5.5 per cent in 2015/16 and by 5 per cent in 2016/17 respectively.

Department of Agriculture and Rural Development

The main sources of revenue for this department is Student Fees, Agricultural Products, Veterinary Services, 2.5 per cent commission earned through the third party payments from insurance companies and garnishee orders via payroll system and Staff Debts. The department has contributed R11.9 million in 2010/11 which declined to R7.2 million in 2011/12 and R7.9 million in 2012/13 respectively. The own revenue shows a sharp increase of 46 per cent from 2013/14 to 2014/15 and then a marginal increase of 2.9 per cent in 2015/16 and 2.5 per cent in 2016/17. The reason being the Student Fees tariffs were not increased and having in mind that the enrolment of students may decrease due to the opening of an Agricultural College in Gauteng Province.

Department of Human Settlements

The department of Human Settlements contributed minimal revenue of R156 thousand in 2010/11, which increased substantially to R1.688 million in 2011/12 due to collection of fines (fees) received from National Department of Human Settlement. A decreased collection of R772 thousand became visible in 2012/13. Sources of revenue for this department is tender documents, staff debts and 2.5 per cent commission earned through the third party payments from insurance companies and garnishee orders via payroll system and Staff Debts. The revenue budget increased by R125 thousand or 54 per cent from 2013/14 to 2014/15.

3.5 Donor Funding

During the 2014/15 MTEF budgets, the North West Province did not receive any donor funding.

4. Payments

4.1 Overall Position

The overall position of the province takes into account the priorities of the North West Provincial Government that were adopted by EXCO as well as the priorities of the National Government. The 2014/15 MTEF budgets update the fiscal policy framework for the province and makes further progress towards the provincial goals. Reflected below is the total outlay for the provincial budget during the 2014/15 MTEF period:

- Financial year 2014/15: R31 769 791
- Financial year 2015/16: R34 315 624
- Financial year 2016/17: R35 271 057

4.2 Payments by Vote

The trend analysis over the seven years period indicates an annual average growth of 61 per cent in the provincial payments and estimates between 2010/11 to 2016/17. The aggregated provincial payments shows an increased allocation of R1.503 billion or 5 per cent in 2014/15, R2.546 billion or 8 per cent in 2015/16 and R955 million or 3 per cent in the last outer year of the MTEF. The 2014 MTEF allocations also caters for the following key priorities;

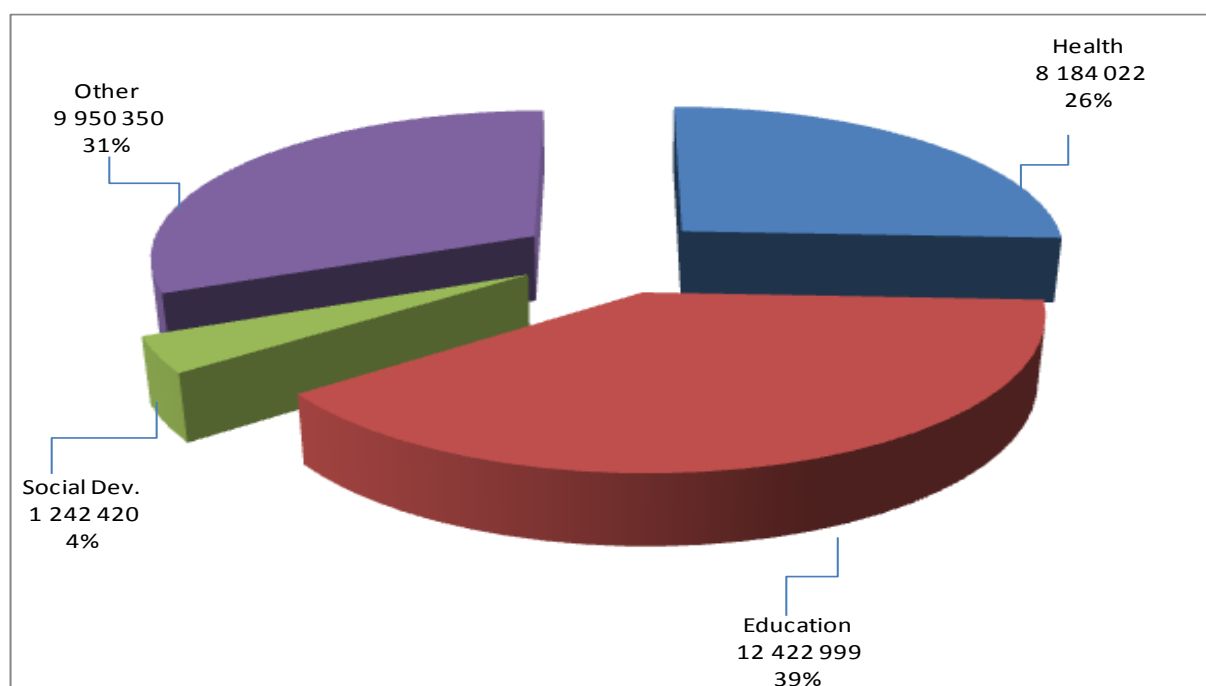
- Funding for EPWP Programme: Labour intensive intervention amounting to R352 million in 2014/15;
- Decentralisation of funding earmarked for bursaries by the Office of the Premier R16 million;
- Funding for regarding of clerks: R54 million in 2014/15, R62 million in 2015/16 and R66.4 million in 2016/17;
- Improvement in Condition of Service: R117 million in 2014/15, R228 million in 2015/16 and R266 million in 2016/17;
- Roll out of Papillomavirus (HPV) Vaccine: R13.779 million in 2016/17;

- Provision of Shelters to Victims of Gender- Based Violence: R3.413 million in 2014/15, R3.429 million in 2015/16 and R3.445 million in 2016/17
- Substance abuse treatment Grant: R12 million in 2014/15 and R10 million in 2015/16
- Provision for water, sanitation and Mafikeng Revitalization: R141.6 million in 2014/15, R134 million in 2015/16 and R142 million in 2016/17;
- Water purification and Desalination: once off allocation of R20 million in 2014/15;
- Construction of Traditional Council Offices: R23.4 million in 2014/15, R26 million in 2015/16 and R31 million in 2016/17;
- Provision for Disaster Management Centre (Building): R30 million in first two years of the MTEF;
- Provision for R35 million in 2014/15 and R20 million in 2015/16 for industrialization projects

Table 4 :Summary of payments and estimates per vote

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
Office of the Premier	288 750	296 824	317 620	362 091	359 744	359 744	416 208	412 242	416 223
Provincial Legislature	155 145	163 984	185 779	217 142	247 142	247 142	261 889	273 019	289 975
Health	5 716 661	6 380 252	7 013 842	7 667 261	8 353 022	8 408 123	8 184 022	8 836 942	8 926 257
Sport, Arts and Culture	336 124	408 185	395 258	465 882	531 258	531 258	542 888	596 204	633 828
Human Settlements, Safety and Liaison (Public Safety and Liaison Sector)	341 527	334 938	452 569	451 612	522 344	522 344	554 925	583 701	614 504
Economic Development, Environment, Conservation and Tourism	382 070	384 719	385 705	486 062	523 540	555 840	625 153	605 400	610 436
Finance	181 440	210 662	261 235	370 733	396 736	405 774	442 896	488 304	599 634
Education and Training	9 102 299	10 148 134	10 736 215	11 321 394	11 521 995	11 563 995	12 422 999	13 511 414	13 515 950
Local Government and Traditional Affairs	313 435	320 075	344 414	430 960	632 453	612 453	595 149	611 741	639 077
Public Works Roads and Transport	2 524 708	2 890 404	2 460 156	3 393 499	3 614 446	3 756 446	3 807 440	3 741 427	3 982 096
Social Development	740 103	877 184	914 847	1 073 487	1 057 461	1 058 372	1 242 420	1 343 246	1 431 092
Agriculture and Rural Development	616 624	690 744	774 751	834 804	870 848	884 990	910 394	937 079	1 031 122
Human Settlements, Safety and Liaison (Human Settlements sector)	1 174 566	1 298 402	1 259 121	1 491 108	1 635 711	1 518 711	1 763 408	2 374 906	2 580 864
Total payments and estimates: North West Province	21 873 451	24 404 506	25 501 512	28 566 055	30 266 700	30 425 192	31 769 791	34 315 624	35 271 058

Figure: Social and Non Social Split: 2014/15 Financial Year



4.3 Summary of Payments

The provincial expenditure is projected to increase by 5 per cent in 2014/15, growing sharply by 8 per cent in the middle year and declined to a 3 per cent increase in the last outer year of the MTEF. The minimal increase of 5 per cent in 2014 was informed by huge once off additional amount of R1.503 billion and R117 million appropriated through the two 2013 Adjustment Budgets respectively. Similarly, the outer year growth of 3 per cent is attributable to non-allocations of Education infrastructure grant and Health Facility Revitalisation grant.

Table 5 :Summary of provincial payments and estimates by economic classification: North West Province

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-Term Estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	16 663 996	18 494 012	20 059 554	22 008 418	22 618 530	22 821 699	24 074 751	25 686 742	27 532 207
Compensation of employees	12 608 870	14 071 408	15 293 281	16 413 274	16 960 569	17 057 058	18 290 925	19 409 952	20 695 512
Goods and services	4 054 520	4 419 447	4 764 896	5 593 568	5 655 794	5 762 491	5 781 812	6 274 610	6 835 771
Interest and rent on land	607	3 156	1 377	1 576	2 167	2 151	2 013	2 181	924
Transfers and subsidies to:	3 607 104	4 019 915	3 970 206	4 357 521	4 676 586	4 539 072	4 866 470	5 591 334	6 068 512
Provinces and municipalities	186 420	279 268	210 535	311 957	499 979	466 979	252 127	265 005	281 786
Departmental agencies and accounts	284 198	269 848	273 281	276 004	327 956	330 506	319 651	327 888	365 004
Higher education institutions	-	1 071	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	554 189	714 078	667 586	728 414	768 974	784 606	839 923	883 763	942 140
Non-profit institutions	1 285 762	1 330 751	1 380 255	1 424 604	1 208 690	1 192 355	1 339 132	1 419 649	1 496 480
Households	1 296 535	1 424 899	1 438 549	1 616 542	1 870 987	1 764 626	2 115 637	2 695 029	2 983 103
Payments for capital assets	1 602 266	1 883 822	1 471 102	2 200 116	2 971 584	3 064 421	2 828 570	3 037 548	1 670 339
Buildings and other fixed structures	1 354 941	1 664 454	1 232 272	1 938 339	2 640 583	2 712 293	2 445 275	2 684 568	1 325 891
Machinery and equipment	247 256	216 498	233 606	251 282	325 506	346 632	381 795	352 453	343 893
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	620	393	495	495	496	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	527	555
Software and other intangible assets	69	2 250	4 830	10 000	5 000	5 000	1 500	-	-
Payments for financial assets	85	6 757	651	-	-	-	-	-	-
Total economic classification	21 873 451	24 404 506	25 501 512	28 566 055	30 266 700	30 425 192	31 789 791	34 315 624	35 271 058

4.4 Payments by Economic Classifications

Payments for economic classifications reveal that that over seven years of the reporting period, current payment accounts for 65 per cent. Current payments are projected to increase by 6.5 per cent between 2013/14 and 2014/15. The bulk of current payment represents compensation of employees which grows by 8 per cent in 2014, 6.13 per cent in 2015/16 and by 7 in 2016/17. The greater portion of Goods and Services is used by the Department of Health, Education and Public Works, Roads and Transport with a percentage of 13.2.

Transfer Payments and Subsidies

Transfer and Subsidies is meant for services to Non Profit Institutions and to Section 21 Schools. The NGO's undertake services such as HIV and AIDS community based care, health care on behalf of the government and takes care of the children's without home/shelters. The transfer payments included both current and capital transfers. Some of these payments are made to Schedule 3 Public Entities, with a total budget of R1.121 billion over the MTEF.

Capital Payments

Allocation towards this category amounts to R2.826 billion in 2014/15, R3.038 billion in 2015/16 and R1.670 billion in 2016/17. The Capital spending is used by the Social Sector departments and Department of Public Works, Roads and Transport in the main.

The budget is used to construct roads, government buildings in the form of clinics, hospitals and schools etc., and rehabilitation of buildings as well as maintenance of the existing government facilities. The table below depicts payments and estimates by economic classifications

4.5 Payments by Functional Area

Payments by functional area is classified by nine functional type such as the general public service, public safety, economic affairs, environmental protections and conservation, housing and community amenities, health, recreation, culture and religion, education and social protection

This type of payment is a mechanism through which the outcomes approach of government is brought on the budget and spans across different spheres of government where institutions are grouped together aiming to integrate planning for efficiency gain. The allocations meant to supports the reprioritization of funds in line with outcomes which is a government focal point in its quest to strengthen performance and to achieve its objectives.

Table 6 :Summary of payments and estimates by functional classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-Term Estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
General public services	938 770	991 545	1 109 048	1 380 926	1 636 075	1 625 113	1 716 142	1 785 305	1 944 909
Public order and safety	341 527	334 938	452 569	451 612	522 344	522 344	554 925	583 701	614 504
Education	9 102 299	10 148 134	10 736 215	11 321 394	11 521 995	11 563 995	12 422 999	13 511 414	13 515 950
Health	5 716 661	6 380 252	7 013 842	7 667 281	8 353 022	8 408 123	8 184 022	8 836 942	8 926 257
Social protection	740 103	877 184	914 847	1 073 487	1 057 461	1 058 372	1 242 420	1 343 246	1 431 092
Housing and community amenities	1 174 566	1 298 402	1 259 121	1 491 108	1 635 711	1 518 711	1 763 408	2 374 906	2 580 864
Environmental protection	62 192	61 630	120 672	120 672	104 561	120 291	180 089	147 300	92 928
Recreation, culture and religion	336 124	408 185	395 258	465 882	531 258	531 258	542 888	596 204	633 828
Economic affairs	3 461 210	3 904 237	3 499 940	4 593 693	4 904 273	5 076 985	5 162 898	5 136 606	5 530 726
Total payments and estimates by functional classification	21 873 451	24 404 506	25 501 512	28 566 055	30 266 700	30 425 192	31 769 791	34 315 624	35 271 058

The largest functional area that consumes the bulk of the budget is Education with R12 423 billion or 39 per cent, followed by Health with an amount of R8.184 billion or 26 per cent of the total provincial payments in 2014/15.

4.6 Infrastructure Payments

The North West Province support the fact that infrastructure is key in terms of enhancing economic development through investment, reducing poverty and creation of job opportunities.

The North West Province has through its Joint Infrastructure Committee provided guidance with respect to reporting, monitoring and evaluation of the infrastructure planning and delivery. The committee also ensured improved integrated infrastructure planning, budgeting and expenditure and capacity building initiatives in projects driven departments and public entities.

Given the immense challenges of dealing adequately with infrastructure maintenance and development a remedy the strategy employed by the province is to build capacity within the department of Public Works, Roads and Transport which is the main custodian of buildings and grounds. The budget for infrastructure has increased substantially by 20 per cent from R4.495 billion in 2013/14 to R5.390 billion in 2014/15, and continue to grow at 15 per cent in 2015/16 while recording a slight decline in the outer year due to the none allocation of Health and Education Infrastructure grants.

Overview of the Provincial Revenue and Expenditure

Table 7: Summary of provincial Infrastructure payments and estimates by vote

	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
Health	500 079	504 518	525 308	610 222	1 014 924	1 014 924	634 408	695 191	100 298
Sport, Arts and Culture	19 157	19 255	27 838	41 957	105 857	106 157	39 235	39 786	45 286
Human Settlements, Safety and Liaison (Public Safety and Liaison Sector)				22 000	12 532	12 532	15 550	6 250	7 500
Economic Development, Environment, Conservation and Tourism				38 850	20 000	20 000	73 756	81 274	12 638
Education and Training	304 732	609 370	238 122				710 462	941 265	93 736
Local Government and Traditional Affairs	71 957	80 033	61 241	130 068	288 700	288 700	246 528	246 625	248 302
Public Works Roads and Transport	972 557	679 734	657 798	1 302 784	1 553 185	1 553 185	1 794 472	1 682 418	1 772 462
Social Development	26 697	35 960	28 890	31 167	26 320	26 320	44 951	43 310	34 946
Agriculture and Rural Development	171 470	207 177	253 243	269 518	249 069	249 069	313 718	322 346	355 890
Human Settlements, Safety and Liaison (Human Settlements sector)	1 038 639	1 151 077	1 064 317	1 224 537	1 224 537	1 224 537	1 517 136	2 153 545	2 363 612
Total payments and estimates: North West Province	3 105 288	3 287 124	2 856 757	3 671 103	4 495 124	4 495 424	5 390 216	6 212 010	5 034 670

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

	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
New infrastructure assets	1 521 528	951 649	914 512	922 499	1 285 224	1 285 524	1 755 886	1 560 945	821 180
Existing infrastructure assets	467 166	1 099 204	788 994	1 369 462	1 663 058	1 663 058	1 925 432	2 302 076	1 659 151
Upgrades and additions	147 148	495 655	470 950	476 179	588 693	588 693	1 017 767	1 339 695	338 623
Rehabilitation and refurbishment	21 869	197 859	9 781	579 712	689 598	689 598	513 352	527 905	933 820
Maintenance and repairs	298 149	405 690	308 263	313 571	384 767	384 767	394 313	434 476	386 708
Infrastructure transfers	1 116 594	1 236 271	1 153 251	1 379 142	1 546 842	1 546 842	1 708 898	2 348 989	2 554 339
Current	1 047 989	1 172 496	221 561	140 713	140 713	140 713	96 716	126 596	109 492
Capital	68 605	63 775	931 690	1 238 429	1 406 129	1 406 129	1 612 182	2 222 393	2 444 847
Total department infrastructure	3 105 288	3 287 124	2 856 757	3 671 103	4 495 124	4 495 424	5 390 216	6 212 010	5 034 670

4.7 Provincial Public- Private Partnership (PPP) projects

The North West Province has no PPP venture. However, the department of Education has entered in to a normal joint partnership with Impala Platinum Mines Limited in 2012/13 and 2013/14 financial years. A total amount of R70 million was contributed on a 50 per cent basis by each partner to construct Sunrise View Combined School. The construction started in 2012/13 and is almost 99 per cent complete. Part of the school (Primary) is fully operational. The second school is Platinum Village Primary/Secondary School, which is still under design stage. The estimated amount is R100 million, both partners contributed equally (50/50).

4.8 Transfers

4.8.1 Transfers to Public Entities

The transfers to Provincial Public Entities are showing a decline of 13.5 per cent in 2014/15, and start to recover in 2015/16 with an increase of 7.per cent increase in 2015/16 and 8.per cent in 2016/17. The following departments transfer funds to the Public Entities; Department of Economic Development, Environment, Conservation and Tourism, Sports, Arts and Culture and the Office of the Premier. The department of Economic Development transfer an amount of R257 million from its total budget of R588 allocated in 2014/15, R277 million in 2015/16 and R301 million in 2016/17.

A decline of 13.5 per cent between 2013/14 and 2014/15 is attributed to the budget reduction of R61.4 million to R41 million under North West Development Corporation, reduction of the budget of R213.2 million to R167 million for North West Parks and Tourism and reduced budget of R4.9 million to R3 million for North West Provincial, Arts and Culture.

The process of merging three Entities namely Mafikeng Industrial Development Zone, Invest North West and North West Development Corporation with the view to rationalize, find synergies and other cost-saving opportunities is almost finalised. A newly established Entity “North West Development Agency”, which is the product of the merger, will be fully operational on the 1 April 2014. The total number of existing funded provincial public entities is now six. The table below provide the details of the NW Government Entities:

Table 9: Summary of Provincial transfers to public entities

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-Term Estimates		
	2010/11	2011/12	2012/13		2013/14		2014/15	2015/16	2016/17
Invest North West	17 402	19 626	23 322	- 21 969					
Mafikeng Industrial Development Zone (Pty) Ltd	25 831	12 769	7 653						
Mmabana Arts, Culture and Sport Foundation	46 813	48 857	50 448	54 569	64 596	64 596	71 258	74 541	78 429
North West Development Corporation	38 999	36 305	8 522	78 003	61 444	46 444	40 937	57 785	50 513
North West Eastern Region Entrepreneurial Support Centre									
North West Gambling Board	20 277	28 504	29 438	31 559	41 559	41 559	48 137	52 661	56 394
North West Housing Corporation									
North West Parks and Tourism Board	134 723	136 998	137 860	143 404	191 348	191 348	167 462	166 583	175 471
North West Provincial Aids Council	15 182	15 106	15 342	12 353	16 353	16 353	17 020	17 658	18 382
North West Provincial Arts and Culture Council	3 000	3 000	3 000	1 919	4 919	4 919	3 000	3 000	3 000
North West Provincial Heritage Resources Authority									
North West Transport Investments (Pty) Ltd									
North West Youth Development Trust									
Total Provincial transfers to public entities	302 227	301 165	275 585	299 838	380 219	365 219	347 814	372 228	382 189

4.8.2 Transfers to development corporations

There are no Entities that transfer funds to Development Corporations in the Province

4.8.3 Transfers to Local Government

The Provincial transfers to the Municipalities are categorised into two, namely Category B which relates to the districts and Category C which is for Local Municipalities. All these transfers are initiated by the Department of Local Government and Traditional Affairs. Transfers runs over the three years of the MTEF and revised annually subject to assurance that proper internal controls are being in place at the receiving institution. The table below depicts the details of transfer of funds to the Municipalities.

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

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
Type of transfer/grant 1(name)									
Bojanala Platinum Municipalities	30 788	31 070	16 180	33 900	81 036	80 338	6 320	31 855	26 593
NV371 MORETELE	8 350	5 850	300	14 650	14 650	14 650	3 050	550	1 596
NV372 MADIBENG	3 000	1 900	850	3 600	27 440	27 242	400	1 000	1 000
NV373 RUSTENBURG	955	670	600	670	1 170	670	670	2 170	2 170
NV374 KOETLENG RIVER	4 000	9 500	12 800	14 580	14 580	14 580	1 800	10 335	1 000
NV375 MOSES KOTANE	3 400	9 250	700	400	23 196	23 196	400	16 600	19 627
DC37 BOJANALA PLATINUM DISTRICT MUNICIPALITY	11 063	3 900	930					1 200	1 200
NGAKA Modiri Molema Municipalities	25 007	22 030	42 810	2 930	74 432	74 432	63 070	10 642	11 842
NV381 RATLOU	750	750		750	15 252	15 252	750	950	950
NV382 TSWANG		360	360	360	360	360	360	660	660
NV383 MAFIKENG	670	1 670	4 150	670	670	670	6 790	670	670
NV384 DITSBOTLA	3 850	350	300	350	350	350	30 350	450	450
NV385 RAMOTSHERE MOLOA		500	500	800	800	800	500	700	700
DC38 NGAKA MODIRI MOLEMA DISTRICT MUNICIPALITY	19 737	18 200	37 500		57 000	57 000	24 320	7 212	8 412
Dr. Ruth Segomotsi Mompati Municipalities	21 017	21 570	3 610	2 680	77 950	77 950	2 680	19 490	24 680
NV391 KAGISANO			760	530	530	530	530	530	630
NV392 NALEDI	460			560	2 034	2 034	550	850	850
NV393 MAMUSA		500	500	620	59 114	59 114	620	920	920
NV394 GREATER TAUJNG	670	670	1 150						
NV395 MOLOPO									
NV396 LEKWA-TEEMANE			1 000	400	15 692	15 692	400	400	500
DC39 DR RUTH SEGOMOTSI MOMPATI DISTRICT MUNICIPALITY	19 887	20 400	200	580	580	580	580	16 790	21 780
Dr. Kenneth Kaunda Municipalities	14 088	9 320	6 400	32 290	40 033	40 033	1 570	18 370	18 370
NV401 VENTERSDORP		4 520	300	20 465	23 792	23 792	320	15 470	15 470
NV402 TLOKWE	400	400	3 600	400	400	400	400	550	550
NV403 CITY OF MATLOSANA	2 550	1 600	450	400	1 166	1 166	400	700	700
NV404 MAQUASSI HILLS	7 950	2 200	850	11 005	14 675	14 675	450	450	450
NV405 MERAPOFONG CITY									
DC40 DR KENNETH KAUNDA DISTRICT MUNICIPALITY	3 188	600	1 200					1 200	1 200
Unallocated					9 813	9 813			2 954
					9 813	9 813			2 954
Total provincial transfers to municipalities	90 880	83 990	69 000	71 800	283 264	282 566	73 640	80 357	84 439

4.9 Personnel numbers and Costs

The North West Province had a total workforce of 94 206 employees at a total cost of R16 961 billion million in 2013/14. A huge workforce is located in the Department of Education (34 300), followed by Health with a total number of 30 920 and 15 697 in the Department of Public Works, Roads and Transport. The smallest work force is observed in the department of Human Settlements which has a total number of 471 employees. The overall trend of personnel numbers in the province grows by annual average of 30 per cent from 2010/11 to 2016/17.

Departments were advised to adequately budget for personnel and thus ensure that they make provision for salary increase of 6.5 per cent in 2014/15, 5.4 per cent in 2015/16 and 2016/17 respectively. The carry-through costs emanating from appointments made in 2013/14 should be provided, including other personnel related costs such as pay progressions, housing allowances etc. The percentage share of North West Compensation is 58 in 2014/15.

Table 11 :Summary of personnel numbers and cost by vote

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
Office of the Premier	467	434	384	409	409	409	427	427	440
Provincial Legislature	173	178	182	197	197	197	207	207	203
Health	21 311	22 195	22 178	30 724	30 724	30 724	30 920	33 057	34 297
Sport, Arts and Culture	677	677	677	1 321	1 321	1 321	1 357	1 156	1 157
Human Settlements, Safety and Liaison (Public Safety and Liaison Sector)	882	920	921	1 054	1 054	1 054	1 245	1 246	1 246
Economic Development, Environment, Conservation and Tourism	529	417	363	3 378	3 378	3 378	3 178	621	670
Finance	523	519	483	668	668	668	860	856	777
Education and Training	30 485	30 181	31 481	32 820	32 820	32 820	34 300	33 825	33 845
Local Government and Traditional Affairs	892	887	980	1 004	1 004	1 004	1 006	1 011	1 010
Public Works Roads and Transport	3 543	3 463	3 532	15 517	15 517	15 517	15 697	3 729	3 785
Social Development	1 745	2 120	2 153	5 076	5 076	5 076	4 511	2 632	2 688
Agriculture and Rural Development	1 484	1 486	1 508	1 576	1 576	1 576	1 639	1 733	1 802
Human Settlements, Safety and Liaison (Human Settlements sector)	439	386	351	462	462	462	471	478	479
Total personnel numbers and cost by vote	63 150	63 863	65 193	94 206	94 206	94 206	95 818	80 978	82 399

Table: 11 below seeks to demonstrate the province's personnel costs according to categories of Human Resource, Finance components, full time, part time and contract workers within a province as at 31 March over a seven year horizon. A total number of 1 887 of human resource component represent 2 per cent of the North West total work force at a cost of R194 million. A total number of 2760 has been observed under Finance component constituting 3 per cent of the work force at a cost of R218 million of the provincial wage bill.

A total number of 63 952 or 67 .per cent are full time workers measured against a total provincial work force of 95 818, Par-time workers are 9 804 or 10 per cent while contract workers are 22 554 constitutes.24 per cent.

Table 12 :Summary of Provincial Personnel numbers and costs

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
Total for Province									
Personnel numbers (head count)	63 150	63 863	65 193	94 206	94 206	94 206	95 818	80 978	82 399
Personnel costs (R thousand)	12 608 870	14 071 408	15 293 281	16 413 274	16 960 569	17 057 058	18 290 925	19 409 951	20 695 512
Human resource component									
personnel numbers (head count)	1 373	1 523	1 657	1 772	1 772	1 772	1 887	1 984	2 067
personnel cost (R thousand)	104 869	125 556	125 107	177 785	177 785	177 785	193 788	202 906	215 036
Head count as % of total for province	2%	2%	3%	2%	2%	2%	2%	2%	3%
Personnel cost as % of total for province	1%	1%	1%	1%	1%	1%	1%	1%	1%
Finance component									
personnel numbers (head count)	1 631	1 860	1 922	2 708	2 708	2 708	2 760	2 822	2 874
personnel cost (R thousand)	131 655	152 097	187 136	200 347	200 347	200 347	217 714	226 732	215 484
Head count as % of total for province	3%	3%	3%	3%	3%	3%	3%	3%	3%
Personnel cost as % of total for province	1%	1%	1%	1%	1%	1%	1%	1%	1%
Full time workers									
Personnel numbers (head count)	57 526	58 164	61 233	61 233	61 233	61 233	63 952	65 197	32 647
Personnel cost (R thousand)	2 569 237	2 881 280	3 263 490	3 540 541	3 540 541	3 540 541	3 884 608	4 219 954	4 469 867
head count as % of total for province	91%	91%	94%	65%	65%	65%	67%	81%	40%
Personnel cost as % of total province	20%	20%	21%	22%	21%	21%	21%	22%	22%
Part-time workers									
Personnel numbers (head count)	912	659	9 337	9 337	9 337	9 337	9 804	10 294	10 809
Personnel cost (R thousand)									
head count as % of total for province	1%	1%	14%	10%	10%	10%	10%	13%	13%
Personnel cost as % of total province	0%	0%	0%	0%	0%	0%	0%	0%	0%
Contract workers									
Personnel numbers (head count)	4 594	5 551	23 056	23 056	23 056	23 056	22 554	5 286	5 278
Personnel cost (R thousand)	51 433	59 108	66 440	312 436	312 436	312 436	540 210	293 817	292 079
head count as % of total of the Province	7%	9%	35%	24%	24%	24%	24%	7%	6%
Personnel cost as % of total province	0%	0%	0%	2%	2%	2%	3%	2%	1%

4.10 Payments on training

The table below demonstrates a trend in the training costs of the province. Training is one of the key vehicles to ensure that the employees are well equipped with the requisite skill in order to enhance service delivery. Training is expected to increase by 11 in 2014/15.

The following departments makes the largest portion of the provincial training costs, namely Education R44 million for training Office based staff and Educators, Health with R14 million largely due to training of health professionals, Community Health Professional, Community Development Workers and Sports with a budget of R12.4 million for bursaries towards the employed staff.

The Office of the Premier has decentralised budgets of R17 million in 2014/15, R18 million in 2015/16 and R19 million in 2016/17 which was apportioned to all thirteen provincial departments. Although Education's training budget shows a decline of 20 per cent between 2012/13 and 2013/14 it remains the highest contributor to the total cost for training within the province.

Table 13 :Summary ofprovincial payments on training by vote

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
Office of the Premier	1 469	1 134	1 760	1 844	1 844	1 844	1 808	2 260	2 380
Provincial Legislature	2 224	2 282	2 078	2 078	2 078	2 078	4 401	4 461	4 665
Health	4 267	3 722	12 512	13 200	13 200	13 200	13 992	14 692	15 427
Sport, Arts and Culture	17 912	17 969	11 481	13 987	13 987	13 987	12 369	12 784	13 047
Human Settlements, Safety and Liaison (Public Safety and Liaison Sector)	3 198	2 363	1 339	2 340	2 340	2 340	2 650	2 700	2 843
Economic Development, Environment, Conservation and Tourism	543	519	477	655	655	655	655	686	713
Finance	2 820	2 808	2 433	3 348	2 648	2 650	3 645	3 945	3 990
Education and Training	49 299	33 447	50 485	41 961	40 996	40 996	43 951	46 151	48 459
Local Government and Traditional Affairs	2 701	2 480	1 559	2 276	2 276	2 276	2 466	2 600	2 740
Public Works Roads and Transport	8 907	18 055	6 906	10 252	10 252	10 252	11 210	11 550	11 835
Social Development	10 966	7 875	3 073	5 201	1 381	1 249	5 800	5 103	5 409
Agriculture and Rural Development	4 765	5 863	3 536	5 930	5 930	5 930	5 431	5 457	5 746
Human Settlements, Safety and Liaison (Human Settlements sector)	782	1 501	1 633	1 916	1 916	1 916	2 045	2 163	2 297
Total provincial payments on training by vote	109 853	100 018	99 272	104 988	99 503	99 373	110 423	114 552	119 551

Annexures to the Overview of Provincial Revenue and Expenditure

Overview of the Provincial Revenue and Expenditure

Table A1: Specification of receipts: North West Province

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
Tax receipts	269 319	317 618	448 749	368 552	368 552	368 552	482 399	516 249	543 141
Casino taxes	65 319	81 446	85 560	82 500	82 500	82 500	100 679	108 188	114 679
Horse racing taxes	4 634	4 242	4 679	5 488	5 488	5 488	5 817	6 108	6 474
Liquor licences	2 842	1 274	2 532	2 754	2 754	2 754	3 754	3 754	3 878
Motor vehicle licences	196 524	230 656	355 978	277 810	277 810	277 810	372 149	398 199	418 109
Sales of goods and services other than capital assets	192 196	245 267	290 951	308 976	378 431	378 431	334 520	353 715	371 012
Sale of goods and services produced by department (excluding capital assets)	192 196	245 267	290 951	308 976	378 431	378 431	334 520	353 715	371 012
Sales by market establishments	7 986	13 349	21 949	22 258	92 058	92 058	23 385	24 559	25 796
Administrative fees	2 276	4 506	3 942	6 232	5 887	5 887	10 558	10 916	11 302
Other sales	182 631	225 543	265 273	279 734	279 734	279 734	301 034	318 611	320 393
Of which									
Health patient fees	58 709	43 180	63 723	62 876	62 876	62 876	78 621	82 809	62 064
Other (Specify)	123 817	170 324	191 975	204 335	204 335	204 335	215 654	229 015	243 505
Other (Specify)	65	4 684	4 048	9 273	9 273	9 273	4 493	4 507	10 328
Other (Specify)	40	7 355	5 527	3 250	3 250	3 250	2 266	2 280	4 496
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	3	1 187	50	752	752	752	195	378	379
Transfers received from:	-	-	-	-	-	-	-	-	-
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	8 310	16 589	13 313	16 322	16 322	16 322	17 095	17 916	18 829
Interest, dividends and rent on land	88 808	114 341	179 761	104 479	104 479	104 479	109 724	115 231	121 326
Interest	82 384	114 341	179 537	100 951	100 951	100 951	106 020	111 342	117 243
Dividends	-	-	170	-	-	-	-	-	-
Rent on land	6 424	-	54	3 528	3 528	3 528	3 704	3 889	4 083
Sales of capital assets	8 078	7 301	7 925	10 829	10 829	10 829	11 349	11 691	12 248
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	8 078	7 301	7 925	10 829	10 829	10 829	11 349	11 691	12 248
Transactions in financial assets and liabilities	31 778	17 119	4 134	12 948	13 293	13 293	6 365	4 405	4 599
Total departmental receipts	598 489	718 235	944 833	822 106	891 906	891 906	961 452	1 019 208	1 071 155

2014/15 Estimate of Provincial Revenue and Expenditure

Table A.2: Payments and estimates by economic classification: North West Province

R thousand	Outcome			Main appropriation	Adjusted appropriation 2013/14	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13				2014/15	2015/16	2016/17
Current payments	16 663 996	18 494 012	20 059 554	22 008 417	22 618 530	22 821 699	24 074 751	25 686 741	27 532 207
Compensation of employees	12 608 870	14 071 408	15 293 281	16 413 274	16 960 569	17 057 058	18 290 925	19 409 951	20 695 512
Salaries and wages	10 833 324	12 092 627	13 175 244	14 200 704	14 737 187	14 827 590	15 912 177	16 853 516	17 957 570
Social contributions	1 775 546	1 978 781	2 118 038	2 212 570	2 223 382	2 229 468	2 378 748	2 556 435	2 737 942
Goods and services	4 054 520	4 419 447	4 764 896	5 593 567	5 655 794	5 762 491	5 781 812	6 274 610	6 835 771
Administrative fees	16 308	14 382	84 991	21 958	90 186	88 878	87 675	86 598	88 990
Advertising	60 673	34 654	44 886	37 092	34 225	35 913	37 798	40 502	42 964
Assets less than the capitalisation threshold	67 139	62 801	48 471	95 225	115 632	112 812	117 271	123 883	129 265
Audit cost: External	63 924	55 627	89 339	80 399	93 857	93 411	85 723	101 973	109 887
Bursaries: Employees	5 543	7 031	5 853	6 907	7 936	9 766	10 556	10 563	11 669
Catering: Departmental activities	58 477	63 531	70 091	82 145	75 789	77 547	91 381	96 448	102 096
Communication (G&S)	142 229	139 620	138 190	147 452	160 625	158 998	175 860	189 847	208 835
Computer services	62 875	78 874	90 236	82 291	79 138	78 815	90 621	131 027	130 791
Consultants and professional services: Business and advisory services	264 487	137 631	193 283	312 950	324 753	285 819	293 706	317 352	383 458
Consultants and professional services: Infrastructure and planning	48 614	81 204	143 438	30 083	26 549	31 120	32 821	31 692	27 297
Consultants and professional services: Laboratory services	246 449	225 908	131 961	330 486	315 164	313 668	269 912	343 188	467 083
Consultants and professional services: Scientific and technological services	–	–	69	–	–	–	–	–	–
Consultants and professional services: Legal costs	23 820	53 516	90 805	92 190	88 541	116 815	40 213	45 739	52 070
Contractors	422 246	620 618	324 772	606 706	659 855	718 210	609 520	546 686	593 705
Agency and support / outsourced services	188 130	179 475	182 564	247 693	269 599	279 648	273 062	303 920	309 067
Entertainment	2 846	703	477	899	1 070	1 109	471	467	253
Fleet services (including government motor transport)	8 277	11 419	19 660	20 915	26 767	53 170	104 664	107 319	121 740
Housing	456	–	–	5	–	10	89	–	–
Inventory: Clothing material and accessories	–	–	–	5 616	5 069	4 696	9 016	15 397	12 272
Inventory: Farming supplies	–	–	50	–	14	3 351	1 058	913	600
Inventory: Food and food supplies	29 796	28 002	23 658	32 384	30 523	29 300	28 379	36 775	39 316
Inventory: Fuel, oil and gas	28 447	31 498	37 479	54 075	51 993	51 765	56 207	60 247	65 756
Inventory: Learner and teacher support material	290 185	312 178	369 185	396 833	400 479	384 336	411 490	432 151	460 033
Inventory: Materials and supplies	49 645	35 606	40 991	55 195	39 456	49 643	60 977	77 543	81 565
Inventory: Medical supplies	138 361	196 688	222 614	327 061	307 529	307 144	272 989	279 677	293 916
Inventory: Medicine	488 502	410 772	536 388	550 775	541 360	590 901	561 675	642 150	724 725
Medsas inventory interface	–	-1	–	140	–	–	39	126	132
Inventory: Other supplies	1 539	–	2 085	74	1 545	38 868	90 847	100 021	106 734
Consumable supplies	129 222	120 339	123 355	127 774	142 776	111 468	139 860	152 986	167 112
Consumable: Stationery, printing and office supplies	88 831	86 237	97 953	131 990	130 121	122 051	139 233	148 345	159 532
Operating leases	220 703	244 530	253 480	281 181	267 812	274 577	275 909	317 976	331 240
Property payments	279 408	368 892	533 429	523 877	518 836	478 985	581 965	609 001	623 582
Transport provided: Departmental activity	29 767	31 788	34 850	41 496	42 672	37 594	41 463	43 220	44 613
Travel and subsistence	413 203	491 549	528 266	456 422	475 998	500 675	461 070	522 444	551 831
Training and development	118 322	106 708	86 116	142 393	117 318	127 831	181 552	191 443	214 497
Operating payments	70 751	148 900	167 446	221 757	163 179	136 935	85 254	99 226	105 892
Venues and facilities	-8 431	36 089	45 060	44 409	43 726	49 694	53 427	59 333	62 335
Rental and hiring	3 776	2 679	3 405	4 721	5 704	6 969	8 058	8 435	10 928
Interest and rent on land	607	3 156	1 377	1 576	2 167	2 151	2 013	2 181	924
Interest	607	3 156	1 377	1 576	2 167	2 151	2 013	2 181	924
Rent on land	–	–	–	–	–	–	–	–	–
Transfers and subsidies	3 607 104	4 019 915	3 970 206	4 357 521	4 676 586	4 539 072	4 866 470	5 591 334	6 068 512
Provinces and municipalities	186 420	279 268	210 535	311 957	499 979	466 979	252 127	265 005	281 786
Provinces	22 822	34 486	35 884	36 646	35 144	35 144	30 896	31 168	32 820
Provincial Revenue Funds	66	–	–	–	–	–	–	–	–
Provincial agencies and funds	22 756	34 486	35 884	36 646	35 144	35 144	30 896	31 168	32 820
Municipalities	163 598	244 782	174 651	275 311	464 835	431 835	221 231	233 837	248 966
Municipalities	78 725	70 600	60 000	62 600	295 600	272 600	64 440	71 157	75 239
Municipal agencies and funds	84 873	174 182	114 651	212 711	169 235	159 235	156 791	162 680	173 727
Departmental agencies and accounts	284 198	269 848	273 281	276 004	327 956	330 506	319 651	327 888	365 004
Social security funds	–	–	–	–	–	–	–	–	–
Provide list of entities receiving transfers	284 198	269 848	273 281	276 004	327 956	330 506	319 651	327 888	365 004
Higher education institutions	–	1 071	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	554 189	714 078	667 586	728 414	768 974	784 606	839 923	883 763	942 140
Public corporations	553 619	714 078	667 557	728 414	768 974	784 606	839 923	883 763	942 140
Subsidies on production	524 416	663 489	649 223	672 380	700 338	701 338	735 675	775 290	813 178
Other transfers	29 203	50 589	18 334	56 034	68 636	83 268	104 248	108 473	128 961
Private enterprises	570	–	29	–	–	–	–	–	–
Subsidies on production	–	–	–	–	–	–	–	–	–
Other transfers	570	–	29	–	–	–	–	–	–
Non-profit institutions	1 285 762	1 330 751	1 380 255	1 424 604	1 208 690	1 192 355	1 339 132	1 419 649	1 496 480
Households	1 296 535	1 424 899	1 438 549	1 616 542	1 870 987	1 764 626	2 115 637	2 695 029	2 983 103
Social benefits	27 858	28 582	45 357	23 348	118 975	119 231	33 050	30 913	32 541
Other transfers to households	1 268 677	1 396 317	1 393 192	1 593 194	1 752 012	1 645 395	2 082 587	2 664 117	2 950 562
Payments for capital assets	1 602 266	1 883 822	1 471 102	2 200 116	2 971 584	3 064 421	2 828 570	3 037 548	1 670 339
Buildings and other fixed structures	1 354 941	1 664 454	1 232 272	1 938 339	2 640 583	2 712 293	2 445 275	2 684 568	1 325 891
Buildings	714 097	1 143 470	868 232	1 156 097	1 604 429	1 669 429	1 689 810	1 830 795	490 106
Other fixed structures	640 844	520 984	364 040	782 242	1 036 154	1 042 864	755 465	853 774	835 785
Machinery and equipment	247 256	216 498	233 606	251 282	325 506	346 632	381 795	352 453	343 893
Transport equipment	47 605	52 850	86 106	27 222	93 269	110 469	93 572	91 074	107 015
Other machinery and equipment	199 650	163 647	147 501	224 060	232 237	236 163	288 223	261 379	236 878
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	620	393	495	495	496	–	–	–
Land and sub-soil assets	–	–	–	–	–	–	–	527	555
Software and other intangible assets	69	2 250	4 830	10 000	5 000	5 000	1 500	–	–
Payments for financial assets	85	6 757	651	–	–	–	–	–	–
Total economic classification	21 873 451	24 404 506	25 501 512	28 566 054	30 266 700	30 425 192	31 769 791	34 315 623	35 271 058

Overview of the Provincial Revenue and Expenditure

Table A2: Payments and estimates by economic classification: North West Province

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2010/11	2011/12	2012/13	2013/14			2014/15	2015/16	2016/17
Current payments	4 054 520	4 419 447	4 764 896	5 593 567	5 655 794	5 762 491	5 781 812	6 274 610	6 835 771
Goods and services	4 054 520	4 419 447	4 764 896	5 593 567	5 655 794	5 762 491	5 781 812	6 274 610	6 835 771
Administrative fees	16 308	14 382	84 991	21 958	90 186	88 878	87 675	86 598	88 990
Advertising	60 673	34 654	44 886	37 092	34 225	35 913	37 798	40 502	42 964
Assets less than the capitalisation threshold	67 139	62 801	48 471	95 225	115 632	112 812	117 271	123 883	129 265
Audit cost: External	63 924	55 627	89 339	80 399	93 857	93 411	85 723	101 973	109 887
Bursaries: Employees	5 543	7 031	5 853	6 907	7 936	9 766	10 556	10 563	11 669
Catering: Departmental activities	58 477	63 531	70 091	82 145	75 789	77 547	91 381	96 448	102 096
Communication (G&S)	142 229	139 620	138 190	147 452	160 625	158 998	175 860	189 847	208 835
Computer services	62 875	78 874	90 236	82 291	79 138	78 815	90 621	131 027	130 791
Consultants and professional services: Business and advisory services	264 487	137 631	193 283	312 950	324 753	285 819	293 706	317 352	383 458
Consultants and professional services: Infrastructure and planning	48 614	81 204	143 438	30 083	26 549	31 120	32 821	31 692	27 297
Consultants and professional services: Laboratory services	246 449	225 908	131 961	330 486	315 164	313 668	269 912	343 188	467 083
Consultants and professional services: Scientific and technological services	-	-	69	-	-	-	-	-	-
Consultants and professional services: Legal costs	23 820	53 516	90 805	92 190	88 541	116 815	40 213	45 739	52 070
Contractors	422 246	620 618	324 772	606 706	659 855	718 210	609 520	546 686	593 705
Agency and support / outsourced services	188 130	179 475	182 564	247 693	269 599	279 648	273 062	303 920	309 067
Entertainment	2 846	703	477	899	1 070	1 109	471	467	253
Fleet services (including government motor transport)	8 277	11 419	19 660	20 915	26 767	53 170	104 664	107 319	121 740
Housing	456	-	-	5	-	10	89	-	-
Inventory: Clothing material and accessories	-	-	-	5 616	5 069	4 696	9 016	15 397	12 272
Inventory: Farming supplies	-	-	50	-	14	3 351	1 058	913	600
Inventory: Food and food supplies	29 796	28 002	23 658	32 384	30 523	29 300	28 379	36 775	39 316
Inventory: Fuel, oil and gas	28 447	31 498	37 479	54 075	51 993	51 765	56 207	60 247	65 756
Inventory: Learner and teacher support material	290 185	312 178	369 185	396 833	400 479	384 336	411 490	432 151	460 033
Inventory: Materials and supplies	49 645	35 606	40 991	55 195	39 456	49 643	60 977	77 543	81 555
Inventory: Medical supplies	138 361	196 688	222 614	327 061	307 529	307 144	272 989	279 677	293 916
Inventory: Medicine	488 502	410 772	536 388	550 775	541 360	590 901	561 675	642 150	724 725
Medsas inventory interface	-	-1	-	140	-	-	39	126	132
Inventory: Other supplies	1 539	-	2 085	74	1 545	38 868	90 847	100 021	106 734
Consumable supplies	129 222	120 339	123 355	127 774	142 776	111 468	139 860	152 986	167 112
Consumable: Stationery, printing and office supplies	88 831	86 237	97 953	131 990	130 121	122 051	139 233	148 345	159 532
Operating leases	220 703	244 530	253 480	281 181	267 812	274 577	275 909	317 976	331 240
Property payments	279 408	368 892	533 429	523 877	518 836	478 985	581 965	609 001	623 582
Transport provided: Departmental activity	29 767	31 788	34 850	41 496	42 672	37 594	41 463	43 220	44 613
Travel and subsistence	413 203	491 549	528 266	456 422	475 998	500 675	461 070	522 444	551 831
Training and development	118 322	106 708	86 116	142 393	117 318	127 831	181 552	191 443	214 497
Operating payments	70 751	148 900	167 446	221 757	163 179	136 935	85 254	99 226	105 892
Venues and facilities	-8 431	36 089	45 060	44 409	43 726	49 694	53 427	59 333	62 335
Rental and hiring	3 776	2 679	3 405	4 721	5 704	6 969	8 058	8 435	10 928
Goods and services: North West Province	4 054 520	4 419 447	4 764 896	5 593 567	5 655 794	5 762 491	5 781 812	6 274 610	6 835 771

2014/15 Estimate of Provincial Revenue and Expenditure

Table 7 :Summary of payments and estimates by functional 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
General public services	1 747 573	1 994 831	1 953 855	2 654 054	2 837 346	3 010 884	3 396 498	3 262 286	3 530 776
Executive and legislative	503 604	525 757	578 318	658 111	692 639	694 045	764 355	776 078	807 904
General services	1 067 721	1 264 367	1 127 731	1 632 889	1 755 249	1 919 144	2 197 279	2 006 331	2 132 610
Financial and Fiscal Service	176 248	204 708	247 806	363 054	389 458	397 695	434 864	479 877	590 261
Public order and safety	123 959	128 260	116 393	163 940	156 448	156 448	178 896	196 681	205 495
Public Service	123 959	128 260	116 393	163 940	156 448	156 448	178 896	196 681	205 495
Traffic Control									
Education	9 338 945	10 399 434	11 005 716	11 668 105	11 855 321	11 897 321	12 780 520	13 893 790	13 965 230
Pre Primary and Primary phase	4 723 137	5 122 223	5 596 853	5 688 227	5 773 235	5 800 235	6 242 480	6 723 717	7 145 571
Secondary education phase	2 231 156	2 372 551	2 552 913	2 812 228	2 822 228	2 837 228	3 040 070	3 290 047	3 515 226
Education Services not defined by level	1 263 950	1 184 737	1 360 633	1 509 307	1 557 120	1 557 120	1 667 859	1 737 256	1 838 599
Subsidaty Service education	1 120 702	1 719 923	1 495 317	1 658 343	1 702 738	1 702 738	1 830 111	2 142 770	1 465 834
Health	5 496 769	6 147 690	6 764 532	7 355 738	8 038 544	8 093 645	7 853 690	8 478 456	8 514 079
Outpatient Services	2 786 645	3 053 688	3 417 155	3 769 019	4 338 496	4 343 597	4 023 996	4 257 208	4 549 952
Research and Development									
Hospital Services	2 710 124	3 094 002	3 347 377	3 586 719	3 700 048	3 750 048	3 829 694	4 221 248	3 964 127
Social protection	740 103	870 274	908 214	1 064 958	1 048 432	1 049 343	1 233 065	1 333 534	1 420 865
Social Security service									
Social Services	740 103	870 274	908 214	1 064 958	1 048 432	1 049 343	1 233 065	1 333 534	1 420 865
Housing and community amenities	1 164 892	1 291 040	1 253 373	1 481 725	1 628 328	1 509 328	1 752 423	2 363 157	2 568 723
Housing Development	1 164 892	1 291 040	1 253 373	1 481 725	1 628 328	1 509 328	1 752 423	2 363 157	2 568 723
Environmental protection	62 192	61 630	69 010	120 672	104 561	120 291	180 089	147 300	92 928
Environmental Protection	62 192	61 630	69 010	120 672	104 561	120 291	180 089	147 300	92 928
Recreation, culture and religion	345 949	421 884	412 299	482 854	549 639	549 639	563 837	618 330	656 798
Recreation and sporting services	176 059	219 719	207 341	245 077	298 793	295 893	261 586	271 328	295 708
Cultural Services	169 890	202 165	204 958	237 777	250 846	253 746	302 251	347 002	361 090
Economic affairs	2 853 069	3 089 462	3 018 120	3 574 008	4 048 081	4 038 293	3 830 773	4 022 090	4 316 164
General Economic affairs	314 814	318 177	311 421	359 745	411 334	427 904	439 136	451 886	510 965
Agriculture	565 295	630 224	707 331	750 502	797 282	812 924	830 182	857 701	935 154
Transport	1 972 961	2 141 060	1 999 368	2 463 761	2 839 465	2 797 465	2 561 455	2 712 503	2 870 046
Total payments and estimates by functional classification	21 873 451	24 404 506	25 501 512	28 566 054	30 266 700	30 425 192	31 769 791	34 315 623	35 271 058