



finance

Department:
Finance
North West Provincial Government
Republic of South Africa



PROVINCIAL BUDGET FRAMEWORK

The 2014 Medium Term Expenditure Framework continues to give a platform for growth, development and prosperity through strengthening Education, Health, Social Development, Economic and Infrastructure priorities.

The Provincial Government has begun the process of drafting the Provincial Development Plan

(PDP) which will be in line with the national strategic framework i.e. the National Development Plan (NDP).

The PDP will provide an opportunity for all spheres of government (National, Provincial and Local) to work together.

The focus of the 2014 Medium Term Expenditure Framework is to improve the quality and pace of

service delivery through investing in infrastructure maintenance and the Expanded Public Works Programme, which will provide temporal employment relief for the unemployed in order to improve the living conditions in the poor communities across the province.

The North West Government will continue through the PDP to focus on improving education, training,

innovation, improving health, economy, employment, economic infrastructure, integrated and inclusive rural economy, human settlements and spatial transformation, environmental sustainability, building safer communities, building a capable and developmental state, eradicating corruption and transforming society and uniting the province.

THE PROVINCIAL BUDGET AT A GLANCE FOR THE 2014/15 FINANCIAL YEAR

The Provincial Government's Main Sources of revenue

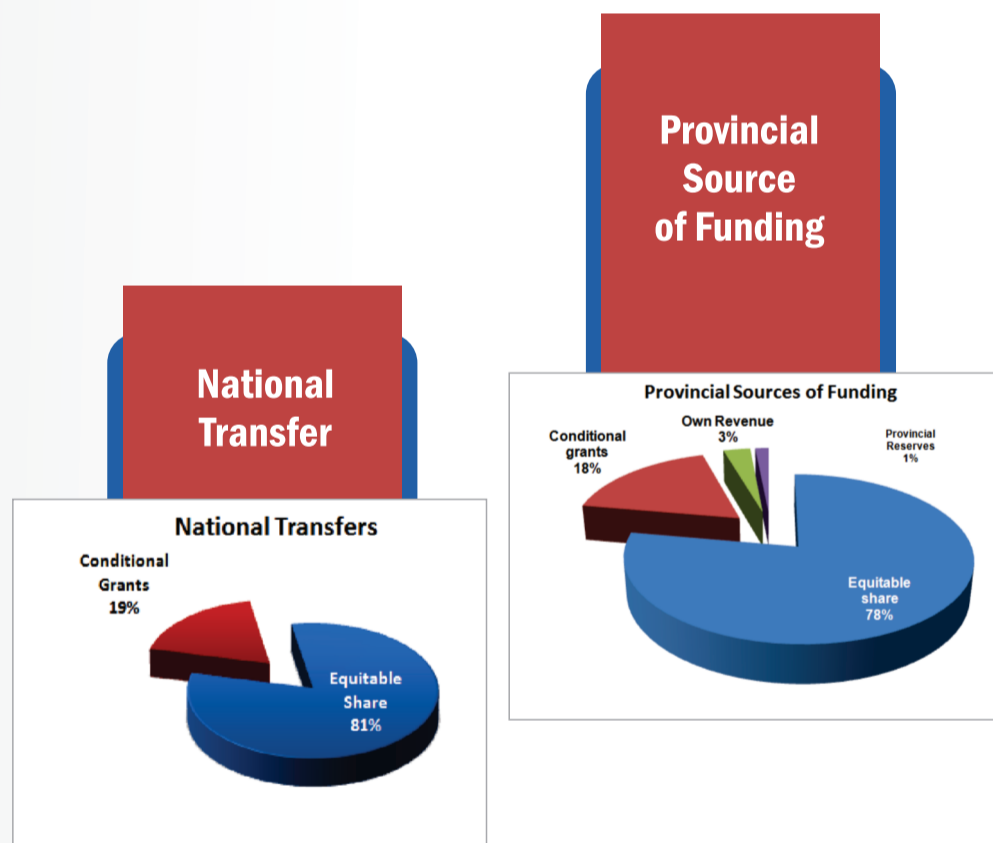
The North West Government fund its expenditure via three sources of revenue, i.e. Equitable Share, Conditional Grants (National Transfers) and the Provincial Own Revenue, including reserves (that is unspent money from previous financial years).

Equitable Share: This is nationally raised revenue that is allocated to the province through the equitable share formula. **Conditional Grants:** Funds allocated to the province from the national government's budget with certain conditions attached. **Provincial Own Revenue:** Revenue collected by the province for example, motor vehicle licences, patient fees, gambling and liquor licences fees.

The total provincial fiscal framework for 2014/15 financial year amounts to

R31.770 billion; this reflects a growth of **4.9 per cent** from the adjusted 2013/14 estimate of **R30.274 billion**. The total provincial revenue consists of the following sources of revenue:

- Equitable Share of **R24.707 billion** which accounts for **78 per cent** of provincial revenues;
- Conditional Grants of **R5.621 billion** which accounts for **18 per cent** of provincial revenues; and
- Provincial Own Revenue of **R961 million** which accounts for **3 per cent**.
- Provincial Reserves of **R480 million** which accounts for **1 per cent**.



FUNDING OF PROVINCIAL PRIORITIES OVER THE MEDIUM TERM EXPENDITURE FRAMEWORK

Through the implementation of the National Development Plan in the 2014 Medium Term Expenditure Framework (MTEF), the public expenditure is expected to improve in areas that enhance economic growth and job creation.

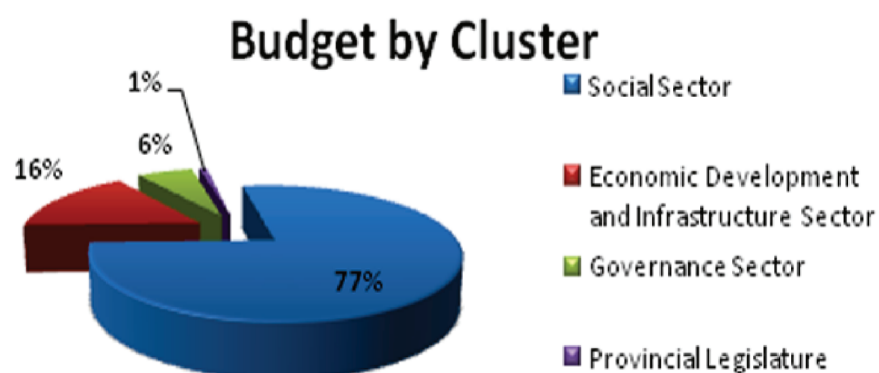
The 2014 MTEF allocations for the province are influenced amongst others by the following key priorities:

- Improving education, training and innovation;
- Improving health services;
- Creating conducive environment

for Economic Development;

- Creating employment, economic infrastructure,
- Integrated and inclusive rural economy;
- Human settlements and spatial transformation; and
- Building safer communities.

The implementation of the above priorities is funded through four Sectors in the province, namely; Social, Economic Development and Infrastructure, Governance & Administration Sectors and the Provincial Legislature.

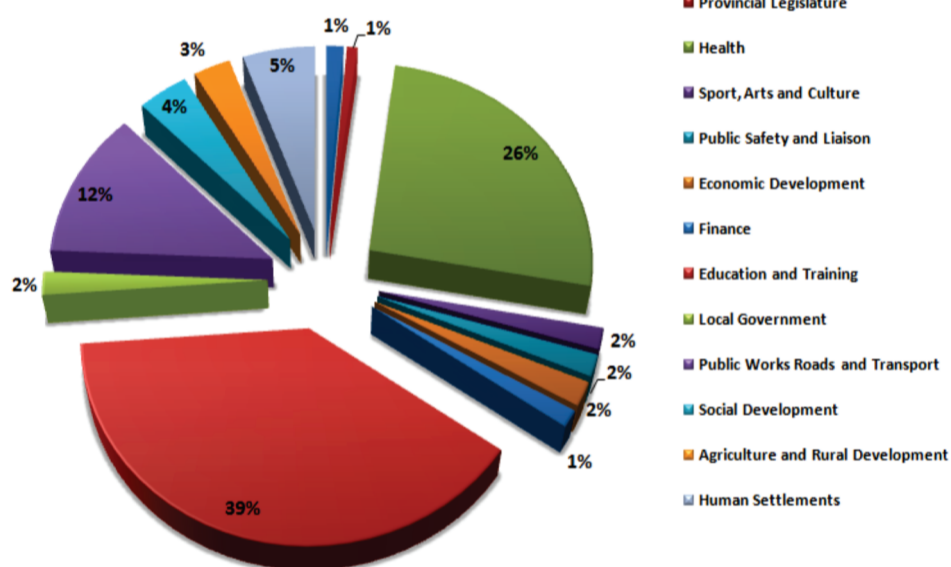


The table below shows the Summary of Payment and Estimates by Sector

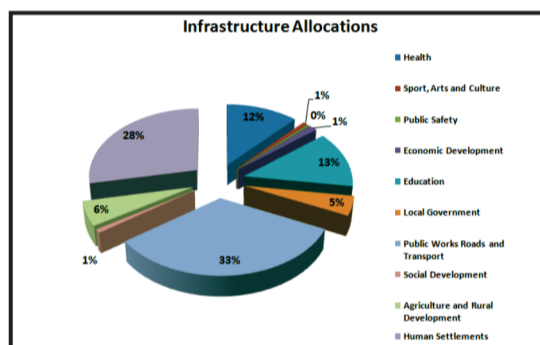
	Medium Term Estimates		
R Thousands	2014/15	2015/16	2016/17
Social Sector	24 155 737	26 662 712	27 087 991
Health	8 184 022	8 836 942	8 926 257
Education and Training	12 422 999	13 511 414	13 515 950
Human Settlement, Public Safety and Liason	1 763 408	2 374 906	2 580 864
Social Development	1 242 420	1 343 246	1 431 092
Sport, Art and Culture	542 888	596 204	633 828
Economic Development and Infrastructure Sector	5 342 987	5 283 906	5 623 654
Public Works, Roads and Transport	3 807 440	3 741 427	3 982 096
Economic Development, environment, Conservation and Tourism	625 153	605 400	610 436
Agriculture and Rural Development	910 394	937 079	1 031 122
Governance Sector	2 009 178	2 095 987	2 269 438
Office of the Premier	416 208	412 242	416 223
Finance	442 896	488 303	599 634
Local Government and Traditional Affairs	595 149	611 741	639 007
Public Safety and Liaison Sector	554 925	583 701	614 504
Provincial Legislature	261 889	273 019	289 975
Total Allocation	31 769 791	34 315 624	35 271 058

PROVINCIAL ALLOCATIONS PER DEPARTMENT'S SHARE

Provincial Budget per Vote



ALLOCATIONS INFRASTRUCTURE



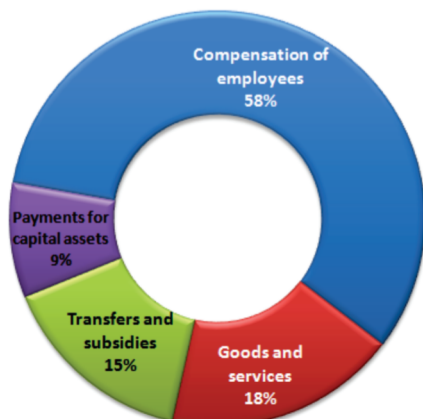
Summary of provincial Infrastructure payments and estimates by vote			
Provincial Infrastructure over the MTEF	Medium-Term Estimates		
	2014/15	2015/16	2016/17
Health	634 408	695 191	100 298
Sport, Arts and Culture	39 235	39 786	45 286
Public Safety	15 550	6 250	7 500
Economic Development	73 756	81 274	12 638
Education	710 462	941 265	93 736
Local Government	246 528	246 625	248 302
Public Works Roads and Transport	1 794 472	1 682 418	1 772 462
Social Development	44 951	43 310	34 946
Agriculture and Rural Development	313 718	322 346	355 890
Human Settlements	1 517 136	2 153 545	2 363 612
Total Infrastructure over the MTEF	5 390 216	6 212 010	5 034 670

SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES BY ECONOMIC CLASSIFICATION

WHAT IS THE MONEY BUYING?

Economic Classification

Economic Classifications



MTEF

2014/15

	MTEF
R thousand	2014/15
Current payments	24 067 251
Compensation of employees	18 298 522
Goods and services	5 766 715
Interest and rent on land	2 013
Transfers and subsidies	4 866 470
Payments for capital assets	2 836 070
Total economic classifications	31 769 791

Total Compensation of Employees



EDUCATION AND TRAINING



The department aims to provide quality basic education for higher learner achievement through educator excellence and support services. The largest proportion of the 2014/15 provincial budget is allocated to Education at **39 per cent**. Education increases from **R11.522 billion** in 2013/14 to **R12.423 billion** in 2014/15 to fund among others the following:

- National School Nutrition Programme is allocated an amount of **R367 million**; so that learners at all no-fee schools are also provided with nutrition;
- Education Infrastructure: **R624 million** is allocated to provide and maintain all Public Ordinary School's infrastructure in line with minimum physical infrastructure standards so that learners and teachers have an inspiring environment;
- An amount of **R395 million** is allocated for Learner Teacher Support Material and workbooks function to ensure that learners and

- educators are provided with basic Learning and Teaching Support Materials (LTSM) in accordance with the curriculum needs;
- Gr R Implementation is allocated an amount of **R39 million**; this programme caters for pre-school education, pre-Grade R and for Grade R in community Early Childhood Development centres;
- Teacher Development: **R11.4 million** is allocated to help teachers improve their knowledge of the subjects they teach and to build teachers' subject knowledge and provide training in effective teaching methods;
- In-School Sport: An amount of **R16 million** is allocated for this functions to ensure that we have active learners; and
- ABET Expansion: **R28 million** is allocated for this programme which is aimed at improving good quality education and training to all adults and youth who have not gone through the mainstream education system.

HEALTH



The department is responsible for the delivery of primary health care services, hospital services, forensic pathology services and emergency medical rescue services. The department is allocated an amount of **R8.184 billion** in 2014/15, mainly to fund among others the following:

- Infrastructure projects: An amount of R634 million is allocated for construction and maintenance of health facilities (which include hospitals and clinics) in the province;
- Medical Supplies including Dry Dispensary: an amount of **R211 million** is allocated to this non-negotiable function;
- Security at Hospitals: an amount of **R123 million** is allocated to improve security at hospitals around the province;
- Infection Control and Cleaning: **R95 million** have been set aside to support the management of continuous quality

- improvement plans by all health facilities and monitoring of health care acquired infections;
- Health Professions Training and Development: an amount of **R105 million** is allocated to support the training and development of health professionals and recruitment of medical specialists; and
- Comprehensive HIV and AIDS: an amount of **R937 million** is allocated for comprehensive HIV and AIDS programme.

Government remains committed to the provision of quality basic health care services to all. Government's medium term priorities include increasing life expectancy, decreasing maternal and child mortality and combating HIV and AIDS through strengthening the effectiveness of the health system.

ECONOMIC, DEVELOPMENT, ENVIRONMENT, CONSERVATION AND TOURISM



The mission of the Department is "to drive and facilitate a sustainable economic development and environmental services in the North West Province through" among others, coordinate economic planning; integrate economic development services, trade and investment promotion, tourism and environmental management. An amount of **R625 million** is allocated in 2014/15 for the department to be able to achieve these objectives;

- Small Business Development;
- Provincial macro-economic planning and development;
- Research to determine economic potential and policy development;
- Economic sector development and sectoral charter implementation;
- Enhancement of productivity and competitiveness of various economic sectors;
- Industrial development facilitation, including the tourism industry;
- Economic infrastructure development facilitation;
- Investment and trade promotion; and
- Green economy development and implementation.



SOCIAL DEVELOPMENT



The department aim to provide an integrated comprehensive and high quality social protection services to maximise capacity of poor and vulnerable individuals, households and communities.

This includes the provision of counseling services to victims of crime and violence, home community-based care for people infected and affected by HIV/AIDS, as well as services to combat substance abuse and services to those in trouble with the law.

Social Development's budget increases from the

adjusted **R1.057 billion** in 2013/14 to **R1.242 billion** in 2014/15 to fund among others the following:

- An amount of **R12 million** is allocated for Substance Abuse Treatment Center;
- Victim Empowerment: **R10 million** is allocated for the Victim Empowerment programme;
- Early Child Development: an amount of **R68 million** is provided for the implementation of ECD programme in the province; and
- **R3.4 million** is allocated for the Provision of Shelter to victims of Gender-Based Violence.

HUMAN SETTLEMENT

The department aim to effectively plan, coordinate, provide and support the development of habitable integrated human settlement in the Province. To achieve this, the department is allocated an amount of **R1.763 billion** in 2014/15 financial year, increasing from an adjusted **R1.635 billion** in 2013/14, which includes an additional funding of R117 million from National and was appropriated in the second adjustment budget.

The largest share of the department's allocation is Human Settlement Development conditional grant which amounts to **R1.517 billion**. The allocation intends also to address the current housing backlog in the Province which is estimated at

- 238 000 households.
- The Human Settlement Development Grant focuses on funding the following key elements:
- Housing for qualifying beneficiaries through the consolidation subsidy or existing housing;
 - Institutional subsidies, including funding for setting up housing support centers, Community development associations (for People's Housing Programme Projects); and
 - Land acquisitions to accommodate well located housing development is also funded from the grant in areas where the province and/or municipalities do not have land available.



AGRICULTURE AND RURAL DEVELOPMENT



The purpose of the department is to provide agricultural and rural development services for sustainable livelihoods. The Department is allocated an amount of **R910 million** in 2014/15 financial year. Among others, the allocation includes **R179 million** for Comprehensive Agriculture Support Programme and Ilima/Letsema Projects of **R46 million**. Included in the R910 million is funding for to the following programmes:

- Kgora Farmer Training Center: an amount of **R22 million** is set aside for this programme; and

- Taung Agricultural College: the college is receiving an additional **R27 million** in 2014/15 financial year.

The Department will focus primarily on implementing the comprehensive food security and nutrition strategy, developing under-utilised land in communal areas and land reform projects for production, developing and implementing policies promoting the development and support of smallholder producers and expanding land under irrigation.

LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS



The purpose of the department is to effectively support, monitor and promote developmental municipalities and viable institutions of traditional leadership within the North West Province. The department is allocated an amount of **R595 million** in 2014/15 to ensure that the department achieve the following key strategic objectives:

- Building and strengthening the administrative, institutional and financial capabilities of municipalities and provincial institutions of traditional leadership will be achieved through support in the enhancement of municipal financial viability, stabilising governance in municipalities and institutions of traditional leadership;

- Improving access to basic services and infrastructure in municipalities will be achieved through maximising participation of key stakeholders and ensuring maximum departmental intervention in infrastructure planning and delivery;
- Supporting job creation initiatives will be achieved through employing Local Economic Development strategies; and
- Ensuring the development of Integrated Development Plans by municipalities.

Included in the allocation is an amount of **R15 million** for Disaster Management Center and **R14 million** for Building Construction of Traditional Council with operating costs.

SPORT, ARTS AND CULTURE



The department's mission is to create, promote and develop Sport, Arts and Culture for community betterment and enrichment, maximizing access, development and excellence at all levels of participation. The department's budget increases from the adjusted **R531 million** in 2013/14 to **R543 million** in 2014/15 financial year. This allocation will ensure that the department achieve the following priorities or programmes in 2014/15 financial year:

- Expanded Public Works Programme (EPWP): an amount of **R2.628 million** is allocated for this programme;
- Community Library Services: an amount of **R98.883 million** is allocated for the Community Library Service Grant which amongst others will provide for the provision of library books and

- the construction and maintenance of community libraries in the province; and
- Mass Sports and Recreation Participation Programme: an amount of **R43.503 million** is allocated for this programme.

The allocation will also ensure that sport, arts and cultural activities are accessible to all communities and to promote talent in the province, provide opportunity to access information and knowledge through libraries and museums and to manage and preserve our historical records to all communities and to create and promote conditions for the development of a multicultural society while ensuring that previously-marginalized communities are given opportunities.

PUBLIC SAFETY AND LIAISON

The purpose is to provide safety through effective co-ordination of crime prevention initiatives, provincial police oversight, traffic management and road safety towards a more secure environment. The allocation increases from the adjusted **R522 million** in 2013/14 to **R555 million** in 2014/15 financial year. Additional funding is availed to the following programmes:

- Traffic College: an amount of **R10 million** is allocated for establishment of the Traffic College in the province;
- Strengthening of Law Enforcement: an amount of **R18 million** is allocated for this programme; and
- Strengthening of Civilian Oversight and Crime Prevention: an amount of **R8.5 million** is allocated for this programme.



The allocation will also ensure that the 24 hours shift system is rolled out to 4 additional areas, with the aim of improving visibility where it is required, for purchases of additional vehicles and building of learner testing centres.

PUBLIC WORKS, ROADS AND TRANSPORT



The primary role of this department is to provide a safer public transport, provincial land, and building and roads infrastructure management systems towards a better life for all citizens of the province. The budget for the department increased from a revised allocation of **R3.614 billion** in 2013/14 to **R3.807 billion** in 2014/15 financial year. The increase is mainly to fund among others the following provincial priorities:

- Scholar/ Learner Transport: funding of **R222 million** has been provided for this programme;
- Provincial Roads Maintenance Grant: an amount of **R690 million** is allocated for

- maintenance of provincial roads;
- Upgrading of key roads: **R147 million** is allocated for the upgrading of key provincial roads; and
- Public Works Technical Capacity: an amount of **R11 million** is allocated for the Technical Capacity within the Public Works unit.

The allocation will also ensure that the department manages and implement programmes and strategies that lead to the development and empowerment of communities and contractors. This includes the provincial management and co-ordination of the Expanded Public Works Programme.

CONCLUSION



The 2014 budget framework will be the cornerstone for the implementation of the Provincial Development Plan, which is linked to the National Development Plan.

Key to this budget is the transformation of provincial expenditure to quality public spending by ensuring that departments shift expenditures to key priorities in order to sustain and promote growth and investment in infrastructure while shifting from consumption spending.

This guide to the 2014/15 North West Provincial Budget is published by the North West Department of Finance to keep people of the North West Province informed of how the Provincial Government is responding to the needs of the people. Any suggestions to improve this publication or comments are welcome and should be addressed to The Accounting Officer: North West Department of Finance, Private Bag X2060, Mmabatho, 2735.