

FOREWORD BY MEC

This year as I table the most challenging budget for the Province of Mpumalanga, we are reminded of the calls of the people of South Africa, 60 years ago, when the Freedom Charter was launched and offering a vision of an alternative social order,- a vision for a united, non –racial and democratic South Africa.

This year also marks 21 years of real experience and management of democracy in South Africa led by ANC government which won the elections with an overwhelming majority.

This means that after every elections government and the people of South Africa enters in a social contract that revives and gives hope to the people as expressed in the Constitution.

More critically, we have entrenched participatory democracy to empower citizens to elect the government of their choice, and participate meaningfully in government structures and processes aimed at advancing their own development.

Government has to ensure that the core values of equality and freedom, human dignity, and the progressive realization of social economic rights are achieved. Through the presentation of this budget statement, we have ensured that we present a credible and legitimate budget, mindful of the fact that it is indeed an arduous task requiring several trade-offs that has to be made and necessitated by hard choices in resource allocation.

Our government faces an extremely tight fiscal environment and expenditure over the 2015 MTEF. For this reason there must be total adherence to the demands for prudent allocation and management of resources in the Province.

The attainment of the transformational goals requires that spending of the limited resources must result in significant change in the material condition of our people. There is therefore no space for material deviations in the Department's' mandate and administrative processes related to the attainment of the programme of assuring our people that a better life for all is imminent.

Government have plans and a series of activities to implement but that is not enough. We have to understand the risks and opportunities of the changing market conditions as well as identify institutional and financial options to make the budget works for all. The biggest challenge is to choose wisely between the competing alternatives, without affecting our social expenditure plan.

This budget must play a significant role in charting the path to sustainable growth which is critical for the government to reverse the negative effects of youth unemployment, poverty and inequality within our communities.



Hon SE Kholwane, MPL

MEC for Finance, Economic Development and Tourism

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Overview of Provincial Revenue and Expenditure

1. SOCIO-ECONOMIC REVIEW AND OUTLOOK OF MPUMALANGA

This section reflects on important socio-economic statistics in Mpumalanga. Information used in this section was collected from approved and credible sources to provide a realistic picture of the socio-economic conditions in the province. The socio-economic outlook is crucial in the planning and budget process to ensure that any measures introduced by the provincial government, are in line with the ever-changing socio-economic dynamics. Placing Mpumalanga on a shared growth and integrated development trajectory requires a coherent and coordinated public sector response to the province's socio-economic opportunities and challenges.

1.1 DEMOGRAPHICS

1.1.1 Population figures and growth

According to Statistics South Africa's *Census 2011*, Mpumalanga's population was 4.04 million or 7.8 per cent of the national total. Mpumalanga registered the sixth largest share among the provinces. Gauteng with 23.7 per cent was the province with the largest share of the national population, followed by KwaZulu-Natal with a 19.8 per cent share. Northern Cape recorded the lowest percentage share of the national population at 2.2 per cent.

The latest population estimates by Statistics South Africa (*2014 Mid-year Population Estimates*) are also presented in Table 1.1. According to these, Mpumalanga's population increased to 4.23 million in 2014, whilst the share of the national total remained constant at 7.8 per cent. Mpumalanga was one of five provinces where the shares remained unchanged, whilst the shares of two provinces decreased and two increased.

Table 1.1: Population in South Africa by province, 2001, 2011 & 2014

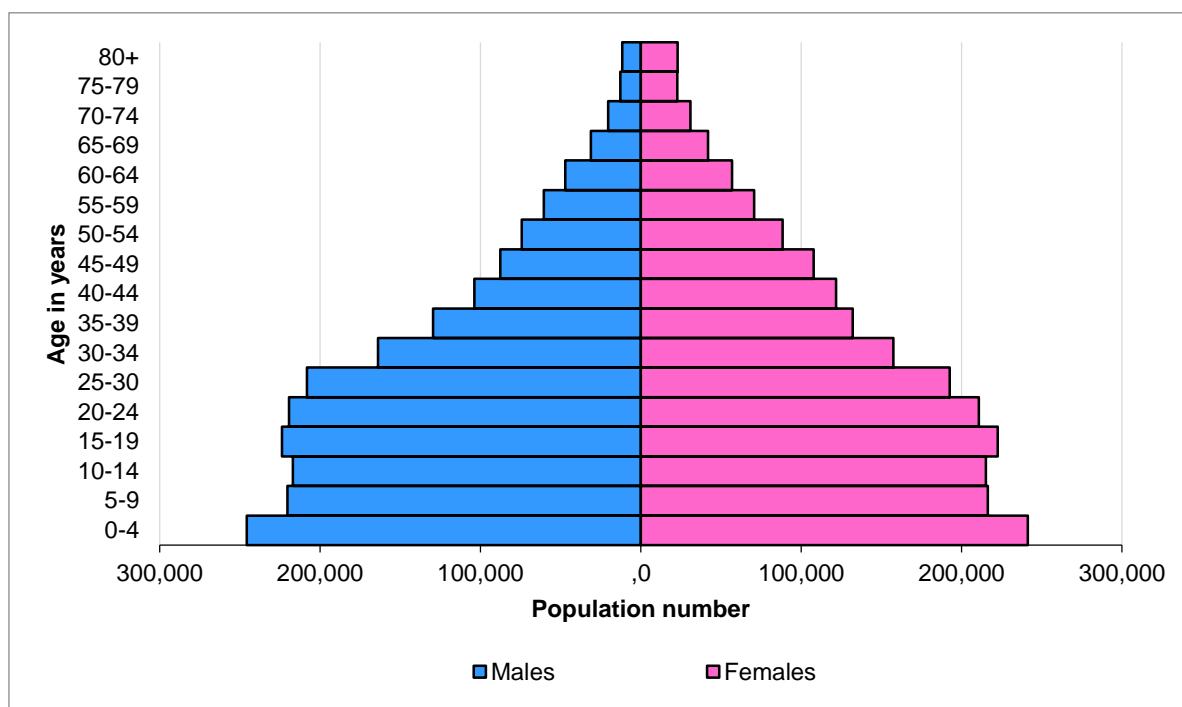
Region	Census				2014 Mid-year estimates	
	2001		2011		Number	% share of national
	Number	% share of national	Number	% share of national		
Western Cape	4 524 335	10.1	5 822 734	11.2	6 116 300	11.3
Eastern Cape	6 278 651	14.0	6 562 053	12.7	6 786 900	12.6
Northern Cape	991 919	2.2	1 145 861	2.2	1 166 700	2.2
Free State	2 706 775	6.0	2 754 590	5.3	2 786 800	5.2
KwaZulu-Natal	9 584 129	21.4	10 267 300	19.8	10 694 400	19.8
North West	2 984 097	6.7	3 509 953	6.8	3 676 300	6.8
Gauteng	9 388 855	20.9	12 272 263	23.7	12 914 800	23.9
Mpumalanga	3 365 554	7.5	4 039 939	7.8	4 229 300	7.8
Limpopo	4 995 462	11.1	5 404 868	10.4	5 630 500	10.4
Total	44 819 777	100.0	51 770 560	100.0	54 002 000	100.0

Source: *Statistics South Africa – Census 2011*

Statistics South Africa – 2014 Mid-year Population Estimates

Figure 1.1 shows the population cohort of Mpumalanga according to the *2014 Mid-year Population Estimates*. Females constituted 2.15 million or 50.9 per cent of the provincial population distribution and males 2.08 million (49.1 per cent). The youth cohort (0-34 years) made up 69.9 per cent of the total population in the province and the age group 60 years and older, only 7.1 per cent. The age cohort of 0-4 years represented the most populous age cohort with 486 985 individuals or some 11.5 per cent of the provincial population. In South Africa, the youth cohort made up 66.1 per cent of the total population and the age group 60 years and older, 8.4 per cent. Nationally the most populous age cohort was also the 0-4 years group that represented some 10.6 per cent of the population.

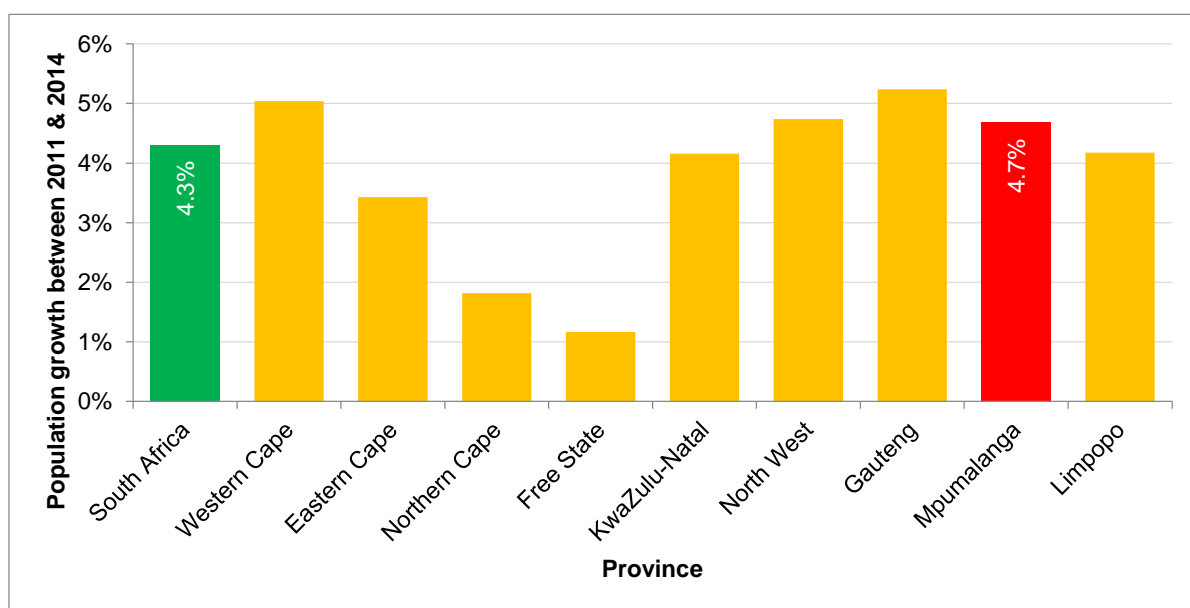
Figure 1.1: Population cohort of Mpumalanga, 2014



Source: Statistics South Africa – 2014 Mid-year Population Estimates

The population of South Africa increased by 4.3 per cent between 2011 and 2014, as is evident from Figure 1.2. When expressed in absolute terms, the population of Mpumalanga increased by 4.7 per cent between 2011 and 2014. This was in excess of South Africa's population increase and the joint third largest population increase behind Gauteng (5.2 per cent) and Western Cape (5.0 per cent) over the period under review. The population of Free State increased by a mere 1.2 per cent over the same period. Expressed in annual average growth, Mpumalanga's population increased by 1.5 per cent per annum between 2011 and 2014.

Figure 1.2: Comparison of population increase in South Africa, 2011-2014

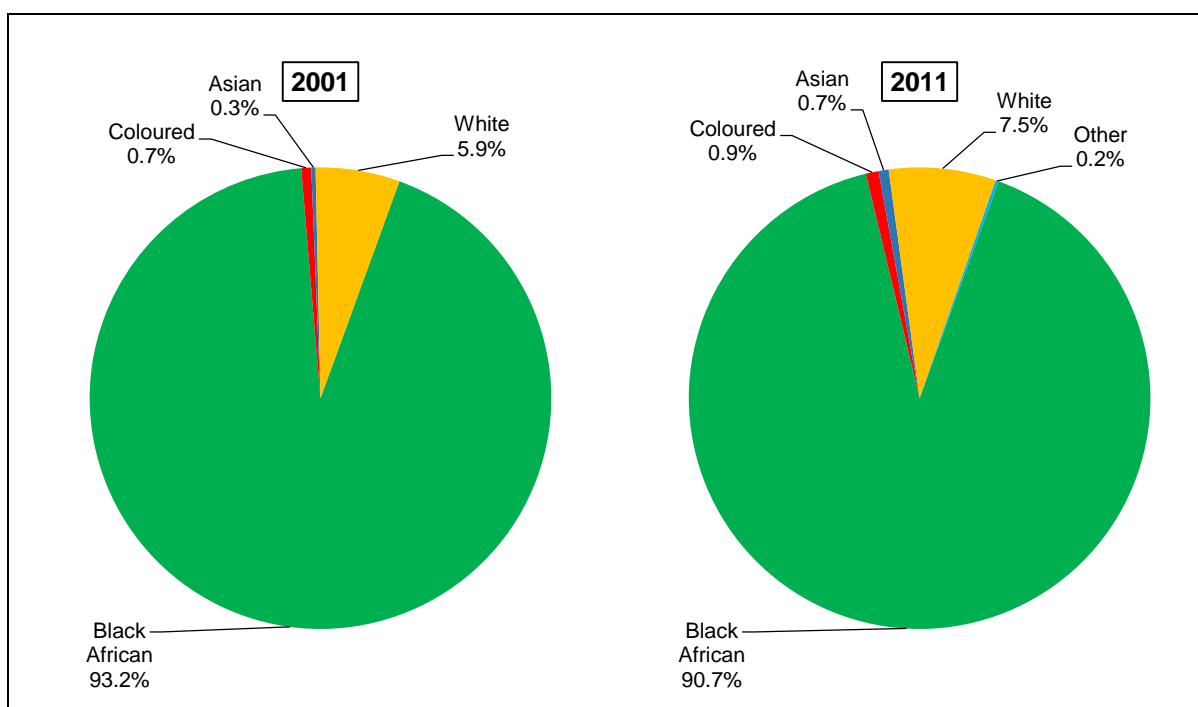


Source: Statistics South Africa – 2014 Mid-year Population Estimates

The breakdown by population group for Mpumalanga in 2001 and 2011, according to *Census 2011*, is presented in Figure 1.3. The majority of Mpumalanga's population in 2011 was Black Africans (90.7 per cent) with Whites contributing 7.5 per cent. Coloureds (0.9 per cent), Asians (0.7 per cent) and Others (0.2 per cent) jointly contributed nearly 2 per cent to the total population in 2011.

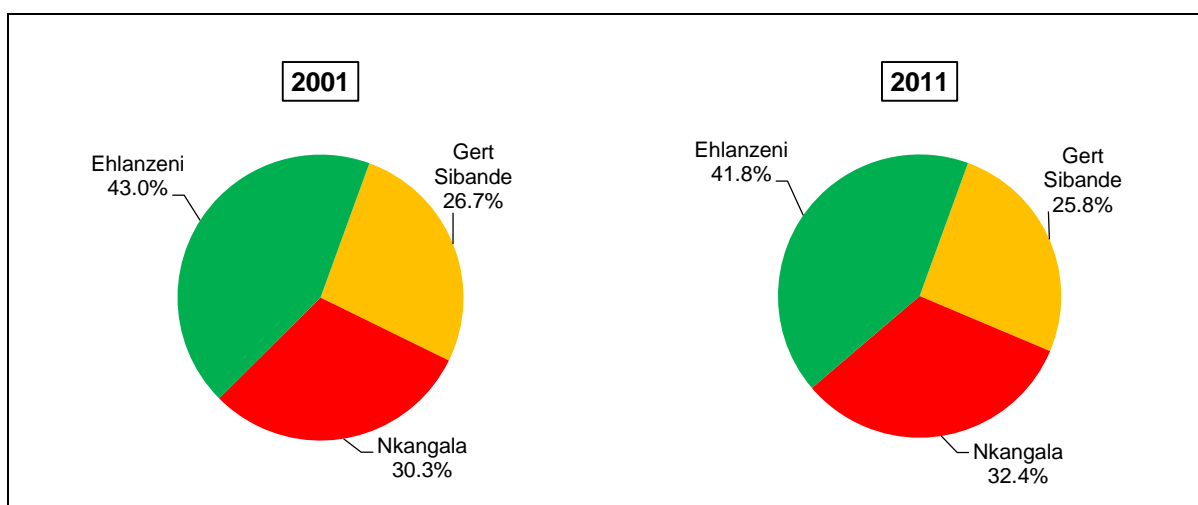
In 2011, 41.8 per cent of Mpumalanga's population resided in Ehlanzeni, 32.4 per cent in Nkangala and 25.8 per cent in Gert Sibande (Figure 1.4). Females were in the majority in both Ehlanzeni (52.4 per cent) and Gert Sibande (50.7 per cent), whereas males formed the bulk of Nkangala's population with a share of 50.2 per cent. In 2011, 72.1 per cent of Ehlanzeni's population was younger than 35 years of age, followed by Gert Sibande (69.0 per cent) and Nkangala (66.2 per cent).

Figure 1.3: Mpumalanga's population by population group, 2001-2011



Source: Statistics South Africa – Census 2011

Figure 1.4: Mpumalanga's population by district, 2001-2011



Source: Statistics South Africa – Census 2011

1.1.2 Fertility

The fertility rate is defined as the number of children the average women would have in her lifetime. According to the *2014 Mid-year Population Estimates*, Mpumalanga's fertility rate for the period 2001-2006 was 3.13, for the period 2006-2011 it was 3.00 and it is projected to decrease to 2.86 in the period 2011-2016. When compared with the other provinces it is expected that Mpumalanga should have the fifth highest fertility rate for the period 2011-2016, Eastern Cape (3.13) the highest and Gauteng the lowest (2.02).

1.1.3 Life expectancy

Mpumalanga's male life expectancy at birth for the period 2001-2006 was 49 years and 51.5 years for the period 2006-2011. The projections for the period 2011-2016, according to the *2014 Mid-year Population Estimates*, suggest that it will increase further to 56.9 years. Mpumalanga's male life expectancy for the period 2011-2016 is expected to be the fourth highest. Western Cape (63.7 years) is expected to have the highest male life expectancy with Free State (50.7 years) the lowest.

Mpumalanga was the province with the fifth highest female life expectancy for the periods 2001-2006 (52.5 years) and 2006-2011 (55.5 years), respectively. The provincial figure is projected to increase to 60.1 years for the period 2011-2016, which will see to it that Mpumalanga rise to fourth highest female life expectancy. Western Cape (67.9 years) is expected to have the highest female life expectancy and Free State (53.6 years) the lowest. The NDP targets average male and female life expectancy at birth to improve to 70 years by 2030.

1.1.4 Migration

Table 1.2 shows the net migration streams of the provinces over three periods, namely 2001 to 2011, 2006 to 2011 and 2011 to 2016. The data was sourced from *Census 2011* and *2014 Mid-year Population Estimates*. Gauteng and Western Cape received the highest number of migrants in all three periods. Mpumalanga and North West were the only two other provinces to also register positive net migration in all three periods. Eastern Cape and Limpopo recorded the largest outflows throughout.

Table 1.2: Estimated provincial net migration in South Africa, 2001-2016

Region	Net migration		
	Census 2011	2014 Mid-year estimates	
	2001-2011	2006-2011	2011-2016
Eastern Cape	-278 261	-75 892	-64 937
Free State	-24 301	-7 819	-5 646
Gauteng	1 037 871	492 852	481 732
KwaZulu-Natal	-30 684	-6 555	-7 012
Limpopo	-152 857	-66 678	-61 632
Mpumalanga	52 845	37 569	37 818
Northern Cape	-6 735	-2 590	-3 892
North West	107 169	67 409	65 254
Western Cape	303 823	153 611	150 221

Source: *Statistics South Africa – Census 2011*

Statistics South Africa – 2014 Mid-year Population Estimates

1.1.5 Disability

Statistics South Africa's questions on disability require each person in the household to rate their ability level for a range of activities such as seeing, hearing, walking a kilometre or climbing a flight of steps, remembering and concentrating, self-care, and communicating in his/her most commonly used language, including sign language. During the analysis, individuals who said that they had some difficulty with two or more of the activities or had a lot of difficulty, or were unable to perform any one activity, were then classified as disabled.

Table 1.3 presents the findings of the GHS as well as Census 2011 on disability in South Africa. Using the abovementioned classification system in the *General Household Survey's* (GHS), 5.1 per cent and 5.4 per cent of South Africans aged 5 years and older were classified as disabled in 2011 and 2013, respectively. By comparison, Census 2011 found that 7.4 per cent of individuals aged 5 years and older had disabilities. Mpumalanga's percentage of persons aged 5 years and older with disability was 7.0 per cent according to Census 2011 and according to GHS, 5.3 per cent in 2013.

Table 1.3: Percentage of persons aged 5 years and older with disability by province, 2011-13

Region	Census 2011		General Household Survey 2013
	2011	2011	2013
Western Cape	5.3%	4.2%	4.6%
Eastern Cape	9.5%	6.2%	6.2%
Northern Cape	10.8%	9.6%	8.3%
Free State	10.9%	6.6%	7.1%
KwaZulu-Natal	8.2%	4.7%	5.9%
North West	9.8%	7.5%	8.1%
Gauteng	5.3%	3.3%	3.9%
Mpumalanga	7.0%	5.6%	5.3%
Limpopo	6.7%	6.0%	4.7%
South Africa	7.4%	5.1%	5.4%

Source: *Statistics South Africa – Census 2011*

Statistics South Africa – GHS 2013

1.2. LABOUR PROFILE

1.2.1 Labour force profile

The labour force comprises of all the employed and the unemployed population in a region. The national labour force of 20.2 million individuals was 221 414 more at the end of the fourth quarter 2014 than a year earlier. The number of employed in South Africa increased by 142 856, or by 0.9 per cent, while the unemployed increased by 78 558, or by 1.6 per cent, between the end of the fourth quarter 2013 and the end of the fourth quarter 2014.

The resultant strict unemployment rate for South Africa increased from 24.1 per cent to 24.3 per cent between the fourth quarter 2013 and the fourth quarter 2014. The national labour absorption rate was 43.0 per cent at the end of the fourth quarter 2014, which was marginally lower than the 43.3 per cent registered a year earlier. The labour force participation rate at the end of the fourth quarter 2014 (56.8 per cent) was slightly lower than the rate recorded at the end of the fourth quarter 2013 (Table 1.4).

Table 1.4: Labour force profile of Mpumalanga, 2013-2014

Indicator	Q4 2013	Q3 2014	Q4 2014	Q3 2014 to Q4 2014 change	Year-on-year change
	'000	'000	'000	'000	'000
- Working age population (15-64 years)	2 669	2 710	2 723	13	54
- Not economically active	1 092	1 104	1 173	69	81
- Labour Force/EAP	1 577	1 606	1 550	-56	-27
- Employed	1 149	1 135	1 138	3	-11
- Unemployed	429	471	412	-59	-17
- Discouraged work seekers	214	259	262	3	48
Rates	%	%	%	%	%
- Unemployment rate (strict definition)	27.2	29.3	26.6	-2.7	-0.6
- Unemployment rate (expanded definition)	40.2	42.0	40.5	-1.5	0.3
- Employed/population ratio (absorption rate)	43.0	41.9	41.8	-0.1	-1.2
- Labour force participation rate	59.1	59.3	56.9	-2.4	-2.2

Source: Statistics South Africa – QLFS, 2015

Note: Due to rounding numbers do not necessarily add up to totals or change

The provincial labour force of around 1.55 million individuals was 53 741 more at the end of the fourth quarter 2014 than a year earlier. The number of employed at 1 138 033 at the end of the fourth quarter 2014 was 10 524 less than at the end of the fourth quarter 2013. The number of employed was 2 659 higher than the 1 135 374 in the previous quarter. The number of unemployed decreased by 16 903 to 411 903 between the end of the fourth quarter 2013 and the end of the fourth quarter 2014. The number of discouraged workers increased by 48 407 to 262 296 over the last four quarters.

The unemployment rate (strict definition) was lower at the end of the fourth quarter 2014 (26.6 per cent) than a year earlier (27.2 per cent). The unemployment rate according to the expanded definition increased to 40.5 per cent at the end of the fourth quarter 2014, up from 40.2 per cent a year earlier. Over the last four quarters, the labour absorption rate and labour force participation rate deteriorated to 41.8 per cent and 56.9 per cent, respectively.

1.2.2 Employment

The national labour market gained 142 856 jobs between the end of the fourth quarter 2013 and the end of the fourth quarter 2014 (Table 1.5). Mpumalanga, however, recorded 10 524 fewer jobs as did Western Cape (-65 210), Northern Cape (-9 008) and KwaZulu-Natal (-7 457). On a year-on-year basis, North West (79 501) and Limpopo (67 420) gained the most jobs. Between the end of the third quarter 2014 and the end of the fourth quarter 2014, Mpumalanga's employment numbers increased by 2 659, whilst two provinces (Western Cape and Eastern Cape) recorded a quarterly decline in employment. Total employment in Mpumalanga constituted 7.4 per cent of employment in the country, which was marginally lower than the 7.6 per cent share of a year earlier.

Table 1.5: Changes in employment in South Africa and provinces, 2013-2014

Region	Q4 2013 '000	Q3 2014 '000	Q4 2014 '000	Q3 2014 to Q4 2014 change '000	Year-on-year change '000
Western Cape	2 235	2 182	2 170	-12	-65
Eastern Cape	1 332	1 377	1 336	-42	4
Northern Cape	329	302	320	18	-9
Free State	746	755	772	17	26
KwaZulu-Natal	2 527	2 419	2 520	101	-7
North West	869	921	948	28	80
Gauteng	4 823	4 820	4 881	61	58
Mpumalanga	1 149	1 135	1 138	3	-11
Limpopo	1 168	1 206	1 235	29	67
South Africa ¹	15 177	15 117	15 320	203	143

Source: Statistics South Africa – QLFS, 2015

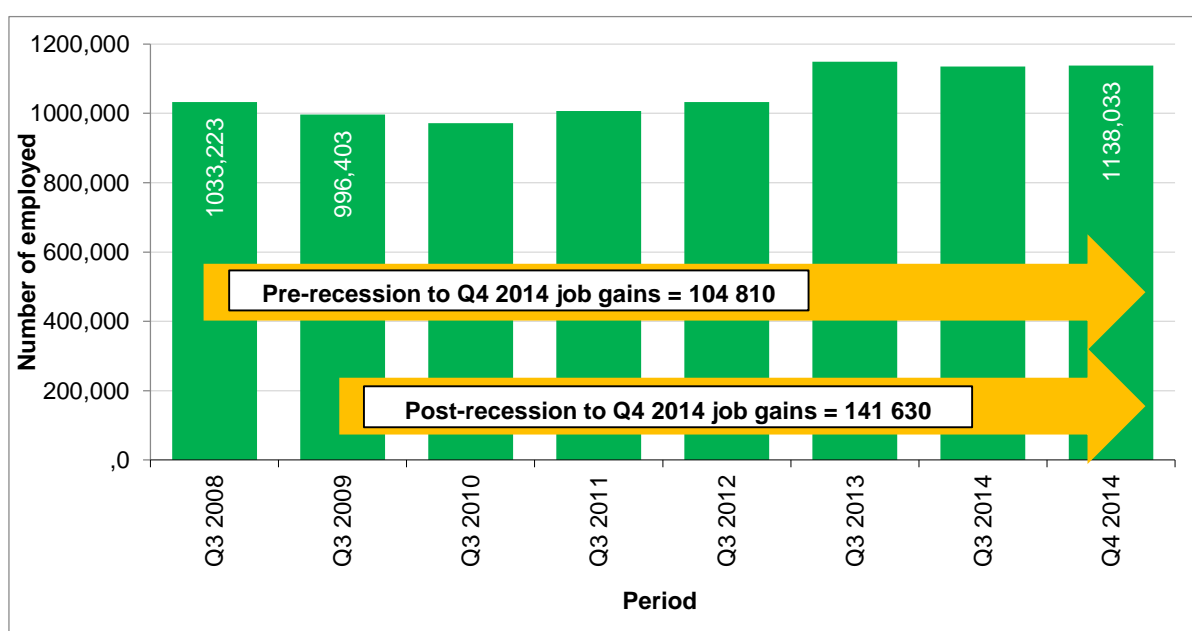
Over the last 26 quarters (including the three recession quarters), the lowest number of employed in the province was measured at the end of the fourth quarter 2010 (959 514). This was 73 709 lower than the 1 033 223 recorded at the end of the third quarter 2008 (before the recession started). The majority of recession induced job losses took place after economic growth returned to positive territory by the third quarter 2009. The change in Mpumalanga's total employment from the end of the third quarter 2008 (before the recession) to the fourth quarter 2014 is displayed in Figure 1.5.

¹ Due to rounding, numbers do not necessarily add up to totals

The latest employment level, at the end of the fourth quarter 2014, of 1 138 033 was 104 810 above the pre-recession level and some 141 630 more jobs than the post-recession level. Males contributed 648 148 or 57.0 per cent of the total number of employed with females adding the remaining 489 885. The youth cohort (15-34 years) made up 42.0 per cent of the total number of employed in the province.

For the past nine quarters, Mpumalanga's employment numbers have consistently exceeded the pre-recession number. South Africa's employment number has exceeded the national pre-recession employment level for the last eight quarters. At the end of the third quarter 2014, the employment numbers of Free State and KwaZulu-Natal were, however, still lower than the pre-recession level.

Figure 1.5: Change in employment in Mpumalanga, Q3 2008-Q4 2014



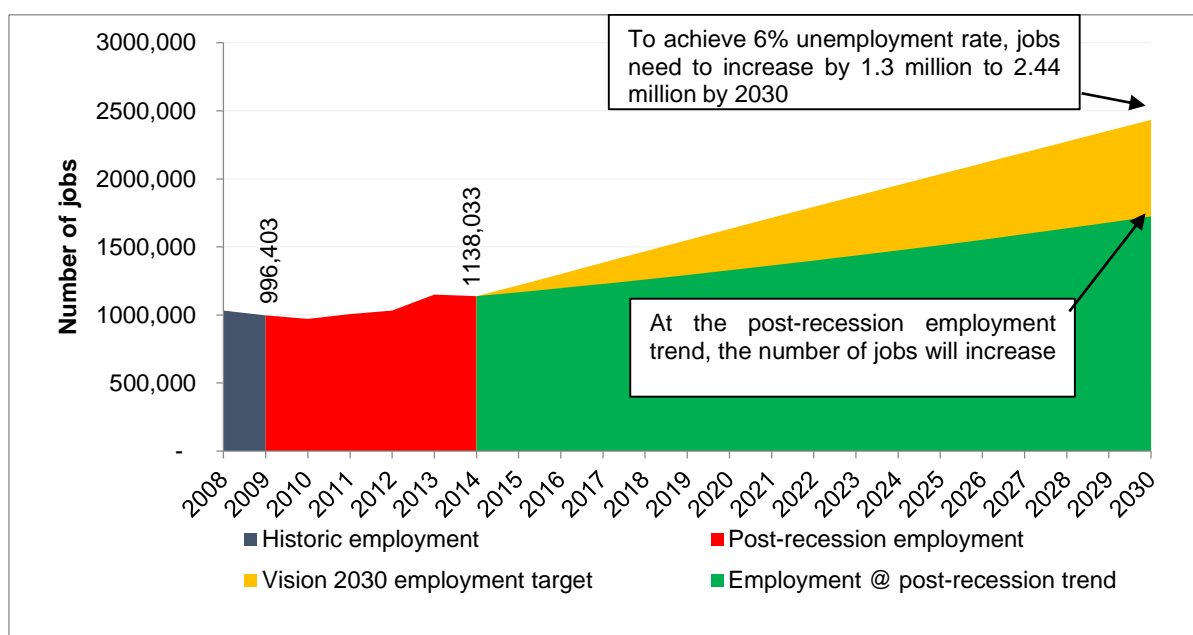
Source: Statistics South Africa – QLFS, 2015

Employment target

The NDP targets a decline in the national unemployment rate to 14.0 per cent by 2020 and 6.0 per cent by 2030. Similarly, the Provincial Vision 2030 targets a decline in the provincial unemployment rate to 15.0 per cent by 2020 and 6.0 per cent by 2030. In order to reach the unemployment rate target by 2030, some 1.31 million new, sustainable jobs must be created.

The 1.3 million jobs equates to more or less 81 000 jobs per annum or an annual average employment growth of 4.9 per cent per annum. Figure 1.6 depicts historical employment numbers and required employment growth in Mpumalanga. It is evident from the illustration that employment growth of 1.6 per cent per annum – the employment growth post-recession – will not be sufficient to reach the employment target of 2.44 million jobs by 2030.

Figure 1.6: Mpumalanga employment numbers and employment target, 2008-2030



Source: Statistics South Africa – QLFS, 2015

Aggregate employment

Table 1.6 shows the aggregated employment composition of employment in South Africa and the province from the end of the fourth quarter 2013 to the end of the fourth quarter 2014. In Mpumalanga, the formal employees' share of total employment increased from 61.7 per cent at end of the fourth quarter 2013 to 62.8 per cent at the end of the fourth quarter 2014. The formal sector in Mpumalanga recorded a smaller share of total employment than was the case nationally (71.2 per cent).

In Mpumalanga, the informal sector's share declined from 23.0 per cent to 20.8 per cent over the same period. Agriculture's share increased from 6.7 per cent to 7.9 per cent, whereas private households' decreased to 8.5 per cent. The informal sector, agriculture and private households in Mpumalanga registered larger shares of total employment in the fourth quarter of 2014, than was the case nationally.

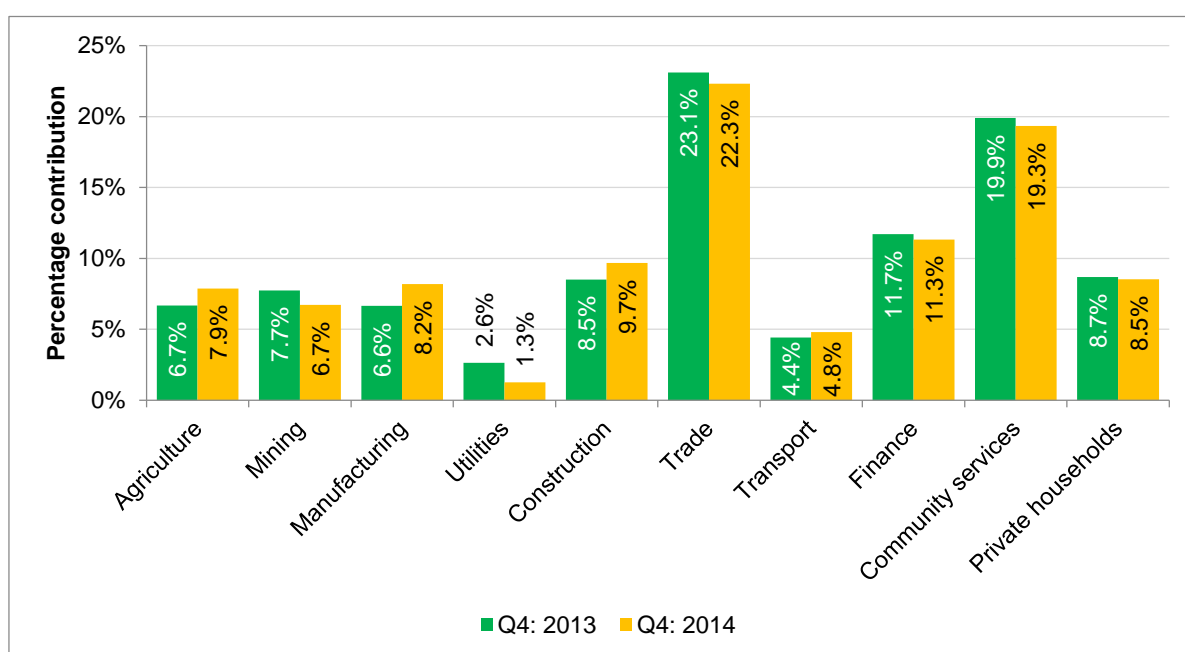
Table 1.6: Aggregate employment in South Africa & Mpumalanga, 2013-2014

Sector	Q4 2013		Q3 2014		Q4 2014	
	SA	MP	SA	MP	SA	MP
Formal sector	71.0%	61.7%	71.7%	64.5%	71.2%	62.8%
Informal sector²	16.1%	23.0%	15.9%	20.9%	16.0%	20.8%
Agriculture³	4.7%	6.7%	4.5%	7.3%	4.8%	7.9%
Private households	8.2%	8.7%	7.8%	7.2%	8.0%	8.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Statistics South Africa – QLFS, 2015

Employment by industry

Figure 1.7: Employment by industry in Mpumalanga, 2013-2014



Source: Statistics South Africa – QLFS, 2015

Figure 1.7 depicts employment by industry in Mpumalanga in the fourth quarters of 2013 and 2014, respectively. The trade industry (wholesale and retail trade) employed the largest share of individuals in the province at 22.3 per cent at the end of the fourth quarter 2014. This was smaller than the 23.1 per cent share registered 12 months earlier. Community services (19.3 per cent) was

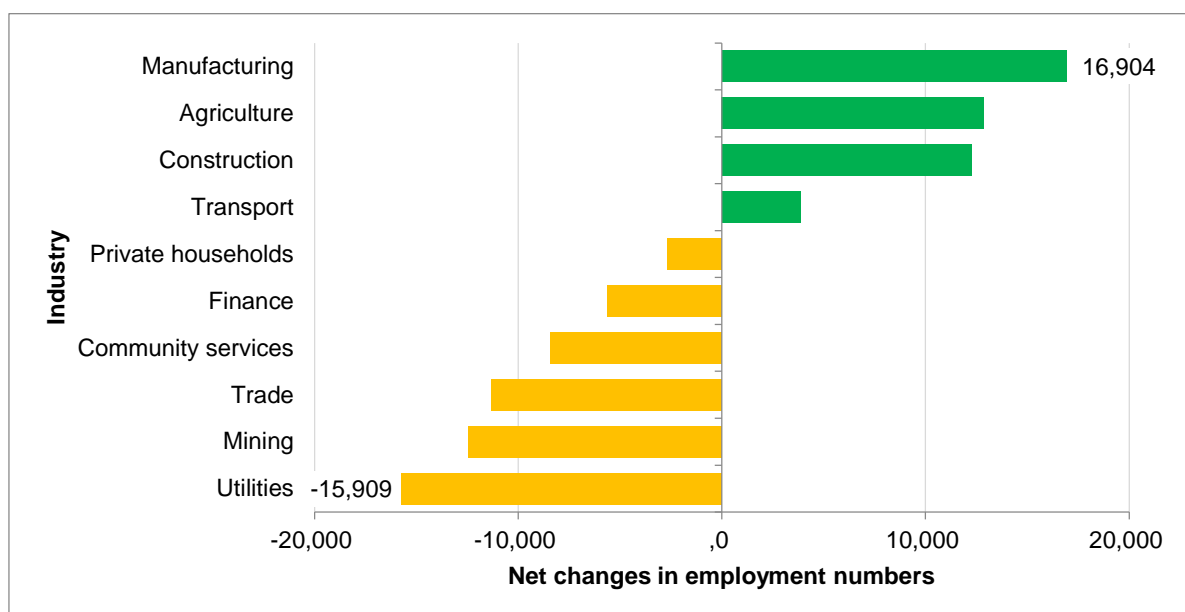
² The informal sector comprises i) Employees working in establishments that employ less than 5 employees, who do not deduct income tax from their salaries & ii) Employers, own-account workers and persons helping unpaid in their household business who are not registered for either income tax or value-added tax.

³ An additional 70 804 citizens were involved in subsistence farming (non-market activities) in the province.

the second biggest employer also with a smaller share than at the end of the fourth quarter 2013 (19.9 per cent). The utilities industry was the smallest in both quarters, followed by transport as the second smallest. Utilities recorded the largest percentage point decline and manufacturing the largest increase.

According to Figure 1.8, manufacturing (16 904), agriculture (12 874) and construction (12 266) were the three industries in Mpumalanga that recorded the highest employment increase from the fourth quarter 2013 to the end of the fourth quarter 2014. Utilities (-15 909) recorded the highest number of job losses over the same period followed by mining (-12 471) and trade (-11 343).

Figure 1.8: Changes in employment by industry in Mpumalanga, Q4 2013 – Q4 2014

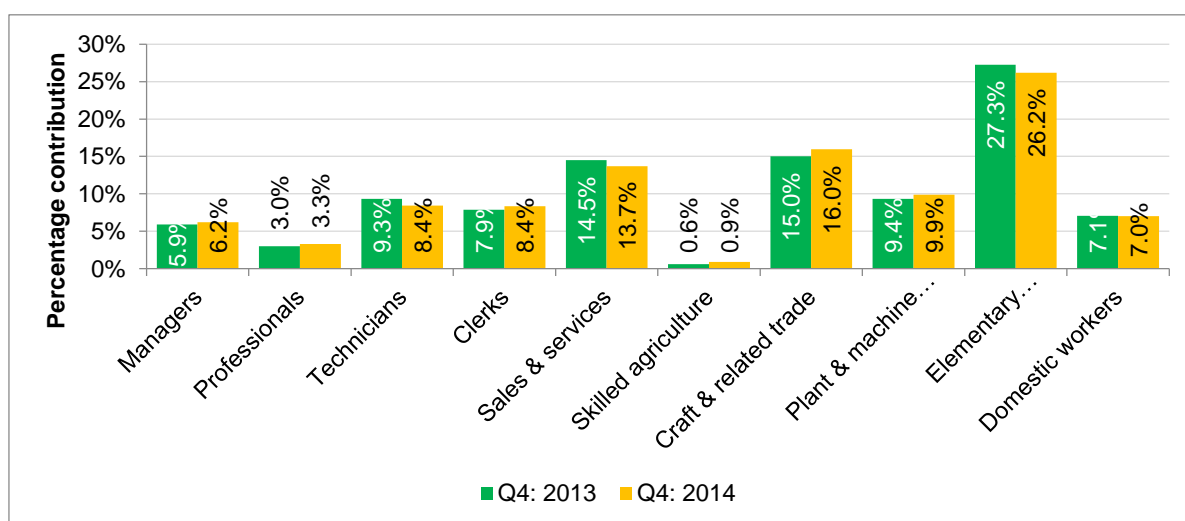


Source: Statistics South Africa – QLFS, 2015

1.2.3 Occupational profile

The occupational profile is an indicator of the quality of the labour force. It provides information on the proficiency levels and assists in identifying the shortage of skills in the economy, by matching the demand for labour with its relative supply.

Figure 1.9: Mpumalanga's occupational profile, 2013-2014



Source: Statistics South Africa – QLFS, 2015

Figure 1.9 illustrates the occupational profile of Mpumalanga in the fourth quarters of 2013 and 2014, respectively. The occupational profile was skewed towards semi- and unskilled occupations in both years. The share of skilled occupations (managers, professionals and technicians) was 18.0 per cent in the fourth quarter of 2014, which was lower than the 18.3 per cent share a year earlier. The share of semi-skilled occupations increased to 48.8 per cent over the period under review. The combined share of elementary occupations and domestic workers (unskilled occupations) was 33.2 per cent at the end of the fourth quarter 2014, lower than the 34.3 per cent share one year earlier.

1.2.4 Unemployment

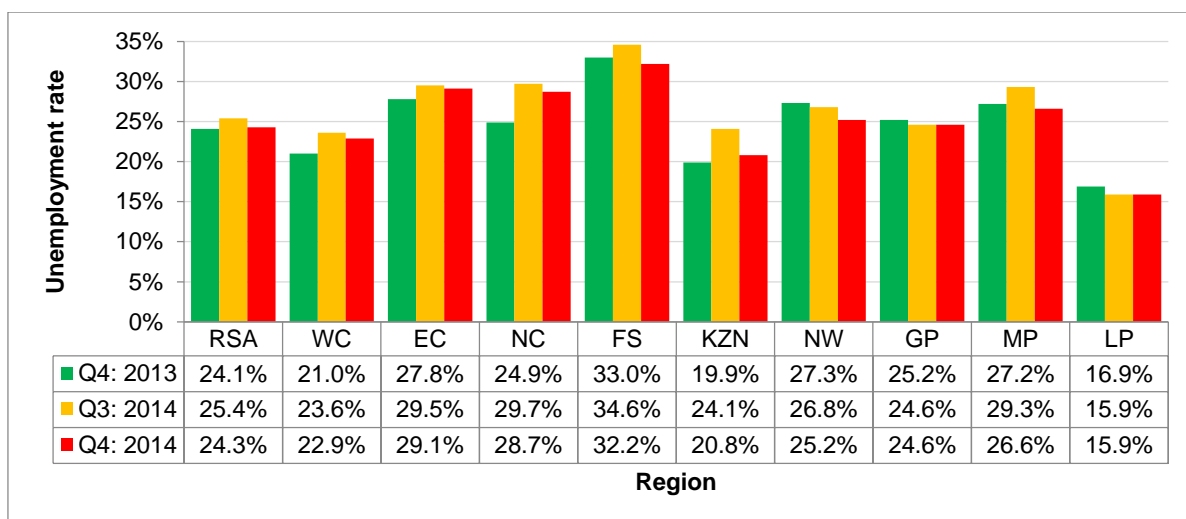
According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga was 26.6 per cent at the end of the fourth quarter 2014, which was lower than the 27.2 per cent recorded at the end of the fourth quarter 2013 (Figure 1.10). This was higher than the national average of 24.3 per cent at the end of the fourth quarter 2014. Mpumalanga, recorded the fourth highest unemployment rate among the nine provinces with Free State (32.2 per cent) registering the highest unemployment rate. Mpumalanga's unemployment rate decreased along with four other provinces from the end of the fourth quarter 2013 to the end of the fourth quarter 2014.

The unemployment rate of males (24.4 per cent) was lower than the female unemployment rate of 29.2 per cent. The unemployment rate of youth of working age (15-34 years⁴) in Mpumalanga was 38.8 per cent. The youth constituted 73.5 per cent of the total number of unemployed in the province.

According to *Census 2011*, the unemployment rate of Gert Sibande (29.9 per cent) was the lowest in 2011 and that of Ehlanzeni (34.7 per cent) the highest among the districts. The unemployment rate of eight local municipal areas was higher than the provincial unemployment rate in 2011. In 2011, Bushbuckridge (52.6 per cent) and Dr JS Moroka (46.6 per cent) registered the highest unemployment rates.

Figure 1.10: Unemployment rate for South Africa by province, 2013-2014

⁴ The International Labour Organization defines youth as individuals between the ages of 15 to 24 years, with 15 being the minimum school-leaving age and legal employment age. It is important to note, however, that South Africa utilizes a broader definition, covering individuals between the ages of 15 and 34 years.



Source: Statistics South Africa – QLFS, 2015

Target unemployment rate

The Vision 2030 target unemployment rate for Mpumalanga is 6 per cent by 2030. A significant unemployment rate sub-target is a reduction to 15.0 per cent by 2020 (MEGDP). If 1.3 million jobs are to be created up to 2030, the unemployment rate should, in all probability, drop to 6 per cent as is displayed in Figure 1.11. If jobs, however, are to be created at the annual average post-recession increase of 1.6 per cent per annum, the unemployment rate could possibly increase to as much as 33 per cent by 2030.

Figure 1.11: Mpumalanga’s unemployment rate and unemployment rate target, 2008-2030



Source: Statistics South Africa – QLFS, 2015

Duration of unemployment

The incidence of long-term unemployment (1 year and longer) in Mpumalanga decreased marginally between the end of the fourth quarter 2013 and the end of the fourth quarter 2014. The share of the unemployed in Mpumalanga that indicated they were unemployed in excess of 12 months, decreased from 70.1 per cent to 69.5 per cent (Table 1.7). The number of males in long-term unemployment increased whereas the number of females decline over the period under review. The incidence of long-term unemployment was highest among females in 2013 and highest among

males in 2014. The youth cohort contributed 75.9 per cent to the number of unemployed that has been struggling to secure employment for more than 12 months.

Table 1.7: Duration of unemployment in Mpumalanga, 2013-2014

Duration	Q4 2013			Q4 2014		
	Males	Females	Share of unemployed	Males	Females	Share of unemployed
1 year and longer	122 864	177 748	70.1%	132 844	153 344	69.5%
Less than 1 year	71 564	56 629	29.9%	76 590	49 124	30.5%
Total	194 428	234 377	100.0%	209 435	202 468	100.0%

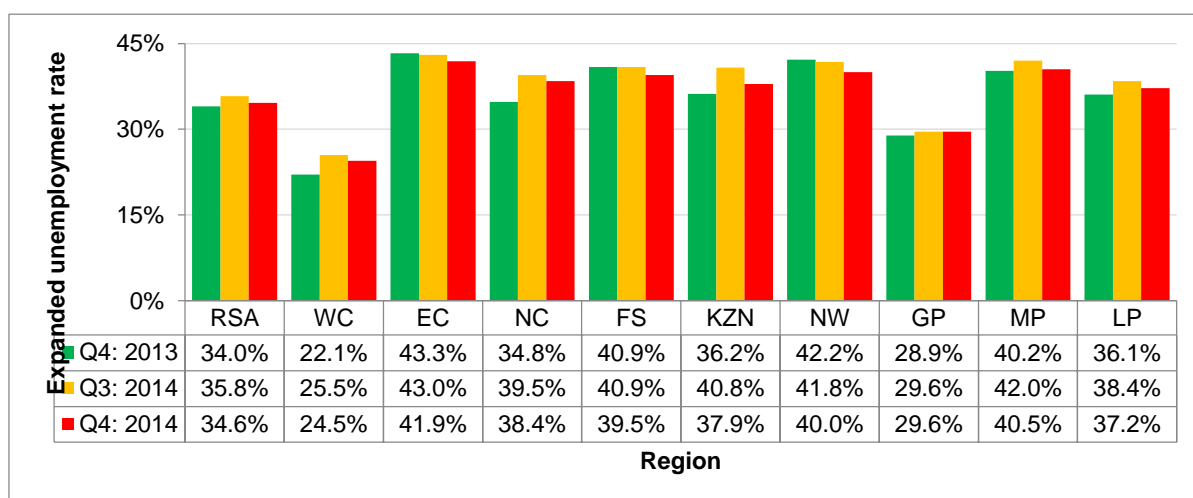
Source: Statistics South Africa – QLFS, 2015

Expanded definition of unemployment

The expanded unemployment rate takes into account everybody who was available for work even if they did not search for work. In essence, it includes all persons who are unemployed according to the official definition plus part of the inactive population (according to official definition) who indicated that they were available, regardless of the reason they gave for not looking for work.

Figure 1.12 shows that South Africa's expanded unemployment rate was recorded at 34.0 per cent at the end of the fourth quarter 2013 and increased to 34.6 per cent at the end of the fourth quarter 2014. Mpumalanga's expanded unemployment rate was 40.5 per cent at the end of the fourth quarter 2014, marginally higher than the reading of a year earlier. It was also higher than the national average. Mpumalanga was the province with the second highest expanded unemployment rate among the nine provinces. It is notable how much higher the expanded unemployment rate of Limpopo (37.2 per cent) and KwaZulu-Natal (37.9 per cent) is than their respective strict unemployment rates.

Figure 1.12: Expanded rate of unemployment in South Africa and provinces, 2013-2014

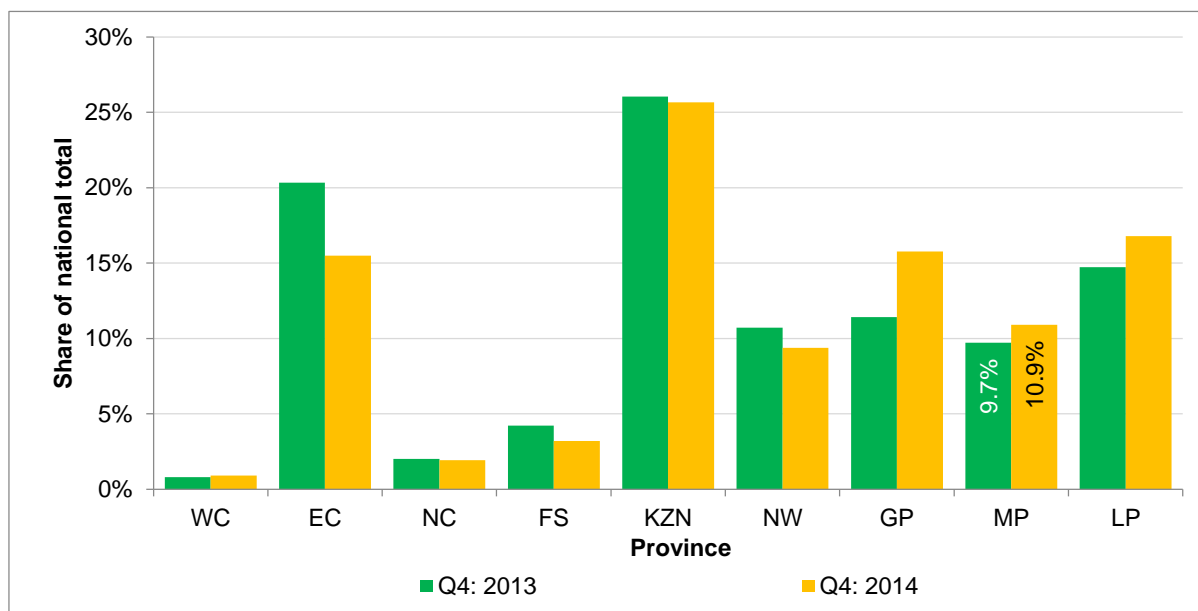


Source: Statistics South Africa – QLFS, 2015

Discouraged work seekers

Statistics South Africa defines a discouraged work-seeker as a person, who was not employed during the reference period, wanted to work, was available to work or start a business but did not take active steps to find work during the four week that preceded the reference period.

Figure 1.13: Provincial contribution to number of discouraged work seekers nationally, 2013-2014

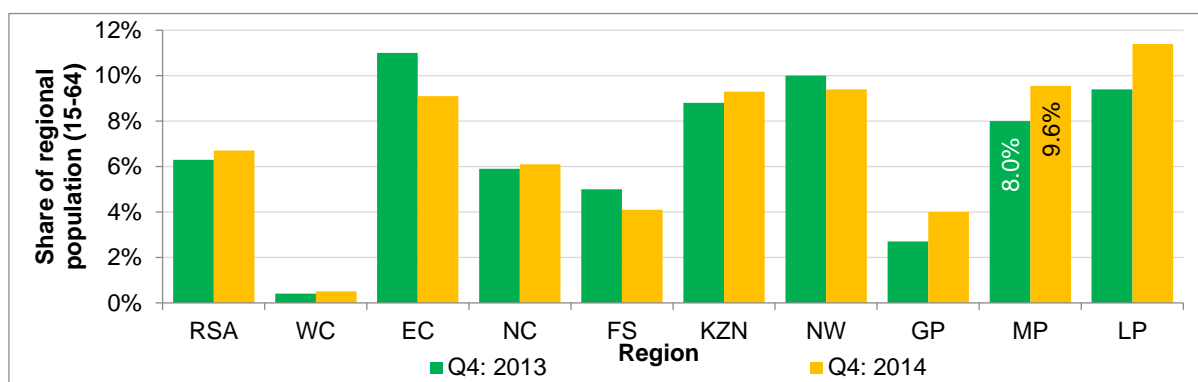


Source: Statistics South Africa – QLFS, 2015

Figure 1.13 indicates that Mpumalanga's share was 10.9 per cent of South Africa's discouraged work seekers at the end of the fourth quarter 2014, up from a 9.7 per cent share a year earlier. South Africa had approximately 2.4 million discouraged workers by the end of the fourth quarter 2014. This represents an increase of 202 561 over the end of the fourth quarter 2013. The number of discouraged work seekers in Mpumalanga increased by 48 407 from the end of the fourth quarter 2013 to the end of the fourth quarter 2014. When compared with other provinces, Mpumalanga registered the fifth highest share of discouraged workers nationally.

It is evident from Figure 1.14 that Mpumalanga's discouraged work seekers increased as a percentage of the provincial working age population (15-64 years) from the end of the fourth quarter 2013 (8.0 per cent) to the end of the fourth quarter 2014 (9.6 per cent). The discouraged work seekers' share of working age population in Mpumalanga was larger than the national share (6.7 per cent) at the end of the fourth quarter 2014. Discouraged work seekers in Limpopo constituted a larger share of the working age population than in Mpumalanga at the end of the fourth quarter 2014.

Figure 1.14: Comparison of discouraged work seekers as a ratio of regional working age population (15-64 years), 2013-2014



Source: Statistics South Africa – QLFS, 2015

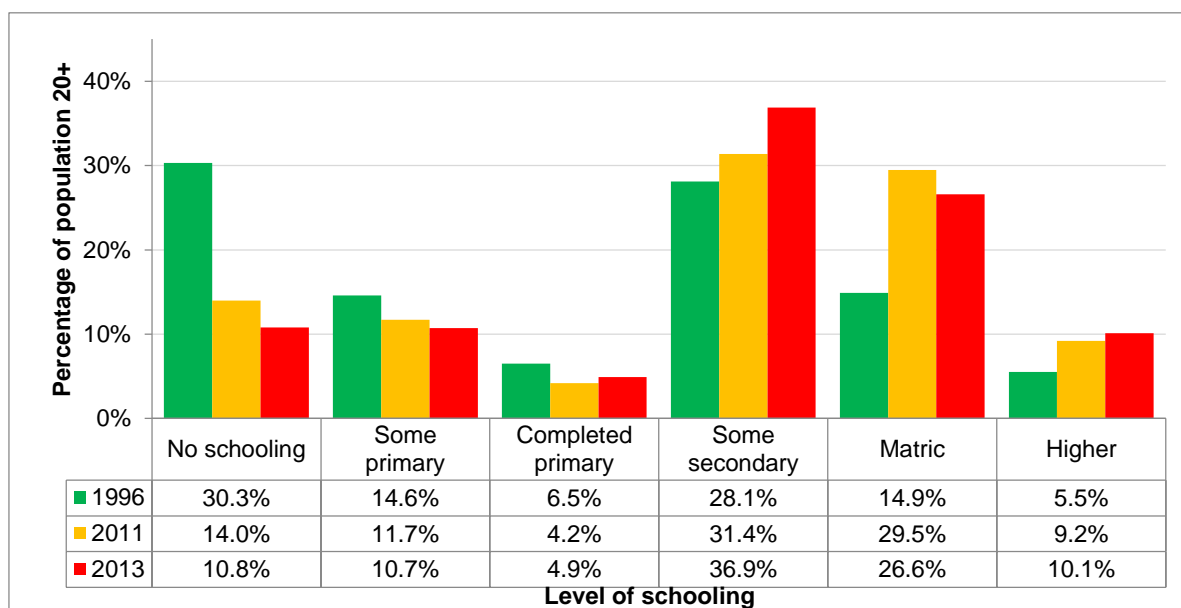
1.3. EDUCATION PROFILE

Level of education

When the highest level of schooling in 2013 is compared with figures of 1996, it is evident that the situation regarding the level of education in Mpumalanga improved over the 17-year period. For example in 2013, 10.8 per cent of the people 20 years and older have not received any schooling compared to the unacceptably high level of 30.3 per cent in 1996 (Figure 1.15). The percentage of the population 20 years and older that completed secondary education (matric) in Mpumalanga increased from 14.9 per cent in 1996 to 26.6 per cent in 2013. The percentage of the population that obtained a qualification higher than matric increased from 5.5 per cent in 1996 to 10.1 per cent in 2013.

It is evident from Figure 1.16, that Mpumalanga (10.8 per cent) registered the highest (worst) share of people 20 years and older with no schooling. It was 5.2 percentage points higher than the national share of 5.6 per cent in 2013. Mpumalanga (26.6 per cent) recorded the fourth highest share of people 20 years and older with matric among the nine provinces, slightly lower than the national share of 27.9 per cent.

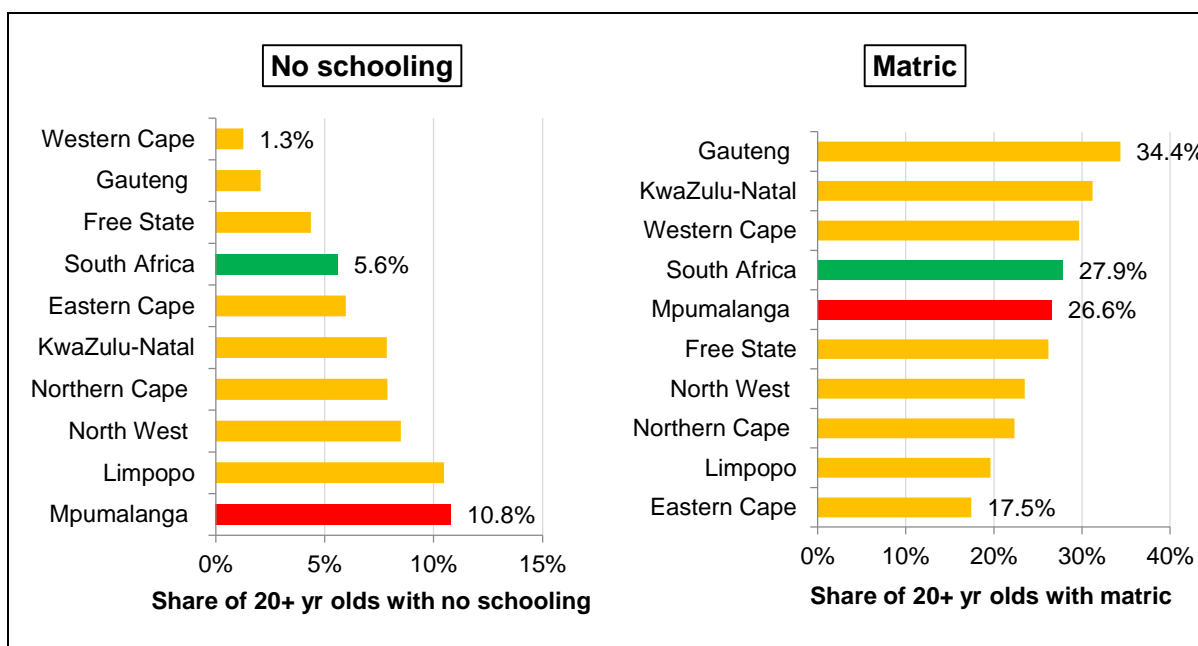
Figure 1.15: Highest level of education (age 20+) in Mpumalanga, 1996-2013



Sources: Statistics South Africa – Census 2011

Statistics South Africa – GHS 2013

Figure 1.16: Selected education levels (age 20+) in South Africa & provinces, 2013



Source: Statistics South Africa – GHS 2013

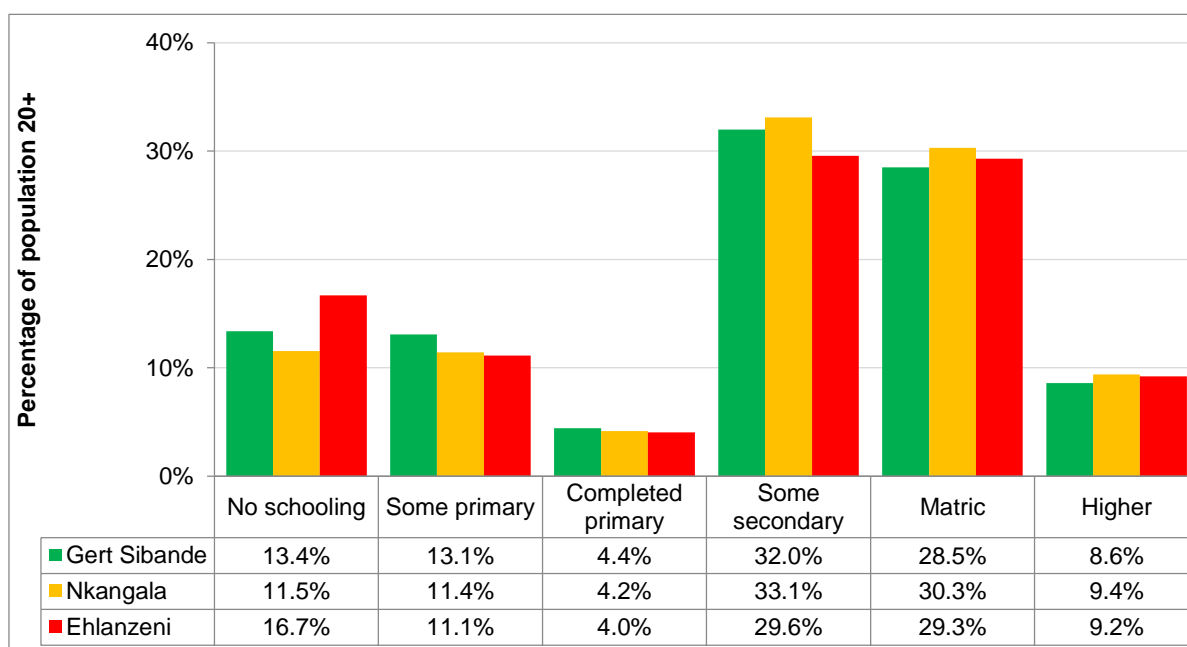
In 2011, Ehlanzeni (16.7 per cent) registered the highest share of people 20 years and older that have not received any schooling and Nkangala (11.5 per cent) the lowest (Figure 1.17). In 2011, Nkomazi (25.7 per cent) and Chief Albert Luthuli (19.9 per cent) registered the highest share of people 20 years and older among the local municipal areas, that have not received any schooling. The majority of people 20 years and older in all three districts have completed some secondary schooling followed by people with some primary schooling. Nkangala registered the largest share of

people 20 years and older that have completed matric (30.3 per cent) and some higher education (9.4 per cent).

Adult literacy

Literacy rates are used as a key social indicator of development by government and international development agencies. Although a simple definition of literacy is the ability to read and write, its simplicity is confounded by questions such as: “Read and write what, how well and to what purpose?” Because it is so difficult to measure literacy, Statistics South Africa has historically measured adult literacy rates based on an individual completing at least Grade 7. Since a specific educational achievement is, however, not necessarily a good reflection of an individual's literacy ability, a question that directly measures literacy was introduced in 2009. The question requires respondents to indicate whether they have 'no difficulty', 'some difficulty', 'a lot of difficulty' or are 'unable to' read newspapers, magazines and books in at least one language; or write a letter in at least one language.

Figure 1.17: Highest level of education (age 20+) in Mpumalanga's districts, 2011



Source: Statistics South Africa – Census 2011

The regional picture, presented in Figure 1.18, reflects the literacy rates in South Africa and the provinces of adults aged 20 and above. In 2010, the literacy rate in Mpumalanga was 86.7 per cent and it improved to 88.0 per cent by 2013. Mpumalanga's adult literacy rate was lower than the national rate of 92.9 per cent in 2013 and the joint second lowest among the provinces. In 2013, Western Cape and Gauteng, jointly, registered the highest adult literacy rate of 97.8 per cent.

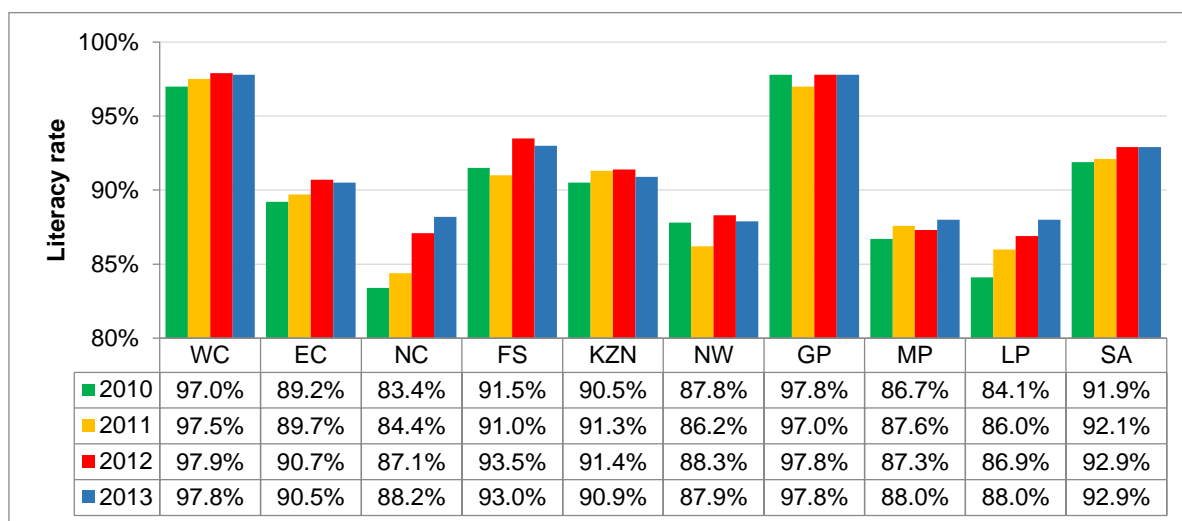
Grade 12 results

The NDP is very clear that the throughput⁵ rate should be between 80 and 90 per cent by 2030 and that at least 80 per cent of them should successfully pass the exit exams. When Mpumalanga's throughput rate for 2014 is calculated, it is evident that just more than 50 per cent of the 2003 grade 1 class wrote the grade 12 examinations in 2014.

⁵ Learners completing school within 12 years.

Table 1.8 compares the grade 12 pass rates among the various provinces from 2003 to 2014. The national pass rate of matriculants decreased from 78.2 per cent in 2013 to 75.8 per cent in 2014. On the contrary, Mpumalanga's Grade 12 pass rate improved from 77.6 per cent in 2013 to 79.0 per cent in 2014. Mpumalanga's 1.4 percentage point increase was the second largest among the nine provinces behind North West. It was also one of only four provinces to have achieved a higher pass mark than in 2013. Mpumalanga improved from the province with the lowest pass rate in 2010 to the province with the fifth highest pass rate in 2014. Gauteng (84.7 per cent) recorded the highest Grade 12 pass rate in 2014 and Eastern Cape (65.4 per cent) the lowest.

Figure 1.18: Adult literacy rate (age 20+) in South Africa's provinces, 2010-2013



Source: Statistics South Africa – GHS 2013

Table 1.8: Comparative grade 12 pass rate for South Africa and provinces, 2003-2014

Province	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EC⁶	60.0%	53.5%	56.7%	59.3%	57.1%	50.6%	51.0%	58.3%	58.1%	61.6%	64.9%	65.4%
FS⁷	80.0%	78.7%	77.8%	72.2%	70.5%	71.6%	69.4%	70.7%	75.7%	81.1%	87.4%	82.8%
GP⁸	81.5%	76.8%	74.9%	78.3%	74.6%	76.3%	71.8%	78.6%	81.1%	83.9%	87.0%	84.7%
KZN⁹	77.2%	74.0%	70.5%	65.7%	63.8%	57.2%	61.1%	70.7%	68.1%	73.1%	77.4%	69.7%
LP¹⁰	70.0%	70.6%	64.9%	55.7%	58.0%	54.7%	48.9%	57.9%	63.9%	66.9%	71.8%	72.9%
MP¹¹	58.2%	61.8%	58.6%	65.3%	60.7%	51.8%	47.9%	56.8%	64.8%	70.0%	77.6%	79.0%
NW¹²	70.5%	64.9%	63.0%	67.0%	67.2%	67.9%	67.5%	75.7%	77.8%	79.5%	87.2%	84.6%
NC¹³	90.7%	83.4%	78.9%	76.8%	70.3%	72.7%	61.3%	72.3%	68.8%	74.6%	74.5%	76.4%
WC¹⁴	87.1%	85.0%	84.4%	83.7%	80.0%	78.7%	75.7%	76.8%	82.9%	82.8%	85.1%	82.2%
National	73.3%	70.7%	68.3%	66.6%	65.2%	62.2%	60.6%	67.8%	70.2%	73.9%	78.2%	75.8%

Source: Department of Basic Education - National Senior Certificate Examinations 2014 Technical Report

Closely linked with throughput and pass rates are learners who are repeating the grade that they are attending. Table 1.9 presents the percentage of learners in grade 10, 11 and 12 that repeated grades in 2013. Slightly less grade 10 learners in Mpumalanga (24.0 per cent) repeated grade 10 in 2013 when compared with South Africa (24.4 per cent). However, a larger proportion of grade 11 (31.7 per cent) and grade 12 (13.9 per cent) learners in Mpumalanga repeated the respective grade when compared with South Africa. Mpumalanga's grade 11 repetition rate ranked the highest/worst among the nine provinces, whilst the grade 10 and grade 12 repetition rates ranked 4th and 3rd highest respectively.

A comparison of Grade 12 pass rates among the four education districts from 2009 to 2014 is presented in Table 1.10. The Grade 12 pass rates of three of the four education districts improved, with Bohlabela achieving the largest improvement from 72.0 per cent in 2013 to 76.8 per cent in 2014. Although Ehlanzeni (82.1 per cent) recorded the highest Grade 12 pass rate in 2014 it was slightly lower than the 2013 figure. The two highest pass rates among the local municipal areas were recorded in Nkomazi (86.0 per cent) and Emakhazeni (85.7 per cent) with the lowest registered

⁶ EC = Eastern Cape

⁷ FS = Free State

⁸ GP = Gauteng

⁹ KZN = KwaZulu-Natal

¹⁰ LP = Limpopo

¹¹ MP = Mpumalanga

¹² NW = North West

¹³ NC = Northern Cape

¹⁴ WC = Western Cape

in Umjindi (67.6 per cent). In 2014, Dr Pixley Ka Isaka Seme and Umjindi were the only two municipal areas with a pass rate below 70 per cent.

Table 1.9: Repetition rates in South Africa & Mpumalanga, 2013

Indicator	Mpumalanga	South Africa
Repetition rate Grade 10	24.0%	24.4%
Repetition rate Grade 11	31.7%	21.1%
Repetition rate Grade 12	13.9%	9.0%

Source: Statistics South Africa – GHS 2013

Table 1.10: Comparative grade 12 pass rate for education districts in Mpumalanga, 2009-2013

Education district	% Pass rate					
	2009	2010	2011	2012	2013	2014
Bohlabela ¹⁵	28.2	40.1	52.7	62.5	72.0	76.8
Ehlanzeni ¹⁶	57.0	67.5	72.1	74.0	82.8	82.1
Gert Sibande	52.2	59.3	65.4	69.0	76.4	77.1
Nkangala	53.6	59.1	67.9	73.0	77.5	78.8

Source: Mpumalanga Department of Education, 2015

Annual national assessments

Improvement in the quality of basic education has been identified as a top priority of the South African Government on which the Department of Basic Education (DBE) has to deliver. Within this context, the Annual National Assessments (ANA) is a critical measure for monitoring progress in learner achievement. ANA is a testing programme that requires all schools in the country to conduct the same grade-specific Language and Mathematics tests for Grades 1 to 6 and Grade 9. The NDP sets the target that by 2030, 90 per cent of learners in Grades 3, 6 and 9 must achieve 50 per cent or more in ANA.

All learners in public schools in Grades 1 to 6 and Grade 9 took curriculum-appropriate tests developed by the DBE in Mathematics and Language. It is apparent from Figure 1.19 that Mpumalanga, when compared with South Africa, achieved higher average percentage marks in Mathematics only for grades 2 and 9. When compared with other provinces, Mpumalanga ranked in 6th position for Grade 3 and 5th position for Grade 6 and Grade 9, respectively.

¹⁵ The Bohlabela education district includes schools in Bushbuckridge and Thaba Chweu

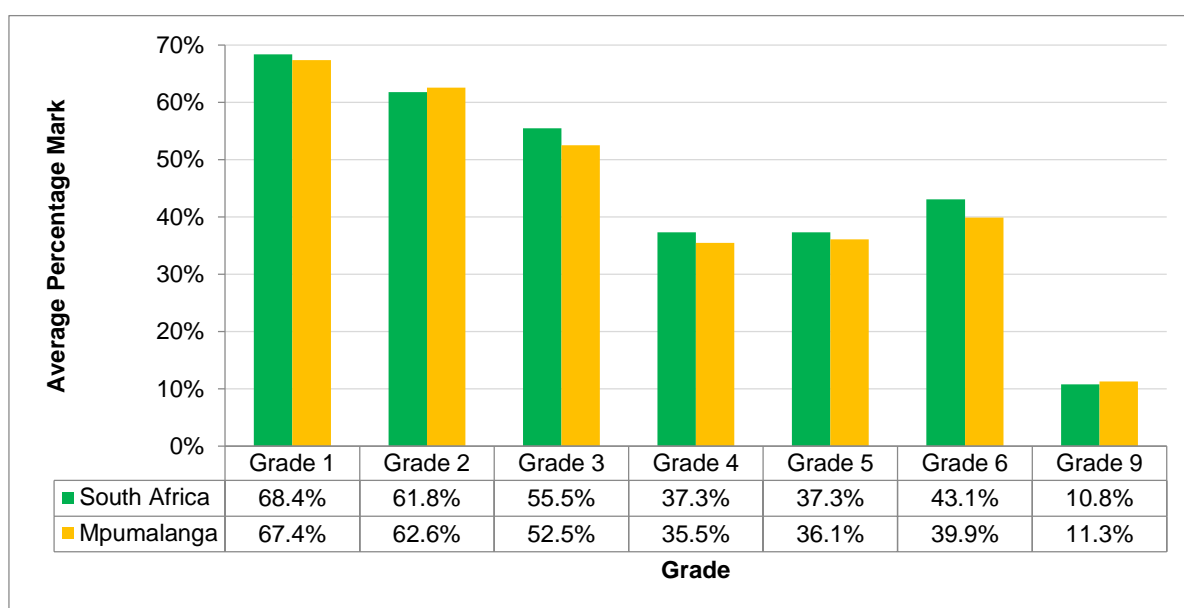
¹⁶ The Ehlanzeni education district includes schools in Mbombela, Umjindi and Nkomazi

Except for Grade 2, Mpumalanga, when compared to South Africa, recorded a lower percentage of learners with an acceptable achievement in Mathematics in all grades (Figure 1.20). When compared with other provinces, Mpumalanga ranked in 5th position for Grade 3, 6th position for Grade 6 and 7th position for Grade 9 in terms of acceptable achievements.

With the exception of Grade 9, Mpumalanga recorded lower average percentage marks in Home Language across all grades when compared to South Africa (Figure 1.21). When compared with other provinces, Mpumalanga ranked in 5th position for Grades 3 and 6 and 1st position for Grade 9.

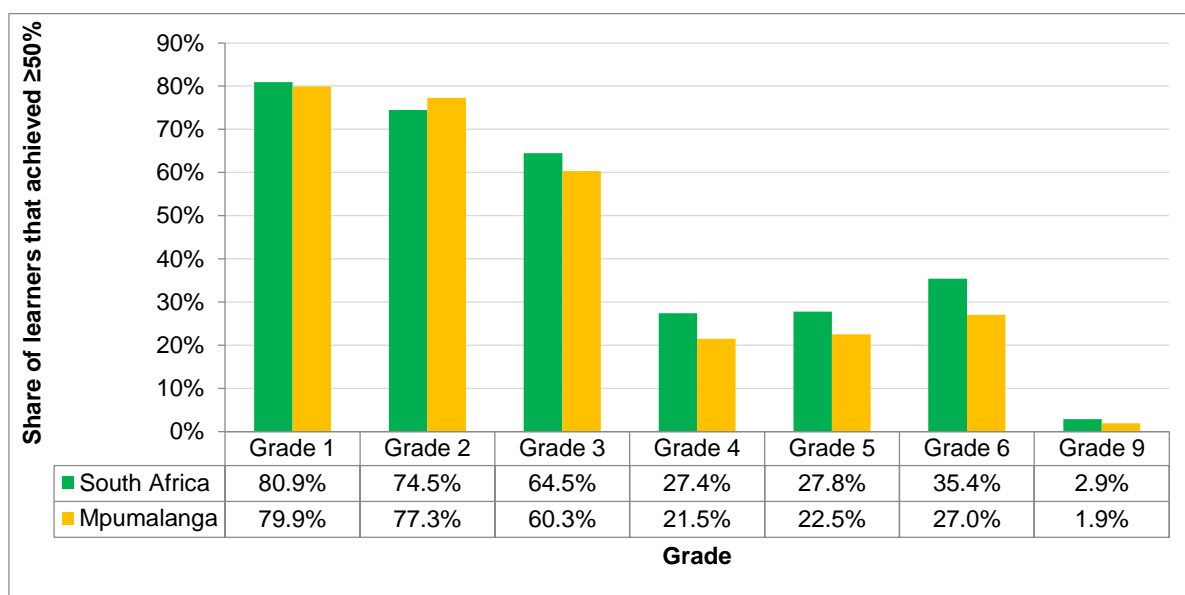
It is apparent from Figure 1.22 that Mpumalanga recorded a higher percentage of learners with an acceptable achievement in Home Language compared to South Africa in Grades 4, 6 and 9. When compared with other provinces, Mpumalanga ranked in 5th position for Grade 3, 4th position for Grade 6 and 1st position for Grade 9 in terms of acceptable achievements.

Figure 1.19: Comparing South Africa & Mpumalanga average percentage mark in Mathematics, 2014



Source: Department of Basic Education – Report on the Annual National Assessments (ANA) of 2014

Figure 1.20: Comparing acceptable achievements (≥ 50 per cent) in Mathematics between South Africa & Mpumalanga, 2014

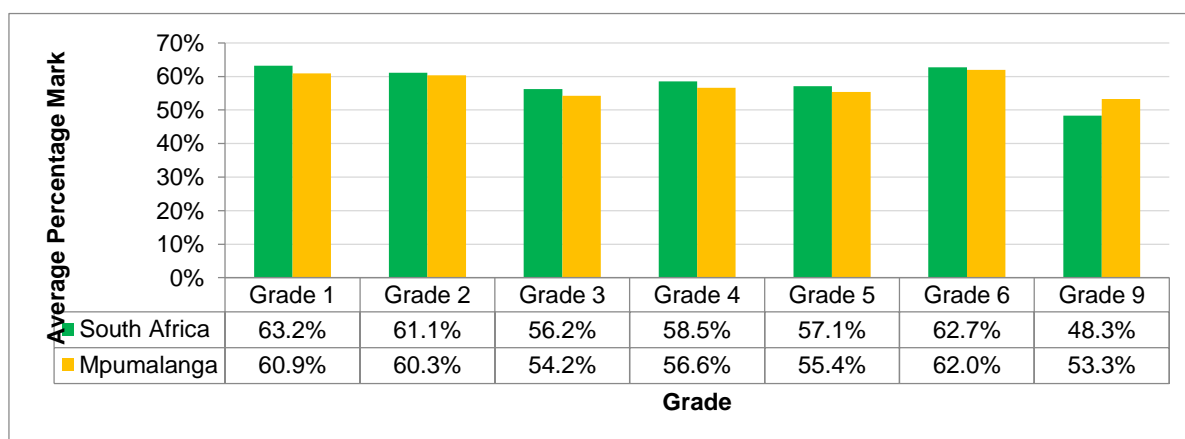


Source: Department of Basic Education – Report on the ANA of 2014

Education ratios

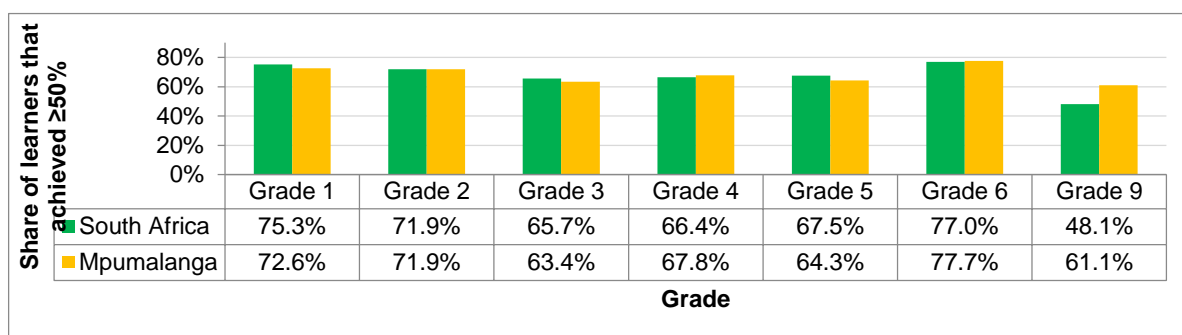
According to the Department of Education's *Education Realities* report of 2014, there were 1 057 788 learners in ordinary public and independent schools in Mpumalanga, who attended 1 867 schools and were served by 35 000 educators. The learner-educator ratio (LER) in public schools of Mpumalanga improved from 33.5 learners per educator in 2005 to 30.8 in 2014 (Table 1.11). This was slightly lower (better) than the national level of 31.0 learners per educator. The learner-school ratio (LSR) in public schools of Mpumalanga was higher than the national figure of 504 in 2014 and increased from 479 learners per school in 2005 to 587 in 2014. According to the educator-school ratio (ESR), the number of educators per public school increased from 14 per school in 2005 to 19 in 2014. The latter ratio was also higher than the national level for 2014 of 16 educators per public school.

Figure 1.21: Comparing South Africa & Mpumalanga average percentage mark in Language, 2014



Source: Department of Basic Education – Report on the ANA 2014

Figure 1.22: Comparing acceptable achievements (≥ 50 per cent) in South Africa & Mpumalanga in Home Language, 2014



Source: Department of Basic Education – Report on the ANA 2014

School nutrition programme

According to the 2013 General Household Survey (GHS), 83.2 per cent of children attending public schools in Mpumalanga benefitted from the school nutrition programme in 2013. This was higher than the national average (74.5 per cent) and Mpumalanga ranked third highest among the nine provinces.

Table 1.11: Comparison of education ratios in public schools for South Africa and provinces, 2005-2014

Province	LER		LSR		ESR	
	2005	2014	2005	2014	2005	2014
Eastern Cape	33.0	30.8	349	340	11	11
Free State	29.4	27.8	356	503	12	18
Gauteng	31.6	32.0	843	939	27	29
KwaZulu-Natal	34.3	31.3	473	479	14	15
Limpopo	34.1	30.4	450	425	13	14
Mpumalanga	33.5	30.8	479	587	14	19
Northern Cape	31.9	32.1	492	517	15	16
North West	31.1	31.4	413	518	13	16
Western Cape	31.5	31.8	653	704	21	22
National	32.8	31.0	464	504	14	16

Source: Department of Education – 2005 & 2014 Education Realities

Early Childhood Development

One of the most important educational priorities is to reach children of the age group 0–4 years with the intention of providing state support for Early Childhood Development (ECD) programmes. According to the 2013 GHS, 30.7 per cent of the provincial population aged 0–4 years attended an ECD centre, which was slightly higher than the 2012 figure of 28.5 per cent, however, still moderately lower than the national level of 34.4 per cent in 2013.

1.4. HEALTH AND SOCIAL SERVICES

The first phase of the National Health Insurance (NHI) commenced in 2012 with the piloting of NHI in eleven districts across the country. Gert Sibande was selected as the district in Mpumalanga where a District Service Package based on primary health care (PHC) principles will be piloted.

The immunisation coverage (<1 year) in Mpumalanga of 71.1 per cent was considerably lower (worse) than the national level of 84.4 per cent and the second lowest overall in 2013. Mpumalanga's 2013 measles 1st dose dropout rate was the second highest (worst) in the country at 8.9 per cent. The TB cure rate of 76.8 per cent in 2012 was better than the national average and the fourth highest (best) in the country. Mpumalanga's maternal mortality rate of 149.1 was higher (worse) than the national rate of 133.3 and the fourth highest (worst) among the provinces.

In 2013, the province's stillbirth rate was recorded at 21.3 per 1 000 births, which was slightly lower (better) than the national rate. The inpatient early neonatal¹⁷ death rate in facility of 8.6 per 1 000 live births was lower (better) than the national rate and the second lowest (best) among the provinces. Figure 1.23 compares some of Mpumalanga's health indicators with the national average level.

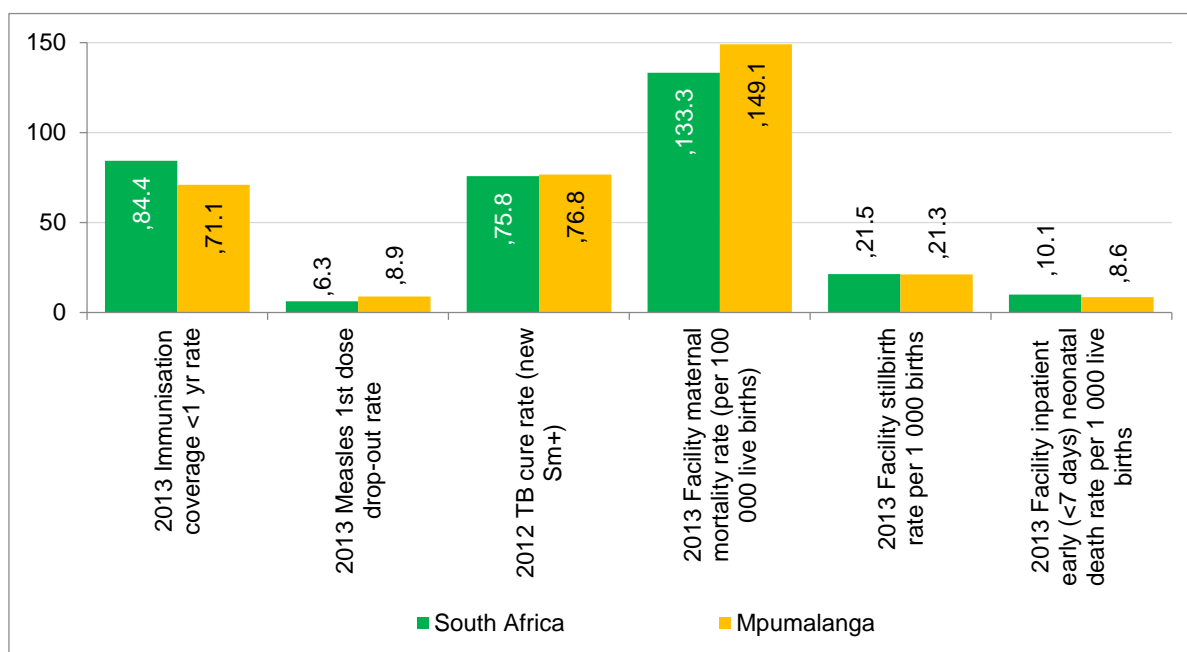
HIV prevalence

Changes in the HIV prevalence of the female population distribution for the 15–49 age group in the province and nationally between 1990 and 2012 is depicted in Figure 1.24. The estimated overall prevalence rate for this group in 2012 was 29.5 per cent for South Africa and 35.6 per cent for Mpumalanga. With the exception of the first few results in the early nineties, the prevalence rate in Mpumalanga was consistently higher than the average recorded nationally.

The 2012 prevalence rate in Mpumalanga was the second highest after KwaZulu-Natal (37.4 per cent). Mpumalanga was one of five provinces where the prevalence rate decreased between 2011 and 2012 and recorded the second largest decrease behind Western Cape. The HIV prevalence rate for female aged 15–49 in the various provinces is compared in Figure 1.25.

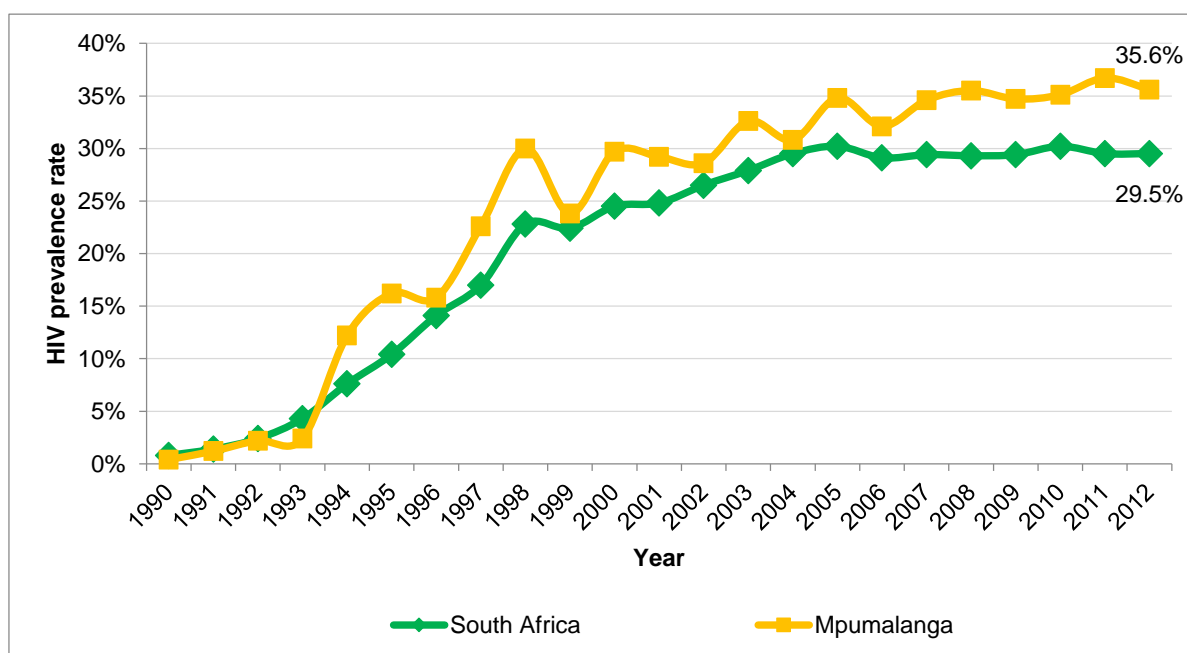
¹⁷ This rate measures the number of deaths of live born babies that occur within 7 completed days after birth per 1 000 live births. It includes only neonatal deaths when the foetus is of 26 or more weeks' gestational age and/or weighs 500g or more.

Figure 1.23: Comparison of selected health indicators between South Africa & Mpumalanga, 2012-2013



Source: Health Systems Trust – District Health Barometer 2013/14

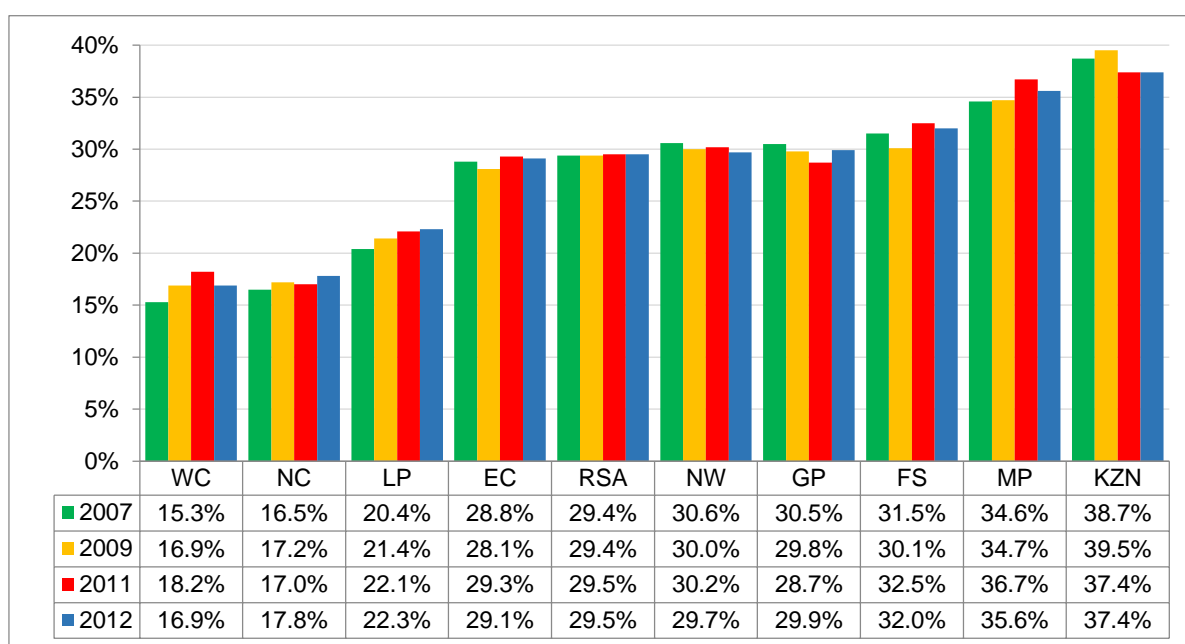
Figure 1.24: Comparison of HIV prevalence rate among females aged 15-49 in South Africa & Mpumalanga, 1990-2012



Source: National Department of Health – 2012 National Antenatal Sentinel HIV & Herpes Simplex Type-2 Prevalence Survey in South Africa

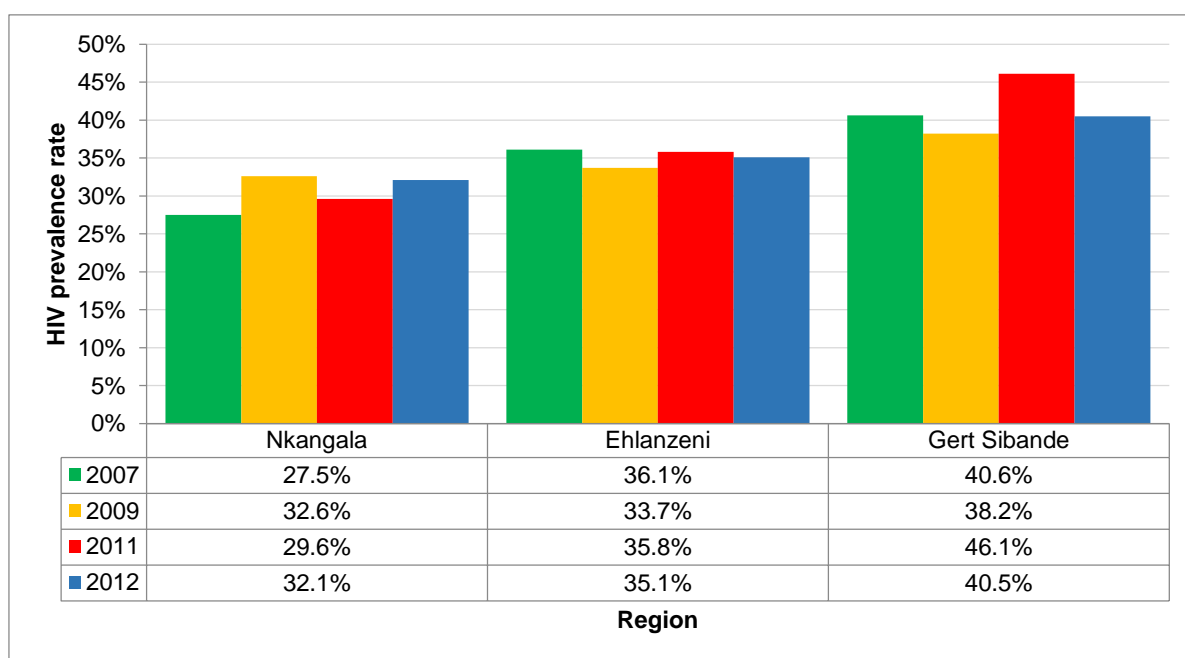
When comparing districts (Figure 1.26), the highest HIV prevalence rate for females aged 15-49 in Mpumalanga was recorded in Gert Sibande (40.5 per cent) and the lowest in Nkangala (32.1 per cent). Among the 52 health districts nationally, Gert Sibande recorded the 2nd highest (worst) prevalence rate in 2012, followed by Ehlanzeni and Nkangala in 12th and 20th highest, respectively.

Figure 1.25: HIV prevalence rate by province among females aged 15-49, 2007-2012



Source: National Department of Health – 2012 National Antenatal Sentinel HIV & Herpes Simplex Type-2 Prevalence Survey in South Africa

Figure 1.26: HIV prevalence rate by district among females aged 15-49, 2007-2012



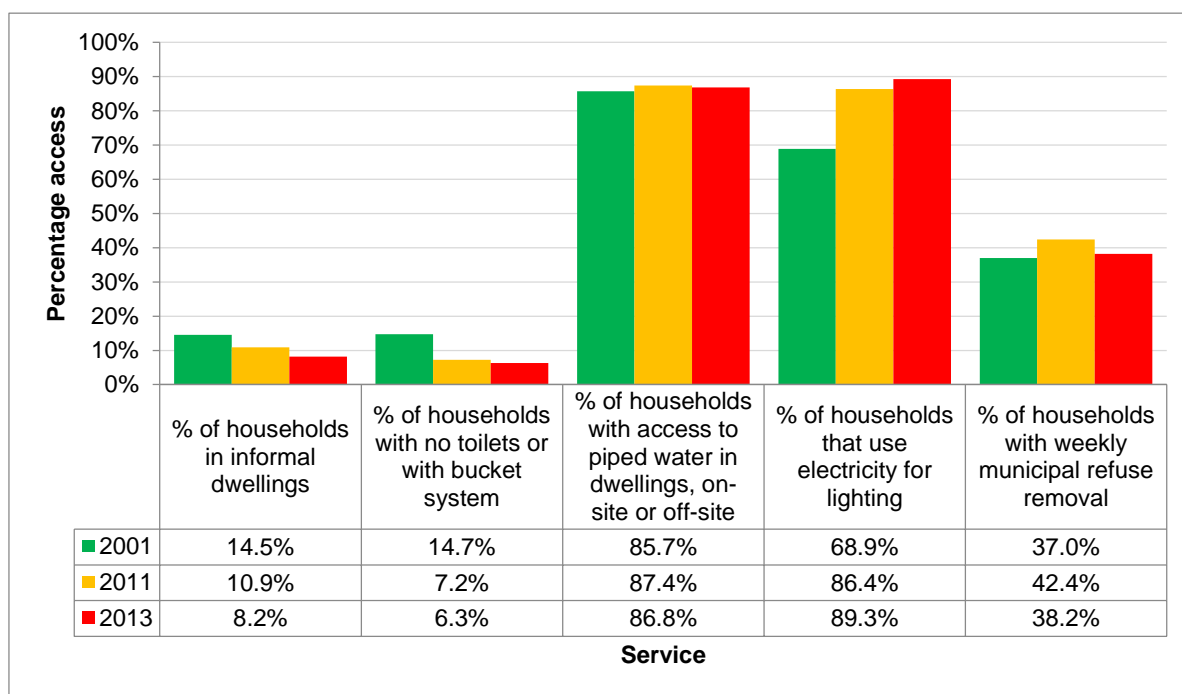
Source: National Department of Health – 2012 National Antenatal Sentinel HIV & Herpes Simplex Type-2 Prevalence Survey in South Africa

1.5. HOUSEHOLD SERVICES

According to Figure 1.27, fewer households in Mpumalanga occupied informal households (8.2 per cent) and fewer households had no access to toilets (6.3 per cent) in 2013 than in 2011. The

proportion of Mpumalanga's households with access to piped water (86.8 per cent) and with weekly municipal refuse removal (38.2 per cent) declined between 2011 and 2013, whereas the share of households with access to electricity (89.3 per cent) was higher in 2013 than in 2011.

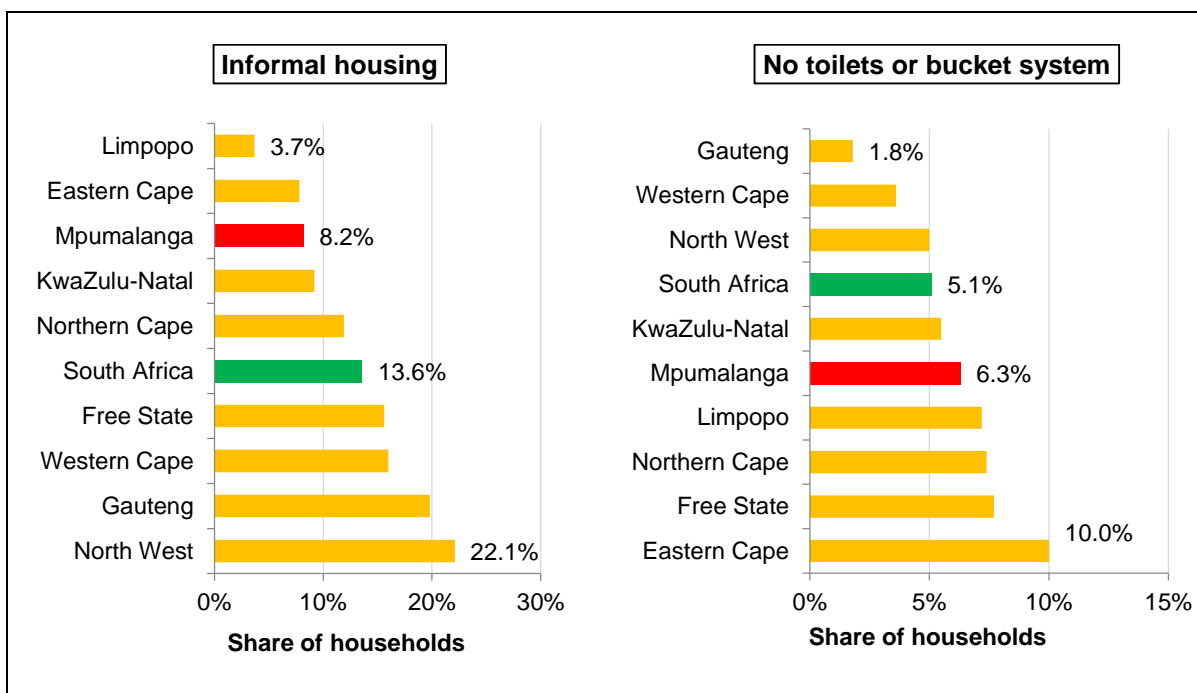
Figure 1.27: Access to household services in Mpumalanga, 2001-2013



Sources: *Statistics South Africa – Census 2011*

Statistics South Africa – GHS 2013

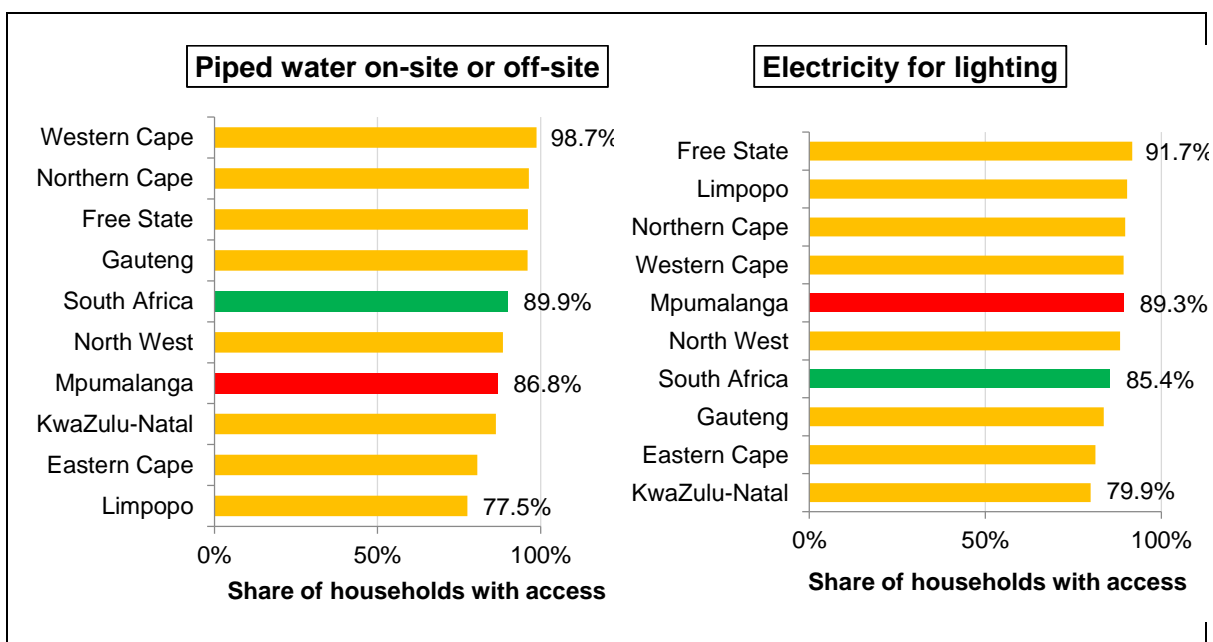
A relatively small percentage of households in Mpumalanga (8.2 per cent) occupied informal houses in 2013, compared to the national figure of 13.6 per cent. Mpumalanga ranked fourth lowest (best) among the nine provinces (Figure 1.28). The percentage of households in Mpumalanga without toilets and still using the bucket system improved to 6.3 per cent in 2013, however, it was still higher than the national level of 5.1 per cent. Figure 1.28 further reveals that Mpumalanga had the fifth lowest (best) share of households without access to toilets and still with the bucket system.



Source: Statistics South Africa – GHS 2013

In 2013, the percentage of households with access to all types of piped water recorded a relatively moderate level of delivery in Mpumalanga at 86.8 per cent (Figure 1.29). This was the fourth lowest (worst) among the nine provinces and lower than the national level of 89.9 per cent. The percentage of households that used electricity as main source of lighting increased to 89.3 per cent in 2013. A larger share of households in Mpumalanga had access to electricity for lighting in 2013, than four other provinces and South Africa in general.

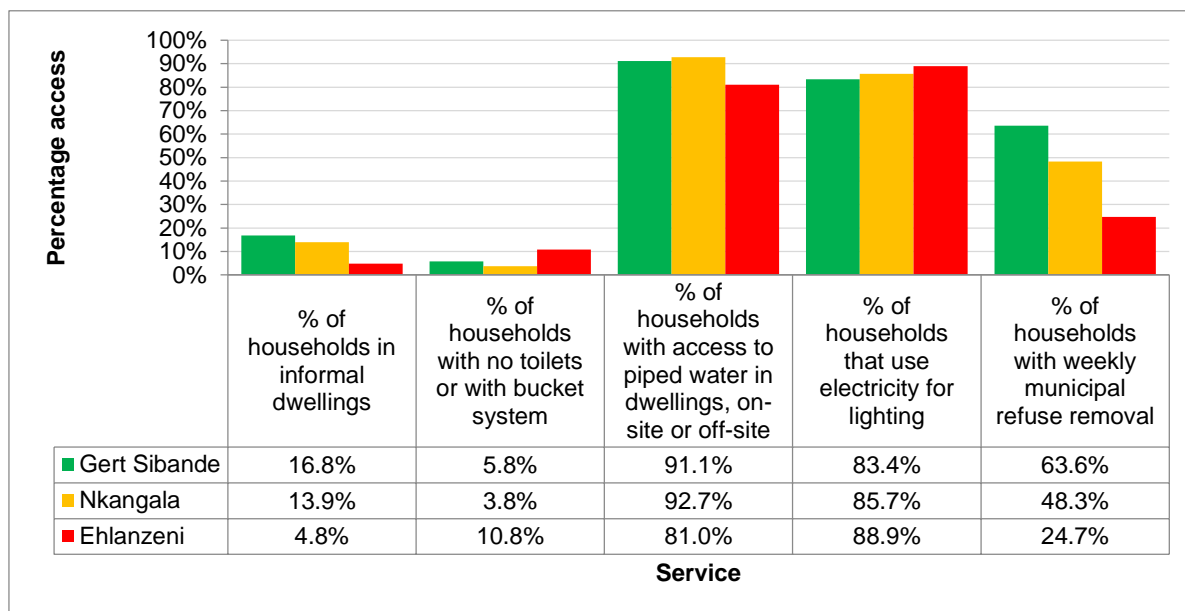
Figure 1.29: Selected household service levels in South Africa & provinces, 2013



Source: Statistics South Africa – GHS 2013

Figure 1.30 reveal certain basic services delivery indicators of the three districts in 2011. Ehlanzeni (4.8 per cent) registered the lowest (best) percentage of households that occupied informal dwellings and Gert Sibande (16.8 per cent) the highest. Ehlanzeni (10.8 per cent) held the highest percentage of households that did not have a toilet or that still made use of the bucket system.

Figure 1.30: Access to household services in Mpumalanga's districts, 2011



Source: Statistics South Africa – Census 2011

A larger percentage of households in Nkangala (92.7 per cent) had access to any type of piped water than households in the other two districts. In 2011, Ehlanzeni (88.9 per cent) recorded the largest percentage of households that used electricity for lighting. Gert Sibande (63.6 per cent) registered the highest percentage of households with weekly municipal refuse removal and Ehlanzeni (24.7 per cent) the lowest.

Among the local municipal areas, Dipaleseng (31.5 per cent) recorded the highest percentage of households in informal dwellings followed by households in Govan Mbeki (27.9 per cent). Nkomazi (15.9 per cent) and Mkhondo (13.5 per cent) had the highest share among the local municipal areas of households without access to toilets. Among the local municipal areas, the lowest access to piped water was 77.9 per cent and was recorded in Dr JS Moroka and Mbombela, jointly. Mkhondo (66.8 per cent) recorded the lowest share of households with access to electricity for lighting followed by Emalahleni (73.4 per cent).

1.6. DEVELOPMENT AND INCOME ASPECTS

1.6.1 Human development index

The Human development index (HDI) is a composite, relative index that attempts to quantify the extent of human development of a community. It is based on measures of life expectancy, literacy and income. According to the United Nations, the HDI is considered high when it is 0.8 and higher, medium when it ranges between 0.5 to 0.8 and an index value of 0.5 and lower, will be considered as a low rating.

Mpumalanga's HDI level improved from 0.52 in 1996 to 0.60 in 2013 (Figure 1.31). Despite improving between 1996 and 2013, it was still lower than the national level of 0.64 in 2013.

Mpumalanga recorded the fourth lowest HDI level among the nine provinces in 2013 with Western Cape (0.72) the highest. Between the three districts in the province, Nkangala recorded the highest HDI level of 0.62 in 2013 and Ehlanzeni the lowest at 0.58 (Table 1.12).

Figure 1.31: HDI levels for South Africa & provinces, 1996-2013



Source: IHS Global Insight – Regional eXplorer (ReX), January 2015

When the HDI levels of the various population groups in Mpumalanga are analysed, it is evident that the White population recorded the highest HDI level of 0.86 in 2013. Asians and Coloureds followed with HDI levels of 0.75 and 0.67, respectively. The Black African population registered the lowest HDI level of 0.55 (Table 1.13).

Table 1.12: HDI levels for South Africa, Mpumalanga & districts, 1996-2013

Region	1996	1999	2004	2009	2013
South Africa	0.58	0.56	0.55	0.58	0.64
Mpumalanga	0.52	0.50	0.48	0.53	0.60
Gert Sibande	0.52	0.50	0.49	0.53	0.60
Nkangala	0.55	0.53	0.51	0.55	0.62
Ehlanzeni	0.49	0.47	0.46	0.50	0.58

Source: IHS Global Insight – ReX, January 2015

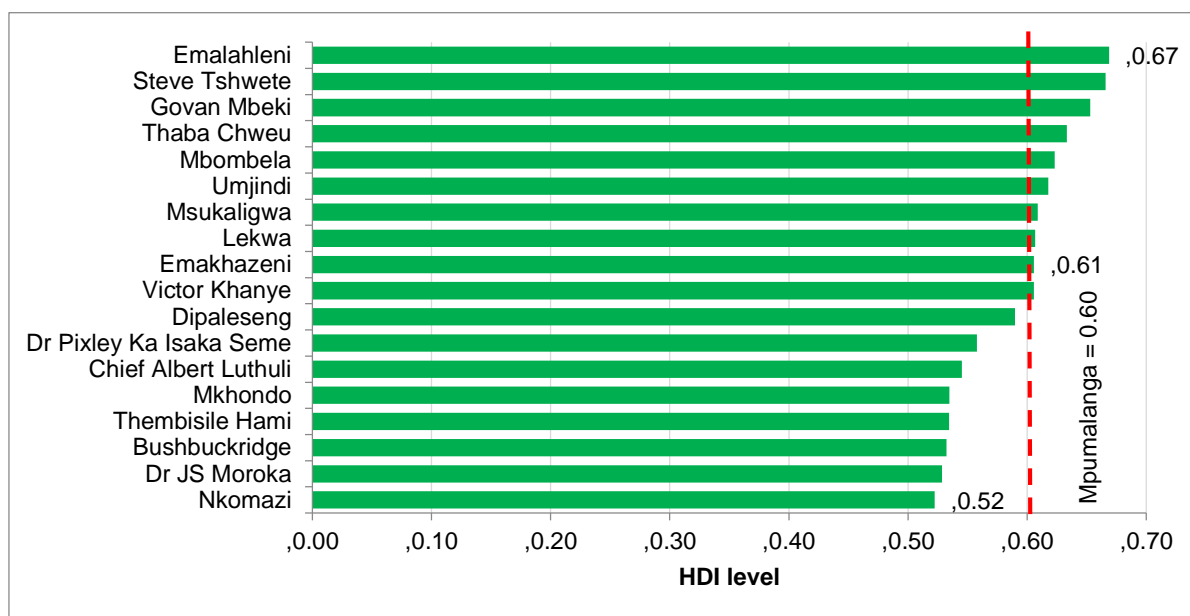
Table 1.13: HDI level by population group in Mpumalanga, 1996-2013

Population group	1996	1999	2004	2009	2013
Black African	0.46	0.44	0.44	0.48	0.55
White	0.83	0.83	0.84	0.84	0.86
Coloured	0.57	0.60	0.59	0.63	0.67
Asian	0.72	0.73	0.75	0.73	0.75
Total	0.52	0.50	0.48	0.53	0.60

Source: IHS Global Insight – ReX, January 2015

Figure 1.32 displays the HDI levels of all eighteen local municipal areas of Mpumalanga. In 2013, Emalahleni's HDI level of 0.67 was the highest and that of Nkomazi (0.52) the lowest. Ten of the eighteen local municipal areas recorded higher HDI levels than the province at 0.60.

Figure 1.32: Comparative HDI level by local municipal area in Mpumalanga, 2013



Source: IHS Global Insight – ReX, January 2015

1.6.2 Income inequality

Gini-coefficient

The Gini-coefficient is one of the most commonly used measures of income inequality. The Gini-coefficient is derived from the Lorenz curve, which is a graphical depiction of income distribution. The Lorenz curve is a graphical presentation of the relationship between the cumulative percentage of income and the cumulative percentage of population. The coefficient varies from 0 (in the case of perfect equality where all households earn equal income) to 1 (in the case where one household earns all the income).

South Africa has one of the highest imbalanced income distributions in the world. The national Gini-coefficient was calculated to be 0.64 in 2013 (Table 1.14). Despite improving (declining) from a level of 0.67 in 2004, the most recent national level still reflects a more unequal income distribution than was the case in 1996.

The provincial income distribution followed the national trend and was still more unequal in 2013 than in 1996. However, Mpumalanga's latest Gini-coefficient level is lower than the 2004 level of 0.65. Among the provinces, Mpumalanga (0.62) registered the third highest level of income inequality in 2013, with Northern Cape (0.59) the lowest inequality and Gauteng (0.65) the most unequal. In 2013, Gert Sibande and Ehlanzeni both registered the highest Gini-coefficient of 0.62.

Table 1.14: Gini-coefficient for South Africa, Mpumalanga & districts, 1996-2013

Region	1996	1999	2004	2009	2013
South Africa	0.61	0.65	0.67	0.64	0.64
Mpumalanga	0.59	0.63	0.65	0.62	0.62
Gert Sibande	0.59	0.63	0.66	0.63	0.62
Nkangala	0.58	0.62	0.64	0.61	0.61
Ehlanzeni	0.58	0.62	0.65	0.61	0.62

Source: IHS Global Insight – ReX, January 2015

Shares of income

The NDP targets that the poorest 40 per cent of households in South Africa must earn at least 10 per cent of total income by 2030. In practice, one is able to calculate that the poorest 40 per cent of households in Mpumalanga earned 7.5 per cent of income in 2013 (Table 1.15). This was higher than the national figure of 6.7 per cent for 2013, but still lower than the 8.9 per cent share achieved in 1996. Among the provinces, Mpumalanga registered the fourth lowest share behind Limpopo (9.3 per cent) in first place. In 2013, Ehlanzeni (8.1 per cent) registered the highest share of income by the poorest 40 per cent in Mpumalanga, whereas the poorest 40 per cent in both Nkangala and Gert Sibande reached a 7.4 per cent share.

Table 1.15: Share of income earned by poorest 40% in South Africa, Mpumalanga & districts, 1996-2013

Region	1996	1999	2004	2009	2013
South Africa	7.7%	6.2%	5.7%	6.7%	6.7%
Mpumalanga	8.9%	7.5%	6.5%	7.5%	7.5%
Gert Sibande	8.7%	7.3%	6.1%	7.2%	7.4%
Nkangala	8.4%	7.2%	6.6%	7.5%	7.4%
Ehlanzeni	9.6%	7.9%	7.2%	8.2%	8.1%

Source: IHS Global Insight – ReX, January 2015

Palma ratio

The Palma ratio is a recently developed measure of inequality that can also assist in measuring the effectiveness of poverty reduction strategies. The ratio compares the top 10 per cent of population's share of gross income with the poorest 40 per cent of the population's share of income.

Internationally, a Palma ratio of more than 3 would place a region in the most unequal quartile and a Palma of less than 1.5 in the least unequal quartile.

Table 1.16 displays the Palma ratio for South Africa, Mpumalanga and the districts over the period 1996 to 2013. South Africa's high Palma ratio of 7.74 in 2013 is comparable to the 7.05 calculated by Cobham and Sumner (2013) using World Bank indicators of 2010. The interpretation of South Africa's high Palma reveals that for every R1 of total income that the poorest 40 per cent received, the richest 10 per cent received R7.74. Unequal as it is, the ratio has declined from a high of 9.79 in 2004 to the most recent level, suggesting that poverty reduction strategies are bearing fruit.

Mpumalanga's Palma ratio is lower than the national total, however, it was still unacceptably high according to international standards. Mpumalanga's ratio was the fifth highest among the provinces with the lowest ratio in Limpopo (5.36) and the highest in Gauteng (9.20). Mpumalanga's 2013 ratio is still higher than the 1996 ratio, albeit it is considerably lower than the 2004 level. Ehlanzeni (6.20) was the least unequal among the three districts, whereas Gert Sibande (6.65) ended 2013 with the highest Palma ratio.

Table 1.16: Palma ratio in South Africa, Mpumalanga & districts, 1996-2013

Region	1996	1999	2004	2009	2013
South Africa	6.14	8.61	9.79	7.47	7.74
Mpumalanga	5.34	6.94	8.49	6.63	6.53
Gert Sibande	5.4	7.15	9.04	6.81	6.65
Nkangala	5.26	6.82	8.01	6.33	6.55
Ehlanzeni	5.11	6.66	7.66	6.28	6.20

Source: IHS Global Insight – ReX, January 2015

1.6.3 Poverty aspects

Poverty lines

In 2012, Statistics South Africa published a set of three national poverty lines based on expenditure data collected. The three lines were described as the food poverty line (FPL¹⁸), lower-bound poverty line (LBPL¹⁹) and upper-bound poverty line (UBPL²⁰). The NDP refers to the LBPL when it states that the proportion of citizens in poverty must reduce from 39 per cent to zero by 2030.

It is evident from Table 1.17 that the share of South Africa's population below the LBPL declined from 49.9 per cent in 1996 to 34.1 per cent in 2013. In terms of numbers, it was a reduction from 21.2 million in 1996 to 18.1 million in 2013. Mpumalanga's population below the LBPL also declined over the 17-year period from 1.9 million to 1.5 million or from 56.4 per cent to 36.2 per cent.

¹⁸ The level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet and amounted to R406 per capita per month in 2013.

¹⁹ Includes expenditure on non-food items, but requires that individuals sacrifice food in order to obtain it and amounted to R548 per capita per month in 2013.

²⁰ Includes expenditure on adequate food and non-food items and amounted to R767 per capita per month in 2013.

Mpumalanga's share was, however, still the fourth highest among the provinces with Limpopo (44.1 per cent) registering the highest share and Western Cape (21.1 per cent) the lowest.

Table 1.17: Share of population below the LBPL in South Africa & provinces, 1996-2013

Region	% of population				
	1996	1999	2004	2009	2013
Western Cape	27.5%	31.6%	30.5%	27.7%	21.1%
Eastern Cape	63.8%	67.3%	64.4%	57.5%	43.3%
Northern Cape	52.2%	53.7%	47.7%	38.7%	28.9%
Free State	50.2%	53.7%	52.3%	46.7%	34.0%
KwaZulu-Natal	58.3%	60.9%	58.1%	54.7%	42.1%
North West	51.4%	56.3%	54.7%	47.3%	33.8%
Gauteng	26.8%	31.0%	33.3%	31.6%	24.2%
Mpumalanga	56.4%	59.3%	58.3%	51.1%	36.2%
Limpopo	67.2%	69.3%	66.8%	59.7%	44.1%
South Africa	49.9%	52.9%	51.0%	45.8%	34.1%

Source: IHS Global Insight – ReX, January 2015

Nkangala (30.6 per cent) recorded the lowest share of population below the LBPL in 2013 followed by Gert Sibande (35.0 per cent). In 2013, Ehlanzeni recorded the highest share and the largest number of people below the LBPL with 41.5 per cent and 718 131, respectively (Table 1.18). Ehlanzeni, however, recorded the largest decrease (improvement) in terms of percentage change (20.9 percentage points) and number (213 807) between 1996 and 2013.

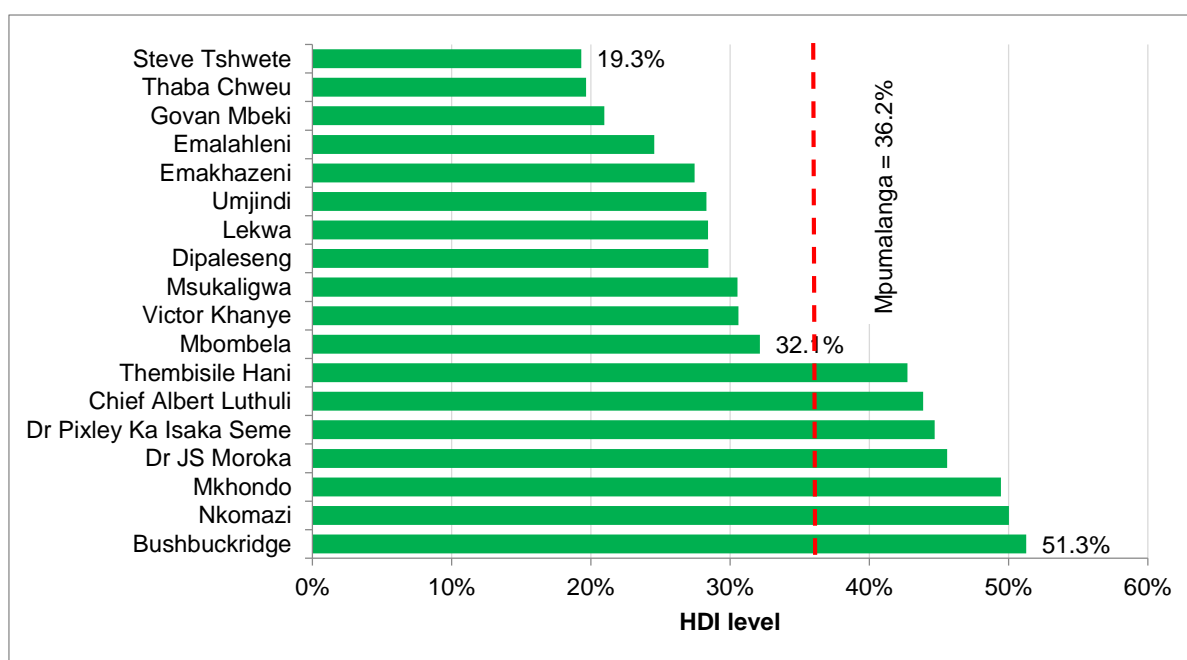
Figure 1.33 displays the share of population below the LBPL of all eighteen local municipal areas in Mpumalanga. In 2013, Steve Tshwete's share of population below the LBPL of 19.3 per cent was the lowest (best) and that of Bushbuckridge (51.3 per cent) the highest. Seven of the eighteen local municipal areas recorded higher shares of population below the LBPL than Mpumalanga's share of 36.2 per cent. All the local areas recorded percentage point declines in the shares of population below the LBPL, with Chief Albert Luthuli (29.1 percentage points) registering the largest decrease and Emalahleni (9.8 percentage points) the smallest decrease.

Table 1.18: Share of population below the LBPL in Mpumalanga's districts, 1996-2013

Region	% of population				
	1996	1999	2004	2009	2013
Gert Sibande	54.0%	57.8%	57.5%	49.6%	35.0%
Nkangala	49.9%	53.1%	52.5%	44.8%	30.6%
Ehlanzeni	62.4%	64.7%	63.0%	56.9%	41.5%
Mpumalanga	56.4%	59.3%	58.3%	51.1%	36.2%

Source: IHS Global Insight – ReX, January 2015

Figure 1.33: Share of population below the LBPL by local municipal area in Mpumalanga, 2013



Source: IHS Global Insight – ReX, January 2015

Bushbuckridge recorded 138 882 less people below the LBPL in 2013 than in 1996, the largest decline among the local municipalities. Mkhondo recorded 17 648 more people below the LBPL in 2013 than in 1996. Emalahleni (6 623) as well as Steve Tshwete (5 165) also registered higher numbers of people below the LBPL in 2013 than in 1996.

Multidimensional poverty

Poverty is often defined by income or expenditure. While this provides a very useful way of measuring absolute poverty, it does not fully capture all the aspects that constitute poverty. Multidimensional poverty constitutes several factors that amount to the poor's experience of

deprivation such as poor health, lack of education, inadequate living standards, lack of income and lack of decent work.

The South African Multidimensional Poverty Index (SAMPI), published by Statistics South Africa in 2014, provides multidimensional poverty data at provincial and municipal levels. It is not intended to replace the poverty headcount using the poverty lines that have been developed and should rather be seen as a complementary measure to these money-metric measures. The SAMPI score is derived from the product of the headcount or the proportion of households defined as multidimensionally poor and the intensity of the poverty experienced or the average proportion of indicators in which poor households are deprived.

In 2001, the headcount showed that 18.8 per cent of households in Mpumalanga were poor, with the average intensity at 43.2 per cent amongst the poor households (Table 1.19). This resulted in a SAMPI score of 0.08, which was equal to that of South Africa and joint fourth lowest/best. By 2011, the fraction of poor households decreased to 7.9 per cent, the average intensity was slightly lower at 41.8 per cent and the SAMPI score declined to 0.03. Mpumalanga's 2011 SAMPI score was joint fifth lowest and equal to the national score. The decrease in the SAMPI was mainly due to the decrease in the headcount and not the average intensity of poverty amongst the poor.

Table 1.19: Multidimensional poverty in South Africa & provinces, 2001-2011

Province	Census 2001			Census 2011		
	Headcount	Intensity	SAMPI	Headcount	Intensity	SAMPI
Western Cape	6.7%	44.9%	0.03	3.6%	42.6%	0.02
Eastern Cape	30.2%	43.7%	0.13	14.4%	41.9%	0.06
Northern Cape	11.3%	42.3%	0.05	7.1%	42.1%	0.03
Free State	17.4%	44.3%	0.08	5.5%	42.2%	0.02
KwaZulu-Natal	22.3%	43.9%	0.10	10.9%	42.0%	0.05
North West	19.5%	43.4%	0.08	9.2%	42.0%	0.04
Gauteng	10.5%	45.0%	0.05	4.8%	43.8%	0.02
Mpumalanga	18.8%	43.2%	0.08	7.9%	41.8%	0.03
Limpopo	21.8%	43.5%	0.09	10.1%	41.6%	0.04
South Africa	17.9%	43.9%	0.08	8.0%	42.3%	0.03

Source: Source: Statistics South Africa – The South African MPI, 2014

1.6.4 Living standards

The Living Standards Measure (LSM) groups people according to their living standards and were developed by the South African Advertising Research Foundation (SAARF). Essentially, the LSM is a wealth measure based on standard of living rather than income. It is based on a set of marketing differentiators, which group people according to their living standards, using criteria such as ownership of cars and major appliances (assets). Respondents are given a positive or negative score for each of the 29 variables they have or do not have and are then placed into one of the 10 LSM groups, based on their total score. The lowest LSM group is LSM1 and the highest or wealthiest group LSM10.

It is evident from Figure 1.34 that, according to the LSM measurement, the population in Mpumalanga moved progressively from the lower LSM groups to the higher LSM groups between 2005 and 2013. In 2005, some 39.0 per cent and 10.8 per cent of Mpumalanga's population occupied the three lowest and three highest LSM groups, respectively. By 2013, the share of the population within the three lowest LSM groups dropped to 11.5 per cent, whereas the share within the three highest LSM groups increased to 15.6 per cent. In 2013, the largest share of Mpumalanga's population fell in the LSM6 group and the smallest share in the LSM1 group.

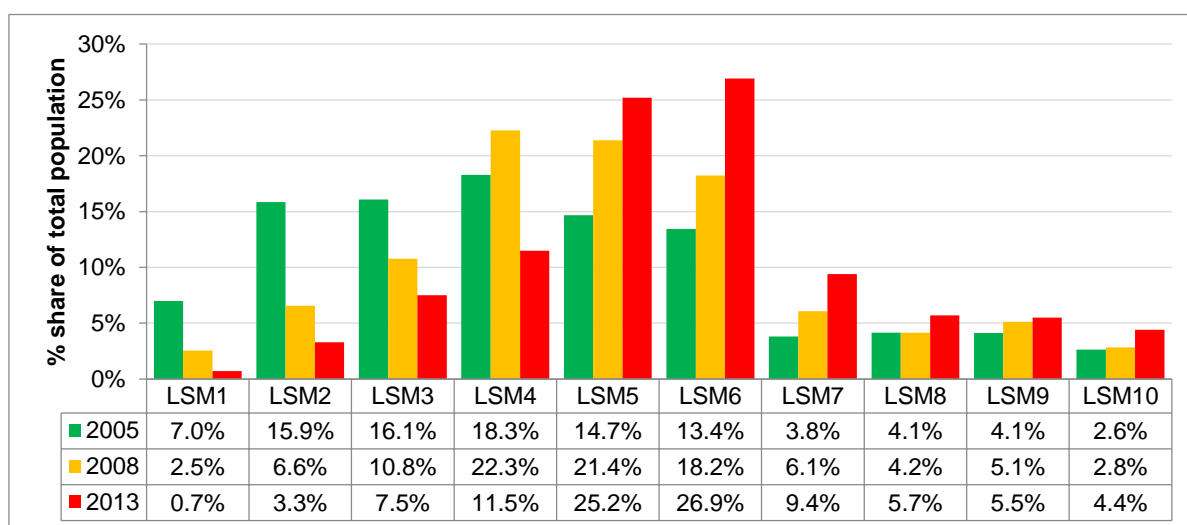
1.6.5 Ownership of household goods

Figure 1.35 compares the ownership levels of certain household goods between South Africa and Mpumalanga in 2011. It is evident that more households in Mpumalanga owned refrigerators, televisions and cell phones than the norm in South Africa. Contrary, less households in Mpumalanga owned electric or gas stoves, personal computers and motorcars than the standard for South African households.

Ownership of household goods index

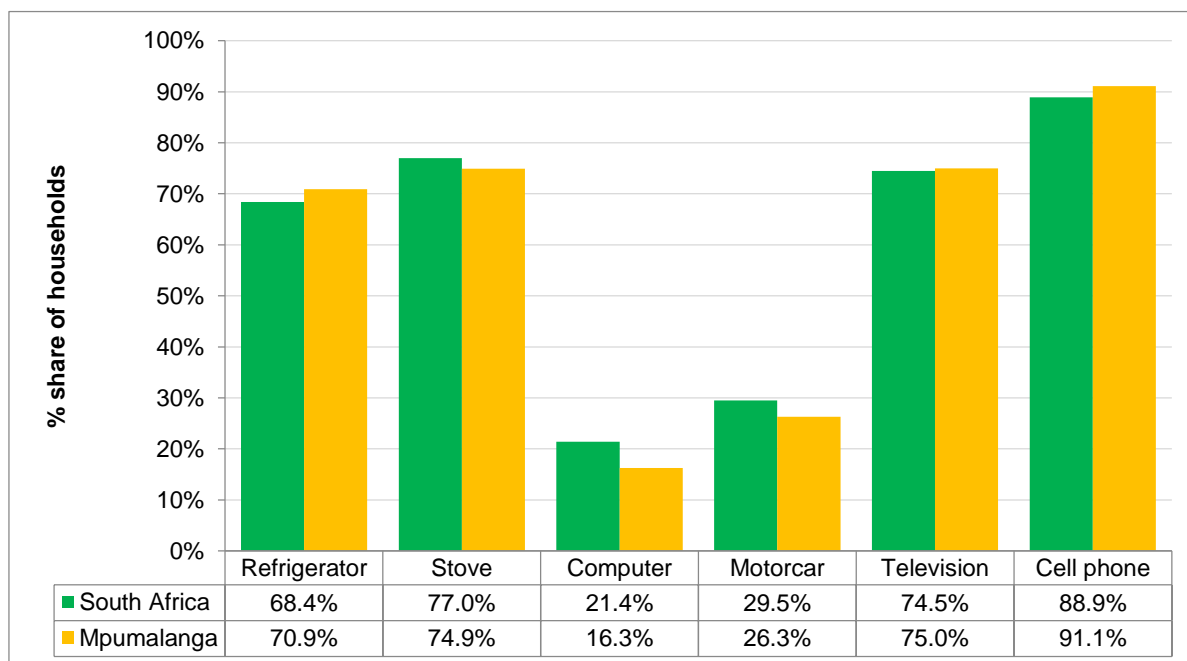
The ownership of household goods index is a household adjusted, ownership of goods-weighted index, which measures a region's overall ownership of certain household goods. The index ranges from 0 to 1, where 0 implies that no household in the region owns any of the household goods surveyed, and 1 implying that every household in the region owns all the household goods surveyed.

Figure 1.34: Distribution of LSM groups in Mpumalanga, 2005-2013



Source: SAARF – AMPS Technical Report, 2013

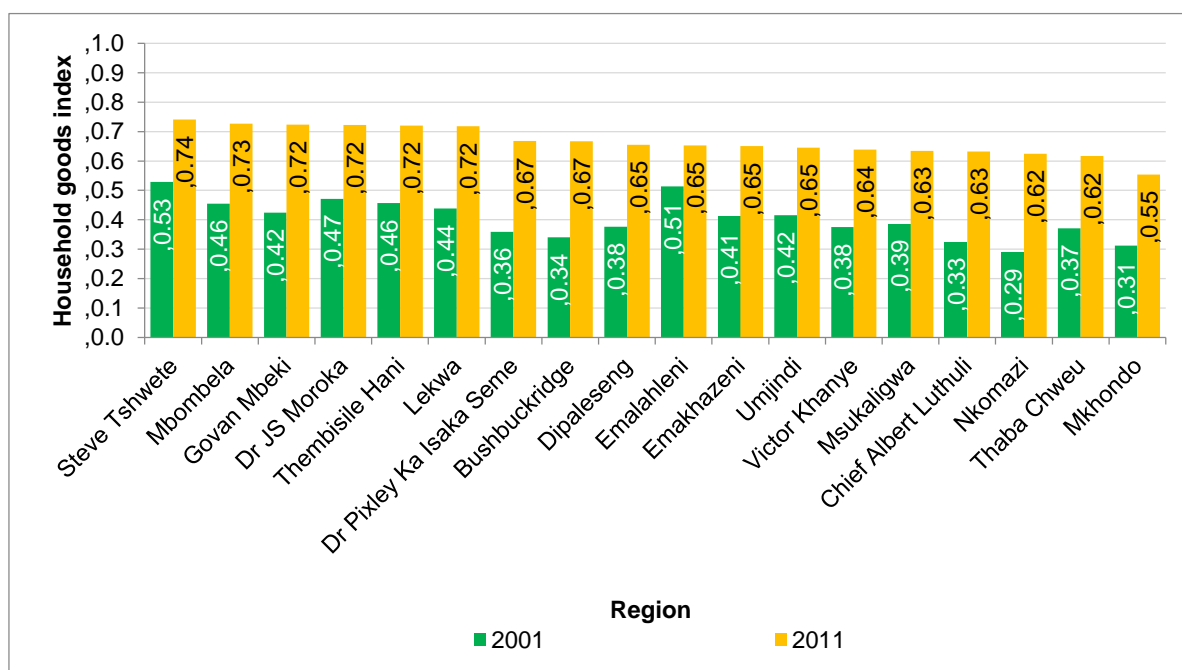
Figure 1.35: Percentage distribution of households owning various household goods in South Africa and Mpumalanga, 2011



Source: Statistics South Africa – Census 2011

In 2011, the highest ownership of household goods index value was recorded in Steve Tshwete and the lowest in Mkhondo. Between 2001 and 2011, Nkomazi and Bushbuckridge jointly recorded the largest improvement in the household goods index and Emalahleni the smallest. Figure 1.36 compares the household goods index values of 2001 with that of 2011 for Mpumalanga's local municipal areas.

Figure 1.36: Household goods index in Mpumalanga's local municipal areas, 2001 - 2011



Source: Statistics South Africa – Census 2011

1.6.6 Income and expenditure aspects

Household income

According to *Census 2011*, the average annual household income for all households in South Africa increased from R48 385 per annum in 2001 to R103 204 per annum (R8 600 per month) in 2011. This represents an absolute increase of 113.3 per cent in nominal terms over the 10-year period. Average household income in Mpumalanga increased from R31 186 per annum in 2001 to R77 609 per annum (R6 467 per month) in 2011 (Figure 1.37).

This represents an absolute increase of 148.9 per cent in nominal terms over the 10-year period, which was higher than the national increase and the highest among the nine provinces. Mpumalanga's average household income was the fifth highest in 2001 and in 2011. In 2011, the average household income of Gauteng households (R156 243 per annum) was the highest and that of Limpopo households (R56 844 per annum) the lowest.

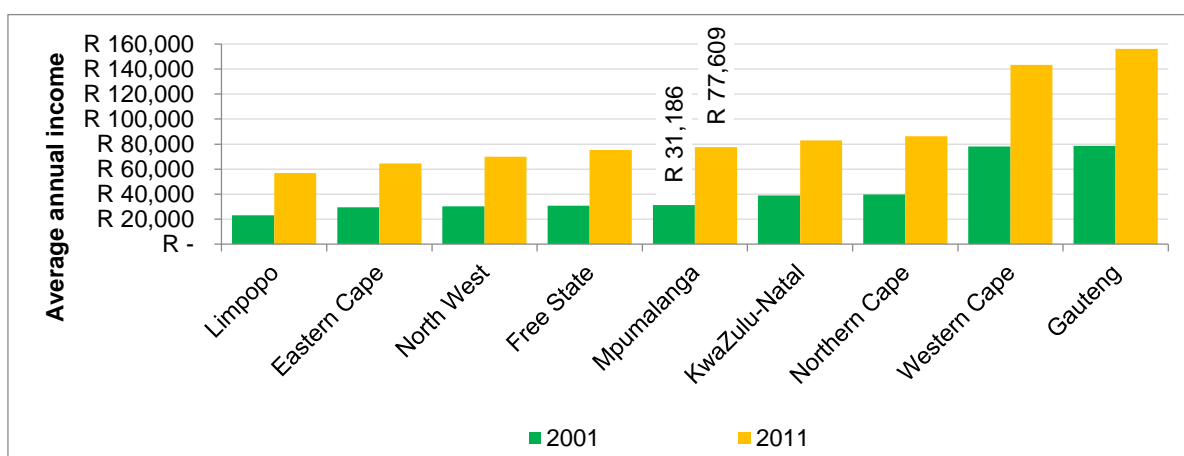
Expenditure categories

In GHS 2013, respondents indicated what expenditure category best describes the monthly household expenditure in 2013. The results of this question for South Africa and Mpumalanga is summarised in Table 1.20. It is evident that the major share of households in Mpumalanga (62.1 per cent) indicated expenditure of less than R2 500 per month. The major share of households in South Africa (53.8 per cent) indicated expenditure of less than R2 500 per month. Some 12.1 per cent of households in South Africa indicated expenditure of more than R10 000 per month compared with 7.4 per cent of households in Mpumalanga.

Household income sources

The majority of households in South Africa are dependent on incomes from salaries. Nationally, 64.7 per cent of households received an income from salaries in 2013. In Mpumalanga 61.9 per cent of households received an income from salaries. In 2013, 45.7 per cent and 52.6 per cent of respective households in South Africa and Mpumalanga obtained income from grants. Some 60.8 per cent of households in Limpopo received income from grants, whilst only 30.0 per cent of households in Gauteng received income from grants. Comparative figures of household income sources are presented in Figure 1.38.

Figure 1.37: Average annual household income by province, 2001-2011



Source: Statistics South Africa – Census 2011

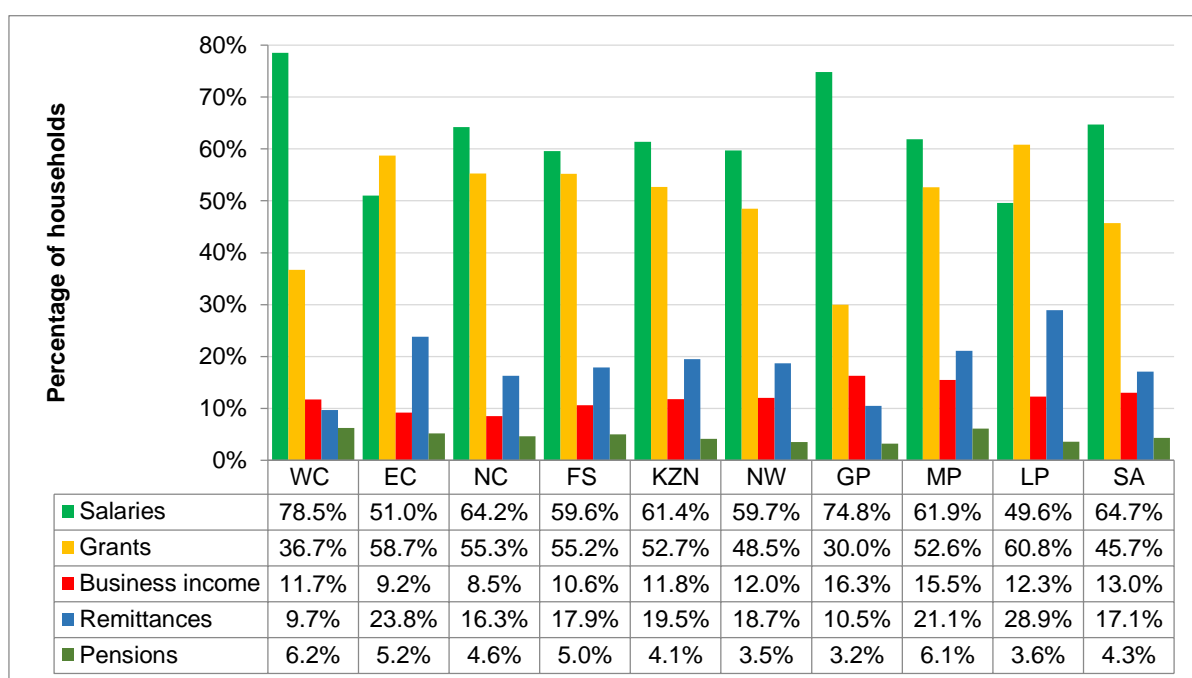
Table 1.20: Household expenditure in South Africa & Mpumalanga, 2013

Expenditure category	Mpumalanga		South Africa	
	% of total	Cumulative %	% of total	Cumulative %
R0	0.1%	0.1%	0.5%	0.5%
R1-R199	0.6%	0.7%	0.6%	1.1%
R200-R399	2.3%	3.0%	2.4%	3.5%
R400-R799	8.6%	11.6%	9.0%	12.5%
R800-R1 199	16.8%	28.5%	13.0%	25.4%
R1 200-R1 799	20.0%	48.5%	15.9%	41.3%
R1 800-R2 499	13.6%	62.1%	12.5%	53.8%
R2 500-R4 999	16.6%	78.6%	16.3%	70.1%
R5 000-R9 999	10.2%	88.8%	12.1%	82.2%
R10 000 or more	7.4%	96.2%	12.1%	94.3%
Do not know	0.4%	96.6%	2.1%	96.5%
Refused	0.2%	96.8%	0.6%	97.1%
Unspecified	3.2%	100.0%	2.9%	100.0%
Total	100.0%	-	100.0%	-

Source: Statistics South Africa – GHS 2013

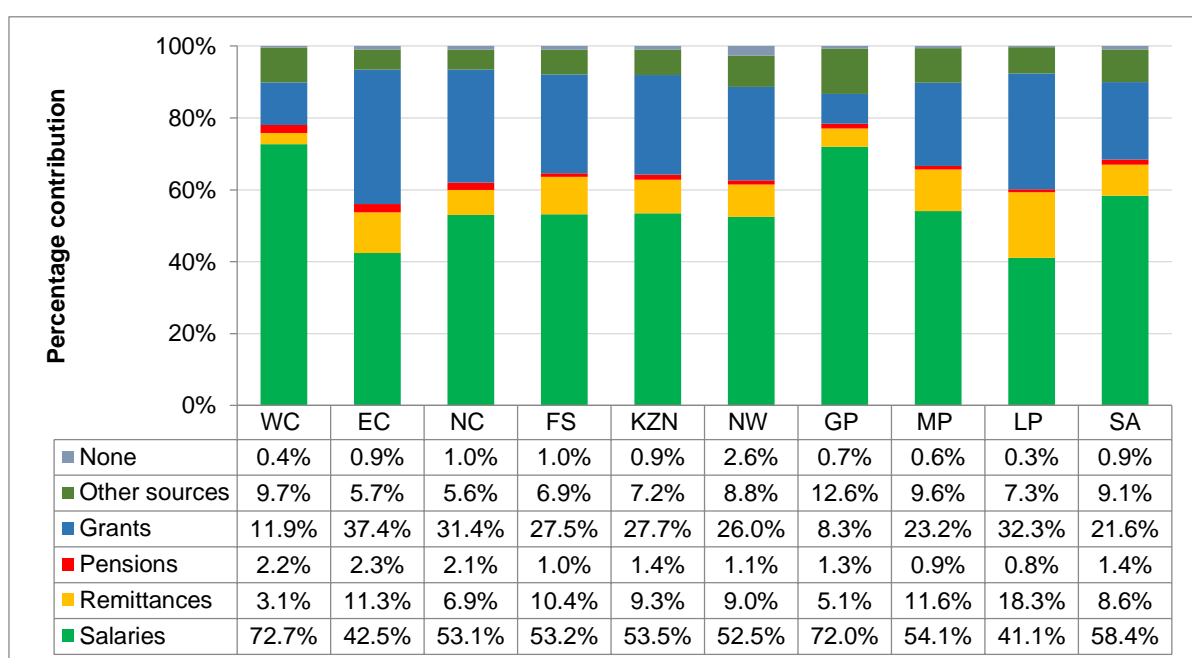
As part of GHS 2013, households were asked to indicate their main source of income. As a result salaries was indicated to be the main source for 58.4 per cent of households nationally, whereas grants were the main source for 21.6 per cent of households (Figure 1.39). In Mpumalanga, salaries were also the main source for the majority (54.1 per cent) of households with grants the main source for 23.2 per cent of households in the province.

Figure 1.38: Comparative sources of income²¹ in South Africa and provinces, 2013



Source: Statistics South Africa – GHS 2013

Figure 1.39: Main sources of income in South Africa and provinces, 2013



Source: Statistics South Africa – GHS 2013

Social assistance grants

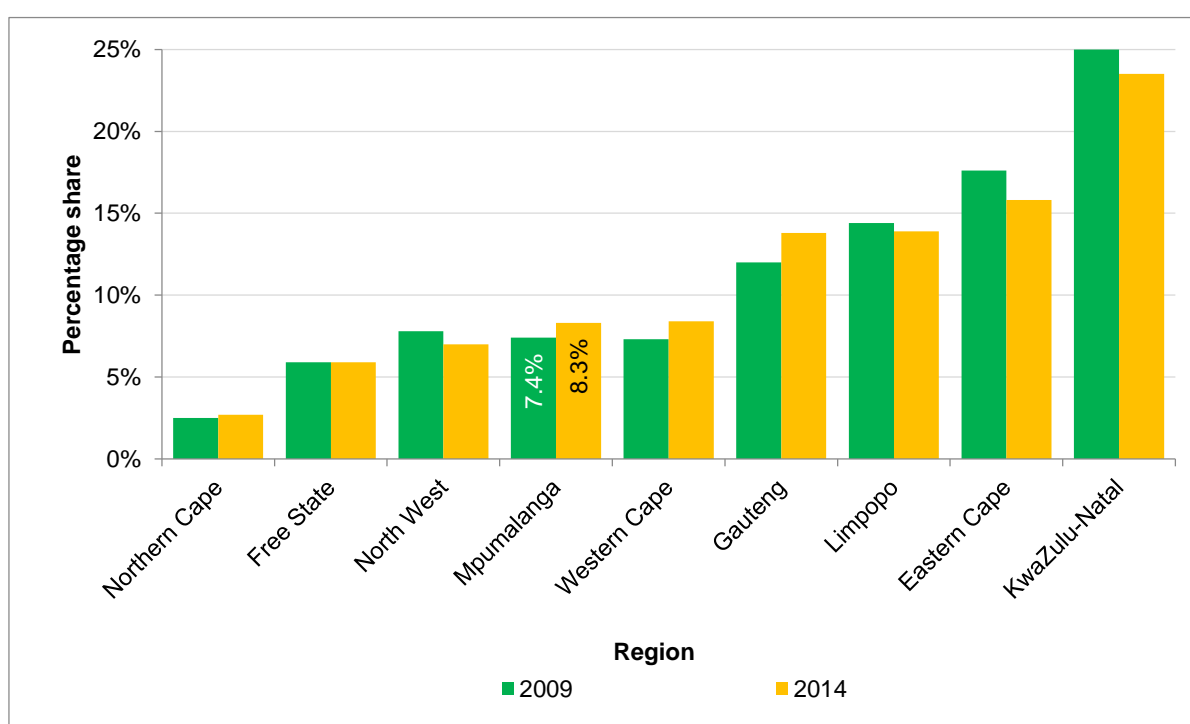
Together with providing income security to certain income insecure groups, the payments of grants made a positive impact on poverty and income inequality in Mpumalanga. Grants assisted to reduce

²¹ Households can have more than one source of income; therefore, shares do not add up to 100 per cent.

poverty and redistribute income in Mpumalanga and its sub regions through the provision of income security. The total monthly value of grants paid out in Mpumalanga amounted to R704.4 million in March 2014. Between March 2009 and March 2014, the annual increase in the value of social assistance grant payments was 11.3 per cent.

According to the South African Social Security Agency (SASSA), the number of South Africans that received social assistance grants increased from nearly 13.8 million in March 2009 to nearly 15.8 million by March 2014. In March 2009, 1.02 million citizens of Mpumalanga received social assistance grants. This was equal to a 7.4 per cent share of the total national grant recipients in 2009. By March 2014, the number of recipients in Mpumalanga increased to 1.3 million or 8.3 per cent of the total number of national grant recipients. Mpumalanga registered the sixth highest number of social assistance recipients among the nine provinces (Figure 1.40). KwaZulu-Natal (3.7 million) registered the highest number of grant recipients by March 2014 and Northern Cape (420 060) the lowest.

Figure 1.40: Provincial shares of national social assistance grant number, 2009-2014



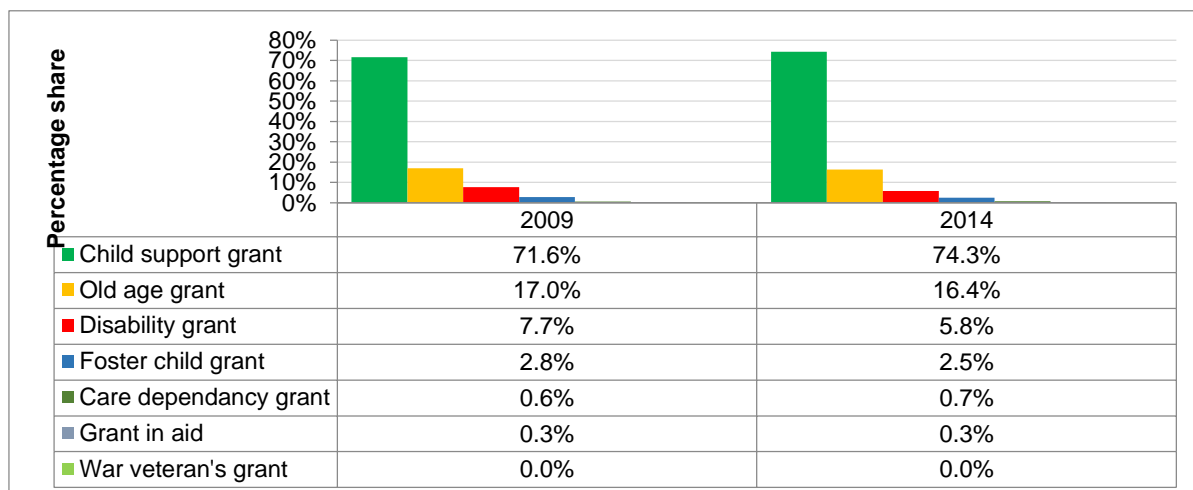
Source: SASSA - SOCPEN system, 2014

Despite the positive impact of social assistance grants on income distribution and poverty, skills development and employment creation remain the most important factors to improve the livelihoods of people. Skills constraints push up the premium for skilled labour, inducing large differences between salaries of skilled and unskilled people and thus raising levels of inequality. Income inequality can therefore most effectively be reduced by improving the labour force's skill levels and thus removing the premium for skilled labour. Poverty can also be reduced by building and developing capabilities of the workforce on a broad scale in order to increase employment creation through increased labour productivity and economic growth.

It is evident from Figure 1.41, that 74.9 per cent of Mpumalanga's total social assistance grants in March 2014 were child support grants, which was higher than the 71.6 per cent share in 2009. In actual numbers, child support grant beneficiaries increased from 735 648 in 2009 to 984 641 in 2014. Although the number of old age grant beneficiaries increased from 174 343 in 2009 to 217 045 in 2014, the share of the total number of grant beneficiaries decreased from 17.0 per cent in

2009 to 16.4 per cent in 2014. Disability grant recipients decreased in number from 79 244 in 2009 to 77 258 in 2014 and recorded a smaller share in 2014 (5.8 per cent) of the total number of assistance grant beneficiaries than in 2009 (7.7 per cent).

Figure 1.41: Distribution of various types of social assistance grants in Mpumalanga, 2009-2014



Source: SASSA - SOCPEN system, 2014

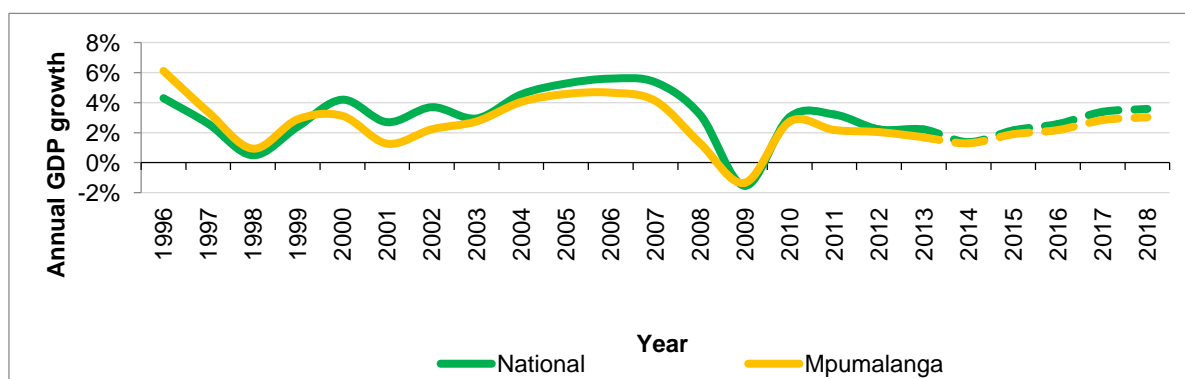
1.7. ECONOMIC SECTORS AND PERFORMANCE

1.7.1 GDP growth

It is estimated that in 2013, Mpumalanga contributed some R269.9 billion in current prices or some 7.6 per cent to the GDP of South Africa. Mpumalanga's contribution in constant 2010 prices was R215.1 billion. According to estimates, Mpumalanga's contribution in constant 2010 prices was the fifth largest among the nine provinces and registered a decrease from a 7.8 per cent contribution in 1995, to 7.3 per cent in 2013.

At the start of the period under review, the economic growth of the province, as measured by real GDP growth, was higher than the national rate. However, the provincial economy has not outperformed the national economy in terms of GDP growth since 1999 (Figure 1.42).

Figure 1.42: GDP (constant 2010 prices) growth rates for South Africa and Mpumalanga, 1996-2018



Sources: Statistics South Africa – GDP Q3, 2014 (Historic growth)

IHS Global Insight - ReX, January 2015 (Future growth)

The average annual growth rate for the country and Mpumalanga over the period 1995 to 2013 was 3.1 per cent and 2.7 per cent, respectively. Mpumalanga, jointly with Eastern Cape, recorded the fourth lowest annual average GDP growth rate in the 18-year period. Mpumalanga's GDP growth only exceeded the national average in the period 1995 to 1999, when the province also achieved the second highest growth among the nine provinces. The annual average growth rates for South Africa and Mpumalanga, from 2013 to 2018 is forecasted at 2.6 per cent and 2.2 per cent, respectively (Table 1.21). In such an event, Mpumalanga's growth will be the fourth lowest among the nine provinces. The NDP targets average national GDP growth above 5 per cent up to 2030.

Table 1.21: Historic and forecasted GDP growth rates for South Africa & provinces, 1995-2018

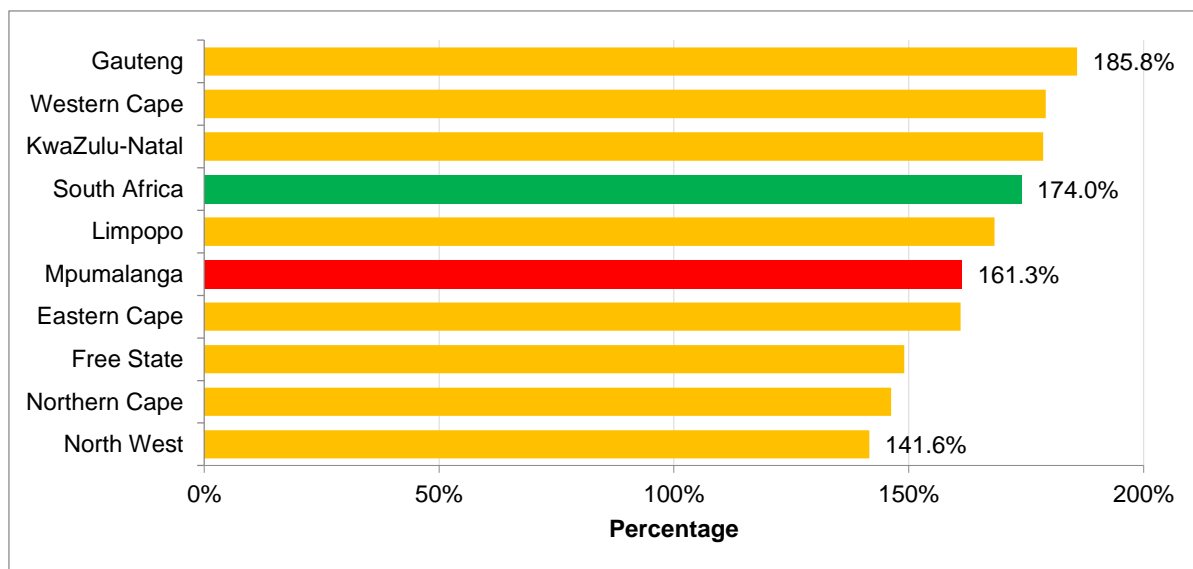
Province	1995-2013	1995-1999	1999-2004	2004-2009	2009-2013	2013-2018
Western Cape	3.3%	2.0%	3.5%	4.1%	2.8%	2.9%
Eastern Cape	2.7%	1.4%	3.0%	3.5%	2.3%	2.7%
Northern Cape	2.1%	2.3%	1.5%	1.9%	2.4%	2.5%
Free State	2.2%	1.4%	2.2%	2.6%	2.3%	1.9%
KwaZulu-Natal	3.3%	1.8%	3.8%	3.9%	2.9%	2.8%
North West	2.0%	1.4%	2.2%	2.3%	1.4%	2.0%
Gauteng	3.5%	1.8%	4.2%	4.1%	3.1%	2.8%
Mpumalanga	2.7%	2.6%	2.7%	2.6%	2.2%	2.2%
Limpopo	2.9%	2.9%	3.3%	2.6%	2.1%	2.1%
South Africa	3.1%	1.9%	3.6%	3.5%	2.7%	2.6%

Sources: *Statistics South Africa – GDP Q3, 2014 (Historic growth)*

IHS Global Insight - ReX, January 2015 (Future growth)

Because of the moderate economic growth experienced in South Africa over the last 18 years, the South African economy has not doubled in size over this period. From Figure 1.43 it is also evident that no provincial economy by 2013 was double its size of 1995. By 2013, Gauteng's economy, which grew the fastest between 1995 and 2013, was 185.8 per cent of its 1995 size. Mpumalanga's economy was 161.3 per cent of its 1995 size and registered the fifth highest increase. For an economy to double in size over an 18-year period that economy needs to grow at an annual average growth rate of 3.9 per cent.

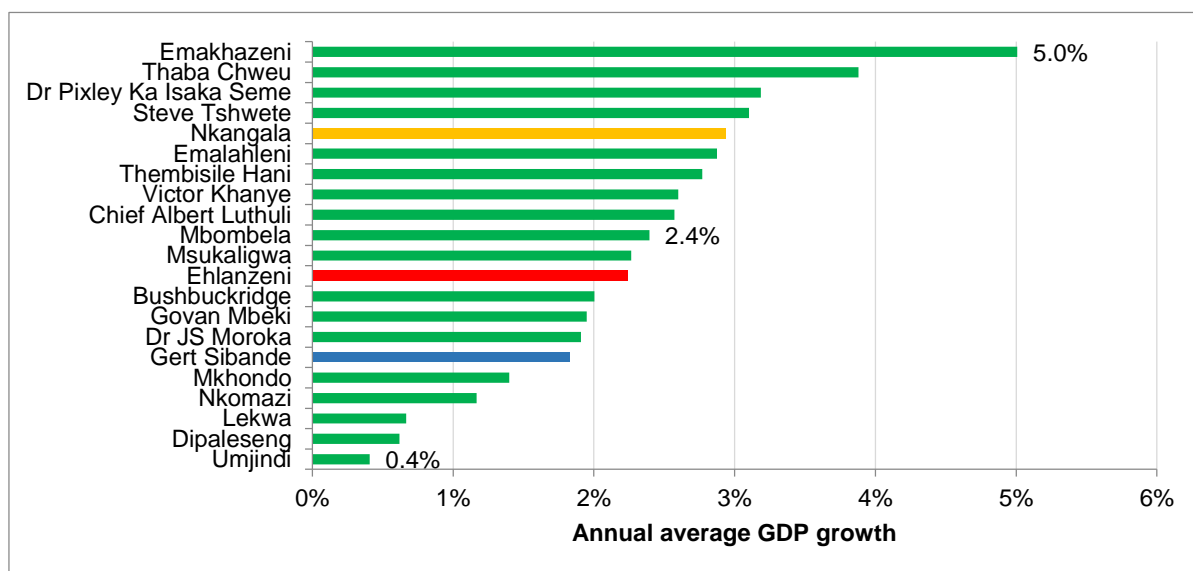
Figure 1.43: 2013 GDP (constant 2010 prices) expressed as a percentage of 1995 GDP values in South Africa & provinces, 2013



Source: Statistics South Africa – GDP Q3, 2014

Nkangala (2.9 per cent) registered the highest annual average GDP growth among the districts between 1996 and 2013, whereas Gert Sibande (1.8 per cent) recorded the lowest growth. Lekwa (0.7 per cent), Dipaleseng (0.6 per cent) and Umjindi (0.4 per cent) recorded annual average GDP growth of less than 1 per cent over the 18-year period (Figure 1.44).

Figure 1.44: Historic GDP (constant 2010 prices) growth rates for districts & local municipal areas, 1996-2013

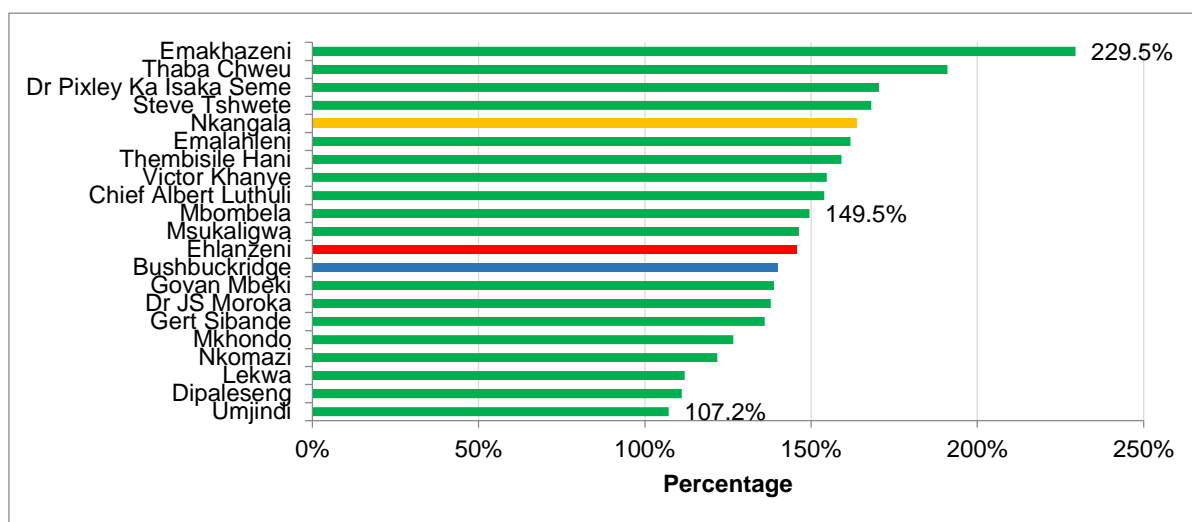


Source: IHS Global Insight - ReX, January 2015

It is evident from Figure 1.45 that among the districts and local municipal areas in Mpumalanga, only the economy of Emakhazeni doubled in size between 1996 and 2013. The economies of two districts and nine local municipal areas did not even increase by 50 per cent of the size it were in

1996. Between 1996 and 2013, the economy of Umjindi stagnated and was hardly any larger in 2013 than it was in 1996.

Figure 1.45: 2013 GDP (constant 2010 prices) expressed as a percentage of 1996 GDP values in districts & local municipal areas, 2013



Source: IHS Global Insight - ReX, January 2015

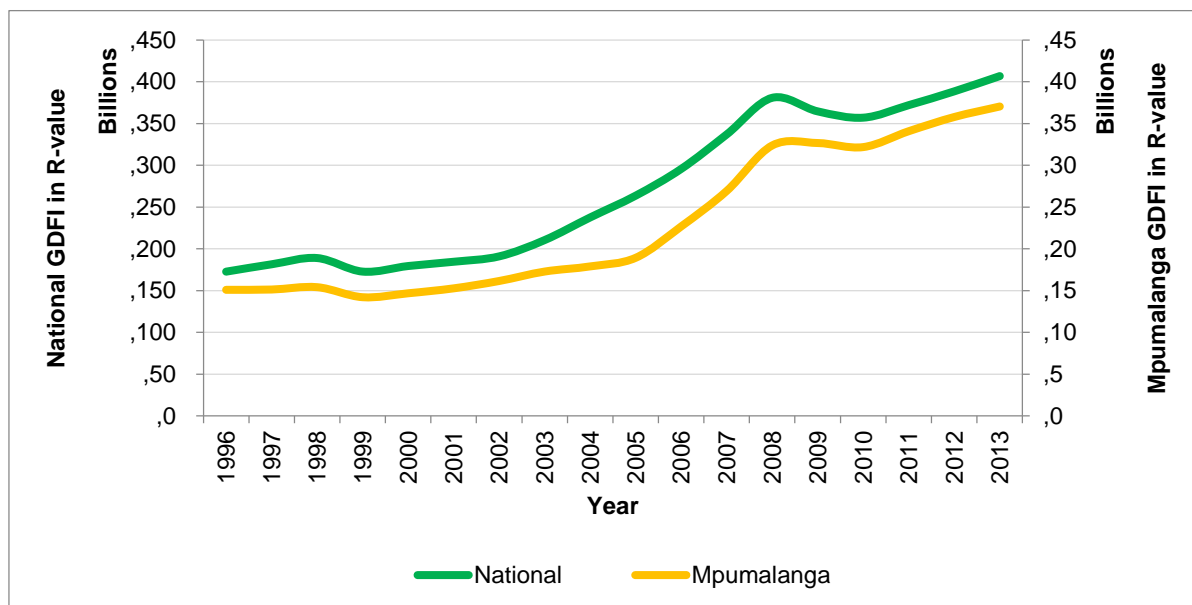
GDP per capita

GDP per capita is often considered an indicator of a region's standard of living on the rationale that all citizens would benefit from the region's increased economic production. GDP per capita expressed in constant prices must increase from approximately R51 000 in 2010 to R110 000 by 2030. In 2013, the provincial GDP per capita was equal to approximately R52 100. Sustained annual average GDP growth above 5 per cent is necessary to achieve this target.

Fixed investment

Investment in infrastructure builds economic capacity and enhances competitiveness, while contributing to the quality of life of poor people. In 2013, the gross domestic fixed investment (GDFI) in Mpumalanga amounted to R37.0 billion which was equal to 9.1 per cent of total GDFI in South Africa (Figure 1.46). From 1996 to 2013, GDFI in South Africa grew on average by 5.2 per cent per annum and by 5.4 per cent annually in Mpumalanga.

Figure 1.46: Comparison of GDFI (constant 2005 prices) in South Africa and Mpumalanga, 1996-2013



Source: Quantec, 2014

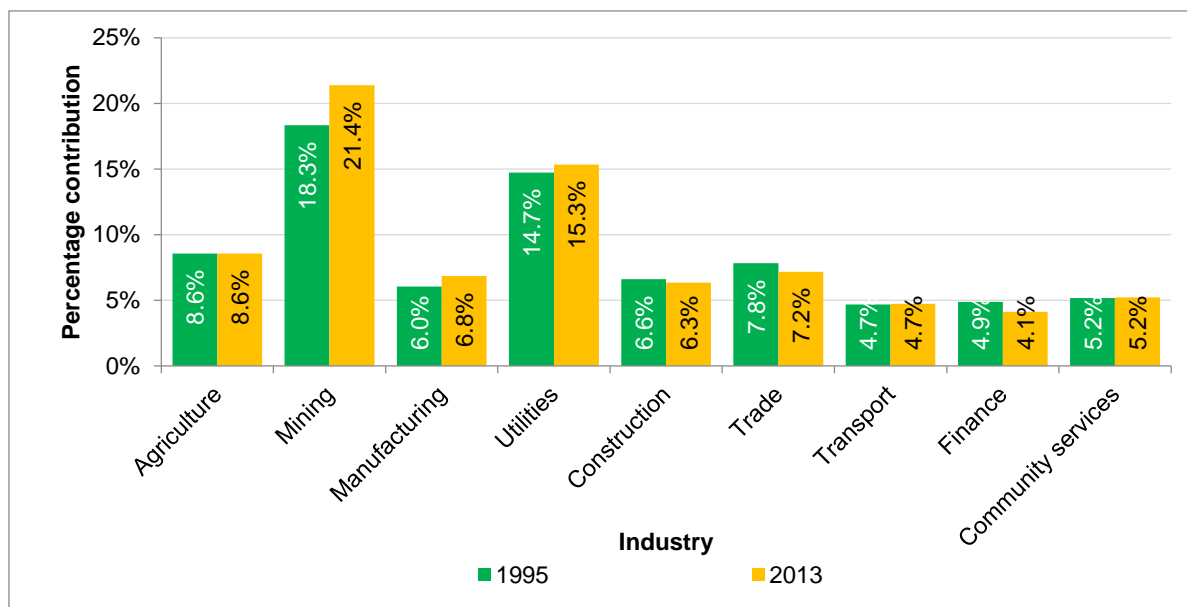
According to the NDP, public infrastructure investment must be equal to 10 per cent of GDP by 2030. In 2013/14, expenditure by the Mpumalanga Provincial Government (MPG) on infrastructure was equal to approximately 1.5 per cent of provincial GDP, however, it was higher than the share of 1.2 per cent in 2010/11. In order to reach the stated Vision 2030 goal of 10 per cent of GDP by 2030 in Mpumalanga, MPG expenditure on infrastructure in Mpumalanga has to increase by 15.0 per cent per annum up to 2030.

1.7.2 Regional contribution

The economic industries are classified according to the International Standard Industrial Classification of all Economic Activities (ISIC). This classification system groups together economic activities that are closely related. Statistical information is then collected and classified according to the categories of economic activities, which are as homogenous as possible. Statistics South Africa uses the ISIC classification when collecting and reporting its information.

Figure 1.47 depicts the contribution of each of the economic industries in Mpumalanga to the corresponding national industry in 1995 and 2013. It is estimated that in 2013, the province was a substantial role-player in the national mining and utilities (mainly electricity) industries, with respective shares of 21.4 per cent and 15.3 per cent. It is noticeable that the contribution by mining, manufacturing and utilities increased between 1995 and 2013, whilst the other industries' contribution to the national figure either declined or remained constant.

Figure 1.47: Mpumalanga's contribution to South Africa's industries (constant 2010 prices), 1995-2013



Sources: Statistics South Africa – GDP Q3, 2014

Table 1.22 exhibits the contribution by each of the three districts to the provincial industries in 1996 and 2013. Nkangala was the largest contributor to the provincial GVA with a share of 40.2 per cent in 1996 and 44.0 per cent in 2013. In 2013, the contribution by Gert Sibande was 27.6 per cent and that of Ehlanzeni 28.4 per cent. Nkangala made considerable contributions to the province's utilities (72.5 per cent), mining (70.2 per cent) and transport industries (38.3 per cent) in 2013. In 2013, Gert Sibande was the main contributor to Mpumalanga's manufacturing (51.9 per cent) and agriculture industries (41.6 per cent), whilst Ehlanzeni played a major role in the province's trade (44.0 per cent), community services (44.5 per cent), finance (43.1 per cent) and construction industries (41.0 per cent).

Table 1.22: Regional contribution to Mpumalanga's industries (GVA at constant 2010 prices), 1996-2013

Industry	Gert Sibande		Nkangala		Ehlanzeni	
	1996	2013	1996	2013	1996	2013
Agriculture²²	41.8%	41.6%	23.6%	22.9%	34.6%	35.5%
Mining²³	37.3%	23.8%	50.7%	70.2%	12.1%	6.0%
Manufacturing²⁴	41.2%	51.9%	33.2%	28.5%	25.6%	19.6%
Utilities²⁵	26.3%	24.7%	69.9%	72.5%	3.8%	2.8%
Construction²⁶	24.9%	24.6%	30.5%	34.4%	44.6%	41.0%
Trade²⁷	26.8%	24.2%	27.3%	31.8%	45.9%	44.0%
Transport²⁸	28.3%	24.2%	32.9%	38.3%	38.8%	37.5%
Finance²⁹	20.4%	20.6%	36.6%	36.3%	43.1%	43.1%
Community services³⁰	22.7%	22.7%	32.5%	32.8%	44.8%	44.5%
Total	31.0%	27.6%	40.2%	44.0%	28.8%	28.4%

Source: IHS Global Insight – ReX, January 2015

Figure 1.48 depicts the percentage contribution by the eighteen local municipal areas to the provincial GVA in 2013. In 2013, Emalahleni (21.1 per cent), Mbombela (17.0 per cent), Govan Mbeki (15.3 per cent) and Steve Tshwete (15.2 per cent) contributed 68.6 per cent to the Mpumalanga economy. Dipaleseng (0.6 per cent) and Dr Pixley Ka Isaka Seme (1.1 per cent) made the smallest contributions to the provincial economy.

²² ISIC detailed description = Agriculture, forestry and fishing

²³ ISIC detailed description = Mining and quarrying

²⁴ ISIC detailed description = Manufacturing

²⁵ ISIC detailed description = Electricity, gas and water

²⁶ ISIC detailed description = Construction

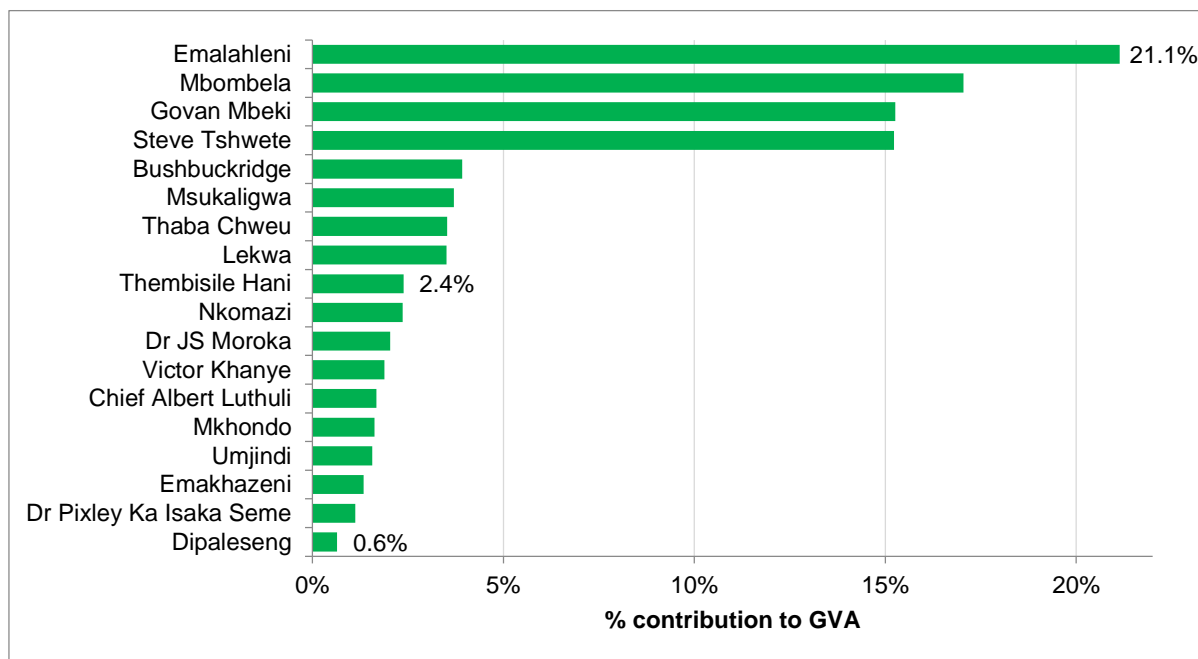
²⁷ ISIC detailed description = Wholesale and retail trade, catering and accommodation

²⁸ ISIC detailed description = Transportation, storage and communication

²⁹ ISIC detailed description = Finance, insurance, real estate and business services

³⁰ ISIC detailed description = Community, health and personal services

Figure 1.48: Contribution to provincial GVA (constant 2010 prices) by local municipal area in Mpumalanga, 2013



Source: IHS Global Insight – ReX, January 2015

1.7.3 Sectoral contribution and performance

Contribution

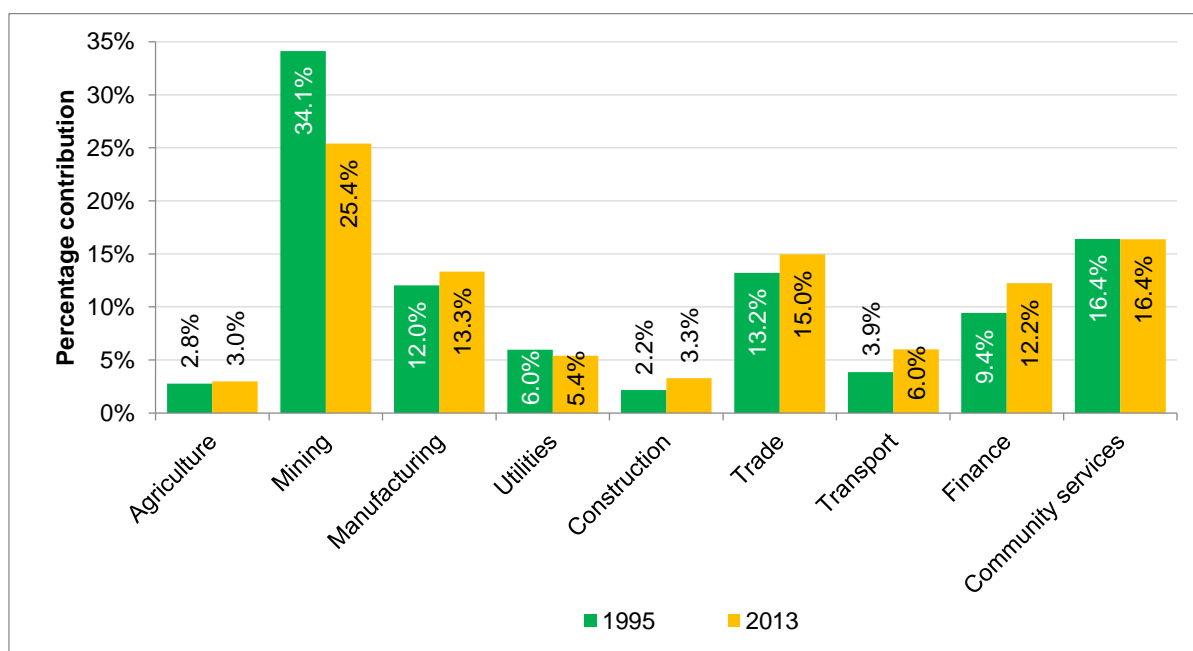
It is estimated that in 2013, the primary sector in Mpumalanga contributed 28.4 per cent, secondary sector 22.0 per cent and tertiary sector 49.6 per cent to the provincial GDP at basic prices. Although the economy depended less on the primary sector in 2013 than in 1995 (36.9 per cent), it continued to stand in contrast to the national primary sector's small contribution of 11.1 per cent in 2013. Nationally, the secondary sector added 20.4 per cent and the tertiary sector 68.5 per cent in 2013.

It is estimated that in 2013, the three largest contributors to the provincial economy were mining (25.4 per cent), community services (16.4 per cent) and trade (15.0 per cent). This was unchanged from 1995, when mining (34.1 per cent) was also the leading industry followed by community services (16.4 per cent) and trade (13.2 per cent). Figure 1.49 displays the share of each economic industry in the provincial economy in 1995 and 2013.

Figure 1.50 illustrate the change in monetary terms by industry from 1995 to 2013. The real value of all nine industries increased between 1995 and 2013. The trade industry (R12.5 billion) registered the largest absolute change over the 18-year period and the agriculture industry (R2.3 million) the smallest.

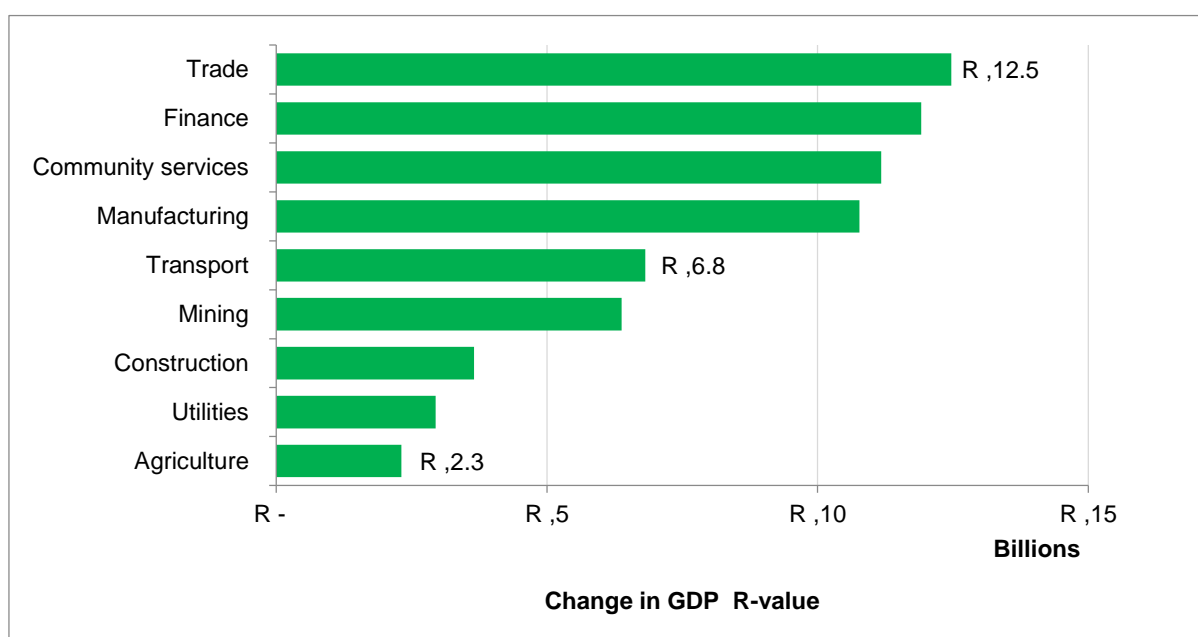
Table 1.23 displays the share of each economic industry in the three districts' economies in 1996 and 2013. The manufacturing industry dominated the district economy of Gert Sibande in 2013 with a 24.5 per cent share. Mining activities dominated the Nkangala economy as it added 39.5 per cent to the district's economy in 2013. The largest contributing industry in Ehlanzeni in 2013 was community services with a share of 25.1 per cent.

Figure 1.49: Contribution to Mpumalanga GDP (constant 2010 prices) by industry, 1995-2013



Source: Statistics South Africa – GDP Q3, 2014

Figure 1.50: Absolute change in GDP rand value (constant 2010 prices), 1995-2013



Source: Statistics South Africa – GDP Q3, 2014

Performance

The historic and forecasted GVA growth for the economic industries of Mpumalanga is presented in Table 1.24. Between 1995 and 2013, the fastest growing industries in terms of GVA growth were estimated to be transport (5.0 per cent) and construction (4.8 per cent). Over the period 2013-2018,

it is expected that finance (3.3 per cent) and transport (3.3 per cent) will record the highest average annual GVA growth per annum.

According to Table 1.25, finance (19.9 per cent) and trade (18.9 per cent) can be expected to be the main drivers of provincial GVA growth between 2013 and 2018. Community services (16.1 per cent) and manufacturing (14.0 per cent) are expected to aid provincial growth to a lesser degree, whereas agriculture (3.2 per cent) and construction (5.0 per cent) are expected to contribute the least to growth between 2013 and 2018.

Table 1.23: Contribution to individual districts' GVA (constant 2010 prices) by industry, 1996-2013

Industry	Gert Sibande		Nkangala		Ehlanzeni	
	1996	2013	1996	2013	1996	2013
Agriculture	4.7%	4.5%	2.0%	1.5%	4.2%	3.7%
Mining	38.9%	21.3%	40.8%	39.5%	13.6%	5.3%
Primary industries	43.6%	25.8%	42.9%	41.0%	17.8%	8.9%
Manufacturing	15.5%	24.5%	9.6%	8.4%	10.4%	9.0%
Utilities	5.3%	4.9%	10.9%	8.9%	0.8%	0.5%
Construction	1.8%	3.0%	1.7%	2.6%	3.4%	4.8%
Secondary industries	22.5%	32.3%	22.2%	19.9%	14.6%	14.3%
Trade	11.5%	13.5%	9.0%	11.1%	21.2%	23.8%
Transport	3.6%	5.1%	3.2%	5.1%	5.3%	7.7%
Finance	6.6%	9.3%	9.1%	10.2%	15.0%	18.7%
Community services	12.3%	13.9%	13.5%	12.6%	26.1%	25.1%
Tertiary industries	33.9%	41.9%	34.9%	39.0%	67.6%	76.8%
Total industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: IHS Global Insight – ReX, January 2015

Table 1.24: Historic and forecasted GVA (constant 2010 prices) growth rates for Mpumalanga's economic industries, 1995-2018

Industry	1995-2013	1995-1999	1999-2004	2004-2009	2009-2013	2013-2018
Agriculture	2.9%	8.1%	1.4%	1.6%	-0.7%	2.2%
Mining	0.8%	0.6%	1.4%	-1.2%	2.3%	0.5%
Manufacturing	3.0%	2.1%	4.2%	2.9%	2.1%	2.1%
Utilities	1.8%	1.4%	3.2%	1.6%	0.6%	2.6%
Construction	4.8%	1.3%	3.7%	11.7%	1.3%	3.1%
Trade	3.2%	2.8%	2.9%	3.8%	2.2%	2.6%
Transport	5.0%	6.2%	6.1%	4.2%	1.8%	3.3%
Finance	3.9%	4.3%	2.8%	5.4%	2.2%	3.3%
Community services	2.4%	1.3%	2.0%	3.4%	2.6%	2.0%

Sources: *Statistics South Africa – GDP Q3, 2014 (Historic growth)*

IHS Global Insight - ReX, January 2015 (Future growth)

Table 1.25: Contribution to GVA growth (constant 2010 prices) in Mpumalanga by industry, 2013-2018

Industry	GDP at basic prices 2013	Estimated industry GVA growth 2013-2018	Estimated contribution to provincial GVA growth 2013-2018
Agriculture	3.0%	2.2%	3.2%
Mining	25.4%	0.5%	6.2%
Manufacturing	13.3%	2.1%	14.0%
Utilities	5.4%	2.6%	7.0%
Construction	3.3%	3.1%	5.0%
Trade	15.0%	2.6%	18.9%
Transport	6.0%	3.3%	9.7%
Finance	12.2%	3.3%	19.9%
Community services	16.4%	2.0%	16.1%

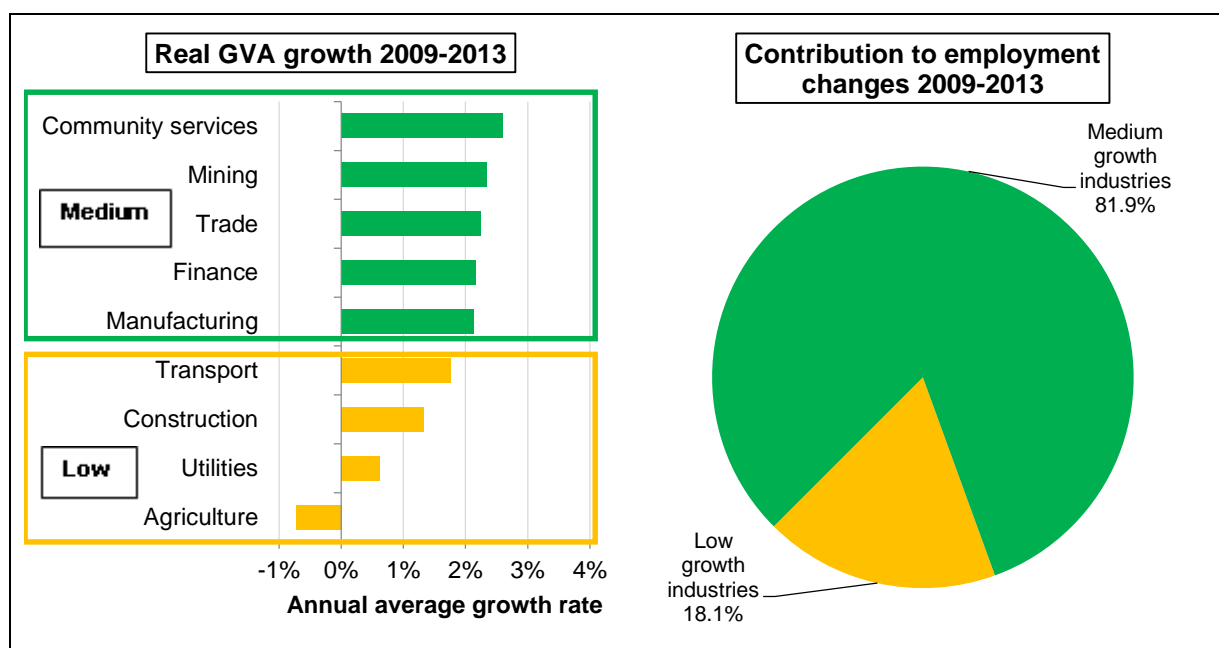
Sources: Statistics South Africa – GDP Q3, 2014

IHS Global Insight – ReX, January 2015

Performance and employment

Figure 1.51 depicts the real GVA growth per industry over the period 2009 to 2013 in the left-hand diagram and the contribution to changes in employment numbers over the same period in the right-hand diagram. Over the 4-year period community services, mining and trade achieved the highest annual average growth rates, whereas agriculture and utilities recorded the lowest average annual growth.

Figure 1.51: Real GVA growth (constant 2010 prices) and contribution to employment changes by industry, 2009-2013



Sources: *Statistics South Africa – GDP Q3, 2014*

Statistics South Africa – QLFS, 2015

In 2013, some 145 000 more people were employed by the nine industries in Mpumalanga than in 2009. In the right hand diagram, it is observable that the medium growth industries (between 2 and 4 per cent average annual growth) contributed 81.9 per cent to the increased number of employed. The low growth industries, with growth of less than 2 per cent per annum, contributed 18.1 per cent. Based on the two diagrams, it is evident that an industry makes a larger contribution to employment growth when it achieves a medium to high growth rate, than when it grows at a low growth rate.

1.7.4 Diversification of the economy

The Tress Index measures the level of concentration or diversification in an economy. An index score of zero represents a much diversified economy, while a number closer to 100 indicates a high level of concentration.

In 2013, the economy of Mpumalanga appears to be slightly more diversified than that of South Africa with an index score of 37.5 compared to a national score of 39.3. Among the nine provinces, Mpumalanga ranked second in terms of the most diversified economy, behind Free State (36.5) and ahead of KwaZulu-Natal (39.8).

1.7.5 Comparative advantage of the economy

The location quotient is an indication of the comparative advantage of an economy. An economy has a location quotient larger (smaller) than one, or a comparative advantage (disadvantage) in a particular industry when the share of that industry in the provincial economy is greater (less) than the share of the same industry in the national economy.

In Mpumalanga, agriculture (1.19), mining (2.76), utilities (2.02) and trade (1.06) held a comparative advantage over the same industry in the national economy in 2013. Table 1.26 provides the location quotients of the various industries, indicating their respective comparative advantages.

1.7.6 Labour intensity

Labour intensive industries are identified by comparing the output generation capacity with the utilisation of labour by each of the industries. In 2013, the following four industries in Mpumalanga exhibited higher employment shares relative to their output shares, thereby indicating a high level of labour intensity: agriculture, construction, trade and community services. Nationally the same four industries revealed a high labour intensity. Table 1.26 provides a comparison of employment with output at industry level for 2013.

1.7.7 Employment elasticity

The rate of employment growth in an economy, or in any industry of it, is determined by many factors operating simultaneously, one of which is how fast the economy grows. Employment elasticity provides an indication of the historic rate of employment growth as determined by the historic economic growth. Such an employment elasticity of an industry can be calculated by dividing the observed growth rate of employment during any past period by the observed economic growth rate during the same past period.

In Mpumalanga, the utilities industry recorded the highest employment elasticity of 21.64 over the period 2009 to 2013. Therefore, on average over the 4-year period, every 1 per cent of real GVA growth in the province's utilities industry translated into a 21.6 per cent increase in employment in the utilities industry. The employment growth in agriculture and manufacturing was negative over the 4-year period and therefore these industries recorded negative employment elasticity – or jobless growth. Table 1.26 provides the historic employment elasticities of the various industries.

1.7.8 Labour productivity

Productivity can be measured by relating changes in output to changes in one or more input to production. Should an industry achieve a score of more than unity (1) then that industry is regarded as experiencing higher labour productivity than all industries combined. When comparing Mpumalanga's industry specific labour productivity with that of the province's total industries, it is evident that five industries (mining, manufacturing, utilities, transport and finance) achieved higher labour productivity than the total industries combined in 2013 (Table 1.26).

Table 1.26: Essential economic ratio's by industry in Mpumalanga, 2001-2013

Industry	Comparative advantage 2013	Labour intensity 2013	Employment elasticity 2008-2013	Labour productivity 2013
Agriculture	1.19	2.44	-1.68	0.41
Mining	2.76	0.31	4.87	3.00
Manufacturing	0.95	0.68	-1.44	1.83
Utilities	2.02	0.27	21.64	1.87
Construction	0.82	2.99	1.15	0.35
Trade	1.06	1.37	0.50	0.59
Transport	0.66	0.85	1.41	1.24
Finance	0.52	0.90	4.31	0.96
Community services	0.72	1.24	2.21	0.75
Total	-	-	1.75	1.00

Sources: *Statistics South Africa – GDP Q3, 2014*

IHS Global Insight - ReX, January 2015

Statistics South Africa – QLFS, 2015

1.7.9 Tourism

Because tourism is not a clearly defined industry in the SIC, it was therefore the first economic activity to use Satellite Account³¹ standards to measure its impact on national economies – as approved by the United Nations (UN) in March 2000. According to Statistics South Africa's Tourism Satellite Account (TSA), the national tourism sector was simulated to have contributed some 3.1 per cent to GDP in 2012. Some 617 300 persons were directly engaged in producing goods and services purchased by visitors, which accounted for 4.6 per cent of total employment in 2012.

The current lack of sufficient baseline data of tourism supply on a provincial level makes an assessment of the supply side, and therefore a similar exercise such as the TSA for South Africa on a provincial basis, impossible. It is, however, possible to express tourism spend as a percentage of

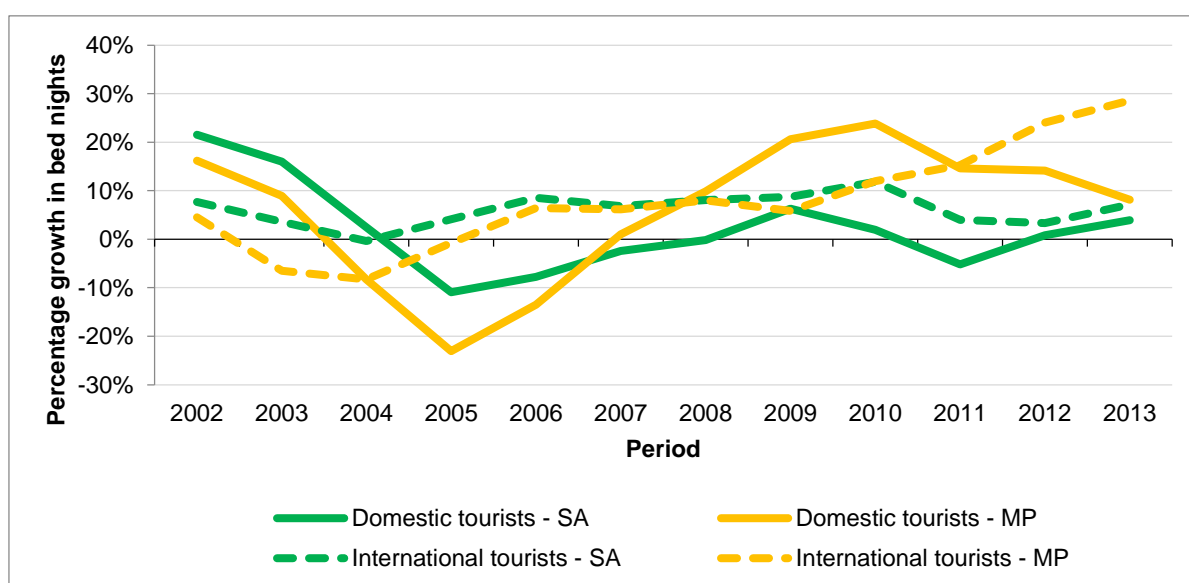
³¹ A Satellite Account is a term developed by the UN to measure the size of economic sectors that are not defined as industries in national accounts.

regional GDP in order to indicate how large an impact it makes and whether its contribution grows. In terms of this indicator, tourism spend in 2001 was equal to 6.3 per cent and 5.9 per cent of South Africa and Mpumalanga's GDP, respectively. By 2013, tourism spend in South Africa declined to 6.1 per cent of GDP, whilst in Mpumalanga it increased to 7.3 per cent of the provincial GDP. Among the nine provinces, only Western Cape (9.0 per cent) registered a larger tourism spend to GDP share than Mpumalanga.

According to Tourism South Africa's *Annual Report 2013*, Mpumalanga was the fourth most visited province by foreign visitors in 2013, with a share of 12.5 per cent of total foreign arrivals visiting the province. This was down from 15.2 per cent of total foreign arrivals in 2012. Mpumalanga captured 10.0 per cent of the total bed-nights spent by all foreign tourists in South Africa. This was higher than the 8.8 per cent in 2012 and the province moved from joint third position to third overall. Mpumalanga attracted 12.0 per cent of domestic tourists in 2013 and remained in fourth position.

Figure 1.52 compares the growth in bed nights by tourists in South Africa and Mpumalanga according to their origin. Annual growth in bed nights by domestic tourists in South Africa has fluctuated significantly between 2002 and 2013. Growth in bed nights by international tourist in Mpumalanga tracked the South African scenario closely up to 2009, however, since 2010 Mpumalanga experienced distinctly higher growth than South Africa. Since 2007, bed nights spent by domestic tourists in Mpumalanga recorded higher growth rates than the national standard.

Figure 1.52: Comparison of growth in bed nights by origin of tourist in South Africa and Mpumalanga, 2002-2013

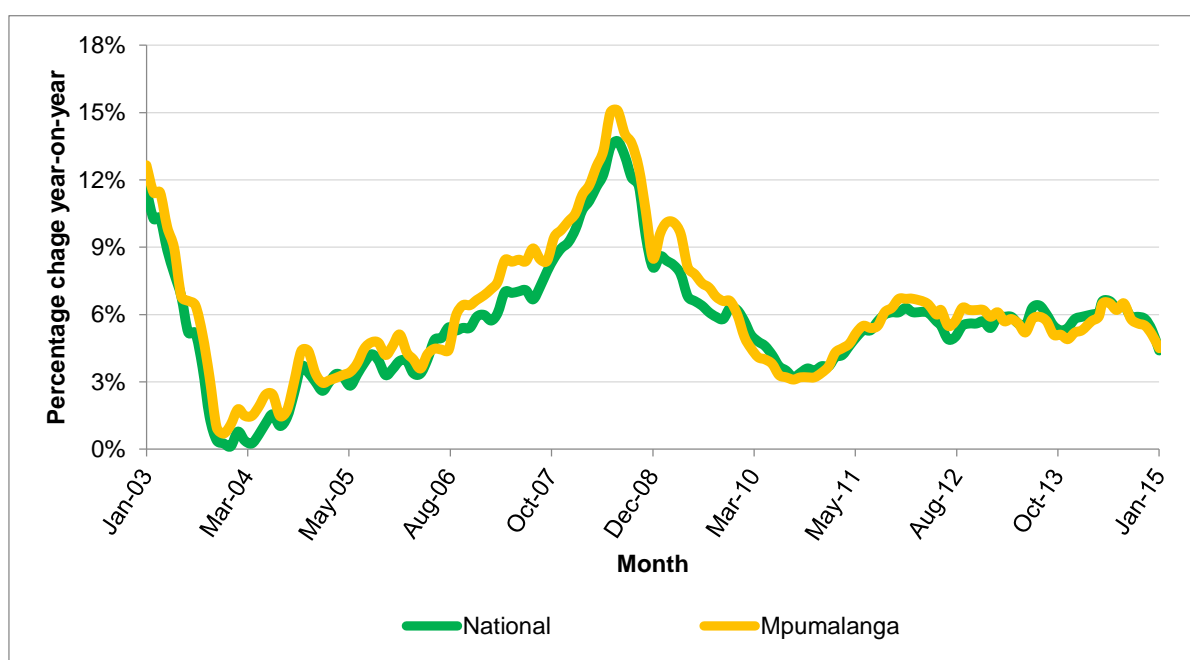


Source: IHS Global Insight – ReX, January 2015

1.7.10 Inflation

The most common way to measure inflation is by reference to a consumer price index (CPI), which measures the changes in prices of a basket of goods and services purchased by a representative set of households for 2014 was 5.8 per cent, which was lower than the average for South Africa (6.1 per cent) as well as the lowest overall. In January 2015, Mpumalanga, jointly with North West, recorded the fifth highest/lowest inflation measurement of 4.5 per cent among the provinces. Mpumalanga's inflation rate was last this low in April 2011. The comparative percentage change in the CPI for South Africa and Mpumalanga from January 2003 to January 2015 is displayed in Figure 1.53.

Figure 1.53: CPI in South Africa and Mpumalanga, 2003–2015



Source: Statistics South Africa – CPI, 2015

The average annual inflation rate in Witbank/Nelspruit³² for 2014 was 5.4 per cent, which was the lowest of the thirteen urban areas. The inflation measurement for Witbank/Nelspruit was 4.5 per cent in January 2015, considerably lower than the December 2014 measurement of 5.0 per cent. It recorded the eighth lowest inflation measurement in January 2015. The Witbank/Nelspruit inflation rate was equal to Mpumalanga's inflation rate and also higher than the national inflation rate for January 2015. It was, however, below the upper limit of the inflation target zone.

The main determinants of inflation in Mpumalanga based on their respective weightings, as provided in Table 1.27, are price changes in food and non-alcoholic beverages (FNAB), housing and utilities, transport as well as miscellaneous goods and services (MGS). These four broad determinants, in terms of the weighting, contribute more than 70 per cent to the level of inflation and inflation movements in Mpumalanga.

It appears from Table 1.27, that the FNAB index was accountable for 29.1 per cent of the average price increase in Mpumalanga during January 2015. The housing and utilities as well as the MGS indices were accountable for 25.6 per cent and 21.4 per cent respectively. The transport index's contribution decreased by 5.4 per cent due to a 127c/litre decrease in the price of petrol. The clothing and footwear index made a considerable contribution of 11.9 per cent compared with its weighting of 5.36 per cent.

When the impact of the more volatile food and petrol prices are excluded from the consumer price index as in Figure 1.54, the underlying annual inflation amounted to 5.4 per cent in January 2015. If electricity prices are also excluded from the calculation of headline CPI inflation, core inflation would have been at 5.3 per cent in January 2015.

The Monetary Policy Committee (MPC) announced at the conclusion of its January meeting that the SARB's national inflation forecast have been revised lower, mainly as a result of the lower oil price. The forecast for 2015 was decreased to 3.8 per cent, compared with the previous forecast of 5.3 per cent. The steep decline in 2015, however, produces a strong base effect in 2016, and, when

³² Official description by Statistics South Africa for the combined urban areas of Emalahleni and Mbombela

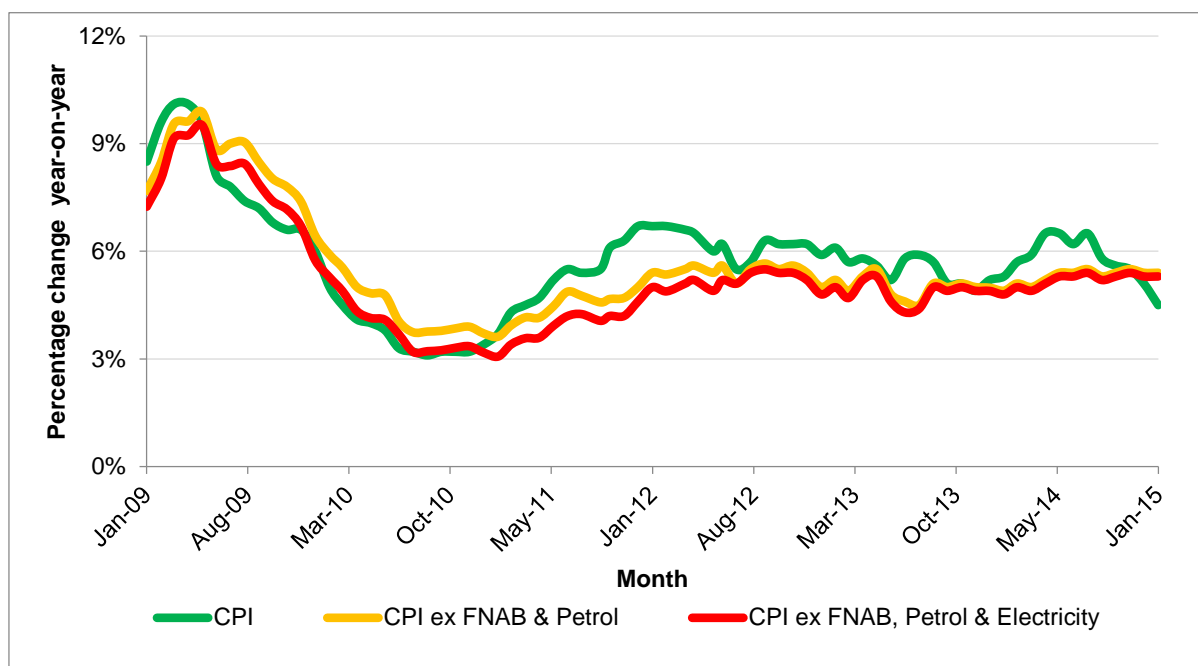
combined with a slightly higher oil price assumption and a depreciated exchange rate of the rand, results in an average inflation forecast of 5.4 per cent for the year.

Table 1.27: Mpumalanga's CPI group indices, weights, percentage change & contribution to inflation, January 2015

Index description	Weight	Percentage change		Estimated contribution to inflation
		Month-on-month	Year-on-year	
Food & non-alcoholic beverages	20.72	+1.0	+6.2	29.1%
Alcoholic beverages and tobacco	4.81	+0.5	+7.6	8.3%
Clothing and footwear	5.36	+0.3	+9.8	11.9%
Housing and utilities	21.37	+0.1	+5.3	25.6%
Household contents and services	5.75	+0.1	+1.7	2.2%
Health	1.38	+0.6	+7.1	2.2%
Transport	14.88	-2.5	-1.6	-5.4%
Communication	2.25	+0.1	-2.4	-1.2%
Recreation and culture	6.20	-0.1	+0.3	0.4%
Education	1.58	+0.0	+6.2	2.2%
Restaurants and hotels	2.56	+0.0	+5.6	3.2%
Miscellaneous goods and services	13.14	+0.6	+7.2	21.4%
All items	100.0	+0.0	+4.5	100.0%

Source: Statistics South Africa – CPI Additional Tables, 2015

Figure 1.54: Measures of underlying inflation in Mpumalanga, 2009–2015



Source: Statistics South Africa – CPI Additional Tables, 2015

1.8. INTERNATIONAL TRADE

Mpumalanga's contribution to total national trade was 1.0 per cent in 2013, down from 1.2 per cent in 1996. The two leading provinces, in terms of total trade contribution in 2013, were Gauteng with a share of 62.2 per cent and Western Cape (15.3 per cent). Mpumalanga contributed 1.4 per cent and 0.6 per cent to national exports and national imports, respectively.

Mpumalanga recorded vigorous average annual growth in terms of exports (10.5 per cent) and imports (13.7 per cent) from 1996 to 2013. The province, however, did not grow exports and imports as fast as the respective national averages of 12.2 per cent and 13.3 per cent. Mpumalanga occupied the sixth position in terms of export growth and the fifth position in terms of import growth.

Mpumalanga registered a positive trade balance of R6.6 billion in 2013, continuing the trend of exports exceeding imports since the start of the period under review in 1996. During the same period, the trade balance of South Africa fluctuated between positive and negative territory, finishing 2013 with a deficit of R74 billion. Mpumalanga was the province with the fourth highest positive trade balance in 2013 after North West, Limpopo and Gauteng.

Among the three districts, Ehlanzeni (50.9 per cent) was the main contributor to provincial exports in 2013 followed by Nkangala and Gert Sibande with respective contributions of 37.9 per cent and 11.2 per cent (Table 1.28). Exports from Gert Sibande (12.9 per cent) recorded the highest growth since 1996 and those from Nkangala the slowest (8.9 per cent). Gert Sibande attracted 37.7 per cent of Mpumalanga's imports in 2013, followed by Ehlanzeni and Nkangala. Imports flowing to Ehlanzeni recorded the highest growth rate (20.3 per cent) over the 17-year period and those to Gert Sibande the lowest (10.5 per cent).

Table 1.28: Mpumalanga districts' contribution to provincial exports and imports, 2013

District	Exports		Imports	
	Share of Mpumalanga 2013	Growth per annum 96-13	Share of Mpumalanga 2013	Growth per annum 96-13
Gert Sibande	11.2%	12.9%	37.7%	10.5%
Nkangala	37.9%	8.9%	29.5%	14.4%
Ehlanzeni	50.9%	11.6%	32.7%	20.3%

Source: IHS Global Insight – ReX, January 2015

Among the three districts, Ehlanzeni recorded the largest positive trade balance of R4.5 billion in 2013, followed by Nkangala (R3.0 billion). Gert Sibande recorded a negative trade balance in 2013 of R907 million and is the only district in Mpumalanga that, from time to time, recorded negative trade balances.

2. BUDGET STRATEGY AND AGGREGATES

2.1 Introduction

TECHNICAL ADJUSTMENTS

EQUITABLE SHARE ALLOCATIONS

The 2015 Budget is tabled in the context of a constrained domestic economic environment and an uncertain global economic outlook.

NOTES ON THE EQUITABLE SHARE ALLOCATIONS

Reductions to provincial equitable share baselines

Spending during 2015/16 has been reduced by R215.096 million. In the 2015/16 financial year MTEF, most of new spending has been funded through reprioritisation of funds and identification of savings.

The revised provincial equitable share baselines for the 2015 MTEF are used to calculate each department's equitable share allocation.

All votes have been reduced in order to respond to the R215.096 million with the following exceptions: The only departments that were protected were the social services sector namely Education, Health as well as Social Development. The Provincial Legislature has also been protected.

Inflation assumptions

Revised inflation projections (CPI) published in the *2014 Medium Term Budget Policy Statement* are 5.8 per cent in 2015/16, 5.5 per cent in 2016/17 and 5.3 per cent in 2017/18.

It has been difficult to fund any goods and services items at CPI level after a number of reductions in the budgets which in themselves were necessary. This has necessitated that any cost containment measures are implemented in the budget upfront prior to tabling of provincial budgets on 17 March 2015.

The reduction in budgets were targeted at non - core spending items. The entire goods and services budget was presented to the Budget and Finance Committee and motivations made at an item level why budgets should not be reduced.

Personnel inflation related adjustments

For the 2015 MTEF, the funding of compensation of employees is based on the assumption that cost-of-living adjustments will track CPI projections. Baselines also assume that overall headcount numbers do not increase in aggregate. Departments are cautioned about the possibility that the final wage agreement might be in excess of inflation.

The Provincial budgets have been developed in line with budget guideline which sets the growth on personnel budgets at 8.1 percent which is a provision for existing personnel. In developing the personnel reliance has been placed on cost per head which is a simple and credible way of accounting for cost of personnel.

Compensation of employees

Budget Council has cautioned that the Cost-of-living budget adjustments are directly linked to CPI projections and **departments will have to find further efficiencies to fund increases in COE, especially for new posts**, without crowding out spending on complimentary goods and services. Departments are also required to improve their personnel management and controls to reduce any excess staff.

In preparing budgets for the 2015 MTEF, **departments should fully and properly budget** for current staff on their approved and funded organizational structure.

Executive Council has noted that employee costs were growing almost uncontrollably and in order to correct this challenge, an instant moratorium has been declared with only one exception being the Department of Health where the Department is allowed to fill 1571 critical posts. In the case of the Department of Education, only the school based employment will be allowed. The other departments will not fill new positions as the funding has been declared upfront and has been reprioritized to fund provincial priorities as pronounced in the State of Province address.

The introduction of an instant moratorium has resulted in the reduction of the percentage share between the compensation of employees as a percentage of the entire budget of the Province from 59.9 per cent to 58.33 per cent.

After adjusting for Provincial Legislature, the percentage share of compensation of employees against the total budget amounts to 58.33 per cent. This exercise has taken the percentage share to where it was during 2011/12 financial year. The Executive Council has directed that this percentage must still reduce to 57 percent in 2016/17 and beyond.

SOPA 2015 in paragraph 313 states that the Province has set itself a number of goals and targets for this year that may seem ambitious, costly and even daunting in their complexity. More importantly, it is the work of a government that is lean, professional, accountable and committed to hard work. Paragraph 324 reads as follows: “we will review, realign and streamline organisational structures in order to reduce excessive expenditure on compensation for employees”.

In line with the SOPA 2015 pronouncements, the Executive Council has initiated a process of rationalization in the entire Provincial Administration. In carrying out its work, the Executive Council realized that there are duplications that exist in the administration in relation to skills, an over-supply of personnel in one department whilst other department might be experiencing shortages. Posts that were in advanced stages will be filled through the process of rationalization. Governance posts such as those of Chief Financial positions, Internal Auditors, Chief Risk Officers, amongst others will be prioritized. There are different phases that will unfold in the following fields Planning, Human Resources, Internal Auditors especially the shared services model. The financial managers that are currently remaining in the database will be considered for supporting municipalities whilst serving in the dedicated unit that is situated in the Provincial Treasury.

In finalizing the Provincial budgets, the Province is embarking in a process of reviewing, realigning organizational structures in all the departments as well those of Public Entities in order to reduce excessive expenditure on compensation of employees.

An amount of R233.977 million has been raised from the abolishment of vacant funded posts across the Provincial Administration. These savings are due to increase as the Public Entities will also be subjected to the same process and that an instant moratorium is implemented at an entity level as they are also funded through the Provincial Fiscus which means that this budget strategy also applies to all institutions in the Mpumalanga Provincial Administration.

Amounts declared on vacant funded posts				
Vote number	Name of vote	Savings -11 March 2015	Savings -12 March 2015	Savings raised from vacant funded posts
1	Office of Premier	57.8	55.5	11,444
2	Provincial Legislature	48.7	48.7	-
3	Finance	56.7	55.7	6,465
4	Cooperative Governance and Traditional Affairs	79.5	79.3	2,778
5	Agriculture Rural Development, Land and Environmental Affairs	55.5	54.2	30,613
6	Economic Development and Tourism	16.0	16.0	5,357
7	Education	77.7	77.7	12,000
8	Public Works, Roads and Transport	21.1	19.5	112,000
9	Community Safety Security and Liaison	37.8	37.1	12,464
10	Health	62.5	62.5	-
11	Culture, Sport and Recreation	35.6	33.7	13,301
12	Social Development	43.8	43.5	8,800
13	Human Settlements	11.4	10.3	18,755
				233,977

Other Technical adjustments – Equitable share

Other technical adjustments

Other technical adjustments										
Equitable share (All votes)										
Votes	R'000	Contribution of 2 SHE depts Social Development and Education towards Health stabilisation	Proportional % Deduction of non social services departments	National cut of 2015/16 Baseline	Provincial Deduction /Additions to address Provincial pressures	Rescheduled services from 2014/15 financial year	Provincial Adjustment for the funding of Artisan priority	SOPA 2014 Pronouncement + 2015 Pronouncement on training of Artisans by HYDRA ARC	% Share of each vote funded from Equitable Share line	
1		5	6	7	8	9	10	11	12	13
Office of the Premier			3.10%	(6,672)	31,000		(2,326)		230,240	1%
Mpumalanga Provincial Legislature					12,600				257,141	1%
Finance			4.12%	(8,870)	5,000		(2,818)		270,158	1%
Co-operative Governance and Traditional Affairs			6.42%	(13,817)	31,108		(4,485)		444,043	1%
Department of Agriculture, Rural development, Land and Environmental Affairs			13.02%	(27,996)	(13,016)		(9,568)		823,199	3%
Department of Economic Development and Tourism			11.77%	(25,307)	(11,765)		(7,528)		745,250	2%
Education		(76,035)	3.64%	(7,835)	(12,224)		(50,000)	128,354	15,189,232	49%
Public Works, Roads and Transport			34.82%	(74,890)	(34,817)		(22,549)		2,205,140	7%
Community Safety, Security and Liaison			15.22%	(32,746)		24,124	(10,623)		1,002,772	3%
Health		127,700		-	-				8,080,059	26%
Culture, Sport and Recreation			4.27%	(9,185)	(4,270)		(2,732)		270,481	1%
Social Development		(51,665)		-	-	10,000	(13,411)		1,282,724	4%
Human Settlements			3.62%	(7,778)	(3,616)		(2,314)		229,070	1%
TOTAL		-	100.00%	(215,096)	(0)	34,124	(128,354)	128,354	31,029,509	

Funding at a norm of 27 percent on equitable share as well as a top up from Own Revenue

As can be seen on the table above, Health could only be funded up to 26 per cent from equitable share line item.

Own revenue has been reconfigured in order to top up the allocation in Health Department.

Own revenue amounting to R324 million was redirected from Department of Agriculture, Rural Development, Land and Environmental Affairs (DARDLEA) and Department of Education to the values of R124 million and R200 million respectively as indicated on the next 2 tables.

Own revenue before adjustment made towards the norm

Votes	R'000	2015/16 Equitable Share	Own Revenue	Total	% Share
Office of the Premier		230,240		230,240	1%
Mpumalanga Provincial Legislature		257,141	37,812	294,953	1%
Finance		270,158	8,857	279,015	1%
Co-operative Governance and Traditional Affairs		444,043		444,043	1%
Department of Agriculture, Rural development, Land and Environmental Affairs		823,199	124,000	947,199	3%
Economic Development, Environment and Tourism		745,250		745,250	2%
Education		15,189,232	406,081	15,595,313	49%
Public Works, Roads and Transport		2,205,140	27,177	2,232,317	7%
Community Safety, Security and Liaison		1,002,772	48,876	1,051,648	3%
Health		8,080,059	168,835	8,248,894	26%
Culture, Sport and Recreation		270,481		270,481	1%
Social Development		1,282,724		1,282,724	4%
Human Settlements		229,070		229,070	1%
TOTAL		31,029,509	821,638	31,851,147	

Adjustment for own revenue to top up allocation in Health towards a norm

Votes	R'000	2015/16 Equitable Share	Own Revenue	Total	% Share
Office of the Premier		230,240		230,240	1%
Mpumalanga Provincial Legislature		257,141	37,812	294,953	1%
Finance		270,158	8,857	279,015	1%
Co-operative Governance and Traditional Affairs		444,043		444,043	1%
Department of Agriculture, Rural development, Land and Environmental Affairs		823,199		823,199	3%
Economic Development, Environment and Tourism		745,250		745,250	2%
Education		15,189,232	206,081	15,395,313	48%
Public Works, Roads and Transport		2,205,140	27,177	2,232,317	7%
Community Safety, Security and Liaison		1,002,772	48,876	1,051,648	3%
Health		8,080,059	492,835	8,572,894	27%
Culture, Sport and Recreation		270,481		270,481	1%
Social Development		1,282,724		1,282,724	4%
Human Settlements		229,070		229,070	1%
TOTAL		31,029,509	821,638	31,851,147	

Re-configuration of budgets in line with the Budget strategy						
Vote number	Name of vote	SHE contributions (Education, Social Development)	Reduction of own revenue	Contribution towards artisans development	Posts vacant and funded	Total
		1	2	3	5	6
1	Office of Premier			(2,326)	(11,444)	(13,770)
3	Finance			(2,818)	(6,465)	(9,283)
4	Cooperative Governance and Traditional Affairs			(4,485)	(2,778)	(7,263)
	Agriculture Rural Development, Land and Environmental Affairs		(124,000)	(9,568)	(30,613)	(164,181)
6	Economic Development and Tourism			(7,528)	(5,357)	(12,885)
7	Education	(76,035)	(200,000)	(50,000)	(12,000)	(338,035)
8	Public Works, Roads and Transport			(22,549)	(112,000)	(134,549)
9	Community Safety Security and Liaison			(10,623)	(12,464)	(23,087)
10	Health				-	-
11	Culture, Sport and Recreation			(2,732)	(13,301)	(16,033)
12	Social Development	(51,665)		(13,411)	(8,800)	(73,876)
13	Human Settlements			(2,314)	(18,755)	(21,069)
		(127,700)	(324,000)	(128,354)	(233,977)	(814,031)
Amounts allocated		Health		Education		

Function shifts to national government

The following functions will be shifted from provincial to national government from 1 April 2015. The funds for these functions will be shifted from the provincial equitable share to national sphere:

Function shifts					
Equitable share (All votes)		2015/16			
Votes	R'000	2014 MTEF - Baselines	Function shift	Sub-Total after adjusting for function shifts	
1		2	3	4	
Office of the Premier		213,044	(4,806)	From OTP to Social Development (Office of the Rights of the Child and Status of Disabled Persons)	208,238
Mpumalanga Provincial Legislature		244,541			244,541
Finance		270,264	6,582	From COGTA - Municipal Finance officials to Provincial Treasury	276,846
Co-operative Governance and Traditional Affairs		437,819	(6,582)	From COGTA - Municipal Finance officials to Provincial Treasury	431,237
Department of Agriculture, Rural development, Land and Environmental Affairs		779,511	94,268	From DEDT (Environmental Affairs)	873,779
Department of Economic Development and Tourism		884,118	(94,268)	To DARDLEA (Environmental Affairs)	789,850
Education		15,399,110	(192,138)	From Education to National Government (ABET)	15,206,972
Public Works, Roads and Transport		2,337,396			2,337,396
Community Safety, Security and Liaison		1,022,017			1,022,017
Health		7,998,717	(46,358)	From Health to National Department of Health (Port Health and National Health Laboratory Services)	7,952,359
Culture, Sport and Recreation		286,668			286,668
Social Development		1,332,994	4,806	From OTP to Social Development (Office of the Rights of the Child and Status of Disabled Persons)	1,337,800
Human Settlements		242,778			242,778
TOTAL		31,448,977	(238,496)		31,210,481

AET and FET Colleges

In May 2009, the Further Education and Training (FET) and the Adult Education and Training (AET) functions were assigned to the Minister of Higher Education and Training.

The Department of Higher Education and Training (DHET) and provincial department reached an agreement on the appropriate provincial equitable share amounts to be shifted.

National Health Laboratory Services

The national functions of the National Health Laboratory Services consist of the National Institute of Communicable Diseases (NICD), the National Institute of Occupational Health (NIOH), the Cancer Registry (NCR) and the teaching and research function of the National Health Laboratory Services

The current structure of the NHLS results in tariffs being inflated due to the accountability of the performance of functions not being linked to its funding. The portion of the funding that relates to teaching, training and research costs incurred by NHLS have been shifted to the National Department of Health. The budgets that remain in Provinces is that of laboratory testing and no longer the training and research portion.

Joint Health MinMEC and Budget Council agreed that the funding of these functions be shifted from the provincial sphere to the national sphere hence the function shift.

Port Health

A function shift is implemented where the function of Port Health is shifted from the Provincial Sphere to the National Sphere.

Other Function shifts

Other functions shifts that existed during the adjustment budgets are relating to environmental affairs and Status of Disabled persons as well as Office of the Status of the Child.

These function shifts are merely a carry through effect as they were already implemented during 2014/15 financial year.

Equitable share (All votes)		2015/16		
Votes	R'000	2014 MTEF - Baselines	Function shift	Sub-Total after adjusting for function shifts
1		2	3	4
Office of the Premier		213,044	(4,806)	208,238
Mpumalanga Provincial Legislature		244,541		244,541
Finance		270,264	6,582	276,846
Co-operative Governance and Traditional Affairs		437,819	(6,582)	431,237
Department of Agriculture, Rural development, Land and Environmental Affairs		779,511	94,268	873,779
Department of Economic Development and Tourism		884,118	(94,268)	789,850
Education		15,399,110	(192,138)	15,206,972
Public Works, Roads and Transport		2,337,396		2,337,396
Community Safety, Security and Liaison		1,022,017		1,022,017
Health		7,998,717	(46,358)	7,952,359
Culture, Sport and Recreation		286,668		286,668
Social Development		1,332,994	4,806	1,337,800
Human Settlements		242,778		242,778
TOTAL		31,448,977	(238,496)	31,210,481

Personnel inflation related adjustment

- a) For 2015/16 and 2016/17 departments should budget for cost of living increase of CPI inflation, in addition to the pay progression and other benefits.

The Budget and Finance Committee has emphasized the need for the filling of prioritized positions amounting to 1571 as against 4220 posts that could not be afforded given the cost implication of R1.2 billion. The posts are to be ranked in line with norms and standards, the workload, as well as the needs of each facility given the past experience where the placements were not informed by scientific analysis. The Department should align the budget to the budget transformation document that has been developed by the Health Economist that is resident in the Department of Health.

Shifting the composition of expenditure away from consumption to investment on infrastructure. During 2012 SOPA this principle was pronounced and re-emphasised during SOPA of 2013.

2015 Budget Proposals

Following extensive intergovernmental consultations at a National level and Provincial level which took place in the form of Budget Council and Joint MINMEC on Health, MTEC hearings 1, 2 and 3 Budget and Finance Committee of 9-12 March 2015, One on One sessions chaired by the Honourable Premier which took place on 12 and 14 March 2015, the provincial budgets are presented for consideration and approval by the Executive Council on 16 March 2015.

The budget proposals are indicated below:

Votes	R'000	2015/16 Equitable Share	Own Revenue	Conditional Grants	Total	% Share
Office of the Premier		230,240			230,240	1%
Mpumalanga Provincial Legislature		257,141	37,812		294,953	1%
Finance		270,158	8,857		279,015	1%
Co-operative Governance and Traditional Affairs		444,043	-	2,633	446,676	1%
Department of Agriculture, Rural development, Land and Environmental Affairs		823,199	-	226,038	1,049,237	3%
Economic Development, Environment and Tourism		745,250	-	3,138	748,388	2%
Education		15,189,232	206,081	1,473,456	16,868,769	44%
Public Works, Roads and Transport		2,205,140	27,177	2,237,728	4,470,045	12%
Community Safety, Security and Liaison		1,002,772	48,876	1,000	1,052,648	3%
Health		8,080,059	492,835	1,422,915	9,995,809	26%
Culture, Sport and Recreation		270,481	-	197,711	468,192	1%
Social Development		1,282,724	-	19,274	1,301,998	3%
Human Settlements		229,070	-	1,267,162	1,496,232	4%
TOTAL		31,029,509	821,638	6,851,055	38,702,202	100%

The Budget and Finance Committee emphasised the need for improving spending on conditional grants in order to benefit from incentives programmes that have been introduced.

2.3 Summary of budget aggregates

Table 1.6: Provincial budget summary									
R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Provincial receipts									
Transfer receipts from national	29 316 200	30 881 536	33 494 832	35 706 995	36 324 522	36 324 522	37 880 564	40 004 677	42 640 874
Equitable share	23 792 673	25 124 317	27 655 955	29 354 919	29 787 184	29 787 184	31 029 509	32 970 925	35 113 208
Conditional grants	5 523 527	5 757 219	5 838 877	6 352 076	6 537 338	6 537 338	6 851 055	7 033 752	7 527 666
Provincial own receipts	651 002	670 661	730 683	762 819	743 713	743 713	821 638	864 531	909 415
Total provincial receipts	29 967 202	31 552 197	34 225 515	36 469 814	37 068 235	37 068 235	38 702 202	40 869 208	43 550 289
Provincial payments									
Current payments	22 830 636	24 738 333	26 727 986	28 841 486	28 790 932	29 010 955	30 370 411	32 676 454	34 870 825
Transfers and subsidies	3 381 013	3 553 355	3 912 393	4 261 611	4 631 579	4 641 359	4 706 798	4 994 090	5 325 727
Payments for capital assets	2 713 206	2 548 310	2 768 331	3 042 238	3 318 930	3 524 503	3 619 993	3 198 662	3 353 737
Payments for financial assets	2 748	5 733	2 223	5 000	5 015	5 277	5 000	-	-
Unallocated contingency reserve									
Total provincial payments	28 927 603	30 845 731	33 410 933	36 150 335	36 746 456	37 182 094	38 702 202	40 869 206	43 550 290
Surplus/(deficit) before financing	1 039 599	706 466	814 582	319 479	321 779	-113 859	-	2	-1
Financing									
Provincial roll-overs									
Provincial cash reserves									
Other (Specify)									
Other (Specify)									
Surplus/(deficit) after financing	1 039 599	706 466	814 582	319 479	321 779	-113 859	-	2	-1

3. Budget process and the Medium-Term Expenditure Framework (MTEF)

All votes are required to appear in the provincial MTECH hearings, chaired by the MEC for Finance to present their estimates for the MTEF period in which they are also afforded opportunity to present their pressures.

The province also has a standing arrangements that all votes should appear before the Budget and Finance Committee, chaired by the Premier to present their estimates and their plans for the MTEF period. These discussions are ratified by the Executive Council for the implementation by the province.

The Province also has a Provincial Management Committee, comprised by accounting officers who meets in their Lekgotla to have an overview of priorities to be implemented in the province. This forum require all votes to present their strategic plans and they are interrogated before they are tabled in the Executive Council Lekgotla, which ratifies those plans.

After the appropriation Bill and related documents have been tabled in the Legislature, they are referred to the Portfolio Committee of Office the Premier, Finance and Economic Development and Tourism for discussion. This committee also holds public hearings in which members of the communities are consulted about estimates per each votes. Normally these hearings are held in each of the districts in the province. Then the bill is tabled in the Legislature by the committee for adoption.

4. Receipts

4.1 Overall position

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
Transfer receipts from National									
Equitable share	23 927 274	25 033 292	27 410 875	29 186 568	29 642 219	29 967 627	31 029 509	32 970 924	35 113 208
Conditional grants	5 184 034	5 387 058	5 707 590	6 211 087	6 396 349	6 396 349	6 851 055	7 033 752	7 527 667
Total transfer receipts from National	29 111 308	30 420 350	33 118 465	35 397 655	36 038 568	36 363 976	37 880 564	40 004 676	42 640 875
Provincial own receipts									
Tax receipts	299 079	383 224	491 715	471 584	471 584	453 462	510 696	538 064	565 499
Casino taxes	55 030	62 522	64 048	72 006	72 006	72 006	75 608	79 388	83 357
Horse racing taxes	4 572	6 707	9 947	7 936	7 936	7 936	8 332	8 749	9 186
Liquor licences	540	4 708	2 112	2 218	2 218	2 218	17 861	19 361	20 861
Motor vehicle licences	238 937	309 287	415 608	389 424	389 424	371 302	408 895	430 566	452 094
Sales of goods and services other than capital assets	128 120	141 166	127 684	112 624	112 624	114 644	120 449	127 203	134 274
Transfers received	18 236	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	25 530	35 959	32 475	80 904	80 904	63 674	85 097	89 602	94 083
Interest, dividends and rent on land	59 970	83 198	76 261	85 286	85 286	94 910	89 917	93 475	98 627
Sales of capital assets	12 231	5 295	11 925	4 136	4 136	4 089	4 429	4 525	4 767
Financial transactions in assets and liabilities	17 987	22 490	31 214	8 285	8 285	13 177	11 050	11 661	12 166
Total provincial own receipts	561 153	671 332	771 274	762 819	762 819	743 956	821 638	864 531	909 415
Other funding	-	-	-	-	-	-	-	-	-
Total provincial receipts	29 672 461	31 091 682	33 889 739	36 160 474	36 801 387	37 107 932	38 702 202	40 869 207	43 550 290

4.2 Equitable share

Table 1.7(a): Summary of provincial equitable share by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
Vote 01: Office of the Premier	148 703	164 926	278 427	205 372	216 820	216 820	237 773	211 909	227 912
Vote 02: Provincial Legislature	179 502	197 495	215 656	237 304	254 937	254 937	257 141	258 847	271 272
Vote 03: Finance	219 211	248 449	255 005	259 693	267 548	267 548	278 693	273 661	302 940
Vote 04: Co-operative Governance and Traditional Affairs	473 644	347 409	425 709	406 165	460 460	478 622	441 265	471 148	472 203
Vote 05: Agriculture, Rural Development and Land Administration	640 423	708 327	746 617	834 677	767 575	767 575	792 586	833 874	957 969
Vote 06: Economic Development, Environment and Tourism	710 462	791 640	832 109	777 003	765 532	761 210	739 893	753 573	861 424
Vote 07: Education	11 141 824	12 361 286	13 132 758	14 148 497	14 290 008	14 295 920	15 177 232	16 378 707	17 149 299
Vote 08: Public Works, Roads and Transport	1 900 831	1 754 297	1 975 200	2 068 796	2 081 000	2 304 732	2 093 140	2 231 978	2 557 950
Vote 09: Community Safety, Security and Liaison	788 434	854 459	1 103 729	1 025 379	1 016 425	1 098 349	990 308	899 158	1 014 606
Vote 10: Health	6 319 253	6 259 278	6 806 164	7 488 123	7 523 357	7 523 357	8 080 059	8 765 847	9 268 801
Vote 11: Culture, Sport and Recreation	268 223	242 932	253 270	275 689	275 941	275 941	257 180	273 757	313 735
Vote 12: Social Development	961 091	924 261	1 169 633	1 226 053	1 214 297	1 214 297	1 273 924	1 386 586	1 449 356
Vote 13: Human Settlement	175 673	178 533	216 598	233 817	508 319	508 319	410 315	231 879	265 741
Total provincial own receipts by Vote	23 927 274	25 033 292	27 410 875	29 186 568	29 642 219	29 967 627	31 029 509	32 970 924	35 113 208

4.3 Conditional grants

Table 1.8: Summary of conditional grants by grant

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Vote 04: Co-operative Governance and Traditional Affairs	-	-	-	2 000	2 000	2 000	2 633	-	-
Expanded Public Works Programme Incentive Grant for	-	-	-	2 000	2 000	2 000	2 633	-	-
Vote 05: Agriculture, Rural Development and Land Affairs	149 985	171 356	190 699	199 251	213 951	213 951	226 038	239 351	248 042
Comprehensive Agricultural Support Programme Grant	102 932	114 829	130 986	135 810	135 810	135 810	169 684	184 014	189 221
Ilima/Letsamea Projects Grant	40 000	42 000	43 845	46 062	46 062	46 062	46 270	49 136	52 213
Land Care Programme Grant: Poverty Relief and Infrastructure	5 198	10 958	10 249	6 105	6 105	6 105	5 948	6 201	6 608
Expanded Public Works Programme Incentive Grant for	1 855	3 569	5 619	11 274	11 274	11 274	4 136	-	-
Agricultural Disaster Management Grant	-	-	-	-	14 700	14 700	-	-	-
Vote 06: Economic Development, Environment and Tourism	-	1 000	1 431	3 561	3 561	3 561	3 138	-	-
Expanded Public Works Programme Incentive Grant for	-	1 000	1 431	3 561	3 561	3 561	3 138	-	-
Vote 07: Education	1 093 325	1 106 261	1 102 651	1 217 553	1 234 276	1 234 276	1 473 456	1 437 527	1 508 024
Dinaledi Schools Grant	6 440	9 802	9 675	10 228	10 228	10 228	-	-	-
Education Infrastructure Grant	590 184	530 711	536 370	623 602	623 602	623 602	857 247	802 247	842 359
HIV and Aids (Life Skills Education) Grant	16 511	17 896	18 015	19 404	19 404	19 404	19 631	18 798	20 102
National School Nutrition Programme Grant	447 973	506 561	504 835	524 913	541 636	541 636	545 910	574 843	603 585
Occupation Specific Dispensation for Education Sector Training	-	-	-	1 072	1 072	1 072	337	-	-
Technical Secondary Schools Recapitalisation Grant	21 780	25 678	30 756	28 682	28 682	28 682	-	-	-
Expanded Public Works Programme Incentive Grant for	536	3 000	3 000	3 340	3 340	3 340	2 453	-	-
Social Sector Expanded Public Works Programme Incentive Grant for	9 901	12 613	-	6 312	6 312	6 312	8 742	-	-
Maths, Science and Technology Grant	-	-	-	-	-	-	39 136	41 639	41 978
Vote 08: Public Works, Roads and Transport	1 690 316	1 773 184	1 973 010	2 099 056	2 134 806	2 134 806	2 237 728	2 180 233	2 321 712
Devolution of Property Rate Funds Grant to Provinces	73 946	76 870	-	-	-	-	-	-	-
Expanded Public Works Programme Incentive Grant for	7 895	16 617	20 691	12 798	12 798	12 798	16 038	-	-
Provincial Roads Maintenance Grant	1 191 497	1 240 694	1 489 393	1 594 840	1 630 590	1 630 590	1 719 418	1 656 521	1 765 199
Public Transport Operations Grant	416 978	439 003	462 926	491 418	491 418	491 418	502 272	523 712	556 513
Vote 09: Community Safety, Security and Liaison	196	522	819	2 580	2 580	2 580	1 000	-	-
Social Sector Expanded Public Works Programme Incentive Grant for	196	522	819	2 580	2 580	2 580	1 000	-	-
Vote 10: Health	1 228 656	1 255 496	1 186 647	1 367 865	1 373 568	1 373 568	1 422 915	1 548 562	1 739 699
Comprehensive HIV and Aids Grant	490 366	586 097	690 591	818 836	818 836	818 836	927 214	1 043 934	1 177 153
Forensic Pathology Services Grant	55 607	2 051	-	-	-	-	-	-	-
Hospital Facility Revitalisation Grant	502 925	474 063	306 433	343 509	343 509	343 509	287 942	291 839	336 431
Health Professions Training and Development Grant	80 718	85 837	89 894	95 288	95 288	95 288	97 460	101 646	108 013
National Tertiary Services Grant	95 730	91 879	91 879	97 116	102 049	102 049	99 311	103 597	110 086
National Health Insurance Grant	-	11 500	4 850	7 000	7 770	7 770	7 206	7 546	8 016
AFCON Grant	-	3 000	-	-	-	-	-	-	-
Expanded Public Works Programme Incentive Grant for	3 310	1 069	3 000	2 732	2 732	2 732	2 264	-	-
Social Sector Expanded Public Works Programme Incentive Grant for	-	-	-	3 384	3 384	3 384	1 518	-	-
Vote 11: Culture, Sport and Recreation	104 879	114 112	126 237	166 519	167 635	167 635	197 711	208 106	221 228
Community Library Services Grant	66 497	72 705	77 405	114 781	115 897	115 897	150 325	156 400	166 420
Mass Participation and Sport Development Grant	38 382	39 883	47 140	46 959	46 959	46 959	44 039	51 706	54 808
Expanded Public Works Programme Incentive Grant for	-	1 000	550	2 199	2 199	2 199	2 148	-	-
Social Sector Expanded Public Works Programme Incentive Grant for	-	524	1 142	2 580	2 580	2 580	1 199	-	-
Vote 12: Social Development	-	-	-	6 012	6 012	6 012	19 274	-	-
Expanded Public Works Programme Incentive Grant for	-	-	-	2 024	2 024	2 024	2 000	-	-
Social Sector Expanded Public Works Programme Incentive Grant for	-	-	-	3 988	3 988	3 988	17 274	-	-
Vote 13: Human Settlement	916 677	965 127	1 126 096	1 146 690	1 257 960	1 257 960	1 267 162	1 419 973	1 488 961
Human Settlements Development Grant	916 677	965 127	1 126 096	1 146 690	1 257 960	1 257 960	1 265 162	1 419 973	1 488 961
Expanded Public Works Programme Incentive Grant for	-	-	-	-	-	-	2 000	-	-
Total conditional grants	5 184 034	5 387 058	5 707 590	6 211 087	6 396 349	6 396 349	6 851 055	7 033 752	7 527 667

4.4 Total provincial own receipts (own revenue)

Table 1.9: Summary of provincial own receipts by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
					2014/15				
Vote 01: Office of the Premier	764	449	1 937	742	742	666	786	480	495
Vote 02: Provincial Legislature	970	1 028	1 090	1 155	1 155	1 155	1 224	1 289	1 353
Vote 03: Finance	48 183	70 609	60 921	52 979	52 979	68 226	56 199	59 571	63 145
Vote 04: Co-operative Governance and Traditional Affairs	819	223	1 464	1 364	1 364	1 464	1 406	1 406	1 478
Vote 05: Agriculture, Rural Development and Land Administration	20 644	3 854	6 010	3 607	3 607	3 607	3 957	4 072	4 275
Vote 06: Economic Development, Environment and Tourism	65 536	82 251	79 300	85 614	85 614	83 963	103 706	109 495	115 501
Vote 07: Education	20 930	25 911	29 752	23 790	23 790	27 048	24 282	25 570	26 753
Vote 08: Public Works, Roads and Transport	22 230	25 780	23 970	21 303	21 303	21 357	22 346	23 531	24 707
Vote 09: Community Safety, Security and Liaison	288 664	372 547	487 372	509 714	509 714	470 683	535 683	562 776	590 915
Vote 10: Health	82 516	81 356	70 762	57 527	57 527	59 766	66 544	70 470	74 628
Vote 11: Culture, Sport and Recreation	1 453	1 388	1 816	1 115	1 115	1 115	1 301	1 370	1 438
Vote 12: Social Development	5 594	2 191	3 330	1 983	1 983	2 728	2 092	2 203	2 313
Vote 13: Human Settlement	2 850	3 745	3 550	1 926	1 926	2 178	2 112	2 298	2 413
Total provincial own receipts by Vote	561 153	671 332	771 274	762 819	762 819	743 956	821 638	864 531	909 415

4.5 Donor funding

Not applicable

5. Payments

5.1 Overall position

5.2 Payments by Vote

Table 1.10: Summary of provincial payments and estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
					2014/15				
Vote 01: Office of the Premier	138 878	153 711	274 248	205 372	216 820	216 820	237 773	211 909	227 912
Vote 02: Provincial Legislature	190 698	231 048	250 877	273 488	291 121	291 121	294 953	298 360	312 761
Vote 03: Finance	251 403	252 888	270 346	278 796	286 496	291 856	287 550	282 916	312 658
Vote 04: Co-operative Governance and Traditional Affairs	436 426	336 914	396 929	408 165	462 615	464 790	443 898	471 148	472 203
Vote 05: Agriculture, Rural Development and Land Administration	1 031 668	1 028 958	1 007 100	1 152 612	1 055 418	1 055 418	1 018 624	1 073 225	1 206 011
Vote 06: Economic Development, Environment and Tourism	599 666	719 210	736 071	780 564	769 093	764 771	743 031	753 573	861 424
Vote 07: Education	12 564 649	13 864 273	14 653 069	15 804 118	15 962 352	15 968 264	16 856 769	18 051 225	18 906 412
Vote 08: Public Works, Roads and Transport	3 534 642	3 523 082	3 947 153	4 193 637	4 241 591	4 465 323	4 358 045	4 440 856	4 909 739
Vote 09: Community Safety, Security and Liaison	788 630	844 849	1 099 184	1 027 959	1 019 005	1 100 929	1 040 184	933 808	1 050 815
Vote 10: Health	7 006 626	7 483 981	8 046 982	8 970 844	9 011 781	9 132 638	9 995 809	10 831 886	11 551 333
Vote 11: Culture, Sport and Recreation	361 171	331 730	373 622	442 208	443 576	443 576	454 891	481 863	534 963
Vote 12: Social Development	930 974	928 267	1 136 357	1 232 065	1 220 309	1 220 309	1 293 198	1 386 586	1 449 356
Vote 13: Human Settlement	1 092 172	1 146 820	1 218 995	1 380 507	1 766 279	1 766 279	1 677 477	1 651 852	1 754 702
Total provincial payments and estimates by Vote	28 927 603	30 845 731	33 410 933	36 150 335	36 746 456	37 182 094	38 702 202	40 869 206	43 550 290

5.3 Payments by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Current payments	22 830 636	24 738 333	26 727 986	28 841 486	28 790 932	29 010 955	30 370 411	32 676 454	34 870 825
Compensation of employees	16 861 588	18 208 509	19 704 426	21 738 735	21 507 642	21 506 221	22 854 834	24 611 126	25 990 370
Goods and services	5 967 049	6 528 850	7 023 099	7 102 751	7 283 290	7 503 938	7 515 577	8 065 328	8 880 456
Interest and rent on land	1 999	974	461	–	–	796	–	–	–
Transfers and subsidies to:	3 381 013	3 553 355	3 912 393	4 261 611	4 631 579	4 641 359	4 706 798	4 994 090	5 325 727
Provinces and municipalities	174 832	87 596	188 458	137 003	401 267	399 366	136 641	143 338	137 906
Departmental agencies and accounts	468 909	553 064	560 661	593 509	604 909	592 358	589 533	595 489	673 464
Universities and technikons	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	440 729	479 014	480 513	519 916	517 718	517 718	529 417	554 333	575 398
Non-profit institutions	1 014 626	1 083 371	1 301 129	1 466 793	1 421 231	1 414 167	1 778 984	1 834 548	1 907 024
Households	1 281 917	1 350 310	1 381 632	1 544 390	1 686 454	1 717 750	1 672 223	1 866 382	2 031 936
Payments of capital assets	2 713 206	2 548 310	2 768 331	3 042 238	3 318 930	3 524 503	3 619 993	3 198 662	3 353 737
Buildings and other fixed structures	2 351 114	2 273 729	2 507 640	2 725 707	2 895 489	3 139 412	3 127 704	2 733 965	2 813 987
Machinery and equipment	341 798	225 534	231 078	305 441	401 221	372 410	459 816	463 505	538 557
Heritage assets	3 933	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	17	–	50	–	–	–	–	–	–
Land and sub-soil assets	–	30 190	21 300	–	–	–	–	–	–
Software and other intangible assets	16 344	18 857	8 263	11 090	22 220	12 681	32 473	1 192	1 193
Payments for financial assets	2 748	5 733	2 223	5 000	5 015	5 277	5 000	–	–
Total economic classification	28 927 603	30 845 731	33 410 933	36 150 335	36 746 456	37 182 094	38 702 202	40 869 206	43 550 290

4 Payments by functional area

In the Estimates of Provincial Revenue and Expenditure, payments are not only classified

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
General public services	4 552 047	4 497 643	5 139 553	5 359 458	5 498 643	5 729 910	5 622 219	5 705 189	6 235 273
Public order and safety	788 630	844 849	1 099 184	1 027 959	1 019 005	1 100 929	1 040 184	933 808	1 050 815
Economic affairs	599 666	719 210	736 071	780 564	769 093	764 771	743 031	753 573	861 424
Environmental protection	1 031 668	1 028 958	1 007 100	1 152 612	1 055 418	1 055 418	1 018 624	1 073 225	1 206 011
Housing and community amenities	1 092 172	1 146 820	1 218 995	1 380 507	1 766 279	1 766 279	1 677 477	1 651 852	1 754 702
Health	7 006 626	7 483 981	8 046 982	8 970 844	9 011 781	9 132 638	9 995 809	10 831 886	11 551 333
Recreation, culture and religion	361 171	331 730	373 622	442 208	443 576	443 576	454 891	481 863	534 963
Education	12 564 649	13 864 273	14 653 069	15 804 118	15 962 352	15 968 264	16 856 769	18 051 225	18 906 412
Social protection	930 974	928 267	1 136 357	1 232 065	1 220 309	1 220 309	1 293 198	1 386 586	1 449 356
Total provincial payments and estimates by function:	28 927 603	30 845 731	33 410 933	36 150 335	36 746 456	37 182 094	38 702 202	40 869 206	43 550 290

5.5 Infrastructure payments

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Vote 02: Provincial Legislature	2 695	3 309	3 318	3 968	3 968	3 968	4 361	4 594	4 824
Vote 03: Finance	–	–	–	3 271	3 771	3 271	1 776	1 873	1 966
Vote 04: Co-operative Governance and Traditional Affairs	–	–	19 489	–	–	44 070	6 102	6 444	6 807
Vote 05: Agriculture, Rural Development and Land Administration	64 008	107 610	171 921	219 415	218 415	228 316	128 514	127 044	128 906
Vote 06: Economic Development, Environment and Tourism	–	6 468	–	15 500	16 000	16 000	12 358	12 358	12 358
Vote 07: Education	699 137	626 389	707 810	909 971	879 555	909 971	955 088	1 010 505	965 504
Vote 08: Public Works, Roads and Transport	1 258 554	1 375 171	1 492 167	1 870 078	1 870 078	1 891 753	1 918 809	1 772 283	1 891 349
Vote 09: Community Safety, Security and Liaison	3 307	11 709	36 182	179 882	51 889	100 778	134 760	33 702	43 621
Vote 10: Health	497 089	577 478	503 517	644 278	627 483	627 483	421 688	546 453	617 228
Vote 11: Culture, Sport and Recreation	108 033	84 178	73 153	103 932	99 180	99 180	120 084	135 961	119 058
Vote 12: Social Development	135 404	137 112	119 640	76 917	76 917	82 585	92 837	104 386	110 858
Vote 13: Human Settlement	–	–	–	6 000	–	7 002	7 217	7 614	7 995
Total	2 768 227	2 929 424	3 127 197	4 033 212	3 847 256	4 014 377	3 803 594	3 763 217	3 910 474

1. Departmental amounts should include new constructions, rehabilitation/upgrading, other capital projects and recurrent maintenance.

Table 1.13(b): Summary of provincial infrastructure payments and estimates by category and Vote

Outcome				Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
New infrastructure assets									
Vote 05: Agriculture, Rural Development and Land Administration	–	30 189	23 680	29 325	29 325	29 325	6 890	7 001	7 003
Vote 06: Economic Development, Environment and Tourism	–	6 468	–	–	–	–	–	–	–
Vote 07: Education	266 380	197 064	439 350	645 879	645 879	645 879	497 269	97 592	26 318
Vote 08: Public Works, Roads and Transport	302 737	197 327	59 698	40 136	40 136	40 136	85 159	4 036	–
Vote 09: Community Safety, Security and Liaison	–	4 923	27 321	109 882	40 000	92 912	118 859	20 000	29 234
Vote 10: Health	85 078	93 404	81 325	44 761	114 761	114 761	23 340	–	–
Vote 11: Culture, Sport and Recreation	102 746	70 455	70 216	99 431	93 679	93 679	110 584	124 961	114 748
Vote 12: Social Development	66 878	64 844	41 351	72 040	72 040	62 040	70 354	79 348	83 315
Sub-total: New infrastructure assets	823 819	664 674	742 941	1 041 454	1 035 820	1 078 732	912 455	332 938	260 618
Upgrade and additions									
Vote 05: Agriculture, Rural Development and Land Administration	–	–	–	–	–	–	21 200	23 500	24 704
Vote 07: Education	212 765	289 387	87 136	137 045	137 045	131 782	226 173	638 341	796 368
Vote 08: Public Works, Roads and Transport	–	25 899	160 233	221 172	221 172	221 172	193 778	244 490	158 029
Vote 10: Health	369 916	391 789	372 735	260 413	214 455	214 455	204 039	336 330	345 845
Vote 11: Culture, Sport and Recreation	3 537	11 935	1 004	550	550	550	6 500	7 300	–
Vote 12: Social Development	–	–	165	–	–	–	–	–	–
Sub-total: Upgrade and additions	586 218	719 010	621 273	619 180	573 222	567 959	651 690	1 249 961	1 324 946
Rehabilitation, renovations and refurbishment									
Vote 05: Agriculture, Rural Development and Land Administration	26 229	38 800	13 735	12 549	12 549	12 549	5 049	5 049	6 000
Vote 07: Education	149 318	83 675	156 019	93 664	93 664	93 664	119 158	193 611	37 596
Vote 08: Public Works, Roads and Transport	541 000	611 045	823 438	1 085 570	1 085 570	1 085 570	1 088 160	758 094	905 683
Vote 10: Health	16 959	42 857	9 662	94 645	94 645	94 645	64 645	72 149	114 054
Sub-total: Rehabilitation, renovations and refurbishment	733 506	776 377	1 002 854	1 286 428	1 286 428	1 286 428	1 277 012	1 028 903	1 063 333
Maintenance and repairs									
Vote 05: Agriculture, Rural Development and Land Administration	–	–	809	6 758	6 758	6 758	4 726	5 000	5 500
Vote 06: Economic Development, Environment and Tourism	–	–	–	–	500	500	500	500	500
Vote 07: Education	70 674	56 263	25 305	2 967	2 967	8 230	70 072	36 212	58 101
Vote 08: Public Works, Roads and Transport	414 817	540 900	448 798	523 200	523 200	523 200	527 869	739 435	798 756
Vote 10: Health	25 136	49 428	39 795	224 490	183 653	183 653	129 664	137 974	157 329
Vote 11: Culture, Sport and Recreation	–	–	–	1 851	1 851	1 851	1 000	1 500	2 000
Vote 12: Social Development	–	3 742	9 598	4 877	4 877	4 877	4 578	5 342	5 876
Sub-total: Maintenance and repairs	510 627	650 333	524 305	764 143	723 806	729 069	738 409	925 963	1 028 062
Infrastructure transfers									
Vote 04: Co-operative Governance and Traditional Affairs	–	–	19 489	–	–	38 292	–	–	–
Vote 05: Agriculture, Rural Development and Land Administration	37 779	38 621	133 697	170 783	169 783	169 783	80 649	75 994	74 674
Sub-total: Infrastructure transfers	37 779	38 621	153 186	170 783	169 783	208 075	80 649	75 994	74 674
Infrastructure payments for financial assets									
Sub-total: Infrastructure payments for financial assets	–	–	–	–	–	–	–	–	–
Infrastructure leases									
Vote 02: Provincial Legislature	2 695	3 309	3 318	3 968	3 968	3 968	4 361	4 594	4 824
Vote 03: Finance	–	–	–	3 271	3 771	3 271	1 776	1 873	1 966
Vote 04: Co-operative Governance and Traditional Affairs	–	–	–	–	–	5 778	6 102	6 444	6 807
Vote 05: Agriculture, Rural Development and Land Administration	–	–	–	–	–	9 901	10 000	10 500	11 025
Vote 06: Economic Development, Environment and Tourism	–	–	–	15 500	15 500	15 500	11 858	11 858	11 858
Vote 07: Education	–	–	–	30 416	–	30 416	42 416	44 749	47 121
Vote 08: Public Works, Roads and Transport	–	–	–	–	–	21 675	23 843	26 228	28 881
Vote 09: Community Safety, Security and Liaison	3 307	6 786	8 861	70 000	11 889	7 866	15 901	13 702	14 387
Vote 10: Health	–	–	–	19 969	19 969	19 969	–	–	–
Vote 11: Culture, Sport and Recreation	1 750	1 788	1 933	2 100	3 100	3 100	2 000	2 200	2 310
Vote 12: Social Development	68 526	68 526	68 526	–	–	15 668	17 905	19 696	21 667
Vote 13: Human Settlement	–	–	–	6 000	–	7 002	7 217	7 614	7 995
Sub-total: Infrastructure leases	76 278	80 409	82 638	151 224	58 197	144 114	143 379	149 458	158 841
Total provincial infrastructure payments and estimates	2 768 227	2 929 424	3 127 197	4 033 212	3 847 256	4 014 377	3 803 594	3 763 217	3 910 474
1. Total provincial infrastructure is the sum of "Capital" plus "Recurrent maintenance"									

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

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

Table 1.13(c): Summary of provincial infrastructure payments and estimates by Source of Funding									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
Provincial Equitable Share	483 621	683 956	795 001	1 471 261	1 249 555	1 416 676	938 987	1 012 610	966 485
Conditional Grant ¹	2 284 606	2 245 468	2 332 196	2 561 951	2 597 701	2 597 701	2 864 607	2 750 607	2 943 989
Education Infrastructure Grant	590 184	530 711	536 370	623 602	623 602	623 602	857 247	802 247	842 359
Hospital Facility Revitalisation Grant	502 925	474 063	306 433	343 509	343 509	343 509	287 942	291 839	336 431
Provincial Roads Maintenance Grant	1 191 497	1 240 694	1 489 393	1 594 840	1 630 590	1 630 590	1 719 418	1 656 521	1 765 199
Own Revenue	-	-	-	-	-	-	-	-	-
Total provincial infrastructure payments and estimates²	2 768 227	2 929 424	3 127 197	4 033 212	3 847 256	4 014 377	3 803 594	3 763 217	3 910 474

1. Include all relevant Conditional Grants per sector

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

1. Include all relevant Conditional Grants per sector

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

5.5.1. Maintenance of provincial infrastructure

Table 1.14: Summary of provincial Public-Private Partnership (PPP) projects

Not applicable

5.7 Transfers

5.7.1. Transfers to public entities

Table 1.15: Summary of provincial transfers to public entities by transferring department									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
Vote 01: Office of the Premier	-	-	-	-	-	-	-	-	-
Vote 02: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 03: Finance	-	-	-	-	-	-	-	-	-
Vote 04: Co-operative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 05: Agriculture, Rural Development and Land Adminis	-	-	-	-	-	-	-	-	-
Vote 06: Economic Development, Environment and Touris	396 585	523 723	531 735	537 046	537 046	537 046	520 297	524 823	598 746
Vote 07: Education	56 084	105 915	98 000	87 650	87 650	87 650	221 088	228 815	245 375
Vote 08: Public Works, Roads and Transport	-	-	-	-	-	-	-	-	-
Vote 09: Community Safety, Security and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Health	-	-	-	-	-	-	-	-	-
Vote 11: Culture, Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 12: Social Development	-	-	-	-	-	-	-	-	-
Vote 13: Human Settlement	-	-	-	-	-	-	-	-	-
Total provincial transfers to public entities	452 669	629 638	629 735	624 696	624 696	624 696	741 385	753 638	844 121

5.7.2. Transfers to development corporations

Table 1.16: Summary of provincial transfers to other entities (such as NGOs etc)

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Vote 01: Office of the Premier	-	-	-	-	-	-	-	-	-
Vote 02: Provincial Legislature	17 343	24 484	37 154	37 894	38 068	38 068	51 493	40 954	41 917
Vote 03: Finance	11 858	7 976	9 570	9 710	8 500	8 500	6 120	8 927	9 371
Vote 04: Co-operative Governance and Traditional Affairs	8 378	9 912	10 384	11 210	11 210	11 210	11 733	12 356	10 000
Vote 05: Agriculture, Rural Development and Land Adminis	-	-	-	-	-	-	-	-	-
Vote 06: Economic Development, Environment and Touris	-	-	-	-	-	-	-	-	-
Vote 07: Education	-	-	-	-	-	-	-	-	-
Vote 08: Public Works, Roads and Transport	-	-	-	-	-	-	-	-	-
Vote 09: Community Safety, Security and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Health	137 407	150 272	152 522	161 832	165 729	165 729	175 470	185 029	194 281
Vote 11: Culture, Sport and Recreation	11 858	7 976	9 570	9 710	8 500	8 500	6 120	8 927	9 371
Vote 12: Social Development	339 502	290 459	393 916	447 576	439 339	440 017	460 214	475 741	477 588
Vote 13: Human Settlement	-	-	-	-	-	-	-	-	-
Total provincial transfers to other entities	526 346	491 079	613 116	677 932	671 346	672 024	711 150	731 934	742 528

5.7.3. Transfers to local government

Table 1.17: Summary of provincial transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2014/15	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Category A	-	-	-	-	-	-	-	-	-
Category B	87 620	77 991	188 270	133 913	392 489	392 621	124 481	130 792	137 335
Category C	87 152	9 133	71	81	5 769	6 103	11 606	12 123	129
Total provincial transfers to local government	174 772	87 124	188 341	133 994	398 258	398 724	136 087	142 915	137 464

5.8 Personnel numbers and costs

Table 1.19: Summary of personnel numbers and costs by Vote²

Personnel numbers	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
Vote 01: Office of the Premier	264	257	278	286	288	313	313
Vote 02: Provincial Legislature	154	180	176	184	205	212	220
Vote 03: Finance	360	359	382	370	369	381	381
Vote 04: Co-operative Governance and Tradi	1 165	1 162	1 244	1 253	1 323	1 323	1 326
Vote 05: Agriculture, Rural Development and	1 998	1 883	1 849	1 777	1 817	1 839	1 897
Vote 06: Economic Development, Environme	271	267	284	271	271	296	296
Vote 07: Education	45 466	45 158	45 435	46 317	46 317	46 317	46 317
Vote 08: Public Works, Roads and Transport	4 048	3 861	3 863	3 542	3 990	4 004	4 004
Vote 09: Community Safety, Security and Lie	1 797	1 831	2 109	2 048	2 054	2 079	2 081
Vote 10: Health	18 189	18 092	18 800	19 290	19 979	19 995	19 995
Vote 11: Culture, Sport and Recreation	455	466	517	511	592	562	562
Vote 12: Social Development	1 875	1 820	1 904	2 004	2 218	2 218	2 218
Vote 13: Human Settlement	363	373	399	389	419	419	419
Total provincial personnel numbers	76 405	75 709	77 240	78 242	79 842	79 958	80 029
Total provincial personnel cost (R thousand)	16 861 588	18 208 509	19 704 426	21 506 221	22 854 834	24 611 126	25 990 370
Unit cost (R thousand)	221	241	255	275	286	308	325

1. Full-time equivalent

5.9 Payments on training

Table 1.20: Summary of provincial payments on training by Vote

Table 1.20: Summary of provincial personnel numbers and costs							
	Outcome			Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Total for province							
Personnel numbers (head count)	76 405	75 709	77 240	78 242	79 842	79 958	80 029
Personnel cost (R thousands)	16 861 588	18 208 509	19 704 426	21 506 221	22 854 834	24 611 126	25 990 370
Human resources component							
Personnel numbers (head count)	20 717	22 485	20 467	25 551	23 616	25 540	27 092
Personnel cost (R thousands)	299 359	307 866	323 000	345 432	368 117	390 690	374 598
Head count as % of total for provi	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Personnel cost as % of total for p	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Finance component							
Personnel numbers (head count)	14 728	16 603	18 438	18 847	13 059	15 628	16 517
Personnel cost (R thousands)	313 910	343 874	380 641	427 542	461 680	479 693	403 983
Head count as % of total for provi	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Personnel cost as % of total for p	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Full time workers							
Personnel numbers (head count)	75 768	75 910	77 514	76 692	78 157	76 932	77 001
Personnel cost (R thousands)	16 819 730	18 236 247	19 771 691	20 973 061	22 578 224	23 731 505	24 993 427
Head count as % of total for provi	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Personnel cost as % of total for p	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Part-time workers							
Personnel numbers (head count)	–	–	–	632	632	632	632
Personnel cost (R thousands)	80 606	94 993	148 757	252 966	390 376	404 553	428 428
Head count as % of total for provi	–	–	–	0.0	0.0	0.0	0.0
Personnel cost as % of total for p	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contract workers							
Personnel numbers (head count)	679	915	977	1 665	1 700	1 679	1 681
Personnel cost (R thousands)	64 227	86 297	103 506	389 617	455 837	582 144	628 776
Head count as % of total for provi	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Personnel cost as % of total for p	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Annexure to the Overview of Provincial Revenue and Expenditure

Table A.1: Details of total provincial own receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14				2015/16	2016/17	2017/18
Tax receipts	299 079	383 224	491 715	471 584	471 584	453 462	510 696	538 064	565 499
Casino taxes	55 030	62 522	64 048	72 006	72 006	72 006	75 608	79 388	83 357
Horse racing taxes	4 572	6 707	9 947	7 936	7 936	7 936	8 332	8 749	9 186
Liquor licences	540	4 708	2 112	2 218	2 218	2 218	17 861	19 361	20 861
Motor vehicle licences	238 937	309 287	415 608	389 424	389 424	371 302	408 895	430 566	452 094
Sales of goods and services other than capital assets	128 120	141 166	127 684	112 624	112 624	114 644	119 600	126 306	133 335
Sales of goods and services produced by department (e):	127 907	140 918	127 462	112 606	112 606	114 644	119 477	126 177	133 199
Sales by market establishments	61 624	69 158	67 980	71 370	71 370	74 703	76 593	80 837	83 701
Administrative fees	12 343	13 264	14 166	13 008	13 008	13 467	13 392	14 106	16 434
Other sales	53 940	58 496	45 316	28 228	28 228	26 474	29 492	31 234	33 064
Of which									
Health patient fees	51 071	48 898	35 583	26 031	26 031	26 031	27 313	28 761	30 199
0	—	—	—	—	—	—	—	—	—
0	—	—	—	—	—	—	—	—	—
0	—	—	—	—	—	—	—	—	—
Sales of scrap, waste, arms and other used current goods	213	248	222	18	18	—	123	130	136
Transfers received from:	18 236	—	—	—	—	—	—	—	—
Other governmental units (Excl. Equitable share and conditional grants)	17 836	—	—	—	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments	—	—	—	—	—	—	—	—	—
International organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	400	—	—	—	—	—	—	—	—
Households and non-profit institutions	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	25 530	35 959	32 475	80 904	80 904	63 674	90 097	94 852	99 596
Interest, dividends and rent on land	59 970	83 198	76 261	85 286	85 286	94 910	89 204	92 768	97 867
Interest	59 970	83 198	76 261	85 286	85 286	94 910	89 204	92 768	97 867
Dividends	—	—	—	—	—	—	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
Sales of capital assets	12 231	5 295	11 925	4 136	4 136	4 089	4 438	4 629	4 874
Land and sub-soil assets	1 805	—	—	—	—	—	—	—	—
Other capital assets	10 426	5 295	11 925	4 136	4 136	4 089	4 438	4 629	4 874
Financial transactions in assets and liabilities	17 987	22 490	31 214	8 285	8 285	13 177	11 004	11 675	12 178
Total departmental receipts	561 153	671 332	771 274	762 819	762 819	743 956	825 039	868 295	913 348

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14		2014/15		2015/16	2016/17	2017/18
Current payments	22 830 636	24 738 333	26 727 986	28 841 486	28 790 932	29 010 955	30 370 411	32 676 454	34 870 825
Compensation of employees	16 861 588	18 208 509	19 704 426	21 738 735	21 507 642	21 506 221	22 854 834	24 611 126	25 990 370
Salaries and wages	14 410 481	15 912 875	16 868 816	18 906 617	18 720 089	18 748 863	19 811 681	21 315 660	22 421 365
Social contributions	2 451 107	2 295 634	2 835 610	2 832 118	2 787 553	2 757 358	3 043 153	3 295 466	3 569 005
Goods and services	5 967 049	6 528 850	7 023 099	7 102 751	7 283 290	7 503 938	7 515 577	8 065 328	8 880 456
Administrative fees	16 660	23 468	27 490	18 318	24 522	24 571	19 977	25 805	27 918
Advertising	44 642	33 155	48 114	34 367	31 219	35 612	30 459	28 722	34 195
Minor Assets	62 996	78 918	36 861	36 947	53 122	51 442	49 062	46 419	56 359
Audit cost: External	57 575	65 241	76 048	77 493	84 262	78 538	82 868	85 909	99 761
Bursaries: Employees	163 369	64 520	85 832	76 688	20 697	20 485	17 066	17 704	18 648
Catering: Departmental activities	56 241	75 587	77 011	54 900	74 807	62 949	49 309	53 125	60 111
Communication (G&S)	139 362	138 209	152 766	120 366	136 870	145 688	139 030	158 076	164 943
Computer services	107 375	142 183	131 701	165 641	166 904	163 898	205 099	189 881	224 950
Consultants and professional services: Business	159 376	75 138	59 038	78 308	128 637	134 425	87 145	65 109	61 775
Consultants and professional services: Infrastructure	82 047	71 381	96 875	106 279	100 040	103 358	74 929	124 391	124 941
Consultants and professional services: Laboratories	249 544	249 096	227 832	430 350	347 257	374 257	413 312	430 982	488 293
Consultants and professional services: Scientific	1 592	256	—	—	(40)	—	12 987	10 250	8 943
Consultants and professional services: Legal costs	21 781	22 326	18 134	17 457	15 891	18 451	74 374	54 278	57 278
Contractors	452 329	483 674	429 571	610 001	680 441	603 707	513 404	528 760	575 521
Agency and support / outsourced services	506 495	637 609	643 604	661 754	690 761	762 558	696 163	737 542	769 573
Entertainment	2 190	246	741	191	191	291	201	211	221
Fleet services (including government motor transport)	179 716	205 186	226 240	180 131	196 652	231 451	241 326	255 919	280 301
Housing	—	—	—	2 580	—	—	—	—	—
Inventory: Clothing material and accessories	97	—	8 903	5 332	4 165	5 549	5 442	2 951	2 796
Inventory: Farming supplies	183	4	7 127	—	2 621	4 173	5 211	5 416	5 672
Inventory: Food and food supplies	83 748	73 902	84 658	95 925	98 378	93 204	96 154	100 416	105 433
Inventory: Fuel, oil and gas	43 140	35 108	19 107	36 481	44 711	37 374	41 344	45 074	50 839
Inventory: Learner and teacher support material	297 681	526 868	572 573	436 383	481 474	453 434	427 267	498 389	524 809
Inventory: Materials and supplies	15 486	15 785	80 486	28 243	33 352	56 150	57 380	58 953	64 643
Inventory: Medical supplies	227 843	239 323	330 862	241 637	335 206	316 208	341 868	342 250	364 808
Inventory: Medicine	657 341	783 065	852 102	853 379	878 202	993 127	1 060 201	1 251 400	1 352 824
Medsas inventory interface	—	828	10	147	27	—	219	229	240
Inventory: Other supplies	3 815	3 126	90 783	92 751	87 904	59 405	73 188	52 684	55 471
Consumable supplies	158 594	180 889	124 757	202 459	217 966	168 936	161 438	244 494	260 784
Consumable: Stationery, printing and office supplies	96 090	115 010	71 192	111 698	91 401	83 311	105 086	122 505	126 667
Operating leases	286 535	251 280	218 225	236 589	229 480	231 972	264 894	276 537	295 400
Property payments	715 613	731 154	910 618	898 927	833 839	979 512	1 002 949	964 948	1 191 734
Transport provided: Departmental activity	378 855	497 788	512 516	536 153	490 992	433 987	406 101	418 285	516 208
Travel and subsistence	422 338	465 468	473 071	376 672	406 319	487 920	446 342	491 720	506 378
Training and development	134 920	92 059	123 124	171 894	155 324	126 559	187 523	208 330	213 378
Operating payments	81 349	108 989	88 962	47 335	59 320	90 592	64 474	87 972	98 313
Venues and facilities	51 841	38 180	108 145	51 854	57 022	54 641	54 641	73 088	82 321
Rental and hiring	8 290	3 831	8 020	7 121	20 774	9 680	7 144	6 606	8 002
Interest and rent on land	1 999	974	461	—	—	796	—	—	—
Interest (Incl. interest on finance leases)	1 999	974	461	—	—	796	—	—	—
Rent on land	—	—	—	—	—	—	—	—	—
Transfers and subsidies	3 381 013	3 553 355	3 912 393	4 261 611	4 631 579	4 641 359	4 706 798	4 994 090	5 325 727
Provinces and municipalities	174 832	87 596	188 458	137 003	401 267	399 366	136 641	143 338	137 906
Provinces	60	290	—	2 880	2 880	544	400	422	444
Provincial Revenue Funds	—	—	—	—	—	—	—	—	—
Provincial agencies and funds	60	290	—	2 880	2 880	544	400	422	444
Municipalities	174 772	87 306	188 458	134 123	398 387	398 822	136 241	142 916	137 462
Municipal bank accounts	13 562	1 201	3 259	3 360	6 881	7 231	12 006	12 401	421
Municipal agencies and funds	161 210	86 105	185 199	130 763	391 506	391 591	124 235	130 515	137 041
Departmental agencies and accounts	468 909	553 064	560 661	593 509	604 909	592 358	589 533	595 489	673 464
Social security funds	—	—	814	1 500	1 500	1 500	1 458	—	—
Departmental agencies (non-business entities)	468 909	553 064	559 847	592 009	603 409	590 858	588 075	595 489	673 464
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments and international organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	440 729	479 014	480 513	519 916	517 718	517 718	529 417	554 333	575 398
Public corporations	440 729	478 298	480 417	519 916	517 718	517 718	529 417	554 333	575 398
Subsidies on products and production (pc)	—	—	—	—	—	—	—	—	—
Other transfers to public corporations	440 729	478 298	480 417	519 916	517 718	517 718	529 417	554 333	575 398
Private enterprises	—	716	96	—	—	—	—	—	—
Subsidies on products and production (pe)	—	—	—	—	—	—	—	—	—
Other transfers to private enterprises	—	716	96	—	—	—	—	—	—
Non-profit institutions	1 014 626	1 083 371	1 301 129	1 466 793	1 421 231	1 414 167	1 778 984	1 834 548	1 907 024
Households	1 281 917	1 350 310	1 381 632	1 544 390	1 686 454	1 717 750	1 672 223	1 866 382	2 031 936
Social benefits	77 614	94 549	121 466	80 375	104 638	136 348	104 133	139 357	146 633
Other transfers to households	1 204 303	1 255 761	1 260 166	1 464 015	1 581 816	1 581 402	1 568 090	1 727 025	1 885 303
Payments for capital assets	2 713 206	2 548 310	2 768 331	3 042 238	3 318 930	3 524 503	3 619 993	3 198 662	3 353 737
Buildings and other fixed structures	2 351 114	2 273 729	2 507 640	2 725 707	2 895 489	3 139 412	3 127 704	2 733 965	2 813 987
Buildings	1 334 706	1 272 845	1 308 990	1 589 922	1 624 049	1 671 466	1 554 381	1 588 129	1 587 849
Other fixed structures	1 016 408	1 000 884	1 198 650	1 135 785	1 271 440	1 467 946	1 573 323	1 145 836	1 226 138
Machinery and equipment	341 798	225 534	231 078	305 441	401 221	372 410	459 816	463 505	538 557
Transport equipment	52 651	20 632	33 077	110 292	158 906	110 054	181 694	177 436	227 047
Other machinery and equipment	289 147	204 902	198 001	195 149	242 315	262 356	278 122	286 069	311 511
Heritage assets	3 933	—	—	—	—	—	—	—	—
Specialised military assets	—	—	—	—	—	—	—	—	—
Biological assets	17	—	50	—	—	—	—	—	—
Land and sub-soil assets	—	30 190	21 300	—	—	—	—	—	—
Software and other intangible assets	16 344	18 857	8 263	11 090	22 220	12 681	32 473	1 192	1 193
Payments for financial assets	2 748	5 733	2 223	5 000	5 015	5 277	5 000	—	—
Total economic classification	28 927 603	30 845 731	33 410 933	36 150 335	36 746 456	37 182 094	38 702 202	40 869 206	43 550 290

Table A.3(a): Summary of provincial goods and services payments and estimates

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments									
Goods and services	5 967 049	6 528 850	7 023 099	7 102 751	7 283 290	7 503 938	7 515 577	8 065 328	8 880 456
Administrative fees	16 660	23 468	27 490	18 318	24 522	24 571	19 977	25 805	27 918
Advertising	44 642	33 155	48 114	34 367	31 219	35 612	30 459	28 722	34 195
Minor Assets	62 996	78 918	36 861	36 947	53 122	51 442	49 062	46 419	56 359
Audit cost: External	57 575	65 241	76 048	77 493	84 262	78 538	82 868	85 909	99 761
Bursaries: Employees	163 369	64 520	85 832	76 688	20 697	20 485	17 066	17 704	18 648
Catering: Departmental activities	56 241	75 587	77 011	54 900	74 807	62 949	49 309	53 125	60 111
Communication (G&S)	139 362	138 209	152 766	120 366	136 870	145 688	139 030	158 076	164 943
Computer services	107 375	142 183	131 701	165 641	166 904	163 898	205 099	189 881	224 950
Consultants and professional services: Business and advisory	159 376	75 138	59 038	78 308	128 637	134 425	87 145	65 109	61 775
Consultants and professional services: Infrastructure and planning	82 047	71 381	96 875	106 279	100 040	103 358	74 929	124 391	124 941
Consultants and professional services: Laboratory services	249 544	249 096	227 832	430 350	347 257	374 257	413 312	430 982	488 293
Consultants and professional services: Scientific and technological	1 592	256			- 40		12 987	10 250	8 943
Consultants and professional services: Legal costs	21 781	22 326	18 134	17 457	15 891	18 451	74 374	54 278	57 278
Contractors	452 329	483 674	429 571	610 001	680 441	603 707	513 404	528 760	575 521
Agency and support / outsourced services	506 495	637 609	643 604	661 754	690 761	762 558	696 163	737 542	769 573
Entertainment	2 190	246	741	191	191	291	201	211	221
Fleet services (including government motor transport)	179 716	205 186	226 240	180 131	196 652	231 451	241 326	255 919	280 301
Housing				2 580	2 580				
Inventory: Clothing material and accessories	97		8 903	5 332	4 165	5 549	5 442	2 951	2 796
Inventory: Farming supplies	183	4	7 127		2 621	4 173	5 211	5 416	5 672
Inventory: Food and food supplies	83 748	73 902	84 658	95 925	98 378	93 204	96 154	100 416	105 433
Inventory: Fuel, oil and gas	43 140	35 108	19 107	36 481	44 711	37 374	41 344	45 074	50 839
Inventory: Learner and teacher support material	297 681	526 868	572 573	436 383	481 474	453 434	427 267	498 389	524 809
Inventory: Materials and supplies	15 486	15 785	80 486	28 243	33 352	56 150	57 380	58 953	64 643
Inventory: Medical supplies	227 843	239 323	330 862	241 637	335 206	316 208	341 868	342 250	364 808
Inventory: Medicine	657 341	783 065	852 102	853 379	878 202	993 127	1 060 201	1 251 400	1 352 824
Medsas inventory interface		828	10	147	27		219	229	240
Inventory: Other supplies	3 815	3 126	90 783	92 751	87 904	59 405	73 188	52 684	55 471
Consumable supplies	158 594	180 889	124 757	202 459	217 966	168 936	161 438	244 494	260 784
Consumable: Stationery, printing and office supplies	96 090	115 010	71 192	111 698	91 401	83 311	105 086	122 505	126 667
Operating leases	286 535	251 280	218 225	236 589	229 480	231 972	264 894	276 537	295 400
Property payments	715 613	731 154	910 618	898 927	833 839	979 512	1 002 949	964 948	1 191 734
Transport provided: Departmental activity	378 855	497 788	512 516	536 153	490 992	433 987	406 101	418 285	516 208
Travel and subsistence	422 338	465 468	473 071	376 672	406 319	487 920	446 342	491 720	506 378
Training and development	134 920	92 059	123 124	171 894	155 324	126 559	187 523	208 330	213 378
Operating payments	81 349	108 989	88 962	47 335	59 320	90 592	64 474	87 972	98 313
Venues and facilities	51 841	38 180	108 145	51 854	57 022	61 164	54 641	73 088	82 321
Rental and hiring	8 290	3 831	8 020	7 121	20 774	9 680	7 144	6 606	8 002
Total economic classification									

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Category A	-	-	-	-	-	-	-	-	-
Category B	87 620	77 991	188 270	133 913	392 489	392 621	124 501	130 792	137 335
MP301 Albert Luthuli	2 857	6 099	5 885	6 449	6 449	6 447	6 746	7 105	7 460
MP302 Msukaligwa	3 468	4 784	10 596	5 354	4 854	4 856	5 117	5 390	5 660
MP303 Mkhondo	2 155	1	7 702	6 125	6 125	6 123	6 406	6 746	7 084
MP304 Pixley Ka Seme	1 248	1 769	1 176	2 142	2 142	2 142	2 257	2 359	2 477
MP305 Lekwa	2 483	2 795	21 874	3 273	23 273	23 277	3 423	3 605	3 785
MP306 Dipaleseng	1 377	-	2 708	3 262	2 762	2 762	2 890	3 043	3 195
MP307 Govan Mbeki	4 117	6 276	6 198	15 858	67 858	67 853	9 264	9 756	10 244
MP311 Delmas	1 973	1 650	1 345	2 057	2 057	2 059	2 152	2 266	2 379
MP312 Emalahleni	6 063	4 932	12 080	9 949	49 949	49 942	10 449	10 945	11 492
MP313 Steve Tshwete	7 056	4 930	39 495	11 293	11 293	11 290	11 812	12 438	13 060
MP314 Emakhazeni	1 148	5 415	6 344	3 694	3 194	3 194	3 372	3 551	3 729
MP315 Thembisile	289	2	1 500	1 550	1 050	1 040	1 097	1 156	1 214
MP316 Dr JS Moroka	394	1 933	1 765	749	749	747	783	825	866
MP321 Thaba Chweu	3 995	4 632	5 365	10 986	5 217	5 213	5 455	5 744	6 032
MP322 Mbombela	27 448	17 443	23 285	22 464	103 309	103 453	23 750	24 767	26 007
MP323 Umjindi	154	1 710	383	1 513	1 513	1 508	1 582	1 667	1 751
MP324 Nkomazi	2 395	3 014	7 658	4 574	4 074	4 071	4 264	4 491	4 716
MP325 Bushbuckridge	19 000	10 606	32 911	22 620	96 620	96 643	23 681	24 938	26 185
Category C	87 152	9 133	71	81	5 769	6 103	11 606	12 123	129
DC30 Gert Sibande	-	-	31	34	1 034	32	4 285	6 037	39
DC31 Nkangala	87 152	9 126	24	26	3 714	4 729	3 021	29	30
DC32 Ehlanzeni	-	7	16	21	1 021	1 342	4 300	6 057	60
Unallocated	60	472	117	3 009	3 009	613	534	422	444
Total departmental transfers to local government	174 832	87 596	188 458	137 003	401 267	399 337	136 641	143 337	137 908