

**Western Cape Government
Provincial Treasury**

Budget

**Overview of Provincial Revenue
and Expenditure**

2015

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Foreword

The 2015 Budget is framed within the context of the ongoing economic and fiscal constraints. The key objective of Budget 2015 continues to prioritise essential frontline services while targeting areas that can drive higher economic growth such as infrastructure and skills, and targeting innovative approaches in the areas of e-Learning, Broadband, energy security, water and sanitation. The budget allocates resources to these high priority areas that support the Western Cape Government's vision of an Open, Opportunity Society for All and towards delivery on the 2014 – 2019 Provincial Strategic Goals.

The five Provincial Strategic Goals are to:

- Create opportunities for growth and jobs;
- Improve education outcomes and opportunities for youth development;
- Increase wellness, safety and tackle social ills;
- Enable a resilient, sustainable, quality and inclusive living environment; and
- Embed good governance and integrated service delivery through partnerships and spatial alignment.

The Western Cape Government is committed to creating public value by being more responsive to and more effective in addressing the issues which are most important to the public. This approach includes strengthening governance for the people through continuous improvement in the delivery of public services. The transition to more integrated planning and budgeting process has been positive, particularly with the local government municipalities, and has certainly contributed to more responsive budgeting processes.

Given the limited resources, Budget 2015 places a strong emphasis on partnerships and the whole-of-society approach in the delivery of the budget. These partnerships include initiatives with various role-players such as businesses, communities, individuals who all play a key role in development.



DR IH MEYER
MINISTER OF FINANCE
DATE: 5 MARCH 2015

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Acronyms

AET	Adult Education and Training
AFR	Asset Finance Reserve
APPs	Annual Performance Plans
ART	Anti-Retroviral Treatment
ASIDI	Accelerated School Infrastructure Delivery Initiative
BER	Bureau for Economic Research
BNG	Breaking New Ground
BPO	Business Process Outsourcing
C-AMP	Custodian Asset Management Plan
CASP	Comprehensive Agriculture Support Programme
Casidra	Cape Agency for Sustainable Development in Rural Areas
CBD	Central Business District
CDC	Community Day Centres
CDW	Community Development Worker
Ce-I	Centre for E-Innovation
CIDB	Construction Industry Development Board
CHC	Community Health Clinic
CHEC	Cape Higher Education Consortium
CID	Central Improvement District
CoE	Compensation of Employees
CPF	Community Policing Forum
CPI	Consumer Price Index
CSC	Corporate Services Centre
CSIP	Community Safety Improvement Partnership
CWP	Community Work Programme
DCAS	Department of Cultural Affairs and Sport
DEDAT	Department of Economic Development and Tourism
DoCS	Department of Community Safety
DoRA	Division of Revenue Act
DSD	Department of Social Development
ECB	European Central Bank
ECD	Early Childhood Development
EDP	Economic Development Partnership
EDULIS	Education Library and Information Service
EPM	Enterprise Portfolio Management
EPWP	Expanded Public Works Programme
FET	Further Education and Training

GIAMA	Government Immoveable Asset Management Act
GDE	Gross Domestic Expenditure
GDP	Gross Domestic Product
GDPR	Gross Domestic Product per Region
GFS	Government Finance Statistics
GHS	General Household Survey
GVA	Gross Value Added
HRM	Human Resource Management
HIV/AIDS	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome
HSDG	Human Settlements Development Grant
ICT	Information Communication Technology
IDIP	Infrastructure Development Improvement Programme
IDMC	Infrastructure Delivery Management Committee
IDMS	Infrastructure Delivery Management Systems
IDPs	Integrated Development Plans
IDZ	Industrial Development Zone
IMF	International Monetary Fund
IT	Information Technology
JPI	Joint Planning Initiative
LAN	Local Area Network
LG MTEC	Local Government Medium Term Expenditure Committee
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act, 2003
MIG	Municipal Infrastructure Grant
MinComBud	Ministers Committee on the Budget
MOD	Mass Opportunity Development
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MVL	Motor Vehicle Licence Fees
NEET	Youth Not in Employment Education and/or Training
NDP	National Development Plan
NGO	Non-Governmental Organisation
NHLS	National Health Laboratory Services
NHI	National Health Insurance
NHW	Neighbourhood Watch
NSC	National Senior Certificate
NTSG	National Tertiary Services Grant
OECD	Organisation for Economic Co-operation and Development

OSD	Occupation Specific Dispensation
PAY	Premier's Advancement of Youth
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PHC	Primary Health Care
PPPs	Public Private Partnerships
PRF	Provincial Revenue Fund
PRMG	Provincial Road Maintenance Grant
PSBC	Public Service Bargaining Council
PSDF	Provincial Spatial Development Framework
PSP	Provincial Spatial Plan
PWAN	Provincial Wide Area Network
QLFS	Quarterly Labour Force Survey
RAF	Road Accident Fund
RSEP	Regional Socio-Economic Project
SANRAL	South African National Roads Agency Limited
SARB	South African Reserve Bank
SARS	South African Revenue Services
SCOA	Standard Chart of Accounts
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SIC	Standard Industrial Classification
SITA	State Information Technology Agency
Stats SA	Statistics South Africa
TA	Treasury Approval
TB	Tuberculosis
TPW	Department of Transport and Public Works
U-AMPS	User Asset Management Plans
VAT	Value Added Tax
VPUU	Violence Prevention through Urban Upgrading
WAN	Wide Area Network
WCCC	Western Cape Cultural Commission
WCED	Western Cape Education Department
WCG	Western Cape Government
WCGRB	Western Cape Gambling and Racing Board
WCIF	Western Cape Infrastructure Framework
WCIDMS	Western Cape Infrastructure Delivery System
WC-MTBPS	Western Cape Medium Term Budget Policy Statement

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Economic context and outlook

In Summary

- Current projections of global and national growth for 2015 suggests that slow economic growth is expected to persist.
- The Western Cape economy is forecast to grow at 2.1 per cent in 2015, and on average 2.7 per cent over the 2014 – 2019 period.
- Lower oil prices, depreciation in the exchange rate and the recent moderation of the inflation rate are expected to support national and regional growth.
- On the downside, key risks include energy supply constraints, and the resultant impact of lower investor confidence.
- The implications of the weak economic environment is a more constrained fiscal outlook, which requires a strong emphasis on initiatives to support inclusive economic growth and job creation.

Introduction

The downward revision to the global and South African growth forecasts for 2015 suggests that slow economic growth is expected to persist. Global economic growth is projected to increase albeit at a sluggish pace as growth rates for advanced economies accelerates, while moderate economic growth is expected for emerging markets. Both South Africa and the Western Cape's Gross Domestic Product (GDP) growth are forecast to increase over the medium term although marginally so. The country is projected to benefit from the lower oil prices and the recent moderation of the inflation rate, while the depreciation of the real exchange rate allows for further economic opportunities.

Macroeconomic Outlook¹

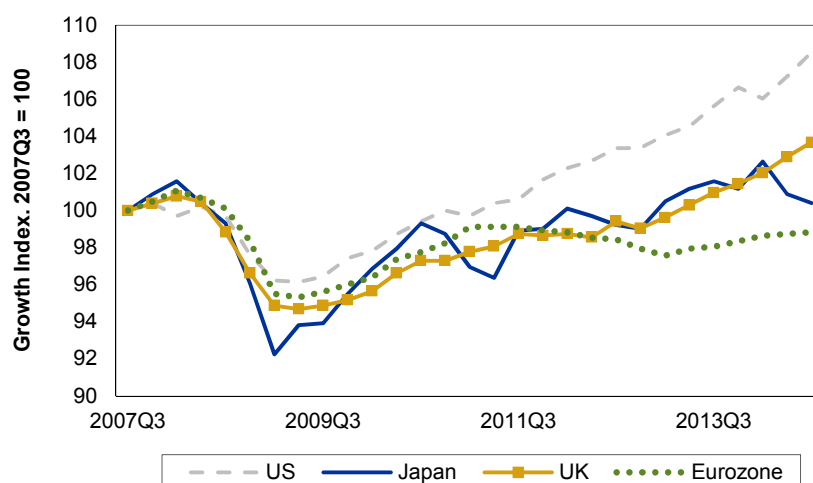
Global economic outlook

According to the International Monetary Fund (IMF), global economic growth was recorded at 3.3 per cent in 2014. However, while growth in advanced economies accelerated from 1.3 per cent in 2013 to 1.8 in 2014, growth in emerging and developing economies moderated from 4.7 to 4.4 per cent across the same period.

US growth outperforming other advanced economies

In the US, growth accelerated from 2.2 per cent in 2013 to 2.4 per cent in 2014, outperforming other advanced economies. In recent years, the divergence between the Eurozone and the US is particularly stark (see Figure 1.1). The Eurozone economy is struggling to gain momentum following the global financial crisis and their own sovereign debt crisis soon thereafter.

Figure 1.1 US recovery outpaced other advanced economies



Source: OECD

US economy expected to grow by 3.6 per cent in 2015

An important feature of the US economy in 2014 was faster job growth, which continued into 2015. According to the United States (US) Bureau for Labor Statistics, a total of 257 000 jobs were created in the US during January 2015 as compared to 166 000 jobs in January 2014. In addition, the unemployment rate came in at only 5.7 per cent, which is almost a full

¹ Economic data and information as at 16 February 2015.

percentage point below its start in 2014. The improved labour market along with the lower oil price, and improved demand should support growth acceleration in 2015. The IMF projects the US economy to expand to 3.6 per cent in 2015. However, on the back of the stronger economy and sustained improvement in the labour market, the US Federal Reserve is expected to start hiking interest rates by mid-2015. This should weigh on economic growth in 2016.

In contrast, growth in the Eurozone remains weak, despite returning to positive territory in 2014. However, the asset purchasing programme (quantitative easing) introduced by the European Central Bank (ECB) at the start of 2015 should bolster the economy and stave off deflation. In addition, fiscal austerity measures are being reduced and exports should benefit from the weaker currency. In sum, growth in the Eurozone is forecast to accelerate to 1.2 per cent in 2015 and 1.4 per cent in 2016.

Growth in Eurozone remains weak

Japan entered a technical recession in the third quarter of 2014, as a Value Added Tax (VAT) increase weighed on household consumption. The economy should be supported by the weak yen exchange rate and additional monetary policy stimulus in 2015. The second VAT increase has also been postponed. Despite this, economic growth is expected to remain below 1 per cent in 2015 and 2016.

Economic growth in China slowed to 7.4 per cent in 2014, marginally lower than the government's official target of 7.5 per cent. Growth is projected to slow further to 6.8 and 6.3 per cent in 2015 and 2016, respectively. Most of the slowdown is as a result of measures implemented to reduce vulnerabilities caused by rapid credit growth and fixed investment. On the other hand, monetary and fiscal stimulus is expected to provide some support.

Economic growth in China expected to slow further

Growth in Sub-Saharan Africa moderated to 4.8 per cent in 2014, from 5.2 per cent in 2013. While a slight acceleration is projected in 2015 and 2016, growth will remain under pressure as prospects for the region's two largest economies (Nigeria and South Africa) have been scaled down. Nigeria, an oil exporter, has been significantly and adversely affected by the lower oil price. In fact, the International Monetary Fund (IMF) lowered its forecast for 2015 to 4.8 per cent in January 2015, a full 2.5 percentage points lower compared to its October 2014 forecast.

More optimistic outlook
for 2016

Overall, global economic growth is predicted to accelerate to 3.5 per cent in 2015 and to 3.7 per cent in 2016, as illustrated in Table 1.1 below.

Table 1.1 Global economic growth outlook

	2014	2015f	2016f		2014	2015f	2016f
World output	3.3	3.5	3.7				
Advanced economies	1.8	2.4	2.4	Developing economies	4.4	4.3	4.7
US	2.4	3.6	3.3	Developing Asia	6.5	6.4	6.2
Japan	0.1	0.6	0.8	China	7.4	6.8	6.3
Eurozone	0.8	1.2	1.4	India	5.8	6.3	6.5
Germany	1.5	1.3	1.5	Latin America	1.2	1.3	2.3
UK	2.6	2.7	2.4	Central and East Europe	2.7	2.9	3.1
Canada	2.4	2.3	2.1	Sub-Saharan Africa	4.8	4.9	5.2

f denotes forecast

Source: IMF, *World Economic Outlook – January 2015*

For oil-importing
countries, lower oil price
boosts economic growth
via lower inflation

Global growth is likely to be supported by the decline in the oil price, as supply (boosted by the shale-gas exploration in the US), is expected to continue to outstrip demand. Although the lower oil price is detrimental to oil-producing countries, as export revenue inevitably comes under pressure, this is outweighed by the positive impact on net oil-importing countries. For oil-importing countries, the lower oil price boosts economic growth via lower inflation, resulting in an increase in disposable income and spending.

Advance economies
inflation forecast revised
downwards

Partly as a result of the recent fall in the oil price, inflation forecasts for 2015 have been revised sharply lower in recent times, particularly in advanced economies. The IMF projects consumer inflation to moderate from 1.4 in 2014 to 1.0 per cent in 2015, before accelerating to 1.5 per cent in 2016. In emerging economies, inflation is expected to accelerate to 5.7 per cent in 2015 before moderating to 5.4 per cent in 2016. The softer inflation outlook may allow monetary policy to remain accommodative for longer, especially in advanced economies.

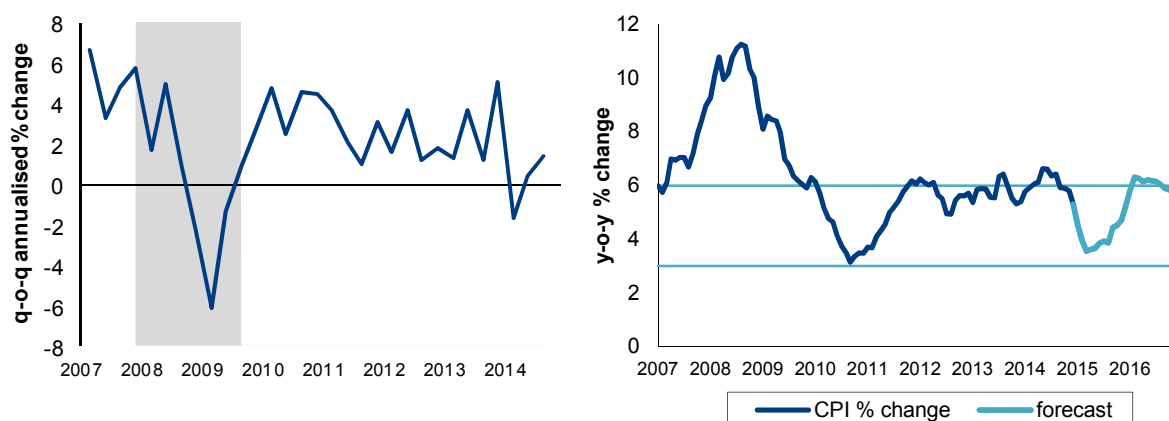
Developments and outlook in the South African economy

The adverse impact that the global financial crisis had on advanced economies and the developing world is well-documented. While South Africa's banking system was mostly protected from its negative impact, the economy was not, as illustrated by the marked contraction in real GDP during 2008 and 2009 in Figure 1.2 overleaf.

In 2014, real GDP growth had slumped from 2.2 per cent in 2013 to 1.5 per cent. However, economic growth in South Africa accelerated in the fourth quarter of 2014 by 4.1 per cent quarter-on-quarter². This followed growth of 2.1 per cent in the third quarter, marginal growth of 0.5 per cent in the second quarter and a contraction of 1.6 per cent in the first quarter (see Figure 1.2).

Real GDP growth in 2014 down to 1.5 per cent from 2.2 per cent in 2013

Figure 1.2 Real GDP Growth and CPI Inflation



Source: SARB, Quarterly Bulletin, December 2014

In the primary sector, growth rebounded due to a strong performance by the mining sector post its contraction in the first half of the year due to strikes; growth was also maintained in the agricultural sector amid good crop and animal product production. The secondary sector rebounded (after three consecutive quarters of contraction) due to a strong acceleration in manufacturing output; a slight acceleration in construction and a marginal increase in electricity production. The tertiary sector moderated slightly as growth in the financial and transport sectors were maintained but this was offset by the trade sector reflecting negative growth due to decreases in turnover in most trade divisions.

² Unless stated otherwise, all quarter-on-quarter rates referred to in this section are seasonally adjusted and annualised.

*Inflation forecast at
4.2 per cent for 2015*

The impact of the lower oil price is most visible in the consumer inflation forecast, as illustrated in Figure 1.2. Adjusting for the lower oil price, inflation is forecast to average only 4.2 per cent in 2015 – around the mid-point of the South African Reserve Bank's (SARB) target of 3 - 6 per cent.

*Possible interest rate hikes
in 2016*

The net effects of a lower oil price are dependent on several factors, which include: the length and magnitude of the price decline, currency depreciation, the oil intensity of trading partners, the ability of domestic firms to respond to increased demand, and taxes and subsidies on oil products.³

Given this forecast, the Bureau for Economic Research (BER) currently does not expect the repo rate to increase during 2015. As oil prices pick up from the second half of 2015, Consumer Price Index (CPI) is forecast to average 6.0 per cent in 2016. This, combined with policy rate hikes in the US, will likely prompt the SARB to start raising interest rates from early 2016. The higher interest rate, in turn, could weigh on consumer spending on durable goods particularly in 2016.

*Real consumer spending
expected to accelerate
in 2015*

Growth in real consumer spending likely bottomed in 2014 and is projected to accelerate in 2015, with the lower petrol price and improved employment prospects set to boost disposable income growth from current levels. This will, in turn, support a gradual improvement in consumer confidence. In the absence of further interest rate increases, spending on durable goods should remain relatively buoyant in 2015. A recovery in strike-affected incomes, coupled with lower fuel prices and a moderation in food inflation should see spending on non-durable goods accelerate in 2015.

On the back of an improvement in private sector investment from 2014 onwards, growth in total gross fixed capital formation is forecast to accelerate in 2015 and 2016, respectively. Electricity supply constraints could, however, depress business confidence and the willingness to invest in additional capacity, which means that the recovery could be softer than currently anticipated.

³ National Treasury, Budget 2015, Budget Review.

Table 1.2 South African Macroeconomic forecast for selected variables 2014 – 2016

	Estimate	Forecasts	
	2014	2015	2016
Final household consumption expenditure	1.2	2.8	2.7
Government consumption expenditure	2.0	2.0	2.1
Gross fixed capital formation	-0.6	2.0	3.3
Real GDE	0.9	2.8	2.8
Total exports	1.5	4.4	5.7
Total imports	-0.2	7.4	7.0
Real GDP	1.5	1.9	2.4
Inflation (annual averages)			
CPI (Headline)	6.1	4.2	6.0
PPI (All items)	7.4	4.0	4.1
Exchange rates (annual averages)			
R/US\$	10.85	11.72	11.88
R/Euro	14.40	13.60	13.13
R/Pound sterling	17.86	17.73	17.70

Source: BER, *Economic Prospects*, February 2015

The BER forecasts Gross Domestic Expenditure (GDE), the broadest measure of domestic demand, to improve from 0.9 to 2.8 per cent growth in 2015 and 2016. However, GDP growth will be lower as import growth is expected to outpace export growth over the forecast horizon. While the sustained weak level of the rand exchange rate improves the competitiveness of exported goods in international markets, the growth prospects for South Africa's key export markets (Europe, China and Africa) have not improved significantly. Indeed, the decline in the oil price could result in much slower growth in countries such as Angola and Nigeria, which may have knock-on effects for exports. Slower economic growth in China could push down the price as well as demand for key commodity exports, such as iron ore.

The National Treasury forecasts GDP growth to increase to 2 per cent in 2015, 2.4 per cent in 2016 and 3 per cent in 2017. The BER predicts a slightly more conservative growth rate of 1.9 per cent in 2015 but the same growth rate of 2.4 per cent in 2016 (Table 1.2). The windfall from sharply lower fuel costs on household income and spending is largely outweighed by a more severe electricity supply constraint and continued underlying labour market tension.

SA economy forecast to grow marginally in 2015

A major feature of the global economic landscape has been the sharp rise in the value of the US dollar against both developed and emerging market currencies. This is primarily due the increasingly divergent monetary policy paths in the US and Eurozone/Japan. The rand exchange rate has been hit particularly hard and weakened from an average of R9.65/\$ in 2013 to R10.85/\$ in 2014 and R11.56/\$ in January 2015. While this

can, to a large extent, be attributed to the global environment, domestic developments also played a key role. The large current account deficit, labour market unrest and electricity supply constraints weighed not only on the rand, but also on the attractiveness of South Africa as a destination for foreign capital.

Further depreciation of the rand US dollar exchange rate expected in 2015 and 2016

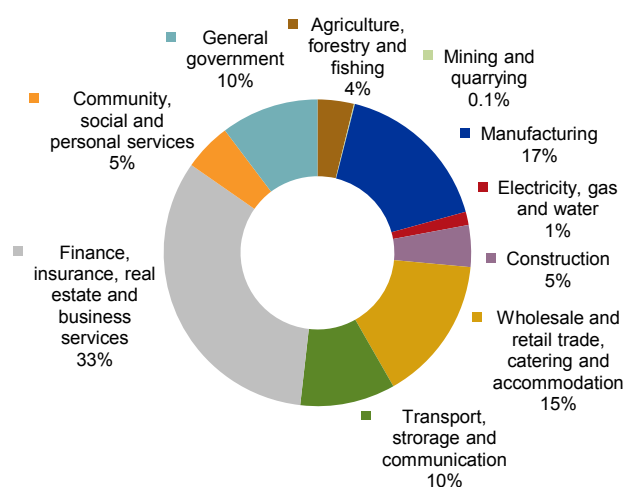
The rand should continue to lose ground against the generally stronger US dollar. However, the currency's losses may be capped by an improvement in South Africa's current account deficit due to a decline in the value of oil imports. Quantitative easing in the Eurozone and Japan could also result in an increase in global liquidity, which supports the continuation of capital flows to South Africa. Nonetheless, the rand is projected to sustain its weakening bias against the US dollar through 2015 and 2016. The soft euro and Japanese yen imply that the rand may gain marginally against a basket of currencies.

Economic outlook for the Western Cape

Economic growth in the Western Cape slowed to 2.4 per cent in 2013, from 2.7 per cent in 2012. Nonetheless, growth in the Western Cape marginally outperformed that of the rest of South Africa, which expanded by 2.2 per cent in 2013.

Figure 1.3 overleaf outlines the GDPR share of the key Western Cape sectors according to the traditional Standard Industrial Classification (SIC). The tertiary sector remains the mainstay sector of the Province. In 2013, output by the tertiary sector made up 73 per cent of total output in the Province largely attributed to the finance, insurance, real estate and business services sector (33 per cent) and the wholesale and retail trade, catering and accommodation sector (15 per cent).

This was followed by the secondary sector mainly driven by the manufacturing sector (17 per cent) and the construction sector (5 per cent). The share of the primary sector (mining and quarrying and agriculture) contributes approximately 4 per cent to the overall Gross Domestic Product per region (GDPR).

Figure 1.3 Structure of the Western Cape economy, 2013

Source: *Provincial Economic Review and Outlook, 2014*

Looking ahead, it is unlikely that the structure of the Western Cape economy will change dramatically. As such, it will remain tertiary sector orientated. The Western Cape economy is expected to continue to grow at a higher rate than the rest of SA on the back of a better performing tertiary sector compared to the secondary and primary sectors.

Western Cape priority economic sectors

The Western Cape Government's Project Khulisa which was launched in 2014, identified parts of the economy with the greatest potential for accelerated and sustained growth and job creation.

This process utilised a simple sector taxonomy which is based on the detailed structure of the Western Cape economy:

- "Productive" sectors are specific and contribute to the region's competitive advantage (e.g. tourism, retail and manufacturing, oil and gas);
- "enabling sectors" go beyond their own development and act as catalysts to accelerate growth (e.g. electricity and water, telecommunications and IT, logistics and core infrastructure and financial services); and
- "Social Sectors" are the cement of economic development and include basic education and health systems.

The tourism, agri-processing and the oil and gas sectors were highlighted as sectors with strong growth and employment creation potential.

Source: *Project Khulisa Report (2014), Ministry of Economic Opportunities, Western Cape Government*

Overall, economic growth in the Western Cape is forecast to grow to 2.1 per cent in 2015. The Western Cape economy is predicted to grow by an average rate of 2.7 per cent between 2014 and 2019.

Western Cape economy to grow by 2.1 per cent in 2015

The construction sector is estimated to be the fastest growing sector, between 2014 and 2019 (4.1 per cent). Followed by the finance, insurance, real estate and business services and transport, storage and communication sectors. Furthermore,

growth in government services is also forecast to be relatively mild at 1.8 per cent on average.

Table 1.3 Western Cape economic forecast by sector, 2014 – 2019

Description	2014	2015f	2016f	2017f	2018f	2019f	Average growth 2014 - 2019
Agriculture, forestry & fishing	4.2	2.9	2.4	2.5	2.3	2.0	2.7
Mining & quarrying	0.5	2.7	1.9	1.4	1.1	1.0	1.4
Manufacturing	0.3	2.0	2.3	2.3	2.4	2.5	2.0
Electricity, gas & water	0.5	0.8	1.9	1.9	2.0	2.5	1.6
Construction	3.2	4.0	4.1	4.5	4.4	4.3	4.1
Wholesale & retail trade; catering & accommodation	1.3	1.9	2.6	2.8	3.0	3.0	2.4
Transport, storage & communication	2.2	2.2	3.0	3.5	3.8	3.7	3.1
Finance, insurance, real estate & business services	2.2	2.5	3.7	4.1	4.2	4.1	3.5
Community, social & personal services	2.5	1.7	2.3	2.5	2.4	2.5	2.3
General government services	1.3	1.1	1.6	2.3	2.3	2.4	1.8
Total	1.7	2.1	2.8	3.2	3.3	3.2	2.7

f denotes forecast

Sources: BER/Quantec research

Key implications for the economic outlook

There are a number of risks and opportunities to the economic outlook.

Firstly, from an international perspective, an earlier than expected hike in the US interest rate will have an impact on the rand, as seen in recent times when even the mere speculation of an interest rate hike in the US causes the rand (and other emerging market currencies) to depreciate. This could possibly influence domestic interest rates as a weaker rand implies increased inflationary pressure via more costly imports.

Also related to inflation are future oil price trends. Oil price dynamics can change relatively quickly and changes to the oil price path in either direction will have important implications. On the upside, a lower oil price could result in a bigger boost to economic growth than currently expected, particularly in (oil-importing) advanced economies as well as South Africa. However, if prices rebound, economic growth could be more subdued and inflation higher.

Electricity supply shortages among domestic risks to growth forecast

Domestically, deeper electricity supply shortages, uncertainty regarding the outcome of the public sector wage negotiation could depress economic growth below what is currently expected.

Conversely, the country is expected to benefit from the depreciation of the rand. The current value of the currency provides opportunities to increase the competitiveness of domestic export markets and strengthen the tourism sector by attracting additional tourists to the country.

Depreciation of the rand provides opportunities to increase the competitiveness of domestic export markets

An improvement in consumer confidence is likely to occur as a result of the moderation of the inflation rate and will be evident in the expected growth in real consumer spending.

For the Western Cape, muted employment growth, higher inflation (if oil prices rise substantially) and possible interest rate hikes will weigh on consumer spending and on the tertiary sector in particular. Furthermore, weaker growth in Europe and the rest of Sub-Saharan Africa will weigh on export growth. Conversely, faster growth in these regions should benefit Western Cape exports.

Labour market dynamics

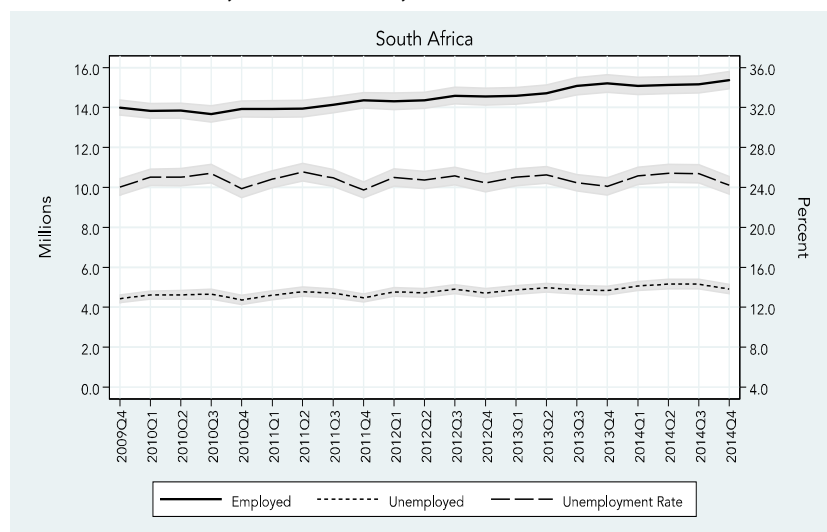
The general performance of the South African and provincial labour markets over the past five years are illustrated in Figures 1.4 and 1.5 overleaf. Although employment nationally is gradually inching upwards, it only surpassed pre-recession levels in the third quarter of 2013 and fewer than 300 000 jobs have been added since. Similarly, within the Western Cape, employment has remained within 125 000 on either side of 2.1 million throughout the past five years.

Employment remains around 2.1 million for the past 5 years

While the unemployment rate has been relatively volatile from quarter to quarter, there has been a general upward drift over the past five years. This can be linked to the fact that the demand for labour is a derived demand and is therefore directly influenced by the demand for goods and services. To this end, unemployment is expected to persist in South Africa as economic growth forecasts continue to be revised downward. Additionally, the labour unrest across the manufacturing, mining and agriculture sectors negatively affect the demand for labour. While estimates from the fourth quarter of 2014 suggest a slight dip in the narrow unemployment rate both nationally and provincially, the fourth quarter is typically associated with declines in the unemployment rate and is followed by a rebound.

High levels of unemployment continue to persist

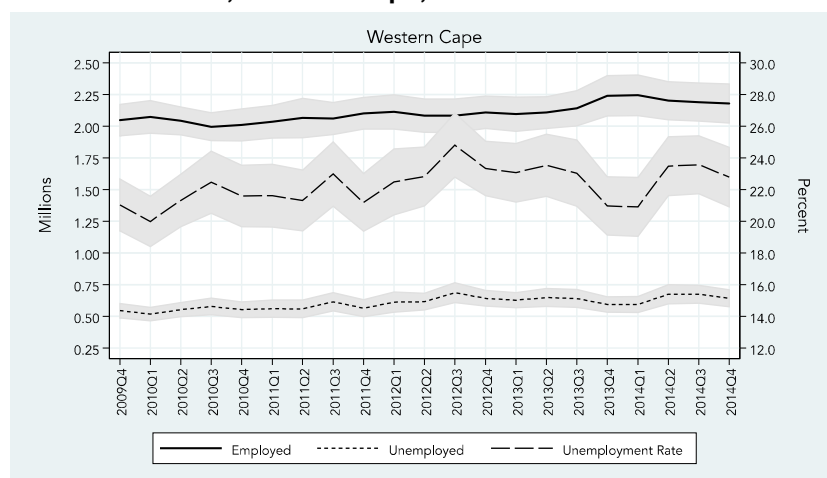
Figure 1.4 Employment, unemployment and unemployment rate, South Africa, 2009 - 2014



Note: Shaded bands represent 95 per cent confidence intervals.

Source: Own calculations, Quarterly Labour Force Surveys 2009Q4 - 2014Q4 (Statistics South Africa 2010 - 2015).

Figure 1.5 Employment, unemployment and unemployment rate, Western Cape, 2009 - 2014



Note: Shaded bands represent 95 per cent confidence intervals.

Source: Own calculations, Quarterly Labour Force Surveys 2009Q4 - 2014Q4 (Statistics South Africa 2010 - 2015).

Against the backdrop of sluggish economic performance, the provincial labour market performance during 2014 was subdued. At just shy of 2.2 million at the end of 2014, employment was slightly down from a year earlier, while unemployment - irrespective of the definition used - was slightly up. However, these changes are not found to be statistically significant. The combined effect is that both the narrow and the expanded labour force were virtually unchanged.

As illustrated in Table 1.4 below, the Province's working age population continued to grow, expanding by 2.5 per cent or around 103 000 over the period. Additionally, employment decreased by 60 000 or 2.7 per cent between the fourth quarters of 2013 and 2014. For the same period, narrow and expanded unemployment increased from 21.0 per cent to 22.8 per cent and from 21.5 per cent to 23.4 per cent, respectively. The youth continues to bear the brunt of unemployment.

Province working age population increased by 103 000

Table 1.4 Recent labour market trends, 2013Q4 to 2014Q4

	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	Change (2013Q4 - 2014Q4)	
						Absolute	Relative
Western Cape							%
Aggregates (thousands)							
Working age population	4 160	4 183	4 209	4 235	4 263	103	2.5
Employment	2 238	2 243	2 201	2 190	2 179	-60	-2.7
Narrow unemployment	594	593	675	675	643	49	8.3
Narrow labour force	2 832	2 836	2 876	2 865	2 822	-11	-0.4
Expanded unemployment	612	624	710	715	665	53	8.7
Expanded labour force	2 850	2 867	2 910	2 905	2 844	-6	-0.2
Non-searching unemployed	18	31	34	40	22	4	24.3
Rates (per cent)							
Narrow unemployment	21.0	20.9	23.5	23.6	22.8	1.8	
Expanded unemployment	21.5	21.8	24.4	24.6	23.4	1.9	
Narrow LFPR	68.1	67.8	68.3	67.6	66.2	-1.9	
Expanded LFPR	68.5	68.5	69.2	68.6	66.7	-1.8	
South Africa							
Aggregates (thousands)							
Working age population	35 259	35 432	35 575	35 729	35 896	637	1.8
Employment	15 206	15 084	15 122	15 157	15 363	157	1.0
Narrow unemployment	4 831	5 068	5 154	5 152	4 909	78	1.6
Narrow labour force	20 037	20 153	20 276	20 308	20 272	235	1.2
Expanded unemployment	7 031	7 424	7 574	7 667	7 313	282	4.0
Expanded labour force	22 238	22 508	22 696	22 824	22 676	438	2.0
Non-searching unemployed	2 200	2 355	2 419	2 515	2 404	204	9.3
Rates (per cent)							
Narrow unemployment	24.1	25.2	25.4	25.4	24.2	0.1	
Expanded unemployment	31.6	33.0	33.4	33.6	32.2	0.6	
Narrow LFPR	56.8	56.9	57.0	56.8	56.5	-0.4	
Expanded LFPR	63.1	63.5	63.8	63.9	63.2	0.1	

Note: No changes between 2013Q4 and 2014Q4 are found to be statistically significant at the 90 per cent confidence level.

Source: Own calculations, Quarterly Labour Force Surveys 2013Q4 - 2014Q4 (Statistics South Africa 2014, 2015).

Nationally, employment was unable to keep pace with the expansion of the working age population

Nationally, although there are no statistically significant changes in any of the labour market aggregates, the employment trend is slightly more favourable. However, employment was unable to keep pace with the expansion of the working age population and did not grow at a sufficient rate to lower unemployment. Similar to the situation in the Western Cape, although estimates of the unemployment rate in the fourth quarter of 2014 are slightly higher than they were at the end of 2013, unemployment appears to have fallen slightly from the levels seen in mid-2014. There does, though, appear to have been relatively strong growth amongst the non-searching unemployed both nationally and in the Province over the 12-month period.

Socio-economic profiles of the Western Cape

Demographics

The Cape Town Metro accounts for the highest proportion of the provincial population

According to the Statistics South Africa 2014 Mid-term estimates, the Western Cape comprises 11.3 per cent of the total population of the country with a total of 6 113 324 people. Its relative share has been marginally increasing from 10.8 per cent in 2002 and can be partially ascribed to in-migration. The Cape Town Metro accounts for the highest proportion of the population, at 64.2 per cent, while covering the smallest land surface area of 2 502 km². Therefore, the Cape Metro has a higher population density, aggravated further by significant urban sprawl and the location of informal settlements at the periphery which significantly impacts on planning process.⁴

As outlined in Figure 1.6 overleaf, the largest share of the population consists of the working age (67 per cent) i.e. those aged 15 - 64 years. This is followed by the children (0 - 14 years of age) whom comprise of 27 per cent of the population and the aged (65+ years of age) whom constitute the remaining 6 per cent.

⁴ Department of Health. Final draft Annual Performance Plan 2015/16.

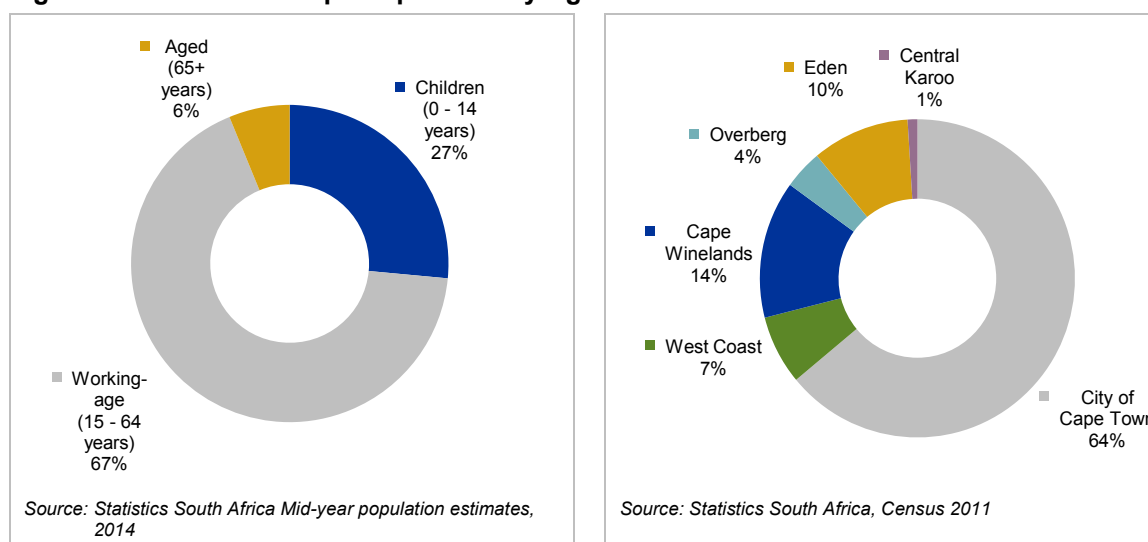
Figure 1.6 Western Cape Population by Age Cohort and District

Figure 1.6 also displays the share of the provincial population held by each region⁵. The most populous regions according to the 2011 Census were the City of Cape Town with 3.7 million people (64 per cent), followed by Cape Winelands with 787 490 people (14 per cent). The Eden District amounted to 574 265 people (10 per cent). The West Coast District at 391 766 persons had a share of 7 per cent. The Overberg and Central Karoo Districts had the smallest populations with 258 176 (4 per cent) and 71 011 (1 per cent) people respectively.

Health

In 2014, the life expectancy at birth for South Africa was 63.1 and 59.1 years for females and males, respectively⁶. The Western Cape has the highest estimated average life expectancy at birth of 67.9 and 63.7 years for females and males, respectively for the 2011 – 2016 period. Life expectancy in the Western Cape continues to be influenced by what has been termed the quadruple burden of disease where the causes of death are grouped as 1) communicable diseases such as tuberculosis (TB), pneumonia and diarrhoea; 2) non-communicable diseases such as heart disease, diabetes, and strokes; 3) deaths due to HIV/AIDS; and 4) deaths due to injuries caused by interpersonal violence and traffic accidents.

The Western Cape has the highest estimated average life expectancy

⁵ Statistics South Africa Mid-year Population Estimates, 2014.

⁶ The 2011 Census is the most recent district level population data available.

Education

City of Cape Town has largest proportion of learners enrolled in the Western Cape

According to the Western Cape Department of Education, learner enrolment has been increasing across all regions in the Western Cape over recent years. A total of 1 008 107 learners were enrolled in schools in the Western Cape during 2014. The City of Cape Town has the largest proportion (64.3 per cent) of learners enrolled in the Western Cape with 648 056 learners. This is followed by the Cape Winelands District (14.2 per cent), Eden (10.3 per cent), West Coast (5.9 per cent), Overberg (4.0 per cent) and the Central Karoo District with a share of 1.4 per cent of learners.

The Western Cape Department of Education serves a total of 1 705 schools

The Western Cape Department of Education serves a total of 1 705 schools, comprising of 1 458 public schools and 247 independent schools. A total of 687 schools are classified as no fee schools. Similar to the share of learners enrolled across the municipal districts, 50 per cent of public schools in the Western Cape and just over 60 per cent of independent schools are situated in the City of Cape Town.

Table 1.5 Education indicators, 2014

Metro/District	2014	% share	No. of schools, 2014				Matric pass rate 2014	% Literacy rate 2011
			Public	Independent	Total No. of schools	No. of no fee schools		
Cape Winelands	142 703	14.2	272	21	293	187	83	81.70%
Central Karoo	14 265	1.4	29	29	58	23	70	73.40%
Eden	103 337	10.3	190	21	211	134	82	82.60%
Overberg	40 746	4.0	84	14	98	64	88	81.10%
West Coast	59 000	5.9	129	11	140	94	88	79.10%
City of Cape Town	648 056	64.3	754	151	905	185	82	90.50%
Western Cape	1 008 107	100.0	1 458	247	1 705	687	82	87.20%

Source: Western Cape Education Department and Stats SA, 2014

The literacy rate in the Western Cape is 87.2 per cent

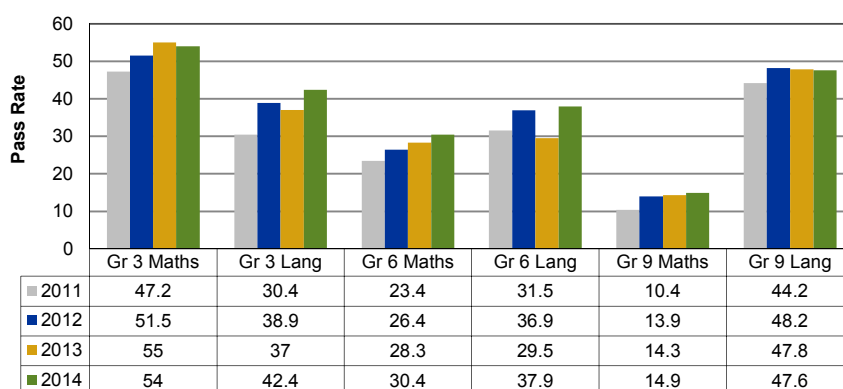
The Western Cape Province achieved an 82 per cent matric pass rate in 2014. Both the Overberg and West Coast Municipal District attained an 88 per cent matric pass rate while the Central Karoo District achieved a lower pass rate of 70 per cent relative to other municipal districts. The literacy rate is a measure of the level of education and skill in the economy. The literacy rate⁷ in the Western Cape is 87.2 per cent.

⁷ The literacy rate is an indication of the levels of education and skill in the economy. It measures the proportion of persons aged 15 years and older with an education qualification of higher than Grade 7.

The quality of primary school education has been tracked via the programme of systemic testing of Grades 3, 6 and 9 Language and Mathematics in the Western Cape (see Figure 1.7 below).

The Mathematics pass rates reflect a modest improvement in Grades 3 and 9. However, overall performance is notably higher in Grade 3 illustrating a pass rate of 54 per cent in 2014, up from 47.2 per cent in 2012. Despite the improvement in the Grade 9 pass rate it is still lower relative to the Grade 3 and 6 pass rates registering 14.9 per cent in 2014. The pass rate for language has shown moderate improvement for Grades 3 and 6, while the Grade 9 pass rate illustrates a slight decline.

Figure 1.7 Systemic test results for the Western Cape, 2011 - 2014



Source: Western Cape Education Department, 2015/16 Annual Performance Plan

Conclusion

Key global economic developments informing the economic outlook include the decline in the oil prices, weaker-than-expected economic growth in several major economies, and the appreciation of the US dollar.

The current global and national economic context has both positive and negative implications for the Western Cape. The downward revisions have directly affected the fiscal outlook and national budget proposals emphasise fiscal consolidation. The severe electricity supply constraints and underlying labour market tension also highlight the need to focus on structural change in the economy. However, the impact of lower oil prices on household income and spending and the depreciation of the rand allow for opportunities in the export markets as well as the tourism sector. Prioritising resources towards areas that target higher growth, is a key pillar underlying the Western Cape budget policy framework.

2

Revenue

In Summary

- The 2015 funding envelope has been moderated downwards in response to the lower than forecasted tax revenue, worsening public debt outlook and efforts to reduce the budget deficit.
- Government will continue in its drive to achieve greater value for money and will reallocate resources from underperforming programmes to critical frontline services.
- The Provincial Equitable Share and some Conditional Grants grow over the 2015 MTEF, however, the rate of growth in allocations has declined.
- The limited movability within the national envelope has highlighted the importance of Provincial Own Receipts as well as the prudence of previous efforts at creating additional fiscal space.

Introduction

The protracted weakness in the South African economy is evident in the downward revisions to 2015 GDP forecasts estimated at around 2 per cent for 2015. The economic outlook has directly affected fiscal policy and the overall funding envelope available to the Province.

The 2015 National Budget implements the commitment to narrow the budget deficit, stabilise debt and begin to rebuild fiscal space. This is achieved through a combination of a lower expenditure ceiling and higher taxes. The 2015 National Budget proposals reduce the growth in baseline expenditure nationally by R25 billion over the MTEF compared with the 2014 Budget and translates into the reduction in the rate of growth in the Provincial Equitable Share and selected conditional grants.

Both at a national and provincial level, government continues to allocate resources to core social and economic priorities. Resources have been allocated from underperforming programmes to critical frontline services and continuing the trajectory of shifting from consumption to investment.

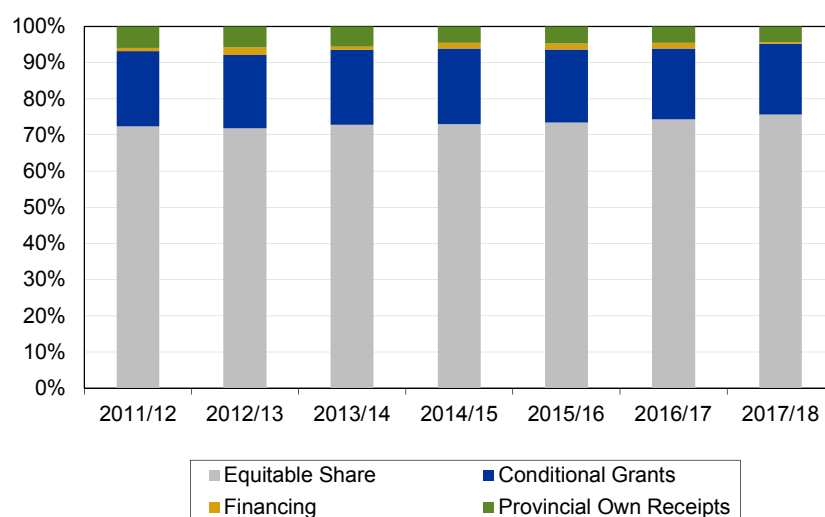
Sources of Provincial Revenue

The Western Cape Government finances its provincial expenditure via three sources, i.e. national transfers (Provincial Equitable Share (PES) and conditional grants); Provincial Own Receipts (taxes and fees/user charges); and provincial reserves, namely Provincial Revenue Fund (PRF) and Asset Finance Reserve (AFR).

The relative share of the different sources of revenue for the period 2011/12 to 2017/18 is depicted in Figure 2.1. National transfers comprise the bulk of total Provincial receipts and average 93.61 per cent over the seven year period. Own receipts and financing respectively contribute on average 5.08 and 1.31 per cent to the total Provincial receipts over the period.

Figure 2.1 Provincial revenue by source

PES comprises an increasing share of the Fiscal Envelope



The total provincial revenue envelope relative to the 2014/15 Adjusted Appropriation, in nominal terms increases by R3.317 billion in 2015/16, R2.452 billion in 2016/17, and R2.766 billion in 2017/18.

Transfers from National Government (i.e. PES and conditional grants) increase by R2.968 billion or 6.48 per cent from the Adjusted Appropriation of R45.781 billion in 2014/15 to R48.749 billion in 2015/16 and is estimated to grow to R51.159 billion in 2016/17 and R54.557 billion in 2017/18, at an average annual growth rate of 6.02 per cent over the 2015 MTEF.

Funding from the PRF and AFR amounts to R2 billion over the 2015 MTEF.

Table 2.1 Summary of Provincial Receipts

Receipts R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
Transfer receipts from National	34 781 823	37 269 859	40 951 593	45 131 033	45 781 061	45 781 061	48 749 087	51 159 491	54 556 650
Equitable share	27 019 344	29 082 503	31 881 140	35 591 517	35 591 517	35 591 517	38 241 666	40 501 046	43 307 975
Conditional grants	7 762 479	8 187 356	9 070 453	9 539 516	10 189 544	10 189 544	10 507 421	10 658 445	11 248 675
Financing	326 837	877 436	381 094	468 135	748 367	748 367	852 550	896 462	250 524
Asset Finance Reserve	273 749	377 405	175 711	294 092	366 092	366 092	355 389	391 250	183 610
Provincial Revenue Fund	53 088	500 031	205 383	174 043	378 487	378 487	497 161	505 212	66 914
Provincial Revenue Fund (Direct charge)					3 788	3 788			
National receipts and financing	35 108 660	38 147 295	41 332 687	45 599 168	46 529 428	46 529 428	49 601 637	52 055 953	54 807 174
Provincial own receipts									
Tax receipts	1 312 930	1 415 018	1 564 886	1 385 111	1 405 111	1 488 326	1 661 037	1 737 763	1 796 526
Sales of goods and services other than capital assets	498 190	554 768	561 245	471 132	471 603	517 037	498 538	504 795	511 064
Transfers received	169 903	161 836	158 859	196 548	256 329	270 261	170 389	77 397	19 701
Fines, penalties and forfeits	3 922	4 812	5 890	2 611	2 611	5 716	3 136	3 423	3 722
Interest, dividends and rent on land	6 190	6 478	6 937	7 182	6 165	7 901	55 411	58 204	61 290
Sales of capital assets	1 563	7 230	6 043	21	21	816	21	22	23
Financial transactions in assets and liabilities	235 951	176 243	162 976	77 394	88 068	119 965	86 112	90 287	94 272
Provincial own receipts	2 228 649	2 326 385	2 466 836	2 139 999	2 229 908	2 410 022	2 474 644	2 471 891	2 486 597
Total provincial receipts	37 337 309	40 473 680	43 799 523	47 739 167	48 759 336	48 939 450	52 076 281	54 527 844	57 293 771
Transfers from National	93.16%	92.08%	93.50%	94.54%	93.89%	93.55%	93.61%	93.82%	95.22%
Equitable share	72.37%	71.86%	72.79%	74.55%	72.99%	72.73%	73.43%	74.28%	75.59%
Conditional grants	20.79%	20.23%	20.71%	19.98%	20.90%	20.82%	20.18%	19.55%	19.63%
Own receipts	5.97%	5.75%	5.63%	4.48%	4.57%	4.92%	4.75%	4.53%	4.34%
Asset Financing Reserve	0.73%	0.93%	0.40%	0.62%	0.75%	0.75%	0.68%	0.72%	0.32%
PRF Financing	0.14%	1.24%	0.47%	0.36%	0.78%	0.78%	0.95%	0.93%	0.12%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Note: Differences in comparison to 2014 Budget is due to Adult Education and Training (AET) and Further Education and Training (FET) colleges' functions shifted from provincial to national government from 1 April 2015 (history information adjusted accordingly).

Provincial Equitable Share

The equitable share is a redistributive unconditional transfer allocated to provinces and is the main source of revenue for meeting provincial expenditure responsibilities. The formula is largely population driven, which account for over 60 per cent of the formula. Therefore the allocations capture shifts in population across provinces and the resultant changes in the relative demand for public services across these areas.

To ensure that the formula remains responsive to population and service delivery changes, the data used in the formula is updated on an annual basis. Table 2.2 summarises the data sources used to update the formula as well as their impact on the Provinces share of the PES. Upward revisions have been made to the Western Cape's share of the Education and Health components driven by the increase in school enrolment

Annual data updates ensure that the PES remains responsive to population movements and changes in the demand for services

and an increase in the Hospital Workload Patient Day Equivalents which measures the number of visits to primary health care clinics and public hospitals.

Data updates see the Western Cape's share of the PES increase to 10.06 per cent

Minor downward revisions were affected to the Poverty, Economic Activity and Basic components of the Equitable Share. These adjustments were as a result of a decline in the Western Cape's share of the national population defined as poor (i.e. persons who fall in national quintiles 1 and 2); the relative decline in the Western Cape's Regional Gross Domestic Product; and a decline in the Province's relative share of the total population as measured by the 2014 Mid-year population estimates. The institutional component remains unchanged and is shared equally amongst provinces.

To minimise against any significant shocks emanating from data updates, changes to the PES are phased-in over a 3 year MTEF period.

Table 2.2 Summary of PES data updates and Provincial Share

PES component	Key determinants or variables	Data source	Provincial Share 2015 MTEF %	Variance from 2014 MTEF %
Education (48%)	School age cohort	15 - 17 years from Census 2011		
	School enrolment data	2014 data from School Realities Survey, Department of Basic Education	9.01	0.06
Health (27%)	Uses a risk adjusted capitation index based on the Risk Equalisation Fund and output data from public hospitals	2014 Mid-year Population Estimates		
		Medical Aid Insured population data from the 2013 General Household Survey	11.25	0.15
		Data from the District Health Information System (average of 2012/13 and 2013/14 data)		
Poverty (3%)	Share of households in the lowest two quintiles	2014 Mid-year Population Estimates 2010 Income and Expenditure Survey	6.13	-0.02
Economic activity (1%)	Provincial share of remuneration	GDPR 2012	13.97	-0.19
Basic (16%)	Provincial share of population	2014 Mid-year Population Estimates	11.32	-0.03
Institutional (5%)	Equal proportions of operational costs for provincial government	Distributed equally and not based on population numbers	11.1	0
Final Share			10.06	0.06

The structure and weights of each component of the PES formula remain unchanged over the 2015 MTEF.

PES transfers to the Western Cape will increase from an Adjusted Appropriation of R35.592 billion in 2014/15 to R38.242 billion in 2015/16, to R40.501 billion in 2016/17, and R43.308 billion in 2017/18.

Inflationary and Policy Adjustments to the Provincial Equitable Share

The 2015 funding envelope has been moderated downwards in response to the lower than forecasted tax revenue, worsening public debt outlook and efforts to reduce the budget deficit. Efforts at fiscal consolidation involving the reduction in the expenditure ceiling have meant that although the PES grows over the 2015 MTEF period, the rate of growth in allocations has declined.

Fiscal consolidation has resulted in the moderation of PES growth

Budget baselines for the 2015 MTEF and the growth in the fiscal envelope are based on the supposition that wage adjustments will track CPI projections. Funding is also based on the assumption that the overall headcount numbers do not increase in aggregate. Should the wage settlement exceed CPI projections, departments will be required to find further efficiencies to fund increases in compensation of employees without crowding out spending on complementary goods and services.

A number of functions have shifted from the provincial sphere of government to the national sphere. These functions include port health services; Adult Education and Training; Further Education and Training colleges and National Health Laboratory Services functions shift from provincial to national government from 1 April 2015. This has resulted in the downward revision of Provincial Equitable Share funding to reflect these function shifts. The overall net PES reductions for these shifts amounts to R396.784 million over the 2015 MTEF.

Several functions shifted from provincial to national sphere of government

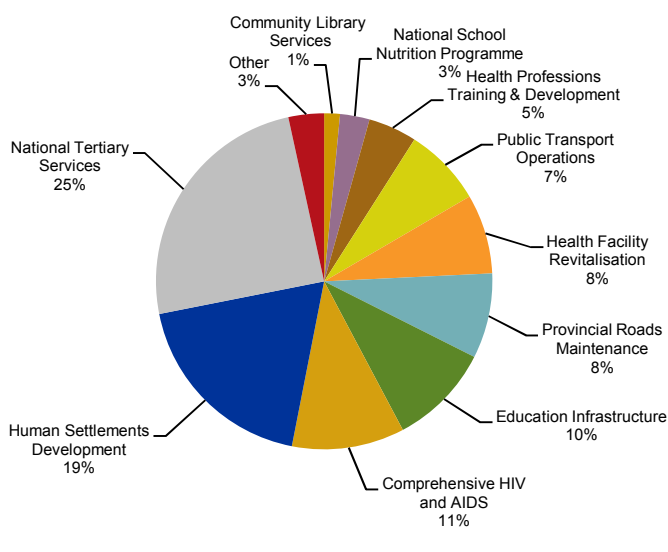
Conditional Grants

Few fiscal expansions in the conditional grants have been allocated to vital social sectors and areas of infrastructure developments such as Education, Health and Transport and Public Works. Other departments, however, will have to make every effort to incur efficiency gains by doing more with less. This is in response to the adverse economic conditions in the South African economy and government's pledge to remain within the expenditure ceiling.

2015/16 average nominal growth rate for Conditional Grants is 2.3 per cent

Conditional allocations that will receive the most benefits are: the Education Infrastructure Grant; the Community Library Services Grant; the Health Facility Revitalisation Grant; and the Provincial Roads Maintenance Grant. It is clear that the Government has shifted its focus onto infrastructure investment projects as a means to propel the economy forward.

Focus will be on infrastructure investment

Figure 2.2 WC Conditional Grant Share: 2015/16

Further detail on the 2015 MTEF conditional grant allocations and a summary by vote is included in Chapter 7: Summary of Budget Aggregates.

Revisions to Conditional Grants over the 2015 MTEF

This section discusses the specific changes made to conditional grants over the 2015 MTEF.

Implementation of Infrastructure Incentive Grant Reforms

Infrastructure grants to include financial incentives for implementing best practices

Reforms have been made to the provincial infrastructure grants system to institutionalise proper planning for infrastructure development. Provinces are required to bid for the infrastructure grants of the Education Infrastructure Grant and the Health Facility Revitalisation Grant allocations two years in advance and financial incentives will be awarded to provinces that implement best practices in delivering infrastructure outcomes. To help provinces in planning ahead for the two outer MTEF years, 'base' indicative allocations have been made while the 'incentive' component has been left unallocated.

Education receives R1.032 billion for 2015/16 and Health R804.142 million for infrastructure

The Education Infrastructure Grant (EIG) receives a total funding of R1.032 billion for both 'base' and 'incentive' components of the allocation in 2015/16, and projected 'base' funding of R874.263 million in 2016/17 and R860.226 million in 2017/18. Included in the allocation is additional funding for the repair and replacement of damaged education infrastructure affected by disasters.

Similarly, the Health Facility Revitalisation Grant shall receive a total R804.142 million in 2015/16; and a 'base' component of R589.566 million in 2016/17 and R587.460 million in 2017/18.

Provincial Roads Maintenance Grant (PRMG)

The Province will receive additional funding to supplement provincial investments for the preventative, routine, emergency maintenance and rehabilitation of provincial road networks as mandated by the PRMG in the 2015/16 year.

Maths, Science and Technology Grant

This grant is created through the amalgamation of two previous grants, namely: the Technical Secondary Schools Recapitalisation Grant and the Dinaledi Schools Grant. Both grants share the common goal to improve the quality of learner performance in Mathematics, Physical Sciences, Life Sciences and English First Additional Language. Combining the grants will improve the administration of funding to technically inclined schools as well as improving their capacity for skills development and training.

A new grant for Maths, Science and Technology

Comprehensive HIV and AIDS Grant

The funding for the Comprehensive HIV and AIDS Grant will grow by 8.2 per cent in the 2015/16 year, notwithstanding a proportional shift to fund the National Health Laboratory Services (NHLS).

National School Nutrition Programme Grant

From 2015/16 onwards, the mandate of this grant has been extended to include provision for the deworming of learners to ensure that they receive optimal nutritional benefits from school meals at no additional charge.

The mandate of the National School Nutrition Programme Grant has expanded to include provision for the deworming of learners

Occupational Specific Dispensation (OSD) for Education Sector Therapists Grant

The grant was introduced in 2014/15 for two fiscal years and will be phased into the PES. It provides for increased compensation for education sector therapists.

OSD Grant will be subsumed into the PES from 2016/17 onwards

Provincial Own Receipts

Provincial governments are empowered, subject to certain limitations, to impose taxes, levies and duties other than income tax, value added tax, property taxes, or customs duties in order to raise revenues.

Provincial own receipts are expected to contribute less than 5 per cent to total receipts over the 2015 MTEF

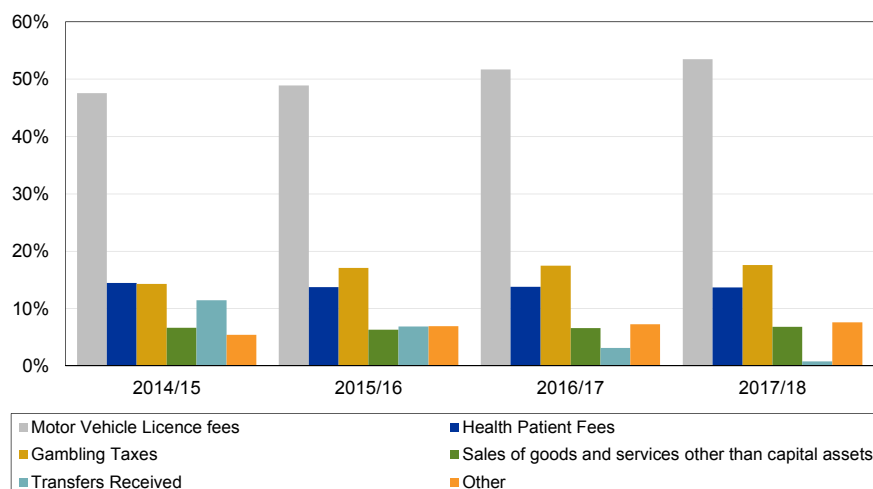
Provincial own receipts income is generated by provincial departments to help fund their various activities. For instance, motor vehicle licence fees are levied on vehicle owners as a tax and the funds raised are wholly used for the maintenance and upgrading of the provincial roads network. Table 2.3 depicts the major components and drivers of own receipts for the Province.

Table 2.3 Summary of own revenue components

Own revenue component	Main determinants or variables
Motor vehicle licence (MVL) fees	Motor vehicle population Motor vehicle licence fee tariffs
Health patient fees	Patient numbers Health patient fee tariffs
Gambling taxes	Gambling tax rates Number of Rand spend per gambler (GGR)
Sales of goods and services other than capital assets (excluding health patient fees)	Fees for licences and permits Leases of government buildings
Transfers received	Transfers received from government, non-government, and international institutions
Other	Refunds from previous years' expenditures Liquor licence fees Fines, penalties, and forfeits Interest rates (investments)

Motor vehicle licence fees are the largest component of own receipts

Figure 2.3 shows the major contributors to own receipts over the 2015 MTEF. Motor vehicle licence fees are the largest component of own receipts and are expected to comprise more than 50 per cent of own receipts by 2017/18.

Figure 2.3 Composition of own receipts

Transfers received are comprised of receipts from government, non-government, and international institutions. This item is expected to decline substantively over the 2015 MTEF due to transfers from the Global Fund coming to an end during the 2015/16 financial year. This item is anticipated to comprise 0.79 per cent of own receipts in 2017/18 from 11.5 per cent of own receipts in 2014/15.

'Sales of goods and services other than capital assets' (excluding health patient fees) which is comprised mainly of leases of government buildings and charges for licences and permits are expected to remain relatively stable and will comprise 6.6 per cent of own receipts on average over the 2015 MTEF.

The 'other receipts' category is comprised of fees such as liquor licence fees, interest charges, and 'fines, penalties, and forfeits'. This category is expected to increase marginally over the 2015 MTEF to comprise 7.61 per cent of own receipts in 2017/18.

Health patient fees, as a percentage of own receipts, are expected to remain relatively stable over the 2015 MTEF at about 14 per cent while gambling taxes are expected to increase to about 17 per cent of own receipts in 2017/18.

Provincial own receipts are projected to change from an Adjusted Appropriation of R2.230 billion in 2014/15 to R2.475 billion in 2015/16, to R2.472 billion in 2016/17, and to R2.487 billion in 2017/18.

Table 2.4 shows the contributions of the Departments to total Provincial Own Receipts.

Table 2.4 Summary of Provincial Own Receipts

Vote R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate	2015/16	2016/17	2017/18
1. Department of the Premier	1 720	1 327	4 170	653	653	653	682	4.44	718	754
2. Provincial Parliament	202	210	689	52	52	245	54	(77.96)	57	60
3. Provincial Treasury	357 186	388 973	452 515	320 597	320 597	320 597	474 856	48.12	486 029	493 904
4. Community Safety	389	489	759	16 107	16 107	17 488	11 824	(32.39)	14 164	487
5. Education	33 918	41 881	33 554	28 227	28 227	28 227	29 106	3.11	30 648	32 180
6. Health	533 535	608 404	597 758	503 567	496 545	525 925	503 696	(4.23)	404 400	404 400
7. Social Development	3 900	3 905	3 556	862	862	1 214	915	(24.63)	963	1 011
8. Human Settlements	183 182	112 866	89 901	60 000	60 000	60 000	62 760	4.60	66 086	69 390
9. Environmental Affairs and Development Planning	1 638	2 495	3 757	1 200	5 500	8 540	2 050	(76.00)	2 280	2 500
10. Transport and Public Works	1 045 562	1 105 671	1 217 806	1 120 699	1 206 502	1 347 019	1 294 497	(3.90)	1 365 472	1 421 983
11. Agriculture	49 676	28 184	28 914	25 454	25 978	26 942	25 454	(5.52)	26 803	28 143
12. Economic Development and Tourism	10 818	29 569	31 582	25 270	31 074	35 098	27 270	(22.30)	28 715	30 151
13. Cultural Affairs and Sport	6 086	1 017	1 388	37 261	37 761	37 991	41 430	9.05	45 506	1 581
14. Local Government	837	1 394	487	50	50	83	50	(39.76)	50	53
Total provincial own receipts	2 228 649	2 326 385	2 466 836	2 139 999	2 229 908	2 410 022	2 474 644	2.68	2 471 891	2 486 597

Table 2.5 portrays the total annual provincial own receipts by source from 2014/15 to 2017/18. Motor vehicle licence fees, casino taxes and hospital patient fees are the major sources of own receipts over the 2015 MTEF period.

Table 2.5 Western Cape own receipts by source 2014/15 - 2017/18

Provincial Department R'000	Adjusted Budget	Medium Term Estimate		
	2014/15	2015/16	2016/17	2017/18
Tax receipts	1 405 111	1 661 037	1 737 763	1 796 526
Casino taxes	299 335	403 594	412 267	417 517
Horse racing taxes	20 000	20 000	20 000	20 000
Other taxes (Liquor licence fees)	25 000	27 000	28 431	29 853
Motor vehicle licences	1 060 776	1 210 443	1 277 065	1 329 156
Sales of goods and services other than capital assets*	471 603	498 538	504 795	511 064
Transfers received	256 329	170 389	77 397	19 701
Fines, penalties and forfeits	2 611	3 136	3 423	3 722
Interest, dividends and rent on land	6 165	55 411	58 204	61 290
Sales of capital assets	21	21	22	23
Financial transactions in assets and liabilities	88 068	86 112	90 287	94 272
Total provincial own receipts	2 229 908	2 474 644	2 471 891	2 486 597

* Includes Health Patient Fees

Tax Receipts

Motor Vehicle Licence Fees

The Department of Transport and Public Works expects revenue from motor vehicle licence fees to increase over the 2015 MTEF from R1.061 billion in the 2014/15 Adjusted Budget to R1.210 billion in 2015/16, to R1.277 billion in 2016/17, and to R1.329 billion in 2017/18. The average annual growth rate for motor vehicle licence fees revenue over the 2015 MTEF is projected to be 7.8 per cent.

Motor vehicle licence fees expected to contribute 51.3 per cent on average, of the revenue, over the period

Casino and Horse Racing Taxes

Taxes from casino gambling, projected at over R400 million per annum, are the second largest contributor to provincial own receipts. Projections for casino taxes over the 2015 MTEF have increased, to reflect the two percentage point increase, introduced with effect from September 2013 across all six taxable revenue brackets for casino operators in the Province.

Horseracing taxes, although under pressure due to changing gaming practices and a move away from horserace betting towards sports betting, are projected to remain at R20 million per annum over the 2015 MTEF.

Hospital Fees

Hospital patient fees is the third largest contributor to provincial own revenue. Hospital patient fees found under the revenue item, Sales of Goods and Services other the Capital Assets, makes up 13.79 per cent of own revenue. Patients are billed for medical services by the various health facilities across the Province. The money is received via four sources namely; individual payments; medical aid payments; the Road Accident Fund; and State Departments. Despite the weak economic conditions the revenue to be received from hospital patient fees are expected to remain stable through the 2015 MTEF at around R341.188 million per annum.

Hospital patient fees are expected to remain stable over the 2015 MTEF

Other Revenue Sources

The Western Cape also relies on smaller sources of income of which Liquor Licence Fees is one. Over the 2015 MTEF amounts budgeted for liquor licence revenue amounts to R27 million, R28.431 million, and R29.853 million for 2015/16, 2016/17 and 2017/18 respectively.

Liquor Licence Fees revenue makes up 1.15 per cent of total provincial own revenue

Transfers received

The Western Cape relies on transfers from various sources to supplement own revenue. In the past the biggest transfer received was from the Global Fund for the Department of Health to fund various HIV and AIDS related expenditures.

2015/16 is the last year that the Province will receive money from the Global Fund

The amount of transfers received via the Global Fund has been declining since 2014/15 due to the phasing out of the contract agreement. The 2015/16 financial year will be the last year the Province receives global fund money worth R99.296 million.

Other notable transfers received include a national transfer amounting to R40 million in 2015/16 and R44 million in 2016/17 for the Mass Opportunity Development programme is provided to the Department of Cultural Affairs and Sport for initiatives to create a socially inclusive, creative and active Western Cape.

Financial Transactions in Assets and Liabilities

Financial transactions in assets and liabilities consist of items such as the recovery of previous year's expenditure and some debt collection. These are small revenue items in relation to total revenue. Financial transactions in assets and liabilities is estimated to amount to R86.112 million in 2015/16 and is projected to increase marginally over the 2015 MTEF period.

Financing

The Province has historically used the annual adjusted budget process to form the foundation for fiscal stabilisation. This has enabled the Province to free financial resources in order to create additional fiscal space for future years. The Province has budgeted amounts of R852.550 million in 2015/16, R896.462 million in 2016/17 and R250.524 million in 2017/18 to assist in ameliorating the negative impact of the downward revisions in the national funding sources and to support provincial departments, particularly, Health, Education and Social Development in providing essential services.

Conclusion

The impact of the economic and fiscal outlook has resulted in a more constrained funding envelope. The budget framework for the Province is therefore based on creating sustainable expenditure levels toward achieving government's strategic priorities and limiting funding risks for the 2015 MTEF.

Any further deterioration of the economic outlook has implications of further fiscal pressures. In support of propelling the economy forward, Infrastructure Grants have been prioritised over the 2015 MTEF. Managing fiscal risks require a strong focus on fiscal discipline and a continuation and refinement of efficiency measures already introduced.

3

Expenditure Plans

In Summary

- The 2015 Budget reflects the Western Cape Government's policies and priorities contained in the Provincial Strategic Plan and how it will be translated into service delivery.
- Delivery requires collaboration amongst departments, partnerships with key stakeholders and an integrated approach in planning, budgeting and implementation.
- The Budget aims to create public value through prioritising social services (health, education and social development) while targeting areas that improve economic prospects of the Western Cape.
- Total allocations for the next three years amount to R52.022 billion in 2015/16, R54.458 billion in 2016/17 and R56.579 billion in 2017/18.

Introduction

The 2015 Budget focuses on balancing public finances while managing risk and maintaining fiscal stability in a weak economic environment whilst giving effect to the Provincial Strategic Plan.

The spending plans outlined in the 2015 Budget support the Western Cape Government's commitment to protect essential social services and prioritising resources to support higher economic growth and employment.

The 2015 Budget provides for total expenditure amounting to R52.022 billion in 2015/16, R54.458 billion in 2016/17 and R56.579 billion in 2017/18.

Budget Policy priorities

The 2015 National budget highlighted that fiscal policy needs to be rebalanced to give greater impetus to investment, support enterprise development, promote agriculture and industry and make cities the engines of growth.

A set of policy principles have guided the formulation of the provincial budget policy framework for the 2015 MTEF. These policy principles were highlighted in the Medium Term Budget Policy Statement 2015 – 2018 and are outlined below:

- Constitutionalism
- Evidence Base
- Public Value
- Rule of Law
- Partnerships
- Game changers
- Whole-of-Society approach
- Citizen Centric
- Provincial Strategic Plans and Goals

Provincial Strategic Plan and Game changers

The 2015 Budget responds to the challenges of low growth, high unemployment and socio-economic challenges through a framework of action-outlined by the Provincial Strategic Plan. The Provincial Strategic Plan sets out five Provincial Strategic Goals for the next five years that are backed by transversal, departmental and sectoral plans and budgets.

The Provincial Strategic Plan is an actionable policy agenda with the aim to contribute to the realisation of the objectives of the National Development Plan, Medium Term Strategic Framework and the OneCape 2040 vision. The OneCape 2040 is a long term vision for the Province, City of Cape Town and municipalities towards a more inclusive and resilient economic future for the Western Cape region. The primary drive is to work toward a highly skilled, innovation-driven, resource efficient, connected, high opportunity society for all.

The Province has also identified a set of high impact, focused priorities called Game changers. The Game changers tackle intractable problems or opens up a new opportunity that is important to citizens in an innovative and bold way. These Game changers are currently being developed into focused and impactful initiatives. The high level action plans for each of the Game changers below are expected to be completed by August 2015.

Provincial Strategic Plan 2014 - 2019	
Provincial Strategic Goal 1 Create opportunities for growth and jobs	Provincial Strategic Goal 2 Improve education outcomes and opportunities for youth development
<ul style="list-style-type: none"> Building an appropriately skilled workforce Red Tape Reduction Strategic Catalytic Infrastructure and initiatives Green Economy 	<ul style="list-style-type: none"> Improve the level of language and mathematics in all schools Increase the number and quality of passes in the National Senior Certificate and equivalent qualifications Increase the quality of education provision in poorer communities Provide more social and economic opportunities for our youth Improve family support to children and youth, and facilitate development Improve literacy levels from Grade R-3
Provincial Strategic Goal 3 Increase wellness, safety and tackle social ills	Provincial Strategic Goal 4 Enable a resilient, quality and inclusive living environment
<ul style="list-style-type: none"> Healthy, Inclusive and Safe Communities Healthy workforce Healthy families Healthy youth Healthy children Wellness cluster 	<ul style="list-style-type: none"> Enhanced management of the ecological and agricultural resource base The Western Cape Sustainable Water Management Plan Air quality and climate change Western Cape climate change implementation framework
Provincial Strategic Goal 5 Embed good governance and integrated service delivery through partnerships and spatial alignment	
<ul style="list-style-type: none"> Enhanced Governance Integrated Management 	<ul style="list-style-type: none"> Inclusive Society
Game changers	
<ul style="list-style-type: none"> Growth and jobs through tourism, Agri-processing and Oil and Gas Energy Security e-Learning After School programmes for our youth 	<ul style="list-style-type: none"> Reducing the impact of alcohol abuse on the population Water and Sanitation for all Integrated Better living model (Live-Work-Play) Broadband Infrastructure

The Budget process

The provincial budget process aims to ensure that resources are allocated to priorities and that government spending remains within sustainable fiscal limits.

The fiscal objectives for the 2015 Budget process were:

- **Promoting allocative efficiency:** achieving an allocation of resources that reflects the priorities of government on the basis of evidence of programme effectiveness.
- **Value for money:** providing public services in a way that reduces costs of providing goods and services while maintaining quality, producing more with less and achieving results (economy, efficiency and effectiveness).
- **Fiscal sustainability:** maintaining stability in key government programmes and managing risks in a constrained economic and fiscal environment.

Given limited resources, the Province undertakes a coordinated, integrated and strategic approach in government planning, budgeting and delivery for maximum socio-economic impact. Through the budget process, the treasuries, departments responsible for policy and planning and sector departments, plan, collaborate, negotiate and decide together on a comprehensive plan for spending public resources over the next three fiscal years.

The use of research and information through an evidence based approach for decision making, policy development, budgeting and implementation is key to ensure maximum socio-economic impact.

Joint planning processes were undertaken between provincial government departments and the local government municipalities to better integrate provincial priorities with local planning and service delivery initiatives. A greater focus on spatial alignment and spatial targeting were specifically highlighted to mainstream the spatial agenda in the provincial planning and budgeting process.

All provincial government departments aligned their budgets to the National Development Plan (NDP) and Medium Term Strategic Framework (MTSF) and the Western Cape Government's strategic priorities.

Joint planning between provincial and local government for better service delivery

Create opportunities for growth and jobs

Project Khulisa

Khulisa means “to grow”. Through Project Khulisa the Province will focus its efforts on a few strategic sectors over the next five years and the enablers necessary to support growth in these sectors.

Project Khulisa identifies a set of high impact interventions in sectors which have high-potential opportunities for the delivery of growth and jobs. The key identified sectors are: Agri-processing, Tourism, Oil and Gas services (including rig repair). While there is a significant focus on these sectors over the next 3 to 5 years, sectors such as Business, Processing Outsourcing (BPO), Film and Information and Communication Technology (ICT)/Software are also identified as important for a well-functioning economy.

Agri-processing, Tourism and Oil and Gas have high-potential opportunities for growth and jobs

Key enablers such as energy, water, skills, infrastructure and reducing red tape, are critical to realise the potential for growth and job creation and will receive focused attention over the medium to long term.

Red Tape Reduction

Red Tape is the primary inhibitor of successful economic growth and is largely caused by two fundamental issues, namely economic unfriendly legislation and inefficient processes and procedures. An amount of R30.450 million has been provided over the 2015 MTEF to resolve issues that negatively affect the establishment and growth of business over the period. A dedicated Red Tape Unit will continue to focus on:

R30.450 million toward resolving barriers to starting and growing business

- Implementing a Regulatory Review process to determine the economic impact of new and existing legislation within the Province;
- Identifying, investigating and fixing problematic bureaucratic processes; and
- Lobbying and providing advocacy for a business friendly and competitive legislative environment particularly within the SMME environment.

Skills development to increase the employability and placement of youth

Skills development

In the drive toward enhancing regional competitiveness, the Western Cape Government will allocate R51.290 million for the 2015/16 financial year and R55.377 million in 2016/17 and R55.592 million in 2017/18 for skills development and innovation. Skills development initiatives are particularly aimed at young people to increase their employability and placement within the work place in order to address the challenges of experiential learning. Targets include training 150 artisan and 1 920 semi-skilled candidates. Upon completion of training the majority of these candidates will be placed in host companies. Besides a strong focus on artisan development, other key areas include: creative and design capabilities, financial, business outsourcing, digital economy and entrepreneurial skills. Interventions to improve the science, technology, engineering and maths qualifications are also a high priority.

Strong focus on agriculture value chain

Agricultural sector

The agricultural sector in the Western Cape is an important contributor to the regional economy. The Western Cape is also South Africa's key agricultural export region. Allocations of R2.4 billion over the next three years will focus on the value chain of agricultural support and services for the sector with specific emphasis on transformation of the sector.

Key medium to long term targets in the agricultural sector are:

- Maintain the export position for the next 5 years by growing its value added from R16.349 billion in 2013;
- Ensure that at least 70 per cent of all agricultural land reform projects are successful over the next 5 years;
- Support the farmers and industries to increase sustainable agricultural production by at least 10 per cent over the next 10 years;
- Optimise the sustainable utilisation of water and land resources to increase climate smart agricultural production;
- Increase agricultural and related economic opportunities in selected rural areas;
- Enhance the agri-processing capacity at both primary and secondary level; and
- Facilitate an increase in relevant skills development in the sector.

Exports are key to the growth of the economy. Agricultural and agri-processed products will be promoted in the established markets like Europe, developing countries in Africa and in BRICS especially China as well as the domestic market. Thirty (30) agri-processing businesses will be supported to participate in these promotional platforms while thirty (30) agri-businesses will be assisted with a range of services towards accessing markets in 2015/16 financial year.

Strategic catalytic infrastructure and initiatives

In 2015/16, R175 million is prioritised for key infrastructure catalytic projects focused on stimulating the growth of the provincial economy: the Broadband (connected citizens, connected business and connected leadership); Saldanha Bay Industrial Development Zone (IDZ), Improved Air Access; Cape Health Technology Park; Expansion of Cape Town International Convention Centre; Port of Cape Town Precinct and Design initiative. The Saldanha Bay IDZ is set to become a thriving industrial zone with a vibrant workforce on the West Coast of the Province with links to the oil and gas sector and the metals and machinery industry. Broadband initiatives aim to support growth in the provincial economy through the support of broadband usage, infrastructure and readiness by citizens and businesses to stimulate broadband up-take.

Saldanha Bay IDZ and Broadband are key infrastructure projects to stimulate regional growth

Green economy

Green Economy initiatives have been allocated R57 million over the next three years. The focus will be on four strategic themes: energy security, resource efficiency, better living models and ecosystems goods and services. Exploring alternative energy sources will include a focus on Smart Grids and Liquefied Natural Gas. The Waste economy remains a core target area toward achieving resource efficiency. Projects in agriculture aim to design innovative products, processes and systems to target water challenges along the Berg River. A new Agri-Desk (a joint effort between the WCG and GreenCape) will provide much sought after information on renewable energy, energy efficiency and alternative waste utilisation to the agricultural client base. Other projects are focused on unlocking the potential for private investment and income generation from the Western Cape's ecosystems and wealth of biodiversity.

Alternative energy sources such as LNG and Smart Grids will be explored

Roads infrastructure for growth

More than R9 billion over the 2015 MTEF to improve the provincial road network

The road network is the life-blood of the economy. Transport infrastructure allocations within the Department of Transport and Public works for provincial roads amount to R3.124 billion in 2015/16, R3.322 billion in 2016/17 and R2.985 billion in 2017/18. A number of construction and maintenance projects will be undertaken to improve the preservation and condition of the road network. The investment also aims to upgrade roads from gravel to surfaced standard as well as to focus on hazardous locations to improve road safety.

Specific projects that would promote economic growth include: Borchard's Quarry Interchange on the N2; Addition of a 3rd lane on the N1 at the Durban Road Interchange; and Extensions to the road network in support of the Saldanha Bay Industrial Development Zone. Further detail is provided in Chapter 5.

Expanded Public Works Programme

Between 2009/10 and 2013/14, 401 746 Expanded Public Works Programme (EPWP) work opportunities were created in the Western Cape, far exceeding the target of 295 957. Over the next three years, the target is 194 197 work opportunities and 81 491 full time equivalents (230 paid days per year).

EPWP initiatives over the next three years

Projects in the arts, culture, heritage, sport community safety sectors with a focus on youth including the after school programmes.

Community based care services within Health and Social Development.

Learnership opportunities for Early Childhood Development (ECD) practitioners and ECD playgroup facilitation.

Within the infrastructure sector, for road rehabilitation, resurfacing and building, maintenance and repair programmes in Transport and Public Works and Education.

Clearing alien vegetation, river erosion protection and food for waste in the agricultural and environmental sector departments.

Programmes for the protection for children, nutrition at the MOD afterschool programme.

Housing projects where labour intensive delivery methods can be maximised.

Improve education outcomes and opportunities for youth development

Education

A total of R55.751 billion over the next three years is directly allocated to the Department of Education towards improving Education outcomes.

Almost R56 billion over the next 3 years to improve education outcomes

Key focus areas include:

- Excellent administration boosted by online services.
- A five year teacher development plan including pre-service and in-service training and incentives.
- Provincial curriculum management strategies with a specific focus on Language and Mathematics Development Strategies and plans for increased access to vocational subjects.
- Good school management.
- Needs-based education provisioning: The focus will be on providing all the resources that are needed for good teaching and learning to take place, with the emphasis on those schools most in need.
- Social support and a platform for youth development: The school nutrition programme, fee relief and safe schools.
- Programme to minimise barriers to learning: Care and opportunities for those experiencing barriers to learning, display disruptive behaviour or are at risk because of a variety of challenges will be a key focus. Partnerships with the Department of Health, Social Development and Education are critical in this regard.
- Support for independent schools that educate those from poorer communities.
- Quality Grade R: The emphasis will be both on improving access to a growing population of pre-schoolers and on improving the quality of learning.
- Effective infrastructure programme to create an inspiring environment: The focus will be on building new schools and classrooms as required and replacing schools made of inappropriate materials. The proportion of the budget to be spent on maintenance is to grow.

Using technology to improve the quality of teaching and learning

e-Learning

Improving the quality of teaching and learning in the Western Cape through e-Learning is a key priority. Investments in high speed broadband connectivity complemented by a well-managed Local Area Network (LAN) to construct technology enhanced smart classrooms in the Western Cape will be undertaken. The shift toward e-Learning aims to expose learners and educators to different teaching methods and materials, expand learning and collaborative opportunities through online platforms, improve retention and improve learner skills applicable to the workplace and tertiary education. LAN will be installed in 610 schools over the next five years, 3 350 classrooms across 248 schools will benefit from the Smart Classroom Project over the same period and 500 of the Western Cape's poorest schools will receive refreshed computer labs. R698.632 million has been allocated for the e-Learning initiative over the 2015 MTEF.

Improving family support to children and youth

The establishment of referral pathways between the Department of Social Development and Western Cape Education Department will ensure that schools are better able to access Department of Social Development staff, funded organisations and other resources to assist children with special needs, including challenging behaviour and thereby contributing towards school retention - by keeping children in school and assisting them in completing their education. This will be complemented by appropriate psychosocial support programmes including family strengthening, parenting education and cognitive behavioural programmes including substance abuse treatment where necessary.

After School Programme

181 school-based MOD Centres for after school activities

School-going learners participate in after-school activities at the 181 school-based Mass Opportunity and Development (MOD) Centres, thus creating a safe space and environment for participation in fun-filled activities, play, recreation, sport, arts, culture, as well as academic activities. The MOD Programme will continue to work towards improving participation in school sport, learner behaviour, learner school attendance and academic results.

R447.685 million has been allocated over the MTEF which includes nutrition for participant learners and infrastructure to support the after school programme.

The Year Beyond programme is an after-school academic enrichment programme and is being rolled out at the beginning of 2015 to 16 schools. The aim of the programme is to assist with the improvement of academic results.

Year Beyond Programme tutors to assist with improving academic results of learners

Youth development

The key focus area of the Western Cape Youth Development Strategy is the holistic skills development of young people to make them more employable, positive, healthy and well prepared for adulthood.

Re-orientation of the EPWP programme with the skills demands of the global knowledge economy and aligning youth development projects and initiatives (including those within child and youth care centres to Youth Cafés) will enable a focus on providing accessible services, opportunities and support for all young people, specifically NEETs (Youth Not in Employment, Education, and/or Training). Offering training in this will assist with life skills, mentoring and coaching, leadership, entrepreneurship, and accredited formal training and job preparedness for the youth.

Youth Cafés are an innovative initiative to empower and develop skills amongst youth, build networks and access additional opportunities in the form of bursaries and internships. Over the 2015 MTEF, R5.640 million will be allocated toward the current Youth Cafés in Mitchell's Plain and Athlone and the establishment of an additional three Youth Cafés in George, Atlantis and Nyanga Junction.

Three more Youth Cafés to be established over the 2015 MTEF

Increase wellness, safety and tackle social ills

Health

A total of R59.089 billion has been allocated to the Department of Health over the next three years to provide and improve the quality of health services in the Province. The public health system caters largely for the uninsured population in the Province, which is estimated at 4.7 million people in 2015/16.

There is a need to strengthen the capability for early detection and treatment, the reduction of unhealthy lifestyles and the ability to address the underlying social determinants of disease. The 277 Primary Health Care facilities across the Province are well positioned to advocate healthier lifestyles, provide appropriate support in addressing the quadruple burden of disease.

Strengthening antenatal and post-natal care and maternal and child health programmes

Primary Health Care services will be redesigned to enhance the system's capability for prevention and health promotion. Rigorous immunisation, maternal and child health programmes will continue to reduce infant and child mortality. Health promotion activities will include strengthening antenatal and post-natal care and implementation of the parenting programme (first 1 000 days).

The co-infection rate for HIV and TB are considered as an impediment to combating HIV and TB. More than 45 967 TB patients are expected to be registered under the HIV/TB integration programme and will be initiated on treatment. HIV testing, counselling the distribution of male condoms and female condoms, Anti-retroviral Treatment (ART) will continue over the MTEF.

Social development services for the vulnerable

R5.999 billion toward Social Development services for the poor and vulnerable

A budget of R5.999 billion is allocated to the Department of Social Development over the 2015 MTEF to provide services to the poor, the vulnerable and those with special needs. Improving the quality of child care and protection services as is legislated by the Children's and Child Justice Acts; care for older persons especially the expansion of independent and assisted living and frail care to meet the demands of our ageing population; substance abuse interventions, services to persons with disabilities, victim support, shelters for homeless adults, especially women and children and including, special accommodation for victims of human trafficking; probation services and diversion programmes will be prioritised over the next 3 years.

Persons with disabilities

The promotion of the rights, well-being and socio-economic empowerment of people with disabilities and their families or caregivers will continue over the next 3 years. Establishment of a disabilities desk in the Ministry of Social Development, with a view to reforming the Provincial Government's disability policies and providing a support resource for persons with disabilities.

Services to children with intellectual disabilities will be reformed through a Cabinet Approved policy Framework that will consolidate the co-ordination and management of services under the Department of Social Development. An additional R30.680 million has been made available for this purpose in the new financial year, and will be carried through and increased in the outer years of the 5 year term. Outreach and support

services as well as referral pathways for children with disabilities will also be established to ensure access to services.

Provision has been made over the MTEF to provide, amongst other assistive devices and outreach at clinics, ensure the appropriate referral and placement of learners with special needs and upgrade and maintenance of group homes for adults and children. An additional R97.033 million has been allocated over the MTEF to further support persons with disabilities.

Additional R97 million to support Persons with Disabilities

Healthy children and healthy families

Early Childhood Development provision will focus on supporting the need to increase the quality of education, through providing safe environments and nutrition as well as stimulation and exposure to language development ahead of primary school enrolment and in accordance with the national curriculum for 0 - 4 year olds for 85 000 children during 2015/16.

In addition to ECD provision, accredited diversion programmes and probation services for children and adults in conflict with the law will be expanded. This will provide the courts with more options to fast track minor criminal matters as well as giving minor offenders the opportunity to give back to communities. The introduction of drug and alcohol treatment services in all secure care child and youth care centres over the next five years will provide sentenced youth with the opportunity to break the cycle of drug misuse and abuse. The provision of care and protection to all street children, coupled with family strengthening and parent education is the promotion of positive parenting including the importance of the positive role of fathers and men in families will deepen the focus on wellness, safety and reducing social ills.

Promoting positive parenting and strengthening families

Promoting arts, culture and heritage

An amount of R2.152 billion is allocated to the Department of Cultural Affairs and Sport over the MTEF to support cultural affairs, library and archive services as well as sport and recreation. These services aim to promote social inclusion and improve the social fabric of Western Cape communities.

5 new library projects in 2015/16

The Western Cape Library service plans to fund 5 new library building projects in 2015/16. The new library structures are to be located in Swartland, Langeberg, Stellenbosch, Mossel Bay and City of Cape Town localities.

Increasing safety

The Community Safety Improvement Partnership (CSIP) will be the key focus area over the next three years. Key elements of the CSIP include:

- Promotion of professional policing through systems of effective oversight;
- Promotion of safety at all public spaces and buildings; and
- Building safer communities through sustainable partnerships.

Key focus areas include, monitoring police conduct, assessing the effectiveness of visible policing and overseeing the effectiveness and efficiency of the police service. This will be done in close cooperation with the National Secretariat of Police and the establishment of the Western Cape Police Ombudsman to deal with complaints of communities.

Key activities include:

- Determining the provincial Policing Needs and Priorities (PNPs) accurately by means of consultative processes;
- Creating and maintaining effective CPFs as measured through the Expanded Partnership Programme (EPP); and
- Monitoring the implementation of the recommendations of the Khayelitsha Commission of Inquiry into police inefficiencies.

An allocation of R729 million has been made over the 2015 MTEF toward increasing safety in the Province.

Improving safety on roads and reducing road traffic deaths

The Safely Home programme will build on previous initiatives to improve safety on roads and reduce road traffic deaths. Over the 2015 MTEF traffic law enforcement initiatives will include using automatic number plate recognition technology, road safety awareness campaigns and fatigue management interventions.

Strategy to reduce alcohol abuse and misuse

A Game changer strategy is being developed to reduce the negative impact of alcohol and substance abuse and misuse on individuals and communities. Specific programmes targeting youth include after schools support programmes, safety promotion interventions and programmes that keep youth off the street are amongst those already underway. Possible future initiatives include female and maternal education; facilitating behaviour change; increasing penalties; legislative reform; and collaborating with the private/business sector to reduce the harmful impact of alcohol.

Enable a resilient, sustainable, quality and inclusive living environment

Spatial and development planning

The Provincial Spatial Development Framework (PSDF) serves to guide the location and form of public investment in the natural and built environments, so that the returns on these investments are consistent with the Province's development objectives. Whilst the PSDF identifies broad-brush spatial targets, the Growth Potential of Towns Study undertaken to inform the PSDF generated spatial information that serves as a powerful tool to use for detailed spatial targeting. It is important that the Western Cape's spatial agenda is represented in all departmental objectives to ensure programmatic and project alignment with the framework provided in the PSDF.

Provision spatial information to support regional and municipal planning

The Department of Environmental Affairs and Development Planning has been allocated a budget of R1.629 billion over the next three years. A system for collecting, analysing and disseminating spatial information and in support of regional and municipal planning is a key priority that this allocation supports.

Sustainable resource use and efficiency projects over the next three years include:

- Expanding the Berg River Improvement Plan methodology to the Olifants/Doorn River and Breede River catchment areas;
- Waste management programmes in support of the municipalities;
- Driving Sustainable Public Procurement (with links to the Green Economy); and
- Municipal support on climate change and other sustainability interventions.

Upgrading of informal settlements to improve living conditions and access to basic services

The Department of Human Settlements has been allocated R7.155 billion over the 2015 MTEF toward increasing housing opportunities and improving settlement functionality, efficiencies and resilience.

Over the 2015 MTEF more resources will be shifted toward the upgrading of informal settlements to deal with problems of poor living conditions and insufficient access to basic services. The cleaning up of the Housing Demand Database in municipalities will continue to be prioritised to ensure that limited housing opportunities are allocated to the most deserving beneficiaries. Strategic partnerships will also play a critical role in providing GAP/Affordable housing and rental opportunities. The Live-Work-Play initiative will, through the Conradie and Vredenburg Urban Regeneration projects, commence over the 2015 MTEF.

Spending patterns and programmes within Human Settlement will be aligned to the Provincial Spatial Development Framework. Thus, a number of catalytic projects have been identified for implementation over the next five years. They are:

Project	Area	Municipality
Trans Hex	Worcester	Breede Valley
Vlakkeland	Paarl	Drakenstein
Thembaletu, Syferfontein, Wilderness Heights	George	George
Southern Corridor (Barcelona, Xha-Xha, Vukunzela, Europe, Kanana, Kosovo, Lusaka)	Cape Town	City of Cape Town
Vredenburg Urban Regeneration	Vredenburg	Saldanha Bay

Regional Socio-Economic Project/Violence Prevention through Urban Upgrading

Partnering with active citizens to upgrade and improve safety in communities

This programme represents the combination of the Regional Socio-Economic Projects (RSEP) and the Violence Prevention through Urban Upgrading (VPUU) programmes. The main goal of the programme is to partner with active citizens to plan and implement upgrading and safety projects in poor neighbourhoods in the Province. The participating municipalities include Drakenstein, Theewaterskloof, Saldanha Bay and Breede Valley.

The RESP/VPUU project provides practical application to building safe and sustainable neighbourhoods, reducing social, cultural, economic and institutional exclusion of former townships and improving the quality of life in these areas. Urban restructuring is one of main streams of the project in one town in each of the municipalities. Amounts of R21.3 million in 2015/16, R38.8 million in 2016/17 and 64.3 million in 2017/18 are allocated for this project.

A preliminary analysis reveals that in all five towns certain structural patterns are evident and similar. New townships for the poor are still being created and expanded on outskirts of towns - towns are still expanding outwardly and large distances are to be travelled by the poor even in relatively small towns.

Embed good governance and integrated service delivery through partnerships and spatial alignment

Broadband initiatives

The Broadband 2030 Vision is "Every citizen in every town and village has access to affordable broadband infrastructure and services, has the necessary skills to effectively utilise this infrastructure and is actively utilising this in their day-to-day lives".

Providing access to affordable broadband infrastructure in every town and village

The Western Cape Broadband Strategy and Implementation Plan aims to co-ordinate and integrate government action to improve the provision of telecommunication infrastructure, skills and usage within the Western Cape. A total of R1.216 billion over the 2015 MTEF is earmarked for the Connected Government Stream (Stream 1 and Application Development Stream 3).

The Rural Library Connectivity project has been allocated R19.058 million over the 2015 MTEF. This project provides internet access to rural communities. The target for 2015/16 is to have an additional 15 libraries to go live, which will total 215 libraries that have been connected to the internet.

R19 million allocated over the MTEF to provide internet access to rural libraries

WiFi hotspots at 384 Western Cape Government sites will be installed that has fibre connectivity. In 2015/16, the first 50 hotspots will go live and people within range will be able to surf the Internet for free up to a limit of 250 megabytes per month.

Results-based monitoring and evaluation for relevant and accurate data and information will be strengthened over the 2015 MTEF. The approach is to improve governance by focusing on measuring desired results or outcomes, rather than merely focusing on outputs. It is also based on one of the most central features of the reforms in government, which has been to improve performance.

The Application Development Stream (Stream 3) focusses on implementing the transversal ICT Projects, namely BizProjects, BizPerformance, BizBrain as well as Business Process Optimisation and MyContent. In other words, the institutionalisation of the Bizsystems provides an integrated and automated business information technology solution for project and performance management and business intelligence.

Joint Planning Initiative

A more integrated approach to policy, planning, budgeting and implementation

To give effect to the outcome of Integrated Management in the Province one of the key policy initiatives is a more integrated approach to policy, planning, budgeting and implementation. The main aim of a Joint Planning and Budgeting Process from a strategic perspective is to mainstream the objectives of the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF), and the Provincial Strategic Plan (PSP) and to integrate these within a provincial and local government context.

Local government support

Supporting local government to improve service delivery

The developmental mandate of local government can be best realised when communities become directly involved in issues relating to their development. In this regard, engagement between municipalities and the communities they serve is critical. The Province is to extend and strengthen its support to municipalities in order to ensure that communities are at the centre of municipal communication.

The recent audit outcomes of municipalities have improved over the years. The priority is to improve this even further and develop a governance framework which will assist municipalities to go beyond compliance. Interventions in this area will include providing support on ICT governance and cascading performance management to all levels in municipalities.

The WCG also has the responsibility to coordinate disaster preparedness and response in the Province. Central to this over the next five years is to understand and manage disaster risks, especially in informal settlements.

It is the goal of the Province to ensure that citizens access government services irrespective of where they live. Over the past few years, the Thusong and the Community Development Worker (CDW) programmes have played a major role in bringing government services to where people live. The Department will focus on expanding the Thusong footprint and creating a comprehensive referral system for all government services. The Thusong and Community Development Worker programmes which is allocated R34.376 million and R179.099 million respectively over the MTEF, aim to ensure community accessibility to government services.

Improving community access to government services

Creating Public Value

The overarching goal government is to achieve public value which involves greater effectiveness in tackling the problems that are most important to the citizens. Taking this citizen centric approach facilitates citizens' access to government, improving consultation and providing a people-centred approach to service delivery.

Therefore budget priority non-negotiables include allocations towards health, education, the elderly, women, children, youth, the disabled, and elevating the status of previously disadvantaged areas through infrastructure development.

Innovative WCG initiatives to improve public value that also have a pro-poor focus, amongst other, include:

- The RSEP/VPUU pilot programme which aims to partner with active citizens to plan and implement upgrading and safety projects in poor neighbourhoods in the Province.
- The WCG Broadband Strategy and Implementation Plan particularly the e-Education stream which focuses on improving education outcomes in poorer schools.
- The expansion and strengthening of community based care models, e.g. community based health programmes.
- The strengthening of NGO funding-transfer models, thereby improving assurance for reporting, governance, administration and financial management.
- Key policy interventions aimed at increasing employment and decreasing unemployment with the emphasis on improving skill levels, providing much needed work experience and exposure via the public employment programmes and the provision of support for small and medium and micro-enterprises.
- Supporting municipalities to strengthen public participation processes.
- Facilitating access to government services through the Community Development Worker Programme, in conjunction with the Thusong Centres Programme and Mobile Thusong Outreach.

Partnerships

The spectrum of partnership development initiatives includes intergovernmental (national/provincial/local government), intra-governmental (between provincial departments), private sector and civil society (communities). More broadly, stakeholders include foundations and foreign donors, Non-Governmental Organisations (NGOs) and universities which all have an interest in promoting socio-economic development and upliftment.

Mobilising resources, knowledge and creativity through partnerships

Partnerships are a direct result of today's governance challenges, where ever increasing expectation is placed on government to fulfil unlimited needs with limited resources. The development of a Whole-of-Society approach within the WCG highlights the importance of entering into partnerships with various role-players such as businesses and communities. The whole of society approach mobilises resources, knowledge, creativity and concerns of all role-players within given service delivery environments. Below is a snapshot of the partnerships that exist between the WCG and related stakeholders.

- Partnership with the Cape Higher Education Consortium (CHEC).
- Community Safety: Partnerships which include Chrysalis, VPUU, Central Improvement Districts (CIDs), Non-Governmental Organisations (NGOs) and community structures such as Community Police Forums (CPFs) and Neighbourhood Watches (NHWs), and Youth, Safety and Religion Partnership.
- Arts, culture and heritage: In partnership with relevant stakeholders such as Baxter Theatre, Artscape, Die Burger Suidoosterfees and Cape Town International Jazz Festival, the Province has transformed the Arts and Culture sector to be more inclusive of the country's diverse sector.
- Library Services: Partnership with municipalities to provide public library services to communities.
- Sport-related services: Works in partnership with civil society, sport federations and recreation bodies.

Budget aggregates

Table 3.1 provides an overview of the expenditure trends since the 2011/12 financial year and estimates over the new MTEF. The provincial budget grows by 7.60 per cent from a revised 2014/15 estimate of R48.347 billion to R52.022 billion in 2015/16. The largest proportion of the 2015/16 budget is allocated to social services which includes Social Development (3.65 per cent), Health (36.16 per cent share) and Education (34.11 per cent share). The balance is allocated to the Economic and Governance sector departments.

Table 3.1 Summary of provincial payments and estimates by vote

Vote R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate 2015/16	2014/15	2016/17	2017/18
1. Department of the Premier	692 445	747 165	894 537	1 027 754	1 348 395	1 348 395	1 332 027	(1.21)	1 411 826	1 443 085
2. Provincial Parliament	77 741	91 047	103 122	108 971	111 722	111 722	117 180	4.89	118 112	124 392
3. Provincial Treasury	142 619	162 283	199 967	648 298	239 168	239 168	262 029	9.56	278 733	325 607
4. Community Safety	138 763	166 418	191 099	222 566	229 685	229 685	234 574	2.13	248 071	246 096
5. Education	12 793 396	13 653 667	15 111 220	16 007 238	16 608 624	16 608 624	17 744 928	6.84	18 562 726	19 442 931
6. Health	13 387 763	14 600 857	15 916 962	17 338 111	17 430 423	17 342 120	18 812 682	8.48	19 604 029	20 672 722
7. Social Development	1 317 002	1 402 227	1 580 143	1 755 933	1 757 668	1 757 668	1 897 985	7.98	2 000 563	2 100 586
8. Human Settlements	1 834 400	1 987 458	2 215 466	2 115 245	2 151 330	2 151 330	2 189 533	1.78	2 407 570	2 557 667
9. Environmental Affairs and Development Planning	348 467	376 880	412 199	454 348	482 162	457 932	502 976	9.84	537 907	588 326
10. Transport and Public Works	4 366 411	4 704 658	5 017 988	5 630 479	5 949 693	5 910 748	6 760 391	14.37	7 103 663	6 859 717
11. Agriculture	514 559	555 633	608 862	859 870	862 690	862 690	742 261	(13.96)	786 590	830 241
12. Economic Development and Tourism	256 089	314 344	367 379	498 047	510 296	510 296	518 839	1.67	454 376	458 110
13. Cultural Affairs and Sport	351 888	390 550	453 573	626 010	617 015	617 015	706 499	14.50	735 022	710 354
14. Local Government	129 825	160 609	172 062	188 750	199 130	199 130	200 389	0.63	209 126	219 582
Total provincial payments and estimates by vote	36 351 368	39 313 796	43 244 579	47 481 620	48 498 001	48 346 523	52 022 293	7.60	54 458 314	56 579 416

Conclusion

Budget 2015 prioritises essential frontline services while targeting areas that can drive higher economic growth such as infrastructure and skills. Whilst budgets are allocated to provincial departments in terms of their legislative mandate, delivery requires collaboration and co-operation amongst departments and in partnership with key stakeholders. Supported by good governance, resources can be better leveraged to achieve the Provincial strategic priorities and deliver better public services for the people of the Western Cape.

4

Infrastructure

In Summary

- The Western Cape Government total infrastructure spending amounts to R17.3 billion for the 2015 MTEF.
- Infrastructure investment continues to be directed toward the construction of fixed assets (hospitals, schools and roads) as well as maintenance projects (repairs, upgrading and refurbishment).
- The majority of infrastructure related investment is directed toward education, health, environmental, transport and public works related infrastructure projects.
- The WCG is allocating R1.245 billion for new and replacement infrastructure while R4.681 billion is allocated to existing infrastructure.

Introduction

Budget 2015 continues funding programmes aimed at the capacitation of the Western Cape Government to plan and implement infrastructure projects and improving the quality of infrastructure spending.

The Western Cape Infrastructure Delivery Management System (WCIDMS), endorsed by Cabinet in March 2011 is being implemented to institutionalise standardised good practice methodologies, tools and systems to ensure the effective and efficient delivery and maintenance of infrastructure in the Province. Therefore, the effective and efficient delivery of public infrastructure must create value through the economic and social activities it supports:

- Promoting balanced economic development;
- Unlocking economic opportunities;
- Addressing socio-economic needs;
- Promoting job creation; and
- Ensuring integrated human settlements and economic development.

This Chapter provides an update on the status of the Western Cape Government's main infrastructure projects and highlights investment in both social and economic infrastructure over the 2015 MTEF.

Trends in public infrastructure spending

Table 4.1 provides a summary of provincial infrastructure payments and estimates for Education, Health, Transport and Public Works as well as Environmental Affairs and Development Planning.

Investment in projects of an infrastructural nature grew from R3.6 billion in 2011/12 to R5.4 billion in 2017/18.

Table 4.1 Summary of provincial infrastructure payments and estimates

Vote R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate 2015/16	2014/15	2016/17	2017/18
1. Department of the Premier										
2. Provincial Parliament										
3. Provincial Treasury										
4. Community Safety										
5. Education	734 194	750 672	1 054 312	855 962	1 397 772	1 397 772	1 427 227	2.11	1 281 939	1 288 320
6. Health	806 403	830 782	894 535	723 096	814 386	745 764	826 287	10.80	702 169	705 694
7. Social Development				17 000	17 000	17 000		(100.00)		
8. Human Settlements										
9. Environmental Affairs and Development Planning			24 218	27 761	30 961	30 961	29 048	(6.18)	30 311	31 826
10. Transport and Public Works	2 059 056	2 218 483	2 399 082	2 971 877	3 081 626	3 081 626	3 707 108	20.30	3 833 522	3 403 307
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Total provincial infrastructure payments and estimates by vote	3 599 653	3 799 937	4 372 147	4 595 696	5 341 745	5 273 123	5 989 670	13.59	5 847 941	5 429 147

Provincial performance

From 2015/16, provinces will only be eligible to receive allocations for the health facility revitalisation grant and the education infrastructure grant if they meet certain planning criteria, namely a user asset management plan for all infrastructure programmes for a period of at least 10 years, approved project proposals for all projects in the planning stage in the 2015/16 and 2016/17 financial years and approved concept reports for all projects in the design or construction stage in the 2015/16 financial year.

The Western Cape has already made significant strides towards fulfilling the requirements set out by the National Treasury to qualify for such an incentive.

With the assistance of the National Treasury, through its Infrastructure Delivery Improvement Programme, the Province is benefitting from the deployment of technical assistance and training in planning, procurement and management systems for the provincial departments as well as oversight functions in the Provincial Treasury.

The Western Cape Infrastructure Delivery Management System (WCIDMS) is designed to be linked to multi-year budgeting with a strong focus on outcomes, value for money and the effective and efficient functioning of the entire value chain of infrastructure delivery. The Infrastructure Delivery Management Committee (IDMC) drives the promotion of increased openness, transparency, trust and collaboration between Provincial Treasury and all relevant role-players in the infrastructure delivery value chain.

The Provincial Treasury issued Instructions (PTI 16(B)) to align with the Construction Industry Development Board (CIDB) regulatory regime as it relates to procurement policy, procedures and methods. This allowed the Province to identify gaps within the implementation of the infrastructure management delivery system (IDMS).

A review process is currently underway for the further refinement of 16(B) instructions. In addition, and in conjunction with the Department of Transport and Public Works, PTI 16(C) will be issued dealing with immovable assets to ensure there is alignment with the Western Cape Land Administration Act and Government Immoveable Asset Management Act (GIAMA).

Infrastructure highlights over the 2015 MTEF

The Western Cape Government over the medium term will continue to invest in the following:

- The construction of fixed assets such as hospitals, roads and new schools as well as maintenance projects, repairs, upgrading, refurbishment and additions.
- The Cape Town Central City Regeneration Project.
- The Modernisation programme to optimise office space utilisation across the Province.
- Nature conservation as well as tourism and the hospitality industry.
- The creation of sustainable integrated human settlements with improved settlement functionality, efficiency and resilience, thereby contributing to improved quality of life.
- The Regional Based Socio-Economic Project (RSEP) pilot programme which aims to partner with active citizens to plan and implement upgrading and safety projects in various neighborhoods in the Province.
- The Western Cape Government Broadband Strategy and Implementation Plan which aims to improve the provision of telecommunication infrastructure, skills and usage within towns and villages with access to affordable high speed broadband infrastructure and services and particularly the E-education stream which focuses on improving education outcomes in the poorer schools.

Estimates of Provincial Revenue and Expenditure

Over the 2015 MTEF, approximately R17.3 billion will be invested in education, health, environment, transport and public works infrastructure projects alone.

In Education, the focus will be on building new schools and classrooms and on replacing schools constructed with inappropriate materials. Close to R4.0 billion will be spent on school infrastructure, over the 2015 MTEF. It is anticipated that 19 schools will reach practical completion by 31 March 2016.

The Health infrastructure allocation of approximately R2.2 billion over the 2015 MTEF makes provision for new health facilities and the refurbishment, upgrading and maintenance of existing facilities, including health technology. Eight capital infrastructure projects are planned to achieve practical

Health infrastructure allocation of R2.2 billion over the MTEF

completion in 2015/16, twelve in 2016/17 and 9 projects in 2017/18.

R8.9 billion for Road infrastructure over the 2015 MTEF

Roads infrastructure investment (R8.9 billion over the MTEF) aims to preserve surfaced roads, gravel roads and bridges and to prevent the accumulation of backlogs.

Public Works infrastructure investment of R2 billion over the 2015 MTEF

Public Works infrastructure investment totalling approximately R2 billion over the MTEF will provide balanced provincial government building infrastructure that promotes integration, accessibility, equity, environmental sensitivity, economic growth and social empowerment.

Environmental Affairs and Development Planning intend to spend R91.2 million over the 2015 MTEF mainly on capital infrastructure projects at various nature reserves across the Province.

Further detail is provided in the tables Summary of details of expenditure for infrastructure (by category, project name, region, municipality and MTEF Budget) in the 2015 Estimates of Provincial Revenue and Expenditure.

Infrastructure nature of investment 2011/12 - 2017/18

Table 4.2 below shows infrastructure spend per category (new and replacement assets; upgrades and additions; rehabilitation, renovations and refurbishments; maintenance and repairs as well as infrastructure transfers, current and capital.

Table 4.2 Summary of infrastructure spend per category

Category R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate % Change from Revised estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2014/15	2016/17	2017/18
New and replacement assets	753 887	687 060	887 608	936 786	1 338 867	1 297 944	1 244 827	(4.09)	1 098 690	1 139 413
Existing infrastructure assets	2 778 838	2 973 579	3 231 404	3 615 725	3 961 602	3 909 606	4 681 088	19.73	4 674 351	4 231 234
Upgrades and additions	803 449	544 176	510 600	635 542	748 192	745 028	864 263	16.00	887 032	910 460
Rehabilitation, renovations and refurbishments	1 230 890	1 519 310	1 620 022	1 814 838	1 985 154	1 952 213	2 428 386	24.39	2 340 323	1 802 397
Maintenance and repairs	744 499	910 093	1 100 782	1 165 345	1 228 256	1 212 365	1 388 439	14.52	1 446 996	1 518 377
Infrastructure transfers	60 011	134 417	236 452	42 628	41 276	65 573	63 755	(2.77)	74 900	58 500
Current	11 541	44 519	64 559	2 500	2 562	2 562	3 000	17.10	3 000	3 000
Capital	48 470	89 898	171 893	40 128	38 714	63 011	60 755	(3.58)	71 900	55 500
Infrastructure payments for financial assets	6 917	4 881	16 683	557						
Infrastructure leases										
Total provincial infrastructure payments and estimates by category	3 599 653	3 799 937	4 372 147	4 595 696	5 341 745	5 273 123	5 989 670	13.59	5 847 941	5 429 147

Infrastructure investment is estimated to reach R6 billion in 2015/16. This amount is 13.6 per cent higher when compared to the revised estimate of R5.3 billion in 2014/15.

New and replacement assets

An amount of R3.483 billion of the total 2015 MTEF infrastructure budget, is allocated towards new and replacement assets. Within this category, the largest share is allocated towards Education (R2.454 billion), followed by Transport and Public Works (R563.182 million) and Health (R409.494 million).

Largest share of new and replacement assets budget allocated to Education

Upgrades and additions

Upgrades and additions account for R2.7 billion of the total infrastructure budget over the 2015 MTEF, of which the Department of Transport and Public Works receives R1.8 billion, Education R547.174 million and Health R275.816 million.

Rehabilitation, renovations and refurbishments

An amount of R6.6 billion of the total infrastructure allocation over the 2015 MTEF is assigned to rehabilitation, renovations and refurbishments.

Maintenance and repairs

Funding for maintenance and repairs over the 2015 MTEF accounts for R4.4 billion of the total infrastructure budget.

R4.4 billion MTEF allocation for maintenance and repairs

To support economic growth maintenance investment is largely directed to the maintenance of road based transport.

The provision for road maintenance and repairs accounts for R1.8 billion over the MTEF; followed by Education (R997 million); Health (R902 million) and Public Works (R629 million).

To ensure the longevity of provincially owned building infrastructure as well as to address essential health and safety considerations, investment provisioning has also been provided for the planning and execution of 320 maintenance projects.

Spatial distribution of infrastructure spend

An understanding of the geographical spread of the infrastructure investment footprint enables government to strategically align spending and infrastructure investment to priority needs and objectives. This allows for greater integration and alignment of service delivery and thereby increasing the

impact of government interventions. Such an understanding contributes to improved infrastructure planning across provincial departments as well with and within municipalities.

Census data confirms that the Western Cape, is experiencing an increase in population size. The rapid population growth places significant demands on the Province and municipalities for maintenance, upgrading and new infrastructure investment.

Adding to the complexity in planning is that the rapid population growth experienced within the Province differs from region to region. The most rapid expansion is being experienced in the West Coast District with an average of 3.89 per cent, followed by the City of Cape Town with 3.47 per cent. In contrast, the Central Karoo District experienced the slowest per annum increase in population of 2.44 per cent.

Although not solely reliant on population movements, infrastructure planning and expenditure and in particular, new infrastructure, upgrading and expansion of existing infrastructure needs to be informed by sustained anticipated population growth and/or anticipated regional economic growth. In contrast, maintenance investment is less sensitive to rapid population movements.

Thirty two (32) per cent of the total investment is directed towards Cape Metro followed by Cape Winelands (17 per cent) and West Coast District municipalities (13 per cent). Investment directed across district municipalities, mainly for maintenance projects, accounts for 20 per cent of total spend.

Roads

The Department of Transport and Public Works intends spending R8.9 billion on transport infrastructure over the 2015 MTEF.

Upgrading gravel roads to surfaced roads to improve road safety

Roads infrastructure investment aims to preserve surfaced roads, gravel roads and bridges and to prevent the accumulation of backlogs. The investment also aims to upgrade roads from gravel to surfaced standard and to improve hazardous locations to sustain the downward trend in road deaths and improve safety.

Specific projects were identified that would promote economic growth, these include but are not limited to the following: Borchard's Quarry Interchange on the N2; Addition of a 3rd lane on the N1 at Durban Road Interchange and Extensions to the road network in support of the Saldanha Bay Industrial Development Zone.

The strategy, whereby road construction and maintenance projects are identified through continuously improved asset management systems, will continue.

An investigation into the economic and operational efficiency of the present regional road maintenance model is also earmarked for completion in 2015/16.

Public Works

The Department of Transport and Public Works intends spending R2 billion on general buildings over the 2015 MTEF. The spatial distribution of the intended spend includes approximately R1.2 billion over the 2015 MTEF within the Cape Metro.

R2 billion for general buildings over the MTEF

Enabling infrastructure is delivered for the Departments of Health and Education by Public Works as the Implementing Agent. The department is also responsible for the provision of general office accommodation. Some of the main construction and maintenance projects relating to provincial accommodation include the following:

- The planning and construction of an additional wing at the archives in Roeland Street for the Department of Cultural Affairs and Sport;
- The relocation of the Education Library and Information Service (EDULIS) facility from the Middestad Mall to the Cape Teaching and Leadership Institute in Kuils River;
- The commencement of construction work to upgrade the Examination Reprographic Centre for the Department of Education; and
- The continuation of construction on the new regional office for the Department of Health at Karl Bremer hospital.

Efforts to optimise office space utilisation across the Province will continue in the form of the Modernisation Programme, in order to align office space allocations with the latest national norms and standards. This programme is expected to improve space utilisation efficiency by up to 40 per cent. Modernisation projects will be executed in Cape Town, George and Mossel Bay. Additionally, office accommodation will be upgraded in Beaufort West, in accordance with the modernisation space norms, to consolidate provincial services in provincially-owned accommodation.

Optimising office space utilisation through the Modernisation Programme

The construction of a new Head Office building for the Department of Education in the form of a Public Private Partnership (PPP) is planned over the MTEF.

The optimisation of the property portfolio of the Province remains a priority and includes the continuation of the provincial regeneration programme, which has the aim of utilising existing assets as leverage to stimulate growth in the economy.

Education

R384 million on Education infrastructure in the Cape Winelands over the MTEF

The Department of Education intends spending R4 billion on education infrastructure over the 2015 MTEF. The spatial distribution of the intended spend includes, amongst others, approximately R2 billion over the 2015 MTEF within the Metro, R384 million within the Cape Winelands and R319 million within the Eden District.

A number of projects over the 2015 MTEF period are at various stages of the project life cycle and the focus includes the construction of new schools; upgrade and additions in line with the norms and standards; and investment directed to the maintenance of various facilities.

Health

R850 million to be invested in Health infrastructure in the West Coast District

The Department of Health intends spending R2.2 billion on health infrastructure over the 2015 MTEF. The spatial distribution of the intended spend includes, amongst others, approximately R902 million over the 2015 MTEF within the Metro, R850 million in the West Coast District and R218 million in the Cape Winelands District.

The following capital projects are planned for over the 2015 MTEF:

- Nomzamo Asanda Community Day Centre in Strand;
- The new Mfuleni Temporary Community Day Centre;
- Upgrading of and additions to the Children's Ward at Citrusdal Hospital;
- Phase 5 upgrading of Worcester Hospital;
- Phase 1 of the renovations to the Historical Administrative block at Valkenberg Hospital; and
- A new Hybrid Theatre at Groote Schuur Hospital.

In 2016/17 twelve projects are planned to achieve Practical Completion: Replacement of Hillside Clinic in Beaufort West; replacement of District Six CDC, replacement of Prince Alfred Clinic, replacement of Wolseley Clinic, replacement of Piketberg Ambulance Station, a new bulk store at Karl Bremer

Hospital in Bellville, the new Computerised Axial Tomography (CT) Scan at Khayelitsha Hospital, and the new Acute Psychiatric Unit at Paarl Hospital.

Nine projects are planned to achieve practical completion in 2017/18, namely: Replacement of the Napier Clinic; upgrading of and additions to the Emergency Centre at Helderberg Hospital in Somerset West; Phase 2 of the upgrading of and additions to the Emergency Centre at Tygerberg Hospital and upgrading of the Eden Nurses' College (York Hostel) in George.

9 Health infrastructure projects completed by 2017/18

CapeNature

CapeNature intends spending approximately R91.2 million on tourism and nature conservation infrastructure over the 2015 MTEF. The spatial distribution of the intended spend includes amongst others approximately R24 million over the 2015 MTEF within the Metro and R27 million in the Overberg District.

A total of six capital infrastructure projects at various nature reserves are planned to achieve practical completion over the 2015 MTEF period. These are: The new Groenvlei Development - Goukamma Nature Reserve; Overnight Cabins at Grootvadersbosch Nature Reserve; phase two development at Kogelberg Nature Reserve; tourism development at De Mond Nature Reserve and the construction of tourism cabins at Walker Bay Nature Reserve, Keurbooms Nature Reserve and Limietberg Nature Reserve.

R91 million for tourism and nature conservation infrastructure

Human Settlements

The Department of Human Settlements intends spending R6.5 billion (Human Settlements Development Grant) over the 2015 MTEF on human settlement development.

It is envisaged that the largest share, 36 per cent, over the 2015 MTEF will be spent within the boundaries of the Cape Metro.

The Department is focused on increased housing opportunities and improved settlement functionality, efficiency and resilience and to that effect, three priorities inform the strategic direction of the department:

- Shifting more resources to upgrade informal settlements in order to deal with poor living conditions;
- Cleaning up of the Housing Demand Database in municipalities to ensure that limited Breaking New Ground (BNG) opportunities are allocated to the most deserving beneficiaries; and

- Embarking on strategic partnerships in order to provide GAP/Affordable housing and rental accommodation.

Provincial Public Private Partnership projects

Table 4.3 gives a financial overview of current public private partnership (PPP) projects. Total PPP projects under implementation amount to R60.7 million in 2015/16, increasing to R67.3 million in 2017/18. In addition, an amount of R22.2 million has been set aside for projects in preparation, registered in terms of Treasury Regulation 16.

Table 4.3 Summary of departmental public private partnership projects

Project description R'000	Project Unitary Annual Fee at time of contract	Total cost of project			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate			
		Audited	Audited	Audited				% Change from Revised estimate			
		2011/12	2012/13	2013/14				2014/15	2014/15	2014/15	2015/16
Projects under implementation ^a		49 010	51 417	51 850	59 565	59 565	59 565	60 694	1.90	63 974	67 307
PPP unitary charge		45 578	47 748	50 357	56 886	56 886	56 886	57 970	1.91	61 158	64 400
<i>of which</i>											
for the capital portion (principal plus interest)											
for services provided by the operator											
Advisory fees		1 200									
Project monitoring cost		2 232	3 669	1 493	2 679	2 679	2 679	2 724	1.68	2 816	2 907
Revenue generated (if applicable)											
Contingent liabilities (information)											
Proposed Projects ^b			1 820	10 152	42 605	42 605	17 605	22 210	26.16		
Advisory fees				7 053	15 000	15 000	15 000	19 340	28.93		
Project team costs			1 820	3 099	2 605	2 605	2 605	2 870	10.17		
Site acquisition costs											
Capital payment (where applicable)											
Other project costs						25 000	25 000				
Total Public-Private Partnership projects		49 010	53 237	62 002	102 170	102 170	77 170	82 904	7.43	63 974	67 307

^a Projects signed in terms of Treasury Regulation 16

^b Projects in preparation, registered in terms of Treasury Regulation 16.9

The closed PPP deals in the Province are:

- Toll operation and maintenance of Chapman's Peak Drive;
- Western Cape Rehabilitation Centre and Lentegeur Psychiatric Hospital; and
- De Hoop Nature Reserve's eco-tourism project.

In the Chapman's Peak Drive project, the Department of Transport and Public Works budgets annually for project monitoring costs. The Department of Health budgets and pays a monthly unitary fee for the facilities management of the

Western Cape Rehabilitation Centre and Lentegeur Psychiatric Hospital.

In the CapeNature De Hoop Eco Tourism project, the private party (De Hoop Collections) pays a concession fee of R600 000.00 per annum, escalating at CPI, to CapeNature.

Regional Socio-Economic Project

The general purpose of the RSEP Programme is to partner with active citizens to plan and implement upgrading and safety projects in poor neighborhoods in the Province. Strong emphasis is placed on human scale urban design, community participation and institutional arrangements, within the context of utilising a "whole-of-society" perspective coupled to a regional planning approach. Ultimately, the PSDF and Municipal SDFs will be used to guide and plan coordinated multi-sector spending in the Province through planning-led budgeting.

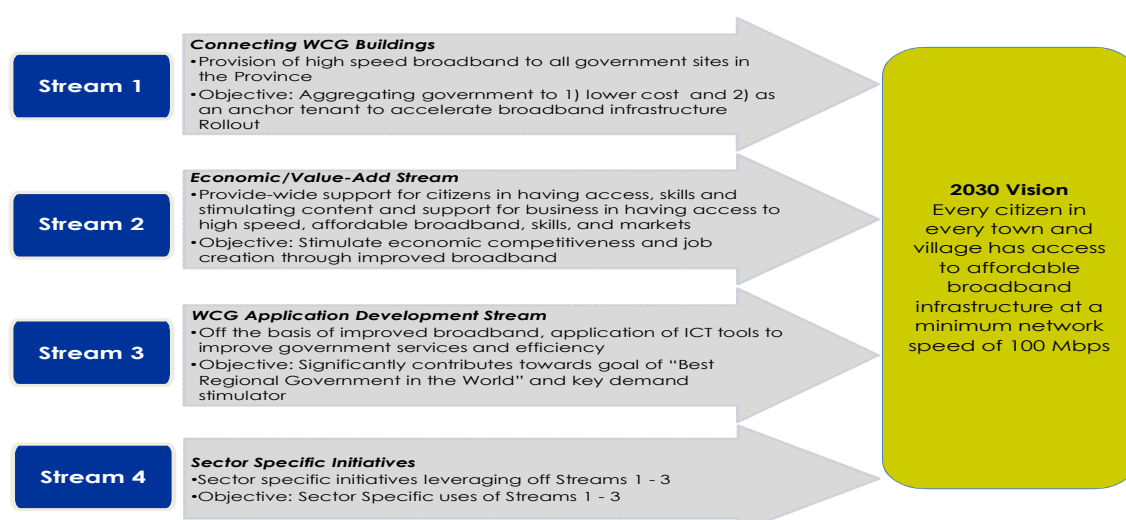
Over the 2015 MTEF, a total of R124.4 million has been set aside for the RSEP programme.

R124.4 million set aside for the RSEP programme over 2015 MTEF

Broadband

The Western Cape Government Broadband Strategy and Implementation Plan are aimed at coordinating and integrating government action to radically improve the provision of telecommunication infrastructure, skills and usage within the Province.

The Western Cape Government has adopted a 4-stream approach to the implementation of broadband; these streams are as follows:



*4-stream approach to
implementing
broadband*

Stream 1 is responsible for driving broadband infrastructure provision within the WCG to a scalable high bandwidth network that connects all provincial government buildings (including schools) through a long-term contract.

Stream 2 is responsible for delivery on a suite of projects to address the Economic Value Added Services that the broadband infrastructure will enable and is comprised of connected citizens, businesses, municipalities and leadership.

Stream 3 is an application development stream. This stream includes supportive systems, processes and other applications to run on the above-mentioned broadband infrastructure in order to maximise utilisation and improve efficiency and effectiveness of the provincial government. The implementation of Stream 3 will see a more efficient provincial government, both for internal operations as well as more citizen-facing services using broadband as a major medium for communication and improved services.

Stream 4 consists of sector-specific initiatives which will leverage off the three-streams as highlighted above and contribute to the Provincial Strategic Plan. This stream will ensure a multi-sectoral and multi-disciplinary approach to leveraging off the investment made in Broadband infrastructure.

The E-education project within Stream 4 aims to make a difference in the lives of young people and have huge benefits in decades to come in terms of the economy, business, job opportunities and global competitiveness.

The WCG's Broadband Strategy will include linking schools through a high-speed, real-time Wide Area Network. This will enable:

- The provisioning of WiFi Local Area Networks (LANs) in schools prioritising schools predominantly serving poorer communities and special needs schools.
- The refresh of computer laboratories for the subjects Computer Applications Technology, Information Technology and Engineering and Graphic and Design (CAT/IT/EGD).
- Smart Classrooms, typically comprising of a teacher computing device, teacher projection device, teacher interactive device and a visualiser device (document camera) will be installed in schools.

To enable teachers to maximise the value of these resources, teacher training and development will be offered on an on-going basis.

The WCG envisaged spending approximately R1.5 billion over the medium term to improve the provision of telecommunication infrastructure, skills and usage within the Province.

Conclusion

The approach advocated by the Western Cape Infrastructure Framework (WCIF) is one that satisfies current needs and backlogs, maintains existing infrastructure, and plans proactively for a desired future outcome leading to resilient and inclusive growth en route to a vibrant, equitable and low-carbon society.

Emerging evidence indicates that departments are increasingly incorporating the need to plan in accordance with the strategies and policy frameworks of the WCG (Provincial Spatial Development Framework; Growth Potential of Towns Study; Municipal Spatial Development Frameworks; and Joint Planning Initiatives) while still maintaining fiscal discipline and engendering efficiencies in the delivery of infrastructure.

Great strides have been made with the implementation of the WCIDMS. The planning appraisal and evaluation of capital projects is seen as a continuous process which takes place throughout the year. Analysis thereof is integral to a logical approach to project and programme planning in the Western Cape and provide the rationale for the particular choices made in government funding.

5

Spatial distribution of provincial expenditure

In Summary

- The WCG will spend R35.839 billion within the City of Cape Town, 68.9 per cent of total provincial expenditure. Cape Winelands District receives the second largest allocation totalling R5.941 billion (11.4 per cent) followed by Eden which receives R4.167 billion (8 per cent).
- The less populous districts of the West Coast, Overberg and Central Karoo receives R2.793 billion (5.4 per cent), R1.798 billion (3.5 per cent) and R564.730 million (1.1 per cent), respectively.
- The social sector represents the bulk of the provincial spending amounting to R41.586 billion (79.9 per cent), while the economic sector is allocated R7.606 billion (14.6 per cent) and Governance and administration, R1.991 billion or 3.8 per cent in 2015/16.
- Total transfers from provincial to local governments is R2.295 billion for 2015/16, of which the City of Cape Town receives 54.7 per cent, followed by Category B municipalities (44.2 per cent) and the remainder for Category C municipalities.

Introduction

This Chapter provides an overview of the spatial and sectoral distribution of the Western Cape Government's budget. It also unpacks the distribution of the provincial allocations to the various municipalities.

The spatial and sectoral dispersion of the Province's budget aims to address the prevailing socio-economic realities, policies and strategies that jointly confront the Province and municipalities.

Provincial payments and estimates by metro, district and local municipalities

Table 5.1 illustrates the spatial distribution of the Western Cape provincial budget over the MTEF, informed by existing socio-economic realities, policies and strategies.

Table 5.1 Provincial payments and estimates by district and local municipalities

Municipalities R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate 2015/16	2014/15	2016/17	2017/18
Cape Town Metro	25 165 032	27 286 857	29 854 772	33 333 911	32 901 757	32 776 392	35 838 927	9.34	37 304 028	38 975 042
West Coast Municipalities	1 936 703	1 992 129	2 244 776	2 169 724	2 420 117	2 413 296	2 792 979	15.73	3 043 212	2 791 891
Matzikama	222 432	248 030	261 508	248 673	281 416	283 052	321 319	13.52	333 984	316 043
Cederberg	297 257	319 377	304 966	272 446	304 481	306 671	291 308	(5.01)	307 573	376 967
Bergvliet	197 302	160 623	251 644	295 146	324 971	324 993	423 713	30.38	412 143	369 865
Saldanha Bay	470 733	409 344	491 137	496 462	480 786	471 752	542 025	14.90	695 401	529 258
Swartland	447 066	504 895	540 583	463 176	531 206	533 667	659 933	23.66	718 984	599 406
Across wards and municipal projects	301 913	349 860	394 938	393 821	497 257	493 161	554 681	12.47	575 127	600 352
Cape Winelands Municipalities	4 341 453	4 572 715	5 105 181	5 455 669	5 794 822	5 793 879	5 941 226	2.54	6 324 740	6 473 134
Witzenberg	498 373	471 339	452 951	407 786	455 365	455 798	492 180	7.98	577 452	563 785
Drakenstein	1 146 534	1 146 526	1 292 538	1 293 942	1 350 962	1 350 409	1 427 667	5.72	1 510 510	1 630 275
Stellenbosch	871 721	1 024 308	1 228 308	1 600 496	1 629 344	1 631 292	1 413 650	(13.34)	1 453 694	1 503 684
Breede Valley	1 091 569	1 201 309	1 218 327	1 185 194	1 323 703	1 318 313	1 394 483	5.78	1 438 527	1 481 999
Langeberg	357 795	371 373	471 310	500 701	530 002	532 299	588 742	10.60	788 316	707 159
Across wards and municipal projects	375 461	357 861	441 747	467 550	505 446	505 768	624 504	23.48	556 241	586 232
Overberg Municipalities	1 207 989	1 402 949	1 688 802	1 537 789	1 804 861	1 806 825	1 798 332	(0.47)	1 683 821	1 708 883
Theewaterskloof	439 956	457 018	517 932	456 739	519 036	520 224	654 085	25.73	584 233	615 822
Overstrand	257 858	365 954	403 849	486 492	552 654	551 462	490 042	(11.14)	400 550	440 693
Cape Agulhas	166 264	181 128	240 543	174 094	187 157	187 439	201 481	7.49	214 473	203 382
Swellendam	141 470	164 673	236 320	177 070	229 440	229 360	230 706	0.59	251 983	204 739
Across wards and municipal projects	202 441	234 177	290 158	243 394	316 574	318 340	222 018	(30.26)	232 582	244 247
Eden Municipalities	3 219 613	3 545 071	3 796 112	3 700 783	4 090 064	4 095 168	4 167 355	1.76	4 360 558	4 671 984
Kannaland	118 564	205 071	194 941	147 805	139 395	139 569	147 051	5.36	139 136	135 656
Hessequa	232 632	184 253	209 478	195 206	210 881	211 125	268 433	27.14	334 369	241 203
Mossel Bay	340 510	393 332	454 218	489 332	521 947	526 501	498 624	(5.29)	498 626	601 636
George	1 105 165	1 238 858	1 241 909	1 356 395	1 436 595	1 442 979	1 435 852	(0.49)	1 494 199	1 677 629
Oudtshoorn	516 087	525 129	532 848	522 832	550 391	550 690	611 125	10.97	646 840	754 293
Bitou	137 913	174 019	215 639	206 159	202 792	203 082	198 077	(2.46)	203 923	180 008
Knysna	284 271	310 793	374 168	309 982	382 629	384 327	373 943	(2.70)	377 861	384 519
Across wards and municipal projects	484 471	513 616	572 911	473 072	645 434	636 895	634 250	(0.42)	665 604	697 040
Central Karoo Municipalities	480 578	514 075	554 936	450 924	552 100	557 683	564 730	1.26	600 295	678 934
Laingsburg	33 547	34 339	42 046	31 510	42 686	42 608	64 518	51.42	97 724	66 829
Prince Albert	71 188	44 292	78 913	62 712	69 600	70 391	48 536	(31.05)	50 191	109 944
Beaufort West	277 713	319 062	314 336	262 250	306 380	312 832	336 651	7.61	321 654	365 673
Across wards and municipal projects	98 130	116 382	119 641	94 452	133 434	131 852	115 025	(12.76)	130 726	136 488
Unallocated				832 820	934 280	903 280	918 744	1.71	1 141 660	1 279 548
Total provincial expenditure by district and local municipality	36 351 368	39 313 796	43 244 579	47 481 620	48 498 001	48 346 523	52 022 293	7.60	54 458 314	56 579 416

The total provincial budget increases by 7.6 per cent from a revised estimate of R48.347 billion in 2014/15 to R52.022 billion in 2015/16. In the outer years of the MTEF, the increase in the provincial budget tapers off, rising at a slower rate by 4.7 per cent to R54.458 billion in 2016/17 and by 3.9 per cent to R56.579 billion in 2017/18.

In 2015/16, the Western Cape Government will spend R35.839 billion within the City of Cape Town's (Metro) jurisdiction, representing the bulk (68.9 per cent) of the total provincial expenditure. This is mainly attributed to the Provincial Government's head office being based within the Metro's jurisdiction as well as a large proportion of the Western Cape population. Cape Winelands District receives the second largest allocation totaling R5.941 billion or 11.4 per cent followed by Eden District which receives R4.167 billion or 8.0 per cent. The less populous districts such as West Coast District is allocated R2.793 billion or 5.4 per cent, followed by Overberg District which receives R1.798 billion or 3.5 per cent and Central Karoo District which receives R564.730 million or 1.1 per cent of the total provincial budget.

Table 5.2 provides a breakdown of the provincial spending according to the different government sectors (i.e. economic, social and governance and administration). The Provincial Government places a high priority on combatting poverty, crime and other social ills and improving the quality of education and health.

Consequently, the social sector represents the bulk of the provincial spending amounting to R41.586 billion (or 79.5 per cent) in 2015/16.

The largest share of the budget will be spent in the social sector

Table 5.2 Summary of provincial payments and estimates per sector by district and local municipality

Cluster estimates R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate % Change from Revised estimate			
	Audited	Audited	Audited				2015/16	2014/15	2016/17	2017/18
	2011/12	2012/13	2013/14							
Economic Sector	5 485 526	5 951 515	6 406 428	6 609 924	6 870 561	6 838 386	7 605 723	11.22	7 747 374	7 486 490
Cape Town Metro	3 280 123	3 436 974	3 737 816	3 579 694	3 711 222	3 679 632	4 229 780	14.95	4 125 449	4 109 442
West Coast District	458 515	422 183	417 648	477 561	477 434	477 434	772 373	61.78	955 795	604 758
Cape Winelands District	911 582	996 585	1 149 910	1 481 460	1 529 737	1 529 737	1 439 523	(5.90)	1 608 192	1 538 337
Overberg District	181 903	275 386	406 835	362 436	413 216	413 216	431 609	4.45	265 797	223 523
Eden District	532 617	698 894	588 045	638 229	668 408	667 823	640 597	(4.08)	659 607	839 929
Central Karoo	120 786	121 493	106 174	70 544	70 544	70 544	91 841	30.19	132 534	170 501
Social Sector	29 823 212	32 201 177	35 468 463	38 065 103	38 794 745	38 706 442	41 586 201	7.44	43 551 483	45 700 712
Cape Town Metro	20 866 082	22 722 814	24 778 547	27 836 869	27 364 620	27 270 285	29 759 962	9.13	31 227 218	32 823 730
West Coast District	1 476 960	1 568 064	1 826 516	1 686 014	1 933 833	1 927 110	2 013 514	4.48	2 079 882	2 179 023
Cape Winelands District	3 411 434	3 553 500	3 930 377	3 939 769	4 228 874	4 227 997	4 465 089	5.61	4 677 772	4 893 534
Overberg District	1 023 144	1 123 941	1 280 220	1 171 079	1 383 860	1 385 965	1 361 598	(1.76)	1 412 384	1 479 510
Eden District	2 686 346	2 842 215	3 205 121	3 056 583	3 413 105	3 418 951	3 519 153	2.93	3 692 707	3 823 226
Central Karoo	359 246	390 643	447 682	374 789	470 453	476 134	466 885	(1.94)	461 520	501 689
Governance and Administration Sector	1 042 630	1 161 104	1 369 688	1 973 773	1 898 415	1 898 415	1 911 625	0.70	2 017 797	2 112 666
Cape Town Metro	1 018 827	1 127 069	1 338 409	1 917 348	1 825 915	1 826 475	1 849 185	1.24	1 951 361	2 041 870
West Coast District	1 228	1 882	612	6 149	8 850	8 752	7 092	(18.97)	7 535	8 110
Cape Winelands District	18 437	22 630	24 894	34 440	36 211	36 145	36 614	1.30	38 776	41 263
Overberg District	2 942	3 622	1 747	4 274	7 785	7 644	5 125	(32.95)	5 640	5 850
Eden District	650	3 962	2 946	5 971	8 551	8 394	7 605	(9.40)	8 244	8 829
Central Karoo	546	1 939	1 080	5 591	11 103	11 005	6 004	(45.44)	6 241	6 744
Unallocated				832 820	934 280	903 280	918 744	1.71	1 141 660	1 279 548
Total payments and estimates per sector	36 351 368	39 313 796	43 244 579	47 481 620	48 498 001	48 346 523	52 022 293	7.60	54 458 314	56 579 416

The economic sector which aims to promote economic growth and increase employment is allocated R7.606 billion or 14.6 per cent of the provincial budget in 2015/16. Lastly, the governance and administration sector receives R1.992 billion or 3.8 per cent of the provincial budget, to advance sound governance, integration, partnerships, spatial targeting, active citizenry and enabling a capable state.

Joint Planning Initiative (JPI) fosters alignment between municipal and provincial strategic priorities and programmes and project implementation

The Joint Planning Initiative (JPI) fosters alignment between municipal and provincial strategic priorities and programmes and project implementation. The planning process with municipalities has guided sector departmental priority setting over the 2015 MTEF period. Some of the sector projects which will be implemented in the municipalities over the next three years are outlined below:

Infrastructure and Built Environment:

- Water and air quality monitoring, waste management, biodiversity and climate change management.
- Youth subsidy, projects to support small business and emerging contractors.

- Informal settlement master planning, including the Leader Town Project.
- Municipal Infrastructure Grant (MIG) project support, infrastructure growth planning, electricity master planning, asset management; and water/electricity demand management.
- Integrated transport planning, transport policies and strategies, transport operations, roads, property and EPWP.

Social and Governance:

- Sport development and promotion, arts/culture and language promotion, library services, heritage/museum services, geographical naming and archive services.
- Land reform, engineering services and land care, land use/disaster risk management, farmer settlement and support, extension/advisory services, animal health and veterinary services, export control, agri-processing and skills development.
- Expanded Partnership Programme, community/school safety and neighbourhood watch as well as forum development (with the emphasis on youth/religion).
- Women's health, health facility upgrading requirements and mobile clinics.
- Youth and crime prevention, Early Childhood Development (ECD) and partial care, older/elderly person's needs, substance abuse, family/youth development and victim empowerment.

Transfers and provincial payments to local government

The Municipal Finance Management Act, 2003 (MFMA) requires that the Member of the Executive Council (MEC) for Finance, when tabling the provincial budget in the Provincial Legislature, must make public any allocations due to each municipality. This includes the amounts to be transferred to municipalities during each of the next three financial years.

The provincial allocations per municipality are outlined in the Local Government Allocations Gazette, tabled together with the 2015 Budget in the Provincial Legislature. The Gazette outlines the indicative allocations per municipality for every allocation to be made by the Province to municipalities from the Province's own funds and the frameworks and allocations

to recipient municipalities for each grant over the three year MTEF period – in both the Provincial and Municipal financial years. This information enables municipalities to improve planning and budgeting and to implement associated programmes over a three year budgeting cycle.

Table 5.3 Summary of provincial transfers to local government by category

Outcome							Medium-term estimate			
				Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
Vote transfers R'000	Audited 2011/12	Audited 2012/13	Audited 2013/14	2014/15	2014/15	2014/15	2015/16	2014/15	2016/17	2017/18
Category A	818 072	1 066 238	1 158 776	1 820 253	1 257 042	1 257 042	1 254 179	(0.23)	1 281 627	1 344 255
Category B	669 819	792 106	1 053 809	754 130	1 015 695	1 015 695	1 013 301	(0.24)	1 079 748	1 190 448
Category C	10 225	5 938	6 537	1 935	8 107	8 108	1 994	(75.41)	2 005	2 016
Unallocated				6 500			25 331		60 956	104 852
Total departmental transfers to local government	1 498 116	1 864 282	2 219 122	2 582 818	2 280 844	2 280 845	2 294 805	.61	2 424 336	2 641 571

*Transfers to municipalities
amounted to
R2.295 billion in 2015/16*

In 2015/16, the allocation to municipalities is set to increase by 1.0 per cent or R13.960 million on its 2014/15 revised estimate of R2.281 billion to R2.295 billion. In the outer years of the MTEF, the municipal allocations are projected to increase by 5.6 per cent to R2.424 billion in 2016/17 and by 8.9 per cent to R2.642 billion in 2017/18.

The transfer to municipalities equate to R2.295 billion for the 2015/16 financial year. Key focus areas relate to:

- **Social and Governance:** Financial assistance, comprehensive personal/primary health care, nutrition interventions, infrastructure programme strengthening/ expansion within the comprehensive HIV/AIDS programme.
- **Infrastructure and Built Environment:** Utilising the City of Cape Town's fibre optic infrastructure, creating sustainable human settlements, interacting/empowerment stakeholders and communities (RSEP/VPUU), review/updating municipal integrated transport plans and related systems, facilitate road maintenance/construction, improving rail safety, improving library services and library infrastructure, providing sport and recreation facilities, and in support of the Community Development Worker and Thusong Programmes.

In 2015/16, the Category A municipality (City of Cape Town) decreases by 0.23 per cent to R1.254 billion from the revised estimate of R1.257 billion in 2014/15. The allocation to Category B municipalities decreases marginally by 0.24 per cent from a revised estimate of R1.016 billion in 2014/15 to R1.013 billion in

2015/16. The allocations to Category C municipalities decreases substantially by 75.41 per cent from the revised estimate of R8.108 million in 2014/15 to R1.994 million in 2015/16 due to the amounts reserved under the unallocated portion. These amounts will be allocated in the 2015 Adjusted Estimates.

Unallocated amounts have been reserved for governance in improvements in municipalities to be allocated only in the Adjusted Estimates and for various transport infrastructure projects across municipal boundaries.

In terms of the spread amongst the different categories of municipalities, the bulk of these funds in 2015/16 will be transferred to the City of Cape Town (54.7 per cent), followed by Category B municipalities (44.2 per cent) and the remainder to Category C municipalities.

Conclusion

The Western Cape is faced with tremendous social and economic challenges and competing priorities whilst having limited resources. The Province prescribes to an evidence based approach to make well-informed and justifiable investment decisions that will advance inclusive economic growth and improve socio-economic outcomes.

The spatial and sectoral dispersion of the Province's budget is based on the prevailing socio-economic realities, policies and strategies that jointly confront the Province and municipalities.

The bulk of the Provincial Government's budget is allocated to the social and economic sectors. It signifies the Province's commitment to stimulate inclusive economic growth, combat poverty, crime and other social ills and further quality of education and health.

6

Payments by economic classification

In Summary

- The bulk of Provincial expenditure is allocated to Current Payments totalling R38.802 billion for 2015/16, of which Compensation of Employees comprise R27.651 billion and Goods and Services, R11.152 billion.
- Payments on transfers and subsidies expenditure for the WCG amount to R8.191 billion for the 2015/16 financial year.
- Transfers to entities and business enterprises amount to R561.909 million for the 2015/16 financial year.
- Payments on capital asset expenditure for the WCG amount to R5.024 billion for the 2015/16 financial year.

Introduction

The 2015 Budget is a reflection of the impact of the current and anticipated economic environment which has resulted in the reconsideration of the revenue and expenditure plan at a national level. The focus of the budget process remained on maintaining stability and mitigating risks given the constrained fiscal envelope whilst enabling inclusive economic growth.

Focus to remain on increased public service efficiency

The Western Cape Government will continue with efficiency measures and cost containment directives to ensure a stable fiscal foundation going forward. All public spending is directed at increasing service delivery efficiency and achieving economic, governance and social objectives.

It is within this context that the Western Cape Government remains committed with its focus on protecting the vulnerable of society and the continued creation of value for the public by ensuring fiscal stability in particular the social sector (Health, Education and Social Development).

This Chapter discusses the economic classification of consolidated provincial expenditure, including transfers to public entities and expenditure on training. These expenditure items are classified in terms of Government Finance Statistics (GFS 2001), an international standard for classifying government expenditures.

Provincial expenditure

WCG is committed to good governance and management practices

Table 6.1 depicts the Summary of Provincial Payments and Estimates by Economic Classification. The expenditure reflected in Budget 2015 is classified in terms of version 4 of the Standard Chart of Accounts (SCOA).

The 2015/16 financial year has a total budget of R52.059 billion inclusive of direct charges. This amount is categorised into current payments of R38.802 billion, transfers and subsidies of R8.191 billion, payments for capital assets of R5.024 billion and payments for financial assets of R5.229 million.

Bulk of Provincial expenditure is Current Payments (74.53 per cent)

The bulk of Provincial expenditure is made up of Current Payments (74.53 per cent), which in turn is driven by compensation of employees (R27.651 billion) and goods and services (R11.152 billion).

Goods and services are set to grow at a nominal rate of 7.71 per cent from the 2014/15 revised estimate, mainly in response to current cost containment and efficiency measures. Included in goods and services are expenditure on items such as medicine, medical supplies; Learner and Teacher Support Material (LTSM); travel and subsistence; and consultants and professional services.

Transfers and subsidies have a 15.73 per cent share of the 2015/16 budget. These funds will mainly be transferred to non-profit institutions (41.14 per cent or R3.370 billion of transfers and subsidies) and households (26.88 per cent or R2.202 billion).

The majority of payments for capital assets are for buildings and other fixed structures. This amounts to R4.380 billion or 87.18 per cent of total capital expenditures.

Table 6.1 Summary of provincial payments and estimates by economic classification

Economic classification R'000	Outcome			Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	Medium-term estimate % Change from Revised estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2014/15	2016/17	2017/18
Current payments	26 988 755	29 412 257	32 308 786	35 561 523	35 888 670	35 748 299	38 802 434	8.54	40 954 210	43 079 839
Compensation of employees	19 572 406	21 333 887	23 173 411	25 645 218	25 533 542	25 394 523	27 650 701	8.88	29 238 336	30 856 363
Goods and services	7 415 700	8 078 361	9 135 370	9 916 305	10 355 120	10 353 762	11 151 733	7.71	11 715 874	12 223 361
Interest and rent on land	649	9	5		8	14		(100.00)		115
Transfers and subsidies to	6 065 860	6 529 826	7 418 024	8 262 284	7 970 721	8 042 027	8 190 946	1.85	8 685 965	9 129 753
Provinces and municipalities	848 236	975 359	1 049 617	1 525 625	1 157 228	1 157 078	1 228 947	6.21	1 288 242	1 387 244
Departmental agencies and accounts	275 134	308 272	337 085	359 937	402 424	402 476	393 774	(2.16)	401 686	418 421
Higher education institutions	8 825	2 324	5 632	6 203	8 613	8 613	5 372	(37.63)	4 612	4 856
Foreign governments and international organisations	95	244	128	144	144	144	150	4.17	150	150
Public corporations and private enterprises	834 606	858 442	908 212	1 129 991	1 123 943	1 124 417	991 042	(11.86)	1 049 384	1 115 631
Non-profit institutions	2 291 371	2 516 439	3 014 664	3 132 681	3 191 127	3 219 720	3 370 137	4.67	3 524 170	3 629 917
Households	1 807 593	1 868 746	2 102 686	2 107 703	2 087 242	2 129 579	2 201 524	3.38	2 417 721	2 573 534
Payments for capital assets	3 288 964	3 345 846	3 497 648	3 652 849	4 632 740	4 545 886	5 023 684	10.51	4 812 639	4 364 049
Buildings and other fixed structures	2 676 794	2 751 626	2 796 652	3 049 050	3 850 550	3 747 625	4 379 730	16.87	4 178 572	3 718 682
Machinery and equipment	584 140	552 819	644 109	584 264	669 328	686 008	547 875	(20.14)	541 451	548 470
Biological assets		24								
Land and subsoil assets	18 182	30 084	44 280	7 080	99 080	99 080	78 880	(20.39)	82 816	86 647
Software and other intangible assets	9 848	11 293	12 607	12 455	13 782	13 173	17 199	30.56	9 800	10 250
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>	2 092 121	1 575 068	1 702 832							
Payments for financial assets	7 789	25 867	20 121	4 964	5 870	10 311	5 229	(49.29)	5 500	5 776
Total economic classification	36 351 368	39 313 796	43 244 579	47 481 620	48 498 001	48 346 523	52 022 293	7.60	54 458 314	56 579 416
Direct charge	30 147	31 506	31 486	35 546	39 334	39 334	37 185	(5.46)	39 155	41 113
Total economic classification (including direct charge)	36 381 515	39 345 302	43 276 065	47 517 166	48 537 335	48 385 857	52 059 478	7.59	54 497 469	56 620 529

Compensation of employees

Compensation of Employees (CoE), being the largest expenditure item for the Province, accounts for 53.15 per cent of the Province's total appropriation for the 2015/16 financial year; and is expected to grow by 8.88 per cent. Growth stabilises over the outer years of the 2015 MTEF at an annual average of 5.64 per cent and makes provision for the public service salary agreements based on National Treasury's (NT) forecasted Consumer Price Index (CPI). For the 2015/16 financial year growth is largely driven by the Departments of Education and Health for the appointment of Educators and the strengthening of the district health and provincial hospital services. The aforementioned is demonstrated below in Table 6.2. In this table the personnel headcount numbers of Education and Health is anticipated to increase with 713 and 147 respectively for 2015/16.

Compensation of employees being the largest expenditure item (53.15 per cent)

Additional 863 personnel anticipated during 2015 - 2018 period

Furthermore, the number of personnel employed, as shown in Table 6.2, is projected to increase by an additional 863 employees or 1 per cent from an estimated 82 193 on 31 March 2015 to 83 056 on 31 March 2018. The marginal increase in personnel numbers is mainly in response to the Province's drive to ensure growth is tailored to departmental goals; as well as remaining within the overall available fiscal envelope by appropriately balancing planned personnel- with non-personnel expenditure. In a financially constrained environment it becomes imperative to ensure that government's major cost driver, personnel, is contained. This will be done by continuing efforts which focus on improving the current efficiency initiatives as well as ensuring the effective utilisation of government resources.

Table 6.2 Summary of personnel numbers and cost by vote

Vote		As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018
1. Department of the Premier	(numbers)	1 013	1 269	1 085	1 186	1 291	1 291	1 291
	(R'000)	337 677	378 098	400 434	476 088	529 345	573 755	610 243
2. Provincial Parliament	(numbers)	78	88	97	101	104	104	104
	(R'000)	27 120	32 033	39 939	47 485	51 755	55 361	58 232
3. Provincial Treasury	(numbers)	229	273	322	347	339	340	342
	(R'000)	94 973	107 182	125 299	139 651	152 678	165 087	178 910
4. Community Safety	(numbers)	280	353	339	358	376	376	371
	(R'000)	71 337	88 504	98 204	112 492	126 442	137 738	140 978
5. Education	(numbers)	39 313	39 137	39 592	40 181	40 894	40 839	40 839
	(R'000)	9 733 094	10 462 699	11 273 164	12 170 347	13 206 134	13 946 096	14 702 088
6. Health	(numbers)	29 531	30 443	30 984	31 519	31 666	31 350	31 036
	(R'000)	7 665 447	8 436 689	9 237 938	10 130 295	10 937 246	11 518 015	12 155 387
7. Social Development	(numbers)	1 763	2 031	2 120	2 243	2 358	2 358	2 358
	(R'000)	398 813	453 684	504 500	579 507	630 861	671 738	709 620
8. Human Settlements	(numbers)	432	437	487	491	500	500	500
	(R'000)	122 338	137 325	150 320	172 939	175 865	189 680	192 795
9. Environmental Affairs and Development Planning	(numbers)	336	348	443	410	487	459	455
	(R'000)	113 135	122 998	142 862	155 930	179 752	193 535	207 254
10. Transport and Public Works	(numbers)	2 253	2 376	2 476	3 050	3 166	3 166	3 166
	(R'000)	496 973	551 011	589 815	725 804	899 414	973 375	1 041 546
11. Agriculture	(numbers)	1 084	941	925	989	1 072	1 119	1 171
	(R'000)	226 567	243 081	258 173	286 149	314 887	336 929	359 838
12. Economic Development and Tourism	(numbers)	227	209	219	229	244	244	244
	(R'000)	74 970	80 253	90 791	97 481	105 887	122 564	129 176
13. Cultural Affairs and Sport	(numbers)	604	613	666	648	750	750	750
	(R'000)	125 700	137 226	144 562	173 855	195 362	206 571	214 753
14. Local Government	(numbers)	345	357	374	441	445	429	429
	(R'000)	84 262	103 104	117 410	126 500	145 073	147 892	155 543
Total provincial personnel numbers		77 488	78 875	80 129	82 193	83 692	83 325	83 056
Total personnel cost (R'000)		19 572 406	21 333 887	23 173 411	25 394 523	27 650 701	29 238 336	30 856 363
Unit cost (R'000)		253	270	289	309	330	351	372

Personnel costs, over the 2015 MTEF, increased by R3.205 billion, with increase in unit costs being the major contributing factor. The projected annual unit cost is anticipated to increase from R330 000 as at 31 March 2016 to R372 000 as at 31 March 2018. This signifies an annual average increase of 6.17 per cent, which is a result of the annual salary increases, including pay progression.

Expenditure on training

The Western Cape Government participates in a number of training and skills development initiatives aimed at developing both internal employee capacity and prospective employees through bursaries and exposure to the working environment. These initiatives are structured in a manner which addresses the current and projected skills shortages in the public sector.

Provincial payments on training per department are estimated at R574.274 million in the 2015/16 financial year as reflected in Table 6.3. The WCG will use the available funding to offer a total 29 283 training opportunities, 2 970 bursaries, 911 internships and 2 323 learnerships in 2015/16.

Provincial payments on training per department estimated at R574.274 million

Table 6.3 Summary of provincial payments on training by vote

Vote R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
1. Department of the Premier	3 955	4 497	4 510	4 890	4 890	4 890	7 346	50.22	7 120	6 976
2. Provincial Parliament	449	339	252	524	524	524	789	50.57	598	583
3. Provincial Treasury	3 271	840	1 256	1 995	1 661	1 661	2 195	32.15	2 356	2 551
4. Community Safety	911	614	615	1 176	900	911	1 826	100.44	1 914	2 085
5. Education	92 743	102 176	95 420	150 435	138 637	138 637	145 394	4.87	162 974	135 189
6. Health	254 567	294 662	285 013	337 117	336 172	332 818	361 214	8.53	378 083	399 753
7. Social Development	6 345	7 165	7 004	4 851	4 851	4 851	6 093	25.60	6 428	6 749
8. Human Settlements	722	1 721	645	956	1 069	1 421	1 575	10.84	1 643	1 726
9. Environmental Affairs and Development Planning	897	1 562	1 224	2 619	2 671	2 408	3 045	26.45	3 175	3 414
10. Transport and Public Works	17 434	30 698	18 129	20 488	20 488	20 488	24 823	21.16	25 087	31 353
11. Agriculture	5 883	4 881	4 864	6 080	9 628	9 628	9 587	(0.43)	10 114	10 619
12. Economic Development and Tourism	1 119	1 658	2 981	1 613	1 565	1 565	6 922	342.30	1 774	1 180
13. Cultural Affairs and Sport	2 126	1 792	1 589	2 345	2 345	2 345	2 463	5.03	2 588	2 717
14. Local Government	385	845	887	970	1 196	1 163	1 002	(13.84)	1 057	1 110
Total provincial payments on training	390 807	453 450	424 389	536 059	526 597	523 310	574 274	9.74	604 911	606 005

Transfers and subsidies

The total transfers and subsidies allocation for 2015/16 is estimated to increase by R148.919 million or 1.9 per cent from the 2014/15 revised estimate of R8.042 billion to R8.191 billion. The increase is mainly observed under Non-profit Institutions (NPIs).

In 2015/16, the allocation of transfers to provinces and municipalities is anticipated to increase by R71.869 million or 6.2 per cent from the 2014/15 revised estimate of R1.157 billion to R1.229 billion. The allocation relates mainly to assisting and subsidising municipalities to provide personal primary health care services; construct and maintain roads; library services; and give municipal support to strengthen governance.

41.1 per cent of transfers and subsidies are allocated to NPIs

The 2015/16 allocation for Transfers to Non-profit Institutions, constitute 41.1 per cent of the total 2015/16 allocation and projects to increase by 4.7 per cent year-on-year.

The Education Transfers and subsidies allocation amounting to R4.890 billion over the medium term is primarily made towards public and independent schools. This allocation relates to the provision of LTSM, infrastructure maintenance and operational needs to section 21 schools. The transfer of funds to public schools represents and promotes accountability by schools to facilitate optimal financial and operational management of its resources. Within Social Development, the transfer of funds to various Non-profit Institutions amounts to R3.342 billion over the 2015 MTEF and is mainly to assist in the delivery of the Department's mandate. This includes programmes such as ECD; care and service to older persons; child care and protection; child and youth care centres; services to persons with disabilities; substance abuse prevention and rehabilitation; and crime prevention and support. Funding to the Non-profit Institutions includes increases in selective social worker salaries i.e. Social Work Manager, Social Work Supervisor and Social Workers.

Transfers to public entities

The Public Finance Management Act (PFMA) defines a *provincial public entity*, as either a provincial government business enterprise, or a board, commission, company or corporation, which is established in terms of legislation. In addition, it is fully or substantially funded from the Provincial Revenue Fund (PRF) or a tax and is accountable to the Provincial Legislature.

Provincial allocations and transfers from the applicable provincial departments to provincial public entities over the 2015 MTEF is summarised and discussed in this section. These allocations are indicated in Table 6.4 for the period 2011/12 to 2017/18.

Table 6.4 Summary of departmental transfers to public entities and business enterprises by transferring vote

	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15			
Public entities (transferring vote) R'000	Audited 2011/12	Audited 2012/13	Audited 2013/14				Medium-term estimate		
							2015/16	2016/17	2017/18
Major Public Entity									
South African Broadcasting Corporation Limited									
Vote 1: Department of the Premier		24	34	34	34	34	34	34	34
Industrial Development Corporation of South Africa									
Vote 12: Economic Development and Tourism			2 500		2 500	2 500	1 500	1 500	1 500
National public entities:									
South African National Parks (SANPARKS)									
Vote 12: Economic Development and Tourism			4 500		4 500	4 500	3 000	3 000	3 000
National Research Foundation									
Vote 12: Economic Development and Tourism			1 630		1 000	1 000	1 000	1 000	1 000
Artscape									
Vote 13: Cultural Affairs and Sport	142	150	669	168	168	168	178	190	210
National Government Business Enterprises:									
Passenger Rail Agency of South Africa (PRASA)									
Vote 10: Transport and Public Works	4 500	4 000							
Provincial Government Business Enterprises:									
Casidra SOC Ltd	122 912	107 776	133 108	332 600	329 690	330 099	179 933	202 550	215 962
Vote 11: Agriculture	95 612	103 722	127 608	328 600	324 690	325 099	179 933	202 550	215 962
Vote 12: Economic Development and Tourism	27 300	4 054	5 500	4 000	5 000	5 000			
Western Cape public entities:									
Western Cape Cultural Commission									
Vote 13: Cultural Affairs and Sport	150	325	250	363	363	363	385	420	450
Western Cape Gambling and Racing Board									
Vote 3: Provincial Treasury	83	2 411	5 523	10 406	10 406	10 406	10 488	10 908	11 486
Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)	14 956	28 982	57 308	70 826	75 358	75 358	84 559	86 213	87 790
Vote 11: Agriculture		2 220	1 380		1 532	1 532	1 601	1 689	1 774
Vote 12: Economic Development and Tourism	14 956	26 762	55 928	70 826	73 826	73 826	82 958	84 524	86 016
Western Cape Language Committee									
Vote 13: Cultural Affairs and Sport	220	240	210	221	221	221	233	242	252
Western Cape Liquor Authority									
Vote 12: Economic Development and Tourism		24 762	30 936	32 936	38 240	38 240	35 035	35 216	36 983
Western Cape Nature Conservation Board	193 842	208 466	221 907	230 203	240 503	240 503	243 974	251 717	264 464
Vote 9: Environmental Affairs and Development Planning	192 842	208 466	221 907	230 203	240 503	240 503	243 974	251 717	264 464
Vote 12: Economic Development and Tourism	1 000								
Western Cape Provincial Development Council									
Vote 1: Department of the Premier	2 943								
Western Cape Destination Marketing Organisation									
Vote 12: Economic Development and Tourism	35 439	25 000							
Not listed in PFMA, but indicated as a public entity in Estimates of Provincial Expenditure									
Heritage Western Cape									
Vote 13: Cultural Affairs and Sport	1 380	1 452	1 423	1 500	2 500	2 500	1 590	1 800	1 900
Small Enterprise Development Agency (SEDA)									
Vote 12: Economic Development and Tourism	1 000	4 500	6 201	2 000	2 000	2 000			
Total	377 567	408 088	466 199	681 257	707 483	707 892	561 909	594 790	625 031

A total of R561.909 million will be transferred in 2015/16 to provincial public entities and provincial government business enterprises

Table 6.4 above shows that a total of R561.909 million will be transferred in 2015/16 from various provincial departments to mainly, provincial public entities and provincial government business enterprises. For 2015/16, these transfers decrease by R145.983 million or 20.6 per cent from the 2014/15 revised estimates of R707.892 million.

The year-on-year decrease in transfers to public entities is mainly reflected in transfers to Casidra.

For the 2015/16 financial year the transfers to Casidra decreased by R150.166 million or 45.5 per cent mainly due to the reduced allocation of the disaster funding for repair and flood damages funded through the Comprehensive Agricultural Support Programme (CASP) Conditional Grant.

Wesgro and the Western Cape Liquor Authority, report to the Minister of Economic Opportunities, via the Department of Economic Development and Tourism. The transfers to Wesgro include an earmarked allocation for operational costs in support of the Saldanha Bay Industrial Development Zone (IDZ) project. These earmarked allocations amounts to R28.958 million for 2015/16, R29.824 million for 2016/17, and R31.316 million for 2017/18.

The transfer to CapeNature sees an increase of 1.4 per cent or R3.471 million in 2015/16 from the 2014/15 revised appropriation of R240.503 million. The increase relates to the additional Expanded Public Works Programme (EPWP) funding exclusively for job creation, training and social development interventions, infrastructure upgrades, as well as for the capacitation of the internal control unit.

Transfers to the Western Cape Gambling and Racing Board, in 2015/16, increases by 0.8 per cent from R10.406 million in the 2014/15 revised estimate to R10.488 million. The funding will be used for exclusivity replacement financing.

Payments for capital assets

Capital investment in 2015/16 is R5.034 billion

Table 6.1 shows payments for capital assets in 2015/16 amounting to R5.024 billion.

The bulk of the payments for capital assets is driven by, the Departments of Education, Health and Transport and Public Works who account for R4.884 billion or 97.21 per cent of the total provincial capital investment allocation in 2015/16.

Expenditure predominantly resides within buildings and other fixed structures which relate to Infrastructure spending and

accounts for 87.18 per cent followed by machinery and equipment with 10.91 per cent.

For 2015/16, buildings and other fixed structure anticipates to grow by R632.105 million or 16.87 per cent from the 2014/15 revised estimate. Machinery and equipment decreases by R138.133 million or 20.14 per cent from the 2014/15 revised estimate, mainly as a result of internal reprioritisation in the Department of Health. Furthermore, a decline is observed in the two outer years of the 2015 MTEF on building and other fixed structures which mainly relate to Education and Health; as a result of the conditional grant allocations for infrastructure being incentivised for both departments.

With infrastructure constituting such a large component of capital spending, as well as being a key lever in bolstering economic growth; further detail has been provided in Chapter 4.

Conclusion

The Western Cape Government has committed itself to good governance and management practices to meet greater efficiency, effectiveness and economy to ensure a responsive and sustainable budget.

The 2015 MTEF heralds another period of continued commitment to fiscal discipline. Departments will be diligent in exploring new and innovative ways to contain cost as well as reprioritise government expenditure within and across departments. In-year expenditure as well as service delivery monitoring and reporting is set to intensify in 2015/16. Monitoring measures will again include expenditure reviews by National and Provincial Treasury as well as continued risk assessments to ensure early detection and mitigation of fiscal and service delivery risks.

7

Summary of budget aggregates

This Chapter provides the overall budget summary of the key provincial revenue and expenditure components of the 2015 MTEF budget, as well as the programme breakdown for each vote.

Transfer receipts from National (equitable share and conditional grants) in 2015/16 are estimated to increase by R2.968 billion or 6.48 per cent from the 2014/15 revised estimate to R48.749 billion in 2015/16 (Table 7.1). Provincial own receipts over the 2015 MTEF anticipates to grow at an annual average of 1.05 per cent from R2.410 billion in the 2014/15 revised estimate to R2.487 billion in 2017/18. Financing provided over the 2014 MTEF was mainly provided for withdrawals from the Asset Finance Reserve and the Provincial Revenue Fund (PRF) largely for Infrastructure related projects and, amongst others, the WCG Broadband Initiative respectively and as a result is expected to be depleted in 2015/16. Total provincial payments and provisions are set to increase by R3.468 billion or 7.14 per cent from R48.608 billion in the 2014/15 revised estimate to R52.076 billion in 2015/16.

Given the constrained fiscal environment, it was possible to only provide for a contingency reserve (fiscal stabilisation reserve) of R200 million in 2017/18. A fiscal volatility reserve of R454.307 million is provided in 2017/18 to deal with anticipated further deterioration of the economic environment and its impact on the overall fiscal envelope available to Government.

The purpose of a budget programme structure is to link the allocation of funds to the performance of specific functions or the delivery of a particular category or group of services within a department's mandate. Budget programmes therefore provide the key link between an institution's objectives, main areas of responsibility or service delivery and detailed

operational budgets. Figures 7.1, 7.2 and 7.3 provide a disaggregation of each vote's budget at a programme level for the 2015/16 financial year. Table 7.2 provides a summary of the conditional grants by vote.

Table 7.1 Provincial budget summary

R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate 2015/16	2014/15	2016/17	2017/18
Provincial receipts										
Transfer receipts from national	34 781 823	37 269 859	40 951 593	45 131 033	45 781 061	45 781 061	48 749 087	6.48	51 159 491	54 556 650
Equitable share	27 019 344	29 082 503	31 881 140	35 591 517	35 591 517	35 591 517	38 241 666	7.45	40 501 046	43 307 975
Conditional grants	7 762 479	8 187 356	9 070 453	9 539 516	10 189 544	10 189 544	10 507 421	3.12	10 658 445	11 248 675
Financing	326 837	877 436	381 094	468 135	748 367	748 367	852 550	13.92	896 462	250 524
Asset Finance Reserve	273 749	377 405	175 711	294 092	366 092	366 092	355 389	(2.92)	391 250	183 610
Provincial Revenue Fund	53 088	500 031	205 383	174 043	378 487	378 487	497 161	31.35	505 212	66 914
Provincial Revenue Fund (Direct charge)					3 788	3 788				
Provincial own receipts	2 228 649	2 326 385	2 466 836	2 139 999	2 229 908	2 410 022	2 474 644	2.68	2 471 891	2 486 597
Total provincial receipts	37 337 309	40 473 680	43 799 523	47 739 167	48 759 336	48 939 450	52 076 281	6.41	54 527 844	57 293 771
Provincial payments and provisions										
Provincial payments	36 351 368	39 313 796	43 244 579	47 481 620	48 498 001	48 346 523	52 022 293	7.60	54 458 314	56 579 416
Current payments	26 988 755	29 412 257	32 308 786	35 561 523	35 888 670	35 748 299	38 802 434	8.54	40 954 210	43 079 839
Transfers and subsidies	6 065 860	6 529 826	7 418 024	8 262 284	7 970 721	8 042 027	8 190 946	1.85	8 685 965	9 129 753
Payments for capital assets	3 288 964	3 345 846	3 497 648	3 652 849	4 632 740	4 545 886	5 023 684	10.51	4 812 639	4 364 049
Payments for financial assets	7 789	25 867	20 121	4 964	5 870	10 311	5 229	(49.29)	5 500	5 776
Provincial provisions	30 147	31 506	31 486	257 547	261 335	261 335	53 988	(79.34)	69 530	714 355
Direct charge	30 147	31 506	31 486	35 546	39 334	39 334	37 185	(5.46)	39 155	41 113
Fiscal Stabilisation Reserve				150 000	150 000	150 000		(100.00)		200 000
Net internal financing				72 001	72 001	72 001		(100.00)		
Fiscal Volatility Reserve										454 307
Internal control							3 339		18 082	18 935
RSEP/VPUU							13 464		12 293	
Total provincial payments and provisions	36 381 515	39 345 302	43 276 065	47 739 167	48 759 336	48 607 858	52 076 281	7.14	54 527 844	57 293 771
Surplus (Deficit)	955 794	1 128 378	523 458	-	-	331 592	-	(100.00)	-	-

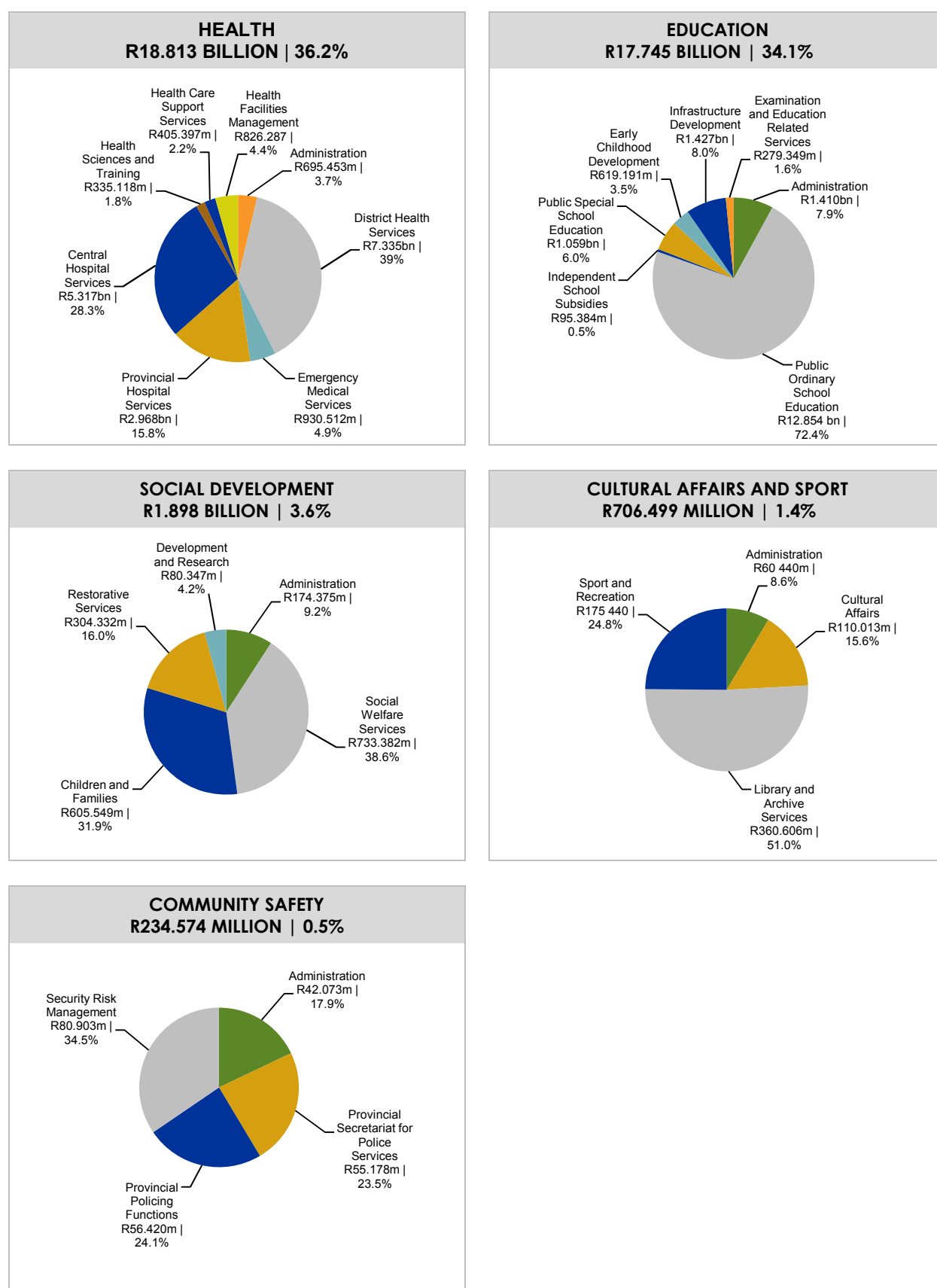
Figure 7.1 Social Sector Budget Summary, 2015/16

Figure 7.2 Economic Sector Budget Summary, 2015/16

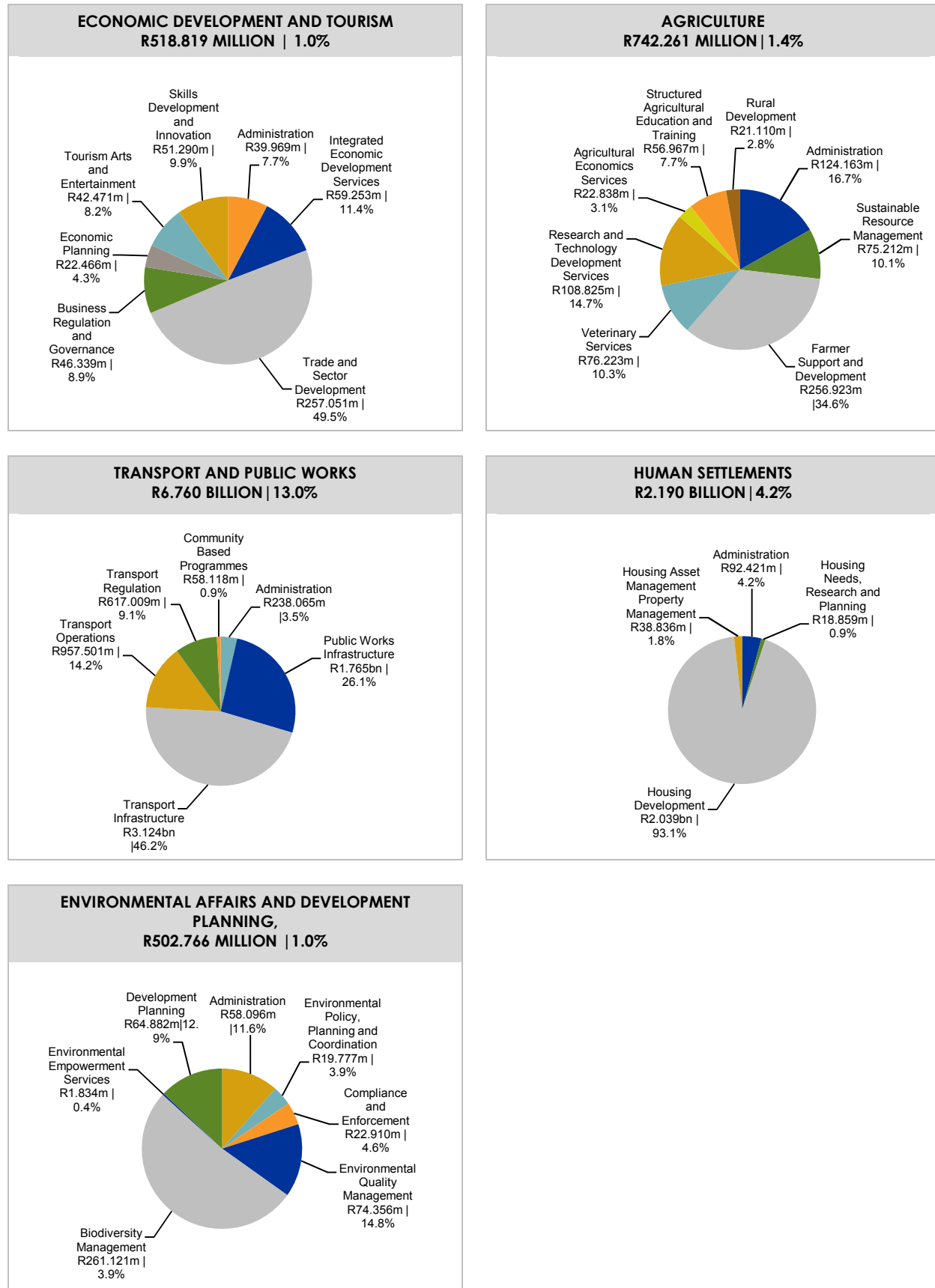


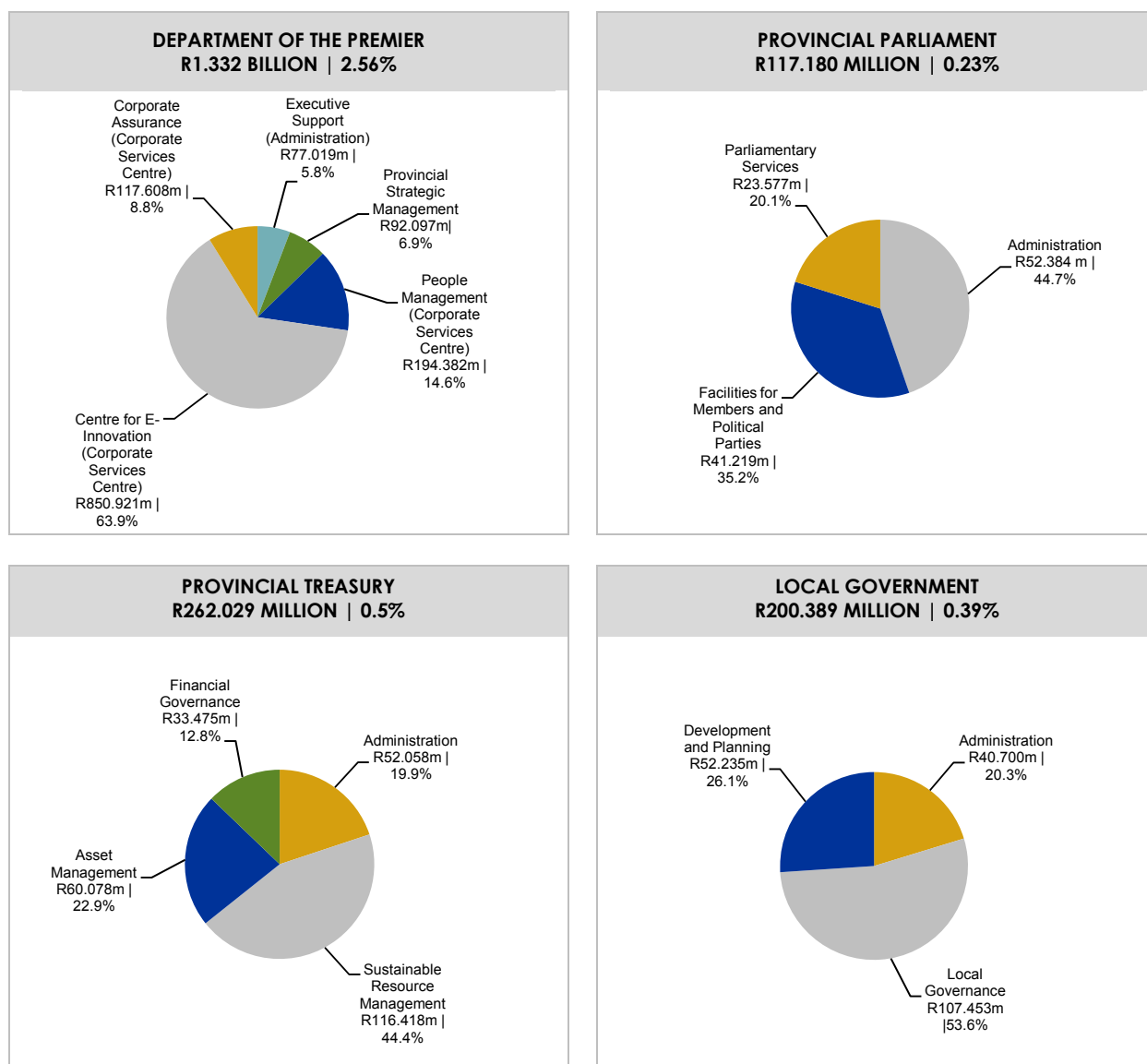
Figure 7.3 Governance and Administration Sector Budget Summary, 2015/16

Table 7.2 Summary of conditional grants by vote and grant

Vote and grant R'000	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
Vote 4: Community Safety	543	661	3 242	3 970	3 970	3 970	1 000		
Social Sector EPWP Incentive Grant for Provinces	543	661	3 242	3 970	3 970	3 970	1 000		
Vote 5: Education	652 528	723 356	1 128 656	874 170	1 416 180	1 416 180	1 401 255	1 236 138	1 243 763
Education Infrastructure Grant	385 039	431 397	821 831	485 024	1 021 334	1 021 334	1 032 237	874 263	860 226
Maths, Science and Technology Grant							26 535	27 842	32 439
Dinaledi Schools Grant	6 684	4 585	11 868	10 673	10 673	10 673			
Technical Secondary Schools Recapitalisation Grant	8 610	9 250	3 717	12 597	17 643	17 643			
HIV and AIDS (Life Skills Education) Grant	14 088	16 552	17 848	17 077	17 731	17 731	19 631	18 728	20 028
National School Nutrition Programme Grant	230 041	236 669	258 328	282 486	282 486	282 486	299 435	315 305	331 070
Social Sector EPWP Incentive Grant for Provinces	8 066	23 903	12 064	13 354	13 354	13 354	4 747		
Expanded Public Works Programme Integrated Grant for Provinces		1 000	3 000	2 564	2 564	2 564	2 818		
Occupational Specific Dispensation for Education Sector Therapists Grant				50 395	50 395	50 395	15 852		
Vote 6: Health	3 723 418	3 946 396	4 402 180	4 719 898	4 807 916	4 807 916	5 037 997	5 096 508	5 459 977
National Tertiary Services Grant	1 973 127	2 182 468	2 400 714	2 537 554	2 537 554	2 537 554	2 594 901	2 706 888	2 876 429
Health Facility Revitalisation Grant <small>Note 1</small>			613 887	639 786	720 848	720 848	804 142	589 566	587 460
<i>of which the following is allocated to:</i>									
Health Infrastructure component	123 957	129 259	92 131						
Hospital Revitalisation component	482 429	444 226	517 814						
Nursing Colleges and Schools component		9 892	3 942						
Health Professions Training and Development Grant	407 794	428 120	451 667	478 767	478 767	478 767	489 689	510 716	542 703
National Health Insurance Grant		9 885	5 365	7 000	13 956	13 956	7 204	7 543	8 016
Comprehensive HIV and AIDS Grant	660 578	738 079	927 547	1 051 794	1 051 794	1 051 794	1 138 481	1 281 795	1 445 369
Forensic Pathology Services Grant	70 199								
Social Sector EPWP Incentive Grant for Provinces	5 334	3 467		2 580	2 580	2 580	1 000		
Expanded Public Works Programme Integrated Grant for Provinces		1 000	3 000	2 417	2 417	2 417	2 580		
Vote 7: Social Development	4 704			2 580	2 580	2 580	1 866		
Social Sector EPWP Incentive Grant for Provinces	4 704			2 580	2 580	2 580	1 866		
Vote 8: Department of Human Settlements	1 638 845	1 725 180	1 962 237	1 918 778	1 938 778	1 938 778	1 978 612	2 186 668	2 325 713
Human Settlements Development Grant	1 638 845	1 725 180	1 959 237	1 914 936	1 934 936	1 934 936	1 975 122	2 186 668	2 325 713
<i>of which</i>									
City of Cape Town			733 484	1 350 467	783 000	783 000			
Expanded Public Works Programme Incentive Grant for Provinces			3 000	3 842	3 842	3 842	3 490		

Table 7.2 Summary of conditional grants by vote and grant (continued)

Vote and grant R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
Vote 9: Environmental Affairs and Development Planning	6 000	1 000	550	2 748	2 748	2 748	2 959		
Expanded Public Works Programme Integrated Grant for Provinces	6 000	1 000	550	2 748	2 748	2 748	2 959		
Vote 10: Transport and Public Works	1 507 068	1 536 120	1 281 660	1 473 691	1 473 691	1 473 691	1 663 843	1 687 358	1 738 442
Provincial Roads Maintenance Grant	411 141	476 258	520 797	685 849	685 849	685 849	858 962	856 776	855 838
Devolution of Property Rate Funds Grant ^{Note 2}	346 346	358 889	5 141						
Disaster Management Grant: Transport	61 885								
Expanded Public Works Programme Integrated Grant for Provinces	21 441	4 736	21 542	8 477	8 477	8 477	8 301		
Public Transport Operations Grant	666 255	696 237	734 180	779 365	779 365	779 365	796 580	830 582	882 604
Vote 11: Agriculture	133 812	153 923	165 896	353 007	353 007	353 007	202 594	224 082	239 710
Land Care Programme Grant: Poverty Relief and Infrastructure Development	3 466	7 741	7 233	4 070	4 070	4 070	3 933	4 078	4 380
Comprehensive Agriculture Support Programme Grant	82 346	91 777	106 376	292 336	292 336	292 336	147 054	169 411	179 981
Ilima/Letsema Projects Grant	48 000	50 400	51 737	54 353	54 353	54 353	49 607	50 593	55 349
Expanded Public Works Programme Integrated Grant for Provinces		4 005	550	2 248	2 248	2 248	2 000		
Vote 13: Cultural Affairs and Sport	95 561	100 720	126 032	190 674	190 674	190 674	217 295	227 691	241 070
Mass Participation and Sport Development Grant	42 867	44 494	55 570	58 711	58 711	58 711	55 216	62 418	66 163
Community Library Services Grant	48 694	55 226	68 542	126 347	126 347	126 347	158 469	165 273	174 907
Expanded Public Works Programme Integrated Grant for Provinces	4 000	1 000	567	2 224	2 224	2 224	2 223		
Social Sector EPWP Incentive Grant for Provinces			1 353	3 392	3 392	3 392	1 387		
Total Conditional Grants	7 762 479	8 187 356	9 070 453	9 539 516	10 189 544	10 189 544	10 507 421	10 658 445	11 248 675

Note 1: The National Department of Health has combined the three infrastructure grants into one, namely the Health Facility Revitalisation Grant. The three grants which are merged include the Hospital Revitalisation Grant, Health Infrastructure Grant and the Nursing Colleges and Schools Grant.

Note 2: Devolution of Property Rate Funds Grant subsumed in the provincial equitable share as from 2013/14.

Note 3: Allocations earmarked for flood repair:	2015/16	2016/17	2017/18
The allocations above include the following earmarked for repair of flood damage:	139 120	98 976	40 000
Comprehensive Agricultural Support Programme Grant	24 804	40 853	40 000
Education Infrastructure Grant	4 858	-	-
Human Settlements Development Grant	5 077	-	-
Provincial Roads Maintenance Grant	104 381	58 123	-

Annexure

Additional Tables

Table A.1 Conditional grants: Information relating to Chapter 7

Vote and grant R'000	2011/12			2012/13			2013/14			2014/15			Medium-term estimate		
	Adjusted appro- priation	Actual transfer	Audited outcome	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Revised estimate	2015/16	2016/17	2017/18
Vote 4: Community Safety	543	543	543	800	800	661	3 242	3 242	3 242	3 970	3 970	3 970	1 000		
Social Sector EPWP Incentive Grant for Provinces	543	543	543	800	800	661	3 242	3 242	3 242	3 970	3 970	3 970	1 000		
Vote 5: Education	649 874	655 742	652 528	739 356	740 160	723 356	1 275 918	1 286 631	1 128 656	874 170	1 416 180	1 416 180	1 401 255	1 236 138	1 243 763
Education Infrastructure Grant	385 039	385 039	385 039	431 397	431 397	431 397	960 465	960 465	821 831	485 024	1 021 334	1 021 334	1 032 237	874 263	860 226
Maths, Science and Technology Grant													26 535	27 842	32 439
Dinaledi Schools Grant	6 720	6 720	6 684	9 571	9 571	4 585	10 096	13 366	11 868	10 673	10 673	10 673			
Technical Secondary Schools Recapitalisation Grant	8 619	8 619	8 610	11 264	11 264	9 250	11 884	13 898	3 717	12 597	17 643	17 643			
HIV and AIDS (Life Skills Education) Grant	16 388	16 388	14 088	17 416	17 416	16 552	17 637	18 501	17 848	17 077	17 731	17 731	19 631	18 728	20 028
National School Nutrition Programme Grant	227 433	230 906	230 041	244 784	245 588	236 669	260 538	265 103	258 328	282 486	282 486	282 486	299 435	315 305	331 070
Social Sector EPWP Incentive Grant for Provinces	5 675	8 070	8 066	23 924	23 924	23 903	12 298	12 298	12 064	13 354	13 354	13 354	4 747		
Expanded Public Works Programme Integrated Grant for Provinces				1 000	1 000	1 000	3 000	3 000	3 000	2 564	2 564	2 564	2 818		
Occupational Specific Dispensation for Education Sector Therapists Grant										50 395	50 395	50 395	15 852		
Vote 6: Health	3 718 253	3 738 100	3 723 418	3 998 984	4 013 603	3 946 396	4 417 564	4 485 180	4 402 180	4 719 898	4 807 916	4 807 916	5 037 997	5 096 508	5 459 977
National Tertiary Services Grant	1 973 127	1 973 127	1 973 127	2 182 468	2 182 468	2 182 468	2 400 714	2 400 714	2 400 714	2 537 554	2 537 554	2 537 554	2 594 901	2 706 888	2 876 429
Health Facility Revitalisation Grant <i>of which the following is allocated to:</i>							629 786	694 949	613 887	639 786	720 848	720 848	804 142	589 566	587 460
<i>Health Infrastructure component</i>	119 179	126 780	123 957	131 411	134 234	129 259	122 296	127 271	92 131						
<i>Hospital Revitalisation component</i>	481 501	490 758	482 429	496 085	504 414	444 226	493 526	553 714	517 814						
<i>Nursing Colleges and Schools component</i>				10 320	10 320	9 892	13 964	13 964	3 942						
Health Professions Training and Development Grant	407 794	407 794	407 794	428 120	428 120	428 120	451 667	451 667	451 667	478 767	478 767	478 767	489 689	510 716	542 703
National Health Insurance Grant				11 500	11 500	9 885	4 850	7 303	5 365	7 000	13 956	13 956	7 204	7 543	8 016
Comprehensive HIV and AIDS Grant	660 614	660 614	660 578	738 080	738 080	738 079	927 547	927 547	927 547	1 051 794	1 051 794	1 051 794	1 138 481	1 281 795	1 445 369
Forensic Pathology Services Grant	70 226	70 226	70 199												
Social Sector EPWP Incentive Grant for Provinces	5 812	8 801	5 334		3 467	3 467				2 580	2 580	2 580	1 000		
Expanded Public Works Programme Integrated Grant for Provinces				1 000	1 000	1 000	3 000	3 000	3 000	2 417	2 417	2 417	2 580		
Vote 7: Social Development	4 704	4 704	4 704							2 580	2 580	2 580	1 866		
Social Sector EPWP Incentive Grant for Provinces	4 704	4 704	4 704							2 580	2 580	2 580	1 866		
Vote 8: Human Settlements	1 638 845	1 638 845	1 638 845	1 725 180	1 725 180	1 725 180	1 928 971	1 962 237	1 962 237	1 918 778	1 938 778	1 938 778	1 978 612	2 186 668	2 325 713
Human Settlements Development Grant	1 638 845	1 638 845	1 638 845	1 725 180	1 725 180	1 725 180	1 925 971	1 959 237	1 959 237	1 914 936	1 934 936	1 934 936	1 975 122	2 186 668	2 325 713
<i>of which:</i>															
City of Cape Town							733 484	733 484	733 484	1 350 467	783 000	783 000			
Expanded Public Works Programme Integrated Grant for Provinces							3 000	3 000	3 000	3 842	3 842	3 842	3 490		

Table A.1 Conditional Grants: Information relating to Chapter 7 (continued)

Vote and grant R'000	2011/12			2012/13			2013/14			2014/15			Medium-term estimate		
	Adjusted appro- piation	Actual transfer	Audited outcome	Main appro- piation	Adjusted appro- piation	Audited outcome	Main appro- piation	Adjusted appro- piation	Audited outcome	Main appro- piation	Adjusted appro- piation	Revised estimate	2015/16	2016/17	2017/18
Vote 9: Environmental Affairs and Development Planning	6 000	6 000	6 000	1 000	1 000	1 000	550	550	550	2 748	2 748	2 748	2 959		
Expanded Public Works Programme Integrated Grant for Provinces	6 000	6 000	6 000	1 000	1 000	1 000	550	550	550	2 748	2 748	2 748	2 959		
Vote 10: Transport and Public Works	1 381 264	1 467 621	1 507 068	1 503 732	1 503 761	1 536 120	1 322 388	1 279 447	1 281 660	1 473 691	1 473 691	1 473 691	1 663 843	1 687 358	1 738 442
Provincial Roads Maintenance Grant	411 141	411 141	411 141	478 895	478 895	476 258	573 237	520 797	520 797	685 849	685 849	685 849	858 962	856 776	855 838
Devolution of Property Rate Funds Grant	291 281	309 622	346 346	319 501	319 530	358 889		5 141	5 141						
Disaster Management Grant: Transport		61 885	61 885												
Expanded Public Works Programme Integrated Grant for Provinces	12 587	18 718	21 441	9 099	9 099	4 736	14 971	19 329	21 542	8 477	8 477	8 477	8 301		
Public Transport Operations Grant	666 255	666 255	666 255	696 237	696 237	696 237	734 180	734 180	734 180	779 365	779 365	779 365	796 580	830 582	882 604
Vote 11: Agriculture	133 812	133 812	133 812	154 003	154 003	153 923	164 379	165 896	165 896	353 007	353 007	353 007	202 594	224 082	239 710
Land Care Programme Grant: Poverty Relief and Infrastructure Development	3 466	3 466	3 466	7 740	7 740	7 741	7 233	7 233	7 233	4 070	4 070	4 070	3 933	4 078	4 380
Comprehensive Agriculture Support Programme (CASP) Grant	82 346	82 346	82 346	91 863	91 863	91 777	104 859	106 376	106 376	292 336	292 336	292 336	147 054	169 411	179 981
Provincial Infrastructure															
Ilima/Letsema Projects Grant	48 000	48 000	48 000	50 400	50 400	50 400	51 737	51 737	51 737	54 353	54 353	54 353	49 607	50 593	55 349
Expanded Public Works Programme Integrated Grant for Provinces				4 000	4 000	4 005	550	550	550	2 248	2 248	2 248	2 000		
Vote 13: Cultural Affairs and Sport	95 658	95 658	95 561	101 773	101 773	100 720	124 544	126 028	126 032	190 674	190 674	190 674	217 295	227 691	241 070
Mass Participation and Sport Development Grant	42 964	42 964	42 867	44 644	44 644	44 494	55 570	55 570	55 570	58 711	58 711	58 711	55 216	62 418	66 163
Community Library Services Grant	48 694	48 694	48 694	56 129	56 129	55 226	67 058	68 542	68 542	126 347	126 347	126 347	158 469	165 273	174 907
Expanded Public Works Programme Integrated Grant for Provinces	4 000	4 000	4 000	1 000	1 000	1 000	550	550	567	2 224	2 224	2 224	2 223		
Social Sector EPWP Incentive Grant for Provinces							1 366	1 366	1 353	3 392	3 392	3 392	1 387		
Total Conditional grants	7 628 953	7 741 025	7 762 479	8 224 828	8 240 280	8 187 356	9 237 556	9 309 211	9 070 453	9 539 516	10 189 544	10 189 544	10 507 421	10 658 445	11 248 675

Note 1: The National Department of Health has taken the decision to combine the three infrastructure grants into one, namely the Health Facility Revitalisation Grant. The three grants which are merged include the Hospital Revitalisation Grant, Health Infrastructure Grant and the Nursing Colleges and Schools Grant.

Note 2: Devolution of Property Rate Funds Grant subsumed in the provincial equitable share as from 2013/14.

Note 3: Allocations earmarked for flood repair:

The allocations above include the following earmarked for repair of flood damage:

Comprehensive Agricultural Support Programme Grant
Education Infrastructure Grant
Human Settlements Development Grant
Provincial Roads Maintenance Grant

	2015/16	2016/17	2017/18
	139 120	98 976	
	24 804	40 853	40 000
	4 858	-	40 000
	5 077	-	-
	104 381	58 123	-

Table A.2 Details of total provincial own receipts: Information relating to Chapter 2

Outcome							Medium-term estimate			
				Main	Adjusted	Revised	% Change from Revised estimate			
Receipts R'000	Audited 2011/12	Audited 2012/13	Audited 2013/14	appro- piation 2014/15	appro- piation 2014/15	estimate 2014/15	2015/16	2014/15	2016/17	2017/18
Tax receipts	1 312 930	1 415 018	1 564 886	1 385 111	1 405 111	1 488 326	1 661 037	11.60	1 737 763	1 796 526
Casino taxes	321 750	350 384	408 661	299 335	299 335	299 335	403 594	34.83	412 267	417 517
Horse racing taxes	28 853	32 279	32 469	20 000	20 000	20 000	20 000		20 000	20 000
Other taxes (Liquor licence fees)	6 550	24 822	28 328	25 000	25 000	25 000	27 000	8.00	28 431	29 853
Motor vehicle licences	955 777	1 007 533	1 095 428	1 040 776	1 060 776	1 143 991	1 210 443	5.81	1 277 065	1 329 156
Sales of goods and services other than capital assets	498 190	554 768	561 245	471 132	471 603	517 037	498 538	(3.58)	504 795	511 064
Sales of goods and services produced by department (excluding capital assets)	496 082	552 137	559 700	470 383	470 854	516 043	497 638	(3.57)	503 877	510 127
Sales by market establishments	61 828	66 562	66 714	62 375	62 375	66 862	64 766	(3.13)	67 865	71 150
Administrative fees	32 174	30 626	38 826	23 357	23 357	38 665	27 129	(29.84)	28 190	29 245
Agricultural activities										
Inspection fees	768	782	940	816	816	942	1 047	11.15	1 047	1 047
Licences or permits	24 466	23 385	31 256	18 277	18 277	31 975	20 667	(35.37)	21 724	22 775
Registration	37	30	36	30	30	9	50	455.56	54	58
Request for information	4 703	3 944	3 948	3 033	3 033	4 538	4 164	(8.24)	4 164	4 164
Other	2 200	2 485	2 646	1 201	1 201	1 201	1 201		1 201	1 201
Other sales	402 080	454 949	454 160	384 651	385 122	410 516	405 743	(1.16)	407 822	409 732
of which										
Academic services:	6 897	6 552	6 206	8 448	8 448	7 361	6 605	(10.27)	6 966	7 331
Registration, tuition & examination fees										
Boarding services	16 020	16 191	14 571	11 618	11 618	12 613	12 172	(3.50)	12 332	12 494
Commission on insurance	11 337	12 848	14 446	10 688	10 635	11 400	13 047	14.45	13 455	13 862
External examinations										
Health services										
Hospital fees	315 103	389 380	379 773	323 095	323 095	343 027	341 188	(0.54)	341 188	341 188
Laboratory services	1 743	1 597	1 824	2 813	2 813	2 754	1 388	(49.60)	1 464	1 540
Lost library books										
Miscellaneous capital receipts	4	8								
Parking	12	9	10							
Rental of buildings, equipment and other services	4 103	222	166	175	175	175	178	1.71	213	243
Sales of goods	20 936	8 246	8 279	4 629	4 629	8 601	4 909	(42.93)	4 925	4 941
Sales of agricultural products	8 794	6 947	11 598	10 041	10 565	10 565	10 041	(4.96)	10 331	10 548
Sport gatherings	592	1 197	1 426	890	890	220	909	313.18	1 069	1 122
Subsidised motor transport										
Tender documentation	18	29	788	530	530	528	532	0.76	561	589
Trading account surplus										
Tuition fees										
Vehicle repair service	138	102	105	70	70	103	95	(7.77)	95	95
Services rendered	11 695	6 035	10 121	4 420	4 420	5 864	7 133	21.64	7 303	7 455
Photocopies and faxes	3 918	4 539	2 977	6 233	6 233	6 166	6 501	5.43	6 834	7 184
Replacement: Security cards	33	32	32	38	38	38	41	7.89	43	45
Other	737	1 016	1 838	963	963	1 101	1 004	(8.81)	1 043	1 094

Table A.2 Details of total provincial own receipts: Information relating to Chapter 2 (continued)

Outcome							Medium-term estimate			
				Main	Adjusted		% Change			
Receipts	Audited	Audited	Audited	appro-	appro-	Revised		from		
R'000	2011/12	2012/13	2013/14	priation	priation	estimate	2015/16	Revised	2016/17	2017/18
				2014/15	2014/15	2014/15		estimate		
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	2 108	2 631	1 545	749	749	994	900	(9.46)	918	937
Transfers received from	169 903	161 836	158 859	196 548	256 329	270 261	170 389	(36.95)	77 397	19 701
Other governmental units	21 333			51 700	96 845	114 969	51 400	(55.29)	57 700	
Higher education institutions	22 552	21 583	22 313	18 969	18 969	24 147	19 672	(18.53)	19 672	19 672
Foreign governments										
International organisations	126 018	133 978	135 754	125 878	118 856	109 465	99 296	(9.29)		
Public corporations and private enterprises		6 275	792		21 158	21 179	20	(99.91)	24	28
Households and non-profit institutions				1	501	501	1	(99.80)	1	1
Fines, penalties and forfeits	3 922	4 812	5 890	2 611	2 611	5 716	3 136	(45.14)	3 423	3 722
Interest, dividends and rent on land	6 190	6 478	6 937	7 182	6 165	7 901	55 411	601.32	58 204	61 290
Interest	6 138	6 405	6 891	6 935	5 918	7 638	55 139	621.90	57 917	60 988
Dividends	15	7	16			16	16		18	20
Rent on land	37	66	30	247	247	247	256	3.64	269	282
Sales of capital assets	1 563	7 230	6 043	21	21	816	21	(97.43)	22	23
Land and subsoil assets	1 484	6 978	5 959			516		(100.00)		
Other capital assets	79	252	84	21	21	300	21	(93.00)	22	23
Financial transactions in assets and liabilities	235 951	176 243	162 976	77 394	88 068	119 965	86 112	(28.22)	90 287	94 272
Arrear wages income										
Loan repayments	49 675	19 820	24 856	18 000	18 000	18 000	18 000		18 000	18 900
Recovery of previous year's expenditure	155 779	126 261	81 427	51 395	62 069	67 359	58 144	(13.68)	61 810	64 542
Staff debt	15 241	16 468	16 577	6 142	6 142	8 925	6 440	(27.84)	6 849	7 119
Stale cheques	16									
Unallocated credits	2 641	1 480	4 294	887	887	3 194	2 477	(22.45)	2 507	2 537
Cash surpluses	4	2 426	7 483	3	3	3	3		3	3
Other	12 595	9 788	28 339	967	967	22 484	1 048	(95.34)	1 118	1 171
Total departmental receipts	2 228 649	2 326 385	2 466 836	2 139 999	2 229 908	2 410 022	2 474 644	2.68	2 471 891	2 486 597

Table A.3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 6

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Current payments	26 988 755	29 412 257	32 308 786	35 561 523	35 888 670	35 748 299	38 802 434	8.54	40 954 210	43 079 839
Compensation of employees	19 572 406	21 333 887	23 173 411	25 645 218	25 533 542	25 394 523	27 650 701	8.88	29 238 336	30 856 363
Salaries and wages	17 144 912	18 693 609	21 648 518	22 507 566	22 420 494	22 302 072	24 345 211	9.16	25 721 581	27 122 836
Social contributions	2 427 494	2 640 278	1 524 893	3 137 652	3 113 048	3 092 451	3 305 490	6.89	3 516 755	3 733 527
Goods and services	7 415 700	8 078 361	9 135 370	9 916 305	10 355 120	10 353 762	11 151 733	7.71	11 715 874	12 223 361
Of which										
Administrative fees	186 902	198 970	220 338	209 501	229 765	229 831	246 627	7.31	262 916	262 716
Advertising	52 854	61 289	75 419	69 239	81 357	83 850	83 561	(0.34)	86 817	86 925
Minor assets	81 277	99 500	98 433	121 845	141 411	143 876	153 524	6.71	146 779	123 975
Audit cost: External	88 803	86 086	91 915	99 039	97 980	96 479	99 277	2.90	103 972	110 404
Bursaries: Employees	29 077	18 022	16 528	21 251	19 969	20 090	22 328	11.14	23 087	24 236
Catering: Departmental activities	36 493	37 401	42 598	49 182	57 788	52 926	54 393	2.77	56 563	57 790
Communication	115 605	131 640	133 403	126 611	134 398	137 014	146 020	6.57	153 476	161 235
Computer services	382 004	382 425	489 494	531 998	851 642	847 579	796 651	(6.01)	859 243	864 971
Cons/prof: Business and advisory services	319 917	414 111	396 042	652 936	500 742	474 295	483 430	1.93	475 688	477 122
Cons/prof: Infrastructure & planning	28 257	57 063	38 549	16 264	26 449	29 555	49 791	68.47	62 246	65 858
Cons/prof: Laboratory services	423 238	476 037	529 538	571 794	572 774	564 325	620 994	10.04	659 450	699 802
Cons/prof: Scientific and technological services										
Cons/prof: Legal costs	31 346	29 260	34 505	27 421	36 088	40 628	31 039	(23.60)	31 802	31 072
Contractors	536 727	549 678	704 789	733 275	767 090	735 297	806 931	9.74	865 682	916 575
Agency and support/	663 179	758 020	832 706	816 104	842 680	860 927	877 073	1.88	911 071	954 229
Entertainment	1 383	1 594	1 388	2 417	2 061	1 747	2 781	59.19	2 088	2 111
Fleet services (including government motor transport)	229 014	214 468	171 737	282 699	284 683	291 427	304 554	4.50	318 391	328 934
Housing										
Inventory: Clothing material and accessories	78	32	198	51						
Inventory: Farming supplies				131	198	198	3	(98.48)	3	3
Inventory: Food and food supplies	40 798	41 502	49 018	45 801	50 120	54 531	53 805	(1.33)	57 454	61 152
Inventory: Fuel, oil and gas	61	49	103	62	104	91	61	(32.97)	65	67
Inventory: Learner and teacher	252 140	252 747	385 374	377 342	252 172	250 430	131 064	(47.66)	191 910	186 638
Inventory: Materials and supplies	39 585	42 019	25 744	30 700	30 991	36 941	45 112	22.12	48 059	42 165
Inventory: Medical supplies	865 801	912 012	1 026 865	1 085 439	1 116 095	1 127 313	1 225 502	8.71	1 303 389	1 385 539
Inventory: Medicine	766 748	840 021	890 270	980 535	998 735	1 016 444	1 106 219	8.83	1 183 958	1 249 336
Medsas inventory interface	24									
Inventory: Other supplies	55 180	71 092	146 696	174 080	263 340	258 295	418 336	61.96	355 636	382 186
Consumable supplies	257 492	295 767	329 441	351 444	350 458	369 045	395 008	7.04	413 524	433 008
Consumable: Stationery, printing & office supplies	108 098	146 681	137 572	151 456	125 227	131 338	141 226	7.53	149 504	157 188
Operating leases	192 806	221 065	236 226	221 284	250 306	249 630	291 660	16.84	312 434	333 295
Property payments	1 098 180	1 109 355	1 342 585	1 472 424	1 583 385	1 563 947	1 848 553	18.20	1 922 425	2 034 663
Transport provided: Departmental activity	170 525	201 592	223 688	225 768	240 469	244 036	252 815	3.60	267 157	280 035
Travel and subsistence	163 603	179 774	250 286	176 375	170 628	177 171	193 136	9.01	200 649	208 084
Training and development	90 725	100 614	74 159	107 356	101 696	99 108	125 975	27.11	144 572	151 593
Operating payments	73 200	107 848	81 453	128 577	126 182	119 099	94 393	(20.74)	94 292	96 226
Venues and facilities	29 828	32 729	25 386	41 205	28 906	27 880	24 983	(10.39)	25 481	26 720
Rental and hiring	4 752	7 898	32 924	14 699	19 231	18 419	24 908	35.23	26 091	27 507
Interest and rent on land	649	9	5		8	14		(100.00)		115
Interest	647	8	5		8	14		(100.00)		115
Rent on land	2	1								

Table A.3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 6 (continued)

Economic classification R'000	Outcome			Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	Medium-term estimate % Change from Revised estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2014/15	2016/17	2017/18
Transfers and subsidies to (Current)	4 278 559	4 603 898	5 275 713	6 340 812	6 027 174	6 077 842	6 203 370	2.07	6 485 231	6 810 129
Provinces and municipalities	798 466	855 610	916 308	1 487 397	1 103 500	1 103 350	1 178 192	6.78	1 226 342	1 341 744
Provinces	3 101	2 151	2 787	431 920	2 567	2 567	2 972	15.78	3 065	3 132
Provincial Revenue Funds	86									
Provincial agencies and funds	3 015	2 151	2 787	431 920	2 567	2 567	2 972	15.78	3 065	3 132
Municipalities	795 365	853 459	913 521	1 055 477	1 100 933	1 100 783	1 175 220	6.76	1 223 277	1 338 612
Municipal bank accounts	792 352	851 429	909 183	1 054 277	1 097 204	1 097 054	1 173 164	6.94	1 220 121	1 335 456
Municipal agencies and funds	3 013	2 030	4 338	1 200	3 729	3 729	2 056	(44.86)	3 156	3 156
Departmental agencies and accounts	273 509	290 450	326 270	332 176	350 125	350 177	359 831	2.76	369 505	385 495
Social security funds							463		484	506
Entities receiving transfers	273 509	290 450	326 270	332 176	350 125	350 177	359 368	2.62	369 021	384 989
Western Cape Provincial Development Council	2 943									
Western Cape Gambling and Racing Board	83	2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Environmental Commissioner										
Western Cape Nature Conservation Board	193 842	190 785	211 092	202 442	209 542	209 542	214 926	2.57	221 406	232 638
Destination Marketing Organisation	35 439	25 000								
Western Cape Tourism, Trade and Investment Promotion Agency	14 956	28 982	57 308	70 826	75 358	75 358	84 559	12.21	86 213	87 790
Western Cape Cultural Commission	150	325	250	363	363	363	385	6.06	420	450
Western Cape Liquor Authority		24 762	30 936	32 936	38 240	38 240	35 035	(8.38)	35 216	36 983
Western Cape Language Committee	220	240	210	221	221	221	233	5.43	242	252
Artscape	142	150	669	168	168	168	178	5.95	190	210
Heritage Western Cape	1 380	1 452	1 423	1 500	2 500	2 500	1 590	(36.40)	1 800	1 900
SETA	8 372	9 065	9 922	10 430	10 430	10 440	11 018	5.54	11 624	12 229
Government Motor Trading Account			248							
Other	15 982	7 278	8 689	2 884	2 897	2 939	956	(67.47)	1 002	1 051
Higher education institutions	8 825	2 324	5 632	6 203	8 613	8 613	5 372	(37.63)	4 612	4 856
Foreign governments and international organisations	95	244	128	144	144	144	150	4.17	150	150
Public corporations and private enterprises	834 606	858 442	908 212	1 129 991	1 123 941	1 124 415	991 042	(11.86)	1 049 384	1 115 631
Public corporations	127 412	112 306	133 738	332 600	329 690	330 164	179 933	(45.50)	202 550	215 962
Subsidies on production	10 958	17 940		19 488	19 488	19 488	20 000	2.63	21 100	22 155
Other transfers	116 454	94 366	133 738	313 112	310 202	310 676	159 933	(48.52)	181 450	193 807
Private enterprises	707 194	746 136	774 474	797 391	794 251	794 251	811 109	2.12	846 834	899 669
Subsidies on production										
Other transfers	707 194	746 136	774 474	797 391	794 251	794 251	811 109	2.12	846 834	899 669
Non-profit institutions	2 145 501	2 370 748	2 883 058	3 125 976	3 185 336	3 193 104	3 359 039	5.20	3 513 012	3 618 701
Households	217 557	226 080	236 105	258 925	255 515	298 039	309 744	3.93	322 226	343 552
Social benefits	66 671	95 253	119 986	66 950	87 632	130 398	89 402	(31.44)	93 210	98 485
Other transfers to households	150 886	130 827	116 119	191 975	167 883	167 641	220 342	31.44	229 016	245 067

Table A.3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 6 (continued)

Economic classification R'000	Outcome			Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	Medium-term estimate % Change from Revised estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2014/15	2016/17	2017/18
Transfers and subsidies to (Capital)	1 787 301	1 925 928	2 142 311	1 921 472	1 943 547	1 964 185	1 987 576	1.19	2 200 734	2 319 624
Provinces and municipalities	49 770	119 749	133 309	38 228	53 728	53 728	50 755	(5.53)	61 900	45 500
Provinces	3 000									
Provincial Revenue Funds										
Provincial agencies and funds	3 000									
Municipalities	46 770	119 749	133 309	38 228	53 728	53 728	50 755	(5.53)	61 900	45 500
Municipal bank accounts	46 770	119 749	133 309	38 228	53 728	53 728	50 755	(5.53)	61 900	45 500
Municipal agencies and funds										
Departmental agencies and accounts	1 625	17 822	10 815	27 761	52 301	52 301	33 943	(35.10)	32 181	32 926
Social security funds										
Entities receiving transfers	1 625	17 822	10 815	27 761	52 301	52 301	33 943	(35.10)	32 181	32 926
Western Cape Provincial Development Council										
Western Cape Gambling and Racing Board										
Environmental Commissioner										
Western Cape Nature Conservation Board		17 781	10 815	27 761	30 961	30 961	29 048	(6.18)	30 311	31 826
Agricultural Research Council										
Destination Marketing Organisation										
Western Cape Tourism, Trade and Investment Promotion Agency										
Western Cape Cultural Commission										
Western Cape Liquor Authority										
Western Cape Language Committee										
Artscape										
Heritage Western Cape										
SETA										
Government Motor Trading										
Other	1 625	41			21 340	21 340	4 895	(77.06)	1 870	1 100
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Non-profit institutions	145 870	145 691	131 606	6 705	5 791	26 616	11 098	(58.30)	11 158	11 216
Households	1 590 036	1 642 666	1 866 581	1 848 778	1 831 727	1 831 540	1 891 780	3.29	2 095 495	2 229 982
Social benefits										
Other transfers to households	1 590 036	1 642 666	1 866 581	1 848 778	1 831 727	1 831 540	1 891 780	3.29	2 095 495	2 229 982

Table A.3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 6 (continued)

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate 2015/16	2014/15	2016/17	2017/18
Transfers and subsidies to (Total)	6 065 860	6 529 826	7 418 024	8 262 284	7 970 721	8 042 027	8 190 946	1.85	8 685 965	9 129 753
Provinces and municipalities	848 236	975 359	1 049 617	1 525 625	1 157 228	1 157 078	1 228 947	6.21	1 288 242	1 387 244
Provinces	6 101	2 151	2 787	431 920	2 567	2 567	2 972	15.78	3 065	3 132
Provincial Revenue Funds	86									
Provincial agencies and funds	6 015	2 151	2 787	431 920	2 567	2 567	2 972	15.78	3 065	3 132
Municipalities	842 135	973 208	1 046 830	1 093 705	1 154 661	1 154 511	1 225 975	6.19	1 285 177	1 384 112
Municipal bank accounts	839 122	971 178	1 042 492	1 092 505	1 150 932	1 150 782	1 223 919	6.36	1 282 021	1 380 956
Municipal agencies and funds	3 013	2 030	4 338	1 200	3 729	3 729	2 056	(44.86)	3 156	3 156
Departmental agencies and accounts	275 134	308 272	337 085	359 937	402 424	402 476	393 774	(2.16)	401 686	418 421
Social security funds							463		484	506
Entities receiving transfers	275 134	308 272	337 085	359 937	402 424	402 476	393 311	(2.28)	401 202	417 915
Western Cape Provincial Development Council	2 943									
Western Cape Gambling and Racing Board	83	2 411	5 523	10 406	10 406	10 406	10 488	0.79	10 908	11 486
Environmental Commissioner										
Western Cape Nature Conservation Board	193 842	208 566	221 907	230 203	240 503	240 503	243 974	1.44	251 717	264 464
Destination Marketing Organisation	35 439	25 000								
Western Cape Tourism, Trade and Investment Promotion Agency	14 956	28 982	57 308	70 826	75 358	75 358	84 559	12.21	86 213	87 790
Western Cape Cultural Commission	150	325	250	363	363	363	385	6.06	420	450
Western Cape Liquor Authority		24 762	30 936	32 936	38 240	38 240	35 035	(8.38)	35 216	36 983
Western Cape Language Committee	220	240	210	221	221	221	233	5.43	242	252
Artscape	142	150	669	168	168	168	178	5.95	190	210
Heritage Western Cape	1 380	1 452	1 423	1 500	2 500	2 500	1 590	(36.40)	1 800	1 900
SETA	8 372	9 065	9 922	10 430	10 430	10 440	11 018	5.54	11 624	12 229
Government Motor Trading			248							
Other	17 607	7 319	8 689	2 884	24 235	24 277	5 851	(75.90)	2 872	2 151
Higher education institutions	8 825	2 324	5 632	6 203	8 613	8 613	5 372	(37.63)	4 612	4 856
Foreign governments and international organisations	95	244	128	144	144	144	150	4.17	150	150
Public corporations and private enterprises	834 606	858 442	908 212	1 129 991	1 123 943	1 124 417	991 042	(11.86)	1 049 384	1 115 631
Public corporations	127 412	112 306	133 738	332 600	329 692	330 166	179 933	(45.50)	202 550	215 962
Subsidies on production	10 958	17 940		19 488	19 488	19 488	20 000	2.63	21 100	22 155
Other transfers	116 454	94 366	133 738	313 112	310 204	310 678	159 933	(48.52)	181 450	193 807
Private enterprises	707 194	746 136	774 474	797 391	794 251	794 251	811 109	2.12	846 834	899 669
Subsidies on production										
Other transfers	707 194	746 136	774 474	797 391	794 251	794 251	811 109	2.12	846 834	899 669
Non-profit institutions	2 291 371	2 516 439	3 014 664	3 132 681	3 191 127	3 219 720	3 370 137	4.67	3 524 170	3 629 917
Households	1 807 593	1 868 746	2 102 686	2 107 703	2 087 242	2 129 579	2 201 524	3.38	2 417 721	2 573 534
Social benefits	66 671	95 253	119 986	66 950	87 632	130 398	89 402	(31.44)	93 210	98 485
Other transfers to households	1 740 922	1 773 493	1 982 700	2 040 753	1 999 610	1 999 181	2 112 122	5.65	2 324 511	2 475 049
Payments for capital assets	3 288 964	3 345 846	3 497 648	3 652 849	4 632 740	4 545 886	5 023 684	10.51	4 812 639	4 364 049
Buildings and other fixed structures	2 676 794	2 751 626	2 796 652	3 049 050	3 850 550	3 747 625	4 379 730	16.87	4 178 572	3 718 682
Buildings	1 167 168	1 185 978	1 335 102	1 187 076	1 710 282	1 640 082	1 780 602	8.57	1 371 268	1 303 806
Other fixed structures	1 509 626	1 565 648	1 461 550	1 861 974	2 140 268	2 107 543	2 599 128	23.33	2 807 304	2 414 876
Machinery and equipment	584 140	552 819	644 109	584 264	669 328	686 008	547 875	(20.14)	541 451	548 470
Transport equipment	144 119	170 345	179 259	188 463	209 345	216 181	222 654	2.99	231 652	238 005
Other machinery and equipment	440 021	382 474	464 850	395 801	459 983	469 827	325 221	(30.78)	309 799	310 465
Heritage assets										
Specialised military assets										
Biological assets		24								
Land and subsoil assets	18 182	30 084	44 280	7 080	99 080	99 080	78 880	(20.39)	82 816	86 647
Software and other intangible assets	9 848	11 293	12 607	12 455	13 782	13 173	17 199	30.56	9 800	10 250
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>	2 092 121	1 575 068	1 702 832							
Payments for financial assets	7 789	25 867	20 121	4 964	5 870	10 311	5 228	(49.29)	5 500	5 776
Total economic classification	36 351 368	39 313 796	43 244 579	47 481 620	48 498 001	48 346 523	52 022 293	7.60	54 458 314	56 579 416

Table A.4 Summary of provincial infrastructure payments and estimates by vote: Information relating to Chapter 4

Vote R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2011/12	2012/13	2013/14	2014/15	2014/15	2014/15	2015/16	2014/15	2016/17	2017/18
1. Department of the Premier										
2. Provincial Parliament										
3. Provincial Treasury										
4. Community Safety										
5. Education	734 194	750 672	1 054 312	855 962	1 397 772	1 397 772	1 427 227	2.11	1 281 939	1 288 320
6. Health	806 403	830 782	894 535	723 096	814 386	745 764	826 287	10.80	702 169	705 694
7. Social Development				17 000	17 000	17 000		(100.00)		
8. Human Settlements										
9. Environmental Affairs and Development Planning			24 218	27 761	30 961	30 961	29 048	(6.18)	30 311	31 826
10. Transport and Public Works	2 059 056	2 218 483	2 399 082	2 971 877	3 081 626	3 081 626	3 707 108	20.30	3 833 522	3 403 307
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Total provincial infrastructure payments and estimates	3 599 653	3 799 937	4 372 147	4 595 696	5 341 745	5 273 123	5 989 670	13.59	5 847 941	5 429 147

Table A.4.1 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 4

Category R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			2017/18
							2015/16	2014/15	2016/17	
New and replacement assets ^{Note}	753 887	687 060	887 608	936 786	1 338 867	1 297 944	1 244 827	(4.09)	1 098 690	1 139 413
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	396 747	343 287	640 273	553 217	996 868	972 571	915 187	(5.90)	722 796	815 780
6. Health	340 660	291 492	200 874	161 570	159 862	143 236	186 700	30.34	110 894	111 900
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning ^a			2 991	16 387	19 587	19 587	16 618	(15.16)	18 820	21 053
10. Transport and Public Works	16 480	52 281	43 470	205 612	162 550	162 550	126 322	(22.29)	246 180	190 680
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Upgrades and additions ^{Note}	803 449	544 176	510 600	635 542	748 192	745 028	864 263	16.00	887 032	910 460
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	187 099	164 539	70 701	99 768	145 507	145 427	173 522	19.32	206 232	167 420
6. Health	112 291	127 011	68 942	60 650	72 803	69 719	113 316	62.53	83 500	79 000
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning			6 026	400	1 696	1 696		(100.00)		
10. Transport and Public Works	504 059	252 626	364 931	474 724	528 186	528 186	577 425	9.32	597 300	664 040
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Rehabilitation, renovations and refurbishments ^{Note}	1 230 890	1 519 310	1 620 022	1 814 838	1 985 154	1 952 213	2 428 386	24.39	2 340 323	1 802 397
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health	211 003	172 717	394 282	271 664	341 506	308 565	250 180	(18.92)	224 664	142 431
7. Social Development				17 000	17 000	17 000		(100.00)		
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	1 019 887	1 346 593	1 225 740	1 526 174	1 626 648	1 626 648	2 178 206	33.91	2 115 659	1 659 966
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

Table A.4.1 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 4 (continued)

Category R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Maintenance and repairs ^{Note}	744 499	910 093	1 100 782	1 165 345	1 228 256	1 212 365	1 388 439	14.52	1 446 996	1 518 377
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	147 149	153 028	200 403	202 977	255 080	255 160	338 518	32.67	352 911	305 120
6. Health	125 759	234 678	187 254	226 755	239 984	224 013	266 091	18.78	273 111	362 363
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning			15 201	10 974	9 678	9 678	12 430		11 491	10 773
10. Transport and Public Works	471 591	522 387	697 924	724 639	723 514	723 514	771 400	6.62	809 483	840 121
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Infrastructure transfer - current	11 541	44 519	64 559	2 500	2 562	2 562	3 000	17.10	3 000	3 000
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education		42 350	62 250		62	62	(100.00)			
6. Health	9 773	3								
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	1 768	2 166	2 309	2 500	2 500	2 500	3 000	20.00	3 000	3 000
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Infrastructure transfer - capital	48 470	89 898	171 893	40 128	38 714	63 011	60 755	(3.58)	71 900	55 500
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	3 199	47 468	80 685		255	24 552	(100.00)			
6. Health			26 500	1 900	231	231	10 000	4 229.00	10 000	10 000
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	45 271	42 430	64 708	38 228	38 228	38 228	50 755	32.77	61 900	45 500
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

Table A.4.1 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 4 (continued)

Category R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2011/12	2012/13	2013/14	2014/15	2014/15	2014/15	2015/16	2014/15	2016/17	2017/18
Infrastructure payments for financial assets	6 917	4 881	16 683	557						
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health	6 917	4 881	16 683	557						
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works										
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Total provincial infrastructure payments and estimates	3 599 653	3 799 937	4 372 147	4 595 696	5 341 745	5 273 123	5 989 670	13.59	5 847 941	5 429 147
<i>of which</i>										
Professional fees^b										
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	52 156	117 130	217 998	183 922	573 572	573 572	256 900	(55.21)	230 749	231 897
6. Health	156 673	162 939	97 594	47 550	47 550	47 550	78 935	66.00	55 554	43 020
7. Social Development				2 040	2 040	2 040		(100.00)		
8. Human Settlements										
9. Environmental Affairs and Development Planning				11 489	11 489	11 489	12 257	6.68	12 632	12 632
10. Transport and Public Works	259 528	373 714	330 022	593 934	641 943	641 943	741 422	15.50	766 704	680 661
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

^a These amounts are in respect of the Western Cape Nature Conservation Board.^b Professional fees based on estimated amounts.

Note: Inclusive of Professional fees.

Table A.4.2 Summary of provincial infrastructure payments and estimates by source of funding: Information relating to Chapter 4

R thousand	Outcome			Main appropriation 2014/15	Adjusted appropriation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
Provincial Equitable Share	2 004 489	2 276 181	2 212 379	2 477 487	2 606 164	2 537 542	2 679 158	3 048 559	2 646 846
Conditional grants	1 424 007	1 497 768	1 984 057	1 824 117	2 441 489	2 441 489	2 709 040	2 320 605	2 303 524
Education Infrastructure Grant	385 039	431 397	821 831	485 024	1 021 334	1 021 334	1 032 237	874 263	860 226
Expanded Public Works Programme (Education)		1 000	3 000	2 564	2 564	2 564	2 818		
Health Facility Revitalisation Grant	606 386	583 377	613 887	639 786	720 848	720 848	804 142	589 566	587 460
Expanded Public Works Programme (Health)		1 000	3 000	2 417	2 417	2 417	2 580		
Provincial Roads Maintenance Grant	411 141	476 258	520 797	685 849	685 849	685 849	858 962	856 776	855 838
Expanded Public Works Programme (Transport and Public Works)	21 441	4 736	21 542	8 477	8 477	8 477	8 301		
Other	171 157	25 988	175 711	294 092	294 092	294 092	275 389	391 250	183 610
Total provincial infrastructure payments and estimates by Source of Funding	3 599 653	3 799 937	4 372 147	4 595 696	5 341 745	5 273 123	5 989 670	5 847 941	5 429 147

Table A.5 Summary of departmental personnel number and cost: Information relating to Chapter 6

Description	Outcome			Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate			
	2011/12	2012/13	2013/14	2014/15	2014/15	2014/15	2015/16	2014/15	2016/17	2017/18
Total for department										
Personnel numbers (head count)	77 488	78 875	80 129	82 529	82 603	82 193	83 692	1.82	83 325	83 056
Personnel cost (R'000)	19 572 406	21 333 887	23 173 411	25 645 218	25 533 542	25 394 523	27 650 701	8.88	29 238 336	30 856 363
<i>of which</i>										
Human resources component										
Personnel numbers (head count)	1 288	1 225	1 278	1 277	1 302	1 311	1 312	0.08	1 305	1 298
Personnel cost (R'000)	274 324	294 562	319 627	366 218	379 052	383 462	407 307	6.22	433 018	494 844
Head count as % of total for department	1.66	1.55	1.59	1.55	1.58	1.60	1.57		1.57	1.56
Personnel cost as % of total for department	1.40	1.38	1.38	1.43	1.48	1.51	1.47		1.48	1.60
Finance component										
Personnel numbers (head count)	1 427	1 536	1 634	1 841	1 840	1 836	1 847	0.60	1 845	1 847
Personnel cost (R'000)	326 088	362 226	405 922	489 989	486 724	487 056	537 758	10.41	573 120	601 926
Head count as % of total for department	1.84	1.95	2.04	2.23	2.23	2.23	2.21		2.21	2.22
Personnel cost as % of total for department	1.67	1.70	1.75	1.91	1.91	1.92	1.94		1.96	1.95
Full time workers										
Personnel numbers (head count)	69 178	70 777	72 436	74 944	74 509	73 983	75 243	1.70	75 004	74 763
Personnel cost (R'000)	17 365 437	18 962 540	20 564 006	22 797 235	22 577 009	23 632 024	25 777 557	9.08	27 270 528	28 770 849
Head count as % of total for department	89.28	89.73	90.40	90.81	90.20	90.01	89.90		90.01	90.02
Personnel cost as % of total for department	88.72	88.88	88.74	88.89	88.42	93.06	93.23		93.27	93.24
Part-time workers										
Personnel numbers (head count)	150	508	298	318	313	315	318	0.95	301	300
Personnel cost (R'000)	36 879	51 811	47 349	55 709	56 074	56 843	61 861	8.83	63 711	66 896
Head count as % of total for department	0.19	0.64	0.37	0.39	0.38	0.38	0.38		0.36	0.36
Personnel cost as % of total for department	0.19	0.24	0.20	0.22	0.22	0.22	0.22		0.22	0.22
Contract workers										
Personnel numbers (head count)	8 160	7 590	7 395	7 267	7 781	7 895	8 131	2.99	8 020	7 993
Personnel cost (R'000)	2 170 090	2 319 536	2 562 055	2 792 274	2 900 459	1 705 656	1 811 283	6.19	1 904 097	2 018 618
Head count as % of total for department	10.53	9.62	9.23	8.81	9.42	9.61	9.72		9.62	9.62
Personnel cost as % of total for department	11.09	10.87	11.06	10.89	11.36	6.72	6.55		6.51	6.54

Table A.6 Information on training: Relating to Chapter 6

Description	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Number of staff	77 488	78 875	80 129	82 529	82 603	82 193	83 692	1.82	83 325	83 056
Number of personnel trained	30 729	30 754	38 626	36 052	36 285	36 275	34 156	(5.84)	35 399	35 828
<i>of which</i>										
Male	10 981	10 187	15 189	13 010	13 105	13 077	12 188	(6.80)	12 805	13 185
Female	19 748	20 567	23 437	23 042	23 180	23 198	21 968	(5.30)	22 594	22 643
Number of training opportunities	25 469	20 515	26 366	21 181	21 625	21 782	29 283	34.44	29 383	29 681
<i>of which</i>										
Tertiary	914	975	724	821	824	824	884	7.28	938	1 051
Workshops	645	416	526	812	809	816	828	1.47	839	873
Seminars	414	167	193	358	357	364	367	0.82	371	388
Other	23 496	18 957	24 923	19 190	19 635	19 778	27 204	37.55	27 235	27 369
Number of bursaries offered	5 284	5 086	3 463	3 542	3 398	3 405	2 970	(12.78)	2 963	3 000
Number of interns appointed	1 103	1 098	1 031	873	785	798	911	14.16	906	934
Number of learnerships appointed	2 282	425	2 323	2 323	2 323	2 323	2 323		2 323	2 435
Number of days spent on training	6 673	5 939	6 099	6 110	6 110	6 590	6 716	1.91	6 809	7 174

Table A.7 Transfers to local government by category and municipality: Information relating to Chapter 5

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14	Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	% Change from Revised estimate			
							2015/16	2014/15	2016/17	2017/18
Category A	818 072	1 066 238	1 158 776	1 820 253	1 257 042	1 257 042	1 254 179	(0.23)	1 281 627	1 344 255
City of Cape Town	818 072	1 066 238	1 158 776	1 820 253	1 257 042	1 257 042	1 254 179	(0.23)	1 281 627	1 344 255
Category B	669 819	792 106	1 053 809	754 130	1 015 695	1 015 695	1 013 301	(0.24)	1 079 748	1 190 448
Matzikama	15 274	33 670	24 979	14 173	14 605	14 605	24 863	70.24	33 024	28 660
Cederberg	9 373	32 334	21 043	13 124	22 488	22 488	9 249	(58.87)	18 961	31 226
Bergrivier	17 251	4 271	12 922	27 729	25 675	25 675	44 603	73.72	17 324	33 403
Saldanha Bay	50 731	19 820	58 146	41 055	37 475	37 475	58 961	57.33	51 153	52 603
Swartland	18 761	13 275	43 110	35 566	38 061	38 061	53 599	40.82	53 387	61 258
Witzenberg	27 440	24 704	57 143	33 197	54 346	54 346	20 827	(61.68)	64 754	47 277
Drakenstein	64 030	56 189	85 245	77 670	90 777	90 777	87 667	(3.43)	98 494	133 750
Stellenbosch	22 954	81 459	53 283	39 784	34 074	34 074	53 199	56.13	36 320	68 681
Breedee Valley	40 008	49 145	57 973	36 274	78 030	78 030	56 817	(27.19)	75 654	108 888
Langeberg	18 031	23 944	26 702	16 608	20 704	20 704	14 530	(29.82)	52 409	22 504
Theewaterskloof	46 595	40 646	56 486	53 911	86 011	86 011	71 134	(17.30)	60 610	55 897
Overstrand	12 245	22 926	31 389	16 110	30 486	30 486	55 622	82.45	67 934	59 360
Cape Agulhas	41 394	44 955	31 841	23 314	32 744	32 744	6 908	(78.90)	25 280	41 978
Swellendam	5 015	12 764	51 496	24 804	39 548	39 548	28 862	(27.02)	10 874	17 814
Kannaland	8 985	23 162	12 737	12 535	3 512	3 512	9 399	167.63	2 240	2 373
Hessequa	31 223	25 503	16 235	7 862	19 001	19 001	19 620	3.26	18 791	13 199
Mossel Bay	41 513	34 232	70 133	46 171	68 258	68 258	57 465	(15.81)	54 957	38 579
George	91 245	100 518	109 222	72 501	88 539	88 539	126 384	42.74	171 115	210 781
Oudtshoorn	13 373	23 517	29 274	22 304	35 977	35 977	54 660	51.93	48 232	16 644
Bitou	19 873	33 165	86 871	72 565	74 014	74 014	55 416	(25.13)	47 366	54 658
Krystna	60 936	49 411	57 531	34 488	59 656	59 656	58 666	(1.66)	57 262	50 259
Laingsburg	1 895	3 598	7 364	1 326	11 369	11 369	15 584	37.07	1 166	1 301
Prince Albert	7 027	3 450	26 396	20 143	24 691	24 691	2 288	(90.73)	1 283	13 860
Beaufort West	4 647	35 448	26 288	10 916	25 654	25 654	26 978	5.16	11 158	25 495
Category C	10 225	5 938	6 537	1 935	8 107	8 108	1 994	(75.41)	2 005	2 016
West Coast District Municipality	109	300	480		900	900		(100.00)		
Cape Winelands District Municipality	2 241	1 848	1 970	970	2 295	2 295	972	(57.65)	976	980
Overberg District Municipality	223	600	1 072	65	1 762	1 763	122	(93.08)	129	136
Eden District Municipality	6 172	550	1 224	900	1 900	1 900	900	(52.63)	900	900
Central Karoo District Municipality	1 480	2 640	1 791		1 250	1 250		(100.00)		
Unallocated ^{Note 1}				6 500			25 331		60 956	104 852
Total transfers to local government	1 498 116	1 864 282	2 219 122	2 582 818	2 280 844	2 280 845	2 294 805	0.61	2 424 336	2 641 571
Funds retained by the Department of Human Settlements (not included in the transfers to local government)	624 460	454 545	404 904		371 188	371 188	492 832	32.77	619 353	609 345
							2015/16 Allocation (R'000)	2016/17 Allocation (R'000)	2017/18 Allocatio n (R'000)	
^{Note 1} Unallocated										
Western Cape Financial Management Support Grant	The allocations will be based on the outcomes and recommendations of both the Municipal Governance Review and Outlook (MGRO) and Local Government Medium Term Expenditure Committee (LG MTEC 3) processes. The grant is unallocated at this stage and municipal-specific allocations will be made in the 2015/16 Adjusted Estimates.						24 831	29 558	49 258	
Cleanest Municipality Competition	As part of a national process, the Department annually invites municipalities to participate in the Greenest Municipality Competition. The eventual outcome and announcement of the winners are known during the course of the financial year; hence the municipalities and the prize awards will be included in the annual Adjusted Estimates of Provincial Revenue and Expenditure.						500	500	500	
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	The distribution of the outer year's allocations is dependent on the 20% co-funding by the relevant municipalities. As this has not yet been finalised, provided for in the municipal budgets and approved, it cannot be gazetted and transferred.							24 400	25 450	
Library Services: Conditional grant	The allocations indicated in the outer years are provisional amounts subject to confirmed departmental allocations.							3 498	26 644	
Development of Sport and Recreation facilities	The allocation of amounts in the outer years is dependent on municipalities submitting Business Plans. As the Business Plans for the outer years have not been submitted, these amounts cannot be gazetted and transferred.							3 000	3 000	
Total							25 331	60 956	104 852	

Table A.8 Summary of provincial payments and estimates by policy area

Policy Area R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate			
	Audited 2011/12	Audited 2012/13	Audited 2013/14				% Change from Revised estimate 2015/16	2014/15	2016/17	2017/18
General public services	1 042 630	1 161 104	1 369 688	1 973 773	1 898 415	1 898 415	1 911 625	0.70	2 017 797	2 112 666
Public order and safety	138 763	166 418	191 099	222 566	229 685	229 685	234 574	2.13	248 071	246 096
Economic affairs	5 137 059	5 574 635	5 994 229	6 988 396	7 322 679	7 283 734	8 021 491	10.13	8 344 629	8 148 068
Environmental protection	348 467	376 880	412 199	454 348	482 162	457 932	502 976	9.84	537 907	588 326
Housing and community amenities	1 834 400	1 987 458	2 215 466	2 115 245	2 151 330	2 151 330	2 189 533	1.78	2 407 570	2 557 667
Health	13 387 763	14 600 857	15 916 962	17 338 111	17 430 423	17 342 120	18 812 682	8.48	19 604 029	20 672 722
Recreation, culture and religion	351 888	390 550	453 573	626 010	617 015	617 015	706 499	14.50	735 022	710 354
Education	12 793 396	13 653 667	15 111 220	16 007 238	16 608 624	16 608 624	17 744 928	6.84	18 562 726	19 442 931
Social protection	1 317 002	1 402 227	1 580 143	1 755 933	1 757 668	1 757 668	1 897 985	7.98	2 000 563	2 100 586
Total payments and estimates by policy area	36 351 368	39 313 796	43 244 579	47 481 620	48 498 001	48 346 523	52 022 293	7.60	54 458 314	56 579 416

Table A.9 Payments table summary by policy area

GFS function	Category	Department	Programme	
General public services	Legislative	Department of the Premier	1.1	Executive Support (Administration)
		Provincial Parliament	2.1 2.2 2.3	Administration Facilities for Members and Political Parties Parliamentary Services
	Financial and Fiscal Affairs	Provincial Treasury	3.1 3.2 3.3 3.4	Administration Sustainable Resource Management Asset Management Financial Governance
	General Services	Department of the Premier	1.2 1.3 1.4 1.5	Provincial Strategic Management People Management (Corporate Services Centre) Centre for E-Innovation (Corporate Services Centre) Corporate Assurance (Corporate Services Centre)
		Local Government	14.1 14.2 14.3 14.4	Administration Local Governance Development and Planning Traditional Institutional
Public Order and Safety	Police Services	Community Safety	4.1 4.2 4.3 4.4	Administration Provincial Secretariat for Police Services Provincial Policing Functions Security Risk management
Economic Affairs	General Economic	Economic Development and Tourism	12.1 12.2 12.3 12.4 12.5 12.7 10.2	Administration Integrated Economic Development Services Trade and Sector Development Business Regulation and Governance Economic Planning Skills Development and Innovation Public Works Infrastructure
	Agriculture	Agriculture	11.1 11.2 11.3 11.4 11.5 11.6 11.7 11.8	Administration Sustainable Resource Management Farmer Support and Development Veterinary Services Technology Research and Development Services Agricultural Economics Services Structured Agricultural Education and Training Rural Development
	Transport	Transport and Public Works	10.1 10.3 10.4 10.5 10.6	Administration Transport Infrastructure Transport Operations Transport Regulations Community Based Programmes
	Communication	Economic Development and Tourism	12.6	Tourism, Arts and Entertainment

Table A.9 Payments table summary by policy area (continued)

GFS function	Category	Department	Programme	
Environmental Protection	Environmental Protection	Environmental Affairs and Development Planning	9.1	Administration
			9.2	Environmental Policy, Planning and Coordination
			9.3	Compliance and Enforcement
			9.4	Environmental Quality Management
			9.5	Biodiversity Management
			9.6	Environmental Empowerment Services
			9.7	Development Planning
Housing and Community Amenities	Housing Development	Human Settlements	8.1	Administration
			8.2	Housing Needs, Research and Planning
			8.3	Housing Development
			8.4	Housing Asset Management Property Management
Health	Health n.e.c	Health	6.1	Administration
	Outpatient Service		6.2	District Health Services
	R & D Health (CS)		6.6	Health Sciences and Training
	Hospital Services		6.3	Emergency Medical Services
			6.4	Provincial Hospital Services
			6.5	Central Hospital Services
			6.7	Health Care Support Services
			6.8	Health Facilities Management
Recreation Culture and Religion	Recreational and Sporting Services	Cultural Affairs and Sport	13.4	Sport and Recreation
	Cultural Services		13.1	Administration
			13.2	Cultural Affairs
			13.3	Library and Archives Services
Education	Pre-primary and Primary Education	Education	5.2.1	Public Primary Level
	Secondary Education		5.5	Early Childhood Development
			5.2.2	Public Secondary Level
	Subsidiary Service to Education		5.3	Independent School Subsidies
	Education not definable		5.1	Administration
			5.2.3	Human Resource Development
			5.2.4	Conditional grants
			5.4	Public Special School Education
5.6		Infrastructure Development		
Social Protection	Social Security Services	Social Development	5.7	Examination and Education Related Services
			7.1	Administration
			7.2	Social Welfare Services
			7.3	Children and Families
			7.4	Restorative Services
			7.5	Development Planning

Table A.10 Details of provincial payments and estimates by policy area

GFS function R'000	Outcome			Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
FUNCTION - GENERAL PUBLIC SERVICES									
Category - Legislative									
Department of the Premier (Programme 1.1)	58 931	60 268	67 259	71 749	72 949	72 949	77 019	81 513	88 091
Provincial Parliament (Vote 2)	77 741	91 047	103 122	108 971	111 722	111 722	117 180	118 112	124 392
Total for Category - Legislative	136 672	151 315	170 381	180 720	184 671	184 671	194 199	199 625	212 483
Category - Financial and fiscal affairs									
Department of Provincial Treasury (Vote 3)	142 619	162 283	199 967	648 298	239 168	239 168	262 029	278 733	325 607
Total for Category - Financial and fiscal affairs	142 619	162 283	199 967	648 298	239 168	239 168	262 029	278 733	325 607
Category - General services									
Department of the Premier (Programme 1.2 to 1.5)	633 514	686 897	827 278	956 005	1 275 446	1 275 446	1 255 008	1 330 313	1 354 994
Department of Local Government (Vote 14)	129 825	160 609	172 062	188 750	199 130	199 130	200 389	209 126	219 582
Total for Category - General services	763 339	847 506	999 340	1 144 755	1 474 576	1 474 576	1 455 397	1 539 439	1 574 576
TOTAL FOR FUNCTION - GENERAL PUBLIC SERVICES	1 042 630	1 161 104	1 369 688	1 973 773	1 898 415	1 898 415	1 911 625	2 017 797	2 112 666
FUNCTION - PUBLIC ORDER AND SAFETY									
Category - Police services									
Department of Community Safety (Vote 4)	138 763	166 418	191 099	222 566	229 685	229 685	234 574	248 071	246 096
Total for Category - Police services	138 763	166 418	191 099	222 566	229 685	229 685	234 574	248 071	246 096
TOTAL FOR FUNCTION - PUBLIC ORDER AND SAFETY	138 763	166 418	191 099	222 566	229 685	229 685	234 574	248 071	246 096
FUNCTION - ECONOMIC AFFAIRS									
Category - General economic affairs									
Department of Economic Development and Tourism (Vote 12 excluding 12.6)	193 266	263 999	319 825	453 045	465 294	465 294	476 368	408 993	412 189
Department of Transport and Public Works (Programme 10.2)	1 058 213	1 257 497	1 368 277	1 499 931	1 635 891	1 604 891	1 765 632	1 782 806	1 788 402
TOTAL FOR FUNCTION - General economic affairs	1 251 479	1 521 496	1 688 102	1 952 976	2 101 185	2 070 185	2 242 000	2 191 799	2 200 591

Table A.10 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
Category - Agriculture									
Department of Agriculture (Vote 11)	514 559	555 633	608 862	859 870	862 690	862 690	742 261	786 590	830 241
Total for Category - Agriculture	514 559	555 633	608 862	859 870	862 690	862 690	742 261	786 590	830 241
Category - Transport									
Department of Transport and Public Works (Programmes 10.1, 10.3 to 10.6)	3 308 198	3 447 161	3 649 711	4 130 548	4 313 802	4 305 857	4 994 759	5 320 857	5 071 315
Total for Category - Transport	3 308 198	3 447 161	3 649 711	4 130 548	4 313 802	4 305 857	4 994 759	5 320 857	5 071 315
Category - Communication									
Department of Economic Development and Tourism (Programme 12.6)	62 823	50 345	47 554	45 002	45 002	45 002	42 471	45 383	45 921
Total for Category - Communication	62 823	50 345	47 554	45 002	45 002	45 002	42 471	45 383	45 921
TOTAL FOR FUNCTION - ECONOMIC AFFAIRS	5 137 059	5 574 635	5 994 229	6 988 396	7 322 679	7 283 734	8 021 491	8 344 629	8 148 068
FUNCTION - ENVIRONMENTAL PROTECTION									
Category - Environmental protection									
Department of Environmental Affairs and Development Planning (Vote 9)	348 467	376 880	412 199	454 348	482 162	457 932	502 976	537 907	588 326
Total for Category - Environmental protection	348 467	376 880	412 199	454 348	482 162	457 932	502 976	537 907	588 326
TOTAL FOR FUNCTION - ENVIRONMENTAL PROTECTION	348 467	376 880	412 199	454 348	482 162	457 932	502 976	537 907	588 326
FUNCTION - HOUSING AND COMMUNITY AMENITIES									
Category - Housing Development									
Department of Human Settlements (Vote 8)	1 834 400	1 987 458	2 215 466	2 115 245	2 151 330	2 151 330	2 189 533	2 407 570	2 557 667
Total for Category - Housing Development	1 834 400	1 987 458	2 215 466	2 115 245	2 151 330	2 151 330	2 189 533	2 407 570	2 557 667
TOTAL FOR FUNCTION - HOUSING AND COMMUNITY AMENITIES	1 834 400	1 987 458	2 215 466	2 115 245	2 151 330	2 151 330	2 189 533	2 407 570	2 557 667

Table A.10 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- priation 2014/15	Adjusted appro- priation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
FUNCTION - HEALTH									
Category - Health n.e.c.									
Department of Health (Programme 6.1)	410 028	445 048	511 447	631 388	600 079	600 080	695 453	730 526	774 468
Total for Category - Health n.e.c.	410 028	445 048	511 447	631 388	600 079	600 080	695 453	730 526	774 468
Category - Outpatient service									
Department of Health Services (Programme 6.2)	4 875 956	5 509 868	6 039 262	6 757 798	6 784 724	6 762 115	7 334 850	7 719 352	8 214 865
Total for Category - Outpatient service	4 875 956	5 509 868	6 039 262	6 757 798	6 784 724	6 762 115	7 334 850	7 719 352	8 214 865
Category - R & D Health (CS)									
Department of Health Services (Programme 6.6)	231 451	276 551	264 193	314 296	314 296	312 672	335 118	349 911	367 681
Total for Category - R & D Health (CS)	231 451	276 551	264 193	314 296	314 296	312 672	335 118	349 911	367 681
Category - Hospital services									
Department of Health Services (Programmes 6.3 to 6.8, excluding 6.6)	7 870 328	8 369 390	9 102 060	9 634 629	9 731 324	9 667 253	10 447 261	10 804 240	11 315 708
Total for Category - Hospital services	7 870 328	8 369 390	9 102 060	9 634 629	9 731 324	9 667 253	10 447 261	10 804 240	11 315 708
TOTAL FOR FUNCTION - HEALTH	13 387 763	14 600 857	15 916 962	17 338 111	17 430 423	17 342 120	18 812 682	19 604 029	20 672 722
FUNCTION - RECREATION CULTURE AND RELIGION									
Category - Recreation and sporting services									
Department of Cultural Affairs and Sport (Programme 13.4)	83 158	89 356	113 934	159 389	160 178	160 178	175 440	194 804	154 484
Total for Category - Recreation and sporting services	83 158	89 356	113 934	159 389	160 178	160 178	175 440	194 804	154 484
Category - Cultural services									
Department of Cultural Affairs and Sport (Programmes 13.1 to 13.3)	268 730	301 194	339 639	466 621	456 837	456 837	531 059	540 218	555 870
Total for Category - Cultural services	268 730	301 194	339 639	466 621	456 837	456 837	531 059	540 218	555 870
TOTAL FOR FUNCTION - RECREATION CULTURE AND RELIGION	351 888	390 550	453 573	626 010	617 015	617 015	706 499	735 022	710 354

Table A.10 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- piation 2014/15	Adjusted appro- piation 2014/15	Revised estimate 2014/15	Medium-term estimate		
	Audited 2011/12	Audited 2012/13	Audited 2013/14				2015/16	2016/17	2017/18
FUNCTION - EDUCATION									
Category - Pre-primary and primary education									
Department of Education (Programme 5.2.1 and 5.7)	6 086 523	6 572 208	7 062 894	7 477 159	7 535 432	7 535 432	8 166 108	8 656 836	9 048 430
Total for Category - Pre-primary and primary education	6 086 523	6 572 208	7 062 894	7 477 159	7 535 432	7 535 432	8 166 108	8 656 836	9 048 430
Category - Secondary education									
Department of Education (Programme 5.2.2)	3 693 241	3 914 964	4 400 697	4 723 434	4 670 330	4 670 330	4 898 501	5 262 059	5 584 250
Total for Category - Secondary education	3 693 241	3 914 964	4 400 697	4 723 434	4 670 330	4 670 330	4 898 501	5 262 059	5 584 250
Category - Subsidiary service to education									
Department of Education (Programme 5.3)	63 554	72 697	84 648	90 326	90 326	90 326	95 384	99 544	104 521
Total for Category - Subsidiary service to education	63 554	72 697	84 648	90 326	90 326	90 326	95 384	99 544	104 521
Category - Education not definable by level									
Department of Education (Programmes 5.1, 5.2.3, 5.2.4, 5.4, 5.6 and 5.7)	2 950 078	3 093 798	3 562 981	3 716 319	4 312 536	4 312 536	4 584 935	4 544 287	4 705 730
Total for Category - Education not definable by level	2 950 078	3 093 798	3 562 981	3 716 319	4 312 536	4 312 536	4 584 935	4 544 287	4 705 730
TOTAL FOR FUNCTION - EDUCATION	12 793 396	13 653 667	15 111 220	16 007 238	16 608 624	16 608 624	17 744 928	18 562 726	19 442 931
FUNCTION - SOCIAL PROTECTION									
Category - Social security services									
Social Development (Vote 7)	1 317 002	1 402 227	1 580 143	1 755 933	1 757 668	1 757 668	1 897 985	2 000 563	2 100 586
Total for Category - Social security services	1 317 002	1 402 227	1 580 143	1 755 933	1 757 668	1 757 668	1 897 985	2 000 563	2 100 586
TOTAL FOR FUNCTION - SOCIAL DEVELOPMENT	1 317 002	1 402 227	1 580 143	1 755 933	1 757 668	1 757 668	1 897 985	2 000 563	2 100 586
TOTAL: BY FUNCTION	36 351 368	39 313 796	43 244 579	47 481 620	48 498 001	48 346 523	52 022 293	54 458 314	56 579 416

Table A.11 Summary of Expanded Public Works Programme (EPWP) payments and estimates

Outcome							Medium-term estimate				
				Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate				
Provincial department R'000	Audited 2011/12	Audited 2012/13	Audited 2013/14	2014/15	2014/15	2014/15		2015/16	2014/15	2016/17	2017/18
1. Department of the Premier											
2. Provincial Parliament											
3. Provincial Treasury											
4. Community Safety	9 625	8 367	12 513	20 377	16 319	16 319	16 221	(0.60)	15 370	15 921	
5. Education	94 097	126 153	120 217	100 153	100 153	100 153	113 526	13.35	111 789	117 378	
6. Health	84 646	108 861	107 017	116 300	116 300	116 300	119 217	2.51	120 788	126 828	
7. Social Development	4 704	4 018	4 900	7 815	7 815	7 815	5 439	(30.40)	5 681	5 965	
8. Human Settlements			3 000	3 842	3 842	3 842	3 490	(9.16)			
9. Environmental Affairs and Development Planning	6 000	1 000	17 658	22 260	22 260	22 260	23 262	4.50	21 186	22 245	
10. Transport and Public Works	774 728	1 112 675	1 032 611	1 438 679	1 438 679	1 438 679	2 007 963	39.57	2 045 090	1 702 417	
11. Agriculture		4 005	550	2 248	2 248	2 248	2 000	(11.03)			
12. Economic Development and Tourism											
13. Cultural Affairs and Sport	4 000	4 314	8 035	16 392	16 392	16 392	14 841	(9.46)	11 733	12 319	
14. Local Government											
Total EPWP	977 800	1 369 393	1 306 501	1 728 066	1 724 008	1 724 008	2 305 959	33.76	2 331 637	2 003 073	
Financed from:											
Equitable share	941 253	1 328 621	749 084	991 821	987 763	987 763	1 412 626	43.01	1 474 861	1 147 235	
Conditional Grants	36 547	40 772	548 123	736 245	736 245	736 245	893 333	21.34	856 776	855 838	
Other			9 294								
Total EPWP	977 800	1 369 393	1 306 501	1 728 066	1 724 008	1 724 008	2 305 959	33.76	2 331 637	2 003 073	

Glossary

Asset Financing Reserve	Built up over the years through unspent funds of departments as surrendered at the end of a financial year less approved roll-overs, revenue collected above budget less approved revenue retention requests, and interest earnings on investment above budget.
Baseline	The initial allocations used during the budget process, derived from the previous year's forward estimates.
Basic prices	Basic prices is the measure of Gross Domestic Product that does not take into account the value of taxes levied and subsidies received on production.
Broad unemployment	Includes discouraged employment seekers in the labour force.
Budget policy	Budget policy is the means by which government directs and adjusts its overall and differentiated levels of spending in order to foster and influence a nation's economy and social welfare.
Burden of disease	Refers to the nature and drivers of the causes of mortality and morbidity.
Conditional Grants	Allocations of money from one sphere of government to another, conditional on certain services being delivered or on compliance with specified requirements.
Consumer price inflation (CPI)	The main measure of inflation, charting the price movements of a basket of consumer goods and services.
Countercyclical fiscal policy	Policy that has the opposite effect on economic activity to that caused by the business cycle, such as slowing spending growth in a boom period and accelerating spending in a recession.
Current account (of the balance of payments)	The difference between total exports and total imports, also taking into account service payments and receipts, interest, dividends and transfers. The current account can be in deficit or surplus. See <i>also trade balance</i> .

Discouraged work seekers	Individuals who want to work and are available to work, but who are not actively looking for work.
Division of revenue	The allocation of funds between the spheres of government as required by the Constitution. See <i>also equitable share</i> .
Eurozone	Officially called the euro area, is a monetary union of 19 European Union (EU) member states that have adopted the euro (€) as their common currency and sole legal tender.
Expanded employment	Comprises all working-age individuals who were not employed during the reference week, but were willing and able to work. The expanded unemployed include all individuals unemployed according to the narrow definition of unemployment as well as all discouraged workseekers (i.e. the searching and the non-searching unemployed).
Equitable share	The allocation of revenue to the national, provincial and local spheres of government as required by the Constitution. See <i>also division of revenue</i> .
Financial year	The 12 months according to which companies and organisations budget and account.
Fiscal framework	A framework for integrating fiscal policy and budgeting over the medium-term by linking a system of aggregate fiscal forecasting to a disciplined process of maintaining detailed medium-term budget estimates by ministries reflecting existing government policies.
Fiscal policy	Policy on taxation, spending and borrowing by government.
Fiscal space	The ability of a government's budget to provide additional programme resources without jeopardising fiscal sustainability.
Gross domestic product (GDP)	A measure of the total national output, income and expenditure in the economy. GDP per head is the simplest overall measure of welfare, although it does not take account of the distribution of income, nor of goods and services produced outside the market economy.
Headline CPI	The main measure of inflation, charting the price movements of a basket of consumer goods and services.

Industrial development zone	Designated sites linked to an international air or sea port, supported by incentives to encourage investment in export-oriented manufacturing and job creation.
Inflation	An increase in the general level of prices.
Labour absorptive capacity	Quantifies the difference between target employment growth rate and actual employment growth rate.
Labour force	Number of employed and unemployed individuals of working age.
Medium-term expenditure framework (MTEF)	The three-year spending plans of national and provincial governments published at the time of the Budget.
Narrow unemployment rate	Rate of unemployment that does not take into account the discouraged employment seekers from the labour force.
National budget	The projected revenue and expenditure that flow through the National Revenue Fund. It does not include spending by provinces or local government from their own revenues.
Provincial own receipts	Refers to taxes/fees and/or user charges, which a provincial department receives.
Public entities	Companies, agencies, funds and accounts that are fully or partly owned by government or public authorities and are regulated by law.
Quantitative easing	A monetary policy used by a central bank to stimulate an economy when standard monetary policy has become ineffective.
Real consumer spending	Expenditure on goods and services, including salaries, which are used up within a short period of time – usually a year.
Real interest rate	The level of interest after taking account of inflation.
Recession	Decline of Gross Domestic Product for two or more consecutive quarters.
Seasonally adjusted and annualised	The process of removing the seasonal volatility (monthly or quarterly) from a time series. This provides a measure of the underlying trend in the data. Annualised: to express a rate as if it were applied over one year.
Working age population	Individuals aged between 15 and 65.