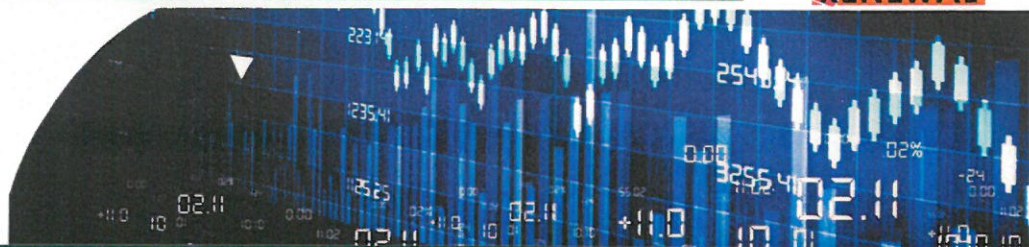




feed

Department:
Finance
North West Provincial Government
Republic of South Africa



What is the BUDGET?

The MEC for Finance every year in March tables a budget to the Provincial Legislature. The budget is the estimates of government income, through taxes, and expenditure for a particular period, in terms of how the revenue will be expanded to achieve the set goals and objectives. Basically, the budget reflects the choices that government has to make, and is the tool it uses to achieve its economic and development goals.

BOKONE BOPHIRIMA'S FIVE CONCRETES PROGRAMME

The 5th Administration adopted the Rebranding, Repositioning and Renewal (RRR) programme as a vehicle to implement the National Development Plan (NDP). This RRR programme is anchored around five concretes namely:

- Agriculture, Culture and Tourism (ACT)
 - Village Township and Small Dorpies (VTSD)
 - Reconciliation, Healing and Renewal
 - Saamtrek and Saamwerk
 - Setsokotsane
- **Agriculture, Culture and Tourism** is identified as its key anchor of the economic strategy and all other sectors of the economy such as mining, manufacturing and retail will serve as tributaries to ACT.
- At the heart of **Villages, Townships and Small Dorpies** is to change the face and economic status of the province through a multi-dimensional strategy which amongst others is to tackle the triple-challenges of poverty, inequality and unemployment in VTSD.
- Through "**Reconciliation, Healing and Renewal project**" the strategy is intended to accelerate services to the community by providing equal rights and opportunities to all citizens of the province and the restoration of the birth right of all the people of the province.
- **Saamtrek and Saamwerk** philosophy is an essential ingredient in ensuring that the province attains its key priorities, it calls for the development key strategic partnership within and outside government with social and business partners to implement the policy of radical socio-economic transformation.
- **Setsokotsane** is an approach to service delivery model that promotes comprehensive, quality, effective and efficient delivery of services that contributes to a self-reliant society.

Over and above the five provincial developmental concretes, the strategic focus of the 2016 Medium Term Expenditure Framework (MTEF) will be on Education and skills development, Health, social protection, social and economic infrastructure and support for job creation. In addition the Bokonani Bophirima government is committed to moderate and efficiently spending, while supporting the National Development Plan priorities as expressed through the medium-term strategic framework.

THE PROVINCIAL FISCAL FRAMEWORK FOR THE 2016/17 FINANCIAL YEAR AT GLANCE

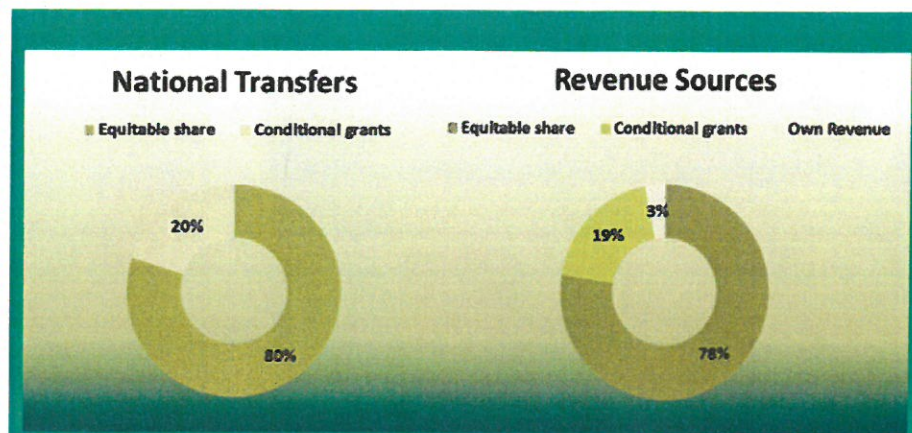
The North West Government finances its provincial expenditure via three sources, i.e. national transfers (Provincial Equitable Share and Conditional Grants); Provincial Own Revenue (motor vehicle licenses, casino taxes) and Financing.

The total provincial fiscal framework for 2016/17 financial year amounts to R36.229 billion and it projected to grow to R41.109 billion in 2018/19. The 2016/17 provincial fiscal framework consists of the following:

- Equitable Share of R28.062 billion which accounts for 78 per cent of provincial fiscal framework;
- Conditional Grants of R7.041 billion which accounts for 19 per cent; and
- Provincial Own Revenue R1.122 billion which accounts for 3 per cent of the total provincial fiscal framework.

Equitable Share increase by R1.665 billion or 6.3 per cent from the adjusted appropriation of R26.397 billion in 2015/16 to R28.062 billion in 2016/17 and is estimated to grow to R32.311 billion in 2018/19. Conditional Grants declines by 1 per cent, moving from adjusted appropriation of R7.104 billion to R7.041 billion in 2016/17, it recover to grow by 7.2 per cent in 2018/19. The allocation for conditional grants can be used effectively to support Village, Township and Small Dorpies economy, as well as Agriculture, Culture and Tourism as the pillars of economic growth.

Provincial Own Revenue grows by 10.2 per cent from the adjusted appropriation of R1.019 billion in 2015/16 to R1.122 billion in 2016/17 and is estimated to grow to R1.267 billion in 2018/19, own revenue augment national transfers to the province.



This guide to the 2016/17 North West Provincial Budget is published by the North West Provincial Treasury to keep people of the North West informed of how the Provincial Government is responding to the people. Any suggestion to improve this publication of comment are welcome and should be addressed to the Accounting Officer and Head of Department: Garona Building, Second Floor, East Wing, Mmabatho, 2735

2016 MTEF BUDGET ALLOCATION PER DEPARTMENT

The budget allocates funding to all provincial departments and the Provincial Legislature. The 2016 MTEF budget is prepared at a time when global and local economy remain subdued. Consequently, government reduced the baseline allocation with the view to contain the gap between spending and revenue.

The 2016 MTEF budget strategy continues to emphasise reprioritisation of the existing provincial spending, and enhanced focus on cost-cutting of non-essential spending items and projects. The following are a set of policy principles that have guided the formulation of the provincial budget framework:

- Reprioritisation of the current budget;
- Continued implementation cost containment measures with realised savings being re-directed into service delivery spending;
- Sound cashflow management and increasing provincial own revenue; and
- All departments must identify and implement programmes and projects that contribute to MRRRP, ACT, VTSD and RHR principles through Setsokotsane campaign and Saamtrek and Saamwerk philosophy.

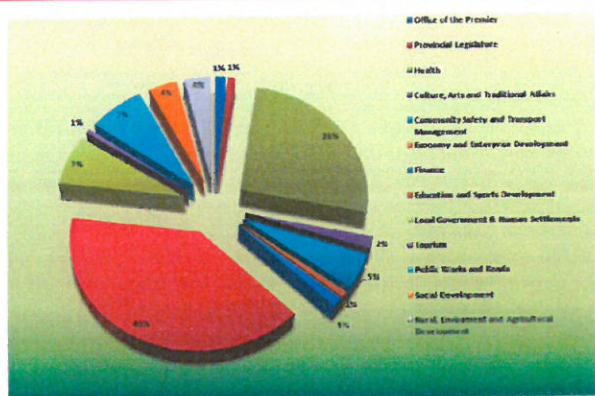
Summary of payments and estimates per Department

R thousand	Adjusted appropriation 2015/16	Medium-Term Estimates		
		2016/17	2017/18	2018/19
Office of the Premier	795 904	492 243	527 549	560 711
Provincial Legislature	305 500	349 435	399 484	424 643
Health	9 083 705	9 460 530	10 300 672	11 047 239
Culture, Arts and Traditional Affairs	654 157	659 665	717 420	762 489
Community Safety and Transport Management	1 881 742	1 861 672	1 971 736	2 085 431
Economy and Enterprise Development	310 096	302 685	337 000	366 907
Finance	456 002	485 643	508 287	535 483
Education and Sports Development	13 619 859	14 331 224	15 283 047	16 258 437
Local Government & Human Settlements	2 519 750	2 645 675	2 460 464	2 619 622
Tourism	145 050	229 261	248 847	263 800
Public Works and Roads	2 670 543	2 720 913	2 904 900	3 082 873
Social Development	1 336 349	1 414 986	1 527 345	1 632 487
Rural, Environment and Agricultural Development	1 103 988	1 284 840	1 383 759	1 468 589
Total payments and estimates: North West Province	34 882 645	36 228 772	38 570 510	41 108 710

The total budget increased by 3.8 per cent from revised estimates of R34.883 billion in 2015/16 to R36.229 billion in 2016/17. Over the 2016 MTEF, there is an annual average growth rate of 5.6 per cent to reach R41.109 billion in 2018/19.

FOCUS AREAS OF THE 2016/17 BUDGET

PROVINCIAL BUDGET PER VOTE

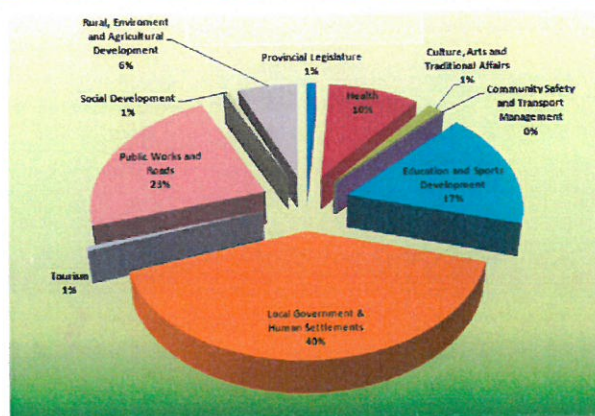


SUMMARY OF PROVINCIAL INFRASTRUCTURE PAYMENT AND ESTIMATES PER DEPARTMENT

Summary of provincial infrastructure payments and estimates per Department

Provincial Infrastructure over the MTEF	Medium-Term Estimates		
	2016/17	2017/18	2018/19
Provincial Legislature	59 460	99 840	105 828
Health	543 112	561 857	615 809
Culture, Arts and Traditional Affairs	82 382	74 134	54 460
Community Safety and Transport Management	7 500	7 873	11 520
Education and Sports Development	971 989	925 164	977 799
Local Government & Human Settlements	2 280 056	2 054 532	2 179 322
Tourism	35 000	49 000	51 842
Public Works and Roads	1 290 538	1 364 726	1 499 664
Social Development	38 946	36 693	39 685
Rural, Environment and Agricultural Development	352 409	360 804	362 442
Total Infrastructure over the MTEF	5 661 392	5 964 623	5 918 161

INFRASTRUCTURE ALLOCATIONS

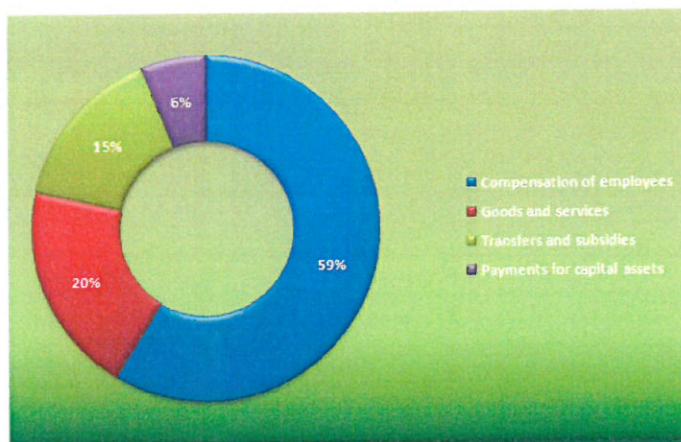


SUMMARY OF PROVINCIAL PAYMENTS AND ESTIMATES

Summary of provincial payments and estimates by economic classification

R thousand	MTEF		
	2016/17	2017/18	2018/19
Current payments	28 438 414	30 616 316	32 741 458
Compensation of employees	21 306 748	23 031 852	24 348 925
Goods and services	7 131 666	7 584 464	8 392 533
Transfers and subsidies	5 607 433	5 702 181	5 988 989
Payments for capital assets	2 182 905	2 252 013	2 378 263
Total economic classifications	36 228 772	38 570 510	41 108 710

ECONOMIC CLASSIFICATIONS



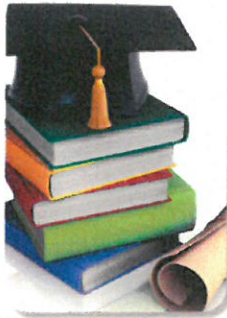
PRIORITIES FUNDED IN 2016 PROVINCIAL BUDGET

EDUCATION AND SPORTS DEVELOPMENT

The department aims at providing quality education and training for all learners of school going age from Grade R to Grade 12, assisting them through proper guidance to achieve their full potential so that they can play a meaningful role in building the economy of the North West Province and the country at large.

Education and Sports Development is the largest beneficiary of the total provincial budget at 40 per cent. R14.331 billion is allocated in 2016/17 and it increase to R16.258 billion in 2018/19. The allocation for 2016/17 amongst others is to fund the following:

- **HIV and Aids (Life Skills Education) Grant:** an amount of R16.629 million is allocated amongst others to mitigate the impact of HIV and TB by providing a caring, supportive and enabling environment for learners and educators.
- **National School Nutrition Programme Grant:** R402.789 million is set aside to provide nutritious meals to targeted schools and to enhance learning capacity and improve access to education.



- **Mathematics, Science and Technology Grant:** an amount of R34.754 million is allocated to improve access, equity, efficiency and quality Mathematics, Science and Technology (MST) education in the country by providing support and resources to schools, teachers and learners for the improvement of MST teaching and learning at selected public schools.

- **Education Infrastructure Grant:** for the education infrastructure in the province an amount of R986.987 billion is allocated. This will ensure that the department eradicate all inappropriate school infrastructures and provide water, sanitation and electricity to schools. Furthermore, the department will focus on establishment and rehabilitation of boarding school mainly to ensure that learner especially from farms and rural areas get access to quality teaching and learning.

- **Early Childhood Development:** this programme has been allocated an amount of R548.378 million in 2016/17 to cater for pre-school education, i.e. for pre-Grade R and for Grade R in Early Childhood Development centers and in primary schools.

department to expand work creation efforts through the use of labour intensive delivery methods.

- R5.5 million as learner-ship programme for **Child and Youth Care Workers**, which will be redirected to fund orientation mobility practitioners.

- R3.4 million as provision for shelter to **Victim of gender based violence**,

- R35 million for completion of **Infrastructure projects and refurbishment** of Potchefstroom Crisis Centre, Reamogetswe Secure Care Centre and Mahikeng In-Patient Treatment Centre; and

R20 million for expansion of services to **Older persons** through establishment of Service Clubs,

ensure that the department will facilitate the development and growth of the tourism sector in the North West Province. This allocation will also assist in the development of Integrated Tourism Development Framework and Trade and Tourism Investment Strategy.

- **Tourism Growth, Development and Transformation:** an amount of R134.196 million is allocated in 2016/17 and it increase to R160.672 million to manage tourism growth and development.

transport to provide alternative non-motorized transporting opportunities for the rural poor and it is estimated to increase to R273 million in 2016/17.

- **Subsidies Bus Services:** R531.854 million has been set aside in 2016/17 for the provision of affordable bus passenger services. Over the MTEF an amount of R1.121 billion is provided.

- **Mahikeng and Pilanesburg Airports:** an amount of R84 million in 2016/17 has been set aside for the operation of the Mahikeng and Pilanesburg airports.

HEALTH



The Department is responsible for the delivery of District Health Services (DHS), primary health care services

(PHC), hospital services, forensic pathology services, emergency medical services and Central and Tertiary Health Services to uninsured population of the Province. The department is the second largest beneficiary of the provincial total budget at 26 per cent or R9.461 billion in 2016/17. This allocation will fund the following programmes and priorities:

- **District Health Services:** An amount of R5.138 billion is allocated for this programme in 2016/17 to provide preventive, curative and rehabilitative health care services in an accessible, affordable, and integrated, through a dynamic, efficient and effective District Health System.

- **Comprehensive HIV and Aids Grant:** R1.140 billion is set aside to

enable the health sector to develop and implement an effective response to HIV and AIDS and TB and to support the national Department of Health (DoH) with the President's Emergency Plan for AIDS Relief (PEPFAR) transition process.

- **Hospital Facility Revitalisation Grant:** an amount of R498.657 million is allocated to this grant to help accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organisational development systems and quality assurance

- **National Tertiary Services Grant:** R253.096 million is allocated to ensure provision of tertiary health services and to compensate tertiary facilities for the additional costs associated with provision of these services.

Health Professions Training and Development Grant: to service costs associated with clinical teaching and training of health science trainees on the public service platform an amount of R111.565 million is allocated in 2016/17.



LOCAL GOVERNMENT & HUMAN SETTLEMENTS

The primary function of the department is to plan, promote integrated and sustainable human settlements and ensure quality service delivery through cooperation and good governance with municipalities. This department receives R2.646 billion in 2016/17 and a total of R7.726 million is available over the MTEF.

This department is mainly funded by conditional grant; an amount of R2.152 billion in 2016/17 is allocated for **Human Settlement Development Grant** and it increase to R3.977 billion in the two outer years. The purpose of the grant is to provide funding for the creation of sustainable and integrated human settlements in the province.

- In support of the **Rebranding, Repositioning and Renewal** of the City of Mahikeng, the Department will embark on a planning process for the construction project of 1000 housing

units, to ultimately form part of the Mahikeng Airport Road Mixed Development over the MTEF.

- For the current financial year R1.697 billion **Municipal Infrastructure Grant** funding has been allocated for municipalities to implement about 300 registered projects.

- The Department has ring-fenced R586 million to be directed towards the development of the mining towns in 2016/17 financial year. Overall 4188 houses will be constructed around mining towns inclusive of Madibeng, Rustenburg, Kgetlengriver, Moses Kotane and Matlosana, in this financial year.

- An amount of R2 million is set aside to incentivise the department to expand work creation efforts through the use of labour intensive delivery methods through the **Expanded Public Works Programme Integrated Grant**.

SOCIAL DEVELOPMENT

The department aims to transform the province's society by building conscious and capable citizens through the provision of integrated social development services. The department is allocated an amount of R1.415 billion in 2016/17 and R4.575 billion over the MTEF.

The allocation will ensure improvement in access to quality **Early Childhood Development**, assist **Non-Profit Organizations** to establish **Food banks**, Facilitate the participation of youth in skills development and built **Substance Abuse treatment and Rehabilitation** centres. The departmental allocation makes provision for the following

- **Social Sector Expanded Public Works Programme Incentive Grant for Provinces:** R15.874 million is set aside to incentivise the

TOURISM

The primary function of the department is to accelerate the tourism development, skills development, marketing and promotion in the Province. This department is allocated an amount of R229.261 million in 2016/17 and it increased to R263.800 million in 2018/19.

- **Programme: Tourism Planning-** R11.034 million is allocated in 2016/17 and it increase to R17.586 million in 2018/19. This allocation will

COMMUNITY SAFETY AND TRANSPORT MANAGEMENT

The purpose of the department is to promote community and road safety, exercise civilian oversight of police and coordinate transport services through an integrated approach. The department receives an amount of R1.852 billion in 2016/17 and over the MTEF the allocation amounts to R5.909 billion. Amongst others funds will be utilised for the following:

- **Scholar Transport:** an amount of R273 million in 2016/17, is set aside for scholar

PRIORITIES FUNDED IN 2016 PROVINCIAL BUDGET



CULTURE, ARTS AND TRADITIONAL AFFAIRS

The aim of this department is to enhance job creation by preserving, protecting and developing arts, culture, heritage and the institution of traditional leadership to Reposition, Renew and Rebrand Bokone Bophirima through VTSD Strategy. R659.665 million is allocated in 2016/17 and over the MTEF, the budget increase to R762.489 million in 2018/19. The allocation will ensure that the department performs the following:

- **Community Library Services Grant:** an amount of R137.605 million is set aside in 2016/17 to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously

disadvantaged communities) through a recapitalised programme at provincial level in support of local government and national initiatives.

- **Cultural Affairs:** R169.685 million is allocated to this programme amongst other for the promotion and implementation of Mahika Mahikeng Music and Cultural festival, re-establishment of the North West Cultural Ensemble, establishing a Publishing House for the creative writers, promotion of the Motswako and Setswana Cultural dance brands.

Traditional Affairs: R134.482 million is allocated for this programme to provide strategic support to the institutions of Traditional Leadership, House of Traditional Leaders through Anthropological services.

PUBLIC WORKS AND ROADS

The aim of this department is to provide quality provincial infrastructure and ensure better service delivery, it is also responsible to manage and lead the implementation of EPWP. The department is allocated an amount of R2.721 billion in 2016/17 and increasing to an aggregate of R5.988 billion in the two outer years of the MTEF. Funds will be directed to fund the following programmes and priorities:

- **Provincial Roads Maintenance Grant:** R867.524 million is allocated in 2016/17 to ensure that the province supplement investments and support preventative, routine and emergency maintenance on provincial road networks; to ensure provinces implement and maintain road

asset management systems and promote the use of labour-intensive methods in road maintenance.

- An amount of R30.740 million is set aside to incentivise the department to expand work creation efforts through the use of labour intensive delivery methods through the **Expanded Public Works Programme Integrated Grant.**

- **Public Works Infrastructure:** an amount of R947.411 million is set aside to provide the balanced and equitable provincial government building infrastructure by promoting accessibility that is sustainable, integrated and environmentally sensitive which supports economic development and social empowerment.



RURAL, ENVIRONMENT AND AGRICULTURAL DEVELOPMENT

The primary function of the department is to roll out the comprehensive rural development programme, create decent employment through inclusive economic growth and protecting and enhancing environmental assets and natural resources. The department has been allocated R1.285 billion in 2016/17 and it increases to R1.469 billion in 2018/19. The budget is allocated to address the following priorities over the MTEF:

- **Comprehensive Agricultural Support Programme:** R171.258 million is allocated in 2016/17 and it increase to R197.073 million in 2018/19 this allocation To provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or involved in exports. Furthermore, to address damage to infrastructure caused by floods.

- **Illima/Letsema Projects:** an amount of R59.448 million is set aside in 2016/17 to assist vulnerable provincial farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.

- **Expanded Public Works Programme Integrated Grant:** an allocation of R12.281 million in 2016/17 is set aside to incentivise the department for contributing to job opportunities through the use of labour intensive delivery methods.

- **Roll out of the Livestock Development Programme:** R100 million is set aside for this programme which is intended to provide linkage throughout meat industry value chain (meat processing, animal feed manufacturing and packaging facilities as part of single value chain) and approximately 350 jobs are envisaged to be created.

R16 million has been appropriated in 2016/17 for the establishment of the **Fruit & Vegetables Agro-Hub** in the Greater Taung Local Municipality. The department will also embark on the establishment of **AGRI-PARKS** to enhance food security programme



ECONOMY AND ENTERPRISE DEVELOPMENT

The purpose of the department is to drive and facilitate a sustainable economic development in the North West Province through, coordinated economic planning, integrated economic development services, trade and investment promotion, the development of other sectors and effective business regulations.

An amount of R302.685 million is allocated in 2016/17 increase to R366.907 million in 2018/19. The allocation is intended to address the following:

- An amount of R35.029 million is budgeted for **Entrepreneurship Development** and its main focus is on SMME development.

- R2.2 million is budgeted for **Regional and Local Economic Development** through investment marketing in SADC, Africa and Brics countries to attract foreign direct investment.

Business Regulation: an amount of R77.154 million is allocated to the North West Gambling Board in 2016/17 with the total of R189.186 million over the MTEF to regulate gambling in the province. An amount of R5.339 million is allocated in 2016/17 for Liquor Regulation.

