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Department:

Finance

North West Provincial Government
Republic of South Africa

ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2017/18

**for the
year ending 31st March 2018**



PR58/2017

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Foreword

South African economic growth, which steadily weakened over the past five years, remains uncertain for the coming years. Indications are that we have entered a period of recovery. After a minimal growth of 0.5 per cent in 2016, the economic growth rate is expected to grow by 1.3 per cent in 2017.

Considering the lower economic growth, this put enormous pressure on public finances, the Government of Bokone Bophirima supports and will continue to strengthen its approach towards fiscal consolidation while pursuing and expanding access to public services within its available resources and maintaining fiscal stability.

Pursuant to the fiscal consolidation within the context of five concretes, the provincial wage bill and headcounts were stabilized, resultantly reducing the percentage share of compensation of employees in the Provincial budget from 58 per cent to 56 per cent.

The 2017 budget will continue to ensure continued reprioritisation towards safeguarding the provision of social services, bolstering public health programmes and investing more on infrastructure to create conducive environment for economic growth and creation of job opportunities.

In meeting the aims of NDP of ensuring that all South Africans attain a decent standard of living through the reduction of unemployment, poverty and inequality, Bokone Bophirima continues to implement the NDP through Rebranding, Repositioning, and Renewal (RRR), anchored on five concretes: namely, Agriculture, Culture and Tourism (ACT); Villages, Townships and Small Dorpies (VTSD); Reconciliation, Healing and Renewal (RHR); Setsokotsane and Saamtrek-Saamwerk philosophy.

The 2017 Medium Term Budget affirms our resolve to focus on service delivery. This budget consolidate the policy priorities announced by the fifth Administration in support of the implementation of the National Development Plan.


WENDY JOY NELSON

MEC FOR FINANCE, ECONOMY AND ENTERPRISE DEVELOPMENT

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List of Abbreviations

Abbreviation	Full description
AET	Adult Education and Training
ACE	Advanced Certificate in Education
ACT	Agriculture, Culture and Tourism
AFR	Asset Financing Reserve
ART	Anti-Retroviral Treatment
BAS	Basic Accounting Systems
BEE	Black Economic Empowerment
BPO	Business Process Outsourcing
CASP	Comprehensive Agricultural Support Programme
CFO	Chief Financial Officer
CPIX	Consumer Price Index
CSP	Comprehensive Service Plan
CSP	Community, Social and Personal services
DED	Directorate of Entrepreneurial Development
DoR	Division of Revenue Bill
DoRA	Division of Revenue Act
ECD	Early Childhood Development
EMIS	Education Management Information System
EMS	Emergency Medical Services
EPWP	Expanded Public Works Programme
FET	Further Education and Training
FSD	Farmer Support and Development
GDP	Gross Domestic Product
GDP-R	Gross Domestic Product by Region
GFS	Government Financial Statistics
GHS	General Household Survey
GIAMA	Government Immovable Asset Management Act
GRAP	Generally Recognized Accounting Practice
HCBC	Home Community Based Care

HCDS	Human Capital Development Strategy
HDI	Historically Disadvantaged Individuals
HIV/Aids	Human Immune Virus/Acquired Immune Deficiency Syndrome
HPRR	Health Professionals Remuneration Review
HRP	Hospital Revitalization Programme
ICS	Improvement in Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Plan
IDPs	Integrated Development Plans
IDZ	Industrial Development Zone
IES	Income and Expenditure Survey
IGP	Infrastructure Grant to Provinces
IMF	International Monetary Fund
ISDP	Integrated Service Delivery Plan
IT	Information Technology
IYM	In-Year Monitoring
LED	Local Economic Development
LFS	Labour Force Survey
LG	Local Government
M & E	Monitoring and Evaluation
MDR-TB	Multi-Drug Resistant TB
MEC	Member of Executive Council
MEDS	Micro-Economic Development Strategy
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MSP	Master Systems Plan
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
NGO	Non-governmental Organisation
NQF	National Qualification Framework
NSDF	National Spatial Development Framework

NSF	National Skills Fund
NTSG	National Tertiary Services Grant
NYS	National Youth Service
NWPG	North West Provincial Government
OSD	Occupational Specific Dispensation
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PHC	Primary Health Care
PPHC	Personal Primary Health Care
PPP	Public Private Partnerships
PSDF	Provincial Spatial Development Framework
PSIRA	Private Security Industry Regulatory Authority
PT	Provincial Treasury
PTRPA	Provincial Tax Regulation Process Act
QIDS-UP	Quality Improvement, Development, Support and Upliftment Programme
RED	Real Enterprise Development
SARB	South African Reserve Bank
SAWs	Social Auxiliary Workers
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDFs	Spatial Development Frameworks
SEDA	Small Enterprise Development Agency
SEP-LG	Socio-Economic Profiles of Local Government
SETA	Sector Education Training Authority
SIP	Strategic Infrastructure Plan
SMME	Small Medium and Micro Enterprise
STI	Sexually Transmitted Infection
TB	Tuberculosis
UNESCO	United Nations Educational, Scientific and Cultural Organization
VTSD	Villages, Townships and Small Dorpies
NWED	North West Province Department of Education
XDR-TB	Extreme Drug Resistant TB

1. Provincial Economic Outlook

The key role of fiscal policy in underdeveloped countries is to mobilize resources in the private and public sectors. This is not a different case with the Bokone-Bophirima Province. Our province is more determined to push the rate of investment and capital formation from both public and private sectors which in turn should accelerate the rate of economic development. With the current growing population in our province, from 2.9 million in 1996 to 3.7 million in 2016 we are more determined to utilize our limited resources to encourage socially optimal investment and create employment to transform the socio-economic conditions of our population. Literacy rate has improved significantly in the province, however, more strategic investment in education sector is still required to improve the number of people above the age of 20 years in acquiring post-matric qualifications and creating the economy that can timeously absorb our graduates.

The province has a youthful population and more than 60 per cent of the unemployed is youth. Despite the significant increase of households with access to water, sanitation, electricity and refuse removal since 1996, there is a number of households without such services. Education and skills development should therefore be targeted toward building capacity and skills amongst young people through FETs colleges to enable our young people to meaningfully participate in provision of basic services by government.

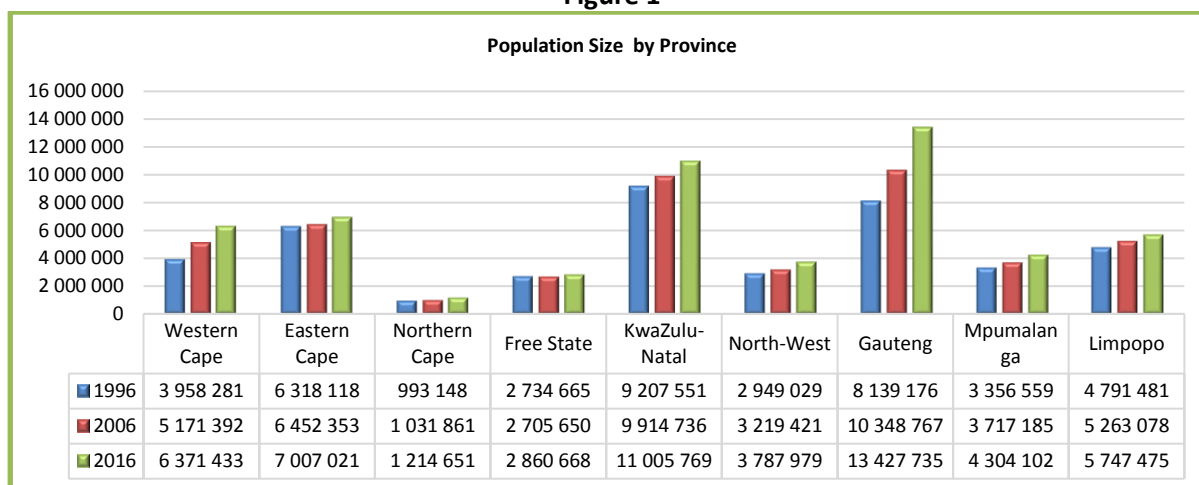
Income inequality remains a challenge not only in our province but to the entire country. Income inequality is not only reflected in the entire population but a racial disaggregation data shows huge gap amongst Blacks in the province. Most of those living under poverty and low human development index resides in rural areas hence the need for government to fast-track its VTSD and ACT pillars to transform rural economies and over-come inequality, unemployment and poverty.

2. North West Demographic Profile

The importance of demographic factors in development planning can never be overemphasized. In 2009, the world's population was estimated to be 6.8 billion people. Projections by the United Nations placed the figure at more than 9.2 billion by the year 2050 (another widely cited projection is higher, at 9.5 billion). The overwhelming majority of that population will inhabit the developing world. What will be the economic and social implications for development if such projections are realized? As part of Africa or the developing world, South Africa has the estimated population size of 55.6 million in 2016 with 51 per cent being females and 49 per cent being males and the majority of the population in terms of age structure 36.2 per cent is youth.

In 1996 KwaZulu-Natal had the largest population in South Africa followed by Gauteng and Eastern Cape. Over time Gauteng became the most populated province recording the population size of 13.4 million in 2016 with KZN taking the second place and Eastern Cape remains at number 3 since 1996. The smallest provinces in South Africa are Northern Cape, Free State and North West with the population sizes of 2.9 million, 3.2 million and 3.7 million in 1996, 2006 and 2016, respectively.

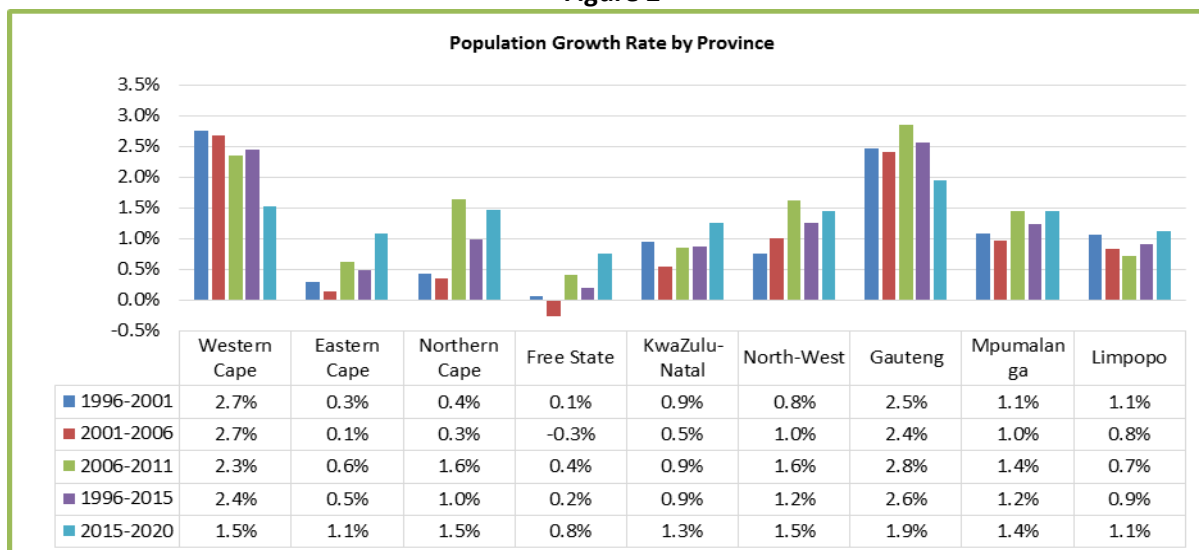
Figure 1



Data Source: IHS Global Insight (2017)

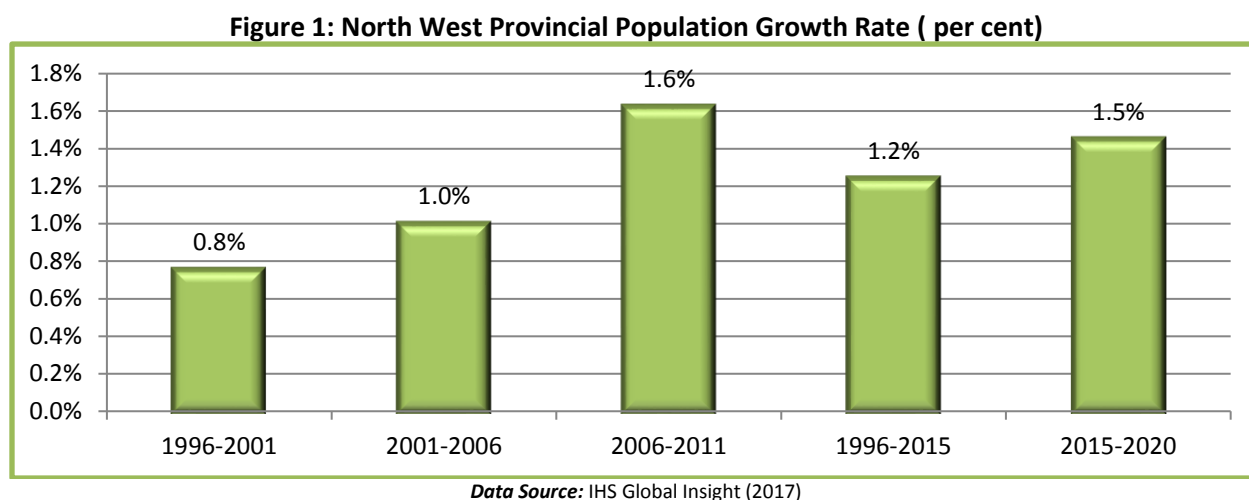
Figure 2 below shows the population growth rate by province in South Africa. The North West province continues to be on a slight upward trend since 1996. See a detailed growth rate trends for the North West Province on figure 3 below. Despite their high population size, Gauteng and Western Cape shows to be on a decline for the past two successive periods.

Figure 2



Data Source: IHS Global Insight (2017)

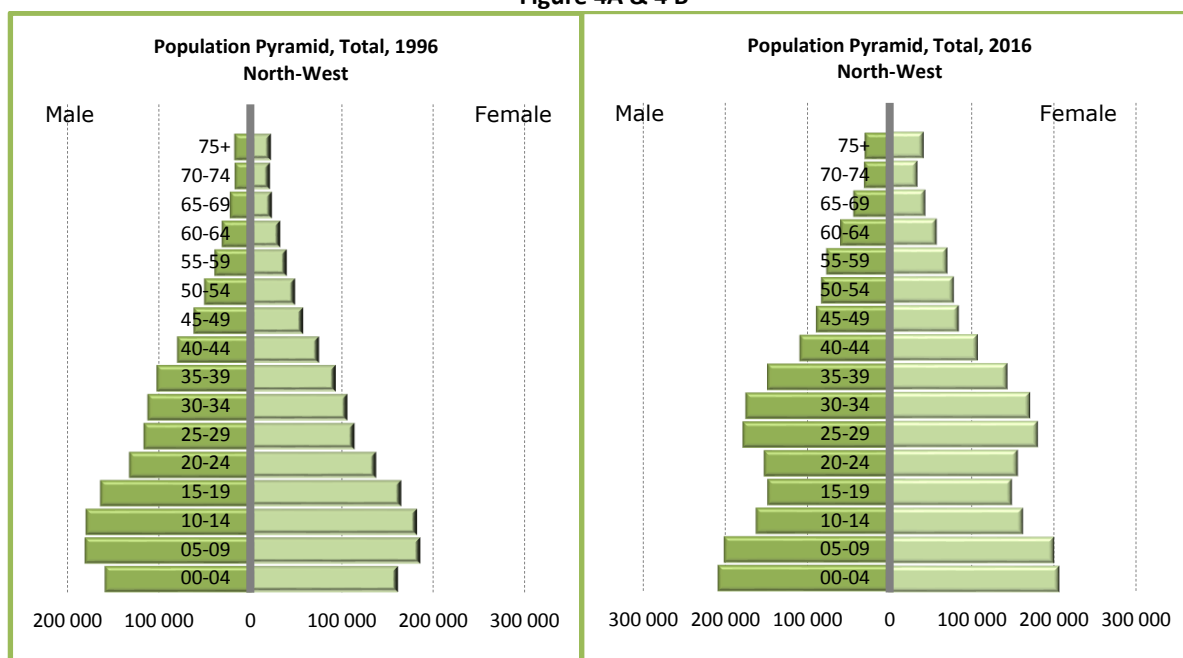
Figure 3 below shows that the North West population growth rate has over time been on an increase from 0.8 per cent during the period 1996-2001 to 1.6 per cent during 2006-2011. Total population growth rate from 1996 to 2015 in the North West Province recorded 1.2 per cent and for the period 2015 to 2020 the population is projected to grow at the rate of 1.2 per cent.



According to the population pyramid 4A, in 1996 North West province had the large population between ages of 05 years to 19 years which made the province a very “young province” in terms of population structure while the population structure reflected in pyramid 4B of 2016 shows the province is aging over time with the large population showing youth bulge (age 20 to 39).

While the province is largely dominated by young people, the province should be able to optimizing such available human resources capacity at its disposal consequently tapping into population dividend. However, unemployment in the province is sitting 28 per cent with an estimate of 60 per cent being young people, the quality of education generally in South Africa has always been a concern which could easily translate into the opposite of population dividend which sometimes is termed as “population disaster”. More skills and qualified young people in the province can find and create jobs in the economy and contribute meaningfully to the growth and development of the province. High unemployment amongst youth can results in many social ills such as crime, high usage drugs and create serious instability in the economy both in short to long term.

Figure 4A & 4 B



According to table 1 below, Bojanala District municipality has the highest population size in the North West province followed by Ngaka Modiri Molema District Municipality and Dr Kenneth Kaunda with Dr Ruth Segomotsi Mompati being the less populated district municipality. Bojanala takes the largest population percentage share at 44 per cent and only 13 per cent of the North West population resides in Dr Ruth Segomotsi Mompati District.

Table 1

	1996	2006	2016	per cent Share 2016
North-West	2 949 029	3 219 421	3 787 979	
Bojanala Platinum	1 148 397	1 322 556	1 671 586	44 per cent
Ngaka Modiri Molema	749 046	808 649	885 738	23 per cent
Dr Ruth Segomotsi Mompati	456 577	443 764	484 776	13 per cent
Dr Kenneth Kaunda	595 009	644 452	745 878	20 per cent

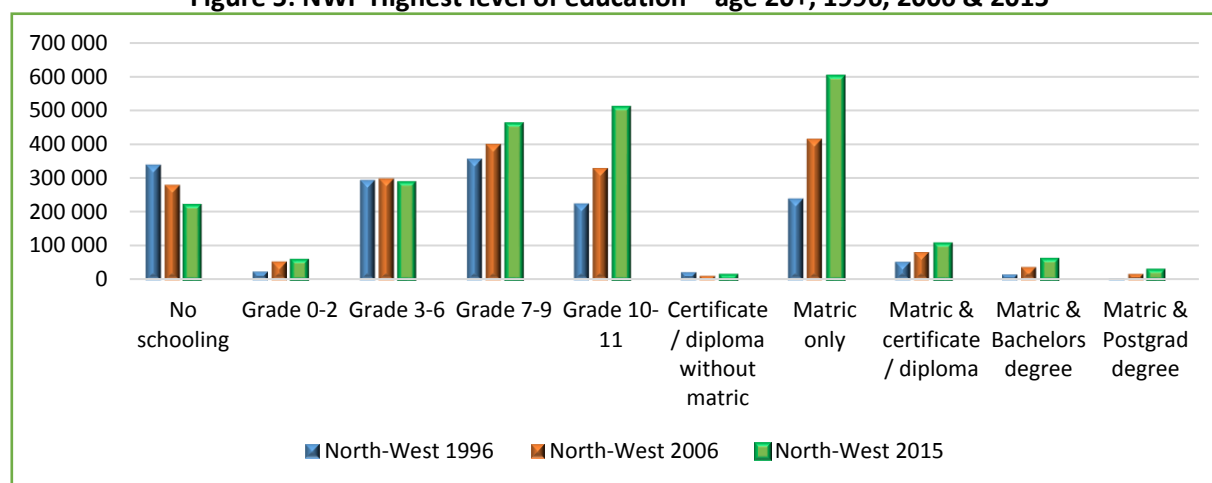
Data Source: IHS Global Insight (2017)

3. Socio-Economic Indicators

3.1. Level of Education & Literacy

Figure 5 below shows the number of education attainment by schooling level in the North West Province for the periods 1996, 2006 and 2015. The state of education is clearly improving in the province with a significant reduction in the number of people with no schooling at all and increase in attainment of grade 7 matric. With the NDP target of increasing the number of PhDs in the country, the North West Province will have to play its fair share of increasing the number of people with matric and postgraduate degrees.

Figure 5: NWP Highest level of education – age 20+, 1996, 2006 & 2015



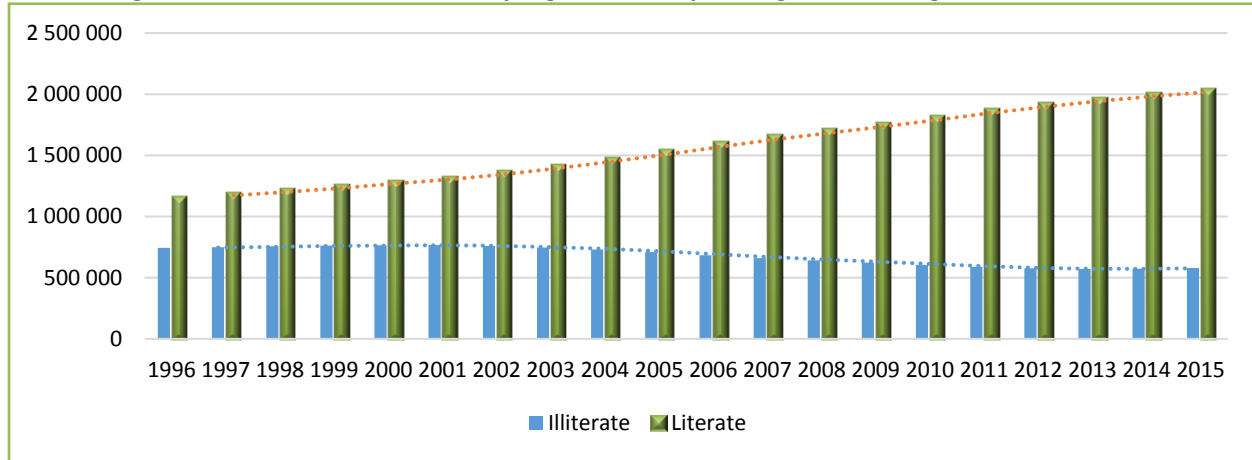
Data Source: IHS Global Insight (2016)

Generally there is improved access to education in the North West province over time and this is as a result of government intervention. It should be noted that improved access to education cannot necessarily be equated to quality education and most importantly employability of those qualified.

The functional literacy rate of those aged 20+ measures the number of people in a region who have completed their primary education (grade 7), and are thus deemed functionally literate. If someone is functionally literate, they are assumed to have a level of reading and writing skills, enabling them to manage daily life and employment.

Worth noting is the improvement in the literacy rate in the province which means more and more people are able to read and write. Noting that we are living the technological and knowledge driven economies, the ability to read and write provides people with a competitive edge to communicate, access information, convert it to knowledge and ultimately become active participants in the economy of the province and South Africa at large. As shown in figure 6 below, there is improvement in literacy rate since 1996 to 2015 and a desired decrease in illiteracy rate over the same period.

Figure 6: NWP Functional literacy: age 15+, completed grade 7 or higher, 1996 to 2015

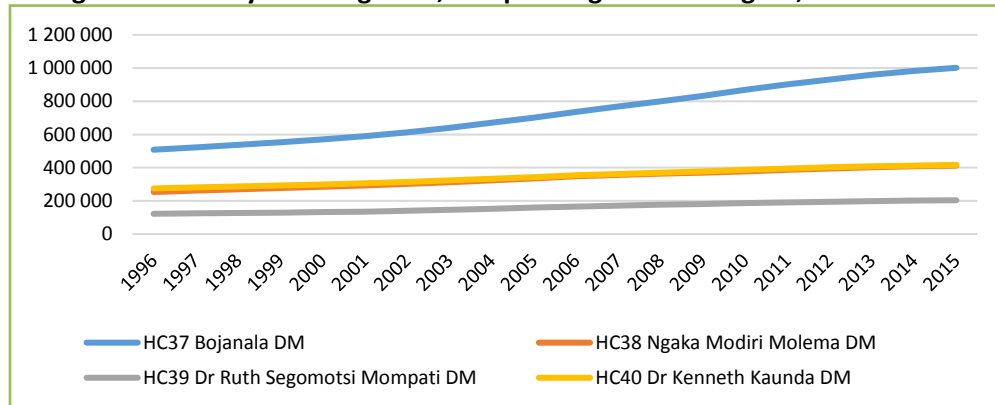


Data Source: IHS Global Insight (2016)

Figures 7 and 8 below shows literacy and illiteracy by district municipalities in the North West Province, respectively. Bojanala District Municipality have both high literacy and illiteracy amongst all district with both Ngaka Modiri Molema and Dr Kenneth Kaunda Districts having the same level of literacy rate and Dr Ruth Segomotsi Mompati recording the lowest level of literacy amongst all district across the province.

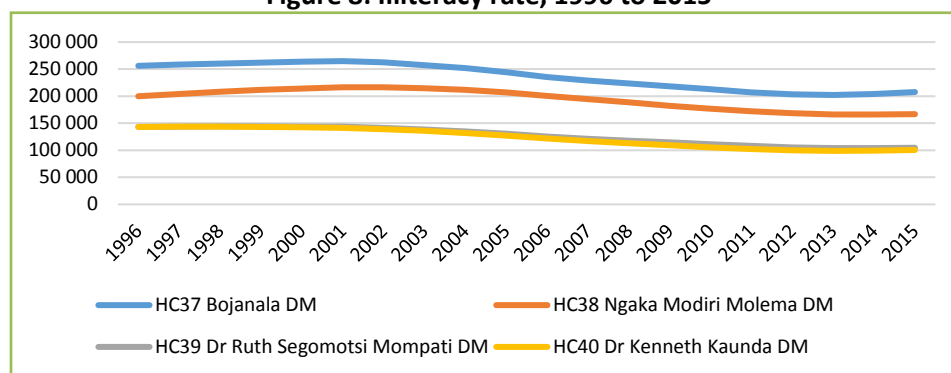
Both Dr Ruth Segomotsi Mompati and Dr Kenneth Kaunda districts have the lowest level of illiteracy rate in the North West Province. More investment coupled with efficiency in budget allocation is required in the province to eradicate illiteracy due to its adverse impact on human development and economic growth.

Figure 7: Literacy rate – age 15+, completed grade 7 or higher, 1996 to 2015



Data Source: IHS Global Insight (2016)

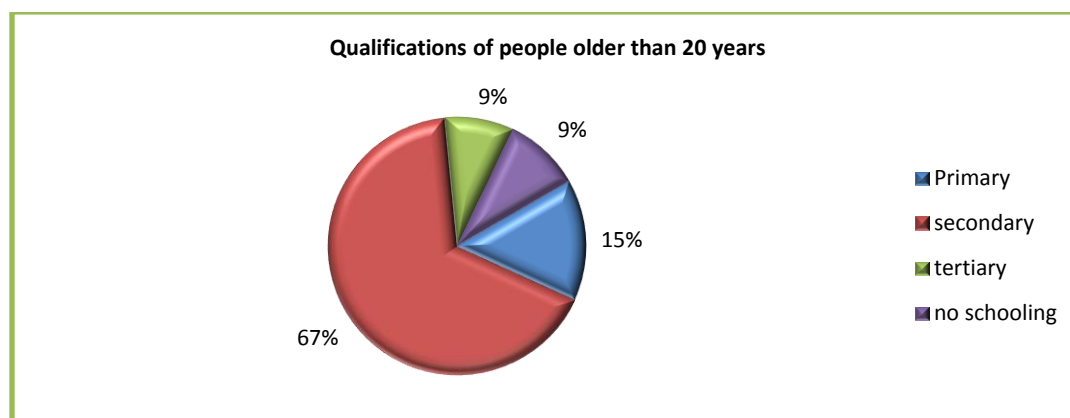
Figure 8: Illiteracy rate, 1996 to 2015



Data Source: IHS Global Insight (2016)

As shown in figure 9 below, more people in the North West Province above the of 20 have secondary qualifications (67 per cent) followed by those with primary education at 15 per cent and both tertiary and those with no schooling sits at 9 per cent. Noting scientific evidence of on a positive correlation between education and development, the current levels of education in the province is of great concern and more targeted investment is required at all levels to achieve education level that will translate into development.

Figure 9



Data Source: IHS Global Insight (2017)

3.2. Basic Infrastructure

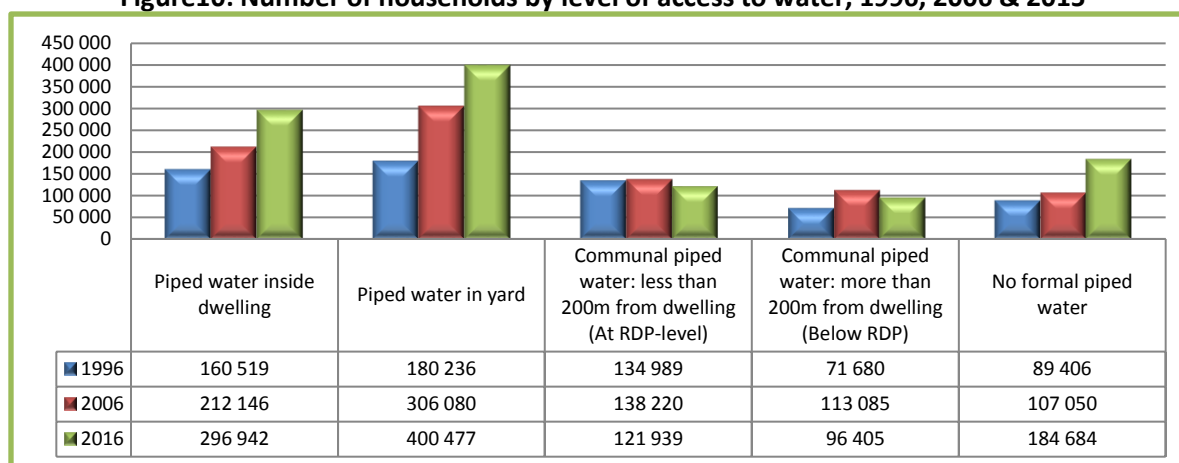
3.2.1. Access to Water

The right of access to sufficient water is accorded to everyone in s27(1)(b) of the Constitution, which states that everyone has the right to have access to sufficient food and water.

Section 27(2) requires the State to take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of the right.

The right of access to sufficient water in s 27(2) should be understood to mean that the State is not obliged to provide water freely, but is under an obligation to create mechanisms that enable people to have access to sufficient water. In the event of resource constraints, which limit the ability of the State to fulfil its obligations, the State is still obliged to provide a plan of action that demonstrates that the full realization of the right shall be achieved over time. Furthermore, available resources should be utilised effectively so as to give maximum results, with priority being given to assuring to everyone, the satisfaction of the most basic requirements as well as the provision of essential services, including access to sufficient water.

Figure10: Number of households by level of access to water, 1996, 2006 & 2015



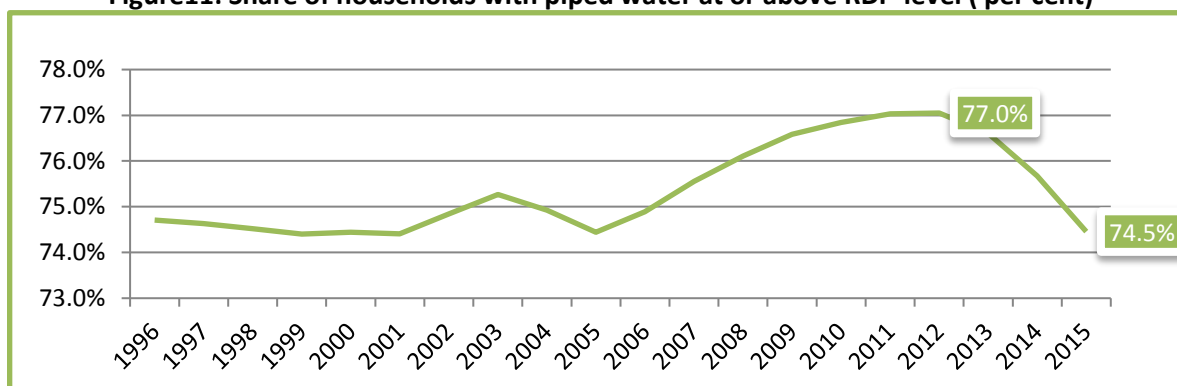
Data Source: IHS Global Insight (2016)

Figure 10 above demonstrate the continuous improvement on access to water by most South African household and largely provided by government. Piped water inside dwelling increased from 160 519 in 1996 to 296 942 to 2015. Communal piped water less than 200m from dwelling (at RDP-level) has been on a slight decline from 2006 to 2015 the same goes for communal piped water more than 200m from dwelling (below RDP). It is however a worrying factor that a total of 184 684 households in the province do not have formal piped water which could have implications on both social and economic conditions of those households.

Households at or above the RDP level are not considered to be part of the water supply backlog. Above RDP level includes all households that have access to piped water within their dwelling, within their yard or within 200 metres of their dwelling.

Figure 11 shows that in this category of households in the North West, there has been decline from 77 per cent in 2012 to the lowest point of 74 per cent in 2015. Various factors such infrastructure dilapidation and increase in households amongst others may be attributed to such a decline in share of households with piped water at or above RDP-level.

Figure11: Share of households with piped water at or above RDP-level (per cent)



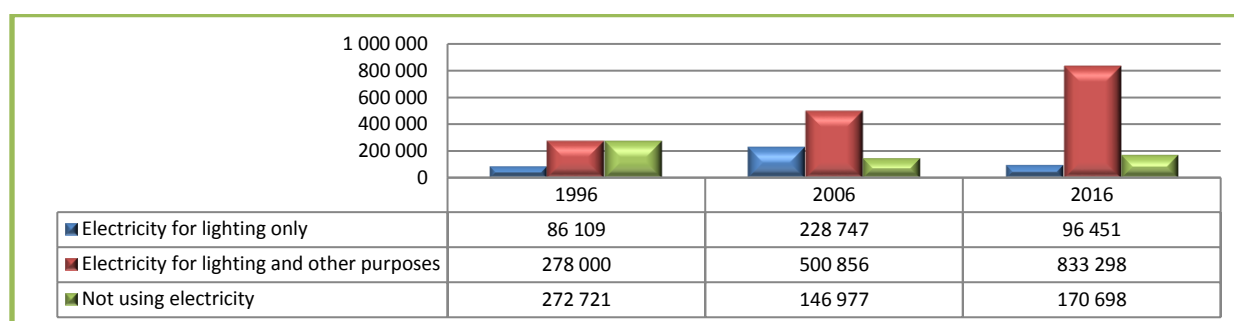
Data Source: IHS Global Insight (2016)

3.2.2. Access to Electricity

An estimated 1.2 billion people – 17 per cent of the global population – did not have access to electricity in 2013, 84 million fewer than in the previous year. Many more suffer from supply that is of poor quality. More than 95 per cent of those living without electricity are in countries in sub-Saharan Africa and developing Asia, and they are predominantly in rural areas (around 80 per cent of the world total). While still far from complete, progress in providing electrification in urban areas has outpaced that in rural areas two to one since 2000.

“Although significant progress has been made by the national electrification programme to provide electricity to all households, future progress will be hampered by the cost-ineffectiveness of providing mains electricity to remote rural households and the difficulty of providing electricity to predominantly informal dwellings in largely unplanned and unstructured informal areas.

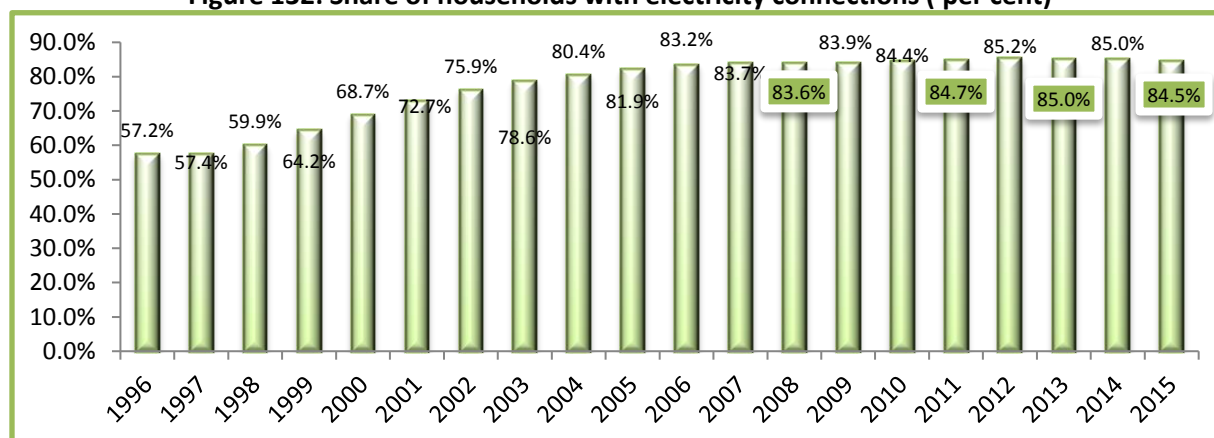
Figure 12: Number of Households by electricity usage, 1996, 2006 & 2015



Data Source: IHS Global Insight (2016)

Generally, the number of households using electricity in the province have been on an increase since 1996 while this the opposite with those not using electricity. While the share of households with electricity connections increased from 57.2 per cent in 1996 to 84.5 per cent in 2015, there was a slide decline of - 0.5 per cent between 2014 and 2015 as shown in figure 13 below.

Figure 132: Share of households with electricity connections (per cent)



Data Source: IHS Global Insight (2016)

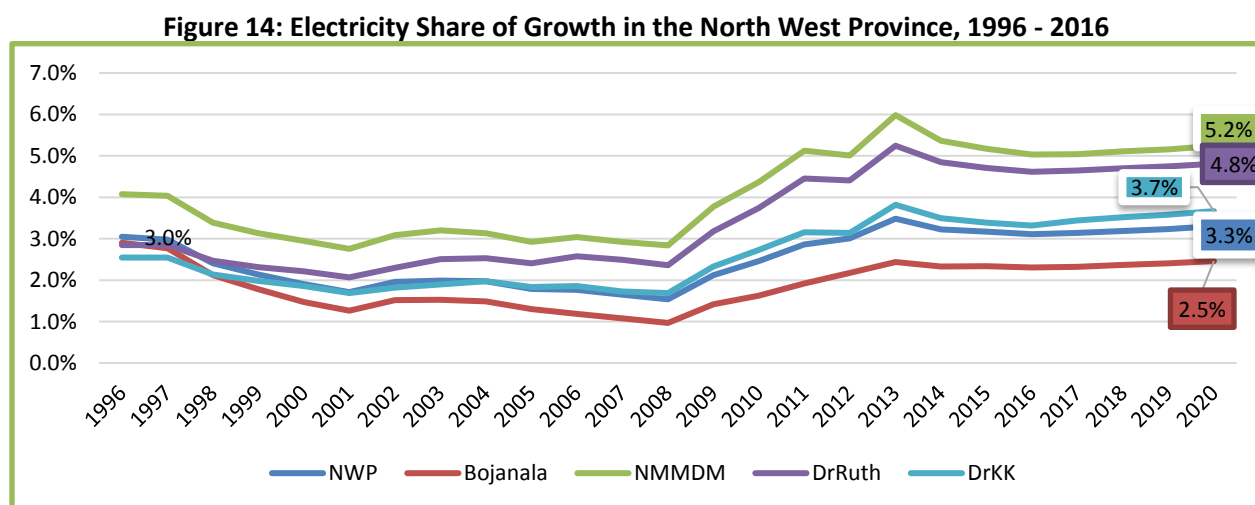
Electricity remains fundamental to economic growth, hence the need reliable and secured access to electricity in African countries remain at the top of the agenda. The following points below indicate how access to energy can address challenges of poverty and grow the economy.

- Access to power expands the number and variety of business and job opportunities available. Electricity means that businesses, such as hair salons, Laundromats and welders, all of which rely on energy, can function. Energy also leads to the creation of new markets, businesses and job openings, which provide more opportunities for individuals to earn an income and lift themselves, their families and their communities out of poverty.
- Lack of a consistent access to reliable power costs businesses and the economy as a whole. Even with access to energy, unreliable power makes operating a business even more challenging than usual. African manufacturing enterprises experience power outages 56 days a year on average. As a result, firms lose six per cent of sales revenues in the informal sector. Where back-up generators are limited, losses can be as high as 20 per cent. These losses have severe consequences for the health and growth of the wider economy, not to mention the dramatic impact in achieving other development objectives outlined by the Millennium Development Goals.
- Power allows business owners and employees to increase working hours. This not only means that they can open their shop earlier and stay open later, but that business owners can complete other work related to owning and operating a business before and after daylight hours.
- Electricity provides business owners with access to online information and resources. Power provides business owners with information that is critical to operating their business successfully, whether that information is about local or national markets, new economic policies or tax regulations. This allows small business owners in rural areas to engage with the wider business community and learn best practices from other individuals working in the same industry.

It is clear that by investing in energy infrastructure, governments can help both small and large firms simultaneously, while also helping to alleviate poverty. Figure 14 below shows the trend of electricity as an economic sector's share of economic growth in the North West Province and its four district municipalities.

Electricity share of growth in the North West province was 3.3 per cent in 2015 from 3 per cent in 1996, a growth of 0.3 per cent over time while in Ngaka Modiri Molema District Municipality (NMMDM) electricity share of growth was the highest at 5.2 per cent in 2015 from the lowest point of 4.1 per cent in 1996. The growth of electricity share in NMMDM together with Dr Ruth Segomotsi Mompati District municipality (Dr Ruth) as mostly rural district in the province shows to be more benefitting more in electricity as a share of growth and of critical importance is how does these districts leverage on such electricity contribution to improve lives.

Bojanala District has the lowest electricity growth share at 2.5 per cent just below Dr Kenneth Kaunda District Municipality (Dr KK) at 3.7 per cent.



Data Source: IHS Global Insight (2016)

It is also worth noting that there are opportunities for growth in the area of renewable energy in the North West province. Implementation of the “North West Provincial Renewable Energy Strategy” can strategically position the province, unleash growth opportunities and reduce poverty levels.

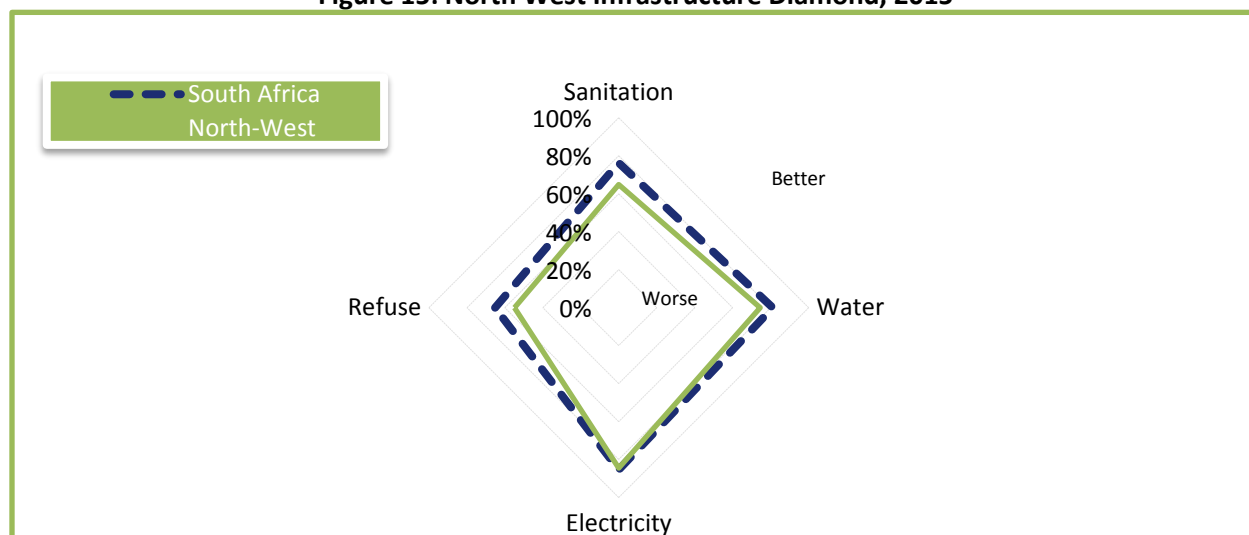
3.2.3. Infrastructure Diamond

Figure 15 below shows the state of infrastructure in the North West province compared to national progress. According to IHS (2010), the infrastructure diamond depicts the four household infrastructure measures on a single diamond shaped chart. The larger the diamond, the better serviced the region is in terms of refuse, electricity, sanitation and water access.

The dotted blue line shows the national average as a means of comparison, whilst the orange line shows the current region. If the orange line falls inside of the dotted blue line, the region is performing worse than the national average. The opposite is true if the Orange line falls outside the dotted blue diamond.

As indicated in figure 15 below the North Province is performing below national average in the provision of basic service such as sanitation, refuse removal and water provision to the exception of electricity connections which is at par with national average. Measuring the provincial success rate remains critical in planning and execution of service provision and provincial performance below average is a clear indication of much work that needs to be done in the province to be at par or exceed the national average.

Figure 15: North West Infrastructure Diamond, 2015



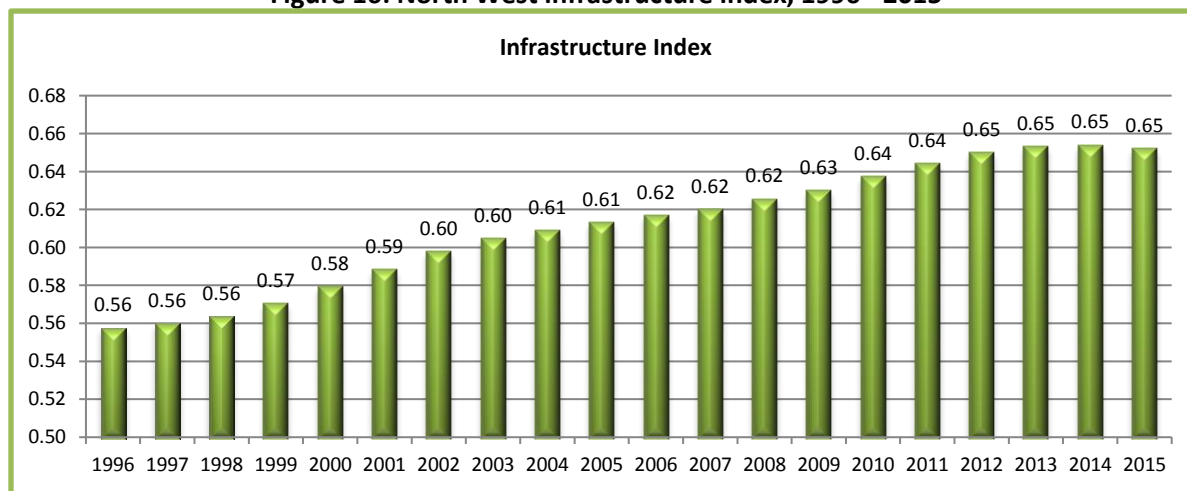
Data Source: IHS Global Insight (2016)

Another measure of infrastructure performance in the province is infrastructure index. The index figure ranges from 0 to 1, with zero indicating that all households in the selected region have no infrastructure of any kind whatsoever. In this case, every household has no toilet, no refuse removal, no electrical connection and no piped water infrastructure. In reality, no regions of this nature exist in South Africa. A value of one, on the other hand, indicates that all households have access to the minimum or basic level of service.

Practically this means that every household has at least a ventilation improved pit latrine, refuse removal by authorities, a basic electrical connection and piped water within 200 metres of their yard.

As shown in figure 16 below, North West provincial infrastructure index improved from 0.56 in 1996 to 0.65 in 2012 towards 2015. The period between 2012 to 2015 shows a certain level of stagnation in providing overall basic services and clearly more efforts are required to improve the index from 0.65 to improve towards which the desired outcome of the 5th provincial administration. Part of the effort in this case is the Setsokotsane programme and Radical Socio-Economic transformation led by the Premier's Office.

Figure 16: North West infrastructure index, 1996 - 2015



Data Source: IHS Global Insight (2016)

4. Economic Indicators

North West economy is characterised by high dominance of the Mining sector. Its share of provincial growth was 16.2 per cent in 1996, increased to 31.1 per cent in 2016 and is projected to drop slightly to 31.2 per cent in 2020. The main minerals are uranium, platinum and coal. Nevertheless, the province's economy bears the risk of submitting to vulnerabilities given that the mining sector is one of the main contributors to the province's economic growth and the sector is vulnerable to exogenous demand shocks. Agriculture experienced the largest share decrease over the years. The sector contribution declined from sector share of 8.1 per cent in 1996 to 3 per cent in 2016 exacerbated by the recently experienced draught in the past season. Current rains present opportunities in the agricultural sector production increase and risks associated with heavy rains will be properly mitigated and managed when the need arise.

Manufacturing, Electricity and Construction are the least contributing sectors in the provincial economy. The province has witnessed a gradual decline in manufacturing and contribution to the provincial economy. Manufacturing's contribution declined from 9 per cent in 1996 to 5.6 per cent in 2016 and is projected to decline further to 5.2 per cent in 2020. Construction and energy are dependent sectors on other sectors. Generally when the economy grows, there is an inherent increase in the demand for energy and construction services as firms expand operation.

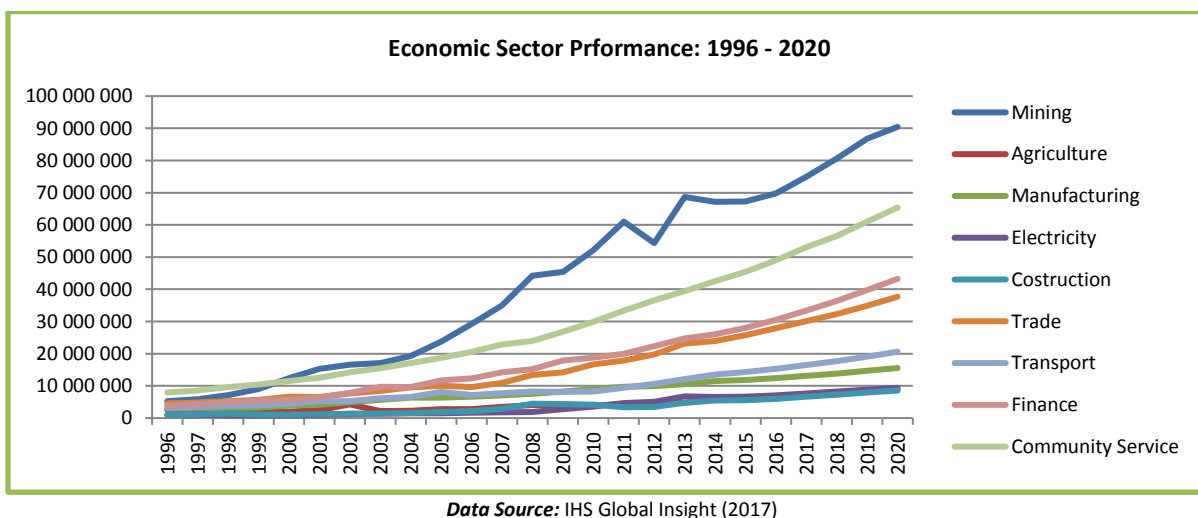
Due to subdued economic growth in the province, these sectors have exhibited low performance over time. Within the tertiary sector, the largest contributing industry is community services which contributed 24.7 per cent in 1996 and declined to 21.5 per cent in 2016 and is projected to slightly improve to 2.8 per cent in 2020.

Community service is followed by Finance, Trade and Transport which contributed 12 per cent, 14.1 per cent and 9.7 per cent in 1996; 13.3 per cent, 12.1 per cent and 6.8 per cent in 2016, these three industries are projected to reach 14.4 per cent, 12.6 per cent and 6.9 per cent in 2020, respectively.

In 2005, the North West province recorded a 6.1 per cent growth and we are optimistic that this is achievable in the future despite current economic conditions we find ourselves in today. Our economy hit the deep in 2014 when recording the lowest growth of -3 per cent and on a positive note in 2016 the economy grew just below 1 per cent and projected to reach 2 per cent in 2020, holding other things constant. The 5th administration have however since emphasised more investment and focus on Agriculture, Culture and Tourism and these sectors amongst others are expected to turnaround the economy of the province. We continue to invest in both social and economic infrastructure in the province and there is a larger volume of literature which proves a positive correlation between economic growth and infrastructure investment.

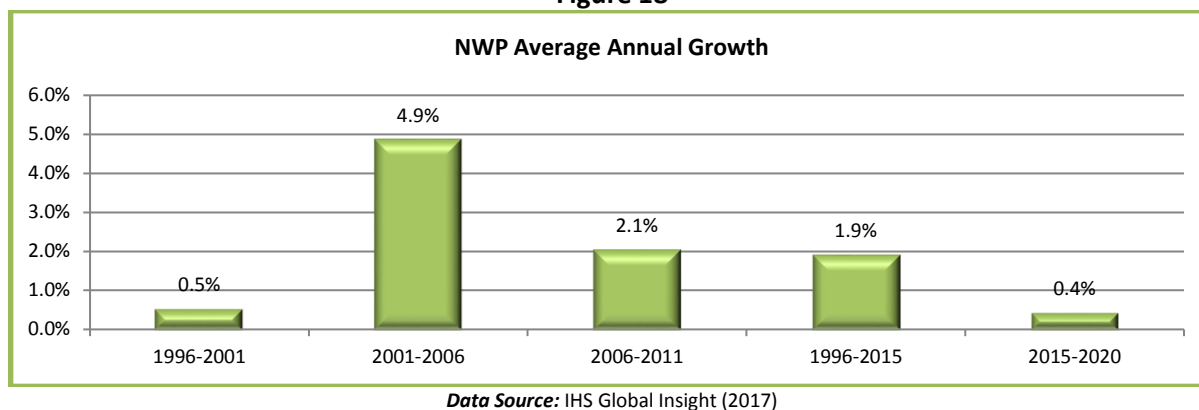
The provincial government is working hard to ensure that our budget is more responsive to provincial socio-economic challenges in order to achieve the radical socio-economic transformation. These amongst others are sufficient measures to ensure that province grows far above the 2 per cent growth forecast. Figure 17 below shows trends in different sector performance in the province since 1996 to 2016 with projection towards 2020.

Figure 17



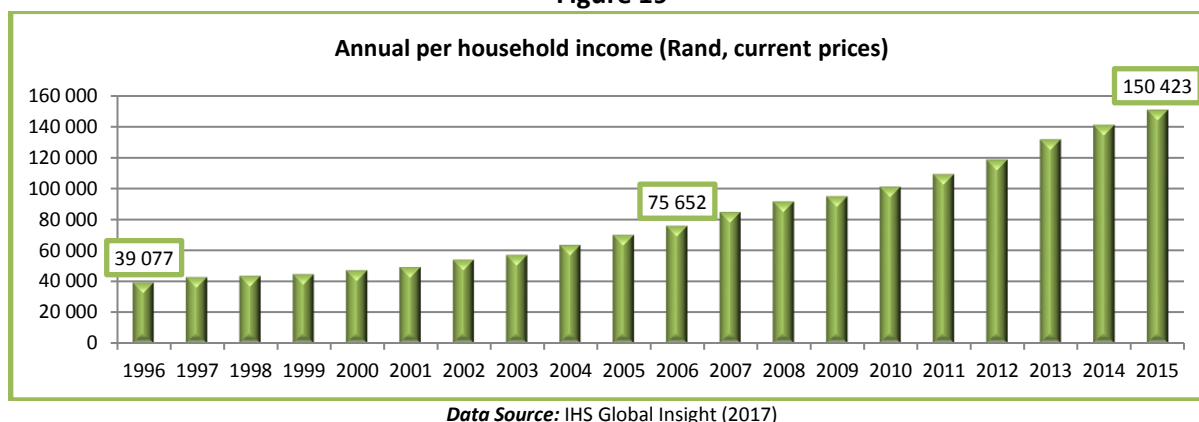
The North West province shows a decline on average annual growth over time and unless different policy measure are put in place which could change the shape of the provincial economy, the economy is projected to continue declining to year 2020. While economy was on good path of growth between 2001 and 2006, the after effects of 2008 economic meltdown are still felt today in the province and across the globe. Through Agriculture, Culture and Tourism; the province aims to turn around the current economic conditions.

Figure 18



Though a decline in economic growth, both annual household income has been on an increase since 1996 to 2015 as shown in figure 19 below. This is despite the fact that the both human and household population have significantly increased. Various factors does contribute to such an increase and amongst others is the role played by government through social security programme and informal sector employed wich is usually not completely captured. It therefore clear that economic alone growth alone cannot be a clear defination of development.

Figure 19



As shown in figure 20 below, personal income shows to on increase over time in the province. However, the gap between income per capita and personal income shows to be widening over time with can be clearly explained by figure 1 showing income inequality in the province.

Figure 20

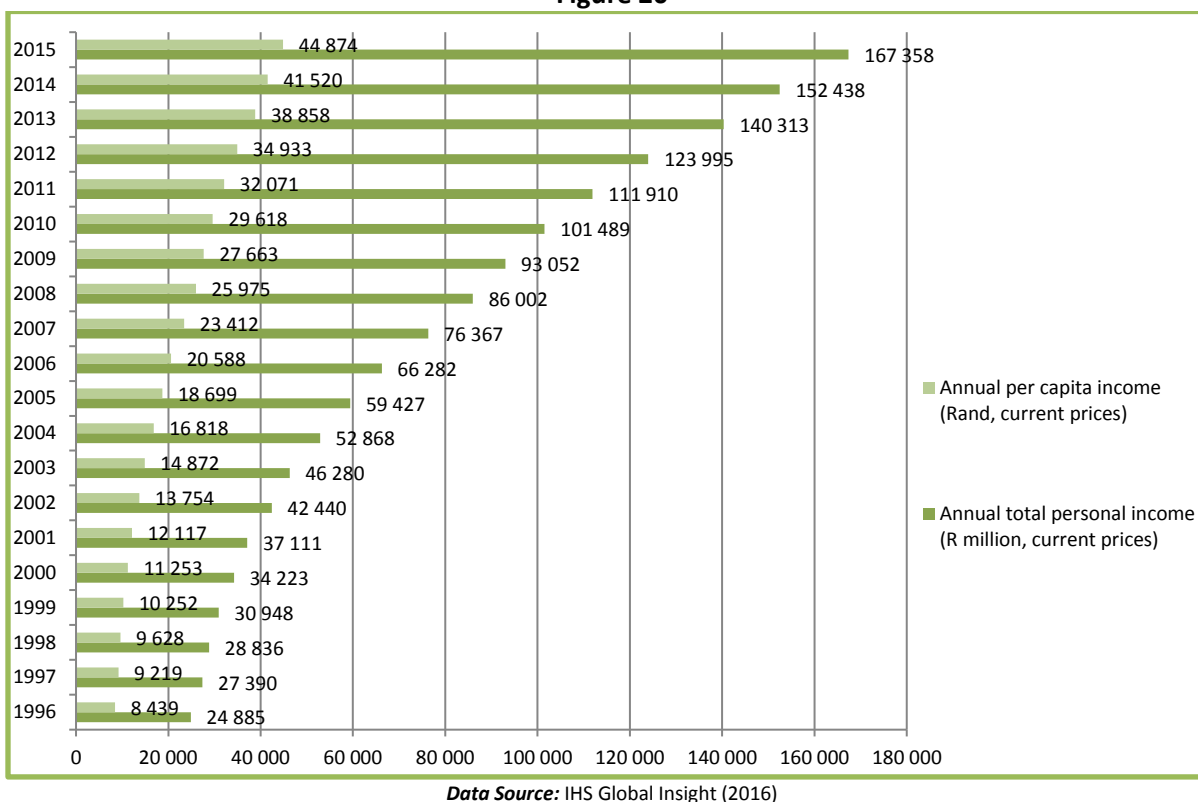
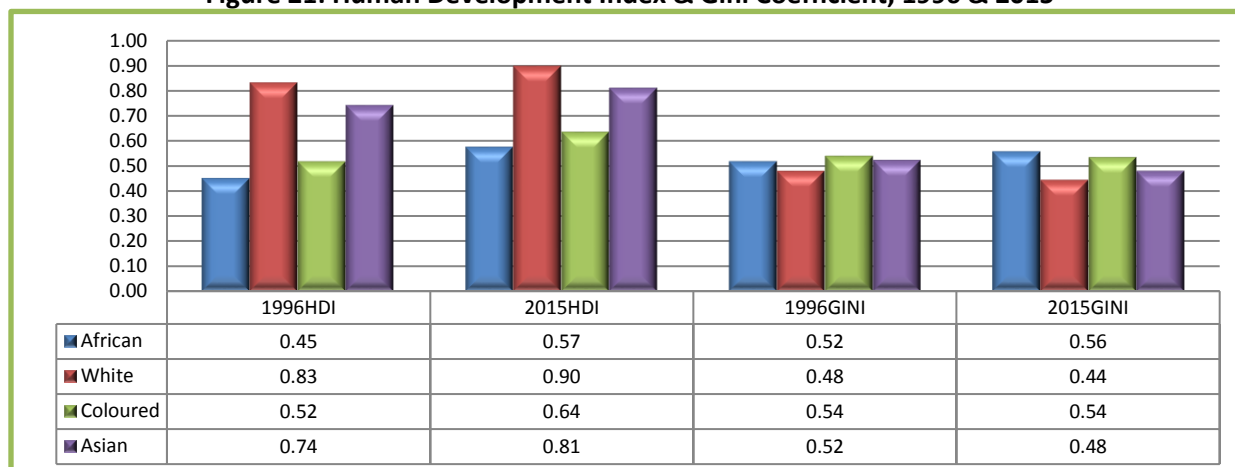


Figure 21 above shows a disaggregation of human development index and income inequality in the province by race. While African population is the largest in the province, it has the lowest levels of human development since 1996 to 2015 and has also recorded the high levels of income inequality while this is the opposite in all variables with white race group.

Figure 21: Human Development Index & Gini Coefficient, 1996 & 2015



Data Source: IHS Global Insight (2016)

Conclusion

The importance of socio-economic transformation in South Africa and the North West province cannot be over-emphasized. The province is faced with growing population, high levels of inequality, high unemployment and poverty and the largest number of the unemployed is youth. Crime and most importantly drug related crime is on the increase which has a detrimental impact on the social and moral fiber of the society at large. Economic growth in the province is projected to record negative growth of -0.1 per cent in the current year. Levels of education remains a primary concern amongst others of which this budget seek to address such challenges in the province noting the critical role education can play in societal and economic development.

Effective and efficient implementation of Agriculture, Culture and Tourism (ACT) policy programme as pronounced by the Premier has never been urgent as now. Over and above ACT, government needs to device new policy intervention in the stream of industrialization and ICT innovation and development to remain competitive and attract required investment to achieve economic growth and create jobs. Partnership with universities to enhance research productivity and relevant skills development in the province remains critical and this can assist in identifying new opportunities for growth.

2. Summary of Budget Strategy and Aggregates

2.1 Overview of the Budget Strategy

South Africa as a country is undergoing a difficult economic transition, as a result of weak global growth, low levels of investor confidence, volatility in financial markets and structural constraints in the domestic economy. The economic growth is expected to grow by 1.3 per cent in 2017, from an estimated growth of 0.5 per cent in 2016. To grow faster and generate the revenue necessary to fund government policy priorities, the economy needs high levels of private investment, as well as government continuing to prioritise public sector infrastructure investment.

The Government of Bokone Bophirima supports and will continue to strengthen its approach towards fiscal consolidation while pursuing a progressively expansion of access to public services within its available resources and maintaining fiscal stability. The 2017 MTEF budget has been prepared and compiled under tight fiscal space, notwithstanding the fact that budgetary competing demands are very high. Therefore, it remains a call to all provincial departments and public entities to ensure continued reprioritisation in favour of core functions such as social services and infrastructure in order to boost economic growth, thereby expanding and enhancing service delivery.

Given this backdrop, departments and public entities will also be required to reduce waste and inefficiencies in government spending including limiting the growth of the wage bill by curtailing growth in personnel spending and stepping up cost-containment measures.

The fiscal consolidation that we have set in 2016 MTEF will continue over the medium term and it will require efficiency in the management of public finances whilst ensuring that there is value for money in all our spending. This calls for in-depth analysis of what we are spending money on, in support of this undertaking, departments and public entities expenditure reviews will also continue and it will contribute to better understanding in wide range of spending areas. The intention is to contribute to the annual inter-departmental consultations of the medium term expenditure planning process.

The 2017 MTEF budgets is informed by broad National Planning and policies as outlined by the National Development Plan 2030, the Medium Term Strategic Framework (MTSF), national and provincial spending priorities, including the Nine-Point Plan.

The provincial priorities were formulated in line with the National Development Plan (NDP) as a planning blue-print for growth and development over a (20 year) long-term horizon period. The intention for the Bokone Bophirima Provincial Programme of Action (POA) is to articulate government's priorities and interventions into a common framework that channels departments, municipalities, state owned enterprises and private sector inputs into a single-window plan and a coherent 'frame of reference'.

This means that all key stakeholders will have to take into account these priorities in their own planning space and contextualize as per the variables impacting delivery in their environment.

In implementing NDP, Bokone Bophirima is continuing to make some strides on Rebranding, Repositioning, and Renewal (RRR), which is an overarching concept of the provincial five concretes, namely Agriculture, Culture and Tourism (ACT) and other economic tributaries, Villages, Townships and Small Dorpies (VTSD), Reconciliation, Healing and Renewal (RHR), Setsokotsane and service delivery approach and Saamtrek-Saamwerk philosophy. The performance of the province, in terms of achieving developmental outcomes and improved quality of life for its population, has shown progressive results since the introduction of the key 5 concretes.

As a continuation from the previous financial year, the Rebranding, Repositioning, and Renewal (RRR) has moved from conceptual and design phase toward implementation. The RRR have been mainstreamed within the relevant departments and entities for effective implementation.

Agriculture, Culture and Tourism (ACT) and other economic tributaries

The province has identified Agriculture, Culture, Tourism (ACT) as key priorities that will drive economic growth and development, which focuses on poverty, inequality and unemployment and VTSD areas in particular. Through these concrete, the province aims to achieve the following objectives:

- 6 per cent economic growth by 2019;
- Reduction of population living in poverty;
- Radically reduce unemployment;
- Economically empower the previously disadvantaged communities through investment opportunities in Agriculture, Culture and Tourism;
- Industrialisation and investment Information Communication Technology (ICT); and
- Development of entrepreneurships in the ACT sectors.

All other sectors of the economy such as mining, manufacturing and retail will also remain critical economic pillars in the development of the province.

Village Township and Small Dorpies (VTSD)

Given the rural nature of the province and that Villages, Townships and Small Dorpies are the most highly affected with respect to poverty, inequality and unemployment. The province has adopted a strategic focuses on this concrete on the following:-

- Growing the VTSD economies;
- Investing in basic services infrastructure such as water, energy and sanitation;
- Developing social and economic infrastructure such as schools, Information Communication and Technology (ICT) for economic growth;
- Redirecting government expenditure to VTSD areas (minimum 70 per cent);
- Ensuring that Communities partner with the state and private sector and other areas of economy; and
- Building smart VTSD areas.

Reconciliation, Healing and Renewal

The fifth Administration, through the Reconciliation, Healing and Renewal concrete, is facilitating the healing of the divisions of the past as well as the establishment of a society based on democratic values, social justice and fundamental human rights as espoused in our founding constitution. The RHR programme focuses on the following issues:

- Community Conflict Management;
- HIV/AIDS and other communicable diseases;
- Moral regeneration;
- Social cohesion;
- Burials, exhumations, memorials;
- Women and child abuse;
- Trauma Counselling;
- Poverty alleviation;
- Culture of volunteerism;
- Stability; and
- Substance Abuse.

Setsokotsane (Intergrated Quick Service Delivery Inteventions)

Setsokotsane is an approach to service delivery that promotes comprehensive, quality, effective and effiecient delivery of services that contirbutes to a self-reliant society. The intergrated quick service delivery intervention mechanism aims to deal with service delivery challenges across the Province in

partnership with National Government, Municipalities, Private Sector, Non-Governmental Organisation, Traditional Leaders and Communities. The main objective are the following:-

- Engage people on service delivery challenges through Setsokotsane Operations Centre based at Provincial, District, Local, Ward and Bua Le Puso;
- Engage Communities on governments projects planning and implementation;
- Engage stakeholders such as forums, associations on challenges facing their sectors or constituencies;
- Get advice from people on service delivery challenges and possible interventions;
- Assess the performance of Provincial and Local Government and intervene where required;
- Monitor implementation of Government projects;
- Strengthen accountability to communities;
- Promote intergovernmental relations;
- Deals with complaints, compliments and suggestions from communities;
- Facilitates interventions to deal with service delivery challenges at all levels of government;
- Supported by a 24/7 hours a day call-centre located in Mahikeng;
- Championed by Honourable Premier, MEC's Executive Mayors and Mayors; and
- Constituted by the following stakeholders at the ward level:
 - *Community Development Workers (CDW's)*
 - *Community Health Workers (CHW's)*
 - *School Government Bodies (SGB)*
 - *Community Works Programme (CWP)*
 - *Community Development Practitioners (CDP)*
 - *Ward Communities*
 - *All relevant structures at community level.*

As pronounced by the Premier during the 2017 State of the Provincial Address, Setsokotsane was launched as one of the most ambitious service delivery initiatives since June 2014 resulting in to Setsokotsane Ward Operation Centres. These centres will be operationalised on 1st March 2017 in all the 407 wards in the North West to ensure that service delivery is taken direct to the people.

Saamtrek-Saamwerk

The Saamtrek-Saamwerk philosophy stems from section 41(1) of the constitution which lays out the principles of cooperative governance and intergovernmental relations. The province believe that unity in diversity breeds success. To that effect, through the Saamwerk-Saamtrek philosophy the province aims to attain the following objectives:-

- To build a united non-racial prosperous province;
- To engender and facilitate cooperative governance among the three spheres of government;
- To develop key strategic partnership with social and business partners to implement the policy of radical socio-economic transformation;
- To leverage the private sector and civil society resources such as human, capital and physical resources to optimise government development efforts;
- To promote coordinated approach and integrated planning and implementation of development initiatives;
- To work together to avoid duplication and waste of scarce resources; and
- To install a sense of pride and ownership among our people by ensuring that they participate in the betterment of their own lives.

Since the introduction of the key 5 concretes, the performance of the province in terms of achieving developmental outcomes and improved quality of life for its population has shown progressive results. This is in line with the Constitution's call to heal the divisions of the past and establish a society based on democratic values, social justice and fundamental human rights.

Through this initiative, the province found itself supporting and embracing partnership with BRICS. This can be attested following its visit to India last year to adopt good practices that can be beneficial and possibly enhance the state of the provincial economy. A typical example to that effect is the identification of a niche market to China on possible donkey value chain programs. Another step to the right direction is that, the provincial plans are underway to conclude on the process to list Marico Biosphere Reserve with UNESCO for consideration during 2017/18 as an envisaged 2nd biosphere reserve following Magaliesburg.

2.2 Aligning provincial budget to achieve government's prescribed outcomes

The provincial priorities were formulated in line with the National Development Plan (NDP) as a planning blue-print for growth and development over a (20 year) long-term horizon period. The intention for the Bokone Bophirima Provincial Programme of Action (POA) is to articulate government's priorities and interventions into a common framework that channels departments, municipalities, state owned enterprises and private sector inputs into a single-window plan and a coherent 'frame of reference'. This means that all key stakeholders will have to take into account these priorities in their own planning space and contextualize as per the variables impacting delivery in their environment.

The 2017 MTEF will focus on alignment to the NDP, 2014-19 MTSF, Rebranding, Repositioning, and Renewal (RRR), implementation of the revenue enhancement strategy, implementing stringent cost containment measures on non-core items, aim to attain greater efficiencies to ensure that more is achieved within the available financial resources, value for money that supply chain processes are being followed through the provincial supply chain unit, improving infrastructure delivery to increase job creation and to maintain quality social services and continued implementation of strict internal controls to contain expenditure.

To achieve the objectives of the 2017 MTEF, the total budget for the Bokone Bophirima amounts to R39.081 billion in 2017/18, R41.427 billion in 2018/19 and R44.374 billion in 2019/20. Reflecting a growth of 6.9 per cent over the medium term.

2.3 Provincial Budget Policy Principles

In response to an environment of slow economic growth and limited financial resources, the Bokone Bophirima government adopted the following budget policy principles for 2017 medium term:

Continuous Containing growth in the Provincial Wage Bill

The rising compensation costs have put severe pressure on provincial departments and public entities, hence the flexible moratorium on filling of position will continue to be implemented to control and manage appointments. The province will only fill critical and core service delivery posts. Where non-critical posts remained unfunded for an extended period of time resources will be withdrawn to other key priorities.

Compensation of Employees is the main cost drivers in the department of Health and Education and Sport Development. However, lots of initiatives were put in place through Co-Management Intervention in an attempt to manage the provincial wage bill. This shall be supplemented by a Circular that will be issued by the Provincial Treasury effective the 1st April 2017 and for implementation by all provincial departments, not limited to the public entities.

As one of the undertakings, the department of Health has commenced with re-alignment and restructuring to ensure that staff is matched and placed correctly and to reduce on administrative posts in favour of Health professional posts. This is a specific strategy to curtail and control personnel expenditure in response to the constrained fiscal envelope and to address fiscal stability.

Some of the strides made in personnel management and control in the Department of Education include the following: -

- Personnel appointment check list was designed for usage by Principals at School levels and District Offices before any appointment can be made. That is, this tool serve as an entry point or enabler to establish and validate if there are Funza Lushaka bursary holders, Excess Educators that are relevant (subject match) for placement before posts can be advertised;
- Powers to appoint were withdrawn from both the Principals and District Managers and centralized in the Head Office (HOD of the Department, Provincial Treasury and the Director General to approve appointments) as per Circular 18;
- Circular no 19 was also issued and directed to all Circuits, Area Office Managers, School Principals and other key Senior Officials in the department of Education to assist to manage personnel on PILLIR, Pension cases etc.

Through these initiatives, the department of Education and Sport Development managed to contain its personnel budget by realizing a saving of R243 million at the end of 2015/16 financial year.

Fiscal Discipline and Allocative efficiency

Departments and public entities must ensure fiscal discipline by remaining within budget limits and to avoid irregular, fruitless and wastefull expenditure. Continued allocative efficiency to achieve a balanced allocation of resources that reflects the priorities of government through programme effectiveness on the basis of evidence.

Monitoring and controlling expenditure

In this enviroment of slow economic growth and limited financial resources, the Bokone Bophirima is committed to reducing waste so that spending produces the intended results.

The province will continue to curtail spending on non-essential goods and services, namely Catering departmental activities, Travel and subsistence, Minor assets, Consumable: Stationery, printing and office supplies, Venues and facilities, Rental and hiring and Communication (G&S). This is in line with National Treasury Instruction 01 on Cost Containment Measures in 2013. Similarly, budgets for essential goods and services – including medicine, fuel, computers, laboratory services and learner teacher support materials amongst others will be expected to grow and protected.

Improving Own Revenue Generation

The Provincial Treasury will continue to review and monitor the implementation of revenue enhancement strategies by departments and municipalities to ensure that departments and public entities meet their revenue collection targets, expand revenue base by identifying new sources of revenue, minimise

revenue collection costs through efficiency improvement and facilitates the process of recovering outstanding debt across the province.

In improving own revenue efficiency, the province will also introduce E-Tendering revenue collection policy, fleet management revenue policy, utilisation of public facilities revenue policy and veterinary services revenue policy.

2.4 Medium term budget policy priorities

2.4.1 Promoting Economic Growth

The North West provincial economy is mainly driven by the mining, agriculture and community services sectors. The province has targeted 6 per cent economic growth by 2019 and this is expected to be mainly driven by Agriculture, Culture and Tourism (ACT) and other economic tributaries, which will be focusing on poverty, inequality and unemployment and growing the Villages, Townships and Small Dorpies (VTSD) economies. The economic growth is also expected to be boosted by other sectors of the economy such as mining, manufacturing and retail.

2.4.2 Agriculture

In pursuit of the RRR provincial policy thrust, the department of Rural, Environment and Agricultural Development will amongst others focus on the Agri-parks for Rural Economic Transformation, Comprehensive Rural Development Programme (CRDP) continuing to coordinate, review and identifying of new CRDP Sites, Agricultural Market Development, roll out of the Provincial Agro-processing Strategy, implementation of the Provincial Irrigation Strategy, creation and implementation of the Agricultural Development Funding Initiatives, implement drought Management Plan including mitigation, adaptation and response strategies, Bio-diversity Management Lab for wildlife and Game Transformation, Biospheres Reserves Development and job creation through agriculture projects.

2.4.3 Culture

The Department of Culture, Arts and Traditional Affairs will roll out construction of 22 Cultural villages within the villages in the province during the year under review. Continue to promote Mahika-Mahikeng cultural festival, renovation of exiting recording studios, refurbishment of exiting buildings to accommodate artist in VTSD, support Arts and Culture institutions and a number of special events in collaboration with traditional leaders in promoting arts, culture and heritage. This will be aimed at young people residing in villages and encouraging them to form arts and culture cooperatives for SMME development.

To contribute to the accelerated social transformation the department will continue to upgrade and construct 16 libraries of which 8 will be constructed in 2017/18. Apart from that the department Culture, Arts and Traditional Affairs would contribute to the implementation of coherent, sustainable and accelerated programme through social transformation which is parallel to the radical economic programme.

Therefore the department will utilize the power of arts, culture to reach the goals of social transformation in the province. As an example, the department has injected R15 million in 2017/18 to support the SAMA, SAFTA and SATMA events and will continue to implement arts and culture through Mmabana Recreation Centre. This inter alia includes dance, theatre, poetry and music amongst others. In that regard a budget of R13 million in 2017/18 that constitutes R10 million and R3.1 million for Mahika-Mahikeng and Calabash respectively. Such monies has been included within the transfer payment of R97.7 million earmarked for Mmabana.

2.4.4 Tourism

The Department of Tourism will continue to support tourism attractions to enhance destination competitiveness, facilitate tourism trade and investment promotion initiatives and monitoring the development of tourism infrastructure in the province. In implementing VTSD as one of the other provincial five concretes. The department will develop VTSD tourism plans in each district municipalities which is aimed at promoting tourism in four districts of the province.

As a strategic entity, North West Tourism Board will focus on boosting awareness in key markets and sectors, improving accessibility to Bokone Bophirima and boosting attractiveness through competitive product offerings and compelling packaging.

Tourism is an unusual economic sector and/or an export sector but the consumption takes place in the travel destination as the consumers travel to the country of production.

In 2015 the number of tourists arrivals reached 773 464 which included foreign arrivals as at the second quarter of 2016/17 the total number of tourist were 368 311. As one of the key deliverables, the department has planned to continue with the development of Hotel schools at Dr Kenneth Kaunda and Bojanala with a budget of R51.8 million and R54.7 million, provided for in the two outer years of the 2017 MTEF.

Most importantly, the department of Tourism will join forces with departments such as CATA and READ in research programmes, identification, grading and declaring provincial heritage resources/hubs that will contribute to the economy of the province as well as accelerating social transformation.

2.4.5 Basic Education

The province continues to register good progress in respect of learner outcomes in Grade 12, however the main challenge remains in lower grades as evidenced by the Annual National Assessment results for Grades 3, 6 and 9. Measures similar to the ones that the department implemented to support Grade 12 learners will be cascaded gradually to the lower grades. Education remains a top priority in the province as it absorbs the largest share of 40 per cent of the total provincial budget.

ECD'S remains one of the most important preventative intervention programme implemented to mitigate the risk of children becoming vulnerable in their development. The department is making considerable progress in phasing in Grade R in Public Schools in the province. To date over 900 schools have incorporated Grade R. North West Province is one of the few provinces that appoints Educators to teach Grade R learners and not Practitioners. Currently, a total number of 155 ECD's is outstanding for being incorporated in public ordinary schools to complete the process.

Social cohesion remains the cornerstone of arts and sports programmes in the province. In sport programme funding will be targeting to support school sports, the indigenous games, sporting federations and promote transformation. The department will implement School Sport Mass Participation Programme and will train 39 Sport Coordinators to improve the standard of school sport. Other events will include promotion of rural games and support other communities based sporting events. A budget of R16.9 million has been set aside for sporting at schools.

In improving Education and sports development in the province, the allocated budget make provision amongst others on the following focus priorities:

- To improve on providing hygienic sanitation and solid waste removal, the department has made an undertaking to focus on sanitation at schools and a budget provision of R60.7 million was made available.
- The department provide nutritious food to the needy learners in schools through the National School Nutrition Programme (NSNP) with the aim of reducing poverty.
- To provide qualifying Learners from the farms and deep rural areas staying 5km from the school scholar transport. Last financial year 35 813 learners benefited and an additional of 15 000 more learners still need scholar transport in the year under review.
- The department has established Fundza Lushaka bursary to ensure that adequate, qualified and competent educators can be employed in schools that have shortage of staff.
- In an effort to strengthen education and sport development in Villages, Towns and Small Dorpies (VTSD) the department will improve mobile classrooms, maintenance of school infrastructure and mitigate the backlog to affected areas.

2.4.6 Health

Key to inclusive growth is promoting the well-being of citizens, so that they may access opportunities that enable both Reconciliation, Healing and Renewal and economic growth. The department of Health's budget is the second largest at 26 per cent of the total provincial budget.

The department is allocated R10.461 billion in 2017/18, R11.121 billion in 2018/19 and R12.011 billion in 2019/20. The allocation is for health promotion interventions, including primary health care, primary prevention and early detection on non-communicable diseases.

This also includes, amongst others: -

- Maintenance of health facilities will focused more on Villages, Townships and Small Dorpies to propel economic development and ensure that basic and small jobs are done in collaboration with local entrepreneurs and cooperatives.
- TB targeted intervention is continuing together with the Department of Correctional Services and Mines as well as Developmental partners, and Are Batleng TB Research Project points to a great success when government and community join hands to tackle social challenges.
- Plans are in place to improve immunisation coverage to above 95 per cent. The Department will engage other relevant departments and other stakeholders to address challenges of infant mortality, particularly management of malnutrition in the Province.
- The department will expand to a Nurse Connect project to provide workplace support to nurses and midwives through a targeted programme.
- The department undertook to work with the department of Agriculture to expand the food gardens programme primarily targeting rural areas.
- Increase community households involvement in security and promoting the health of children.
- Expand and re-engineer primary health care, including municipal Ward-based.

The department will continuously use the Setsokotsane approach to screen the community on diseases and provide appropriate on time health intervention as early as possible. This has proven to reduce health costs and to reduce the burden of disease in the province.

2.4.7 Social protection

The Department of Social Development is allocated R4.919 billion over the MTEF, in support of and to give effect to inclusive growth as well as to provide services which enables and empower the poor and vulnerable. The allocation will also improve access to quality Early Childhood Development through the provision of comprehensive ECD services as an instrument to make investments in health, development of capabilities, and mitigate vulnerabilities and to serve as the building blocks for future resilience.

The Department will intensify efforts to protect and promote the rights of Persons with Disabilities as per the UN Convention on the Rights of Persons with Disabilities by upscaling establishment and resourcing of centers for Persons With Disabilities for care and protection services, protective workshops/sheltered employment centers for Persons With Mental Disability, empowerment programmes for persons with Disability who due to their disability cannot be mainstreamed in mainstream society and increase subsidy for centers rendering service to Persons With Disabilities.

In response to the spirit of Saamtrek-Saamwerk, the department will direct resources towards strengthening of Provincial, District and Local War Rooms as well as alignment with Councils of Stakeholders established by the Department of Agriculture and Rural Development for coordination of the Comprehensive Rural Development Programme and for the profiling of information regarding the most vulnerable individuals, households and communities.

In fight against HIV & AIDS the department's programmes is making transfer payment: to Home Community Based Care & Drop in centres, which is aimed at strengthening and expanding services to the infected and affected through the Home Community Based Care Programmes.

2.4.8 Local Government and Human Settlements

The Department of Local Government and Human Settlements has identified and prioritised human settlements and water and sanitation projects to be implemented in all Villages, Townships and Small Dorpies across the Province.

In support of Saamtrek-Saamwerk the department through back to basics will foster cooperation between different structures which involves District Municipalities, SALGA, and the Department of Corporative Governance and Traditional Affairs, work close with the municipalities on delivery of houses, creating job opportunities through the Community Work Programme in municipalities. The department will also train council committee members on good governance and will assist municipalities with recovery of outstanding debts through provincial and national debt management forums.

2.4.9 Infrastructure

The Provincial Treasury will continue with the sustainability of the Bokone Bophirima Infrastructure Delivery Management System (IDMS Framework) through the implementation of the Infrastructure Progression Model (IPM) which is piloted in the North West Province by National Treasury. The objective of the IPM is to assess how provincial departments has progressed in the institutionalisation of the IDMS as well as to assess weaknesses and strengths which will set the basis for the improvement actions.

The Provincial Treasury in collaboration with Public Works, Office of the Premier and Local Government will continue with the institutionalisation of the Infrastructure Shared Services Model to departments as well as municipalities with the objective of guiding the functionality and coordination of infrastructure governance structures, procurement as well as integrated planning and delivery in the province.

Infrastructure is required by the State and State Owned businesses to deliver services to its citizens. Despite state organs having differing mandates some generates revenue but requires infrastructure to expand their revenue generation services whilst others relies on government funding to satisfy their infrastructure needs. Given the importance on infrastructure in developing the economy, Treasury will continue with the monitoring of infrastructure performance and the necessary capacitation of the built environment professionals, enforcing compliance as well as reporting on progress realised with the delivery of sustainable socio-economic infrastructure.

Maximizing value for money, balancing economic pressures and the social impact should always be the primary objective of public policy. In times of fiscal consolidation or scarce public resources, the need to make the most impactful spending decisions is critical therefore focus must be on maintenance of existing infrastructure.

Public infrastructure that is acquired needs to be financially, economically and technically viable, and should offer value for money over its life cycle. Underlying value for money is an explicit commitment to ensure that the best results possible are obtained from the money spent, or the maximum benefit is derived from the resources available. It is a means for developing a better understanding (and better articulation) of costs and results so that more informed, evidence-based choices can be made.

2.4.10 General Public Services

The main mandate is the Provincial Treasury is to effectively manage public finances and strive to maintain fiscal stability within the current constrained fiscal environment. While maintaining fiscal stability, the focus over the medium term will also continue to improve service delivery and complemented by effective accountability to the citizens of the province.

Provincial departments and public entities will continue with measures to contain operational costs and eliminate non-essential expenditure, these measures are linked with procurement reforms and budget reductions introduced in 2013. Through the implementation of these measures spending was curtailed on non-essential goods and services in real terms. Similarly, spending for essential goods and services including medicine, fuel, laboratory services, infrastructure maintenance, learner and teacher support materials will be protected.

2017/18 Overview of Provincial Revenue and Expenditure

The Office of the Premier will continue to facilitate the intergration of provincial plans monitor, evaluate and intervene in programmes of government while at the same time cooperating with provincial departments, municipalities and public entities, in pursue of quality management practices in order to achieve value for money, efficiency and effectiveness of service delivery.

In support of RRR provincial policy thrust, the department of Economy and Enterprise Development will 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.

2.5 Summary of budget aggregates

Table 2.1 below outlines the summary of revenue, payments, own financing components and donor funding over the seven-year period. The 2017 budget commit the Bokone Bophirima Government to maintain a responsive and sustainable budget which give effects to the policy imperatives of the 5th Administration of the province.

The detailed analysis of the provincial total receipts and payments is given in sections below namely, receipts and payments of this Overview of the Provincial Revenue and Expenditure.

Table 2.1: Summary of Budget Aggregates

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Provincial receipts									
Transfer receipts from national	28 002 700	30 387 840	33 727 846	35 103 304	35 103 551	35 103 551	37 881 996	40 174 840	43 051 176
Equitable share	22 830 044	24 752 480	26 667 757	28 062 307	28 062 307	28 062 307	30 329 643	32 472 636	34 857 190
Conditional grants	5 172 656	5 635 360	7 060 089	7 040 997	7 041 244	7 041 244	7 552 353	7 702 204	8 193 986
Provincial own source receipts	934 826	939 574	1 001 367	1 121 946	1 098 617	1 098 617	1 181 276	1 250 608	1 320 940
Total provincial receipts	28 937 526	31 327 414	34 729 213	36 225 250	36 202 168	36 202 168	39 063 273	41 425 448	44 372 116
Provincial payments									
Current payments	22 970 099	24 257 498	25 375 894	28 438 354	28 782 635	29 343 879	30 782 346	32 942 382	35 414 004
Transfers and subsidies	3 803 044	5 098 280	5 687 387	5 607 453	5 573 864	5 600 181	5 691 306	5 987 400	6 271 016
Payments for capital assets	2 967 769	2 262 595	3 184 473	2 182 965	2 232 701	2 267 300	2 607 650	2 497 634	2 689 181
Payments for financial assets	855	346	10 530						
<i>Of which: Unallocated contingency reserve</i>									
Total payments	29 741 767	31 618 719	34 258 284	36 228 772	36 589 200	37 211 360	39 081 302	41 427 416	44 374 201
Surplus/(deficit) before financing	(804 241)	(291 305)	470 929	(3 522)	(387 032)	(1 009 192)	(18 029)	(1 967)	(2 085)
Unallocated amounts									
Provincial Rollovers	173 416	246 150							
National Rollovers	289 494	115 747	141 915		90 046	90 046			
Donor funding			1 258	3 522	3 522	3 522	1 856	1 967	2 085
Other Financing	848 764	748 084	335 808		293 464	293 464	16 173		
Surplus/(deficit) after financing	507 433	818 676	949 910	-	-	(622 160)	-	-	-

In aggregate, the province recorded surpluses after financing in 2013/14, 2014/15 and 2015/16. This demonstrates a careful cash and budget management as the province has spent very close to the budget for the past few years, and has remained cash positive in terms of the positive provincial bank balance.

Indictaions are that the provide will over spend by R622.2 million as at 31 December 2016, if the spending trends and projections by departments remain the same at the end of 2016/17 financial year.

However, the Provincial Treasury has put measures in ensuring that Accounting Officers must take full responsibility and as overspending by departments will constitute an unauthorized expenditure.

Over the 2017 MTEF period, the North West Province will continue to table the balanced budget, which is informs by repriorisation within the departmental baselines, introduction of moratorium on filling of non-critical posts (existing headcount and recruitment must be managed within the compensation of employees's budget) and continuous implementation of cost containment measures by reducing expenditure on "frills" and "nice to have" and re-direct these funds into service delivery areas.

The provincial budget grows from R37.211 billion in 2016/17 to R39.081 billion in 2017/18 and to R44.374 billion in the last outer year of the MTEF. In terms of the economic classifications, current payments has the biggest share of the provincial budget at 78.8 per cent, followed by transfer and subsidies at 14.6 per cent. The main driver within current payments is compensation of employees which is at 57.9 per cent of the provincial budget and goods and services at 20.9 per cent of the total provincial budget. Measures are in place to contain and manage the compensation of employees over the MTEF period.

2.6 Financing

Financing is mainly refers to the rollovers from unspent national conditional grants and unspent provincial equitable share. These unspent funds are in respect of once-off expenditure such as purchasing of machinery and equipment, completion of infrastructure projects, etc. these unspent funds are then reallocated to the relevant department during adjustment estimate budget in line with section 31(2)(g) of the PFMA and section 6.4 of Treasury Regulations.

Financing is also refers to surplus funds in the provincial revenue fund, after taking into account all commitments and subsequent roll-overs. This includes unspent appropriated funds in departments that were not rolled over to the following financial year, as well surplus from the provincial own revenue that was collected in the previous financial years. This als includes unspent funds which were surrendered in one financial year and funds realised as a result of reprioritisation, which are then reallocated to departments to fund provincial priorities.

In 2016/17 financial year, R90.046 million was approved as national conditional grants rollovers which is made up of R33.793 million rollover for the Department of Health, R51.032 million for the Department of Education and R5.2 million for the Department of Department of Culture, Arts and Traditional Affairs. During the same period, an amount of R283.989 million was realised as a result of reprioritisation and from provincial equitable share rollovers.

2.7 Donor Funding

The Department of Health received an amount of R2 million in 2016/17, R1.9 million in 2017/18, R2 million in 2018/19 and R2.1 million in 2019/20 as donations from Netcare to fund 4 Registrar posts based in Klerksdorp Tertiary Hospital for a period of four years. This agreement was effective towards end of 2015/16 financial year.

3. Budget Process and the Medium- Term Expenditure Framework

The provincial budget process requires extensive consultation between the Province and National Government and within the Province between departments and public entities. This vigorous consultations process includes amongst others, intergovernmental engagements (both at national and provincial level, Executive Committee (EXCO), Provincial Treasury, National Treasury, Budget Council, Financial and Fiscal Commission (FFC), Provincial Departments, the Provincial Medium Term Expenditure Committee (MTEC) as well as various Makgotlas (EXCO Lekgotla and Provincial Budget Lekgotla).

The process aims to ensure that resources are allocated to government priorities and that provincial spending remains within sustainable fiscal limits throughout the MTEF. The budget is the funding commitment in support of programmes and projects which are aligned with the policy objectives of government, including those set out in the National Development Plan, the 2014-2019 Medium Term Strategic Framework (MTSF) and provincial policy thrust of Rebranding, Repositioning and Renewal (RRR), which is an overarching concept of the provincial five concretes.

Departments were requested to ensure that there is synergy between the revised Annual Performance Plan, the NDP and 2014-2019 MTSF. The plans and budgets of departments and public entities should also demonstrate how the NDP priorities would be achieved over the MTEF period and beyond.

Given the constrained fiscal environment, departments and public entities were requested to fund any new priorities through reprioritisation process and as in the previous MTEF's cycles, departments were also asked to continue to implement the cost containment measures and to redirect any savings realised to core items that will improve service delivery.

4. Receipts

4.1 Overall Position

Table 4.1 below shows the total provincial fiscal framework over the 2017 MTEF budget which amounts to R124.9 billion.

The North West fiscal framework is financed from three sources of funding, i.e national transfers (comprised of the provincial equitable share and conditional grants); and Provincial own receipts (made amongst others, casino taxes, horse racing taxes, liquor licences, motor vehicle licences). Since 2013/14 to 2015/16 the transfers receipts from national has been increasing. Over the MTEF, total national transfers are projected to increase from adjusted appropriation of R35.205 million in 2016/17 to R37.897 million in 2017/18, R40.175 million in 2018/19 and R43.046 million in 2019/20. Year-on-year the transfers grows by 7.6 per cent and by 6.9 per cent over the MTEF period.

In 2013/14, the actual provincial receipts collected amounted to R934.8 million, increased to R1 billion in 2015/16, this is an increase of R66.5 million. The province budgeted a own revenue collection of R1.121 billion in 2016/17 and was adjusted downwards to R1.099 billion , with a revised estimate of R1.144 billion in the same year. R3.8 billion is projected to be collected over the 2017 MTEF, reflecting an annual average growth of 4.9 per cent.

Table 4.1: Summary of the provincial fiscal framework

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Provincial receipts									
Transfer receipts from national	28 002 700	30 387 840	33 727 846	35 103 304	35 193 597	35 193 597	37 881 996	40 174 840	43 051 176
Equitable share	22 830 044	24 752 480	26 667 757	28 062 307	28 062 307	28 062 307	30 329 643	32 472 636	34 857 190
Conditional grants	5 172 656	5 635 360	7 060 089	7 040 997	7 131 290	7 131 290	7 552 353	7 702 204	8 193 986
Financing	848 764	748 084	337 066	3 522	296 986	296 986	18 029	1 967	2 085
Total provincial receipts	28 851 464	31 135 924	34 064 912	35 106 826	35 490 583	35 490 583	37 900 026	40 176 807	43 053 262
Tax receipts	376 361	497 282	520 720	576 309	576 309	576 309	632 786	678 959	716 461
Sales of goods and services other than capital assets	353 143	285 163	314 714	368 417	350 909	350 909	371 465	386 571	409 025
Transfers received from:	-	590	-	-	-	-	-	-	-
Fines, penalties and forfeits	17 739	14 318	17 683	18 996	18 720	18 720	19 743	20 874	22 112
Interest, dividends and rent on land	172 775	124 038	124 476	128 698	128 748	128 748	134 290	138 937	146 731
Sales of capital assets	192	1 327	3 729	10 895	8 270	8 270	7 082	7 445	7 709
Financial transactions in assets and liabilities	14 616	16 856	20 045	18 631	15 661	61 744	15 910	17 823	18 902
Total departmental own receipts	934 826	939 574	1 001 367	1 121 946	1 098 617	1 144 700	1 181 276	1 250 608	1 320 940
Total Provincial Fiscal Framework	29 786 290	32 075 498	35 066 279	36 228 772	36 589 200	36 635 283	39 081 302	41 427 415	44 374 202

4.2 Equitable Share

The provincial equitable share constitutes an average of 77.7 per cent of the transfer that the province receives from national. The equitable share is formula driven, it is based on demographic and economic statistics that attempt to capture the relative demand for public services. The largest portion of funds available to provinces is aimed at meeting constitutional mandates of section 214 and 227 of the constitution of the Republic.

To ensure that the formula remains responsive to the population and service delivery changes and is reflective of inter-provincial changes, the data used in the formula are updated on an annual basis. These includes, population flows using Statistics South Africa's 2016 Mid-Year Population Estimates; regional GDP using Statistics South Africa's estimates; enrolment data supplied by the Department of Basic Education; patient load data from Department of Health; and data on the number of people with medical aid cover using the Statistics South Africa's General Household Survey estimator.

As a result of weak economic growth, resources had to be available for fiscal consolidation and reductions and reprioritisation provincial fiscal framework.were made to fund urgent government priorities. As a contribution to the fiscal consolidation, a net reduction of R500 million in 2017/18 in the provincial equitable share was implemented.

Table 4.1 above set out the Provincial Equiatble Share for 2017 MTEF. The equitable share transfers to the province increased by R3.3 billion or by 7.5 per cent from the adjusted equitable share of R28.2 billion in 2016/17 to R30.3 billion in 2017/18, R32.5 billion in 2018/19 and R34.9 billion in 2019/20. Over the MTEF equitable share transfers to the province grows by an average of 7 per cent.

4.3 Conditional Grants

Conivditional grants are assigned to provinces from national government to persue specific national objectives and targets aimed at enhancing service delivery as well to address policy concerns that are inter-provincial in nature. Conditional grants are also used to ensure that the minimum standards for the provision of national priorities are met across all provinces.

Following the tabling of the 2016 Medium Term Budget Policy Statement, the growth forecast was revised downward from 0.9 per cent to 0.5 per cent, as a result of weak economic growth. Resultantly, in conditional grants reduced in support of the government-wide fiscal consolidation efforts. However, changes to conditional grants were limited. Focus was on poor performing grants as well grants which have higher than average growth rates. To ensure that service delivery continues, baselines allocations were protected.

The table 4.2 below shows provincial conditional grants allocations per departments over the MTEF. Conditional Grants funding is the second largest source of funding for the province and it constitutes 19.3 per cent of transfers that the province receives from national. Conditional grants increased by 5.6 per cent or by R421 million, from an adjusted appropriation of R7.041 billion to R7.552 billion in 2017/18. Over the 2017 MTEF grants will increase by 4.5 per cent on an annual average.

Overview of the Provincial Revenue and Expenditure

Table 4.2: Provincial summary of conditional grants

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Amount Received			Main appropriation	Adjusted appropriation	Revised estimate	Medium Term Expenditure Estimates		
Department/Grant									
Agriculture, Forestry and Fisheries	197 644	233 612	253 374	238 327	238 327	238 327	240 383	251 465	280 558
Agricultural Disaster Management Grant	-	-	-	-	-	-	-	-	-
Comprehensive Agricultural Support Programme Grant	144 433	179 410	195 066	171 258	171 258	171 258	169 167	176 054	201 050
Ilima/Letsema Projects Grant	43 068	46 062	50 337	59 448	59 448	59 448	63 178	66 843	70 586
Land Care Programme Grant: Poverty Relief and Infrastructure Development	10 143	8 140	7 971	7 621	7 621	7 621	8 038	8 568	8 922
Arts and Culture	64 058	98 883	-	136 494	141 715	141 715	141 092	148 864	181 418
Community Library Services Grant	64 058	98 883	-	136 494	141 715	141 715	141 092	148 864	181 418
Basic Education	916 653	1 041 063	1 428 028	1 426 161	1 476 073	1 476 073	1 560 790	1 485 380	1 566 752
Dinaledi Schools Grant	11 147	11 785	-	-	-	-	-	-	-
Education Infrastructure Grant	521 622	623 602	995 107	971 989	1 013 007	1 013 007	1 074 331	965 464	1 019 530
HIV and Aids (Life Skills Education) Grant	16 122	17 388	17 531	16 629	16 629	16 629	17 825	18 859	19 915
National School Nutrition Programme Grant	348 912	366 890	381 566	402 789	407 300	407 300	430 976	456 176	478 985
Occupation Specific Dispensation for Education Sector Therapists Grant	-	1 417	446	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation Grant	18 850	19 981	-	-	-	-	-	-	-
Maths, Science and Technology Grant	-	-	33 378	34 754	39 137	39 137	35 384	38 125	40 280
learner with Profound intellectual Disabilities grant	-	-	-	-	-	-	2 274	6 756	8 042
Cooperative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Provincial Disaster Grant	-	-	-	-	-	-	-	-	-
Health	1 649 409	1 785 909	2 064 767	1 980 161	2 013 954	2 013 954	2 241 762	2 378 442	2 576 767
Comprehensive HIV and Aids Grant	825 302	936 938	1 012 984	1 127 523	1 137 969	1 137 969	1 296 769	1 455 195	1 600 959
Hospital Facility Revitalisation Grant	496 121	500 121	695 261	480 434	502 812	502 812	558 261	500 821	528 867
Hospital Revitalisation component	496 121	500 121	695 261	-	-	-	-	-	-
Health Professions Training and Development Grant	98 666	104 586	106 970	111 565	111 565	111 565	119 194	126 107	132 452
National Tertiary Services Grant	224 470	237 264	242 625	253 096	253 518	253 518	267 538	283 055	300 482
National Health Insurance Grant	4 850	7 000	6 927	7 543	8 090	8 090	-	-	-
Human Papillomavirus Vaccine Grant	-	-	-	-	-	-	-	13 264	14 007
Higher Education and Training	-	-	-	-	-	-	-	-	-
Further Education and Training College Sector Grant	-	-	-	-	-	-	-	-	-
Human Settlements	1 341 537	1 517 136	-	2 151 817	2 151 817	2 151 817	2 186 679	2 272 399	2 343 861
Housing Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Human Settlements Development Grant	1 341 537	1 517 136	-	2 151 817	2 151 817	2 151 817	2 186 679	2 272 399	2 343 861
Public Works	-	4 611	5 678	93 074	93 074	93 074	46 391	-	-
Devolution of Property Rate Funds Grant to Provinces	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Incentive Grant for Provinces	-	4 611	5 678	51 021	51 021	51 021	14 383	-	-
Health	-	-	-	2 000	2 000	2 000	2 000	-	-
Education and Sports Development	-	-	-	2 000	2 000	2 000	2 000	-	-
Local Government and Human Settlements	-	-	-	2 000	2 000	2 000	2 437	-	-
Public Works and Roads	-	-	-	30 740	30 740	30 740	3 186	-	-
Social Development	-	-	-	2 000	2 000	2 000	2 000	-	-
Rural, Environment and Agricultural Development	-	4 611	5 678	12 281	12 281	12 281	2 760	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	-	-	-	42 053	42 053	42 053	32 008	-	-
Health	-	-	-	12 542	12 542	12 542	21 882	-	-
Community Safety and Transport Management	-	-	-	-	-	-	1 854	-	-
Education and Sports Development	-	-	-	13 637	13 637	13 637	3 557	-	-
Social Development	-	-	-	15 874	15 874	15 874	4 715	-	-
Rural, Environment and Agricultural Development	-	-	-	-	-	-	-	-	-
Social Development	-	-	17 000	-	-	-	53 656	76 686	81 155
Substance Abuse Treatment Grant	-	-	17 000	-	-	-	14 238	17 708	18 700
Early Childhood Development Grant	-	-	-	-	-	-	32 686	51 692	54 581
Social Worker Employment grant	-	-	-	-	-	-	6 732	7 286	7 874
Sport and Recreation South Africa	41 596	43 503	40 752	46 514	47 881	47 881	41 762	43 370	45 058
Mass Participation and Sport Development Grant	41 596	43 503	40 752	46 514	47 881	47 881	41 762	43 370	45 058
Transport	893 582	787 288	788 060	968 449	968 449	968 449	1 039 838	1 045 598	1 118 417
Gautrain Rapid Rail Link Grant	-	-	-	-	-	-	-	-	-
Provincial Roads Maintenance Grant	808 500	696 970	788 060	867 524	867 524	867 524	932 884	933 646	1 000 196
Public Transport Operations Grant	85 082	90 318	-	100 925	100 925	100 925	106 954	111 952	118 221
Total National Conditional Grants	5 104 479	5 512 005	4 597 659	7 040 997	7 131 290	7 131 290	7 552 353	7 702 204	8 193 986

Agriculture

Comprehensive Agricultural Support Programme: the allocation to the grants declines by 1.2 per cent or from R171.3 million in 2016/17 to R169.2 million in 2017/18, this is as a result of the reductions that is directed towards capaciting the national department to conduct the agriculture and rural census. This allocation to the grant is 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.

Illima/Letsema Projects: over the MTEF the grant is allocated an amount of R200.607 million, reflecting an annual average increase 5.9 per cent. The allocation is to assist vulnerable provincial farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production.

Land Care Programme Grant: the grant allocation increase by 5.5 per cent or by R417 thousand, from R7.6 million in 2016/17 to R8 million in 2017/18. The grant is aimed at promoting sustainable use and management of natural resources, leading to greater productivity, food security and job creation.

Arts and Culture Grant

Community Library Services Grant: due to slow spending on the grant in the past financial year, the allocation declines by 0.4 per cent in 2017/18 and an amount of R471.374 million over the MTEF period is set aside to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalized programme at provincial level in support of local government and national initiatives.

Basic Education Grants

HIV and Aids (Life Skills Education) Grant: the grant allocation grows by 7.2 per cent or from R16.6 million in 2016/17 to R17.8 million in 2017/18, the allocation is set aside 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: inflation has put pressure on this grant particularly as it provides food, as a result the grant allocation grows by 5.8 per cent year-on-year. R1.336 billion over the MTEF is set aside to ensure that the programme can continue to provide a nutritious meal to all qualifying learners on school days.

Mathematics, Science and Technology Grant: allocated an amount of R35.4 million in 2017/18 and it increase to R40.3 million in 2019/20. The allocation is 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: reprioritisation within this grant was made to allow for the completion of existing school infrastructure backlog projects to ensure that the department eradicate all inappropriate school infrastructures and provide water, sanitation and electricity to schools in the province. To address this, an amount of R1.074 billion in 2017/18 is allocated.

Learners with Profound Intellectual Disabilities Grant: is a new grant introduced in 2017/18 financial year, its purpose is to provide educational opportunities to learners with severe and profound Intellectual Disabilities. An amount of R17.1 million is allocated over the 2017 MTEF.

Health Grants

Comprehensive HIV and Aids Grant: although the grant was reduced by a net amount of R327.3 million over the MTEF, the allocation to the province on this grant grows at an annual average of 6.2 per cent. An amount of R4.353 billion in over the MTEF is set aside to enable the health sector to develop and implement an effective response to HIV and AIDS and TB. The allocation is also to ensure that the capacity of the grant to deliver treatment services to the same number of patients is maintained.

Hospital Facility Revitalization Grant: although the grant has been reduced over the MTEF, the reduction does not impact on the implementation of current projects, reprioritisation need to be applied moving forward. To accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organizational development systems and quality assurance, an amount of R1.588 billion over the MTEF is allocated.

National Tertiary Services Grant: an amount of R267.5 million in 2017/18 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: over the MTEF an amount of R377.8 million is allocated to service costs associated with clinical teaching and training of health science trainees on the public service platform.

Human Settlements Grant

Human Settlement Development Grant: is allocated R6.803 billion over the 2017 MTEF with R2.187 billion in 2017/18, R2.272 billion in 2018/19 and R2.344 billion in 2019/20. The purpose of the grant is to provide funding for the creation of sustainable and integrated human settlements in the province.

Public Works and Transport Grants

The province will spend R46 million in 2017/18 financial year on Expanded Public Works Programme Integrated Grant towards creation of job opportunities in the province. Part of the money is allocated to various departments and will be coordinated by the Department of Roads and Public Works.

Provincial Roads Maintenance Grant: is allocated R2.867 billion over the 2017 MTEF, with R932.9 million in 2017/18, R933.6 million in 2018/19 and R1 billion in 2019/20. This is 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.

Community Safety and Transport Management

Public Transport Operations Grant: to provide supplementary funding towards public transport services provided by provincial departments of transport, an amount of R107 million in 2017/18 is allocated to achieve the objectives of the grant.

Social Development Grant

Early Childhood Development Grant: R32.7 million is allocated in 2017/18 to address both access of young children to early childhood education, while ensuring the adequacy of facilities that house these young minds during these critical education years.

Social Worker Employment Grant: to ensure that the needs of social workers in the sector are addressed and to reduce the backlog in the number of social worker graduates that remain unemployed after completion of their government subsidized education. Over the MTEF period, R21.9 million is allocated.

Sport and Recreation

Mass Participation and Sport Development Grant: R41.8 million in 2017/18 is allocated towards this grant to facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders.

4.4 Total Provincial Own Receipts

The Table 4.3 shows provincial own revenue collected over the seven-year financial period by economic classifications. Provincial own revenue plays a critical role in supplementing national transfers and funding provincial priorities. Bokone Bophirima own revenue collection contributes 3 per cent of the total budget while national transfers contribute 97 per cent.

Overview of the Provincial Revenue and Expenditure

Provincial departments collect revenue from different sources with the exception of the North West Provincial Legislature. There are four major revenue generating departments within the province namely; Community Safety and Transport Management through motor vehicle and drivers licence fees, Economy and Enterprise Development through gambling taxes, Finance through interest earned from unspent funds during the financial year and Health patient's fees.

Table 4.3: Total provincial own receipts

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Tax receipts	376 361	497 282	520 720	576 309	576 309	576 309	632 786	678 959	716 461
Casino taxes	90 652	99 005	111 799	139 322	139 322	139 322	161 200	179 148	189 180
Horse racing taxes	5 423	5 908	8 000	15 000	15 000	15 000	18 000	20 000	21 120
Liquor licences	2 476	2 744	2 722	3 878	3 878	3 878	4 072	4 308	4 549
Motor vehicle licences	277 810	389 625	398 199	418 109	418 109	418 109	449 514	475 503	501 612
Sales of goods and services other than capital assets	353 143	285 163	314 714	368 417	350 909	350 909	371 465	386 571	409 025
Sales of goods and services produced by department (excl. capital assets)	352 352	285 012	314 383	368 291	350 787	350 787	371 305	386 326	408 807
Sales by market establishments	2 082	4 721	4 175	1 755	1 755	1 755	1 939	2 035	2 149
Administrative fees	13 019	2 871	2 855	14 323	11 491	11 491	13 574	14 586	15 695
Other sales	337 251	277 420	307 353	352 213	337 541	337 541	355 792	369 705	390 963
Sales of scrap, waste, arms and other used current goods (excl. capital assets)	791	151	331	126	122	122	160	245	218
Transfers received from:	-	590	-	-	-	-	-	-	-
Other governmental units (Excl. Equitable share and conditional grants)	-	540	-	-	-	-	-	-	-
Public corporations and private enterprises	-	50	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	17 739	14 318	17 683	18 996	18 720	18 720	19 743	20 874	22 112
Interest, dividends and rent on land	172 775	124 038	124 476	128 698	128 748	128 748	134 290	138 937	146 731
Interest	172 771	123 793	124 476	128 694	128 744	128 744	134 285	138 932	146 726
Dividends	4	245	-	4	4	4	5	5	5
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	192	1 327	3 729	10 895	8 270	8 270	7 082	7 445	7 709
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	192	1 327	3 729	10 895	8 270	8 270	7 082	7 445	7 709
Financial transactions in assets and liabilities	14 616	16 856	20 045	18 631	15 661	61 744	15 910	17 823	18 902
Total departmental own source receipts	934 826	939 574	1 001 367	1 121 946	1 098 617	1 144 700	1 181 276	1 250 608	1 320 940

Table 4.3 shows **Tax receipts** which exhibits significant growth from R376.361 million to R576.309 million between 2013/14 and 2016/17, respectively. The major revenue sources in this category are Motor vehicle licences and Casino taxes. Over the MTEF, this category is projected to rise from R632.786 million in 2017/18 to R716.461 million in 2019/20. The increase in motor vehicle licences is as a result of the increase in vehicle population and casino taxes increases is due to increase in consumer activities.

Sale of goods and services other than capital assets increased from R353.143 million in 2013/14 to R409.025 million in 2019/20. The projected under-collection in the 2017/18 Revised Estimate can be ascribed to DOH, largely as a result of lower than anticipated collection against Health patient fees. Over the MTEF, the steady increase in this category is related to inflationary increments.

Fines, penalties and forfeits increased from R17.739 million in 2013/14 to R22.112 million in 2019/20, reflecting a steady increase due to traffic offences and other related fines.

2017/18 Overview of Provincial Revenue and Expenditure

Interest, dividends and rent on land fluctuates over the seven-year period. This revenue largely accrues from the interest earned from the Inter-Governmental Cash Co-ordination (IGCC) and Pay Master-General (PMG) accounts. The budget grows gradually over the MTEF.

Financial transactions in assets and liabilities consists of recovery of previous year's expenditure, loan repayments, and other revenue items. Financial transactions in assets and liabilities are projected to decline by an annual average growth rate of 74.2 per cent from R61.744 million in 206/17 to R15.910 million in 2017/18.

The Table 4.4 provides provincial own revenue collected over the seven-year financial period by votes. There most significant own revenue contributors are the department of Community Safety and Transport Management, Economy and Enterprise Development, Finance and Health.

Table 4.4: Summary provincial own receipts by vote

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Office of the Premier	1 569	589	320	330	330	330	350	367	388
Provincial Legislature	-	-	-	-	-	-	-	-	-
Health	56 385	64 660	64 450	73 058	73 058	73 058	76 711	80 547	85 058
Cultural, Arts and Traditional Affairs	945	992	1 148	1 263	1 263	1 263	1 389	1 458	1 540
Community Safety and Transport Management	384 013	574 239	625 113	656 367	656 367	702 450	699 685	734 670	775 811
Economy and Enterprise Development	101 871	108 102	122 610	158 320	158 320	158 320	183 392	203 576	214 976
Finance	176 557	124 810	120 890	124 887	124 887	124 887	130 179	134 588	142 125
Education and Sports Development	16 227	17 159	17 898	18 798	18 798	18 798	19 738	20 725	21 886
Local Government and Human Settlements	2 442	2 197	1 518	1 436	820	820	869	921	976
Tourism	-	-	114	114	550	550	588	629	672
Public Works and Roads	184 387	33 958	30 186	66 919	46 984	46 984	50 038	53 540	56 753
Social Development	706	1 004	3 616	1 611	1 611	1 611	1 692	1 777	1 877
Rural, Environment and Agricultural Development	9 724	11 864	13 504	18 843	15 629	15 629	16 645	17 810	18 878
Total departmental own source receipts	934 826	939 574	1 001 367	1 121 946	1 098 617	1 144 700	1 181 276	1 250 608	1 320 940

Community Safety and Transport Management: The department continues to be the major contributor to the total provincial own revenue in the province. The department's revenue increases from R384.013 million in 2013/14 to R702.058 million in 2016/17 revised estimate. Over the 2017 MTEF is increase by an annual average growth of 3.4 per cent to reach R775.811 million in 2019/20. The increase continues to be informed the growth in vehicle population and higher than anticipated application of new and the renewal of motor licenses.

Economy and Enterprise Development: the department's main sources of revenue are from Casino taxes and Horse racing taxes in respect of the North West Gambling Board. Over the seven-year financial period, the departments budget is reflecting a steady increase, increasing from R101.871 million in 2013/14 to R214.976 million in 2019/20 due to increase in consumer activities.

Finance: generates a significant portion of revenue through accrues from the interest earned from positive bank balances in the IGCC and PMG accounts, which is reflected against *Interest, dividends and rent on land*. Over the 2017 MTEF the department is projecting to collect R406.892 million, this is difficult to project as is driven by the spending trends of provincial departments.

Health: the revenue collection for the department is mainly from patient fees which are classified under Sales of goods and services other than capital assets. The department projects to collect R76.711 million in 2017/18, R80.547 million in 2018/19 and R85.058 million in 2019/20, reflecting an average growth rate of 5.2 per cent. The projected own revenue show a steady increase, however the department is experiencing difficulties with the collection of patient fees.

Departmental fees on patients are revised once a year and the review is done by National Department of Health taking into the consideration the Consumer Price Index. The role of the province is to implement the fees across all hospitals. The Electronic Data Interchange that is implemented at all hospitals also contributes to improve collection at all hospitals in the medical schemes fraternity.

In improving on revenue collection, the department intent to implement an online ITC linked System that will validate the demographic details of each and every person using the services of our hospitals.

5. Payments

5.1 Overall Position

As reflected in Table 5.1 below the total expenditure grows by 8 per cent from R29.742 billion in 2013/14 to R34.258 billion in 2015/16. Over the MTEF expenditure is expected to by 6 per cent or to R44.374 billion in 2019/20.

The 2017 MTEF budgets commits Bokone Bophirima government to continue to work towards realizing the objectives of RRR agenda which support the NDP and strives to grow the provincial economy despite the slow economic growth.

In support of national priorities, Bokone Bophirima government has prioritized spending on education, healthcare, housing and social development, which is in line with the Constitution and the bill of rights. The expenditure growth in Health amongst others is mainly driven by expanded provision of antiretroviral treatment and implementing of a universal test-and-treat policy, while in Education the growth is driven by drive to improve the quality of and access to basic education, in Social Development is mainly for early childhood development.

5.2 Payments by Vote

Table 5.1 above summarises the provincial payments and estimates per vote from 2013/14 to 2019/20.

2017/18 Overview of Provincial Revenue and Expenditure

Table 5.1 Summary of payments and estimates by Vote

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	MTEF		
Office Of The Premier	438 274	550 729	852 861	522 741	617 036	589 436	648 857	712 998	795 267
Provincial Legislature	210 708	280 293	302 263	349 435	388 672	376 938	449 484	471 443	489 631
Health	8 393 477	8 372 853	9 042 677	9 460 530	9 675 937	10 334 747	10 461 340	11 121 303	12 011 392
Cultural, Arts And Traditional Affairs	437 061	501 449	585 294	639 003	647 073	647 073	711 440	732 606	801 908
Community Safety And Transport Management	1 388 534	1 538 857	1 802 470	1 851 672	1 913 894	1 913 894	1 983 725	2 092 903	2 218 305
Economy And Enterprise Development	185 863	225 799	234 760	272 187	275 817	275 817	305 268	333 372	353 783
Finance	391 185	421 085	425 598	485 643	464 657	464 657	486 299	512 081	545 757
Education And Sports Development	11 679 448	12 077 940	13 109 934	14 351 886	14 262 562	14 262 562	15 281 697	16 261 250	17 398 783
Local Government And Human Settlements	1 754 482	2 189 675	2 612 189	2 645 675	2 690 451	2 690 450	2 709 162	2 827 082	2 933 610
Tourism	87 436	138 305	118 073	229 261	231 523	231 523	245 761	260 550	276 349
Public Works And Roads	2 654 570	2 934 376	2 699 137	2 720 913	2 742 546	2 749 872	2 895 063	3 019 716	3 247 869
Social Development	1 048 717	1 218 083	1 289 264	1 414 986	1 392 691	1 392 691	1 532 570	1 640 719	1 745 474
Rural, Environment And Agricultural Development	1 072 012	1 169 275	1 183 764	1 284 840	1 286 341	1 281 700	1 370 636	1 441 393	1 556 073
Total	29 741 767	31 618 719	34 258 283	36 228 772	36 589 200	37 211 360	39 081 302	41 427 416	44 374 201

The department of Education remains the highest spending provincial department, at 39 per cent, Health remains the second highest spending department at 26 per cent, while Social Development is at 3.9 per cent of the total provincial budget. Local Government and Human Settlement takes 6.9 per cent of the provincial budget, mainly from conditional grants of R2.187 billion in 2017/18.

In purpose of the allocations are summarized as follows, the Estimate of Provincial Revenue and Expenditure provides the details per department:

Office of the Premier

The budget for the Office of the Premier grows by 10 per cent from the revised estimate of R589.436 million in 2016/17 to R648.857 million in 2017/18. This is to ensure that the Office of the Premier is able to work with partners in order to, improve government performance in achieving the desired outcomes; improve service delivery through changing the way government works; and in implementing the Rebrand, Reposition and Renew Bokone Bophirima Province through the five concretes namely; Agriculture, Culture and Tourism (ACT), Villages, Townships and Small Dorpies (VTSD), Reconciliation, Healing and Renewal (RHR), Setsokotsane, as well as Saamtrek-Saamwerk Philosophy.

Provincial Legislature

Over the medium term, R1.410 billion is allocated to the Provincial Legislature to improve oversight between the provincial legislature and other organs of state, increasing the number of public participation events and public hearings; continuing with outreach programmes such as “Ore bone re go Bone”; increasing participation on international forums and providing support to the fifth democratic parliament. Over the 2017 MTEF the budget grows an annual average of 9 per cent.

Department of Health

The department is the second largest beneficiary of the provincial budget at 26 per cent or R10.461 billion in 2017/18. This allocation includes the funding amongst other to provide mobile services to farming areas to ensure a healthy workforce that will result in an increased productivity and better economic outcomes for the province, expansion and re-engineered primary health care, (including municipal Ward-based), promotion of healthy lifestyles and encouragement of regular screening for non-communicable diseases.

In support of the Saamwerk-Saamtrek pillar the department will ensure community participation on health matters by establishing clinic committees and hospital boards. This initiative will provide the community's perspective towards provision of health care services. The department will engage partners, business community and NGOs to assist in creating health awareness and providing the required health services to the community. This will be more evident in programmes such as HIV&AIDS management, eye care services, screening for the diseases of lifestyle and other priority health programmes.

Inclusive is the allocation for Comprehensive HIV and Aids Grant, Hospital Facility Revitalization Grant, National Tertiary Services Grant and Health Professions Training and Development Grant.

Department of Culture, Arts and Traditional Affairs

An amount of R711.440 million is allocated in 2017/18 and over the MTEF the budget increases to R732.606 million in 2018/19. The allocation will ensure 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.

The allocation also includes a budget 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.

Department of Community Safety and Transport Management

The department receives an amount of R1.984 billion in 2017/18 and it increases to R2.093 billion in 2018/2019 and R2.218 billion in 2019/20. Amongst others funds will be utilised for Civilian oversight through strengthening of Community Policing Forums and establishment of Community Patroller programme; law enforcement through training and recruitment of Traffic Officers, Procurement of Law Enforcement equipment and other resources and mobile weighbridges; to provide for Scholar Transport and Commuter Bus services; and for Mahikeng and Pilanesberg Airports.

Department of Economy and Enterprise Development

The department receives a budget allocation of R305.268 million for 2017/18 that increases to R333.372 million in 2018/19. The allocation is intended for VTSD high value impact projects that are targeting groups within (VTSD) wards exposed to specific opportunities; to host VTSD Lekgotla; to review of VTSD strategy and for SMME development.

Inclusive in the allocation is an amount of R89.590 million allocated to the North West Gambling Board in 2017/18, with the primary objective of regularizing gambling in the Province.

Department of Finance

Over the MTEF period an amount of R2.546 billion, reflecting an average increase of 6 per cent. The allocation for the 2017 MTEF budget will continue to promote capacity building to various departments, municipalities, public entities, strengthening financial governance practices, enforce fiscal discipline and improve operational efficiency and managing provincial budget and spending.

Department of Education and Sports Development

Education and Sports Development is the largest beneficiary of the total provincial budget at 40 per cent. R15.282 billion is allocated in 2017/18 and it increase to R16.261 billion and R17.399 billion in the 2018/19 and 2019/20 respectively. The allocation includes allocation for the improvement of access, equity, efficiency and quality Mathematics, Science and Technology (MST) education in the province by providing support and resources to schools, teachers and learners for the improvement of MST teaching and learning at selected public schools; for the education infrastructure; to provide nutritious meals to targeted schools with the view to enhance learning capacity and improve access to education; for Early Childhood Development and for the implementation of School Sport Mass Participation Programme.

Department of Local Government and Human Settlements

This department receives R2.709 billion in 2017/18, R2.827 billion in 2018/19 and R2.934 billion in 2019/20. The department is mainly funded by conditional grants, namely the Human Settlement Development Grant (HSDG) for which an amount of R2.187 billion is allocated for 2017/18. The HSDG is fundamental for the creation of sustainable and integrated human settlements, hence the drive to provide adequate housing opportunities and improved quality living environments.

In contributing to the Agriculture, Culture and Tourism (ACT) concrete, the department will amongst others strengthen the LED forums, engage with municipalities to identify land suitable for agricultural activities, tourism attractions and to develop water saving strategies to mitigate draught effects.

Department of Tourism

The department is allocated an amount of R245.761 million in 2017/18 and it increases to R260.550 million in 2018/19, primarily to accelerate the tourism development, skills development, marketing and promotion within the Province. The department plans to continue with the development of Hotel schools at Dr Kenneth Kaunda and Bojanala with a budget of R51.8 million and R54.7 million

Department of Public Works and Roads

Total allocation for the department amounts to R2.9 billion in 2017/18 and the aggregated total over the MTEF amounts to R15.192 billion, 32 per cent of the total allocation or R936 million is funded through conditional grants (PRMG). A substantial amount of the department's allocation is for maintenance and construction of buildings and roads; payment of rates and taxes of all government owned properties; property payments such as security services and utilities.

Department of Social Development

The department receives R4.918 billion over the 2017 MTEF. An amount of R1.532 billion is allocated for 2017/18 and this allocation makes provision for amongst others, for the provision of Early Childhood Development (ECD) services through partial care facilities to poor children and for the operationalization of substance dependency treatment facilities in the province. The allocation is inclusive of R6.7 million for the Social Worker Employment Grant, which will assist the department to increase the intake number of social worker graduates from 50 to 85 in 2017/18.

Department of Rural, Environment and Agricultural Development

The baseline allocation for the department in 2016/17 amounts to R1.282 billion, increases to R1.371 billion in 2017/18, R1.441 billion in 2018/19 and to R1.556 billion in 2019/20 to make provision for providing 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.

The promotion of food security remains high on the policy agenda of the province and the department will embark on the establishment of AGRI-PARKS to enhance food security programme of which R25 million for 2017/18, R20 million for 2018/19 and R30 million for 2019/20 is set aside over the MTEF.

4.5 Summary of Payments and Estimates by Economic Classifications

Table 5.2 below presents a summary of payments and estimates by economic classifications from 2013/14 to 2019/20.

Table 5.2 Summary of payments and estimates by economic classifications: North West Province

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	MTEF		
Current payments	22 970 099	24 257 498	25 375 894	28 438 354	28 782 635	29 343 879	30 782 346	32 942 382	35 414 004
Compensation of employees	16 775 101	18 291 092	19 082 449	21 306 748	20 953 809	21 076 917	22 620 361	24 183 133	25 897 516
Goods and services	6 194 386	5 963 370	6 287 878	7 130 268	7 823 985	8 262 066	8 160 754	8 758 046	9 515 216
Interest and rent on land	612	3 036	5 567	1 338	4 841	4 896	1 231	1 203	1 272
Transfers and subsidies	3 803 044	5 098 280	5 687 387	5 607 453	5 573 864	5 600 181	5 691 306	5 987 400	6 271 016
Provinces and municipalities	301 887	300 736	337 991	348 182	428 182	428 181	400 441	433 793	470 492
Departmental agencies and accounts	234 231	247 025	459 399	338 135	323 775	321 169	348 556	376 482	397 625
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	223 586	1 225 134	752 263	779 856	793 082	790 752	792 206	852 219	891 752
Non-profit institutions	1 178 274	1 297 774	1 360 433	1 456 616	1 477 144	1 484 887	1 623 043	1 719 192	1 815 533
Households	1 865 066	2 027 611	2 777 301	2 684 664	2 551 681	2 575 192	2 527 060	2 605 714	2 695 614
Payments for capital assets	2 967 769	2 262 595	3 184 473	2 182 965	2 232 701	2 267 300	2 607 650	2 497 634	2 689 181
Buildings and other fixed structures	2 683 617	2 004 694	2 978 836	1 868 362	1 943 862	1 979 122	2 261 736	2 159 367	2 289 899
Machinery and equipment	283 603	232 793	201 076	309 698	284 929	286 151	336 349	336 083	396 974
Heritage assets	-	-	3 897	3 500	2 000	411	7 500	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	495	499	591	850	800	800	899	951	1 006
Land and sub-soil assets	-	-	-	555	-	-	-	-	-
Software and other intangible assets	54	24 609	73	-	1 110	816	1 166	1 233	1 302
Payments for financial assets	855	346	10 530	-	-	-	-	-	-
Total economic classification	29 741 767	31 618 719	34 258 283	36 228 772	36 589 200	37 211 360	39 081 302	41 427 416	44 374 201

Currents payments

Current payments constitute the largest share of the total provincial spending, at an average of 78.1 per cent over the 2017 MTEF and increases from revised estimate of R29.3 billion in the 2016/17 to R30.8 billion in the 2017/18 financial year.

The largest portion of current payments is *Compensation of employees (CoE)*, which takes 57.9 per cent of the provincial spending; and is set to increase from R21.1 billion in 2016/17 to R22.6 billion in 2017/18, reflecting year-on-year growth of 6.8 per cent. The major share of CoE budget is allocated to Education and Health, due to the need to have educators and health care professionals in these departments to ensure that quality teaching and health care services are provided in the province.

In containing the wage bill the Provincial Treasury will closely monitor the implementation of the moratorium in provincial departments and entities, only critical funded vacant posts will be filled.

Goods and Services declines by 1.2 per cent or from R8.3 billion in 2016/17 to R8.1 billion in 2017/18, mainly in response to the current cost containment measures. The allocation is to cater for critical spending in areas such as medicine, medical supplies, Learner and Teacher Support Material (LTSM) and municipal services.

Transfer Payments and Subsidies

Transfer Payments and Subsidies, over the 2017 MTEF is allocated an amount of R29 billion. A substantial portion of transfers and subsidies is transferred to non-profit institutions emanating from Education to subsidise schools according to the norms and standards for school funding this include, Public ordinary schools, independent schools and Public special education. Social Development also transfers funds to non-profit organisations as this department works in collaboration with the NGO's to deliver services.

The transfers classified under departmental agencies and accounts; and public corporations and private enterprises is from the departments namely, Office Of The Premier, Cultural, Arts and Traditional Affairs, Community Safety and Transport Management, Economy and Enterprise Development, Tourism, Public Works and Roads, Social Development, Rural, Environment and Agricultural Development.

Transfers to household is primarily to cater for the accelerated delivery in housing projects and the eradication of informal settlements in the province delivered by the department of Local Government and Human Settlements.

Payment for Capital assets

Payment for Capital assets increases by 12.9 per cent from R2.3 billion in 2016/17 to R2.6 billion in 2017/18 and over the MTEF it increase by 5.2 per cent. The bulk of the payment for capital assets is driven by the departments of Education, Health, and Public Works and Roads who account for R5.9 billion or 95 per cent of the total provincial capital investment allocation in 2017/18.

Payments by Functional Area

Table 5.3 below shows the summary of provincial payments and estimates for the 2017 MTEF by functional area, details of which are shown in Table A3 of the Annexure to Overview of Provincial Revenue and Expenditure.

Table 5.3 Summary of payments and estimates by functional area

	2013/14	2014/15	2013/14	2016/17			2017/18	2018/19	2019/20
	Outcome			Main	Adjusted	Revised	Medium-term estimates		
R'000				appropriation	appropriation	estimate			
General Public Services	2 524 541	3 584 963	3 381 073	3 120 264	3 281 710	3 247 958	3 326 631	3 569 074	3 846 225
Public order and Safety	1 387 570	1 528 584	1 789 079	1 840 621	1 902 843	1 902 079	1 968 456	2 075 786	2 199 726
Economic Affairs	2 535 864	2 415 185	2 537 064	2 856 835	2 884 286	2 882 151	3 195 245	3 319 300	3 563 318
Environmental protection	214 541	270 002	225 018	257 649	266 650	266 651	276 040	285 062	304 568
Housing and community amenities	1 478 113	1 613 599	2 237 908	2 223 477	2 226 927	2 226 926	2 265 687	2 358 953	2 435 259
Health	8 080 067	8 088 990	8 715 631	9 059 265	9 194 126	9 834 969	10 035 671	10 670 599	11 537 209
Recreation,Culture and religion	600 025	634 891	714 983	790 226	813 574	813 574	866 824	896 148	974 975
Education	11 881 348	12 274 300	13 377 135	14 675 676	14 638 220	14 656 188	15 626 416	16 624 036	17 780 394
Social protection	1 039 698	1 208 205	1 280 392	1 404 759	1 380 864	1 380 864	1 520 332	1 628 458	1 732 527
Total	29 741 767	31 618 719	34 258 283	36 228 772	36 589 200	37 211 360	39 081 302	41 427 416	44 374 201

Table 5.3 above presents provincial payments according to the functions of the government, which in the province relates to the implementation of the Rebrand, Reposition and Renew Bokone Bophirima Province through the five concrete and national priorities. There is a noticeable growth in the payments and estimates relating to the policy areas in the province over the seven-year period. Over the years the level of spending reflects a moderate growth despite national fiscal consolidation.

As reflected on the above table, the highest expenditure is on *Education* and it anticipated to grow from R14.656 billion in 2016/17 to R50.031 billion over the MTEF. The growth is an indication of the provincial commitment to human development in the province. Amongst other the allocation is also for improving the quality of and access to basic education and for the completion of outstanding infrastructure projects.

The second largest expenditure is on *Health* and is expected to increase from R9.835 billion in 2016/17 to R10.036 billion in 2017/18, R10.671 billion in 2018/19 and R11.537 billion in 2019/20. Mainly for the department to be able to render accessible, equitable and integrated quality health care services through 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.

Economic Affairs comprises of Economy and Enterprise Development, Rural, Environment and Agricultural Development, Tourism and Roads. The budget for this category increase to R10.1 billion over the 2017 MTEF, this will ensure that there management and implementation of EPWP, road maintenance, SMME development, to accelerate tourism development, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution.

The growth against *Housing and Community Amenities* from 2013/14 to the 2019/20 of MTEF can mainly be attributed to the increase in the HSDG which is used to promote the provision of low income housing using different programmes, such as project linked subsidies, people's housing programmes, integrated residential development programmes, rural housing subsidies, informal settlement upgrades, social housing, etc.

The category *General Public Services* includes the Legislature and administrative departments such as Premier, Finance, and a portion of Local Government and Public Works. The general growth over the period under review mainly relates additional funding for the Legislature infrastructure.

5.5 Infrastructure Payments

5.5.1 Infrastructure Management

In line with the National Development Plan (NDP), and working through the relevant institutions, the National Treasury published the Standard for Infrastructure Procurement and Delivery Management (SIPDM) which became effective within PFMA institutions from 1st July 2016 and in MFMA institutions will be effective from July 2017. It is of key importance to note the following minimum requirements that will be audited by the Auditor General in the upcoming audits:

- Establish a suitable SCM Policy for Infrastructure Procurement and Delivery management;
- Establish agency agreements between organs of state if projects are implemented on behalf of another organ of state; and
- Apply the prescribed control frameworks and report approval/ acceptance at relevant gates.

Through the implementation of the SIPDM, Provincial Treasuries has an obligation to ensure compliance by all Public Sector Institutions, improving processes, rules and infrastructure to make it easier for the Public Sector and its Private Sector suppliers to transact.

Table 5.4 below shows the provincial infrastructure payments and estimates from 2013/14 to 2019/20. The total provincial infrastructure allocation over the 2017 MTEF budget amounts to R18.794 billion.

Table 5.4: Summary of infrastructure payments and estimates by votes

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Office Of The Premier	-	37 730	100 000	-	-	-	-	-	-
Provincial Legislature	-	-	-	59 460	59 460	59 460	119 840	120 828	111 755
Health	994 916	584 005	740 721	543 112	565 490	565 490	628 747	604 204	638 246
Cultural, Arts And Traditional Affairs	17 254	79 697	56 218	81 823	74 980	73 391	83 158	66 973	61 828
Community Safety And Transport Management	-	15 500	71 000	7 500	52 500	52 500	22 873	11 520	12 188
Economy And Enterprise Development	-	-	38 000	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-
Education And Sports Development	751 172	606 560	1 101 338	971 989	1 020 118	1 020 118	1 078 331	967 564	1 021 752
Local Government And Human Settlements	1 454 753	1 787 012	2 243 202	2 280 056	2 307 256	2 307 256	2 315 078	2 400 798	2 479 450
Tourism	-	-	22 912	35 000	35 000	35 000	49 000	51 842	54 745
Public Works And Roads	286 851	1 548 917	1 357 386	1 290 538	1 279 434	1 279 434	1 467 061	1 512 110	1 625 977
Social Development	25 098	49 574	67 129	38 946	38 946	38 946	41 444	45 130	47 653
Rural, Environment And Agricultural Development	244 047	312 707	349 357	352 409	379 409	379 409	363 803	372 330	417 392
Total	3 774 091	5 021 702	6 147 263	5 660 833	5 812 593	5 811 004	6 169 335	6 153 299	6 470 985

In line with the growth of the provincial allocation of 8.9 per cent from 2016/17 to 2017/18, the allocations for infrastructure has increased by 6.2 per cent from an adjusted budget of R5.811 billion to R6.169 billion.

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The provincial infrastructure allocation is financed from both the Conditional Grants which constitutes 81 per cent and the Equitable Share constituting 19 per cent of the total allocation. Since 2013/14 to 2015/16 the infrastructure allocations has increased from R3.774 billion to R6.417 billion. Over the MTEF, total infrastructure allocations are projected to increase from adjusted appropriation of R5.811 billion in 2016/17 to R6.169 billion in 2017/18, R6.153 billion in 2018/19 and R6.470 million in 2019/20. Contributing to the increase is the addition to the baseline obtained through participation of Health and Education on the performance based incentive grant process governing their Conditional Grants allocations to the tune of R69.3 million and R168.3 million respectively.

The province will embark on the massive infrastructure investment which will be funded through the public finance and also the private sector. The 2017 MTEF allocations is makes provision for the construction of modernized primary schools, Boarding Schools, Doctors and Nurses residences within health facilities, upgrading and rehabilitation of Nursing Colleges, Upgrading, Rehabilitation and Maintenance of Provincial Roads, Construction of New Weighbridges and Vehicle Testing Stations, Construction and Maintenance of libraries and Traditional Authority offices. The private sector funding will be sourced to finance amongst others the Construction of the State of the Art Traffic College, Stadium, Convention Centre, Government Precinct and Mahikeng Airport.

Table 5.5 below shows the provincial infrastructure by category from 2013/14 to 2019/20.

Table 5.5: Summary of infrastructure payments and estimates by category

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R 000's									
Payments for infrastructure by category									
Existing infrastructure assets	961 650	1 725 950	2 387 846	2 333 862	2 434 846	2 434 846	2 631 583	2 522 069	2 621 839
Maintenance and repair	195 410	735 364	263 101	512 740	497 322	497 322	558 194	402 159	475 364
Upgrades and additions	451 998	552 318	1 037 863	1 174 046	1 245 192	1 245 192	1 176 468	925 249	901 248
Refurbishment and rehabilitation	314 242	438 268	1 086 882	647 076	692 332	692 332	896 921	1 194 661	1 245 227
New infrastructure assets	1 357 688	1 508 740	1 573 621	1 151 706	1 202 482	1 200 893	1 236 729	1 358 831	1 505 286
Infrastructure transfers	1 454 753	1 787 012	2 159 795	2 149 265	2 149 265	2 149 265	2 177 748	2 272 399	2 343 861
Infrastructure transfers - Current	113 230	269 876	-	-	-	-	-	-	-
Infrastructure transfers - Capital	1 341 523	1 517 136	2 159 795	2 149 265	2 149 265	2 149 265	2 177 748	2 272 399	2 343 861
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non infrastructure	-	-	26 000	26 000	26 000	26 000	123 275	-	-
Total provincial infrastructure	3 774 091	5 021 702	6 147 263	5 660 833	5 812 593	5 811 004	6 169 335	6 153 299	6 470 985

It has been evidenced that the infrastructure planning for previous years has been inclined towards creation of new assets and the current administration has directed that infrastructure spending should be directed towards maintenance and sustenance of existing buildings.

The maintenance allocation has grown by 12.2 per cent from the 2016/17 adjusted allocation to 2017/18 which is a significant increase compared to the previous financial years. The total maintenance and repair allocation in relation to the total provincial infrastructure allocation amounts to R558.194 million or 9 per cent.

Maintenance and repair: Current caters for routine, preventative, mechanical servicing and other maintenance, and these include maintenance of roads, schools, hospitals, departmental buildings, among others.

5.6 Provincial Public Private Partnership (PPP) Projects

The province does not have any public private partnership venture.

5.7 Transfers

5.7.1 Transfers to public entities

In line with the national call to rationalise provincial public entities, particularly the DFIs and/or development agencies, the province is a process of merging North West Development Corporation, with North West Transport Investment, North West Housing Corporation to form the North West People's Economic Growth Agency.

As a result of rationalisation, North West Parks Board and North West Tourism Board has been listed in the PFMA as a separate entities, while Invest North West, Mafikeng Industrial Development, North West Directorate of Entrepreneurial Development and North West Provincial Aids Council are now been de-listed as per section 47 and 48 of the PFMA. The province has reduced entities from thirteen (13) to seven (7).

The table 5.6 and 5.7 shows the summary of provincial transfers to public entities and by departments, which are discussed below. Transfer to public entities reflect a fluctuating trend from 2013/14 to 2019/20, this is as a result of various once-off allocations as well as de-establishment of other entities.

Table 5.6 Summary of provincial transfer to public entities by transferring department

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Outcome			Estimated outcome	Medium-term estimates		
Department Entities							
Office of the Premier	54 118	48 571	84 536	40 498	32 893	34 801	36 750
Cultural, Arts and Traditional Affairs	69 515	83 101	81 325	91 790	101 167	107 045	113 063
Economy and Enterprise Development	39 559	48 137	64 661	77 154	89 590	99 596	105 173
Local Government and Human Settlements	-	-	-	24 000	30 000	35 000	36 960
Tourism	80 266	70 247	69 878	93 427	82 261	86 404	91 243
Rural, Environment and Agricultural Development	111 082	97 215	96 705	111 830	116 922	122 828	129 706
Total	354 540	347 271	397 105	438 699	452 833	485 674	512 895

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Table 5.7 Summary of provincial transfer to public entities

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	Outcome			Estimated outcome	Medium-term estimates		
Entities							
Mmabana Arts, Culture and Sport Foundation	64 596	76 258	79 541	88 483	97 695	103 372	109 184
North West Development Corporation	35 433	28 051	66 878	40 498	32 893	34 801	36 750
North West Gambling Board	39 559	48 137	64 661	77 154	89 590	99 596	105 173
North West Housing Corporation	-	-	-	24 000	30 000	35 000	36 960
North West Tourism Board	80 266	70 247	69 878	93 427	82 261	86 404	91 243
North West Parks Board	111 082	97 215	96 705	111 830	116 922	122 828	129 706
North West Provincial Aids Council	18 353	20 520	17 658	-	-	-	-
North West Provincial Arts and Culture Council	4 919	6 843	1 784	3 307	3 472	3 673	3 879
Total	354 540	347 271	397 105	438 699	452 833	485 674	512 895

Overall the provincial transfers to public entities consumes 1.2 per cent of provincial budget. Over the 2017 MTEF the allocation grows at an average annual rate of 5.3 per cent, to reach R513 million in 2019/20.

Vote 1: Office of the Premier

- The North West Development Corporation (NWDC) is a 3D public entity of the Office of the Premier and its role is to plan, finance, co-ordinate, promote and carry out the economic development of the North West province and its people in the fields industry, commerce, finance, mining, tourism enterprise related activities and other business resulting in wealth and job creation. The entity is allocated R104.4 million over the MTEF.
- The NWDC three core activities are (a) property management, (b) small, medium and micro-sized enterprises (SMME) support (including funding), and (c) trade and industry development.

Vote 4: Cultural, Arts and Traditional Affairs

- Year-on-year the budget for Mmabana Arts, Culture and Sport Foundation grows by 10.4 per cent, from R88 million in 2016/17 to R98 million in 2017/18 mainly for the development, fostering, enhancement and promotion of the total spectrum of the arts, sports arts and supporting skills, expertise, technology and excellence in the North West Province.

Vote 6: Economy and Enterprise Development

North West Gambling Board is mandated to provide effective and efficient regulatory services and maintain a gambling industry, which contributes to socio-economic growth and development of the province. In ensuring that the board achieve its mandate, the board receive an amount of R90 million in 2017/18, R100 million in 2018/19 and R105 million in 2019/20.

Vote 9: Local Government and Human Settlements

The department has budgeted an amount of R102 million over the MTEF period for Housing Corporation to facilitated housing development in the Province.

Vote 9: Tourism

North West Tourism Board is allocated an amount of R82 million in 2017/18, R86 million in 2018/19 and R91 million in 2019/20 to promote tourism and provide for tourism sector training in the Province.

Vote 9: Rural, Environment and Agricultural Development

North West Parks Board is to initiate, develop, administer, manage and maintain protected areas, to conserve and preserve wildlife sector in protected areas; to create enabling environment for access to markets for new entrants in the wildlife sector and to contribute to the establishment of enabling environment for job creation in the wildlife sector in the Province. The board receives an amount of R107 million in 2017/18 and it grow at an annual average of 5.1 per cent over the MTEF period.

5.7.3 Transfers to Local Government

Provincial government, as part of its Constitutional obligation, supports and strengthens the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions. As a result, departments transfer funds to municipalities for various purposes. This section provides details of departmental transfers to local government, indicating transfers per department and per grant type to each municipality.

Table 5.8 provides summary of provincial transfers to local government by category, as defined in the constitution. The table reflect transfers to local government fluctuate over the seven year period. It should be noted that the amounts reflected in these tables are in terms of the provincial financial year running from 1 April to 31 March 2018.

Table 5.8: Transfer to local government by category

Municipality	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
R'000	Outcome			Main	Adjusted	Revised estimate	Medium-term estimates		
Category A	-	-	-	-	-	-	-	-	-
Category B	394 673	296 196	303 450	290 870	347 870	388 762	396 192	429 444	466 066
Category C	57 580	24 900	25 622	39 530	51 530	16 671	4 249	4 349	4 426
Unallocated	9 813	-	-	17 782	28 782	22 749	-	-	-
Total transfers to municipalities	462 066	321 096	329 072	348 182	428 182	428 182	400 441	433 793	470 492

Brief description of each of the categories are explained below and a summary of the provincial transfers to local government by municipal category as contained in Table 5.9 below.

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Category B: a municipality that share a municipal executive and legislative authority in its area with a category C municipality. Municipalities of this nature are referred to as local municipalities.

Category C: a municipality that has municipal executive and legislative authority in an area that included more than one municipality. Municipalities of this type normally referred to as district municipalities. The table below seeks to demonstrate detailed information as per municipalities in the province. This information must be published through the Gazette. Further details appear in the departmental chapter of the affected departments.

Table 5.8: Transfer to local government by category

Department	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Category A	-	-	-	-	-	-	-	-	-
Category B	394 673	296 196	303 450	290 870	347 870	388 762	396 192	429 444	466 066
Moretele	85 594	27 239	27 582	3 205	3 205	29 387	31 685	32 551	35 423
Madibeng	28 242	4 276	1 900	6 300	6 300	54 736	51 512	49 075	55 428
Rustenburg	4 484	6 078	9 134	2 750	2 750	2 750	8 498	8 570	8 831
Kgetlengrivier	15 147	10 010	12 653	19 747	29 747	1 300	5 210	5 420	5 551
Moses Kotane	24 767	81 453	68 925	19 045	19 045	40 448	77 800	77 970	78 878
Ratlou	15 252	8 791	1 950	20 054	20 054	45 504	11 085	19 741	20 101
Tswaing	851	10 112	3 450	17 160	17 160	19 792	27 070	26 130	27 379
Mafikeng	41 261	40 154	84 486	45 861	52 861	59 853	61 383	60 474	73 829
Ditsobotla	2 799	30 350	6 193	1 150	1 150	2 902	1 250	1 310	5 789
Ramotshere Moiloa	1 004	10 304	2 623	19 000	32 000	21 171	19 990	21 060	22 250
Naledi	3 628	16 383	9 150	22 402	22 402	4 950	21 547	22 030	22 792
Mamusa	3 358	1 830	5 094	21 935	29 935	5 187	5 740	5 857	6 302
Greater Taung	59 883	620	3 072	20 810	20 810	32 263	4 070	4 170	4 404
Lekwa-Teemane	16 868	1 456	2 106	11 115	11 115	12 292	12 283	12 700	13 385
NW397	14 127	18 681	25 296	-	-	-	-	-	-
Ventersdorp	24 350	320	16 150	1 000	1 000	13 853	14 072	14 320	14 583
Tlokwe	27 043	6 046	7 325	1 950	13 950	1 950	1 950	2 050	2 165
City of Matlosana	10 579	15 363	13 357	18 943	18 943	1 123	1 344	19 553	19 967
Maquassi Hills	15 436	6 730	1 804	23 800	30 800	24 658	24 900	31 660	33 377
Dr Kenneth Kaunda	-	-	1 200	14 643	14 643	14 643	14 803	14 803	15 632
Category C	57 580	24 900	25 622	39 530	51 530	16 671	4 249	4 349	4 426
Bojanala Platinum District Municipality	-	-	1 200	18 510	25 510	750	750	750	750
Ngaka Modiri Molema District Municipality	57 000	24 320	7 212	19 190	19 190	14 091	1 469	1 469	1 469
Dr Ruth Segomotsi Mompati District Municipality	580	580	17 210	1 830	1 830	1 830	2 030	2 130	2 207
Southern District Municipality	-	-	-	-	5 000	-	-	-	-
Unallocated	9 813	-	-	17 782	28 782	22 749	-	-	-
Total transfers to municipalities	462 066	321 096	329 072	348 182	428 182	428 182	400 441	433 793	470 492

Table 5.9 presents a summary of provincial transfers to local government by vote from 2013/14 to 2019/20.

Table 5.9: Transfer to local government by Vote

Department	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
R'000	Outcome			Main	Adjusted	Revised estimate	Medium-term estimates		
Office of the Premier	-	-	-	-	-	-	-	-	-
Provincial Legislature	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Cultural, Arts and Traditional Affairs	10 366	9 436	28 340	24 885	24 885	24 885	26 550	28 090	29 663
Community Safety and Transport Management	-	-	-	-	-	-	-	-	-
Economy and Enterprise Development	-	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-	-
Education and Sports Development	-	-	-	-	-	-	-	-	-
Local Government and Human Settlements	272 600	85 177	71 157	128 239	128 239	128 239	128 399	128 399	135 589
Tourism	-	-	-	-	-	-	-	-	-
Public Works and Roads	179 100	226 483	229 575	195 058	275 058	275 058	245 492	277 304	305 240
Social Development	-	-	-	-	-	-	-	-	-
Rural, Environment and Agricultural Development	-	-	-	-	-	-	-	-	-
Total Transfers	462 066	321 096	329 072	348 182	428 182	428 182	400 441	433 793	470 492

The department of Local Government and Human Settlements assists municipalities to upgrade their disaster management and fire emergency capacity. Some of the transfers are indirect transfers to municipalities aimed at accelerating service delivery in various communities.

In 2017/18 the Department of Roads and Public Works will transfer R245.492 million for the payment of property rates and taxes for provincial owned properties.

The transfers under Cultural, Arts and Traditional Affairs of R26.550 million in 2017/18, R28.090 million in 2018/19 and R29.663 million in 2019/20 is for the community library services.

5.8 Personnel numbers and costs

Against the backdrop of slow economic growth and the fiscal consolidation departments were requested to reduce personnel headcounts in administrative and managerial posts, and must aim to eliminate unnecessary positions in order to establish a sustainable level of authorised and funded posts; and should actively manage down costs associated with awarding notch increments, allowances, performance bonuses and overtime.

Table 5.10 provides personnel numbers, by vote, as well as the total personnel costs for the Bokone Bophirima Province.

The table reflect personnel numbers fluctuate over the seven year period, as a result of restructuring of various departments' organisational structures, resignations and retirements. However, the provincial wage bill increased from R15.5 billion in 2013/14 to R21.1 billion in 2016/17, increase to R22.6 billion in 2017/18, reflecting a year-on-year growth of 6.8 per cent.

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Table 5.10: Summary of personnel numbers and costs by Vote

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Personnel numbers by department									
Office of the Premier	387	778	702	804	804	804	804	804	804
Provincial Legislature	197	206	265	265	265	265	265	265	279
Health	30 724	28 101	27 736	26 388	26 388	26 388	26 738	27 060	27 986
Cultural, Arts and Traditional Affairs	1 338	1 247	831	881	881	881	1 058	1 056	1 065
Community Safety and Transport Management	351	1 134	1 448	1 499	1 499	1 499	1 499	1 499	1 578
Economy and Enterprise Development	215	221	211	212	212	212	212	211	219
Finance	543	554	565	615	615	615	693	693	693
Education and Sports Development	30 725	31 096	32 688	32 619	32 619	32 619	32 746	32 746	32 746
Local Government and Human Settlements	637	640	613	639	639	639	661	661	693
Tourism	15	105	192	192	192	192	192	192	200
Public Works and Roads	3 283	3 262	3 077	2 813	2 813	2 813	2 813	2 814	2 814
Social Development	3 845	4 305	2 730	2 456	2 456	2 456	2 695	2 490	2 603
Rural, Environment and Agricultural Development	1 646	1 646	1 646	1 645	1 645	1 645	1 646	1 646	1 735
Total	73 906	73 295	72 704	71 028	71 028	71 028	72 022	72 137	73 415
Total personal numbers and cost (R)	15 540 244	17 025 322	19 385 573	21 076 917	21 076 917	21 076 917	22 620 361	24 183 134	25 897 518
Unit Cots	210	232	267	297	297	297	314	335	353

Between 2013/14 and 2016/17 personnel numbers declined by 2 878 from 73 906 in 2013/14 to 71 028 in 2016/17 due to resignations and retirements, however in terms of the costs it increased can be attributed on restructuring of departmental organisational structures in an attempt to cope with policy changes, such as implementation of the five provincial concretes and higher than expected wage agreements.

Table 5.11 below provides summary of the provincial payments for training per department.

Table 5.10: Summary of provincial payments on training by Vote

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Office of the Premier	976	1 453	1 295	3 658	5 472	1 603	7 335	7 837	8 169
Provincial Legislature	2 078	4 401	4 461	4 665	4 665	4 665	4 898	5 182	5 473
Health	32 377	39 290	47 620	47 850	47 850	47 850	55 853	59 092	62 401
Cultural, Arts and Traditional Affairs	6 263	6 353	6 467	4 985	2 899	2 899	4 026	4 794	4 928
Community Safety and Transport Management	1 831	2 025	3 751	3 950	3 950	3 950	4 167	4 409	4 656
Economy and Enterprise Development	297	-	523	551	551	551	579	613	647
Finance	1 831	3 864	3 464	7 461	7 461	7 461	5 140	5 018	5 298
Education and Sports Development	37 126	38 984	40 935	53 240	53 240	53 240	56 577	66 768	70 508
Local Government and Human Settlements	1 566	1 485	1 768	2 566	2 566	2 566	2 822	3 086	3 259
Tourism	-	600	672	720	568	568	727	778	830
Public Works and Roads	8 700	9 450	8 780	10 015	10 015	10 015	10 516	11 126	11 749
Social Development	1 249	5 800	5 103	5 409	5 409	5 409	2 569	2 586	2 603
Rural, Environment and Agricultural Development	5 930	5 431	5 457	5 746	5 746	5 746	6 034	6 384	6 740
Total	100 224	119 136	130 296	150 816	150 392	146 523	161 243	177 673	187 261

In Health the allocation is to cater for medical interns, nurses, emergency medical rescue and ambulance personnel and skills development for all occupational categories. The department has several training programmes aimed at developing and retaining skills. These include training at Nursing Colleges, the Cuban Doctors" programme, as well as registrar training programmes in respect of specialist medical training.

The steady increase over the 2016/17 MTEF for training in education will address the educators skills gaps and improve the quality of education, through the availability of the in-service training centre.

Spending on training against Public Works and Roads reflects a steady increase trends from 2013/14 to 2019/20 due to training and staff development costs.

Annexure to the Overview of Provincial Revenue and Expenditure

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Table A.1: Detail of total provincial own receipts

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main	Adjusted	Revised estimate	Medium-term estimates		
R'000				appropriation	appropriation				
Tax receipts	376 361	497 282	520 720	576 309	576 309	576 309	632 786	678 959	716 461
Casino taxes	90 652	99 005	111 799	139 322	139 322	139 322	161 200	179 148	189 180
Horse racing taxes	5 423	5 908	8 000	15 000	15 000	15 000	18 000	20 000	21 120
Liquor licences	2 476	2 744	2 722	3 878	3 878	3 878	4 072	4 308	4 549
Motor vehicle licences	277 810	389 625	398 199	418 109	418 109	418 109	449 514	475 503	501 612
Sales of goods and services other than capital assets	353 143	285 163	314 714	368 417	350 909	350 909	371 465	386 571	409 025
Sales of goods and services produced by department (excl. capital assets)	352 352	285 012	314 383	368 291	350 787	350 787	371 305	386 326	408 807
Sales by market establishments	2 082	4 721	4 175	1 755	1 755	1 755	1 939	2 035	2 149
Administrative fees	13 019	2 871	2 855	14 323	11 491	11 491	13 574	14 586	15 695
Other sales	337 251	277 420	307 353	352 213	337 541	337 541	355 792	369 705	390 963
Sales of scrap, waste, arms and other used current goods (excl. capital assets)	791	151	331	126	122	122	160	245	218
Transfers received from:	-	590	-	-	-	-	-	-	-
Other governmental units (Excl. Equitable share and conditional grants)	-	540	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	50	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	17 739	14 318	17 683	18 996	18 720	18 720	19 743	20 874	22 112
Interest, dividends and rent on land	172 775	124 038	124 476	128 698	128 748	128 748	134 290	138 937	146 731
Interest	172 771	123 793	124 476	128 694	128 744	128 744	134 285	138 932	146 726
Dividends	4	245	-	4	4	4	5	5	5
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	192	1 327	3 729	10 895	8 270	8 270	7 082	7 445	7 709
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	192	1 327	3 729	10 895	8 270	8 270	7 082	7 445	7 709
Financial transactions in assets and liabilities	14 616	16 856	20 045	18 631	15 661	61 744	15 910	17 823	18 902
Total departmental own source receipts	934 826	939 574	1 001 367	1 121 946	1 098 617	1 144 700	1 181 276	1 250 608	1 320 940

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

	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	MTEF		
Current payments	22 970 099	24 257 498	25 375 894	28 438 354	28 782 635	29 343 879	30 782 346	32 942 382	35 414 004
Compensation of employees	16 775 101	18 291 092	19 082 449	21 306 748	20 953 809	21 076 917	22 620 361	24 183 133	25 897 516
Salaries and wages	14 542 503	16 032 113	16 515 675	18 473 039	18 170 057	18 310 828	19 585 961	20 898 439	22 392 114
Social contributions	2 232 598	2 258 979	2 566 774	2 833 709	2 783 752	2 766 089	3 034 400	3 284 694	3 505 402
Goods and services	6 194 386	5 963 370	6 287 878	7 130 268	7 823 985	8 262 066	8 160 754	8 758 046	9 515 216
Administrative fees	87 013	81 010	68 171	78 581	78 585	70 195	92 330	95 451	96 068
Advertising	57 747	47 666	42 836	39 982	67 129	72 687	47 728	50 417	52 933
Minor assets	72 322	55 293	45 841	85 077	73 297	74 886	67 802	64 297	69 278
Audit cost: External	75 009	87 551	131 898	95 202	110 398	110 950	106 936	103 707	109 349
Bursaries: Employees	8 131	8 802	10 999	16 092	26 521	26 213	27 499	28 741	30 524
Catering: Departmental activities	82 127	88 145	76 880	68 884	77 431	75 760	71 582	89 854	92 238
Communication (G&S)	132 477	149 433	162 856	160 422	162 390	174 608	177 753	179 504	188 075
Computer services	74 575	70 698	100 200	97 835	119 391	126 788	112 883	138 487	147 016
Consultants and professional services: Business and advisory services	304 135	287 637	320 523	158 667	232 455	245 463	247 569	236 481	274 628
Consultants and professional services: Infrastructure and planning	28 156	20 541	52 950	38 466	26 482	21 344	32 154	38 072	40 217
Consultants and professional services: Laboratory services	227 396	248 774	335 443	360 804	274 457	328 512	335 464	379 866	413 492
Consultants and professional services: Scientific and technological services	-	-	-	-	-	-	-	-	-
Consultants and professional services: Legal costs	108 600	109 344	101 052	57 126	184 861	195 138	76 544	79 239	89 683
Contractors	1 080 647	987 878	585 311	1 432 460	1 449 218	1 373 447	1 324 912	1 345 178	1 483 322
Agency and support / outsourced services	355 266	387 347	323 986	319 528	374 367	468 455	617 075	690 952	777 487
Entertainment	428	4 330	-	624	122	94	204	216	228
Fleet services (including government motor transport)	143 755	129 182	144 070	252 867	215 447	266 643	217 646	253 952	256 932
Housing	-	-	-	159	-	-	-	-	-
Inventory: Clothing material and accessories	19 778	12 439	13 751	16 525	18 645	22 295	16 961	11 862	21 063
Inventory: Farming supplies	4 123	4 369	4 217	5 599	4 827	4 870	5 347	5 410	5 723
Inventory: Food and food supplies	13 596	13 825	18 863	15 364	21 209	23 102	20 189	17 187	18 559
Inventory: Fuel, oil and gas	42 477	39 334	44 604	54 329	41 573	54 187	60 648	68 755	86 816
Inventory: Learner and teacher support material	376 750	313 012	367 379	499 665	544 451	542 470	510 265	528 721	559 384
Inventory: Materials and supplies	87 074	54 387	46 665	55 665	65 840	64 973	37 894	25 498	27 293
Inventory: Medical supplies	269 199	266 360	285 268	247 976	305 558	368 092	322 353	429 269	457 473
Inventory: Medicine	633 094	560 435	581 487	673 498	616 642	720 444	844 059	870 493	1 069 518
Medsas inventory interface	-	-	-	6	6	6	6	6	6
Inventory: Other supplies	30 062	38 456	45 127	59 962	304 116	295 220	307 729	349 937	365 301
Consumable supplies	99 915	106 089	104 994	98 683	124 216	148 036	125 152	130 930	137 941
Consumable: Stationery, printing and office supplies	103 118	100 041	109 668	128 651	173 395	164 882	155 026	162 045	173 199
Operating leases	322 371	272 242	333 112	275 823	285 410	303 511	279 310	305 596	322 373
Property payments	615 766	631 867	820 284	672 765	807 158	885 551	874 287	962 013	994 637
Transport provided: Departmental activity	45 606	43 312	292 412	325 459	326 233	337 982	323 647	340 406	338 503
Travel and subsistence	464 262	494 047	506 560	469 538	458 037	465 744	477 673	510 159	534 447
Training and development	104 954	117 292	91 696	137 037	95 940	76 606	103 307	117 709	124 709
Operating payments	60 218	75 987	66 656	79 818	72 392	66 296	79 047	80 306	85 856
Venues and facilities	54 331	47 275	41 809	44 706	71 589	74 348	56 314	61 662	64 955
Rental and hiring	9 908	8 970	10 309	6 423	14 197	12 268	5 460	5 668	5 990
Interest and rent on land	612	3 036	5 567	1 338	4 841	4 896	1 231	1 203	1 272
Interest	604	3 016	5 564	1 338	4 787	4 842	1 231	1 203	1 272
Rent on land	8	20	3	-	54	54	-	-	-
Transfers and subsidies	3 803 044	5 098 280	5 687 387	5 607 453	5 573 864	5 600 181	5 691 306	5 987 400	6 271 016
Provinces and municipalities	301 887	300 736	337 991	348 182	428 182	428 181	400 441	433 793	470 492
Provinces	-	6 843	-	-	-	-	-	-	-
Provincial Revenue Funds	-	6 843	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	301 887	293 893	337 991	348 182	428 182	428 181	400 441	433 793	470 492
Municipal bank accounts	113 188	54 754	80 073	128 239	128 239	128 238	128 399	128 399	135 589
Municipal agencies and funds	188 699	239 139	257 918	219 943	299 943	299 943	272 042	305 394	334 903
Departmental agencies and accounts	234 231	247 025	459 399	338 135	323 775	321 169	348 556	376 482	397 625
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	234 231	247 025	459 399	338 135	323 775	321 169	348 556	376 482	397 625
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	223 586	1 225 134	752 263	779 856	793 082	790 752	792 206	852 219	891 752
Public corporations	223 586	1 175 134	751 740	694 801	708 027	705 697	698 646	753 233	798 801
Subsidies on products and production (pc)	-	89 315	92 313	100 925	100 925	100 925	106 954	111 952	118 445
Other transfers to public corporations	223 586	1 085 819	659 427	593 876	607 102	604 772	591 692	641 281	678 356
Private enterprises	-	50 000	523	85 055	85 055	85 055	93 560	98 986	94 951
Subsidies on products and production (pe)	-	-	-	85 055	85 055	85 055	93 560	98 986	94 951
Other transfers to private enterprises	-	50 000	523	-	-	-	-	-	-
Non-profit institutions	1 178 274	1 297 774	1 360 433	1 456 616	1 477 144	1 484 887	1 623 043	1 719 192	1 815 533
Households	1 865 066	2 027 611	2 777 301	2 684 664	2 551 681	2 575 192	2 527 060	2 605 714	2 695 614
Social benefits	197 595	175 432	182 286	100 711	107 148	113 594	115 224	118 643	126 537
Other transfers to households	1 667 471	1 852 179	2 595 015	2 583 953	2 444 533	2 461 598	2 411 836	2 487 071	2 569 077
Payments for capital assets	2 967 769	2 262 595	3 184 473	2 182 965	2 232 701	2 267 300	2 607 650	2 497 634	2 689 181
Buildings and other fixed structures	2 683 617	2 004 694	2 978 836	1 868 362	1 943 862	1 979 122	2 261 736	2 159 367	2 289 899
Buildings	1 658 149	1 190 908	1 819 513	1 586 128	1 649 406	1 695 912	1 813 774	1 704 656	1 804 248
Other fixed structures	1 025 468	813 786	1 159 323	282 234	294 456	283 210	447 962	454 711	485 651
Machinery and equipment	283 603	232 793	201 076	309 698	284 929	286 151	336 349	336 083	396 974
Transport equipment	107 822	53 835	68 005	74 028	56 378	66 737	91 667	82 373	91 854
Other machinery and equipment	175 781	178 958	133 071	235 670	228 551	219 414	244 682	253 710	305 120
Heritage assets	-	-	3 897	3 500	2 000	411	7 500	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	495	499	591	850	800	800	899	951	1 006
Land and sub-soil assets	-	-	-	555	-	-	-	-	-
Software and other intangible assets	54	24 609	73	-	1 110	816	1 166	1 233	1 302
of which: Capitalised compensation	-	-	-	-	-	-	-	-	-
Capitalised goods and services	-	-	-	-	-	-	-	-	-
Payments for financial assets	855	346	10 530	-	-	-	-	-	-
Total economic classification	29 741 767	31 618 719	34 258 283	36 228 772	36 589 200	37 211 360	39 081 302	41 427 416	44 374 201

2017/18 Overview of Provincial Revenue and Expenditure

Table A4(b): Detail of provincial payments and estimates by functional area

	2012/13	2013/14	2014/15	2015/16			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	MTF		
General public services									
Premier	438 274	550 729	852 861	522 741	617 036	589 436	648 857	712 998	795 267
Legislature	210 708	280 293	302 263	349 435	388 672	376 938	449 484	471 443	489 631
Finance	384 670	413 599	417 748	476 270	455 284	455 284	477 685	502 719	535 870
Local Government	269 832	567 005	366 583	411 798	455 424	455 424	432 557	456 665	486 245
Public Works	1 147 924	1 688 952	1 355 896	1 262 438	1 275 281	1 279 473	1 214 873	1 316 118	1 422 891
CATA	-	-	-	-	-	-	-	-	-
All MECs	73 133	84 385	85 722	97 582	90 013	91 403	103 175	109 131	116 321
Total: General public services	2 524 541	3 584 963	3 381 073	3 120 264	3 281 710	3 247 958	3 326 631	3 569 074	3 846 225
Public order and safety									
Police Services	1 387 570	1 528 584	1 789 079	1 840 621	1 902 843	1 902 079	1 968 456	2 075 786	2 199 726
Safety and Liaison	1 387 570	1 528 584	1 789 079	1 840 621	1 902 843	1 902 079	1 968 456	2 075 786	2 199 726
Total: Public order and safety	1 387 570	1 528 584	1 789 079	1 840 621	1 902 843	1 902 079	1 968 456	2 075 786	2 199 726
Economic Affairs									
General Economic affairs	178 107	219 954	234 460	269 360	275 717	275 717	305 268	333 372	353 783
Department of Economy and Enterprises Development	178 107	219 954	234 460	269 360	275 717	275 717	305 268	333 372	353 783
Agriculture	771 397	822 997	859 930	919 955	926 399	921 130	982 773	1 041 437	1 129 278
Department of READ	771 397	822 997	859 930	919 955	926 399	921 130	982 773	1 041 437	1 129 278
Transport	-	-	-	-	-	-	-	-	-
Department of Transport	-	-	-	-	-	-	-	-	-
Communication	87 436	133 819	107 145	219 365	222 925	222 925	235 547	249 805	264 849
Tourism	87 436	133 819	107 145	219 365	222 925	222 925	235 547	249 805	264 849
Roads	1 498 924	1 238 415	1 335 530	1 448 155	1 459 245	1 462 379	1 671 657	1 694 686	1 815 408
Roads	1 498 924	1 238 415	1 335 530	1 448 155	1 459 245	1 462 379	1 671 657	1 694 686	1 815 408
Total: Economic Affairs	2 535 864	2 415 185	2 537 064	2 856 835	2 884 286	2 882 151	3 195 245	3 319 300	3 563 318
Environmental Protection	214 541	270 002	225 018	257 649	266 650	266 651	276 040	285 062	304 568
Environmental Protection	214 541	270 002	225 018	257 649	266 650	266 651	276 040	285 062	304 568
Total Environmental Protection	214 541	270 002	225 018	257 649	266 650	266 651	276 040	285 062	304 568
Housing and community amenities									
Housing Development	1 478 113	1 613 599	2 237 908	2 223 477	2 226 927	2 226 926	2 265 687	2 358 953	2 435 259
Department of Housing	1 478 113	1 613 599	2 237 908	2 223 477	2 226 927	2 226 926	2 265 687	2 358 953	2 435 259
Total: Housing and community amenities	1 478 113	1 613 599	2 237 908	2 223 477	2 226 927	2 226 926	2 265 687	2 358 953	2 435 259
Health									
Outpatient Services	1 633 287	1 225 807	1 426 400	1 407 264	1 406 218	1 585 212	1 526 651	1 529 285	1 650 291
Research and Development	-	-	-	-	-	-	-	-	-
Hospital	6 446 780	6 863 183	7 289 231	7 652 001	7 787 908	8 249 757	8 509 020	9 141 314	9 886 918
Total: Health	8 080 067	8 088 990	8 715 631	9 059 265	9 194 126	9 834 969	10 035 671	10 670 599	11 537 209
Recreation, Culture and Religion									
CATA	429 985	492 792	577 526	629 210	638 280	638 280	700 197	721 028	789 681
Education	170 040	142 099	137 457	161 016	175 294	175 294	166 627	175 120	185 294
Total: Recreation, Culture and Religion	600 025	634 891	714 983	790 226	813 574	813 574	866 824	896 148	974 975
Education									
Pre Primary and phase	5 910 716	6 177 066	6 400 699	7 146 736	6 995 119	6 995 119	7 468 346	8 108 712	8 714 372
Secondary Education phase	2 868 420	2 992 042	3 245 871	3 520 225	3 585 481	3 585 481	3 889 994	4 163 074	4 443 904
Subsidiary Services to Education	2 720 803	2 758 751	3 319 085	3 514 515	3 497 274	3 497 274	3 746 851	3 803 892	4 044 069
Education not defined by level	381 409	346 441	411 480	494 200	560 346	578 314	521 225	548 358	578 049
Total: Education	11 881 348	12 274 300	13 377 135	14 675 676	14 638 220	14 656 188	15 626 416	16 624 036	17 780 394
Social Protection									
Social Security services	-	-	-	-	-	-	-	-	-
Social Service and Population Development	1 039 698	1 208 205	1 280 392	1 404 759	1 380 864	1 380 864	1 520 332	1 628 458	1 732 527
Total: Social Protection	1 039 698	1 208 205	1 280 392	1 404 759	1 380 864	1 380 864	1 520 332	1 628 458	1 732 527
Total payments and estimates by functional classification	29 741 767	31 618 719	34 258 283	36 228 772	36 589 200	37 211 360	39 081 302	41 427 416	44 374 201

Overview of the Provincial Revenue and Expenditure

Table A.6: Summary of provincial payments and estimates by District and Local Municipality

Department	2013/14	2014/15	2015/16	2016/17			2017/18	2018/19	2019/20
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R'000									
Category A	-	-	-	-	-	-	-	-	-
Category B	394 673	296 196	303 450	290 870	347 870	388 762	396 192	429 444	466 066
Moretele	85 594	27 239	27 582	3 205	3 205	29 387	31 685	32 551	35 423
Madibeng	28 242	4 276	1 900	6 300	6 300	54 736	51 512	49 075	55 428
Rustenburg	4 484	6 078	9 134	2 750	2 750	2 750	8 498	8 570	8 831
Kgetlengrivier	15 147	10 010	12 653	19 747	29 747	1 300	5 210	5 420	5 551
Moses Kotane	24 767	81 453	68 925	19 045	19 045	40 448	77 800	77 970	78 878
Ratlou	15 252	8 791	1 950	20 054	20 054	45 504	11 085	19 741	20 101
Tswaing	851	10 112	3 450	17 160	17 160	19 792	27 070	26 130	27 379
Mafikeng	41 261	40 154	84 486	45 861	52 861	59 853	61 383	60 474	73 829
Ditsobotla	2 799	30 350	6 193	1 150	1 150	2 902	1 250	1 310	5 789
Ramotshere Moiloa	1 004	10 304	2 623	19 000	32 000	21 171	19 990	21 060	22 250
Naledi	3 628	16 383	9 150	22 402	22 402	4 950	21 547	22 030	22 792
Mamusa	3 358	1 830	5 094	21 935	29 935	5 187	5 740	5 857	6 302
Greater Taung	59 883	620	3 072	20 810	20 810	32 263	4 070	4 170	4 404
Lekwa-Teemane	16 868	1 456	2 106	11 115	11 115	12 292	12 283	12 700	13 385
NW397	14 127	18 681	25 296	-	-	-	-	-	-
Ventersdorp	24 350	320	16 150	1 000	1 000	13 853	14 072	14 320	14 583
Tlokwe	27 043	6 046	7 325	1 950	13 950	1 950	1 950	2 050	2 165
City of Matlosana	10 579	15 363	13 357	18 943	18 943	1 123	1 344	19 553	19 967
Maquassi Hills	15 436	6 730	1 804	23 800	30 800	24 658	24 900	31 660	33 377
Dr Kenneth Kaunda	-	-	1 200	14 643	14 643	14 643	14 803	14 803	15 632
Category C	57 580	24 900	25 622	39 530	51 530	16 671	4 249	4 349	4 426
Bojanala Platinum District Municipality	-	-	1 200	18 510	25 510	750	750	750	750
Ngaka Modiri Molema District Municipality	57 000	24 320	7 212	19 190	19 190	14 091	1 469	1 469	1 469
Dr Ruth Segomotsi Mompati District Municipality	580	580	17 210	1 830	1 830	1 830	2 030	2 130	2 207
Southern District Municipality	-	-	-	-	5 000	-	-	-	-
Unallocated	9 813	-	-	17 782	28 782	22 749	-	-	-
Total transfers to municipalities	462 066	321 096	329 072	348 182	428 182	428 182	400 441	433 793	470 492