

**Western Cape Government
Provincial Treasury**

Budget

**Overview of Provincial Revenue
and Expenditure**

2017

Provincial Treasury
Business Information and Data Management
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Foreword

The 2017 Budget reflects the Western Cape Government's commitment to implementing the Western Cape Government's Fiscal Strategy and maintaining fiscal discipline, fiscal consolidation and fiscal sustainability. This approach includes formulating a responsive budget which promotes service delivery impact and delivers a budget for growth. Against the backdrop of modest economic growth and an uncertain fiscal outlook, the Western Cape Government's fiscal and budget policy approach is premised on balancing public finances and managing fiscal risks while giving effect to the provincial policy imperatives.

The Western Cape Government has continued to make progress in attaining the policy priorities outlined in the Provincial Strategic Plan 2014 – 2019 and the related Game Changers and we remain committed to maintaining this momentum. Achieving these strides, amid the existing fiscal environment, included adopting a more integrated approach to planning and budgeting. This approach includes strengthening coordination and alignment across government structures at all levels to improve service delivery impact.

While notable progress has been made in pursuit of creating public value and inclusive growth, it came with extensive consultation and decisive policy decisions to collectively deliver on the Provincial Strategic Goals. To this end, the 2017 Budget prioritises initiatives which create opportunities for growth and jobs, improve education outcomes, promote wellness and safety and embed good governance. These initiatives specifically focus on our youth and target intractable problems through sustainable and innovative solutions to some of our greatest challenges.

The 2017 Budget demonstrably positions our theme of “**A budget for people, growth and prosperity**” at the forefront of our budgeting practices and spending plans. This is further reinforced by the signing of the Western Cape Government's Declaration on Good Financial Governance, which as part of the 2017 Budget, commits the Province to good governance and sound financial management practices.

In aggregate, the 2017 Provincial Budget provides for total expenditure amounting to R59.356 billion in 2017/18, R62.155 billion in 2018/19 and R65.397 in 2019/20.



DR IH MEYER

MINISTER OF FINANCE

DATE: 7 MARCH 2017

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Acronyms

BCI	Business Confidence Index
BER	Bureau for Economic Research
CASP	Comprehensive Agriculture Support Programme
CBD	Central Business District
CoE	Compensation of Employees
COPC	Community-Oriented Primary Care
CPI	Consumer Price Index
CSIP	Community Safety Improvement Partnership
CYCC	Child and Youth Care Centres
ECD	Early Childhood Development
EPWP	Expanded Public Works Programme
EU	European Union
Fed	US Federal Reserve Bank
GDP	Gross Domestic Product
GDPR	Regional Gross Domestic Product
Gunya	Gugulethu and Nyanga
HIV/AIDS	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome
HSDG	Human Settlements Development Grant
IDZ	Industrial Development Zone
IMF	International Monetary Fund
MGRO	Municipal Governance Review and Outlook
MOD	Mass Participation, Opportunity and Access, Development and Growth
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MVL	Motor Vehicle Licence
NTSG	National Tertiary Services Grant
NPO	Non-Profit Organisation
NPI	Non-Profit Institutions
PAY	Premiers Advancement of Youth
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PPPs	Public Private Partnerships
PRMG	Provincial Road Maintenance Grant
PSP	Provincial Strategic Plan
PV	Photovoltaic
QLFS	Quarterly Labour Force Survey

RMB	Rand Merchant Bank
RSEP	Regional Socio-Economic Project
SETA	Skills Education Training Authorities
SEZ	Specific Economic Zone
SIPDM	Standard for Infrastructure Procurement and Delivery Management System
TB	Tuberculosis
TVET	Technical Vocational Education and Training
US	United States
UK	United Kingdom
VPUU	Violence Prevention through Urban Upgrading
WCED	Western Cape Education Department
WCIDMS	Western Cape Infrastructure Delivery Management System
WoW	Western Cape on Wellness
YeBo	Year Beyond

1

Economic outlook

In Summary

- Global economic growth slowed to 3.1 per cent in 2016 from 3.2 per cent in 2015 due to slower growth in advanced economies while growth in emerging economies remained unchanged.
- After a subdued performance in 2016, national economic growth is forecast to increase over the medium-term due to an anticipated recovery driven by higher consumer spending and an improvement in fixed investment.
- Western Cape economic growth is expected to accelerate to 1.3 per cent in 2017 and 2 per cent in 2018.
- The implications of the economic outlook requires that government formulate a responsive budget towards supporting inclusive economic growth and development.

■ Introduction

A strengthened approach towards inclusive growth is needed to create jobs and economic opportunities. While economic recovery since the global recession has been subdued both nationally and provincially, economic conditions are expected to improve over the medium term. The performance of the Western Cape economy is expected to be mainly driven by growth in the finance, insurance, real estate and business services sector. Other fast growing sectors are construction, wholesale and retail trade supported by expected strong growth in the catering and accommodation subsector which is linked to the Western Cape's growing tourism sector. The outlook for the domestic economic environment has informed the 2017 Budget - A budget for people, growth, and prosperity - that seeks to sustain current expenditure levels while improving service delivery impact and enabling public value.

Macroeconomic outlook¹

Global economic performance and outlook

Global growth slowed to 3.1 per cent in 2016, marginally down from 3.2 per cent in 2015

Global economic growth slowed to 3.1 per cent in 2016 from 3.2 per cent in 2015 (International Monetary Fund). This was due to slower growth of 1.6 per cent in advanced economies, from 2.1 per cent in 2015. Growth in emerging economies remained unchanged at 4.1 per cent.

After a lacklustre first half of 2016, the United States (US) economic growth accelerated during the second half of the year. The sustained growth momentum in the US has pushed the economy towards full employment, prompting the US Federal Reserve Bank (Fed) to continue with monetary policy tightening. The International Monetary Fund (IMF) forecasts faster growth in the US economy in 2017 (Table 1.1) however, this will depend on the impact of the policies implemented by the newly-elected US president. During his campaign, the US president promised extensive infrastructure spending along with tax cuts which could lift growth. In contrast, the US president's proposed protectionist trade policies could weigh on growth. If economic growth does accelerate more than expected, and inflation follows suit, the Fed may be forced to hike interest rates above what is currently anticipated.

The growth outlook for the Eurozone influenced by 2017 election outcomes in Germany and France

In the Eurozone, growth slowed to 1.7 per cent in 2016 from 2.0 per cent in 2015. This was the first time since the 2009 global financial crisis that economic growth in the Eurozone economy outpaced that of the US. The growth outlook for the Eurozone will be further influenced by the outcome of elections in a number of key countries in 2017, most notably Germany and France, as well as future relations with the United Kingdom (UK). In the UK, economic data has generally surprised on the upside following the country's referendum decision to leave the European Union (EU) in June 2016. However, the outlook is uncertain due to the outcome of negotiations between the EU and UK, which has already weighed on fixed investment and could negatively impact growth further over the medium term.

¹ Economic data and information as at 10 February 2017.

The Chinese economy expanded by 6.7 per cent in 2016, in line with the government's stated target of between 6.5 to 7 per cent. Growth was supported by government stimulus measures, which the IMF expects will continue to support growth in 2017. However, the possibility of hefty import duties on Chinese exports to the US could adversely impact on growth. Chinese stimulus measures as well as expectations of fiscal easing in the US lifted industrial commodity prices during 2016 after starting the year on depressed levels.

Growth in emerging economies is predicted to recover in 2017. This recovery is mainly due to the expectation that larger economies, such as Russia and Brazil, will exit deep recessions. In sub-Saharan Africa, growth is expected to accelerate to 2.8 per cent in 2017, further accelerating in 2018 to 3.7 per cent. This growth is largely driven by the region's largest economy, Nigeria, which is forecast to grow by 0.8 per cent in 2017 following a 1.5 per cent contraction in 2016.

Brazil, Russia and Nigeria expected to exit recessions in 2017

Overall, economic growth in advanced economies is expected to accelerate to 1.9 per cent in 2017, with a marginal lift to 2.0 per cent in 2018. Growth in developing economies is expected to outpace that of advanced economies with output growth of 4.5 and 4.8 per cent in 2017 and 2018 respectively. The expected performance in advanced and developing economies will result in growth in world output accelerating to 3.4 per cent in 2017 (from 3.1 per cent in 2016) and 3.6 per cent in 2018.

Table 1.1 Global economic outlook, 2017 - 2018

	2016e	2017f	2018f		2016e	2017f	2018f
World output	3.1	3.4	3.6				
Advanced economies	1.6	1.9	2.0	Developing economies	4.1	4.5	4.8
US	1.6	1.9	2	Brazil	-3.5	0.2	1.5
Japan	0.9	0.8	0.5	Russia	-0.6	1.1	1.2
Eurozone	1.7	1.6	1.6	India	6.6	7.2	7.7
Germany	1.7	1.5	1.5	China	6.7	6.5	6.0
France	1.3	1.3	1.6	Sub-Saharan Africa	1.6	2.8	3.7
UK	2	1.5	1.4	Nigeria	-1.5	0.8	2.3

e denotes estimate; f denotes forecast

Source: International Monetary Fund

The price of Brent crude oil has steadily increased throughout 2016, with a large increase during the latter part of the year after major oil producers agreed on reducing output from January 2017. This has resulted in higher headline inflation figures in advanced economies, while core inflation rates have remained broadly unchanged and below inflation targets. In emerging economies, the inflation outcomes have been diverse, mainly due to differing exchange rate movements. In China, however, inflation rose as limited

Inflation higher on the back of increased oil prices

production capacity and higher commodity prices lifted producer prices out of deflation.

Monetary policy divergence between the US Fed (raising interest rates) and other advanced economies, which are still pursuing aggressive monetary stimulus measures, is expected to remain a feature throughout 2017. This should support the US dollar. However, the impact of the US president's policy plans, upcoming elections in the Eurozone and Brexit negotiations could create volatility in currency and financial markets throughout the year.

South Africa's economic performance and outlook

South Africa's economic growth slowed to 0.3 per cent year-on-year in the first three quarters of 2016, compared to 1.3 per cent in 2015. On a quarterly basis, the economy grew by just 0.2 per cent in the third quarter of 2016 after a 3.5 per cent expansion in the second quarter².

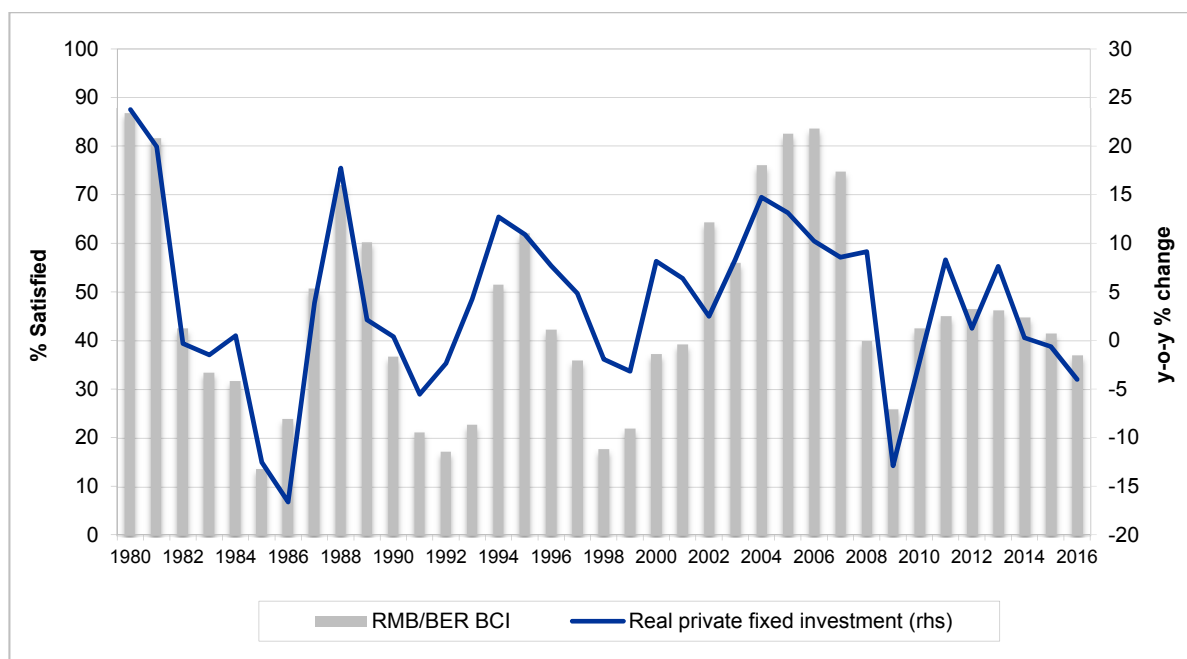
The weak growth in the third quarter was broad based. The manufacturing sector contracted by 3.2 per cent after a solid performance in the second quarter. In addition, the agricultural sector recorded its seventh consecutive decline which was less pronounced than in previous quarters. All the services-related sectors, excluding government, also performed worse in the third quarter compared to the second. Most notably, the wholesale and retail trade; catering and accommodation sector which contracted by 2.1 per cent after still registering 1.8 per cent growth in the second quarter.

The Rand Merchant Bank/Bureau for Economic Research (RMB/BER) Business Confidence Index (BCI) for South Africa declined to 38 index points in the fourth quarter of 2016, after jumping by 10 index points to 42 in the third quarter³. However, the business confidence index for the Western Cape stood at 48 index points, 10 percentage points higher than national. The persistently low levels of business sentiment is one of the key reasons why private sector fixed investment is under pressure. According to Statistics South Africa, overall fixed investment declined by 1 per cent in the third quarter of 2016 after a 6.8 per cent contraction in the second quarter (Figure 1.1).

*Business Confidence
Index at 48 index points
for the WC*

² Unless stated otherwise, all the figures are quarter-on-quarter, seasonally adjusted and annualised.

³ At 38 index points, 38 per cent of respondents were satisfied with prevailing business conditions (i.e. 62 per cent were unsatisfied).

Figure 1.1 South African business confidence and private sector fixed investment

Source: Bureau for Economic Research, Statistics South Africa

In contrast, consumer spending remained more resilient in 2016, despite continued challenges which include higher inflation, interest rate hikes and weak job growth. Growth of 0.7 per cent was recorded for the third quarter of 2016, from 0.3 per cent in the second quarter and a contraction in the first quarter. However, the acceleration in growth was to a large extent, due to increased spending on health services and more tourism-related goods and services consumed by South Africans abroad. Excluding these categories, growth in spending was much more muted.

Consumer spending remained resilient in 2016

On average, the rand exchange rate weakened by 15 per cent during 2016 against the US dollar after an 18 per cent depreciation in 2015. Nonetheless, the rand exchange rate ended the year stronger than it started. The strengthening of the rand was supported by South Africa's investment grade credit rating remaining intact, higher commodity prices, a weaker-than-expected US dollar and an improvement in the current account deficit. The rand strengthened from an average of R15.86/\$ in the first quarter of 2016 to R13.92/\$ in the fourth quarter.

Headline inflation accelerated to an average of 6.3 per cent in 2016, from 4.6 per cent recorded in 2015. This was mainly driven by higher food prices, which rose by 10.8 per cent in 2016. An expected moderation in food price inflation through 2017 means that headline inflation is forecast to move below the 6 per cent upper limit of the South African Reserve Bank's target range in the second quarter of 2017. This forecast, coupled with the expectation that domestic

Inflation rate is expected to move below the 6 per cent upper limit in 2017

demand will remain relatively weak, will likely see interest rates remain unchanged through 2017. A 25 basis points reduction in the interest rate is forecast for 2018 as inflation moderates further.

After a bleak performance in 2016, growth is forecast to accelerate to 1 per cent in 2017 and 1.8 per cent in 2018 (Bureau for Economic Research) (Table 1.2). The recovery is anticipated to be driven by higher consumer spending and, in 2018, an improvement in fixed investment. From the production side, higher output in the agricultural sector could filter through to other sectors of the economy, including manufacturing. The National Treasury's forecast is slightly more optimistic as it anticipates growth to accelerate by 1.3 per cent in 2017 and further by 2 per cent in 2018.

SA growth to accelerate in 2017

Table 1.2 South African macroeconomic forecast for selected variables, 2016 - 2018

	2016e	2017f	2018f
Final household consumption expenditure	0.9	1.4	2.1
Government consumption expenditure	1.5	0.1	0.0
Gross fixed capital formation	-4.0	0.3	1.7
Real GDE	-0.4	1.1	1.7
Total exports	-1.3	1.8	3.3
Total imports	-3.8	2.1	2.9
Real GDP	0.4	1.0	1.8
Inflation (annual averages)			
CPI (Headline)	6.3	5.8	5.4
PPI (All items)	7.1	5.0	4.8
Exchange rates (annual averages)			
R/US\$	14.71	13.74	14.14
R/Euro	16.25	14.46	15.9
R/Pound sterling	20.00	17.00	17.71

e denotes estimate; f denotes forecast

Source: Bureau for Economic Research

The rand exchange rate is expected to, on average, trade on a broad range of R13.50/\$ to R14.00/\$ over the next year. This is based on the assumption that the euro-dollar exchange rate remains stable at around \$1.05/€. Should the US dollar be stronger, due to more aggressive interest rate hikes by the US Fed or heightened geopolitical risk in the Eurozone, the rand may, in turn, be weaker. Locally, a domestic political shock and/or downgrade of South Africa's credit rating could also weaken the rand more than expected.

While the overall growth recovery is likely to be driven by higher consumer spending, consumers still face significant challenges. These challenges include poor job prospects, muted credit extension and potentially an increased tax burden. Nonetheless, growth in consumer spending is forecast to accelerate to 1.4 per cent in 2017 from 0.9 per cent in 2016, with a more meaningful improvement to 2.1 per cent in 2018 (Table 1.2).

SA consumers still facing challenges

The National Treasury continues to consolidate current expenditure (mainly public sector wages) to ensure government debt levels remain sustainable, while going ahead with general government fixed investment projects, in an environment of weak economic performance and the consequent adverse impact on tax revenue collection. If implemented, this could lift overall investment growth in 2017 and 2018.

Capital formation expected to recover somewhat

South Africa's Budget Deficit

National Treasury is committed to a measured path of fiscal consolidation that contains the budget deficit and stabilises public debt. South Africa's consolidated budget deficit will decline to 3.1 per cent of GDP in 2017/18 from 3.4 per cent in 2016/17. The budget deficit is estimated to decline to 2.8 per cent in 2018/19 and further to 2.6 per cent by 2019/20. As a result, net loan debt is expected to rise to 48.1 per cent of GDP in 2019/20 from 47 per cent in 2017/18.

Source: National Treasury, 2017 Budget Review

The need to consolidate government expenditure may ultimately weigh on capital expenditure growth as well. In addition, investment by state-owned enterprises is likely to be limited by constrained balance sheets and the completion of large infrastructure projects in the electricity sector. However, a slight recovery in private sector fixed investment (the largest subcomponent) should help lift overall capital formation out of contractionary territory in 2017, with growth of 1.7 per cent forecast in 2018. As a result, gross domestic expenditure – the broadest measure of internal demand – is forecast to move back into positive territory in 2017 after a 0.4 per cent contraction in 2016.

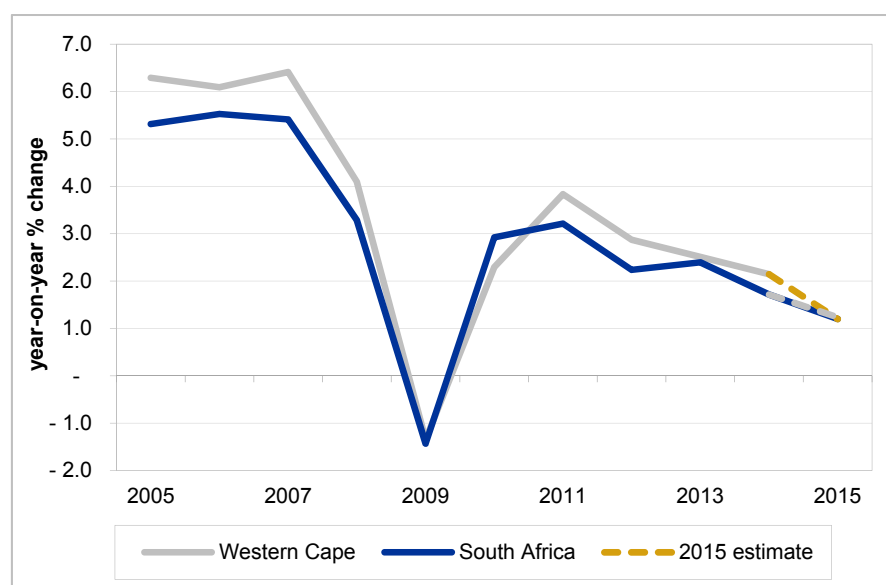
■ Developments in the Western Cape economy

Economic growth in the Western Cape slowed to 2.1 per cent in 2014 from 2.5 per cent year-on-year in 2013⁴. The Western Cape economy expanded by 1.7 per cent in 2014, a slowdown from 2.4 per cent in 2013. In 2014, the fastest growing sector in the Province was the agriculture, forestry and fishing sector (7.6 per cent year-on-year), followed by the mining and quarrying (6.9 per cent) and construction (3.6 per cent) sectors. The mining sector is very

⁴ At basic prices. The 2014 figure is the most recent official figure available as official provincial GDP figures are released with a more than two year lag.

small, contributing only 0.3 per cent to regional gross domestic product (GDPR), which means that the impact of the sector on overall growth was minimal. Indeed, the biggest contribution to growth given the relative size of the sector (30 per cent), was made by the finance, insurance, real estate and business services sector, even though the sector only recorded 2.4 per cent growth in 2014. The only sectors to contract in 2014 were electricity, gas and water (-1.1 per cent) and manufacturing (-0.2 per cent).

Figure 1.2 Western Cape and South African economic growth performance, 2005 - 2015



Source: Bureau for Economic Research, Statistics South Africa

Over the past decade, the Western Cape has managed to grow faster relative to the national economy on average. However, as illustrated in Figure 1.2, the difference in growth has narrowed in recent years.

It is estimated that the Western Cape grew at 1.2 per cent in 2015 in line with the national economy. The slowdown in the Province was mainly driven by a sharp turnaround in the agriculture, forestry and fishing sector (from 7.6 per cent growth in 2014 to a 4.9 per cent contraction in 2015), and a deeper contraction in the manufacturing sector. In addition, growth in the services sectors (except the finance, insurance, real estate and business services sector) slowed sharply in 2015.

Western Cape economic outlook

The growth of the Western Cape, as with the national economy, is expected to slow further in 2016. On average, the Province is expected to grow by 2.1 per cent between 2017 to 2021 (Table 1.3).

Table 1.3 Western Cape economic growth forecast per sector, 2016 – 2018, and 2017 - 2021 average growth forecast

Description	2016f	2017f	2018f	Average growth 2017 - 2021
Agriculture, forestry and fishing	-6.0	3.9	3.5	1.4
Mining and quarrying	1.5	0.5	0.2	0.7
Manufacturing	0.8	1.3	2.1	1.8
Electricity, gas and water	-2.0	1.5	1.5	1.1
Construction	1.2	1.5	2.4	2.5
Wholesale and retail trade; catering and accommodation	1.4	1.5	2.1	2.4
Transport, storage and communication	-0.5	0.2	2.2	1.9
Finance, insurance, real estate and business services	1.8	1.6	2.4	2.8
Community, social and personal services	0.7	0.7	1.5	1.5
General government services	0.9	0.2	0.2	0.8
All industries at basic prices	0.7	1.3	2.0	2.1

f denotes forecast

Source: Bureau for Economic Research/Quantec research

The performance of the Western Cape economy is mainly driven by faster-than-expected growth in the finance, insurance, real estate and business services sector. As the Province's biggest sector, it is forecast to grow (on average) by 2.8 per cent year-on-year between 2017 to 2021. Other fast growing sectors are construction (2.5 per cent on average) and wholesale and retail trade (2.4 per cent). The latter is supported by expected strong growth in the catering and accommodation subsector (3.1 per cent) linked to the Western Cape's growing tourism sector.

WC average growth forecast of 2.1 per cent from 2016 to 2021

In contrast, growth in the mining and quarrying (0.7 per cent) and general government (0.8 per cent) sectors are expected to moderate overall GDP. The subdued growth forecast for general government is due to the fiscal consolidation required on a national level to ensure government debt levels remain sustainable. The average expected growth rate for the agriculture, forestry and fishing sector, a key economic sector, in particularly rural areas of the Province, is forecasted to significantly contract by 6.0 per cent in 2016 due to the crippling nation-wide drought. The sector is expected to grow by an average of 1.4 per cent from 2017 to 2021.

Labour market dynamics

Employment and unemployment

The recently released Statistics South Africa Quarterly Labour Force Survey (QLFS), reflects that 16.1 million people were employed in South Africa in the fourth quarter of 2016. However, 5.8 million were unemployed.

SA unemployment rate at 26.5 per cent in fourth quarter of 2016

While employment was stagnant between the fourth quarters of 2015 and 2016, current data trends point to further increases in the number of working age adults who are unemployed. Narrow unemployment increased by 11.3 per cent over the 12-month period to 5.8 million, while expanded unemployment reflects slightly slower growth (8.7 per cent) due to the slow rate of growth in the non-searching unemployed population. Stagnant employment coupled with growth in the number of unemployed individuals means that unemployment rates continued to increase. The narrow unemployment rate rose by 2.0 percentage points to 26.5 per cent in the final quarter of 2016, while the expanded unemployment rate increased by a slightly smaller margin to 35.6 per cent.

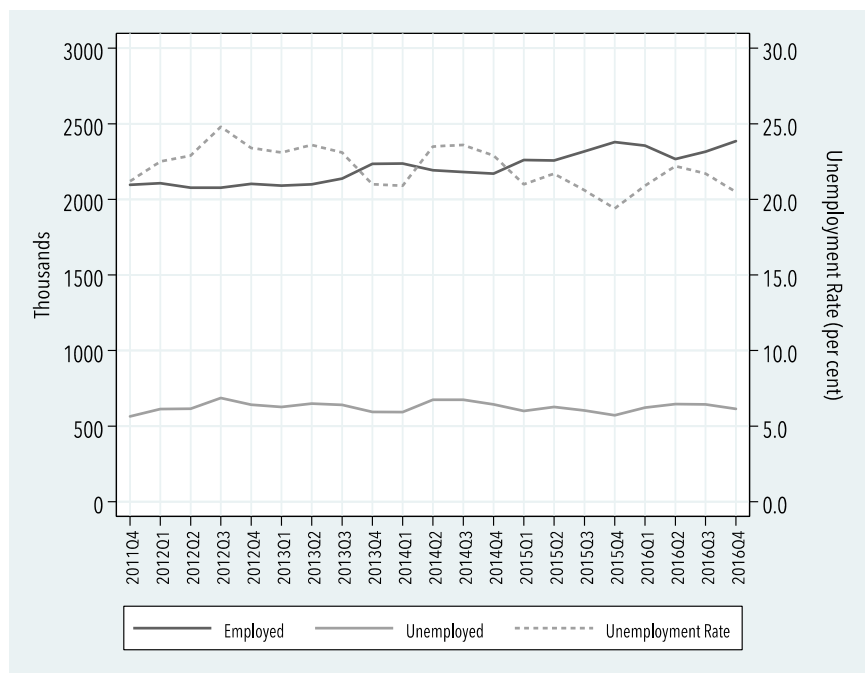
Nationally, narrow labour force participation rates are significantly lower than those observed in the Western Cape, although the gap is substantially narrowed when using the expanded labour force rate. The QLFS data therefore suggests that weaknesses in the national labour market performance have persisted over the period, with no net job growth at the national level and nearly 600 000 individuals added to the pool of unemployed.

WC unemployment rate at 20.5 per cent in fourth quarter of 2016

In the fourth quarter of 2016, there were almost 2.4 million employed individuals in the Western Cape (Table 1.4). The unemployed amounted to 614 000 while non-searching unemployment is quite rare within the Province with just 45 000 individuals. Within the narrow labour force, two out of three working age adults participate in the labour force in the Western Cape with the participation rate at 68.0 per cent in the fourth quarter of 2016, compared with 70.8 per cent in the expanded labour force. The Western Cape unemployment rate stood at 20.5 per cent in quarter four of 2016.

The generally weak performance of the South African labour market in the post-recession period is evident in estimates of labour market aggregates over the past five years. The economy added just 1.7 million jobs between the fourth quarters of 2011 and 2016, or fewer than 350 000 jobs per year on average.

Figure 1.3 Western Cape employment, unemployment and unemployment rate, 2011Q4 – 2016Q4



Source: Statistics South Africa

Within the Western Cape, employment growth has been marginally better with the overall increase in employment of 290 000 between the fourth quarters of 2011 and 2016 to 2.3 million (Figure 1.3); the rate of employment growth over the five years averaged 2.6 per cent, just 0.3 percentage points above the national average. Nationally, the narrow unemployment rate has risen by roughly two percentage points over the five-year period; in the Western Cape, though, while the unemployment rate has generally remained between 20 per cent and 24 per cent, it ended the five-year period down by 0.7 percentage points.

The Western Cape also has the lowest rural unemployment rate in the country at just 14 per cent in the fourth quarter of 2016, which is the lowest recorded since this measure was instituted.

Table 1.4 Labour market trends, 2015Q4 to 2016Q4

	2015Q4	2016Q1	2016Q2	2016Q3	2016Q4	Change (2015Q4 - 2016Q4)	
						Absolute	Relative
Western Cape							
<i>Aggregates (thousands)</i>							
Working age population	4 317	4 341	4 365	4 389	4 412	95	2.2
Employment	2 380	2 356	2 266	2 315	2 386	6	0.3
Narrow unemployment	571	622	646	643	614	42	7.4
Narrow labour force	2 951	2 978	2 912	2 958	2 999	48	1.6
Expanded unemployment	673	703	739	764	739	66	9.8
Expanded labour force	3 052	3 059	3 005	3 079	3 124	72	2.4
Non-searching unemployed	58	41	51	50	45	-13	-22.0
Employment-to-Population Ratio	55.1	54.3	51.9	52.8	54.1	-1.0	
<i>Rates (per cent)</i>							
Narrow unemployment	19.4	20.9	22.2	21.7	20.5	1.1	
Expanded unemployment	22.0	23.0	24.6	24.8	23.6	1.6	
Narrow LFPR	68.4	68.6	66.7	67.4	68.0	-0.4	
Expanded LFPR	70.7	70.5	68.9	70.2	70.8	0.1	
South Africa							
<i>Aggregates (thousands)</i>							
Working age population	36 272	36 431	36 591	36 750	36 905	633	1.7
Employment	16 018	15 675	15 545	15 833	16 069	51	0.3
Narrow unemployment	5 193	5 723	5 634	5 873	5 781	588	11.3
Narrow labour force	21 211	21 398	21 179	21 706	21 849	638	3.0
Expanded unemployment	8 187	8 916	8 880	9 016	8 900	713	8.7
Expanded labour force	24 205	24 591	24 425	24 849	24 969	764	3.2
Non-searching unemployed	2 279	2 434	2 526	2 291	2 292	14	0.6
Employment-to-Population Ratio	44.2	43.0	42.5	43.1	43.5	-0.7	
<i>Rates (per cent)</i>							
Narrow unemployment	24.5	26.7	26.6	27.1	26.5	2.0	
Expanded unemployment	33.8	36.3	36.4	36.3	35.6	1.8	
Narrow LFPR	58.5	58.7	57.9	59.1	59.2	0.7	
Expanded LFPR	66.7	67.5	66.8	67.6	67.7	1.0	

Source: Statistics South Africa

Youth unemployment

Youth constitute a significant proportion of the unemployed in South Africa. In this regard, South Africa is no different to many other countries around the world. In the fourth quarter of 2016, two out of three (64.0 per cent) unemployed South Africans were between the ages of 15 and 34 years, even though this cohort represents just 45.7 per cent of the narrow labour force. Unemployed youth numbered 3.7 million nationally.

Unemployment remains concentrated amongst the youth

Socio-economic profile of the Western Cape

Over the last several years, there have been improvements in key socio-economic indicators in the Western Cape. However, the uncertain economic outlook might imply a slower pace of socio-economic development in the Province.

Table 1.5 Selected socio-economic indicators for the Western Cape

Year	Population		Inequality		Education			Health			Crime		
	Population	Annual growth rate	Gini Coefficient	Human Development Index	Learner enrolment numbers in Public Ordinary Schools	Learner numbers writing Grade 12	Learner numbers passing Grade 12	Infant mortality per 1 000 live births	Child under 5 years mortality per 1 000 live births	TB new client treatment success rate	Satisfied with police	Police response time to emergency calls	Satisfied with courts in dealing with crime
2009	5 618 614	*	0.598	0.684	913 490	44 931	34 017	22.6	27.3	*	*	*	*
2010	5 705 455	1.55%	*	*	918 835	45 783	35 139	22.9	28.4	*	*	*	*
2011	5 797 436	1.61%	*	*	921 776	39 988	33 146	18.9	23.75	*	71.3	39.42	46.6
2012	5 891 691	1.63%	0.610	0.713	934 992	44 700	36 992	18.6	22.59	*	67.0	45.47	46.4
2013	5 988 247	1.64%	*	*	947 046	47 636	40 558	19.6	24.1	84.9	64.8	43.13	45.4
2014	6 086 811	1.65%	*	*	963 441	47 709	39 237	19.2	23.79	82.7	59.8	37.36	32.5
2015	6 187 626	1.66%	0.614	0.731	984 073	53 721	45 496	*	*	84.4	57.1	33.7	32.2
2016	6 293 200	1.71%	*	*	998 925	50 847	43 725	*	*	*	*	*	*

* Data not available.

Source: Statistics South Africa, Western Cape Department of Education, Western Cape Department of Health, Western Cape Provincial Treasury

Population

The Western Cape population has grown by an annual average rate of 1.63 per cent since 2009, and is estimated at 6.29 million in 2016. Given the declining and relatively low fertility rate in the Western Cape, net in-migration is a significant driver of population growth. The demographic profile of the Province differs somewhat from the national population in that it has a relatively older population. People aged 65 years and older account for a larger proportion (6.3 per cent) of the provincial population compared to the national population (5.2 per cent). In contrast, those under the age of 25 years account for only 41.5 per cent of the provincial population compared to 48.3 per cent nationally. Almost two-thirds (64.1 per cent) of the provincial population reside in the City of Cape Town. Despite varying population growth rates across the Western Cape districts, the population distribution has remained relatively stable over the last several years.

*WC population
estimated at
6.29 million in 2016*

Health

Investment in the public health system has seen a positive impact on the health of the Province's citizens. Contributing to this statistic is progress made in reducing child, infant and maternal mortality rates through targeted programmes as well as the roll-out of anti-retroviral therapy.

Infant and child (under 5) mortality rates declined between 2009 and 2015

Infant and child (under 5) mortality rates have declined from 22.9 and 28.4 per 1 000 live births in 2010 to 19.2 and 23.8 in 2015, respectively. The HIV mother-to-child transmission rate has also declined to 1.0 per cent in 2015/16 from 3.6 per cent in 2009/10. In 2013/14 the in-facility maternal mortality rate in the Province was recorded at 55 per 100 000 live births compared to 269 per 100 000 live births nationally.

Albeit still high, Tuberculosis (TB) incidence has continued to decline. The TB notification rate declined to 708.6 new cases per 100 000 in 2014 from 830.2 in 2011/12. New TB client treatment success and death rates has also shown improvement. At the end of 2015/16, 84.4 per cent of new TB cases in the Province had been cured or completed treatment, while the TB death rate had declined to 2.6 per cent. The emergence of drug resistant TB has compounded the complexity of the treatment of TB, with treatment success for multi-drug resistant TB remaining low at 39.4 per cent.

In 2015/16, 1.38 million clients were tested for HIV and 203 565 patients were on anti-retroviral treatment in the Western Cape. Further, almost 69 per cent of patients who has started treatment within the previous 12 months had remained in care. Despite the continued expansion of the HIV/AIDS treatment programme, HIV/AIDS remains the leading cause of premature mortality in the Province.

The growing burden of non-communicable diseases, such as diabetes and cardiovascular disease, is evident in mortality and morbidity trends data. In 2013, 61 per cent of deaths in the Province were as a result on non-communicable diseases. Of these, ischaemic heart disease, cerebrovascular disease and diabetes were the leading causes of death.

Education

The National Development Plan 2030 emphasises that the only sustainable way to reduce poverty is by creating opportunities for growth and jobs, mainly by improving education outcomes. A good education system is one of the cornerstones of a thriving economy.

Rapid increase in primary school enrolment

The increasing Western Cape population has resulted in a 9.4 per cent growth in overall school enrolment between 2009 and 2016. This rapid increase is particularly experienced in primary schools, with the expectation that secondary school enrolment may experience similar trends in the near future. According to the Western Cape Education Department (WCED), a total of 998 925 learners were enrolled in public schools in 2016.

The number of learners in the Western Cape who wrote the National Senior Certificate exam increased from 44 931 in 2009 to 50 847 in 2016, a 13.2 per cent increase. The matric pass rate increased from 75.7 per cent in 2009 to 86.0 per cent in 2016. A total of 20 804 learners (40.9 per cent) achieved a Bachelor's pass in 2016 which allowed them to enter a Bachelor's degree study programme.

The quality of education in the Province is tracked using Systemic Testing in Language and Mathematics. These tests are conducted across Grades 3, 6 and 9. In 2011, the WCED increased the level of cognitive challenge in the language tests in order to set new minimum benchmarks for the Province. Specifically, longer and more complex texts were included in the tests, in order to make the test items comparable with items used in international tests at these levels.

The mathematics scores show an improvement between 2011 and 2016, across all grades. However, the overall performance is notably higher in Grade 3 and 9, increasing from 47.2 per cent to 57.6 per cent and 10.4 per cent to 22.2 per cent respectively between the period 2011 and 2016.

Improvements in mathematics and language test results in the WC

A similar trend is noted for the language systemic test results which showcases improvements across the three grades. The most significant improvement in the language pass rate is seen in Grade 3 registering at 42.5 per cent in 2016 up from 30.4 in 2011 - an increase of approximately 12 per cent over the period. Grade 6 and Grade 9 pass rates have shown promising improvements between 2011 and 2016, increasing from 31.5 per cent to 40.1 per cent and 44.2 to 55.1 per cent, respectively. Despite the improvement in education outcomes, addressing disparities that still exist between schools and targeting dropout rates remains a key priority.

Socio-economic challenges

Despite the adverse impact of domestic and regional economic conditions on income inequality and absolute poverty, the Human Development Index improved from 0.684 in 2009 to 0.731 in 2015. This improvement may be partly due to increased government expenditure on education, public health services, housing and social assistance, directed at improving living conditions for the poor and most vulnerable. In contrast, over the same period, the Gini Coefficient deteriorated in the Province from 0.598 in 2009 to 0.614 in 2015. This is partly due to the adverse impact of the 2009 global financial recession and the resultant weak and protracted economic recovery globally and nationally on income inequality within the Province.

WC human development index improved between 2009 and 2015

Crime remains one of the great impediments to an improved socio-economic environment within the Province. Crime not only leads to financial and physical damage but also affects the local and regional economy with billions spent on the detection and prevention of crime as well as the prosecution and punishment of criminals. One of the key roles of the Western Cape Government is to ensure the efficiency and effectiveness of police conduct within the Province.

The Statistics South Africa Victims of Crime Survey 2015/16 found contrasting findings linked to police conduct. The Survey reflects a decline in satisfaction with the police in the Western Cape from 71.3 per cent in 2011⁵ to 57.1 per cent in 2015/16. The majority of dissatisfied households (30.5 per cent) cited a slow police response time as the main reason for being dissatisfied. In contrast with this finding, the Survey also found that the Province had the fastest response time to emergency calls (26 per cent within 30 minutes), and among the highest police visibility of all provinces. Furthermore, households satisfied with the police, provided "committed" as the main reason for their satisfaction.

Drugs and illegal substances remain a significant feeding platform for various categories of crime. The Survey found that 84.6 per cent of citizens in the Western Cape perceived drugs to be the reason behind the high prevalence of violent and property crime. Furthermore, 52.2 per cent of households in the Province believed that violent crime increased in 2015/16, the highest percentage amongst provinces.

Implications of the Western Cape economic outlook

The global economic outlook is faced with uncertainty which stem from the political and policy environment in the US and EU. Any positive impact in the global economy could however be eroded by a shift towards protectionist trade policies. South Africa, as a small open economy, would be particularly vulnerable.

⁵ Data collection for the Statistics South Africa Victims of Crime Survey (VOCS) 2011 and VOCS 2012 were conducted from January to March of that year and referred to incidents of crime experienced during January to December of the previous year. Since 2013, Stats SA has changed the data collection methodology to continuous data collection and data is collected between April of the previous year to March of the current year.

On the domestic front, downside risks include the expected recovery in consumer spending not materialising and higher-than-expected inflation (which could result in higher interest rates) which could quell the recovery. The impact thereof would weigh more severely on the Western Cape economy due to the services-orientated nature of the Province.

Drought and the water crisis as well as other issues relating to climate change continue to be risks to the provincial economy and in particular the agriculture sector. While the agricultural sector is expected to recover from the wide-spread drought, the extent to which this is able to pull up the rest of the economy remains uncertain. This again could impact the Western Cape disproportionately as the agriculture and agri-processing sectors remain important providers of jobs and growth.

International credit rating agencies have emphasised the importance of tackling structural challenges to prevent a downgrade of South Africa's sovereign debt rating to junk status. A downgrade would have negative implications for local financial markets, and could lead to a sharp depreciation of the rand exchange rate. On the positive side, a currency depreciation would boost the Western Cape's attractiveness as an international holiday destination for foreign travellers as the weaker currency lowers relative costs.

Economic opportunities toward creating inclusive, sustainable and smart growth in the Western Cape are to be found in the key growth economic sectors such as the construction and services sectors, the key priority sectors of the Province and capitalising on the higher levels of business confidence in the Western Cape, trade opportunities and regional comparative advantages.

Project Khulisa, as the economic strategy of the Province, focuses on the productive and enabling sectors in the Western Cape economy to support the region's competitive advantage. The key priority sectors identified having the potential to grow the economy and drive employment creation are Agri-processing, Tourism and the Oil and Gas services sector.

The Western Cape Government through its Green Economy Strategy Framework aims to achieve the double dividend of optimising green economic opportunities and enhancing our environmental performance. To enhance "green growth", the Province needs to catalyse investment and innovation which underpin sustained growth and give rise to new economic opportunities.

Research also shows that labour and capital contribute positively to provincial economic development. Therefore, the Western Cape economy will benefit from effective delivery on its basic mandates which include Education, Health and infrastructure investment.

Infrastructure investment is also one of the key components underpinning economic growth. It provides an effective mechanism to support socio-economic transformation and contributes to building a new level of economic resilience in an increasingly challenging fiscal environment.

Key fiscal risks outlined in the Western Cape Government's Fiscal Risk Statement that accompanied the 2017 – 2020 Western Cape Medium Term Budget Policy Statement which are expected to remain over the medium term relate to lower than expected economic growth, increased political uncertainty in advanced economies, lower than anticipated tax revenue collection, changing demographic profile impacting on front line services, and further depreciation of the rand impacting on goods and services procured abroad.

The Western Cape Government's fiscal response to mitigate the effects of the national and provincial fiscal risks is designed to ensure sustainability in public finances while managing adverse economic and fiscal shocks. The economic outlook elevates the imperative to unlock opportunities for inclusive, sustainable and smart growth. The Western Cape Government is committed to promoting inclusive growth within a sustainable fiscal framework with the 2017 Budget supporting an enabling environment for investment led growth.

Conclusion

The Western Cape economy has slowed in line with that of the national economy and will remain vulnerable to any further global and domestic shocks. Over the medium term, both global and domestic factors will likely weigh on economic growth as the projected growth is insufficient to keep pace with population growth and the rising need to create public value. Given these challenging economic conditions, there is a need to further reinvigorate and strengthen economic policies supported by budget allocations to stimulate the economy. The Western Cape Government will therefore remain committed to inclusive growth and will further continue to reprioritise limited resources between competing priorities to ensure maximum impact for socio-economic development.

2

Provincial revenue

In Summary

- The Province will continue to give effect to the Western Cape Government's Fiscal Strategy, which entails a balanced budget and specific rules and approaches to revenue and expenditure budgeting.
- Fiscal consolidation, -discipline and –sustainability continue to underpin the Western Cape 2017 Budget.
- Over the 2017 MTEF, the Western Cape is projected to receive R179.554 billion in transfers from National Government, of which R36.583 billion is conditional grant transfers.
- Provincial own revenue is projected at R8.389 billion over the 2017 MTEF.

■ Introduction

The Western Cape continues to face a constrained economic and fiscal environment due to adverse economic conditions, both internationally and domestically. The Province's fiscal and budget policy, which has shaped the 2017 Budget, takes into account these economic developments and the associated risks. Over the 2017 MTEF, the Western Cape Government's Fiscal Strategy will continue to be the key driver of greater fiscal sustainability and consolidation. The Fiscal Strategy is accompanied by policies geared towards stimulating inclusive growth and fostering socio-economic development within the Province.

*Adhering to principles
underpinning the
Provincial Fiscal Policy
Strategy*

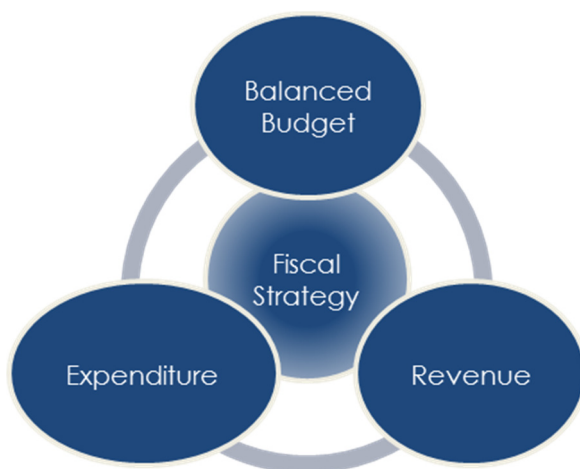
■ Western Cape Government Fiscal Strategy

The Provincial fiscal framework is underpinned by the Western Cape Government's Fiscal Strategy, as set out in the 2017 – 2020 Western Cape Medium Term Budget Policy Statement (MTBPS). The Fiscal Strategy takes account of the key fiscal risks for the Province, the detail of which has been set out in the Fiscal Risk Statement. Over the medium- to long-term, the Western Cape Government will continue to adhere to the Strategy to mitigate fiscal shocks and endure service load pressures in order to achieve long-term fiscal discipline and sustainability. The Fiscal Strategy is supported by a set of fiscal and budget policy principles which include allocative efficiency, fiscal sustainability, fiscal consolidation and fiscal discipline. The execution of the Fiscal Strategy is done through three principles:

- **Balanced budget:** entails a budgeting approach inclusive of the adjustment budget process that aims to balance the budget between expenditure and revenue, taking into account transfers from the national fiscus, own revenue and the utilisation of reserves to ensure sustainable service delivery and to respond to fiscal shocks;
- **Expenditure management:** largely involves managing Compensation of Employees and Goods and Services budgets within affordable levels and finding the appropriate mix of expenditure items to achieve sustainability and efficiency of spend; and
- **Revenue management:** aims to enhance and optimise revenue collection and the application of own revenue for policy initiatives within the Province. This approach includes continually engaging provincial departments and entities to determine the most effective ways of enhancing and optimising own revenue as well as establishing domestic resource mobilisation initiatives. It also includes continuous engagement with the National Treasury on the appropriateness and responsiveness of the Provincial Fiscal Framework.

Figure 2.1, below illustrates the WCG fiscal strategy.

Figure 2.1 Elements of the Western Cape Government Fiscal Strategy



Provincial Revenue Envelope

The Western Cape Government funds provincial expenditure via three sources, i.e. national transfers (comprised of the Provincial Equitable Share and conditional grants); provincial own receipts (made up of taxes and fees/user charges) and internal financing. Over the 2017 MTEF, the total available fiscal envelope amounts to R190.675 billion, with national transfers accounting to 94.17 per cent, provincial own receipts of 4.40 per cent and reserves of 1.43 per cent.

Total available fiscal envelope of R190.675 billion over 2017 MTEF

Transfers from National Government increase nominally by R4.239 billion or 8.18 per cent from the 2016/17 Main Budget of R51.811 billion to R56.050 billion in 2017/18. It is estimated to grow to R59.540 billion in 2018/19 and R63.964 billion in 2019/20. Over the 2017 MTEF, the Provincial Equitable Share grows on average at 7.53 per cent and conditional grants grow at 6.32 per cent.

PES grows on average at 7.53 per cent and conditional grants at 6.32 per cent over 2017 MTEF

Internal financing from provincial reserves amount to R2.732 billion over the 2017 MTEF. This supports fiscal stabilisation in dealing with the deterioration of the economic environment and its related impact, addressing service load pressures and infrastructure investment.

Table 2.1 Summary of Provincial Receipts

Receipts	Outcome			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate		
	Audited	Audited	Audited				2017/18	2018/19	2019/20
R'000	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2018/19	2019/20
Transfer receipts from National	40 951 593	45 660 902	49 114 607	51 810 982	52 010 858	52 010 858	56 050 215	59 539 723	63 963 939
Equitable share	31 881 140	35 591 517	38 579 593	41 062 437	41 062 437	41 062 437	44 470 210	47 452 268	51 048 589
Conditional grants	9 070 453	10 069 385	10 535 014	10 748 545	10 948 421	10 948 421	11 580 005	12 087 455	12 915 350
Financing	381 094	748 367	883 534	1 259 859	1 966 940	1 966 940	1 521 591	732 758	478 073
Asset Finance Reserve	175 711	366 092	290 389	361 250	436 250	436 250	663 852	310 159	307 110
Provincial Revenue Fund	205 383	378 487	593 145	898 609	1 530 690	1 530 690	857 739	422 599	170 963
Provincial Revenue Fund (Direct charge)		3 788							
National receipts and financing	41 332 687	46 409 269	49 998 141	53 070 841	53 977 798	53 977 798	57 571 806	60 272 481	64 442 012
Provincial own receipts									
Tax receipts	1 564 886	1 776 238	1 922 195	1 737 763	1 745 763	1 740 677	1 927 546	2 035 244	2 145 287
Sales of goods and services other than capital assets	561 245	591 804	623 979	524 564	528 418	548 528	560 463	568 020	576 132
Transfers received	158 859	302 075	164 799	78 538	103 107	112 793	120 894	116 212	26 368
Fines, penalties and forfeits	5 890	7 798	6 584	5 305	5 305	8 548	4 969	5 238	5 531
Interest, dividends and rent on land	6 937	10 165	25 552	58 036	14 871	22 545	5 242	5 114	5 320
Sales of capital assets	6 043	120 874	4 700	1	1	3 679			
Financial transactions in assets and liabilities	162 976	140 010	128 643	88 747	96 698	188 992	91 625	92 622	97 001
Provincial own receipts	2 466 836	2 948 964	2 876 452	2 492 954	2 494 163	2 625 762	2 710 739	2 822 450	2 855 639
Total provincial receipts	43 799 523	49 358 233	52 874 593	55 563 795	56 471 961	56 603 560	60 282 545	63 094 931	67 297 651
Transfers from National	93.50%	92.51%	92.89%	93.25%	92.10%	91.89%	92.98%	94.37%	95.05%
Equitable share	72.79%	72.11%	72.96%	73.90%	72.71%	72.54%	73.77%	75.21%	75.85%
Conditional grants	20.71%	20.40%	19.92%	19.34%	19.39%	19.34%	19.21%	19.16%	19.19%
Own receipts	5.63%	5.97%	5.44%	4.49%	4.42%	4.64%	4.50%	4.47%	4.24%
Asset Financing Reserve	0.40%	0.74%	0.55%	0.65%	0.77%	0.77%	1.10%	0.49%	0.46%
PRF Financing	0.47%	0.77%	1.12%	1.62%	2.71%	2.70%	1.42%	0.67%	0.25%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Provincial Equitable Share

The Provincial Equitable Share (PES) provides for a formula-based approach to dividing nationally raised revenue between the provinces. The formula is designed to divide a portion of nationally raised revenue in an appropriate, efficient, transparent and unbiased manner.

The PES formula consists of six components that capture the relative demand for services amongst provinces. These components are Health, Education, Basic, Poverty, Institutional and Economic activity. Four of the six components rely on population figures to determine a province's share of the PES.

The PES provides provinces with an unconditional transfer to fund a basket of services. **The PES formula is not intended to be regarded as a budgeting tool or instrument and therefore the weighting allocated to each of the components is not suggestive of how much a province should allocate to a specific area.** Rather, the decision

around budgeting is a provincial executive council decision based on the provinces own prioritisation processes and specific circumstances.

To ensure that the PES formula remains responsive to population and service delivery changes, and is reflective of inter-provincial changes, the data used in the formula are updated on an annual basis. The financial impact of the data updates are phased into the formula over the 2017 MTEF. Table 2.2 summarises the data sources used to update the formula.

Table 2.2 Summary of Provincial Equitable Share component data used

PES component	Key determinants or variables	Data source
Education (48%)	School age cohort	15 - 17 years from Census 2011
	School enrolment data	2016 data from School Realities Survey, Department of Basic Education
Health (27%)	Uses a risk adjusted capitation index based on the Risk Equalisation Fund and output data from public hospitals	2016 Mid-year Population Estimates
		Medical Aid Insured population data from the 2015 General Household Survey
		Data from the District Health Information System (average of 2014/15 and 2015/16 data)
Poverty (3%)	Share of households in the lowest two quintiles	2016 Mid-year Population Estimates
		2010/11 Income and Expenditure Survey
Economic activity (1%)	Provincial share of remuneration	GDPR 2014
Basic (16%)	Provincial share of population	2016 Mid-year Population Estimates
Institutional (5%)	Equal proportions of operational costs for provincial government	Distributed equally and not based on population numbers

Conditional Grants

Fiscal consolidation, coupled with lower than anticipated revenue collection, has resulted in several changes to conditional grants over the 2017 MTEF. These changes include reductions to some grants based on performance, complemented by grants with higher than average growth rates to mitigate the impact on real service delivery.

A number of grants will benefit from additions to the framework. New grants have also been introduced to give effect to specific service delivery objectives in applicable sectors.

Over the 2017 MTEF, the Province is projected to receive R36.582 billion in total conditional grant transfers, with R11.580 billion in 2017/18, R12.087 billion in 2018/19 and R12.915 billion in 2019/20, reflected in Table 2.3 below.

Table 2.3 Western Cape conditional grant allocations over the 2017 MTEF

R'000	2017/18	2018/19	2019/20	Total MTEF
Agriculture	197 988	205 389	247 106	650 483
Comprehensive Agriculture Support Programme (CASP) Grant	136 197	144 949	183 250	464 396
Ilima/Letsema Projects Grant	55 349	55 662	58 779	169 790
Expanded Public Works Programme Integrated Grant for Provinces	2 062			2 062
Land Care Programme Grant: Poverty Relief and Infrastructure Development	4 380	4 778	5 077	14 235
Cultural Affairs and Sport	228 704	243 661	255 954	728 319
Community Library Services Grant	171 264	180 786	190 652	542 702
Social Sector EPWP Incentive Grant for Provinces	1 496			1 496
Expanded Public Works Programme Integrated Grant for Provinces	3 237			3 237
Mass Participation and Sport Development Grant	52 707	62 875	65 302	180 884
Education	1 503 461	1 428 292	1 510 197	4 441 950
Maths, Science and Technology Grant	30 217	34 361	36 305	100 883
Education Infrastructure Grant	1 093 580	985 552	1 040 742	3 119 874
HIV and AIDS (Life Skills Education) Grant	20 028	21 189	22 376	63 593
Learners with Profound Intellectual Disabilities Grant	11 874	30 093	35 822	77 789
National School Nutrition Programme Grant	337 370	357 097	374 952	1 069 419
Social Sector EPWP Incentive Grant for Provinces	8 243			8 243
Expanded Public Works Programme Integrated Grant for Provinces	2 149			2 149
Health	5 485 476	5 877 780	6 290 783	17 654 039
Comprehensive HIV, AIDS and TB Grant	1 454 773	1 645 399	1 821 364	4 921 536
Health Facility Revitalisation Grant	605 786	595 363	628 703	1 829 852
Health Professions Training and Development Grant	542 700	574 177	606 334	1 723 211
National Tertiary Services Grant	2 876 410	3 043 242	3 213 685	9 133 337
Social Sector EPWP Incentive Grant for Provinces	3 334			3 334
Expanded Public Works Programme Integrated Grant for Provinces	2 473			2 473
Human Papillomavirus Vaccine Grant		19 599	20 697	40 296
Human Settlements	2 230 132	2 389 056	2 544 641	7 163 829
Human Settlements Development Grant	2 226 758	2 389 056	2 544 641	7 160 455
Expanded Public Works Programme Integrated Grant for Provinces	3 374			3 374
Environmental Affairs and Development Planning	4 385			4 385
Expanded Public Works Programme Integrated Grant for Provinces	4 385			4 385
Community Safety	3 328			3 328
Social Sector EPWP Incentive Grant for Provinces	3 328			3 328
Transport and Public Works	1 879 462	1 898 833	2 019 421	5 797 716
Provincial Roads Maintenance Grant	940 089	932 785	999 274	2 872 148
Expanded Public Works Programme Integrated Grant for Provinces	16 452			16 452
Public Transport Operations Grant	922 921	966 048	1 020 147	2 909 116
Social Development	47 069	44 444	47 248	138 761
Early Childhood Development Grant	19 150	31 477	33 235	83 862
Social Worker Employment Grant	11 981	12 967	14 013	38 961
Social Sector EPWP Incentive Grant for Provinces	15 938			15 938
Net Revisions to Baselines	11 580 005	12 087 455	12 915 350	36 582 810

Agriculture

The provincial Department of Agriculture will receive R650.483 million in conditional grants over the 2017 MTEF. The Comprehensive Agricultural Support Programme (CASP) grant and Ilima/Letsema Projects grant account for 97.49 per cent of the agriculture sector grants. The purpose of the CASP grant is to provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution and black producers engaged in value-adding enterprises. The CASP grant is also geared toward addressing damages to infrastructure caused by floods.

Education

A new conditional grant called the *Learners with Profound Intellectual Disabilities grant* has been introduced in the education system. The grant's purpose is to give effect to the requirements of Article 24 of the Convention on the Rights of Persons with Disabilities as ratified in 2007, the White Paper on the Rights of Persons with Disabilities of 2015 and the National Development Plan 2030 for the provision of education to learners with profound intellectual disabilities. A total of R77.789 million has been allocated to this grant over the 2017 MTEF with R11.874 million in 2017/18, R30.093 million in 2018/19 and R35.822 million in 2019/20.

New grant provides additional educational resources for learners with profound intellectual disabilities

The construction, maintenance, upgrading and rehabilitation of new and existing infrastructure is a vital factor of production in the education sector. A total of R3.120 billion (70.2 per cent of the total education grants) over the 2017 MTEF has been allocated to enhance education infrastructure delivery, with R1.094 billion allocated in 2017/18, R985.552 million in 2018/19 and R1.041 billion in 2019/20.

Health

Health conditional grants are the largest category of national conditional grant transfers to the Province, totalling R17.654 billion or 48.26 per cent of the total provincial conditional grant transfers over the 2017 MTEF. Combined, the National Tertiary Services and Comprehensive HIV, AIDS and TB grants make up almost 80 per cent of the conditional grants in the sector. These conditional grants combined amount to R4.3 billion in 2017/18, R4.7 billion in 2018/19, and R5 billion in 2019/20.

Health grants are the largest category of national conditional transfers to the Province

Human Settlements

The Human Settlements Development Grant (HSDG) amounts to R7.160 billion over the 2017 MTEF with R2.227 billion in 2017/18, R2.389 billion in 2018/19 and R2.545 billion in 2019/20. The purpose of

the HSDG is to provide funding for the creation of sustainable and integrated human settlements.

Cultural Affairs and Sport

The Community Library Services grant allocation to the Province amounts to R171.264 million in 2017/18, and the Mass participation and Sports Development amounts to R52.707 million for the same financial year. Over the 2017 MTEF, R728.319 million has been allocated to this sector.

Transport

Province to receive R5.798 billion in transport grants over the 2017 MTEF

The Province is projected to receive R5.798 billion for transport grants over the 2017 MTEF with R1.879 billion in 2017/18, R1.899 billion in 2018/19 and R2.109 billion in 2019/20. The Provincial Road Maintenance grant and Public Transport Operations grant are the two major grants in the transport sector, each comprising nearly 50 per cent of the transfer allocation to this sector in the Province.

Social Development

New Early Childhood Development grant to improve access and infrastructure

From 2017/18 onwards, the Early Childhood Development (ECD) grant addresses both the access of young children to ECD education (subsidy component), including ensuring the adequacy of infrastructure facilities (maintenance component) that house these young minds during the crucial early stages of childhood development. The latter component looks specifically to upgrade registered ECD centres from conditional registration to full registration. Over the 2017 MTEF, the Province will receive a total of R83.862 million with R19.150 million in 2017/18, R31.477 million in 2018/19 and R33.235 million in 2019/20.

New Social Worker Employment Grant of R38.961 million over the 2017 MTEF

A new grant, the Social Worker Employment grant, is introduced to strengthen social welfare service delivery through employment of social workers that have benefitted from the Social Work Scholarship. To this end, the Province will receive R38.961 million over the 2017 MTEF, with R11.981 million in 2017/18, R12.967 million in 2018/19 and R14.013 million in 2019/20.

Provincial Own Receipts

Own receipts comprise less than 5 per cent of total revenue over the 2017 MTEF

Provincial own receipts (also referred to as provincial own revenue) generated from internal sources within the Province comprise just under 5 per cent of the Provincial fiscal framework over the 2017 MTEF. Table 2.4 shows the key determinants of own receipts components in the Province.

Table 2.4 Summary of own receipts components and key variables

Own receipts component	Key determinants or variables
Motor vehicle licence (MVL) fees	Motor vehicle population Motor vehicle licence fee tariffs
Hospital patient fees	Patient numbers Patient fee tariffs and exemptions
Gambling taxes	Gambling tax rates Gross Gaming Revenue
Other	Transfers received from government and other organisations (e.g. donations) Sales of goods and services excluding capital assets Financial transactions in assets and liabilities

Motor vehicle licence fees is the largest source of provincial own receipts collected within the Province. Levied as a provincial tax on motorists, the revenue collected from this source is used for roads related expenditure. Gambling taxes is the second highest source of own receipts for the Province followed by hospital patient fees. Other sources of own receipts are derived from amongst others, user charges for services rendered, transfers received from local and international sources, debtors repayments, and recovered expenditure from previous financial years.

Motor vehicle licence fees is the largest source of own receipts, followed by gambling taxes and hospital patient fees

Table 2.5 presents projected provincial own receipts by category of sources for the 2016/17 Adjusted Estimates and over the 2017 MTEF. Own receipts is projected to increase by an annual average growth rate of 4.61 per cent from R2.494 billion in the 2016/17 Adjusted Estimates to R2.856 billion in 2019/20.

Table 2.5 Western Cape own receipts by source, 2016/17 - 2019/20

	2016/17	2017/18	2018/19	2019/20
R'000	Adjusted Estimates	Medium Term Estimate		
Tax receipts	1 745 763	1 927 546	2 035 244	2 145 287
Casino taxes	412 267	470 141	497 401	525 261
Motor vehicle licences	1 285 065	1 399 552	1 476 643	1 555 393
Horseracing taxes	20 000	28 000	29 616	31 280
Other taxes (Liquor licence fees)	28 431	29 853	31 584	33 353
Sales of goods and services other than capital assets	528 418	560 463	568 020	576 132
Transfers received	103 107	120 894	116 212	26 368
Fines, penalties and forfeits	5 305	4 969	5 238	5 531
Interest, dividends and rent on land	14 871	5 242	5 114	5 320
Sales of capital assets	1	-	-	-
Financial transactions in assets and liabilities	96 698	91 625	92 622	97 001
Total provincial own receipts	2 494 163	2 710 739	2 822 450	2 855 639

Most categories of own receipts are projected to have a positive annual average growth rate over the 2017 MTEF, except for transfers received which is budgeted to decline from R120.894 million in 2017/18 to R26.368 million in 2019/20. This decline is primarily due to the expiry of the Global Fund agreement funding received by the Department of Health. The annual average increase of own revenue over the 2017 MTEF is driven mainly by the key revenue drivers, i.e. motor vehicle licence fees, gambling taxes and hospital patient fees.

Tax Receipts

Motor Vehicle Licence Fees

Motor vehicle licence fees are the largest source of provincial own receipts

Motor vehicle licence (MVL) fees are budgeted to increase by an annual average growth rate of 6.57 per cent over the 2017 MTEF from R1.285 billion in the 2016/17 Adjusted Estimates to R1.555 billion in 2019/20. The increase is largely attributable to a combination of a 6 per cent increase in MVL fee tariffs effective from 1 April 2017 and an expected growth in the motor vehicle population.

Casino and Horse Racing Taxes

Casino taxes expected to contribute R1.493 billion to own receipts over the 2017 MTEF

Casino taxes which include taxes from limited pay-out machines are budgeted to contribute R1.493 billion over the 2017 MTEF. Casino and horse racing taxes combined are budgeted to grow by an annual average growth rate of 8.79 per cent from R432.267 million in the 2016/17 Adjusted Estimates to R556.541 million in 2019/20. The budget for horse racing taxes have been adjusted upwards to reflect past collection performance.

Hospital Patient Fees

Hospital patient fees projected to contribute 13.75 per cent to own receipts over the 2017 MTEF

Hospital patient fees are budgeted to remain at the same levels of R384.445 million per annum over the 2017 MTEF. Hospital patient fee tariffs are determined nationally and set out in the uniform patient fee schedule. Health patient fees predominantly consist of payments from the Road Accident Fund, medical aid schemes, individuals, and state departments.

Liquor Licence Fees

This source of income is derived from fees levied on business establishments who retail liquor products to the public. Liquor licence fees are a relatively small source of provincial own receipts, budgeted to comprise just over 1 per cent of provincial own receipts. It has been budgeted to increase at an annual average growth rate of 5.47 per cent from R28.431 million in the 2016/17 Adjusted Estimates to R33.353 million in 2019/20.

Transfers Received

Donor funding from the Global Fund to the Department of Health came to an end in 2015/16. A new agreement has been concluded between the Department of Health and the Global Fund where the Department will receive \$17.384 million in donor funding over the period 1 April 2016 to 31 March 2019. This funding provides for initiatives aimed at reducing the incidence of HIV/AIDS and Tuberculosis.

Transfers received are budgeted to decline over the 2017 MTEF from R103.107 million in the 2016/17 Adjusted Estimates to R26.368 million in 2019/20, mainly as a result of the ending of Global Fund transfers in March 2019. The Department of Health also receives donor funding from higher education institutions.

Decline in transfers received expected due to ending of Global Fund agreement

Financial Transactions in Assets and Liabilities

This category of own receipts relate mainly to the recovery of expenditure from previous years, debt repayments received, and other smaller revenue items. Financial transactions in assets and liabilities are projected to remain at more or less the same levels over the 2017 MTEF.

Table 2.6 presents a summary of provincial own receipts by department between 2013/14 and 2019/20.

Table 2.6 Summary of provincial own receipts

Vote R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate % Change from Revised estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2016/17	2018/19	2019/20
1. Department of the Premier	4 170	3 584	8 927	1 718	1 718	2 479	1 754	(29.25)	1 798	1 899
2. Provincial Parliament	689	299	276	57	57	212	60	(71.70)	64	67
3. Provincial Treasury	452 515	523 495	565 826	486 029	433 529	433 529	499 404	15.20	528 353	557 952
4. Community Safety	29 087	44 858	37 835	42 595	42 595	42 595	30 340	(28.77)	32 099	33 897
5. Education	33 554	34 689	22 833	30 648	40 348	40 348	32 180	(20.24)	34 046	35 953
6. Health	597 758	618 502	585 741	429 473	454 042	474 606	559 672	17.92	554 988	465 142
7. Social Development	3 556	1 806	2 184	963	963	1 638	1 011	(38.28)	1 070	1 130
8. Human Settlements	89 901	79 149	82 933	60 000	60 000	136 590	60 000	(56.07)	60 000	63 360
9. Environmental Affairs and Development Planning	3 757	9 788	4 168	3 500	3 500	6 158	3 800	(38.29)	4 000	4 224
10. Transport and Public Works	1 217 806	1 548 701	1 466 341	1 365 472	1 381 218	1 410 213	1 492 379	5.83	1 574 854	1 659 104
11. Agriculture	28 914	34 785	43 681	26 659	28 853	28 853	27 313	(5.34)	28 202	29 781
12. Economic Development and Tourism	3 254	10 310	12 661	284	284	1 028	298	(71.01)	315	333
13. Cultural Affairs and Sport	1 388	38 327	42 610	45 506	47 006	47 318	2 475	(94.77)	2 605	2 738
14. Local Government	487	671	436	50	50	195	53	(72.82)	56	59
Total provincial own receipts	2 466 836	2 948 964	2 876 452	2 492 954	2 494 163	2 625 762	2 710 739	3.24	2 822 450	2 855 639

Financing

A key principle of the Western Cape Government Fiscal Strategy is that of ensuring a balanced budget by utilising financing initiatives from reserves to finance the provincial budget. In this regard, R1.522 billion in 2017/18, R732.758 million in 2018/19, and R478.073 million in 2019/20 has been utilised from this source.

Domestic Resource Mobilisation

In an effort to facilitate long term fiscal sustainability, the Province sought to strengthen its fiscal approach via a number of domestic resource mobilisation initiatives. These initiatives include a strategy to further expand savings from domestic resources and their allocation to economically and socially productive investments while building reserves to buffer against future uncertainties. It further consists of reviewing tariff structures from own revenue sources, exploring co-funding initiatives with stakeholders and exploring opportunities for donor funding. The Province continues to explore, among others, initiatives within the gambling sector; identifying additional sources of donor funding; efficiency initiatives to collect motor vehicle licence and hospital patient fees (with a focus to improve patient experience); increase liquor licence fees and recovering debts owed to the provincial government.

Conclusion

The 2017 – 2020 MTBPS set out the Province's Fiscal Strategy over the 2017 MTEF. The Fiscal Strategy has been developed in response to the Fiscal Risk Statement which accompanied the MTBPS. The 2017 Budget gives effect to the objectives of the MTBPS of having a fiscal framework which responds to the fiscal strategy by ensuring a balanced budget which is supported by a sustainable fiscal base and effective and efficient revenue and expenditure practices.

3

Budget priorities and spending plans

In Summary

- The 2017 Budget is focused on balancing public finances and managing fiscal risks while giving effect to the National Development Plan 2030 and the Provincial Strategic Plan 2014 - 2019.
- Integrated Management institutionalises a more coordinated and strategic approach to planning and budgeting with the aim of formulating a responsive budget which drives provincial policy priorities.
- The 2017 Budget aims to promote public value and inclusive growth through prioritising opportunities for growth, jobs and social development through quality education and improved wellness.

■ Introduction

The 2017 Budget maintains its commitment toward service delivery impact and delivering a budget for growth. In light of the constrained fiscal environment, spending plans of the Western Cape Government is informed by the Western Cape Government's Fiscal Strategy and the objective of giving effect to policy priorities while maintaining a sustainable fiscal path.

The 2017 Budget is focused on balancing public finances and managing fiscal risks to maintain a stable economy and giving effect to the Provincial Strategic Plan (PSP) 2014 - 2019. To maintain the sustained progress toward achieving the goals outlined in the PSP 2014 – 2019, the 2017 Budget focuses on creating public value and investing in initiatives toward promoting inclusive growth.

Integrated management and partnering to deliver a budget for growth

A more coordinated approach to planning, budgeting and service delivery

The Western Cape Government has adopted a more coordinated and strategic approach to planning, budgeting and service delivery. This approach involves strengthening the coordination and alignment between processes and structures of government and key role-players with the overarching objective of improving service delivery impact. In support of this approach, the Western Cape Government has developed a framework toward achieving greater coordination in an identified geographic space, to avoid the duplication of services, to ensure optimal use of resources and aligning objectives and outcomes across Western Cape Government departments and between the Province and its municipalities.

The Western Cape Government's approach to planning and budgeting takes an integrated form in order to effectively deliver a budget which gives effect to the PSP 2014 - 2019 and promotes inclusive growth. The PSP 2014 – 2019 outlined below, sets out five Provincial Strategic Goals and introduces Game Changers which fully support the implementation of the National Development Plan 2030.



Achieving the objectives of the PSP 2014 - 2019, amid a constrained fiscal context, requires decisive and tough policy decisions. Efforts toward these goals are focused on promoting public value, inclusive growth and ensuring sustained progress. Furthermore, strengthening economic capacity to improve the quality of life of people, fostering investment in infrastructure led growth and capitalising on comparative advantages of this region underpin the spending plans of the Western Cape Government.

The Western Cape Government reaffirms its commitment to meaningful and sustained progress, which requires the development of constructive partnerships and mobilising resources. To this end, the 2017 Budget promotes innovative and entrepreneurial initiatives which undertakes joint and collaborative action toward imperatives of inclusive growth and economic development.

A Budget for Growth

- *Inclusive Growth:* Empowers people. Promotes a cohesive society. Provides equal access and opportunities to market resources. Encourages growth that is broad based and includes a large part of the labour force. Introduces policies that remove constraints to growth.
- *Sustainable Growth:* Supports a more resource efficient economy which minimises environmental risks while promoting economic growth and development.
- *Smart Growth:* Builds an economy based on knowledge and innovation for future growth.

The Western Cape Government's Fiscal and Budget policy approach

The provincial fiscal and budget policy framework is designed to manage risk and maintain stability in a constrained economic environment, while building a foundation for inclusive economic growth. The objective of the Western Cape Government's Fiscal Strategy is to ensure that current government commitments and established priorities are implemented over the medium to long term, while managing key risks.

This objective is achieved by tabling a budget that balances expenditure commitments with the available resource envelope; to meet key national and provincial policy priorities, while maintaining sustainability in provincial public finances.

The Western Cape Government's Fiscal and Budget Policy Principles underpinning the 2017 Budget include:

- **Allocative efficiency:** allocation of resources towards priorities of government to programmes that are effective;
- **Fiscal consolidation:** which generally entails reducing government expenditure and/or increasing revenues;
- **Fiscal sustainability:** maintaining stability in key government programmes and managing risks; and
- **Fiscal discipline:** being financially accountable by ensuring that there is no irregular or wasteful spending by any department or entity.

The 2017 Budget Process

The 2017 budget process is set within the context of a constrained economic and fiscal environment. Increased pressure on government services as well as rising debt service costs which has further placed the South African fiscal environment under pressure.

The 2017 Budget allocations are underpinned by the fiscal and budget policy principles and outlines the spending plans of the Western Cape Government which is directed toward delivering on the PSP 2014 - 2019.

While formulating the budget, the process aimed to ensure a stable fiscal base and that spending remains within sustainable fiscal limits. This process was further institutionalised by the agreed to objectives that government's priorities would be funded within aggregate expenditure ceilings while limiting growth in personnel spending.

The provincial budget process included extensive consultation between the Province and National Government and across provincial departments and entities through established budget structures to ensure integrated planning and budgeting. This consultative and collaborative approach provided a strong basis to ensure that allocations were jointly agreed to and would collectively achieve key policy priorities while maintaining fiscal discipline.

The outcome of the 2017 Budget process and related spending plans gives effect to the policy imperatives and collectively contributes toward achieving the Provincial Strategic Goals as outlined in the PSP 2014 – 2019.

Medium term provincial budget policy priorities

Provincial Strategic Goal 1: Create opportunities for growth and jobs

Investment promotion and support to key economic sectors

The Western Cape Government recognises that creating an enabling and conducive environment to attract investment, growing the economy and creating jobs is central to supporting inclusive growth.

Project Khulisa, as the economic strategy of the Province, focuses on productive and enabling sectors in the Western Cape economy to support the region's competitive advantage. The key

*Growing the economy
and employment in
Agri-processing, Tourism
and Oil and Gas*

priority sectors identified that have the potential to grow the economy and drive employment creation are Agri-processing, Tourism and the Oil and Gas services sector.

Within the agri-processing sector the 2017 MTEF will focus on maintaining and expanding the Western Cape's share of the Halal market within the global economy through interventions including Halal export promotion and Industrial Parks and the development of a best practice Halal certification standard. Furthermore, opportunities for exports of wine and brandy to Angola and China are being explored through market access initiatives. The expansion of the Brandvlei dam will facilitate new crop production opportunities to facilitate transformation and the veterinary residue laboratory will facilitate additional export opportunities.

Over the 2017 MTEF the Tourism sector will focus on securing direct access routes from key visitor markets; positioning the Western Cape as the Cycling Capital of Africa; the development of the Madiba Legacy tourism route to maximise culture and heritage tourism; and strengthening excellence service interventions.

Within the Oil and Gas sector, interventions over the 2017 MTEF will be directed toward the operationalisation of the Saldanha Bay Industrial Development Zone (IDZ) and the West Coast Industrial Plan, including supplier development programmes. Over the 2017 MTEF, R124.874 million is allocated toward the operationalisation of the Saldanha Bay IDZ.

*Investing in Saldanha Bay
Industrial Development
Zone*

Wesgro as the Tourism, Provincial Trade and Investment Promotion Agency of the Western Cape receives an allocation of R69.594 million over the 2017 MTEF. This will allow for inbound and outward trade missions to be conducted in the three Khulisa sectors.

Infrastructure for growth

The Western Cape Government has identified infrastructure investment as a key lever underpinning growth, providing an effective mechanism to support socio-economic development and building a new level of economic resilience in an increasingly challenging fiscal environment. Over the 2017 MTEF, approximately R28 billion will be invested in infrastructure within key sectors including education, health, social development, human settlements, public works, roads and broadband. The emphasis on existing infrastructure assets and maintenance infrastructure is key. More detail is provided in Chapter 4: Public infrastructure investment.

*Approximately
R27.8 billion to be
invested in infrastructure*

Investment in key catalytic infrastructure projects promotes infrastructure-led growth; over the 2017 MTEF, R178.973 million has been allocated to enabling growth infrastructure and initiatives. Interventions amongst others include the development of the Cape Health Technology Hub/Park; the expansion of the Cape Town International Convention Centre for business tourism; and Design and Innovation.

Ease of doing business

The primary inhibitor of successful economic growth is red tape. The ease of doing business programme continues to be supported with interventions seeking to reduce red tape facing businesses in the Province. In supporting local government, business process improvement initiatives include reducing the cost of statutory application processes and improving municipal services to businesses. Since 2009, the support system for entrepreneurs has been refined, with 35 000 small businesses supported. Over the 2017 MTEF, R29.952 million is allocated toward red tape reduction initiatives.

Agriculture

Agriculture is a key public good and government function that provides food and nutrition security whilst also contributing toward economic output, job creation and exports. The Department of Agriculture receives an allocation of R2.549 billion over the 2017 MTEF. Key priorities for the Department include veterinary services, farmer support and development, agricultural economic services and rural development.

Land reform remains a key priority to the Department of Agriculture. For this reason, the current extension and advisory services capacity as well as the valuable contribution by Commodity Organisations will be maintained. Extension officers will again be supported with sound research where quality infrastructure on research farms becomes necessary.

Green Economy

The Western Cape Green Economy Strategy Framework outlines the Western Cape's roadmap to become the leading green economic hub on the African continent. Plans for the Department of Economic Development and Tourism over the 2017 MTEF include the Smart Grids project which focusses on the installation of rooftop Photo Voltaic solar panels; the Liquefied Natural Gas project which focusses on developing a shared vision for a pipeline from Saldanha Bay to Cape Town, facilitating the off-take of gas within industry and supporting natural gas distribution; and the

Atlantic SEZ to grow the greentech sector in the Western Cape

preparation work around the designation of the Atlantis Special Economic Zone (SEZ). Over the 2017 MTEF an allocation of R24.672 million is made toward the Atlantis SEZ to grow the greentech sector in the Province and country, and to further the objective of revitalising Atlantis as a key industrial node in the region.

The Department of Environmental Affairs and Development Planning contributes to the Green Economy through the Water Decision-making Tool; the mapping of the green economy contributions in the annual indicator reporting, developing biodiversity economy programmes, determining the economic costs and opportunities of climate change in the region developing Sustainable Public Procurement models for state assets, supporting formal and informal resource collectors; developing a working for air programme; exploring investment opportunities through the CapeNature Investment Case for Income Generation Potential of Protected areas and implementation of the EPWP Renewable Energy Training Programme.

The Department of Agriculture contributes to the provincial Green Economy initiative through projects such as the clearing of alien vegetation, which consists of the removal of mostly Eucalyptus trees from the banks of the Berg River and research on the best use of the biomass end product. The Department will also manage the SmartAgri project, which involves block sessions with extension officers and presentations at commodity and study group meetings on climate smart agriculture. Furthermore, the Department will support the Agri Sector desk at Green Cape which serves as a communication platform for SmartAgri and facilitates economic research on green technology, systems and processes in agriculture and the agri-processing sector.

The Department of Transport and Public Works further invested in monitoring of utility usage in owned and leased provincial buildings through metering and the assessment of the feasibility of further solar PV installations as well as the implementation of electricity and water saving measures.

Over the 2017 MTEF, R73.8 million has been allocated for Green Economy initiatives across the Western Cape Government.



Game Changer: Energy Security

The Energy Security Game Changer aims to ensure energy security that supports economic growth by incorporating diverse and low carbon sources of energy and improving energy efficiency.

Key successes since the inception of this Game Changer in 2014:

- Finalised plans toward the rooftop PV and solar water heater campaign which is commencing in early 2017.
- 13 Municipalities in the Western Cape allow for Small Scale Embedded Generation, and 9 of them have National Energy Regulator of South Africa approved tariffs.
- 32 MW in Rooftop PV capacity and 65 000 efficient water heaters have been installed in the Province.
- Province and City moving towards alignment of energy targets, with a common deadline of 2020.

The key focus areas for the 2017 MTEF include facilitating and enabling independent generation of 135 MW through Solar Panel (PV) installations by 2020 and doubling the current installed capacity over the next year.

Skills development

R193.343 million over the 2017 MTEF toward Skills Development

Skills development initiatives are targeted toward improving the region's competitiveness and addressing the challenge of persistently high unemployment in the Western Cape. To this end, the Province will allocate R193.343 million over the 2017 MTEF for skills development and innovation. Key focus areas over the medium term include skills programmes and training, competency based modular training, sector vocational and technical related skills training with a particular focus on bridging the skills gap in the tourism, ICT, and agri-processing sectors. An emphasis will also be placed on work placement to provide opportunities for employment and work experience.



Game Changer: Apprenticeship

Through the Apprenticeship Game Changer the Province aims to have sufficient, appropriately qualified technical and vocational skilled people to meet the needs of prioritised economic growth areas in the Province.

Key successes since the inception of this Game Changer in 2014:

- Successful launch of the game changer, which brought together stakeholders from government, industry, and learning institutions.
- Consolidation of a transversal budget for the work-based learning programme across stakeholders inside and outside government.
- Increased commitment and participation of the public Technical Vocational Education and Training (TVET) colleges through co-leadership with industry bodies to drive the supply and demand model using the Technical Advisory Forums.
- Appropriately qualified technical and vocational skilled people.

Across the 2017 MTEF, the focus will be placed on introducing 32 500 technically skilled persons into the labour market by 2019 to meet the needs of a growing province, intensifying Maths support in the Province's 23 Technical High Schools and 50 other schools, enhancing public awareness of the technical and vocational career path through TVET colleges, engaging employers to take on learners for workplace based learning programmes such as apprenticeships, and working with employers and providers on an innovative dual system apprenticeship programme for a growing number of occupations including Solar PV Installers.

Provincial Strategic Goal 2: Improve education outcomes and opportunities for youth development

Education

The Western Cape Government is dedicated to creating opportunities for learners to remain in school and have access to a quality education, while creating opportunities for the youth to realise their full potential. An allocation of R65.650 billion will be directed to improving education outcomes over the next 3 years.

Key focus areas include: improving the level of language and mathematics in all schools; increasing the number and quality of passes in the National Senior Certificate; and increasing the quality of education provision in poorer communities. In 2016, 579 844 learners were supported in 879 no-fee schools. Transport is also provided to 58 556 learners via 548 routes, mainly in rural areas, through the Learner Transport Scheme.

*579 844 learners
supported in 879 no-fee
schools*

The WCED along with a group of funders are in the process of testing a no-fee public school model which takes a different form from the traditional no-fee school model. This approach gave rise to a pilot “Collaboration Schools” project which involves harnessing strong managerial and training resources from the private sector to strengthen the education outcomes in public schools that need additional support, through school operating partnerships. The Collaboration Schools pilot programme seeks to improve the quality of education at public schools and demonstrate effective models of partnerships in education. The 2017 MTEF will see the further piloting of the collaboration schools model.



Game Changer: eLearning

The eLearning Game Changer aims to use technology to enhance teaching and learning for all Western Cape learners, predominantly in mathematics and languages toward revolutionising teaching and learning in our schools.

Key successes thus far are as follows:

- 929 schools are connected to the Wide Area Network, and over 166 Local Area Networks installed.
- Progress made in establishing functional labs in schools i.e. both subject-specific environments as well as general labs to access resources via the broadband.
- Teacher technology (Smart Classrooms) rolled out in 5 328 classrooms in 390 schools. Learner devices are in the process of being procured for the 16 model schools.
- Teacher training progressing well, supporting the integration of new technologies into the teaching and learning processes.
- The ePortal boasts over 5 758 online resources and links.
- Wireless access points have been installed for learners and teachers to access internet in 455 schools.

Over the next three years, the focus will be on ensuring that all teachers and learners will be exposed at a specified level to technology that is linked to the wide area network that is being rolled out to all Western Cape schools.

Early Childhood Development

The WCED is continuing to work towards providing Early Childhood Development (ECD) at the Grade R level. Over the medium term, a particular focus will be placed on providing an effective ECD environment and curriculum for young children to prosper. This includes new classrooms in areas of greatest need, training students as ECD Practitioner Assistants and strengthening the implementation of the CAPS in Grade R.

The Department of Social Development will continue to focus on improving access to and quality of ECD education. This includes issues of safety, cognitive development, and nutrition which will increasingly become the focus of ECD interventions. In support of this, the Department of Social Development receives an additional R83.862 million over the 2017 MTEF.

Social and economic opportunities for the youth

Youth development in the Western Cape places specific emphasis on equipping the youth to transition into responsible, independent, and productive adults. Initiatives which contribute to this objective include the Youth Cafés and the Year Beyond (YeBo) programme. The 6 Youth Cafés provide positive progressive learning spaces where youth are able to access training in life skills, mentoring, coaching, leadership, entrepreneurship and job preparedness, amongst others. The YeBo programme is a project that provides academic support to 22 no-fee schools where approximately 100 learners benefit at each school. R36.134 million is allocated

Year Beyond provides academic support to 22 no-fee schools

toward further supporting the YeBo programme over the 2017 MTEF.

The Department of Community Safety received a priority allocation of R10.5 million in 2017/18 and R7 million in 2018/19 to assist with the sustainability of initiatives and programmes towards addressing youth at risk from vulnerable communities.

The Mass Participation, Opportunity and Access, Development and Growth (MOD) programme continues to provide school-going children with access to various fun-filled, play-based, recreation-based, modified activities on a daily basis. The centres are based in historically disadvantaged and underserved areas with relatively poor facilities, resources and security concerns. The Department of Cultural Affairs and Sport currently supports 181 MOD centres and in some cases its neighbouring schools. The MOD programme receives an allocation of R152.015 million over the 2017 MTEF.



Game Changer: After School Programme

The After Schools Game Changer aims to provide quality after school programmes to 20 per cent of learners in no-fee and low-fee schools in the Western Cape.

Key successes thus far include:

- Independent audits of the MOD centres and DSD Partial Care centres have been completed.
- The establishment of a peer assessment for work done by NGOs in the After School space.
- As at end December 2016, 47 428 verified learners regularly and consistently attend After School programmes.
- The establishment and leveraging of partnerships, particularly with the UCT Bertha Centre, Partners for Possibility, and the DG Murray Trust, Community Chest, Rutgers University, amongst others.
- The After School Symposium brought together over 300 people and organisations working in the After School space, and positioned government as the leader in innovation for an extended school day.

Provincial Strategic Goal 3: Increase wellness and safety, and tackle social ills

Inclusive and healthy communities, families and children

The Department of Health is allocated R68.509 billion over the 2017 MTEF for the provision of public health services that improve the health outcomes and contribute toward creating public value and overall well-being of the population.

R68.509 billion over the 2017 MTEF toward improving health outcomes

The Department is implementing a number of inter-sectoral interventions that target unhealthy lifestyles which contribute to the burden of disease. These include the First 1000 Days initiative aimed at improving maternal, infant and child health outcomes; the Western Cape on Wellness (WoW) project which forms part of tackling the burden of chronic diseases; and the Integrated Service Delivery Model in Drakenstein, Saldanha, Gugulethu and Nyanga (Gunya) and Town 2 (Khayelitsha).

The Department will also continue to focus on institutionalising patient-centred care; the redesign of primary healthcare and the implementation of the HIV/TB 90-90-90 strategy.

Community-Oriented Primary Care (COPC) is one of the initiatives aimed at intensifying and scaling up whole of society and whole of government behavioural initiatives that are part of its prevention focus. The COPC initiative offers primary health care at the smallest geographic footprint of the Healthcare system. The goal of this initiative is to achieve behaviour change at individual, household and community level toward wellness promoting behaviours. This initiative receives an allocation amounting to R45 million over the 2017 MTEF.

Social development services for the poor and most vulnerable

The Department of Social Development receives R6.641 billion over the 2017 MTEF to provide a network of social development services that enables and empowers the poor, the vulnerable and those with special needs. The Department will prioritise improved access and quality of services offered as per their legislative mandate, which includes: child care and protection services; care and support to families, ECD and after school care programmes; youth social development programmes; probation services and diversion programmes; services to persons with disabilities and older persons; substance abuse interventions; victim support; shelters for homeless adults and special accommodation for victims of human trafficking.

Utilising Non-Profit Organisations (NPOs), the Department is able to extend the reach and spread of services in the Western Cape. Included in the Departments budget is an amount of R38.961 million over the 2017 MTEF to address the need for social workers and reduce the backlog in the number of social work graduates who remain unemployed after completion of their government subsidised education.

Persons with Disabilities

The Department of Social Development has allocated R512.611 million over the 2017 MTEF to empower and improve the well-being of persons with disabilities. Included in this amount is an additional allocation of R12.709 million over the 2017 MTEF to expand access to appropriate residential care, as these individuals require infrastructure, stimulation and nutrition specific to their needs. The majority of the additional bed spaces unlocked will be within rural areas.

Further, the Western Cape Education Department receives R77.789 million over the 2017 MTEF to provide the necessary support, resources and equipment to care centres and schools for the provision of education to children with severe to profound intellectual disabilities.

Children and Older Persons

The Department of Social Development, in delivery of its legislative mandate in respect of older persons provides funded independent and assisted living facilities, residential care facilities and service centres. In support of the progressive implementation of the Older Persons Act and to enable greater access to residential frail care, the Department has been allocated an additional R76.225 million over the 2017 MTEF to supplement the current monthly subsidy for frail care beds.

As the implementing agent, the Department of Transport and Public Works is allocated R62 million over the 2017 MTEF to deliver on the Department of Social Development's priority of addressing urgent security and safeguarding related maintenance at Child and Youth Care Centres. In addition, R10 million in 2017/18 has been allocated for the construction of an additional wing at the Clanwilliam Child and Youth Care Centre which will ensure the separation of children in conflict with the law referred by the Department of Justice from children in need of child care and protective services.

Arts and culture

The Department of Cultural Affairs and Sport continues to work collaboratively and in partnership with tertiary institutions and arts organisations to identify and develop talent. Additionally, affiliated museums are supported to stimulate transformation through exhibitions and public programmes reflective of the experience of communities. The Department will start the process of establishing a Cape Metro/West Coast regional museum. The Cultural Affairs programme is allocated R328.035 million over the 2017 MTEF.

The Department of Cultural Affairs and Sport supports the Western Cape Library Service with the aim of improving access, support and quality of library services within the Province. Libraries are a multi-purpose resource where communities have a safe space to access learning material and broadband services which adds public value to the communities they are situated in.

Services and support are rendered to an established network of 370 public library centres, across the Western Cape. Plans include, further roll-out of the rural library connectivity project to an additional three rural public library sites and to provide initial funding for a new library in Groenheuwel. An allocation of R1.059 billion has been made over the 2017 MTEF for the Provincial Library Service.

Inclusive and safe communities, families and children

The safety of the Western Cape's citizens is a critical focus of the Western Cape Government. Toward this, R923.761 million is allocated towards increasing the safety of our citizens over the 3-year period.

Enhancing safety remains a key strategic priority of the Western Cape Government

A key strategic priority is to enhance safety mechanisms in the province. The Department of Community Safety has developed a service delivery model called the Community Safety Improvement Partnership (CSIP) as its blueprint for increasing safety. Key elements of the CSIP include: the promotion of professional policing through effective oversight; ensuring that public buildings and public spaces are safe; dealing with safety concerns through viable safety partnerships and programmes; and reducing alcohol-related harms. A key activity includes the regular inspection of police stations to identify, record and report on any operational deficiencies in close cooperation with the National Secretariat of Police and the Western Cape Police Ombudsman in order to address all complaints received by communities.

The Department facilitates the identification of policing needs and priorities (PNPs) with CPFs and key stakeholders including municipalities. The outcome of the PNPs is integrated safety plans with the aim of being monitored by municipalities via MOUs with the Department. The Department has institutionalised the Court Watching Briefs to monitor police conduct within the court environment to identify systemic lapses by the police, which result in failures to secure convictions in 25 areas. This includes monitoring the implementation of the Domestic Violence Act (DVA) tool by SAPS.

The Department of Transport and Public Works will continue to render a 24/7 traffic service. Furthermore, addressing the high number of fatalities in the Province through ongoing operations which focus on drinking and driving, speed enforcement and overload control, road safety awareness, education campaigns and fatigue management will continue. Systems and procedures for Evidentiary Breath Alcohol Testing will be further developed and refined at the alcohol evidence centre in Athlone.



Game Changer: Alcohol Harms Reduction

The Alcohol Harms Reduction Game Changer aims to reduce alcohol related intentional injuries and fatalities, starting in Khayelitsha, Gunya and Paarl East. This year the Game Changer aims to create an environment in these areas where the rule of law prevails, which will automatically reduce access to alcohol. This also requires a greater offering of recreational and economic alternatives for the high risk 18 to 35 year old age group. The Game Changer will facilitate and promote these alternatives that must be rooted in communities and run by social and business entrepreneurs.

Key successes since the inception of this game changer in 2016 include:

- The introduction of a transversal Enforcement Operational plan to Reduce Access to Alcohol.
- The Alternative Recreational facilities have been completed.
- The revival of Nyanga Yethu and the replication thereof in Town 2 throughout December and January.
- Final gathering of key performance indicator level data has started and preliminary results specifically on the Brief Motivational Interventions are being analysed.

Provincial Strategic Goal 4: Enable a resilient, sustainable, quality and inclusive living environment

Integrated human settlements

The Western Cape Government is committed to facilitating and supporting the creation of sustainable, integrated and resilient human settlements and contributes toward the objective of inclusive growth. The Department of Human Settlements is allocated R7.977 billion over the 2017 MTEF. The three priority areas include, firstly, directing more resources to the upgrading of informal settlements and the provision of basic services in order to improve living conditions of people in informal settlements and in backyards who continue to wait for houses. Secondly, to increase Affordable/GAP Housing to provide shelter for people who earn too much to qualify for free subsidised houses and too little to qualify for a bond from the bank. Lastly, to prioritise the most deserving people in relation to the allocation of free Breaking New Ground houses.

Supporting Sustainable, Integrated and Resilient Human Settlements

The Department will continue its implementation of catalytic, priority and land release projects. One of these catalytic projects is the Southern Corridor, which includes the informal settlement near

the Airport along the N2, comprising of in-situ upgrading as well as greenfield developments in Penhill and Forest Village. This project will have transformative potential for communities in the informal settlement communities in the Gugulethu, Nyanga, Delft and Philippi areas. The Department will focus on the informal settlements known as GxaGxa, Vukuzenzela, Barcelona, Europe, Kanana, Kosovo, Thabo Mbeki and Tsunami. The Forest Village project of 4 500 opportunities is in construction and will assist to de-densify the above informal settlements in order to do in situ upgrades.

The Department has also commenced with construction for the Vlakkeland project in Paarl, with 2 556 units planned. Planning is also well under-way on the Trans Hex development in the Breede Valley, amongst others. This development will yield over 8 000 housing opportunities to improve the living conditions of informal dwellers and farm workers. The Tembaletu, Syferfontein and Wilderness Heights projects in George will yield approximately 15 000 housing opportunities and are in construction and planning phases. These catalytic projects supports infrastructure-led growth and provide 105 201 housing opportunities which are in the pipeline for completion by 2022. The Department will also focus on projects, including storm water management, in the Grabouw area.

The Department of Human Settlements plans to deliver a total of 3 000 affordable housing units in the Belhar Central Business District (CBD), where a mixed-use high density residential development will create an urban context around nearby education facilities – the University of the Western Cape, Cape Peninsula University of Technology, Northlink College and the provincial government's Oasis School for children with barriers to learning. This development will include a mix of student accommodation, social rental stock, open market GAP, and bonded properties and is done in partnership with the private sector through a land availability project. This project is recommended as a private sector led catalytic project.

Spatial and development planning

The Department of Environmental Affairs and Development Planning has a critical spatial coordination function to ensure spatial alignment in the Province. The Provincial Spatial Development Framework communicates government's spatial development intentions to the private sector and civil society while conveying the Western Cape's spatial agenda to municipalities with the Western Cape Government's spatial agenda of balancing the space-economy.

Regional Socio-economic Project/Violence Prevention through Urban Upgrading project

The Regional Socio-economic Project (RSEP) programme will be rolled out to three additional towns (Saldanha, Darling and Touwsrivier) in the existing participant municipalities. The Violence Prevention through Urban Upgrading (VPUU) Programme will continue in the CoCT covering the areas of Manenberg, Hanover Park, Gunya and Khayelitsha. The RSEP/VPUU Programme directly addresses the needs of communities in the Province as it delivers service delivery projects which are visible in poorer communities. Planned projects for 2017/18 include construction of a toy library and resource centre in Villiersdorp and Paarl East; as well as the Groenheuwel Library Park which will be developed in close collaboration with the Department of Cultural Affairs and Sport (DCAS). An allocation of R101.396 million has been made toward the RSEP/VPUU initiative over the 2017 MTEF.

Management of the ecological and agricultural resource base

The Western Cape Government continues to focus on climate change and the related effects thereof. The Department of Environmental Affairs and Development Planning has developed a Western Cape Climate Change Response Strategy and Implementation Framework. In response to the Western Cape Government framework, the Department of Agriculture has developed a Climate Smart Agri road map to support farmers to adjust and adapt to climate change. The focus areas for climate change include mainstreaming climate resilient and low carbon practices into every sector, line department and municipality in the province. Further areas of work include Monitoring and Evaluation of the region's performance in implementing the climate change strategy as well as coordinating and facilitating climate change related risk and vulnerability assessments, emissions databases and modelling exercises.

Water

Water has been identified as a top priority and an enabler for sustainable growth and development with water security having been identified as a key risk. For this reason, various initiatives related to water security will be conducted by a number of Departments, notably the Departments of Environmental Affairs and Development Planning, Agriculture and Local Government:

Water is a top priority and enabler for sustainable growth

- Plans for 2017/18 by the Department of Environmental Affairs and Development Planning include the continuation of a water awareness campaign together with the Department of Local Government (Disaster Management) to drive behavioural changes to conserve water by sectors of society; contribute to a wastewater re-use feasibility study in Drakenstein municipality and protection of water resources in upper Breede River catchment through clearing of alien vegetation and rehabilitation of riparian areas. Furthermore, the revision of the Sustainable Water Management Plan is in the process of being finalised to reflect new environmental and water policy, legislation, priorities and focus areas. An allocation of R16.856 million was made over the 2017 MTEF toward water for sustainable growth and development.
- The Department of Agriculture remains committed toward supporting the agricultural industry with projects linked to water efficiency and drought relief. These projects include the Fruitlook project, the Ebenhaezer irrigations scheme, maintenance and repairs on the canal system from Clanwilliam Dam to Vredendal, and the clearing of alien vegetation. The Department will also continue its suitcase programme for households that encourages the use of drip irrigation to conserve water and will further assist farmers affected by drought with supplemental fodder supplies. To further the cause toward drought relief, water and food security, an earmarked allocation of R78.711 million has been made over the 2017 MTEF.
- The allocations availed to the Department of Local Government to deal with water security and disaster management responses amount to R33.711 million for the 2017 MTEF. With specific reference to drought relief, the Department has a list of related projects based on support requests received from municipalities.

Fire and Disaster Management

The prevention of disasters in the Western Cape, specifically those related to fires is a priority. The Department of Local Government is allocated R42.5 million over the 2017 MTEF to strengthen its municipal hazardous material response capacity along major routes within the Province and to boost firefighting capacity. The aim is to ensure that all national and major routes and in particular all major towns in all five districts, have access to Intermediate and Advanced Hazardous Materials response capacity.

The state of many fire and disaster response services, especially outside the metropolitan areas has been a concern for the Department of Local Government. The procurement of new or second-hand fire equipment by both district and local municipalities remain challenging. The Department has thus procured 10 purpose-built firefighting vehicles, which will be deployed to rural municipalities across the Province.

Furthermore, CapeNature has been allocated R30 million over the 2017 MTEF toward disaster prevention measures which include the management of wildfires, floods and other risks.



Game Changer: Better Living Model

This Game Changer proposes the development of the 22 hectare former Conradie Hospital site into an integrated, sustainable, and affordable residentially-led, mixed-use neighbourhood. This project will be developed in partnership with the City of Cape Town.

This project aims to redress Apartheid spatial planning legacies by providing well located, affordable – but not free – housing. This development will provide a model for future housing projects. The land-use mix will include circa 3 600 residential opportunities, of which 1 800 will be grant funded units, the remainder being open market opportunities. Besides the provision of well-located affordable housing, Transit Orientated Development will be prioritised through the upgrade of infrastructure, all embodied in a ‘live-work-play-learn’ development vision.

Provincial Strategic Goal 5: Embed good governance and integrated service delivery through partnerships and spatial alignment

Enhanced governance

The Department of the Premier is allocated R4.475 billion over the 2017 MTEF. Key priorities for the Department include policy and strategy as well as strategic management information to coordinate strategic projects, rendering a transversal people management service, enabling service excellence through ICT and providing the necessary legal and corporate communication service across the Western Cape Government.

Municipalities are at the forefront of service delivery. This calls for all key role players to support municipalities to be able to deliver on their constitutional mandate. To this end, the Department of Local Government is allocated R784.313 million over the 2017 MTEF to support municipalities which include, but are not limited to, coordinating a single support plan for municipalities to assess governance maturity; looking at the indirect and direct impact on communities for broad based community development as well as

Municipalities are at the forefront of Service Delivery

conducting research and development to facilitate innovation in municipalities.

The Provincial Treasury is allocated R1.003 billion over the 2017 MTEF toward strengthening capacity and giving effect to Municipal Finance Management Act, 2003 and Public Finance Management Act, 1999 responsibilities. This is in support of governance and strengthening financial management capacity within the Western Cape Government and municipalities. Infrastructure and procurement are key levers to promote economic development. Provincial Treasury will therefore be strengthening its capacity over the 2017 MTEF towards implementing the Infrastructure Delivery Management System. Provincial Treasury will also focus on using technology as an enabler to improve Supply Chain Management performance, improved efficiencies and governance on the e-procurement solution and strategic sourcing methodologies to leverage efficiency gains.



Game Changer: Broadband

The allocations for the roll-out of Broadband for the Western Cape Government equates to R1.703 billion over the 2017 MTEF. Key initiatives over the 2017 MTEF include driving voice savings, implementing the Cloud Strategy and rendering additional support initiatives. Furthermore, Broadband services have been delivered to 1 439 government sites which consists of Schools, Hospitals, Emergency Medical Services and Clinics, Rural libraries, Cape Access centres and Government Corporate offices. The rollout of Broadband expected to reach full coverage in 2017; with phase 2 expected to commence this year as well. Furthermore, the roll-out of Wi-Fi hotspots remains a key focus area as well as Broadband within municipalities.

Further detail on the Provincial Broadband roll- out is provided in Chapter 4: Public infrastructure investment.

Integrated management

A key objective of integrated management includes evidence based governance practices to improve service delivery centered on ensuring value for money, programme and project effectiveness, and decisive and informed strategic policy decision-making.

Data governance within the Western Cape Government refers to the overall management of the availability, usability, integrity and security of data assets. Institutionalising the province-wide Data Governance Framework by the Department of the Premier is currently underway and aims to ensure coherence in data use and production across provincial departments.

Budget aggregates

Table 3.1 provides an overview of the expenditure trends since the 2013/14 financial year and estimates over the 2017 MTEF. The provincial budget grows by 6.16 per cent from a revised 2016/17 estimate of R55.914 billion to R59.356 billion in 2017/18. The largest proportion of the 2017/18 budget is allocated to social services which includes Social Development (3.55 per cent), Health (36.52 per cent share) and Education (34.76 per cent share). The balance is allocated to the Economic and Governance sector departments.

Table 3.1 Summary of provincial payments and estimates by vote

Vote R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	% Change from Revised estimate 2017/18	2016/17	2018/19	2019/20
1. Department of the Premier	894 537	1 042 874	1 200 773	1 341 110	1 364 850	1 364 850	1 440 749	5.56	1 545 763	1 488 690
2. Provincial Parliament	103 122	107 041	116 126	130 821	129 321	129 321	137 715	6.49	138 628	148 471
3. Provincial Treasury	199 967	232 148	240 387	260 739	254 548	254 548	308 184	21.07	338 130	357 514
4. Community Safety	222 196	264 966	269 233	292 016	289 844	289 595	302 056	4.30	305 981	315 724
5. Education	15 111 220	16 588 773	17 637 342	19 247 264	19 530 682	19 530 682	20 629 914	5.63	21 913 385	23 107 146
6. Health	15 916 962	17 305 808	18 737 118	19 982 793	20 144 545	20 142 360	21 679 806	7.63	22 798 527	24 030 698
7. Social Development	1 580 143	1 733 842	1 892 072	1 961 438	1 963 864	1 963 864	2 106 974	7.29	2 204 487	2 329 657
8. Human Settlements	2 215 466	2 151 327	2 210 713	2 224 251	2 244 424	2 244 424	2 536 087	13.00	2 636 035	2 805 461
9. Environmental Affairs and Development Planning	412 199	457 181	502 648	550 964	543 699	543 699	591 570	8.80	588 153	607 656
10. Transport and Public Works	5 017 988	5 770 808	6 668 395	6 788 528	7 092 664	7 092 664	7 426 579	4.71	7 412 220	7 828 643
11. Agriculture	608 862	855 436	750 633	787 855	815 871	815 871	795 179	(2.54)	838 770	915 116
12. Economic Development and Tourism	336 282	469 906	393 874	486 769	573 266	573 266	427 345	(25.45)	432 429	448 362
13. Cultural Affairs and Sport	453 573	612 490	685 544	736 184	730 472	730 472	725 049	(0.74)	742 068	739 172
14. Local Government	172 062	197 479	213 020	217 899	238 747	238 747	249 206	4.38	260 685	274 422
Total provincial payments and estimates by vote	43 244 579	47 790 079	51 517 878	55 008 631	55 916 797	55 914 363	59 356 413	6.16	62 155 261	65 396 732

Conclusion

The provincial fiscal and budget policy framework is designed to manage risk and maintain stability in a constrained economic environment. The Western Cape Government continues to make progress in attaining the policy priorities outlined in the PSP 2014 - 2019 and the related Game Changers.

The 2017 Budget prioritises initiatives which create opportunities for growth and jobs, improve education outcomes, promote wellness and safety and embed good governance. These are underpinned by a more integrated approach to planning and budgeting. This approach includes strengthening coordination and alignment across government structures at all levels to improve service delivery impact.

4

Public infrastructure investment

In Summary

- Public investment in infrastructure remains critical for improving access to and quality of services to the citizenry, while supporting economic growth.
- Over the 2017 MTEF, R28.044 billion will be invested in infrastructure.
- Key is the emphasis on existing infrastructure assets and eradicating the infrastructure maintenance backlog.

■ Introduction

Infrastructure investment is one of the key components underpinning economic growth and a core element of sustainability. The degree of infrastructure investment accountability facing the Western Cape Government is considerable and comes at a time of a renewed commitment to fiscal consolidation and fiscal discipline.

The Western Cape Government's main infrastructure budgets and investment, both in social and economic infrastructure over the 2017 MTEF, includes spending by provincial government departments and public entities; as well as spending on public private partnerships.

■ Infrastructure-led growth

Infrastructure remains critical for improving access to and quality of public services while supporting economic growth.

Investing in infrastructure operation and maintenance offers promising opportunities for economic stimulation: jobs are created, capital expenditure goes further, and sustainable delivery can be

achieved, while political imperatives and community aspirations can be met.

A key area of intervention for the 2017 MTEF is maintenance of infrastructure as this will assist to:

- Prolong the life span of the asset;
- Derive maximum value from assets;
- Protect the investment made in public sector immovable assets and ensure business continuity through the ongoing availability of such assets at reasonable cost and within acceptable risk parameters;
- Support economic development, social upliftment and environmental sustainability for the benefit of people; and
- Sustain service delivery, growth and employment creation.

Standard for Infrastructure Procurement and Delivery Management

The Western Cape Government is in the process of aligning its Infrastructure Delivery Management System to the Standard for Infrastructure Procurement and Delivery Management System (SIPDM) issued by National Treasury.

The departments of Health, Education and Human Settlements will develop a Model Supply Chain Management Policy in accordance with the SIPDM for their respective areas of responsibility as defined in the Western Cape Infrastructure Delivery Management System (WCIDMS) (routine, day-to-day and or emergency maintenance only for Health and Education), with the proviso that they comply to the Construction Industry Development Board rules and regulations. The Department of Transport and Public Works (implementing agent) is reviewing its current Accounting Officer System against the minimum requirements of the SIPDM and implementing measures to close any gaps that may exist, as it relates to the WCIDMS. A full review of the WCIDMS will be undertaken once the review of the IDMS has been concluded by the National Treasury.

Trends in public infrastructure spending

Table 4.1 provides a summary of provincial infrastructure payments and estimates for Education, Health, Social Development, Human Settlements, Transport and Public Works as well as Environmental Affairs and Development Planning which amount to R26.109 billion over the MTEF as reflected in Table 4.1. In addition to this amount, Provincial Infrastructure investment include amounts of R1.704 billion over the MTEF for broadband and R231 million for Public Private Partnerships (PPPs). Overall, the total investment in infrastructure will yield R28.044 billion over the 2017 MTEF. Key is the emphasis on existing infrastructure assets and eradicating the maintenance infrastructure backlog.

Other infrastructure investments like the George Mobility Strategy and the Saldanha Bay Industrial Development Zone (IDZ) are key investments towards the Province's economic development agenda and are excluded from these estimates.

It should be noted that the data in this chapter may differ from infrastructure expenditure estimates presented elsewhere in this publication. Here "infrastructure" is defined broadly, including spending on new assets, replacement assets, maintenance and repairs, upgrades and additions, rehabilitation, renovation and refurbishment of assets. This includes provincial spend on Human Settlements, Broadband and Public Private Partnerships.

Table 4.1 Summary of provincial infrastructure payments and estimates

Vote R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate % Change from Revised estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2016/17	2018/19	2019/20
1. Department of the Premier										
2. Provincial Parliament										
3. Provincial Treasury										
4. Community Safety										
5. Education	1 054 312	1 439 491	1 549 959	1 454 815	1 582 054	1 582 054	1 614 044	2.02	1 532 314	1 617 100
6. Health	894 535	712 923	782 874	806 502	867 795	867 795	815 463	(6.03)	804 150	846 382
7. Social Development		17 000					572		655	692
8. Human Settlements	1 959 237	1 934 936	1 975 122	2 000 811	2 000 811	2 000 811	2 226 758	11.29	2 389 056	2 544 641
9. Environmental Affairs and Development Planning	24 218	29 821	29 048	30 311	18 311	18 311	43 826	139.34	33 672	35 558
10. Transport and Public Works	2 399 082	2 984 979	3 462 886	3 713 830	3 704 769	3 689 486	3 899 561	5.69	3 754 807	3 949 700
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Total provincial infrastructure payments and estimates by vote	6 331 384	7 119 150	7 799 889	8 006 269	8 173 740	8 158 457	8 600 224	5.41	8 514 654	8 994 073

Note: For purposes of this section of the chapter infrastructure spending includes expenditure on public housing funded by the HSDG. In accounting terms, housing subsidies are usually defined as transfers to households rather than capital spending.

R4.8 billion will be spent on Education infrastructure over the MTEF

Education

The Department of Education's expenditure will focus on maintenance, repairs and expansion of education facilities that will accommodate the demand of increased learner numbers in the Province. The replacement of schools constructed of inappropriate materials will be prioritised to assist in meeting minimum norms and standards.

This strategy will ensure that schools in poorer areas are prioritised. R4.8 billion will be spent on Education infrastructure over the 2017 MTEF. The following key infrastructure projects will be delivered over the medium term:

- 16 new schools.
- 637 classrooms in the MTEF for the completion of 16 new schools and to start constructing 5 new and 15 replacement schools. These schools will only be completed beyond the current MTEF.
- 220 additional classrooms.

Priority projects in the City of Cape Town include Delft South PS, Scottsdene SS, Eerste River HS, Qhayiya SS, Kraaifontein HS, Silikamva HS, Vredeloof PS and Chere Botha LSEN. Priority projects in the Eden Central Karoo Education District is Concordia Primary School and Hawston PS in the Overberg Education District.

Health

R2.5 billion to be spent on health infrastructure over the MTEF

The Healthcare 2030 strategy sets out the planned re-organisation of future health services. The planning takes into account the changes that will impact on other sections of the service platform. Seven key principles have been identified to give effect to Healthcare 2030 namely: Person-centered quality of care; Moving towards an outcome-based approach; Primary Health Care philosophy; Strengthening the District Health System Model; Equity; Efficiency; and Building strategic partnerships.

Infrastructure will support the Healthcare 2030 strategy through modernisation, management, and maintenance of health infrastructure and technology in an economical, efficient, cost effective manner; while at the same time taking cognisance of the continuous development of medical technology. R2.5 billion will be spent on Health infrastructure over the 2017 MTEF.

The following priority areas for the 2017 MTEF have been identified:

- To develop and implement a Health Technology Strategy and standard equipment list per facility type;
- To strengthen and improve the primary healthcare infrastructure and medical equipment in all Geographic Service Areas;
- To modernise emergency centres at hospitals;
- To provide/upgrade acute psychiatric units at hospitals;
- To focus on maintenance and fire compliance of existing health facilities; and
- To focus on the Tygerberg Hospital upgrading and rehabilitation projects.

Capital projects planned over the 2017 MTEF include, amongst others:

- Upgrades and additions to Emergency Centres at Helderberg, and Victoria hospitals;
- Groote Schuur Hospital and Tygerberg Hospital prioritised maintenance and upgrade;
- New acute psychiatric unit at Khayelitsha, Eerste River, and New Somerset Hospitals;
- Observatory Forensic Pathology Laboratory (replacement of Salt River Mortuary);
- Avian Park, Napier, PA Hamlet, and Wolseley clinics; and
- Hanover Park and Ravensmead Day Centres.

Social Development

Infrastructure will support the Department of Social Development to provide access to appropriate social assistance for those citizens unable to support themselves and their dependants.

The introduction of the Early Childhood Development (ECD) Grant includes a component aimed at assisting conditionally registered ECD facilities to comply with Health and Safety Norms and Standards as determined by the National Department of Social Development. This provision allows for maintenance allocations to these facilities of R572 000 in 2017/18; R655 000 in 2018/19; and R692 000 in 2019/20.

Provision has been made for urgent maintenance work at Child and Youth Care Centres (CYCC), with an amount of R14 million included in the budget of the Department of Transport and Public Works in 2017/18 for this specific purpose. Maintenance work will focus on a prioritised list of security improvements at various facilities. Provision has also been made for the construction of a new dormitory at the Clanwilliam CYCC, with a budgetary allocation of R10 million in 2017/18.

Transport and Public Works

The Western Cape Government portfolio of assets is critical to the realisation of the Province's socio-economic, service delivery and growth objectives.

Transport

The road network is an important catalyst to grow the provincial economy. The investment in road infrastructure aims to preserve and expand surfaced roads, gravel roads and bridges and to progressively reduce the accumulation of backlogs. The investment also aims to upgrade roads from gravel to surfaced standard as well as to improve hazardous locations to reduce road accidents and fatalities and to improve safety.

An improved public transport system means an improvement of all modes of transport with the ultimate goal of making public transport more attractive and ensuring a modal split between private and public transport where public transport is the mode of choice.

Improvement in road infrastructure will amount to R9.8 billion over the MTEF

The investment in roads infrastructure amounts to R9.8 billion over the 2017 MTEF. The Department plans to deliver the following key projects during the 2017/18 financial year:

- Reseal of Melkbos Road which is expected to be closed-out during September 2017;
- Thirty six (36) Large projects including C850.1 Simonsvlei, C749.2 Paarl-Franschhoek, C918 Oudtshoorn-De Rust, C1009 Kalbaskraal Road rehabilitation, amongst others which are in the planning stages of infrastructure delivery;
- Sixteen (16) Mega projects currently under construction including the C815 PRMG Worcester (Nekkies) road, C917 Piketberg-Velddrif and C820 PRMG Robertson-Bonnievale projects; and
- The anticipated handover of 11 projects during the 2017/18 financial year.

Public Works

The Department of Transport and Public Works, as the custodian of the Provincial Property Portfolio, supports the Province in its service delivery by utilising and investing in provincially owned buildings so as to preserve the value of these provincial assets. This includes creating opportunities for growth and jobs and enabling a resilient, sustainable, quality and inclusive living environment. Key strategic initiatives pertaining to the Provincial Property Portfolio amongst others are as follows:

- Optimising office space utilisation across the Province through the Office Accommodation Modernisation Programme. This Programme aims to improve space utilisation efficiency by up to 40 per cent. Modernisation projects will be executed in the Cape Town, Cape Winelands and Eden regions; and
- Scheduled maintenance of various government buildings.

Over the 2017 MTEF, Public Works will be spending R1.8 billion across the various districts of the Western Cape in terms of the Provincial Property Portfolio.

R1.8 billion will be spent over the MTEF on public works infrastructure

Human Settlements

A key priority for Western Cape Government is developing sustainable integrated human settlements in the Western Cape that will allow its residents to access social and economic opportunities close to where they live. To this end R7.2 billion will be spent over the 2017 MTEF.

R7.2 billion earmarked for Human Settlements over the 2017 MTEF

Three priority areas have been identified over the 2017 MTEF:

- Direct more resources to the upgrading of informal settlements;
- Accelerate affordable housing; and
- Prioritise the most deserving people in relation to the allocation of free Breaking New Ground houses.

To give effect to these Human Settlements priorities, departmental catalytic priority projects are as follows:

- Southern Corridor: 51 540 opportunities (phase 1 in construction, phase 2 at tender stage);
- Transhex: 8 000 opportunities (to commence in 2017/18);
- Vlakkeland: 2 556 opportunities (to commence in 2017/18);
- Belhar: 3 000 opportunities (currently in construction, phase 1 comprising of 627 social housing units complete);

- George: 15 000 opportunities (to commence in 2017/18); and
- In addition to the above (funded via the Human Settlements Development Grant) the Department will invest in bulk infrastructure in the non-metro municipalities to the value of R64 million from own revenue retained in 2016/17. This will assist in accelerating housing delivery and will augment the Municipal Infrastructure Grant allocations of the municipalities.

CapeNature

R113 million to be spent over the MTEF on tourism and conservation infrastructure initiatives

CapeNature intends spending approximately R113 million on tourism and conservation infrastructure over the 2017 MTEF. CapeNature's infrastructure priorities over the 2017 MTEF include improvements at Kogelberg Nature Reserve: Phase 2 - The new development of chalets, a conference centre and an eco pool.

Over the the MTEF period focus would also shift to implementing a more rigorous programme with regards to maintenance and upgrades of existing infrastructure across a number of Provincial Nature Reserves across the Province.

Key stages and gates of the IDMS process would be applied to infrastructure projects in the environment.

Nature of infrastructure investment

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

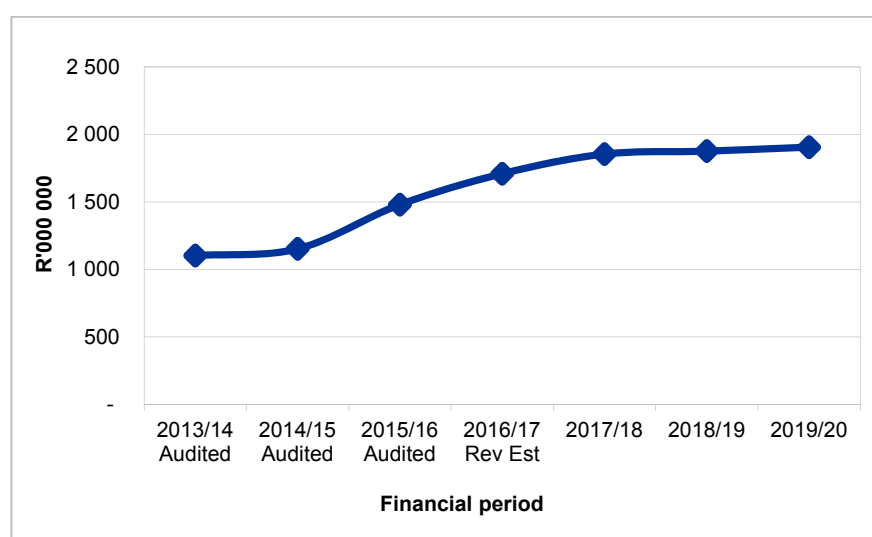
Table 4.2 Summary of infrastructure spend per category

Category R'000	Outcome						Medium-term estimate % Change from Revised estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	2017/18	2016/17	2018/19	2019/20
Existing infrastructure assets	2 932 909	3 637 516	4 376 616	4 674 181	4 887 401	4 861 505	4 971 531	2.26	4 724 724	5 016 182
Maintenance and repairs	1 102 209	1 152 077	1 479 465	1 588 367	1 733 083	1 708 350	1 853 651	8.51	1 875 758	1 904 874
Upgrades and additions	468 680	736 482	735 026	913 495	987 120	977 089	926 300	(5.20)	818 203	1 279 432
Refurbishment and rehabilitation	1 362 020	1 748 957	2 162 125	2 172 319	2 167 198	2 176 066	2 191 580	0.71	2 030 763	1 831 876
New infrastructure assets	908 927	1 242 853	1 137 786	1 078 192	1 011 171	1 004 052	1 118 588	11.41	1 144 848	1 172 708
Infrastructure transfers	2 195 689	2 006 933	2 078 289	2 082 823	2 082 415	2 082 415	2 312 981	11.07	2 437 461	2 571 211
Current	64 559	2 322	7 627	3 500	11 674	11 674	16 778	43.72	7 405	8 526
Capital	2 131 130	2 004 611	2 070 662	2 079 323	2 070 741	2 070 741	2 296 203	10.89	2 430 056	2 562 685
Infrastructure payments for financial assets	16 683									
Infrastructure leases										
Non Infrastructure	277 176	231 848	207 198	171 073	192 753	210 485	197 124	(6.35)	207 621	233 972
Total provincial infrastructure payments and estimates by category	6 331 384	7 119 150	7 799 889	8 006 269	8 173 740	8 158 457	8 600 224	5.41	8 514 654	8 994 073

Maintenance and repairs

In order to protect the provincial asset base, increased investment has been made in the maintenance of provincial infrastructure. In order to improve service delivery, the Department of Transport and Public Works as Implementing agent put in excess of 62 maintenance framework agreements in place for all classes of works (infrastructure projects) that can be activated immediately without any procurement delays or delays in the market response. Maintenance spend has been earmarked as a priority area for the Province with an 8.5 per cent year-on-year increase from 2016/17 to 2017/18.

Figure 4.1 Maintenance and repairs expenditure, 2013/14 – 2019/20



R5.6 billion allocated for maintenance and repairs over the MTEF

Funding for maintenance and repairs over the 2017 MTEF accounts for R5.6 billion of the total infrastructure budget, with the largest portion of investment directed to maintenance of road based transport. Funding over the MTEF for maintenance to address ageing facilities in Health and Education have also progressively increased to align with sector maintenance norms and standards.

Maintenance of health infrastructure is identified as a strategic priority for the Department of Health in the 2017 MTEF with specific focus on Tygerberg and Groote Schuur hospitals. Approximately 32 per cent of the 2017/18 infrastructure budget is allocated for maintenance (scheduled, day-to-day, and routine) of health infrastructure.

The provision for road maintenance and repairs as well as general provincial buildings account for R3 billion over the MTEF; followed by Education (R1.6 billion) and Health (R803 million).

Largest share of new and replacement assets budget allocated to Education

New and replacement assets

An amount of R3.4 billion of the total 2017 MTEF infrastructure budget, is allocated towards new and replacement assets. Within this category, the largest share is allocated towards Education (R2.1 billion), followed by Transport and Public Works (R860 million) and Health (R420 million).

Upgrades and additions

Upgrades and additions account for R3.0 billion of the total infrastructure budget over the 2017 MTEF, of which the Department of Transport and Public Works receives R1.9 billion, Education R838 million and Health R237 million.

Rehabilitation, renovations and refurbishments

R6.0 billion allocated for rehabilitation, renovations and refurbishments

An amount of R6.0 billion of the total infrastructure allocation over the 2017 MTEF is assigned to rehabilitation, renovations and refurbishments. Within this category, the largest share is allocated towards the Department of Transport and Public Works (R5.5 billion).

Spatial distribution of infrastructure spend

Infrastructure planning and expenditure; in particular, new infrastructure, upgrading and expansion of existing infrastructure; needs to be informed by sustained anticipated population growth trends as well as anticipated regional economic growth.

30 per cent of the total infrastructure investment is directed towards the Cape Metro followed by Cape Winelands (15 per cent) and Eden District municipalities (10 per cent). Investment directed across the various districts, mainly for maintenance projects, accounts for 20 per cent of total spend.

The spatial distribution of education spend over the 2017 MTEF includes, among others, approximately Cape Metro/City of Cape Town R1.7 billion, Cape Winelands R259 million, Eden/Central Karoo District R320 million, Overberg R140 million, West Coast R174 million. An amount of R2.2 billion is intended to be spent across various districts.

The Department of Health intends spending R2.5 billion on health infrastructure over the 2017 MTEF. The spatial distribution of the intended spend includes, approximately R1.156 billion within the Metro, R159 million in the West Coast District and R157 million in the Cape Winelands District. Central Karoo apportioned approximately R24 million over the 2017 MTEF, R82 million in the Eden District and

R52 million within Overberg District. An amount of R835 million is intended to be spent across various districts.

The spatial distribution of the investment in roads infrastructure amounts to R9.8 billion over the 2017 MTEF as follows:

- City of Cape Town, R2.3 billion;
- Cape Winelands, R2.6 billion;
- West Coast, R1.4 billion;
- Eden, R1.6 billion;
- Overberg, R899 million;
- Central Karoo, R269 million; and
- Across Districts, R795 million.

Table 4.3 provides a breakdown of spending on the Human Settlements Development Grant (HSDG) per region.

Table 4.3 Summary of Human Settlements Development Grant payments per region

Region	2017/18 (R'000)	2018/19 (R'000)	2019/20 (R'000)	2017 MTEF
City of Cape Town	621 054	729 709	794 800	2 145 563
West Coast	94 428	12 623	-	107 051
Cape Winelands	287 841	426 729	206 121	920 691
Overberg	138 591	123 680	172 450	434 721
Eden	265 104	207 560	186 500	659 164
Central Karoo	34 739	-	-	34 739
Total Transfers	1 441 757	1 500 301	1 359 871	4 301 929

30 per cent of the total HSDG over the 2017 MTEF is directed towards the Cape Metro (excluding funding spent by the Department on projects in the Metro), bringing the total investment spent in the Cape Metro to 60 per cent.

Broadband

The Western Cape Government vision is that “Every citizen in every town and village has access to affordable broadband infrastructure and services, has the necessary skills to effectively utilise this infrastructure and is actively utilising this in their day-to-day lives”.

Following the signing of the contractual agreements with the State Information Technology Agency and Neotel (the appointed service provider) in 2014, significant progress has been made with the implementation of the Broadband project.

The Broadband phase 1 rollout which aims to provide Broadband connectivity to all Western Cape Government buildings included in the initial site list - will be completed by the end of April 2017. Phase 1 of this project connects Western Cape Government buildings at minimum network speeds of 10 megabits per seconds. Phase 2 of the project commences on 1 October 2017 and concludes on 30 September 2022, and during this phase of the project Neotel will be upgrading the minimum network speed at Western Cape Government buildings (included in the initial site list) to 100 megabits per second.

The Western Cape Government is currently in the process of investigating the expansion of the free public Wi-Fi initiative beyond the 384 sites which have been identified. An amount of R1.7 billion is planned to be spent on broadband connectivity over the 2017 MTEF.

Public Private Partnership

Table 4.4 provides a financial overview of current PPP projects.

Table 4.4 Summary of departmental public private partnership projects

Project description R'000	Project Unitary Annual Fee at time of contract	Total cost of project						Medium-term estimate			
		Audited	Audited	Audited	Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
								2017/18	2016/17	2018/19	2019/20
Projects under implementation ^a		51 850	59 312	58 802	64 542	64 542	64 542	68 828	6.64	72 410	76 684
PPP unitary charge		50 357	56 739	56 541	62 328	62 328	62 328	65 793	5.56	69 276	73 433
<i>of which</i>											
for the capital portion (principal plus interest)											
for services provided by the operator											
Advisory fees											
Project monitoring cost			1 493	2 573	2 261	2 214	2 214	2 214	3 035	37.08	3 134
Revenue generated (if applicable)											
Contingent liabilities (information)											
Proposed Projects ^b		10 152	6 648	21 149	3 794	3 422	3 422	4 027	17.68	4 256	4 634
Advisory fees		7 053	4 037	16 947	250	250	250	250			
Project team costs		3 099	2 611	4 202	3 544	3 172	3 172	3 777	19.07	4 256	4 634
Site acquisition costs											
Capital payment (where applicable)											
Other project costs											
Total Public-Private Partnership projects		62 002	65 960	79 951	68 336	67 964	67 964	72 855	7.20	76 666	81 318

^a Projects signed in terms of Treasury Regulation 16

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

The closed PPP agreements in the Province include:

- Chapman's Peak Drive - Toll operation and maintenance;
- Western Cape Rehabilitation Centre and Lentegeur Psychiatric Hospital - Facility management services; and
- De Hoop Nature Reserve's Eco-Tourism project:
 - Upgrading, operations and maintenance of existing tourism facilities.
 - Whale Trail II and Lekkerwater.

Conclusion

The 2017 Budget continues to focus on enabling inclusive growth that empowers people and promotes equal access to markets and resources. Infrastructure is one of the most critical levers to do so through hospitals, clinics, schools, roads, telecommunication and tourism infrastructure which are delivered for social and economic outcomes.

The provincial infrastructure budget proactively responds to the current fiscal environment, while facilitating the necessary levers for economic growth and job creation over the 2017 MTEF. Collectively, the Western Cape Government have formulated a budget which incorporates the Province's considerations for regional sustainability over the long-term, as well as responding to the existing needs of communities.

The focus over the 2017 MTEF will be to continuously drive innovative practices in the delivery of infrastructure; to realise efficiency gains to continue to place the citizen at the centre of budgetary decisions, and achieve greater public value.

5

Spatial distribution of provincial expenditure

In Summary

- The Western Cape Government intends spending 68.1 per cent of its 2017/18 Budget within the Cape Town Metro, followed by the Cape Winelands District at 11.8 per cent and Eden at 8.4 per cent.
- The social sector represents the bulk of the provincial spending amounting to R47.980 billion, while R7.991 billion will be spent in the economic sector and R2.136 billion in the governance and administration sector.
- Provincial departments will transfer R2.495 billion to municipalities in 2017/18, of which Cape Town Metro receives 49.3 per cent.

■ Introduction

The Western Cape Government and Western Cape Municipalities adopted a more coordinated, integrated and strategic approach to planning, budgeting and implementation. This approach culminated in a series of strategic and technical engagements aimed at aligning provincial and municipal objectives and priorities. The spatial and sectoral distribution of the 2017 Budget thus aims to address prevailing socio-economic challenges, policies and strategies that jointly confront the Province and municipalities.

■ Provincial payments and estimates by metro, district and local municipalities

Table 5.1 illustrates the spatial distribution of the Western Cape provincial budget over the 2017 MTEF, which is informed by existing socio-economic realities, policies and strategies.

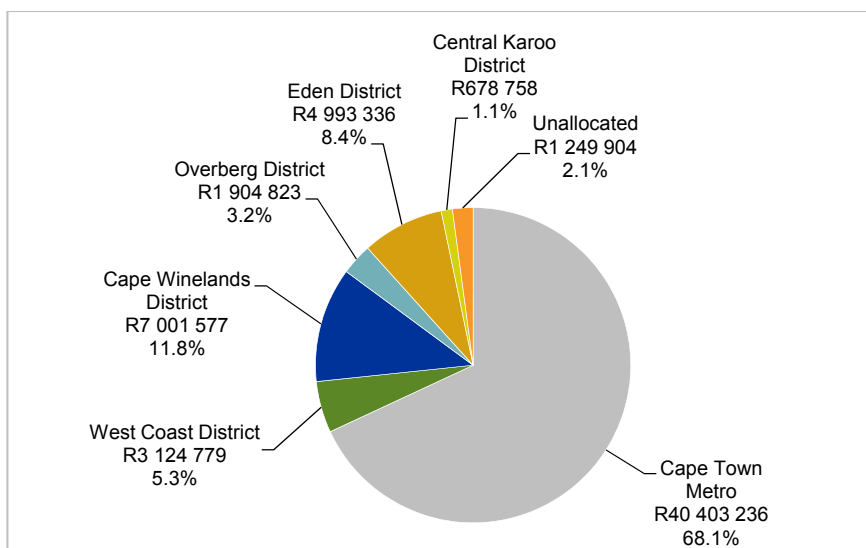
Table 5.1 Provincial payments and estimates by district and local municipalities

Municipalities R'000	Outcome						Medium-term estimate				
				Main	Adjusted		% Change				
	Audited 2013/14	Audited 2014/15	Audited 2015/16	appro- priation 2016/17	appro- priation 2016/17	Revised estimate 2016/17	from Revised estimate	2017/18	2016/17	2018/19	2019/20
Cape Town Metro	29 854 781	33 011 847	35 555 681	37 198 782	38 006 995	38 061 551	40 403 236	6.15	42 490 414	45 109 160	
West Coast Municipalities	2 244 768	2 429 382	2 968 304	2 980 038	3 025 509	3 004 704	3 124 779	4.00	3 045 162	3 134 093	
Matzikama	261 508	285 638	326 299	328 776	327 572	330 779	318 629	(3.67)	373 317	382 643	
Cederberg	304 966	312 545	318 876	344 235	354 481	342 612	424 828	24.00	389 952	409 124	
Bergervier	251 644	320 989	438 332	414 723	429 502	421 814	466 596	10.62	355 772	324 764	
Saldanha Bay	491 137	466 172	629 375	565 210	587 530	588 105	706 798	20.18	706 939	692 016	
Swartland	540 583	522 313	721 539	781 791	774 734	773 256	691 519	(10.57)	674 105	750 406	
Across wards and municipal projects	394 930	521 725	533 883	545 303	551 690	548 138	516 409	(5.79)	545 077	575 140	
Cape Winelands Municipalities	5 105 180	5 812 453	6 205 879	6 485 175	6 476 089	6 460 139	7 001 577	8.38	7 457 883	7 549 798	
Witzenberg	452 951	460 596	530 923	565 841	568 358	562 681	622 092	10.56	651 872	671 359	
Drakenstein	1 292 538	1 339 830	1 624 290	1 617 143	1 563 604	1 558 187	1 744 329	11.95	1 941 679	2 020 807	
Stellenbosch	1 228 307	1 646 350	1 521 964	1 446 322	1 525 409	1 531 745	1 544 354	0.82	1 671 128	1 775 796	
Breede Valley	1 218 327	1 298 294	1 358 494	1 510 927	1 476 880	1 474 916	1 641 913	11.32	1 744 452	1 697 643	
Langeberg	471 310	542 242	602 439	814 893	812 280	805 490	984 483	22.22	953 858	861 438	
Across wards and municipal projects	441 747	525 141	567 769	530 049	529 558	527 120	464 406	(11.90)	494 894	522 755	
Overberg Municipalities	1 688 802	1 826 081	1 884 553	1 880 166	1 880 176	1 846 755	1 904 823	3.14	2 052 939	2 329 810	
Theewaterskloof	517 932	530 373	711 873	632 633	636 360	623 347	715 687	14.81	666 017	754 092	
Overstrand	403 849	561 114	498 705	443 981	436 449	423 986	446 363	5.28	599 731	729 235	
Cape Agulhas	240 543	182 118	207 000	238 500	238 152	236 283	201 383	(14.77)	212 112	246 301	
Swellendam	236 320	236 986	213 476	253 234	260 104	253 412	200 218	(20.99)	215 417	221 477	
Across wards and municipal projects	290 158	315 490	253 499	311 818	309 111	309 727	341 172	10.15	359 662	378 705	
Eden Municipalities	3 796 112	4 117 451	4 272 132	4 691 491	4 738 819	4 721 592	4 993 336	5.76	5 147 117	5 287 779	
Kannaland	194 941	143 418	156 549	145 707	176 960	188 475	151 163	(19.80)	185 204	213 052	
Hessequa	209 478	214 887	248 258	328 050	346 652	348 149	356 267	2.33	269 591	279 856	
Mossel Bay	454 218	525 021	478 561	594 756	608 138	602 348	575 679	(4.43)	662 304	672 610	
George	1 241 909	1 416 995	1 535 030	1 592 340	1 588 282	1 579 749	1 703 565	7.84	1 865 570	1 983 548	
Oudtshoorn	532 848	569 234	603 967	662 286	649 293	661 950	820 291	23.92	811 918	723 511	
Bitou	215 639	212 826	226 310	253 268	268 930	260 556	220 000	(15.57)	188 586	195 424	
Knysna	374 168	382 402	413 451	443 206	469 953	436 023	469 015	7.57	428 283	444 113	
Across wards and municipal projects	572 911	652 668	610 006	671 878	630 611	644 342	697 356	8.23	735 661	775 665	
Central Karoo Municipalities	554 936	592 865	631 329	637 817	654 547	684 960	678 758	(0.91)	741 869	697 427	
Laingsburg	42 046	42 452	55 490	72 932	72 948	74 352	50 117	(32.59)	59 453	61 409	
Prince Albert	78 913	81 175	57 812	57 180	65 711	69 517	106 942	53.84	125 515	70 921	
Beaufort West	314 336	322 117	371 948	372 063	379 232	404 785	396 377	(2.08)	424 453	425 523	
Across wards and municipal projects	119 641	147 121	146 079	135 642	136 656	136 306	125 322	(8.06)	132 448	139 574	
Unallocated				1 135 162	1 134 662	1 134 662	1 249 904	10.16	1 219 877	1 288 665	
Total provincial expenditure by district and local municipality	43 244 579	47 790 079	51 517 878	55 008 631	55 916 797	55 914 363	59 356 413	6.16	62 155 261	65 396 732	

Note: Unallocated not yet allocated to a specific district.

Total provincial expenditure by district and local municipality increases by 6.2 per cent from the 2016/17 Revised Estimate of R55.914 billion in 2016/17 to R59.356 billion in 2017/18. In the outer years of the 2017 MTEF, the increase in the provincial budget expands at a slightly slower rate of 4.7 per cent to R62.155 billion in 2018/19 and by 5.2 per cent to R65.397 billion in 2019/20.

Figure 5.1 Provincial payment percentages, Metro and Districts (R'000)



Cape Town Metro

The Western Cape Government will spend R40.403 billion within the Cape Town Metro in 2017/18. As per Figure 5.1 this represents the lion's share i.e. 68.1 per cent, of the total provincial expenditure. This largely corresponds with the Cape Town Metro's economic and demographic profile within the Province. This estimate is also indicative of the fact that the majority of head offices of the Western Cape Government provincial departments are in the Cape Town Metro.

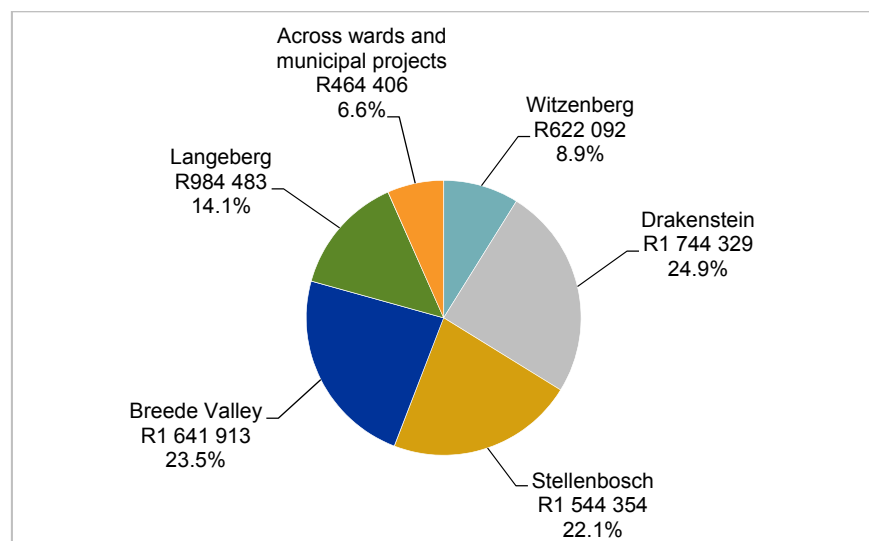
R40.403 billion to be spent in the Cape Town Metro

Cape Winelands District

R7.002 billion or 11.8 per cent of the provincial expenditure, will be spent in the Cape Winelands District in 2017/18.

R7.002 billion to be spent in Cape Winelands District

Figure 5.2 Provincial payment percentages, Cape Winelands District (R'000)



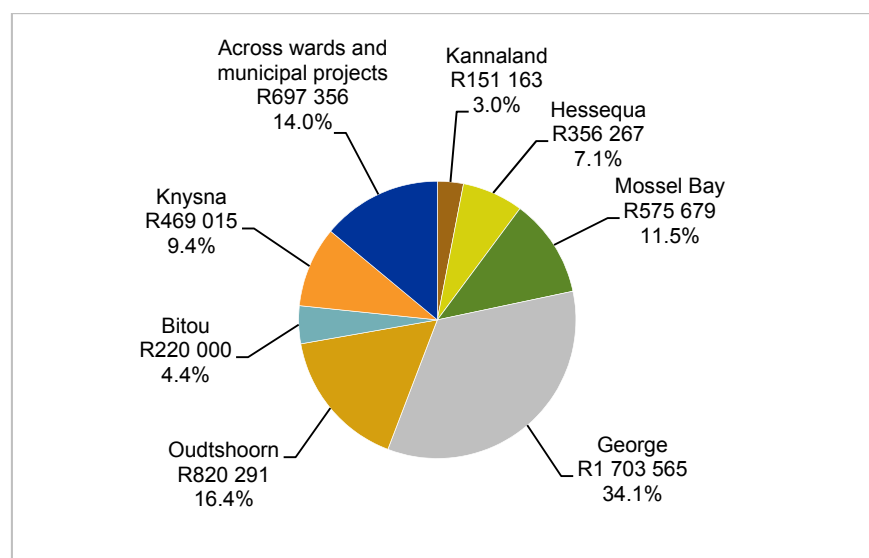
As per Figure 5.2, the majority of the provincial expenditure in the Cape Winelands is split between Drakenstein (24.9 per cent), Breede Valley (23.5 per cent) and Stellenbosch (22.1 per cent) in 2017/18. These areas represent the economic hubs of the Cape Winelands District and are more prone to various social challenges due to larger population sizes than the smaller towns such as Langeberg and Witzenberg.

Eden District

R4.993 billion to be spent in Eden District

The Eden District will see R4.993 billion or 8.4 per cent of the provincial budget spent in the region in 2017/18.

Figure 5.3 Provincial payment percentages, Eden District (R'000)



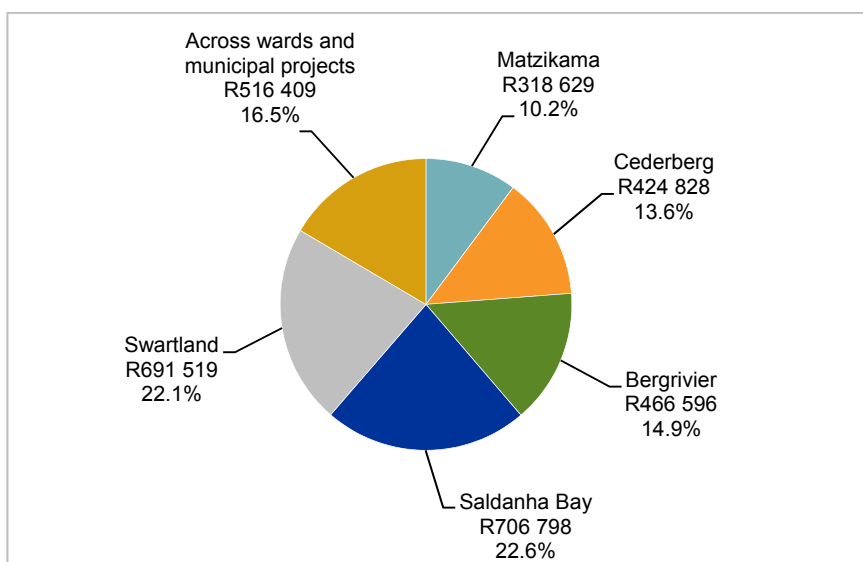
Within Eden District, 34.1 per cent will be spent in George followed by Oudtshoorn Municipality at 16.4 per cent and Mossel Bay at 11.5 per cent. More than double will be spent in George Municipality than Oudtshoorn due to, amongst others, the sizeable regional office of the Western Cape Government situated in George.

West Coast District

As one of the smaller districts in terms of population size, R3.125 billion or 5.3 per cent of the provincial expenditure will occur in the West Coast. Saldanha Bay's share of the provincial expenditure within the West Coast District is 22.6 per cent and Swartland is 22.1 per cent.

*R3.125 billion to be spent
in West Coast District*

Figure 5.4 Provincial payment percentages, West Coast District (R'000)

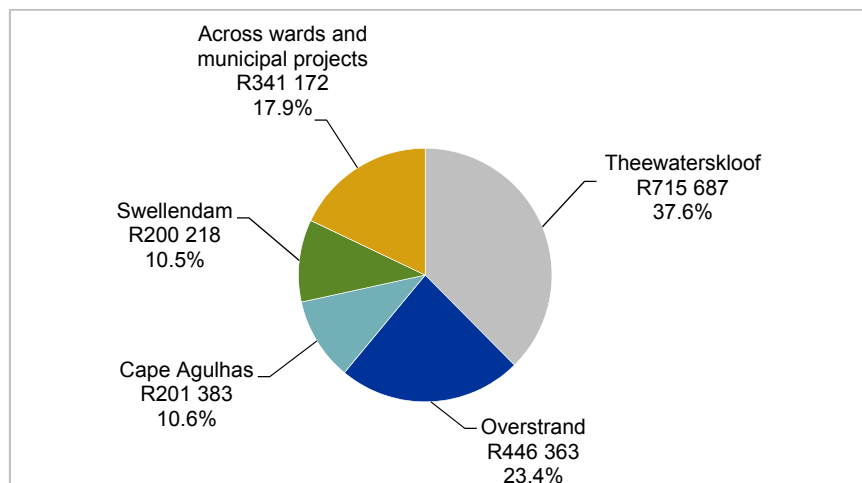


Overberg District

R1.905 billion to be spent in Overberg District

The Western Cape Government will spend R1.905 billion or 3.2 per cent of the 2017/18 provincial Budget in the Overberg District.

Figure 5.5 Provincial payment percentages, Overberg District (R'000)



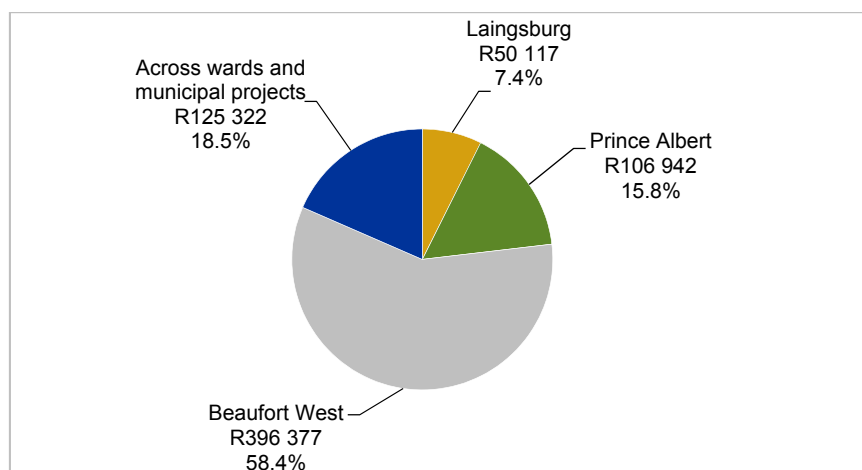
As per Figure 5.5, the Province will spend a total of 37.6 per cent in Theewaterskloof, followed by Overstrand (23.4 per cent). Theewaterskloof, and in particular Caledon remains an important service centre of the Western Cape Government within the Overberg District.

Central Karoo District

R678.758 million to be spent in Central Karoo District

The Central Karoo is the smallest district in the Western Cape and a total of R678.758 million or 1.1 per cent of the total provincial expenditure will occur in this District.

Figure 5.6 Provincial payment percentages, Central Karoo District (R'000)



The majority of the expenditure in the Central Karoo is directed towards Beaufort West at 58.4 per cent followed by Prince Albert (15.8 per cent) and Laingsburg (7.4 per cent).

Provincial payments and estimates per sector by district and local municipalities

Table 5.2 provides a breakdown of the provincial spending according to the different government sectors i.e. the economic, social and governance and administration sectors. The Western Cape Government places a high priority on inclusive, sustainable and smart growth. Consequently, to enhance education, health and related social outcomes, the social sector receives the bulk of the provincial spending amounting to R47.980 billion in 2017/18.

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

Social sector expenditure increases by 6.9 per cent from the 2016/17 Revised Estimate to 2017/18. Social sector expenditure in the Cape Winelands District's increases by 9.7 per cent compared to Central Karoo allocation which increases by 3.1 per cent from 2016/17 Revised Estimate to 2017/18.

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

Cluster estimates R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	% Change from Revised estimate 2017/18	2016/17	2018/19	2019/20
Economic Sector	6 375 331	7 553 331	8 315 550	7 478 954	7 890 838	7 890 838	7 990 769	1.27	8 053 254	8 512 733
Cape Town Metro	3 706 719	4 259 572	4 629 880	4 085 009	4 460 862	4 460 862	4 535 070	1.66	4 587 162	5 048 772
West Coast District	417 648	506 798	823 237	731 469	729 245	729 245	712 560	(2.29)	582 558	550 111
Cape Winelands District	1 149 910	1 604 553	1 611 528	1 489 592	1 545 989	1 545 989	1 614 229	4.41	1 629 334	1 663 080
Overberg District	406 835	415 780	442 413	315 603	311 346	311 346	238 513	(23.39)	320 957	459 009
Eden District	588 045	677 601	719 275	735 387	725 617	725 617	796 005	9.70	775 249	709 447
Central Karoo	106 174	89 027	89 217	121 894	117 779	117 779	94 392	(19.86)	157 994	82 314
Social Sector	35 499 560	38 657 206	41 432 022	44 443 946	44 903 831	44 901 397	47 979 886	6.86	50 598 924	53 326 237
Cape Town Metro	24 809 652	27 244 933	29 222 309	31 230 850	31 631 150	31 685 747	33 805 385	6.69	35 697 406	37 873 093
West Coast District	1 826 508	1 913 832	2 137 407	2 240 598	2 287 061	2 266 243	2 403 167	6.04	2 453 103	2 573 965
Cape Winelands District	3 930 377	4 171 495	4 555 126	4 956 782	4 891 046	4 875 090	5 346 880	9.68	5 785 462	5 841 021
Overberg District	1 280 220	1 402 657	1 436 738	1 558 892	1 562 228	1 528 803	1 659 939	8.58	1 725 272	1 863 725
Eden District	3 205 121	3 431 456	3 544 633	3 947 420	4 003 179	3 985 937	4 187 462	5.06	4 361 514	4 567 434
Central Karoo	447 682	492 833	535 809	509 404	529 167	559 577	577 053	3.12	576 167	606 999
Governance and Administration Sector	1 369 688	1 579 542	1 770 306	1 950 569	1 987 466	1 987 466	2 135 854	7.47	2 283 206	2 269 097
Cape Town Metro	1 338 410	1 507 342	1 703 492	1 882 923	1 914 983	1 914 942	2 062 781	7.72	2 205 846	2 187 295
West Coast District	612	8 752	7 660	7 971	9 203	9 216	9 052	(1.78)	9 501	10 017
Cape Winelands District	24 893	36 405	39 225	38 801	39 054	39 060	40 468	3.60	43 087	45 697
Overberg District	1 747	7 644	5 402	5 671	6 602	6 606	6 371	(3.56)	6 710	7 076
Eden District	2 946	8 394	8 224	8 684	10 023	10 038	9 869	(1.68)	10 354	10 898
Central Karoo	1 080	11 005	6 303	6 519	7 601	7 604	7 313	(3.83)	7 708	8 114
Unallocated				1 135 162	1 134 662	1 134 662	1 249 904	10.16	1 219 877	1 288 665
Total payments and estimates per sector	43 244 579	47 790 079	51 517 878	55 008 631	55 916 797	55 914 363	59 356 413	6.16	62 155 261	65 396 732

Note: Unallocated not yet allocated to a specific district.

13.5 per cent of the budget will be spent in the economic sector

The economic sector promotes economic growth and increased employment mainly facilitated through infrastructure-led growth. R7.991 billion or 13.5 per cent of the provincial budget in 2017/18 is directed toward this sector, increasing marginally by 1.3 per cent from the 2016/17 Revised Estimate.

3.6 per cent will be spent in the governance and administration sector

The governance and administration sector aims to create public value to advance sound governance, integration, partnerships, spatial targeting, active citizenry and enabling a capable state. R2.136 billion or 3.6 per cent of the provincial budget will be spent in this sector, rising by 7.5 per cent from the 2016/17 Revised Estimate to 2017/18 – the highest increase for the different sectors over the period. The growth is mainly driven by an above average increase of 7.7 per cent towards the Cape Town Metro.

Physical infrastructure spend

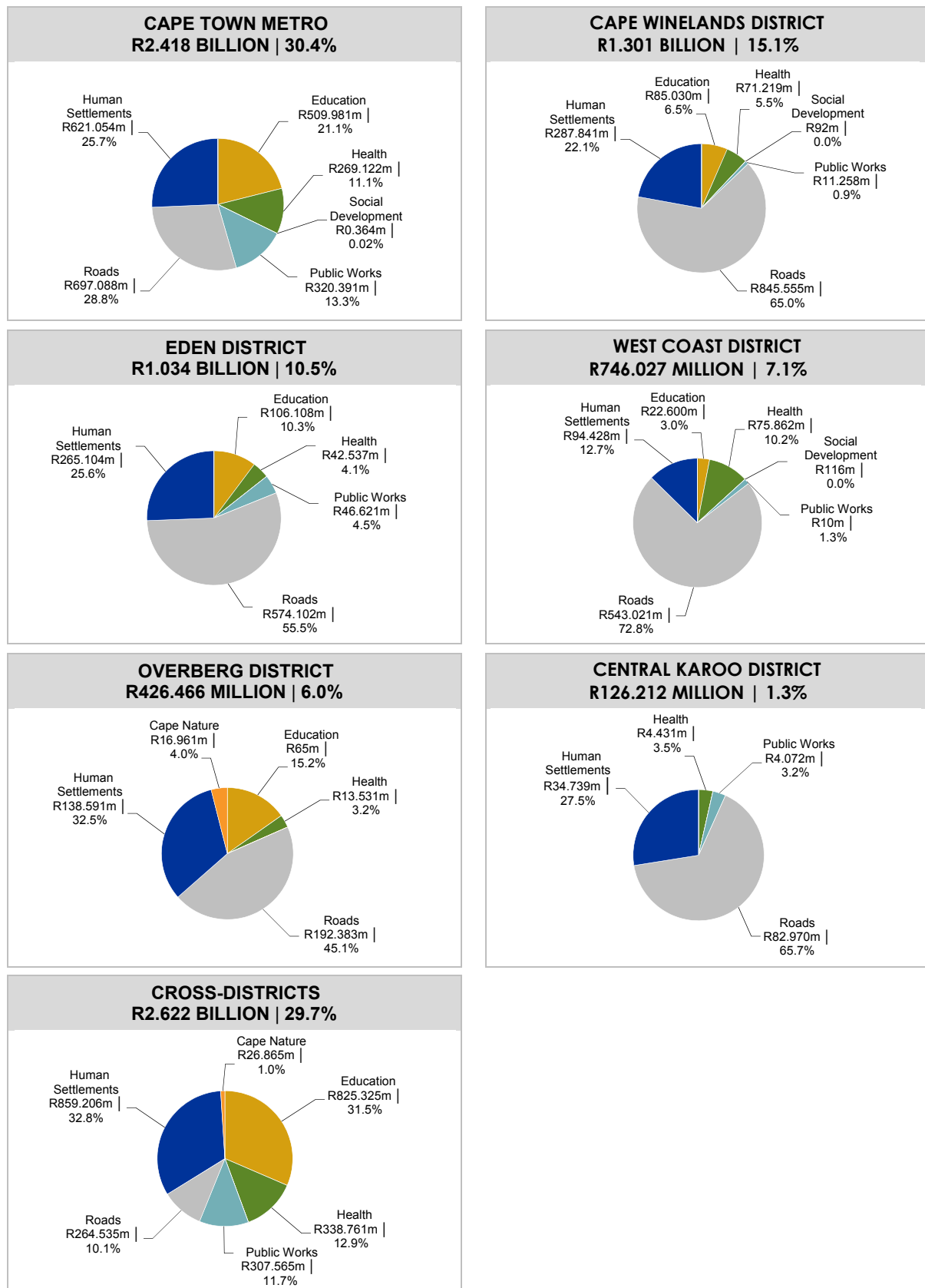
As per the Constitution of South Africa, the core mandate of municipalities is the provision of basic services to ensure a quality and dignified life for all citizens. A municipality's ability to give effect to this mandate is however largely dependent on the presence and quality of supportive physical and organisational structures and facilities.

There is a direct correlation between infrastructure investment and the improvement in standards of living. Evidence suggests a link between increased basic infrastructure delivery and economic growth. Enhanced economic growth will however also result in increased infrastructure investment, completing a cycle of value addition.

The Western Cape Government's commitment to facilitate economic growth as a catalyst for enhanced service delivery is evident from its 2017 MTEF infrastructure investment to the value of R26.175 billion, which will be rolled-out across the Province. This amount excludes human settlements projects implemented by the Department of Human Settlements, Broadband and public private partnerships.

Diagrammatic representation of municipal budgets

Figure 5.7 2017/18 Municipal infrastructure spend



Cape Town Metro
infrastructure spend
amounts to R2.418 billion

The bulk of the provincial physical infrastructure investment in 2017/18 will be in the Cape Town Metro with an estimated expenditure of R2.418 billion. Cape Winelands District and Eden District follows, with estimated expenditure of R1.301 billion and R1.034 billion occurring in 2017/18 respectively.

The largest proportion of infrastructure expenditure across all districts is toward roads infrastructure, followed by human settlements. Investment in education, health and public works infrastructure takes up the remainder of the estimated expenditure.

■ Provincial transfers to local government

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

The provincial allocations per municipality are outlined in the Local Government Allocations Gazette, tabled together with the 2017 Budget in the Provincial Parliament. The Gazette outlines the indicative allocations per municipality for every allocation to be made from the Province's own funds; as well as the frameworks for each grant over the MTEF period in both the provincial and municipal financial years. This information enables municipalities to improve planning and budgeting and to implement associated programmes over a three year budgeting cycle.

Table 5.3 Summary of provincial transfers to local government by category

Vote transfers R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				% Change from Revised estimate 2016/17	2017/18	2018/19	2019/20
Category A	1 161 376	1 173 964	1 256 815	1 263 018	1 278 519	1 299 935	1 230 810 (5.32)	1 377 006	1 485 813	
Category B	1 053 809	907 348	1 127 442	1 156 436	1 301 431	1 255 670	1 200 101 (4.43)	1 124 327	885 725	
Category C	6 537	8 049	44 232	826	11 487	11 487	7 840 (31.75)	3 791	4 392	
Unallocated				26 458			56 197	102 197	138 665	
Total departmental transfers to local government	2 221 722	2 089 361	2 428 489	2 446 738	2 591 437	2 567 092	2 494 948 (2.81)	2 607 321	2 514 595	

Note: Unallocated not yet allocated to a specific district.

The allocation to municipalities is set to decrease by 2.8 per cent from R2.567 billion to R2.495 billion between the 2016/17 Revised Estimate and 2017/18. In the outer years of the MTEF, the municipal allocations are projected to increase by 4.5 per cent to R2.607 billion in 2018/19 but then drop by 3.6 per cent to R2.515 billion in 2019/20.

Transfers to municipalities amount to R2.495 billion in 2017/18

In 2017/18, the allocation towards the Category A municipality, i.e. the Cape Town Metro declines by 5.3 per cent to R1.231 billion from the Revised Estimate of R1.300 billion in 2016/17. The allocation to Category B municipalities decreases by 4.4 per cent from the 2016/17 Revised Estimate of R1.256 billion in 2016/17 to R1.200 billion in 2017/18. The allocation to Category C municipalities decreases from the 2016/17 Revised Estimate of R11.487 million in 2016/17 to R7.840 million in 2017/18.

A small portion (2.3 per cent) of the transfers to local government is reserved as unallocated for municipal support initiatives by the Provincial Treasury and the Department of Local Government. These allocations will be determined in the 2017 Adjusted Estimates following the conclusion of various technical governance and budget engagements which will inform the need for various support initiatives for municipalities.

In terms of the spread amongst the different categories of municipalities, the bulk of these funds in 2017/18 will be transferred to the Cape Town Metro (49.3 per cent), followed by Category B municipalities (48.1 per cent) and the remainder to Category C municipalities.

Conclusion

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

The spatial and sectoral distribution of the Province's budget is based on current socio-economic realities, policies and strategies that jointly confront the Province and municipalities. The bulk of the Provincial budget will be spent in the social and economic sectors. It is indicative of the Province's commitment to advance inclusive economic growth, combat poverty, crime and other social ills and to create public value by improving the quality of life for all citizens in the Province.

6

Budget by economic classification

In Summary

- The largest provincial expenditure item in 2017/18 is Compensation of Employees at R32.043 billion.
- The personnel budgets ceilings introduced in 2016/17 continues over the 2017 MTEF to improve overall personnel management and responsibly manage the wage bill.
- Transfers to provincial entities and provincial government business enterprises amount to R700.918 million for 2017/18, while payments for capital assets amount to R4.982 billion for 2017/18.

Introduction

The 2017 Budget is underpinned by the Western Cape Government's established fiscal and budget policy principles of allocative efficiency, fiscal consolidation, fiscal discipline, and fiscal sustainability. The Western Cape Government aims to ensure that provincial public finances remain on a sustainable path. Over the 2017 MTEF, provincial expenditure allocations are expected to lead to enhanced public value and service delivery impact.

Fiscal and Budget Policy principals underpin the 2017 Budget

Provincial expenditure

Table 6.1 overleaf provides a summary of provincial payments and estimates by economic classification.

Table 6.1 Summary of provincial payments and estimates by economic classification

Economic classification R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate % Change from Revised estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2016/17	2018/19	2019/20
Current payments	32 308 689	34 921 195	38 083 262	41 598 368	42 028 657	41 958 614	44 883 721	6.97	47 483 287	49 932 185
Compensation of employees	23 173 411	25 137 117	27 253 806	29 774 065	29 675 804	29 681 925	32 042 919	7.95	34 169 484	36 144 487
Goods and services	9 135 273	9 784 068	10 829 201	11 824 303	12 352 851	12 276 652	12 840 802	4.60	13 313 803	13 787 698
Interest and rent on land	5	10	255		2	37		(100.00)		
Transfers and subsidies to	7 418 124	8 240 887	8 397 540	8 637 937	8 987 056	9 009 730	9 484 462	5.27	9 922 069	10 387 856
Provinces and municipalities	1 049 617	1 136 257	1 393 051	1 335 773	1 566 132	1 566 132	1 627 362	3.91	1 703 573	1 809 627
Departmental agencies and accounts	337 089	410 593	414 995	421 436	517 814	517 783	504 156	(2.63)	508 430	528 345
Higher education institutions	5 632	8 863	5 528	9 632	5 382	5 382	10 685	98.53	20 934	6 133
Foreign governments and international organisations	128	239	286	165	297	297	263	(11.45)	279	295
Public corporations and private enterprises	908 208	1 143 003	1 044 489	1 111 876	1 143 854	1 143 944	1 154 524	0.92	1 201 929	1 296 973
Non-profit institutions	3 014 663	3 400 003	3 317 329	3 545 812	3 564 653	3 564 781	3 704 623	3.92	3 837 951	3 935 494
Households	2 102 787	2 141 929	2 221 862	2 213 243	2 188 924	2 211 411	2 482 849	12.27	2 648 973	2 810 989
Payments for capital assets	3 497 645	4 601 789	5 021 119	4 766 743	4 891 544	4 929 369	4 982 179	1.07	4 743 671	5 070 111
Buildings and other fixed structures	2 796 652	3 742 447	4 073 449	4 140 146	4 153 500	4 151 802	4 212 707	1.47	3 986 555	4 276 463
Machinery and equipment	644 106	776 935	809 557	599 244	684 988	721 499	689 556	(4.43)	702 833	736 039
Biological assets										
Land and subsoil assets	44 280	66 498	107 479	13 995	23 695	23 695	63 882	169.60	37 943	39 948
Software and other intangible assets	12 607	15 909	30 634	13 358	29 361	32 373	16 034	(50.47)	16 340	17 661
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>	1 702 832									
Payments for financial assets	20 121	26 208	15 957	5 583	9 540	16 650	6 051	(63.66)	6 234	6 580
Total economic classification	43 244 579	47 790 079	51 517 878	55 008 631	55 916 797	55 914 363	59 356 413	6.16	62 155 261	65 396 732
Direct charge	31 486	37 627	35 639	39 155	39 155	39 155	41 113	5.00	43 497	45 933
Total economic classification (including direct charge)	43 276 065	47 827 706	51 553 517	55 047 786	55 955 952	55 953 518	59 397 526	6.16	62 198 758	65 442 665

In total, the appropriated funds for 2017/18 amount to R59.398 billion, inclusive of direct charges, a 6.16 per cent increase from the 2016/17 Revised Estimate.

The budget for 2017/18 is made of current payments of R44.884 billion, transfers and subsidies of R9.484 billion, payments for capital assets of R4.982 billion and payments for financial assets of R6.051 million.

Bulk of provincial expenditure is toward current payments

At 75.6 per cent, the largest share of the funds go to current payments. Current payments are driven by Compensation of Employees (CoE) at R32.043 billion and Goods and Services at R12.841 billion.

With CoE at 53.9 per cent of the total provincial payments, the importance of ensuring that departments put credible personnel budgets in place is imperative. In view of the constrained economic and fiscal environment, CoE upper limits was introduced in 2016/17 to give effect to fiscal consolidation.

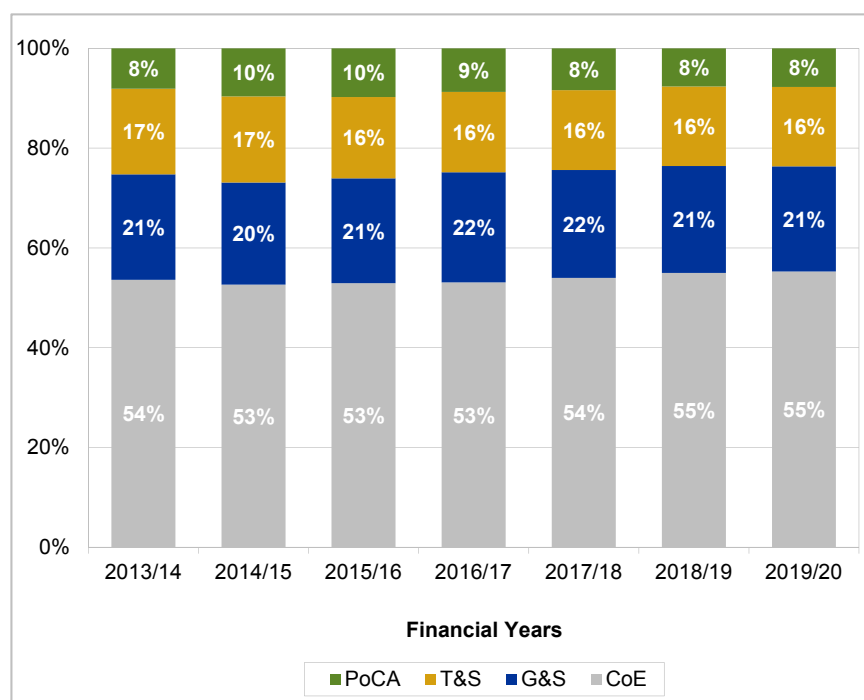
Expenditure on Goods and services increase by 4.60 per cent between the 2016/17 Revised Estimate and 2017/18, largely driven by computer services, consultants and professional services, laboratory services, contractors, agency and support services and the purchasing of inventory. Inventory includes learner teacher support material, medical supplies, medicine and property payments.

At 15.9 per cent of the 2017 Budget, Transfers and subsidies (T&S) mainly entails transfers to non-profit institutions (NPIs) and transfers to households.

The funds allocated to Payments for capital assets (PoCA) amounts to 8.39 per cent of total provincial payments. It mostly comprises of expenditure on buildings and other fixed structures.

The percentage share by economic classification of the total provincial budget between 2013/14 and 2019/20 is graphically illustrated in Figure 6.1.

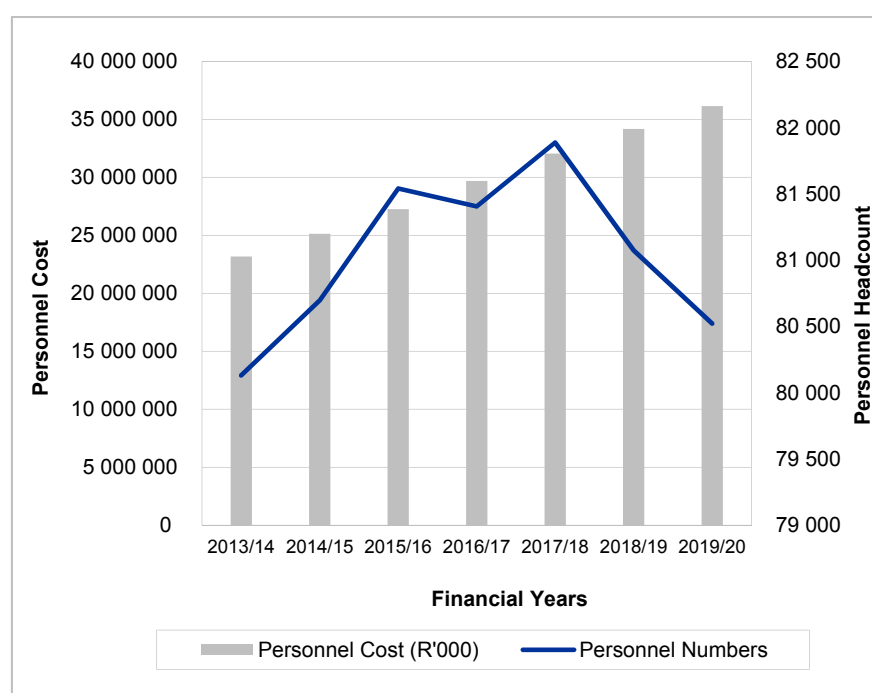
Figure 6.1 Percentage share of economic classification to total provincial budget, 2013/14 to 2019/20



■ Compensation of employees

The introduction of personnel budget upper limits in 2016/17 was aimed at improving personnel management by establishing a sustainable level of authorised funded posts and through attrition, reducing personnel headcounts in non-critical areas over time. In addition to this, departments are required to maintain current levels of fiscal reserves and further address inefficiencies in the personnel system by managing personnel headcount and numbers.

Figure 6.2 Western Cape Government personnel data, 2013/14 to 2019/20



From Figure 6.2, the implementation of personnel upper limits has had a stabilising effect on personnel headcount, allowing departments to explore efficiencies over the period 2017/18 to 2019/20. The reduction seen in the personnel headcount over the 2017 MTEF period is mainly driven by the Department of Health.

Personnel upper limits to bring about personnel stabilisation

The increase in personnel headcount in 2017/18 is found primarily within the departments of Education, Social Development, Transport and Public Works and Agriculture. Within Education, the increase is due to the additional allocation for Educator posts to address the learner-teacher ratio. For Social Development, the increase is due to the additional funding received through the Social Worker Employment Grant. This grant aims to address the need for social workers by reducing the backlog in the number of social worker graduates that remain unemployed after completing their government subsidised education. Transport and Public Works' increase in headcount relates mainly to the appointment of critical

posts for the strengthening of infrastructure delivery and management capacity. Lastly, within Agriculture the increase stems from the appointment and funding of veterinary service posts as well as learnerships and internships within the Agricultural sector.

The implementation of the personnel budget upper limits can also be seen in the 7.6 per cent average increase in Compensation of Employees between 2016/17 and 2019/20. Departments have been further encouraged to continue and enhance current efforts which focuses on improving efficiency initiatives as well as becoming resource efficient.

Table 6.2 Summary of personnel numbers and cost by vote

Cost in Rmillion	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF			
	2013/14		2014/15		2015/16		2016/17				2017/18		2018/19		2019/20		2016/17 - 2019/20			
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	growth rate	% Costs of Total
Votes																				
Department of the Premier	1 085	400 434	1 299	448 541	1 291	493 760	1 256		1 256	556 048	1 264	599 448	1 264	641 569	1 262	684 893	0.2%	9.0%	100.0%	
Provincial Parliament	97	39 939	97	46 751	104	49 404	105		105	53 626	110	64 917	110	69 376	110	74 131	1.2%	9.0%	100.0%	
Provincial Treasury	322	125 299	318	137 911	327	148 038	231	89	320	159 228	379	185 665	405	210 342	406	226 740	8.3%	12.5%	100.0%	
Community Safety	340	98 365	393	108 349	391	118 742	348		348	132 323	373	144 915	368	151 890	364	158 481	1.5%	6.2%	100.0%	
Education	39 592	11 273 164	39 592	12 132 442	40 305	13 117 244	39 975	330	40 305	14 299 172	40 442	15 398 337	40 442	16 545 197	40 442	17 475 545	0.1%	6.9%	100.0%	
Health	30 984	9 237 938	31 221	10 072 353	31 366	10 949 652	31 407		31 407	11 879 158	31 248	12 807 510	30 429	13 443 012	29 799	14 173 828	(1.7%)	6.1%	100.0%	
Social Development	2 120	504 500	2 243	571 040	2 175	620 270	2 180		2 180	682 004	2 272	752 769	2 274	801 979	2 359	884 449	2.7%	9.1%	100.0%	
Human Settlements	487	150 320	510	170 543	495	177 003	475		475	198 761	475	213 835	475	229 872	475	247 112		7.5%	100.0%	
Environmental Affairs and Development Planning	443	142 862	441	153 192	452	174 737	376	26	402	192 036	406	205 851	388	219 290	386	234 947	(1.3%)	7.0%	100.0%	
Transport and Public Works	2 476	589 815	2 347	637 746	2 298	692 452	2 227	120	2 347	760 837	2 503	812 123	2 503	940 784	2 503	1 007 593	2.2%	9.8%	100.0%	
Agriculture	925	258 173	914	281 900	1 044	310 004	956	57	1 013	332 210	1 115	372 399	1 144	408 850	1 144	435 355	4.1%	9.4%	100.0%	
Economic Development and Tourism	219	90 630	229	95 483	256	98 052	211		211	108 525	242	125 655	227	127 100	227	136 559	2.5%	8.0%	100.0%	
Cultural Affairs and Sport	666	144 562	648	157 140	643	172 948	624		624	186 209	651	201 415	651	214 166	651	228 421	1.4%	7.0%	100.0%	
Local Government	374	117 410	443	123 726	394	131 500	357	56	413	141 788	407	158 080	394	166 057	394	176 433	(1.6%)	7.6%	100.0%	
Total²	80 130	23 173 411	80 695	25 137 117	81 541	27 253 806	80 728	678	81 406	29 681 925	81 887	32 042 919	81 074	34 169 484	80 522	36 144 487	19.5%	7.6%	100.0%	
Direct charge against the Provincial Revenue Fund	31	31 486	31	33 839	31	35 318	31		31	37 272	31	39 322	31	41 288	31	43 600		5.4%	38.1%	

¹ Personnel numbers includes all filled posts together with those posts additional to the approved establishment.

² Total excludes direct charge.

Expenditure on training

The Western Cape Government will continue to develop the skills capacity of both existing and prospective employees through bursaries and exposure to the working environment. These training and skills development initiatives are structured in a manner that addresses the current and projected skills shortages in the public sector.

Western Cape Government committed to provide 29 714 training opportunities and 2 308 learnerships

Despite the current constrained environment, training is still important given that provincial payments on training increases by 4.1 per cent from the 2016/17 Revised Estimate to R599.588 million in 2017/18. For 2017/18, the allocation will be used to offer a total of 29 714 training opportunities, 3 033 bursaries, 792 internships and 2 308 learnerships.

Table 6.3 Summary of provincial payments on training by vote

Vote R'000	Outcome			Main appropriation 2016/17	Adjusted appropriation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
1. Department of the Premier	4 515	6 266	5 539	6 267	5 011	5 011	6 326	26.24	6 494	6 366
2. Provincial Parliament	252	524	691	1 541	1 412	1 412	1 193	(15.51)	645	772
3. Provincial Treasury	1 256	1 651	1 275	2 433	2 376	2 376	3 010	26.68	3 364	3 530
4. Community Safety	615	911	817	1 960	2 037	1 942	1 599	(17.66)	1 669	1 742
5. Education	160 063	200 584	200 875	146 687	146 687	146 687	196 697	34.09	209 598	223 213
6. Health	285 013	330 521	341 987	369 265	377 069	369 258	342 952	(7.12)	364 801	384 540
7. Social Development	7 004	4 597	5 310	5 190	4 629	4 629	4 925	6.39	5 215	5 507
8. Human Settlements	645	1 421	1 575	1 643	1 570	1 620	1 726	6.53	1 826	1 826
9. Environmental Affairs and Development Planning	1 224	1 742	2 297	2 281	2 025	2 260	2 607	15.35	2 213	2 328
10. Transport and Public Works	18 129	19 386	19 549	26 905	26 905	26 905	24 333	(9.56)	24 905	25 818
11. Agriculture	4 864	10 401	9 868	7 668	7 668	7 457	7 495	0.51	7 955	8 392
12. Economic Development and Tourism	2 981	1 565	6 922	2 971	2 971	2 971	2 864	(3.60)	3 048	3 093
13. Cultural Affairs and Sport	1 589	3 016	2 897	2 588	2 588	2 588	2 717	4.98	2 853	2 997
14. Local Government	887	2 018	2 400	1 076	1 076	1 076	1 144	6.32	1 203	1 203
Total provincial payments on training	489 037	584 603	602 002	578 475	584 024	576 192	599 588	4.06	635 789	671 327

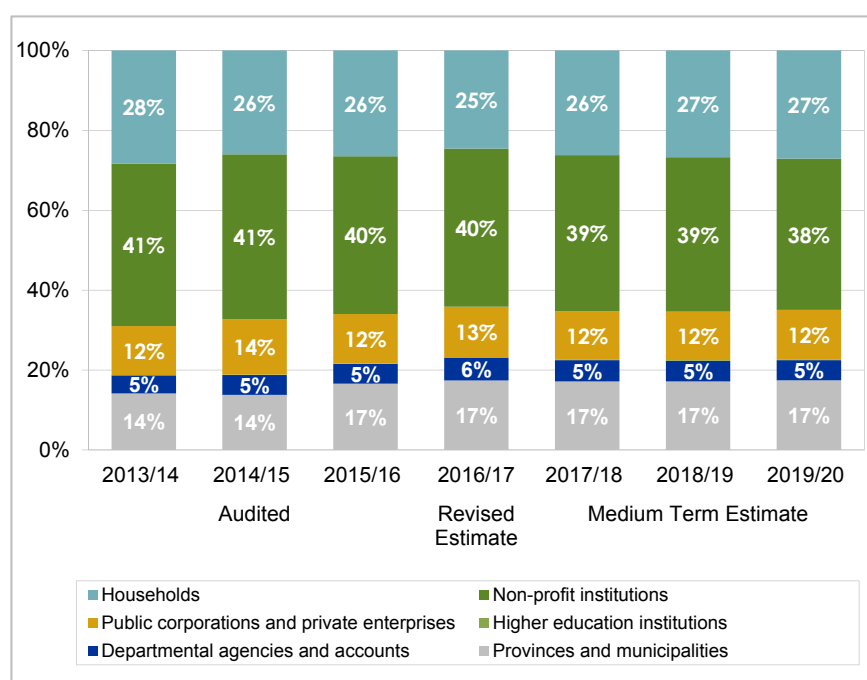
Transfers and subsidies

Transfers and subsidies amount to R9.484 billion in 2017/18, reflecting an increase of R474.732 million (5.3 per cent) from the 2016/17 Revised Estimate of R9.010 billion. The increase is driven by the increase in transfers to Households which consists of the Human Settlement Development Grant (HSDG). This grant aims to address the housing backlog in the Province.

12.27 per cent increase in Households to address the housing backlog in the Province

Figure 6.3 shows that Non-Profit Institutions (NPIs) represents 39.0 per cent of the total 2017/18 transfers and subsidies allocation.

Figure 6.3 Provincial transfers and subsidies: Percentage share per item, 2013/14 to 2019/20



Within NPIs, the allocation for Education amounts to R5.972 billion over the medium term. These transfers are primarily for public and independent schools and Early Childhood Development (ECD). The allocation towards schools is in terms of the Norms and Standards to make provision for Learner Teacher Support Material (LTSM); infrastructure maintenance; and operational requirements to section 21 schools. Within ECD, the learner subsidy is made towards schools and registered ECD sites for the purposes of operational costs.

Over the 2017 MTEF, the Department of Social Development transfers funds to various NPIs amounting to R3.481 billion. These transfers are for programmes such as ECD and Partial Care; Child Care and Protection; services to older persons; services to persons with Disabilities; Child and Youth Care Centres; Care and Services to Families; Substance Abuse, Prevention and Rehabilitation; Crime Prevention and Support; Victim Empowerment; and Poverty Alleviation and Sustainable Livelihoods.

Transfers to provinces and municipalities represents 17.2 per cent or R1.627 billion of the total transfers and subsidies allocation in 2017/18. This is mainly to assist and subsidise municipalities to construct and maintain roads; provide personal primary health care services; provide library services; and municipal support to strengthen governance.

Transfers to public entities

A *provincial public entity* is defined as either a provincial government business enterprise, or a board, commission, company or corporation, which is established in terms of legislation. In addition, it is fully or considerably funded from the Provincial Revenue Fund or a tax and is accountable to the Provincial Legislature.

The fiscal and budget policy principles, i.e. allocative efficiency, fiscal consolidation, fiscal sustainability and fiscal discipline, also apply to provincial public entities and government business enterprises and entities wholly or partly funded by the Western Cape Government.

Table 6.4 reflects transfers for the period 2013/14 to 2019/20.

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

Public entities (transferring vote) R'000	Outcome			Main appropriation 2016/17	Adjusted appropriation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2018/19	2019/20
Major Public Entities									
South African Broadcasting Corporation Limited (Various Votes)	165	192	229	202	218	217	201	210	220
National Public Entities									
SETA	9 922	10 440	11 029	11 894	11 894	11 640	12 665	13 391	14 065
Vote 5: Education	5 811	6 096	6 450	6 850	6 850	6 850	7 268	7 697	8 143
Vote 6: Health	4 111	4 344	4 579	5 044	5 044	4 790	5 397	5 694	5 922
Housing Development Agency (HDA)									
Vote 8: Human Settlements		20 000					22 302	23 000	25 000
Social Housing Regulatory Authority (SHRA)									
Vote 8: Human Settlements		1 340	2 660	1 500					
Water Research Commission									
Vote 8: Human Settlements			500						
South African Revenue Services									
Vote 11: Agriculture	162		1 090		27	96			
National Agricultural Marketing Council									
Vote 11: Agriculture	500		500						
National Empowerment Fund									
Vote 12: Economic Development and Tourism	6 600	9 000	6 448						
Artscape									
Vote 13: Cultural Affairs and Sport	669	168	178	190	190	190	173	175	182
Provincial Government Business Enterprises									
Casidra SOC Ltd	133 108	346 568	210 544	208 553	232 603	232 603	198 140	208 206	244 028
Vote 11: Agriculture	127 608	341 568	210 544	208 553	229 603	229 603	198 140	208 206	244 028
Vote 12: Economic Development and Tourism	5 500	5 000			3 000	3 000			
Western Cape Public Entities									
Western Cape Cultural Commission									
Vote 13: Cultural Affairs and Sport	250	363	384	420	420	420	383	406	422
Western Cape Gambling and Racing Board									
Vote 3: Provincial Treasury	5 523	10 406	5 244	9 908	9 908	9 908	16 407	17 342	18 325
Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)	57 308	48 474	59 196	67 110	75 342	75 504	76 196	80 608	84 843
Vote 1: Department of the Premier			500						
Vote 11: Agriculture	1 380	1 739	1 196	1 100	1 115	1 277	1 100	1 081	1 124
Vote 12: Economic Development and Tourism	55 928	46 735	57 500	66 010	74 227	74 227	75 096	79 527	83 719
Western Cape Language Committee									
Vote 13: Cultural Affairs and Sport	210	221	233	242	242	242	221	247	258
Western Cape Liquor Authority									
Vote 4: Community Safety	30 934	38 239	38 733	35 517	35 731	35 731	37 663	39 882	42 108
Western Cape Nature Conservation Board	221 907	246 095	253 742	261 717	249 717	249 717	287 050	287 103	302 597
Vote 9: Environmental Affairs and Development Planning									
Vote 12: Economic Development and Tourism									
Vote 14: Local Government			350						
Western Cape Saldanha Bay IDZ Licencing Company (SOC) Ltd									
Vote 12: Economic Development and Tourism		28 091	28 958	29 824	130 224	130 224	47 906	42 882	36 938
Not listed in PFMA, but indicated as a public entity in Estimates of Provincial Expenditure									
Heritage Western Cape									
Vote 13: Cultural Affairs and Sport	1 423	3 838	2 270	1 800	1 800	1 800	1 611	1 736	1 871
Total	468 681	763 435	621 938	628 877	748 316	748 292	700 918	715 188	770 857

In 2017/18, a total of R700.918 million will be transferred to provincial public entities and provincial government business enterprises

A total of R700.918 million will be transferred in 2017/18 from various provincial departments to mainly, provincial public entities and provincial government business enterprises.

Figure 6.4 Budget and Expenditure: Public Entities, 2013/14 to 2019/20

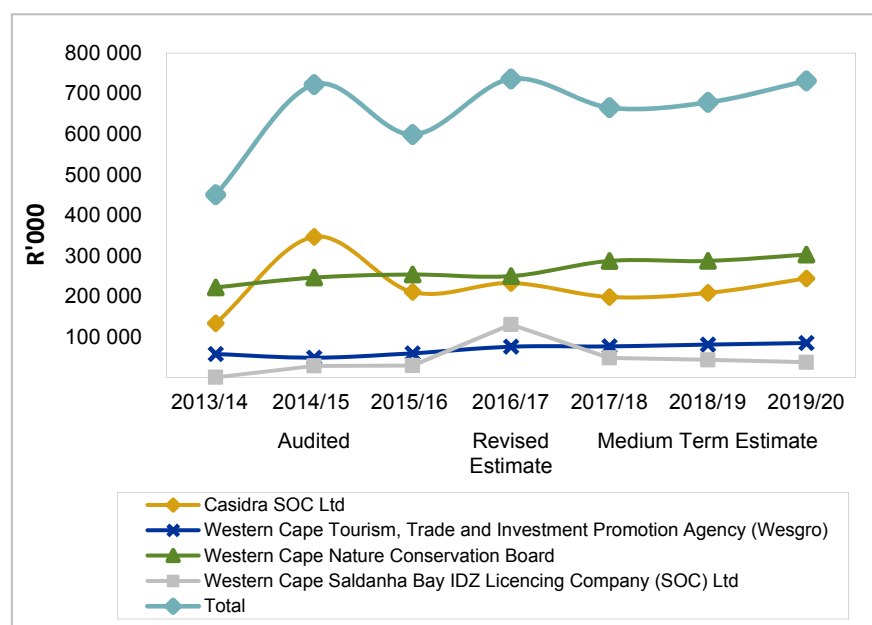


Figure 6.4 highlights transfers to some public entities between 2013/14 and 2019/20. Further, it depicts the overall year-on-year transfers to public entities decrease in 2017/18 and increase in the outer years.

The decrease in transfers to public entities from 2016/17 to 2017/18 is mainly as a result of a decrease in transfers to the Saldanha Bay Industrial Development Zone (IDZ) Licencing Company SOC Limited and Casidra. The reason for the decrease to the Saldana Bay IDZ is due to a once-off allocation made in 2016/17 for the land sale agreement between the Industrial Development Corporation and the Saldana Bay IDZ.

The transfer to Casidra SOC Ltd decreases by an amount of R34.463 million (14.8 per cent) from the 2016/17 Revised Estimate. This decrease is mainly due to the decrease in the project implementation fees from Agricultural Operations and Rural Development and Land Reform.

In 2017/18, the transfers to CapeNature shows an increase of R37.333 million (14.9 per cent) in 2017/18 from the 2016/17 Revised Estimate of R249.717 million. The increase is due to the provision made for infrastructure payments and an increase in the Expanded Public Works Programme (EPWP) Conditional Grant.

The Western Cape Gambling and Racing Board allocation in 2017/18 increases by R6.499 million (65.6 per cent) from R9.908 million in the 2017/18 Revised Estimate. The increase is a result of an increase in transfer payments received from the Provincial Treasury to accommodate the shortfalls in their funding as a result of the loss of the exclusivity fee revenue to the Entity.

■ Payments for capital assets

As depicted in Table 6.1, R4.982 billion has been allocated towards capital assets in the Province in 2017/18. Capital assets is primarily driven by the departments of Education, Health and Transport and Public Works. These departments account for R4.837 billion or 97.1 per cent of the total provincial capital asset allocation in 2017/18.

In 2017/18 capital assets amounts to R4.982 billion

This allocation is mainly related to infrastructure spending and is reflected within buildings and other fixed structures (Table 6.1). Building and other fixed structure accounts for 84.6 per cent of the capital assets budget in 2017/18.

The category, Machinery and Equipment constitutes a 13.8 per cent share of capital assets in 2017/18. The category decreases in 2017/18 by R31.943 million (4.4 per cent) from the 2016/17 Revised Estimate. This decrease mainly relates to a once-off allocation in the Department of Education in 2016/17 for the procurement of busses for learners with special needs.

Chapter 4 provides more detail on infrastructure given the significant component it constitutes of total capital asset spending and its vital significance in supporting economic growth.

■ Conclusion

The expenditure allocations reflect the Western Cape Government's Fiscal Strategy allowing for provincial public finances to remain on a sustainable path through fiscal consolidation and fiscal discipline. To this end, the key has been managing the wage bill as a percentage of the Provincial Budget as well as driving efficiencies through limiting personnel headcounts.

7

Summary of budget aggregates

Budget summary

The 2017 Budget reflects the outcome of implementing the Western Cape Government's Fiscal Strategy across the 2017 MTEF, while placing a particular focus on ensuring that public finances remain on a sustainable path. The 2017 Budget summary outlines the provincial revenue and expenditure across the 2017 MTEF. Furthermore, an overview is provided of the programme breakdown for each vote and the respective disaggregation of each vote's budget at programme level for the 2017/18 financial year.

Transfer receipts from National (Provincial Equitable Share and conditional grants) in 2017/18 increased by R4.039 billion or 7.8 per cent from the 2016/17 Revised Estimate to R56.050 billion in 2017/18 (Table 7.1). Provincial own receipts grew at an annual average rate of 2.84 per cent, from R2.711 billion in 2017/18 to R2.856 billion in 2019/20. Total provincial payments and provisions increased by R3.813 billion or 6.8 per cent from R56.470 billion in the 2016/17 Revised Estimate to R60.283 billion in 2017/18.

Transfer receipts from National amount to R56.050 billion in 2017/18

Over the 2017 MTEF, the Social Sector including education, health and welfare functions – account for 76.6 per cent of total expenses with health and education amounting to 71.3 per cent of total expenditure.

The Social Sector account for 76.6 per cent of total expenses

The budget reflects a balance between maintaining spending commitments and ensuring the long-term sustainability of the Province's public finances.

Table 7.1 Provincial budget summary

R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2013/14	2014/15	2015/16	2016/17	2016/17	2016/17	2017/18	2016/17	2018/19	2019/20
Provincial receipts										
Transfer receipts from national	40 951 593	45 660 902	49 114 607	51 810 982	52 010 858	52 010 858	56 050 215	7.77	59 539 723	63 963 939
Equitable share	31 881 140	35 591 517	38 579 593	41 062 437	41 062 437	41 062 437	44 470 210	8.30	47 452 268	51 048 589
Conditional grants	9 070 453	10 069 385	10 535 014	10 748 545	10 948 421	10 948 421	11 580 005	5.77	12 087 455	12 915 350
Financing	381 094	748 367	883 534	1 259 859	1 966 940	1 966 940	1 521 591	(22.64)	732 758	478 073
Asset Finance Reserve	175 711	366 092	290 389	361 250	436 250	436 250	663 852	52.17	310 159	307 110
Provincial Revenue Fund	205 383	378 487	593 145	898 609	1 530 690	1 530 690	857 739	(43.96)	422 599	170 963
Provincial Revenue Fund (Direct charge)		3 788								
Provincial own receipts	2 466 836	2 948 964	2 876 452	2 492 954	2 494 163	2 625 762	2 710 739	3.24	2 822 450	2 855 639
Total provincial receipts	43 799 523	49 358 233	52 874 593	55 563 795	56 471 961	56 603 560	60 282 545	6.50	63 094 931	67 297 651
Provincial payments and provisions										
Provincial payments	43 244 579	47 790 079	51 517 878	55 008 631	55 916 797	55 914 363	59 356 413	6.16	62 155 261	65 396 732
Current payments	32 308 689	34 921 195	38 083 262	41 598 368	42 028 657	41 958 614	44 883 721	6.97	47 483 287	49 932 185
Transfers and subsidies	7 418 124	8 240 887	8 397 540	8 637 937	8 987 056	9 009 730	9 484 462	5.27	9 922 069	10 387 856
Payments for capital assets	3 497 645	4 601 789	5 021 119	4 766 743	4 891 544	4 929 369	4 982 179	1.07	4 743 671	5 070 111
Payments for financial assets	20 121	26 208	15 957	5 583	9 540	16 650	6 051	(63.66)	6 234	6 580
Provincial provisions	31 486	37 627	35 639	555 164	555 164	555 164	926 132	66.82	939 670	1 900 919
Direct charge	31 486	37 627	35 639	39 155	39 155	39 155	41 113	5.00	43 497	45 933
Unforeseen and unavoidable							200 000		187 148	197 628
Service Load Pressures							351 952		362 058	548 732
Fiscal Stabilisation				442 525	442 525	442 525	280 251	(36.67)	297 967	343 275
Internal Control				8 375	8 375	8 375		(100.00)		
RSEP/VPUU				12 293	12 293	12 293		(100.00)		
Acquisition of Property Reserve				52 816	52 816	52 816	52 816		49 000	50 000
ICS Reserve										715 351
Total provincial payments and provisions	43 276 065	47 827 706	51 553 517	55 563 795	56 471 961	56 469 527	60 282 545	6.75	63 094 931	67 297 651
Surplus (Deficit)	523 458	1 530 527	1 321 076			134 033		(100.00)		

Diagrammatic representation of sector budgets

Figure 7.1 Social sector budget summary, 2017/18

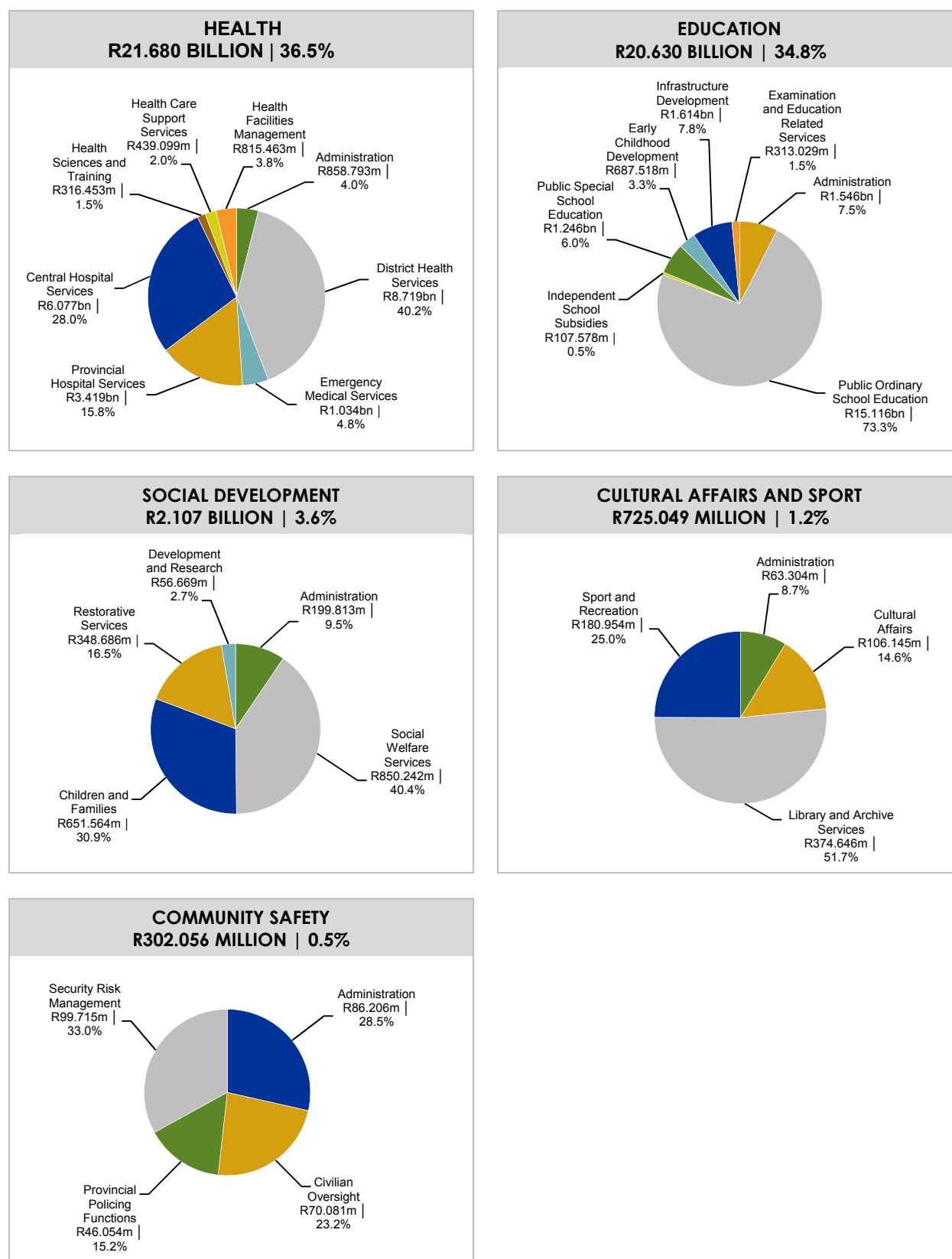


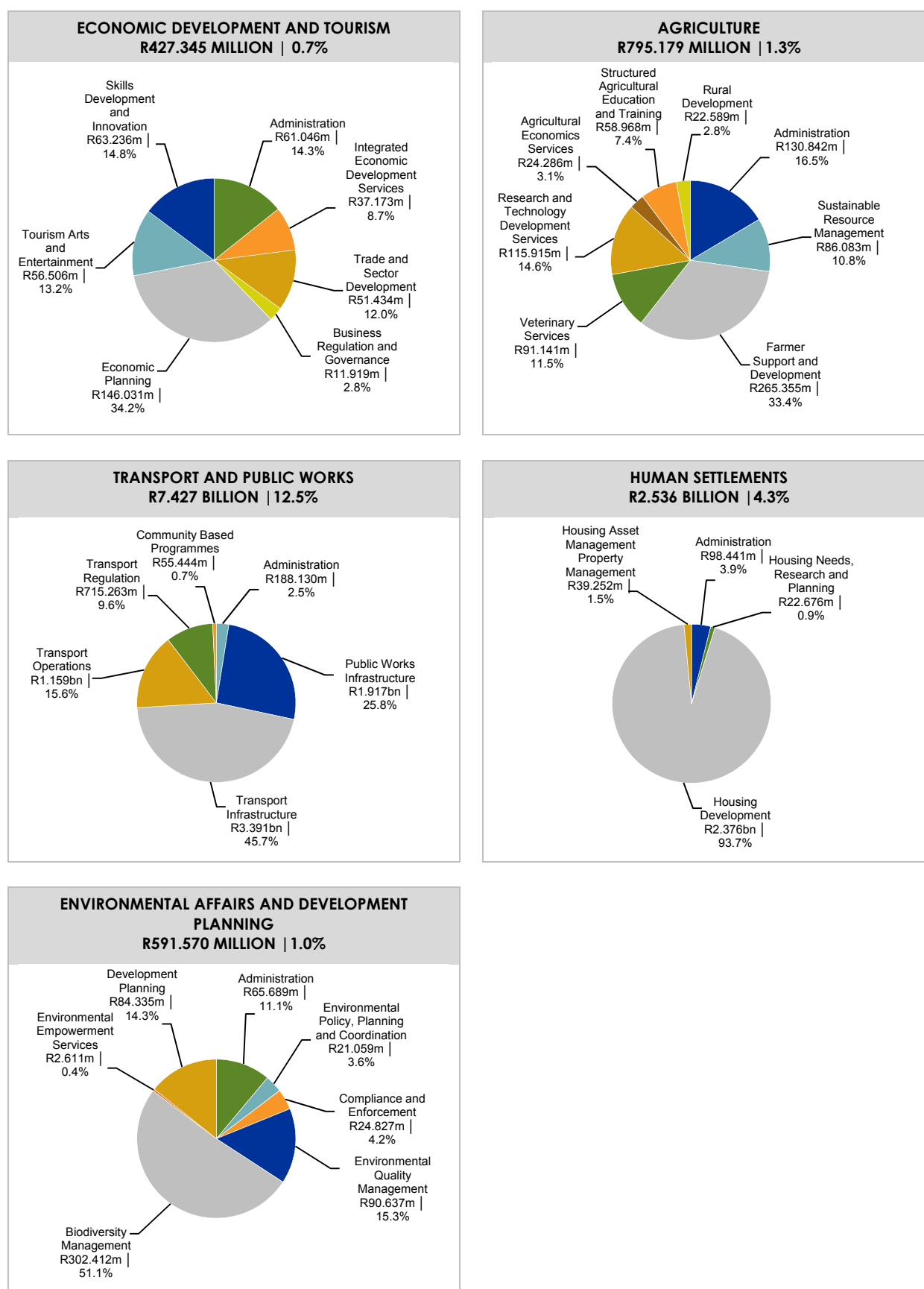
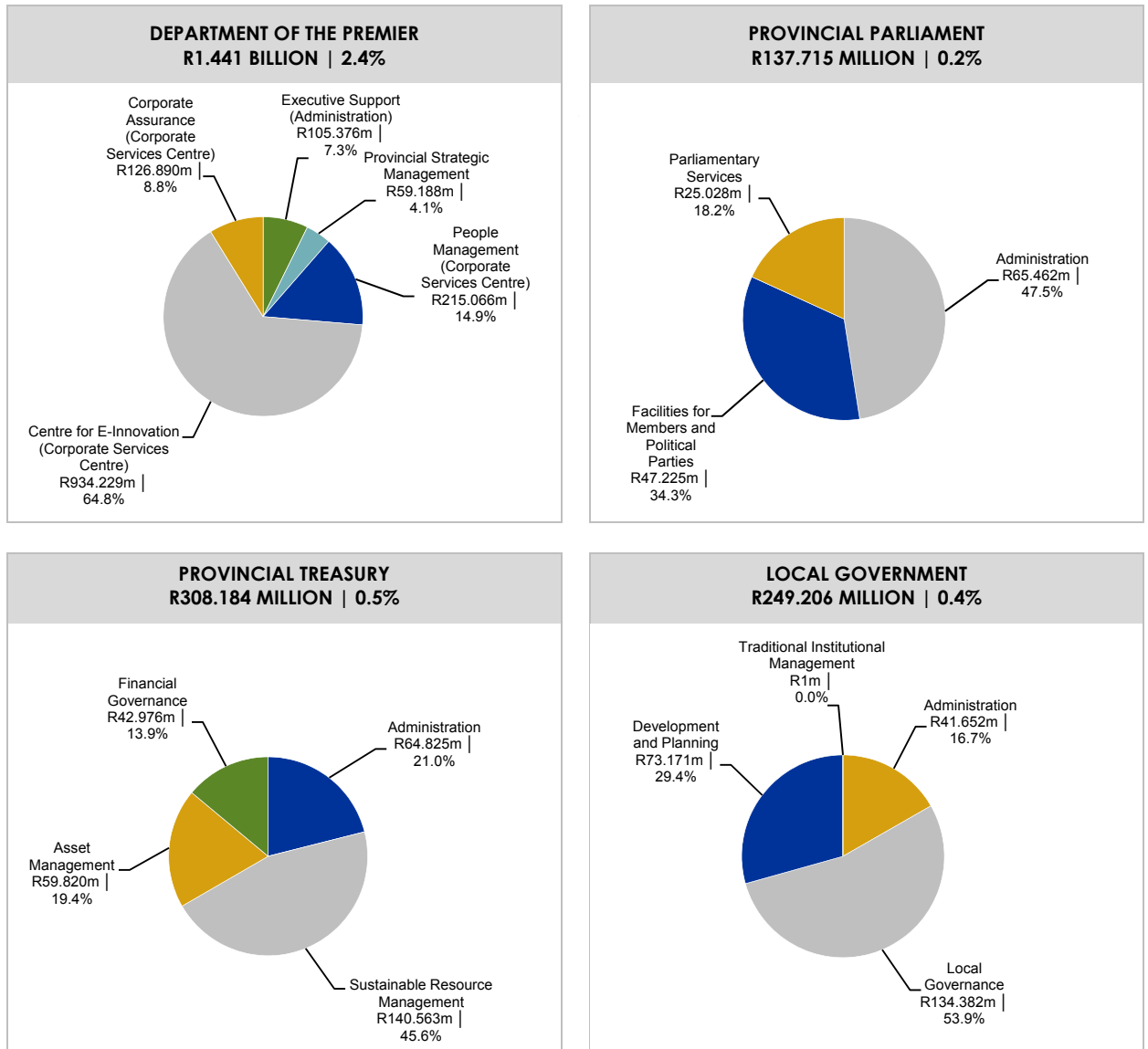
Figure 7.2 Economic sector budget summary, 2017/18

Figure 7.3 Governance and Administration sector budget summary, 2017/18

Annexure

Additional Tables

Table A.1 Conditional grants: Information relating to Chapter 2

Vote and grant R'000	2013/14			2014/15			2015/16			2016/17			Medium-term estimate		
	Main appro- piation	Adjusted appro- piation	Audited outcome	Main appro- piation	Adjusted appro- piation	Audited outcome	Main appro- piation	Adjusted appro- piation	Audited outcome	Main appro- piation	Adjusted appro- piation	Revised estimate	2017/18	2018/19	2019/20
Vote 4: Community Safety	3 242	3 242	3 242	3 970	3 970	3 970	1 000	1 000	1 000	3 144	3 144	3 144	3 328		
Social Sector EPWP Incentive Grant for Provinces	3 242	3 242	3 242	3 970	3 970	3 970	1 000	1 000	1 000	3 144	3 144	3 144	3 328		
Vote 5: Education	1 275 918	1 286 631	1 128 656	874 170	1 416 180	1 402 076	1 401 255	1 414 010	1 463 974	1 375 283	1 519 499	1 519 499	1 503 461	1 428 292	1 510 197
Education Infrastructure Grant	960 465	960 465	821 831	485 024	1 021 334	1 008 579	1 032 237	1 044 992	1 094 992	992 212	1 134 704	1 134 704	1 093 580	985 552	1 040 742
Maths, Science and Technology Grant							26 535	26 535	26 535	27 841	27 841	27 841	30 217	34 361	36 305
Dinaledi Schools Grant	10 096	13 366	11 868	10 673	10 673	10 673									
Technical Secondary Schools Recapitalisation Grant	11 884	13 898	3 717	12 597	17 643	17 643									
HIV and AIDS (Life Skills Education) Grant	17 637	18 501	17 848	17 077	17 731	17 690	19 631	19 631	19 631	18 728	18 728	18 728	20 028	21 189	22 376
Learners with Profound Intellectual Disabilities Grant													11 874	30 093	35 822
National School Nutrition Programme Grant	260 538	265 103	258 328	282 486	282 486	282 466	299 435	299 435	299 400	315 305	317 029	317 029	337 370	357 097	374 952
Social Sector EPWP Incentive Grant for Provinces	12 298	12 298	12 064	13 354	13 354	13 193	4 747	4 747	4 746	18 677	18 677	18 677	8 243		
Expanded Public Works Programme Integrated Grant for Provinces	3 000	3 000	3 000	2 564	2 564	1 437	2 818	2 818	2 818	2 520	2 520	2 520	2 149		
Occupational Specific Dispensation for Education Sector Therapists Grant				50 395	50 395	50 395	15 852	15 852	15 852						
Vote 6: Health	4 417 564	4 485 180	4 402 180	4 719 898	4 807 916	4 703 203	5 037 997	5 112 965	5 001 687	5 181 678	5 246 572	5 246 572	5 485 476	5 877 780	6 290 783
National Tertiary Services Grant	2 400 714	2 400 714	2 400 714	2 537 554	2 537 554	2 537 554	2 594 901	2 594 901	2 594 901	2 706 888	2 706 888	2 706 888	2 876 410	3 043 242	3 213 685
Health Facility Revitalisation Grant	629 786	694 949	613 887	639 786	720 848	619 755	804 142	871 194	762 671	673 472	733 366	733 366	605 786	595 363	628 703
<i>of which the following is allocated to:</i>															
Health Infrastructure component	122 296	127 271	92 131												
Hospital Revitalisation component	493 526	553 714	517 814												
Nursing Colleges and Schools component	13 964	13 964	3 942												
Health Professions Training and Development Grant	451 667	451 667	451 667	478 767	478 767	478 767	489 689	489 689	489 689	510 716	510 716	510 716	542 700	574 177	606 334
National Health Insurance Grant	4 850	7 303	5 365	7 000	13 956	10 712	7 204	14 862	12 114	17 337	22 337	22 337			
Comprehensive HIV, AIDS and TB Grant	927 547	927 547	927 547	1 051 794	1 051 794	1 051 793	1 138 481	1 138 481	1 138 480	1 267 209	1 267 209	1 267 209	1 454 773	1 645 399	1 821 364
Human Papillomavirus Vaccine Grant														19 599	20 697
Social Sector EPWP Incentive Grant for Provinces				2 580	2 580	2 526	1 000	1 000	996	3 732	3 732	3 732	3 334		
Expanded Public Works Programme Integrated Grant for Provinces	3 000	3 000	3 000	2 417	2 417	2 096	2 580	2 838	2 836	2 324	2 324	2 324	2 473		
Vote 7: Social Development				2 580	2 580	2 580	1 866	1 866	1 866	9 916	9 916	9 916	47 069	44 444	47 248
Early Childhood Development Grant													19 150	31 477	33 235
Subsidy Component													18 578	30 822	32 543
Maintenance Component													572	655	692
Social Worker Employment Grant													11 981	12 967	14 013
Social Sector EPWP Incentive Grant for Provinces				2 580	2 580	2 580	1 866	1 866	1 866	9 916	9 916	9 916	15 938		
Vote 8: Human Settlements	1 928 971	1 962 237	1 962 237	1 918 778	1 938 778	1 938 778	1 978 612	1 978 612	1 978 612	2 004 237	2 004 237	2 004 237	2 230 132	2 389 056	2 544 641
Human Settlements Development Grant	1 925 971	1 959 237	1 959 237	1 914 936	1 934 936	1 934 936	1 975 122	1 975 122	1 975 122	2 000 811	2 000 811	2 000 811	2 226 758	2 389 056	2 544 641
<i>of which:</i>															
City of Cape Town	733 484	733 484	733 484	1 350 467	783 000	783 000									
Expanded Public Works Programme Integrated Grant for Provinces	3 000	3 000	3 000	3 842	3 842	3 842	3 490	3 490	3 490	3 426	3 426	3 426	3 374		

Table A.1 Conditional Grants: Information relating to Chapter 2 (continued)

Vote and grant R'000	2013/14			2014/15			2015/16			2016/17			Medium-term estimate		
	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Audited outcome	Main appro- priation	Adjusted appro- priation	Revised estimate	2017/18	2018/19	2019/20
Vote 9: Environmental Affairs and Development Planning	550	550	550	2 748	2 748	2 748	2 959	2 959	2 959	3 815	3 815	3 815	4 385		
Expanded Public Works Programme Integrated Grant for Provinces	550	550	550	2 748	2 748	2 748	2 959	2 959	2 959	3 815	3 815	3 815	4 385		
Vote 10: Transport and Public Works	1 322 388	1 279 447	1 281 660	1 473 691	1 473 691	1 472 477	1 663 843	1 665 057	1 665 057	1 716 320	1 716 320	1 716 320	1 879 462	1 898 833	2 019 421
Provincial Roads Maintenance Grant	573 237	520 797	520 797	685 849	685 849	685 849	858 962	858 962	858 962	830 729	830 729	830 729	940 089	932 785	999 274
Devolution of Property Rate Funds Grant		5 141	5 141												
Expanded Public Works Programme Integrated Grant for Provinces	14 971	19 329	21 542	8 477	8 477	7 263	8 301	9 515	9 515	14 691	14 691	14 691	16 452		
Public Transport Operations Grant	734 180	734 180	734 180	779 365	779 365	779 365	796 580	796 580	796 580	870 900	870 900	870 900	922 921	966 048	1 020 147
Vote 11: Agriculture	164 379	165 896	165 896	353 007	353 007	352 938	202 594	202 594	202 594	220 966	220 966	220 966	197 988	205 389	247 106
Land Care Programme Grant: Poverty Relief and Infrastructure Development	7 233	7 233	7 233	4 070	4 070	4 070	3 933	3 933	3 933	4 106	4 106	4 106	4 380	4 778	5 077
Comprehensive Agriculture Support Programme (CASP) Grant	104 859	106 376	106 376	292 336	292 336	292 267	147 054	147 054	147 054	164 199	164 199	164 199	136 197	144 949	183 250
Ilima/Letsema Projects Grant	51 737	51 737	51 737	54 353	54 353	54 353	49 607	49 607	49 607	50 593	50 593	50 593	55 349	55 662	58 779
Expanded Public Works Programme Integrated Grant for Provinces	550	550	550	2 248	2 248	2 248	2 000	2 000	2 000	2 068	2 068	2 068	2 062		
Vote 13: Cultural Affairs and Sport	124 544	126 028	126 032	190 674	190 674	190 615	217 295	217 295	217 265	233 186	223 952	223 952	228 704	243 661	255 954
Mass Participation and Sport Development Grant	55 570	55 570	55 570	58 711	58 711	58 679	55 216	55 216	55 186	62 199	52 965	52 965	52 707	62 875	65 302
Community Library Services Grant	67 058	68 542	68 542	126 347	126 347	126 347	158 469	158 469	158 469	164 162	164 162	164 162	171 264	180 786	190 652
Expanded Public Works Programme Integrated Grant for Provinces	550	550	567	2 224	2 224	2 224	2 223	2 223	2 223	2 771	2 771	2 771	3 237		
Social Sector EPWP Incentive Grant for Provinces	1 366	1 366	1 353	3 392	3 392	3 365	1 387	1 387	1 387	4 054	4 054	4 054	1 496		
Total Conditional grants	9 237 556	9 309 211	9 070 453	9 539 516	10 189 544	10 069 385	10 507 421	10 596 358	10 535 014	10 748 545	10 948 421	10 948 421	11 580 005	12 087 455	12 915 350

Note: Allocations earmarked for flood repair:

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

Comprehensive Agricultural Support Programme Grant

	2017/18	2018/19	2019/20
	17 207	-	-
	17 207	-	-

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

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	% Change from Revised estimate 2016/17	2017/18	2018/19	2019/20
Tax receipts	1 564 886	1 776 238	1 922 195	1 737 763	1 745 763	1 740 677	1 927 546	10.74	2 035 244	2 145 287
Casino taxes	408 661	478 819	513 252	412 267	412 267	412 267	470 141	14.04	497 401	525 261
Horse racing taxes	32 469	40 521	40 662	20 000	20 000	20 000	28 000	40.00	29 616	31 280
Other taxes (Liquor licence fees)	28 328	27 411	26 178	28 431	28 431	28 431	29 853	5.00	31 584	33 353
Motor vehicle licences	1 095 428	1 229 487	1 342 103	1 277 065	1 285 065	1 279 979	1 399 552	9.34	1 476 643	1 555 393
Sales of goods and services other than capital assets	561 245	591 804	623 979	524 564	528 418	548 528	560 463	2.18	568 020	576 132
Sales of goods and services produced by department (excluding capital assets)	559 700	590 259	622 219	523 643	527 454	545 569	559 500	2.55	567 034	575 123
Sales by market establishments	66 714	77 157	75 926	67 633	67 633	68 592	70 922	3.40	74 835	78 888
Administrative fees	38 826	45 351	43 995	28 801	28 801	47 840	30 413	(36.43)	31 796	33 207
Agricultural activities										
Inspection fees	940	961	1 047	1 112	1 112	1 082	1 180	9.06	1 180	1 180
Licences or permits	31 256	35 952	33 207	21 737	21 737	41 289	23 277	(43.62)	24 587	25 924
Registration	36	51	45	54	54	54	58	7.41	61	64
Request for information	3 948	5 807	6 140	4 697	4 697	4 214	4 697	11.46	4 697	4 697
Other	2 646	2 580	3 556	1 201	1 201	1 201	1 201		1 271	1 342
Other sales	454 160	467 751	502 298	427 209	431 020	429 137	458 165	6.76	460 403	463 028
<i>of which</i>										
Academic services:	6 206	8 987	9 284	8 764	8 764	8 764	8 927	1.86	9 126	9 637
Registration, tuition & examination fees										
Boarding services	14 571	15 926	16 954	12 933	12 933	12 475	13 619	9.17	13 811	14 011
Commission on insurance	14 446	14 763	14 818	14 843	14 960	13 764	15 354	11.55	15 932	16 521
External examinations										
Health services										
Hospital fees	379 773	393 360	418 401	362 342	362 342	362 342	384 445	6.10	384 445	384 445
Laboratory services	1 824	1 946	2 269	1 593	1 593	1 593	1 672	4.96	1 753	1 850
Lost library books										
Miscellaneous capital receipts										
Parking	10		12			8		(100.00)		
Rental of buildings, equipment and other services	166	83	209	213	213	213	298	39.91	314	331
Sales of goods	8 279	4 690	5 227	4 317	4 317	9 407	9 304	(1.09)	9 311	9 318
Sales of agricultural products	11 598	12 211	13 566	11 200	13 394	8 476	11 898	40.37	12 600	13 306
Sport gatherings	1 426			1 069	1 069	882	1 122	27.21	1 186	1 254
Subsidised motor transport										
Tender documentation	788	695	530	561	561	543	589	8.47	623	658
Trading account surplus										
Tuition fees										
Vehicle repair service	105	158	307	101	101	181	109	(39.78)	109	109
Services rendered	10 121	11 780	15 447	8 026	9 526	8 832	9 472	7.25	9 760	10 076
Photocopies and faxes	2 977	314	395	229	229	236	288	22.03	303	318
Replacement: Security cards	32	31	64	43	43	61	45	(26.23)	48	51
Other	1 838	2 807	4 815	975	975	1 360	1 023	(24.78)	1 082	1 143
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1 545	1 545	1 760	921	964	2 959	963	(67.46)	986	1 009

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

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	% Change from Revised estimate 2016/17	2017/18	2018/19	2019/20
Transfers received from	158 859	302 075	164 799	78 538	103 107	112 793	120 894	7.18	116 212	26 368
Other governmental units		136 311	57 038	57 700	57 700	58 465		(100.00)		
Higher education institutions	22 313	24 149	27 115	20 813	20 813	29 708	26 335	(11.35)	26 335	26 335
Foreign governments										
International organisations	135 754	141 094	79 494		24 569	24 569	94 530	284.75	89 846	
Public corporations and private enterprises	792	21	152	24	24		28		30	32
Households and non-profit institutions		500	1 000	1	1	51	1	(98.04)	1	1
Fines, penalties and forfeits	5 890	7 798	6 584	5 305	5 305	8 548	4 969	(41.87)	5 238	5 531
Interest, dividends and rent on land	6 937	10 165	25 552	58 036	14 871	22 545	5 242	(76.75)	5 114	5 320
Interest	6 891	10 104	25 483	57 816	14 651	22 325	5 011	(77.55)	4 870	5 062
Dividends	16	16	14							
Rent on land	30	45	55	220	220	220	231	5.00	244	258
Sales of capital assets	6 043	120 874	4 700	1	1	3 679		(100.00)		
Land and subsoil assets	5 959	120 536	4 443			3 369		(100.00)		
Other capital assets	84	338	257	1	1	310		(100.00)		
Financial transactions in assets and liabilities	162 976	140 010	128 643	88 747	96 698	188 992	91 625	(51.52)	92 622	97 001
Arrear wages income										
Loan repayments	24 856	33 649	15 050	18 000	18 000	18 000	18 900	5.00	19 289	20 369
Recovery of previous year's expenditure	81 427	79 949	81 840	54 669	52 920	141 692	55 936	(60.52)	55 892	58 523
Staff debt	16 577	18 924	13 054	9 946	9 946	11 712	10 311	(11.96)	10 828	11 357
Stale cheques										
Unallocated credits	4 294	5 167	4 985	5 535	5 535	6 634	5 855	(11.74)	5 953	6 054
Cash surpluses	7 483	70	6 717	2	2	10	1	(90.00)	1	1
Other	28 339	2 251	6 997	595	10 295	10 944	622	(94.32)	659	697
Total departmental receipts	2 466 836	2 948 964	2 876 452	2 492 954	2 494 163	2 625 762	2 710 739	3.24	2 822 450	2 855 639

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	% Change from Revised estimate 2016/17	2017/18	2018/19	2019/20
Current payments	32 308 689	34 921 195	38 083 262	41 598 368	42 028 657	41 958 614	44 883 721	6.97	47 483 287	49 932 185
Compensation of employees	23 173 411	25 137 117	27 253 806	29 774 065	29 675 804	29 681 925	32 042 919	7.95	34 169 484	36 144 487
Salaries and wages	21 648 517	22 147 250	23 841 801	26 137 295	26 041 369	26 073 636	28 105 293	7.79	29 948 593	31 616 328
Social contributions	1 524 894	2 989 867	3 412 005	3 636 770	3 634 435	3 608 289	3 937 626	9.13	4 220 891	4 528 159
Goods and services	9 135 273	9 784 068	10 829 201	11 824 303	12 352 851	12 276 652	12 840 802	4.60	13 313 803	13 787 698
<i>Of which</i>										
Administrative fees	220 340	254 377	288 271	263 167	294 443	293 568	272 529	(7.17)	287 711	301 752
Advertising	75 311	82 705	97 189	80 511	94 138	92 701	99 410	7.24	86 920	86 998
Minor Assets	98 429	104 632	102 394	128 033	112 411	109 412	86 079	(21.33)	92 955	98 711
Audit cost: External	91 916	93 454	100 666	99 165	97 403	91 546	96 766	5.70	102 073	106 839
Bursaries: Employees	16 528	18 416	16 323	20 798	18 077	17 946	19 392	8.06	20 305	21 395
Catering: Departmental activities	42 598	35 158	45 514	43 403	55 641	54 142	65 021	20.09	65 265	67 559
Communication (G&S)	133 398	129 225	128 976	142 902	144 123	133 255	141 388	6.10	147 648	155 808
Computer services	489 494	569 069	608 236	804 111	815 096	805 549	884 400	9.79	944 439	870 230
Consultants and professional services: Business and advisory services	396 040	377 984	422 727	501 317	557 090	542 676	596 357	9.89	490 871	462 052
Infrastructure and planning	38 549	83 703	151 382	256 094	111 821	147 361	54 465	(63.04)	53 131	47 961
Laboratory services	529 538	570 373	555 858	615 235	599 404	570 369	618 778	8.49	663 695	707 398
Scientific and technological services			11							
Legal costs	34 512	39 937	33 913	31 103	37 560	45 111	42 387	(6.04)	40 929	43 352
Contractors	704 790	728 160	841 395	892 119	992 377	993 111	1 103 098	11.07	1 145 374	1 202 996
Agency and support/outsourced services	832 707	884 757	873 775	933 343	914 050	928 738	932 599	0.42	977 865	1 031 533
Entertainment	1 388	510	556	1 668	1 581	1 282	1 539	20.05	1 613	1 686
Fleet services (including government motor transport)	174 896	282 213	296 294	318 154	303 842	305 204	318 242	4.27	337 700	352 806
Housing										
Inventory: Clothing material and accessories	198	721			587	815	1	(99.88)		459
Inventory: Farming supplies		180	(1)	92	92	264	650	146.21	650	650
Inventory: Food and food supplies	48 950	51 481	49 496	57 941	57 941	51 492	53 441	3.79	56 142	59 693
Inventory: Fuel, oil and gas	86	26								
Inventory: Learner and teacher support material	385 374	88 909	153 065	212 383	175 798	175 655	169 313	(3.61)	176 934	187 634
Inventory: Materials and supplies	25 702	53 908	41 146	43 616	42 151	48 020	58 546	21.92	55 336	56 136
Inventory: Medical supplies	1 026 865	1 174 505	1 298 695	1 309 034	1 324 784	1 317 794	1 446 215	9.75	1 532 146	1 635 379
Inventory: Medicine	890 270	1 028 175	1 136 188	1 236 070	1 271 528	1 260 522	1 449 031	14.95	1 560 727	1 673 784
Medsas inventory interface						2		(100.00)		
Inventory: Other supplies	146 696	211 393	233 344	417 383	533 327	471 983	421 594	(10.68)	433 844	415 711
Consumable supplies	329 577	357 936	402 800	432 591	436 065	430 501	450 567	4.66	469 468	494 923
Consumable: Stationery, printing and office supplies	137 575	130 516	131 661	149 826	148 298	153 620	152 243	(0.90)	158 967	167 278
Operating leases	236 226	256 862	262 342	290 756	303 447	298 354	294 734	(1.21)	316 483	335 131
Property payments	1 342 580	1 513 305	1 830 236	1 758 892	2 127 344	2 158 007	2 206 971	2.27	2 236 588	2 297 979
Transport provided: Departmental activity	223 688	242 216	273 468	329 073	297 063	296 276	317 775	7.26	337 477	356 123
Travel and subsistence	247 131	167 686	180 691	174 387	194 993	194 305	206 752	6.41	223 665	235 970
Training and development	74 160	108 565	115 544	120 262	128 475	125 614	120 326	(4.21)	132 404	141 799
Operating payments	81 456	94 085	108 492	110 595	115 658	114 677	111 254	(2.98)	112 458	114 940
Venues and facilities	25 381	27 165	17 329	21 678	21 768	22 040	23 874	8.32	25 683	27 140
Rental and hiring	32 924	21 761	31 225	28 601	24 475	24 740	25 065	1.31	26 336	27 893
Interest and rent on land	5	10	255		2	37		(100.00)		
Interest (Incl. interest on finance leases)	5	10	255		2	37		(100.00)		
Rent on land										

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

Economic classification R'000	Outcome						Medium-term estimate % Change from Revised estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Current)	5 275 701	6 271 488	6 311 173	6 581 410	6 948 290	6 972 804	7 114 410	2.03	7 503 114	7 837 144
Provinces and municipalities	916 308	1 083 154	1 326 965	1 275 960	1 487 425	1 487 425	1 507 667	1.36	1 656 573	1 769 127
Provinces	2 795	3 838	3 827	3 120	3 116	3 116	3 411	9.47	3 543	3 692
Provincial Revenue Funds				4						4
Provincial agencies and funds	2 795	3 838	3 827	3 116	3 116	3 116	3 411	9.47	3 543	3 688
Municipalities	913 513	1 079 316	1 323 138	1 272 840	1 484 309	1 484 309	1 504 256	1.34	1 653 030	1 765 435
Municipal bank accounts	909 433	1 075 116	1 321 225	1 268 447	1 479 643	1 479 643	1 499 269	1.33	1 647 516	1 759 637
Municipal agencies and funds	4 080	4 200	1 913	4 393	4 666	4 666	4 987	6.88	5 514	5 798
Departmental agencies and accounts	326 274	358 292	374 307	389 625	499 503	499 472	438 028	(12.30)	451 758	467 787
Social security funds			519	300	513	484	396	(18.18)	418	438
Departmental agencies (non-business entities)	326 274	358 292	373 788	389 325	498 990	498 988	437 632	(12.30)	451 340	467 349
Western Cape Gambling and Racing Board	5 523	10 406	5 244	9 908	9 908	9 908	16 407	65.59	17 342	18 325
Environmental Commissioner										
Western Cape Nature Conservation Board	211 092	215 134	224 694	231 406	231 406	231 406	243 224	5.11	253 431	267 039
Destination Marketing Organisation										
Western Cape Tourism, Trade and Investment Promotion Agency	57 308	48 474	59 196	67 110	75 342	75 504	76 196	0.92	80 608	84 843
Western Cape Cultural Commission	250	363	384	420	420	420	383	(8.81)	406	422
Western Cape Liquor Board	30 934	38 239	38 733	35 517	35 731	35 731	37 663	5.41	39 882	42 108
Western Cape Language Committee	210	221	233	242	242	242	221	(8.68)	247	258
Artscape	669	168	178	190	190	190	173	(8.95)	175	182
Heritage Western Cape	1 423	3 838	2 270	1 800	1 800	1 800	1 611	(10.50)	1 736	1 871
SETA	9 922	10 440	11 029	11 894	11 894	11 640	12 665	8.81	13 391	14 065
Government Motor Trading Account			271							
Saldanha Bay IDZ Licencing Company SOC Limited		28 091	28 958	29 824	130 224	130 224	47 906	(63.21)	42 882	36 938
Other	8 943	2 918	2 598	1 014	1 833	1 923	1 183	(38.48)	1 240	1 298
Higher education institutions	5 632	8 863	5 528	4 632	5 382	5 382	5 685	5.63	5 934	6 133
Foreign governments and international organisations	128	239	286	165	297	297	263	(11.45)	279	295
Public corporations and private enterprises	908 208	1 143 003	1 044 489	1 111 876	1 143 854	1 143 944	1 154 524	0.92	1 201 929	1 296 973
Public corporations	134 284	347 155	210 544	208 553	236 303	236 303	199 770	(15.46)	209 206	245 028
Subsidies on products and production (pc)		19 488	205 790	21 100						
Other transfers to public corporations	134 284	327 667	4 754	187 453	236 303	236 303	199 770	(15.46)	209 206	245 028
Private enterprises	773 924	795 848	833 945	903 323	907 551	907 641	954 754	5.19	992 723	1 051 945
Subsidies on products and production (pe)			31 823							
Other transfers to private enterprises	773 924	795 848	802 122	903 323	907 551	907 641	954 754	5.19	992 723	1 051 945
Non-profit institutions	2 882 941	3 368 180	3 241 377	3 507 314	3 529 643	3 529 771	3 679 612	4.25	3 832 939	3 930 481
Households	236 210	309 757	318 221	291 838	282 186	306 513	328 631	7.22	353 702	366 348
Social benefits	121 266	153 702	155 196	99 446	106 242	129 202	105 500	(18.34)	109 754	113 825
Other transfers to households	114 944	156 055	163 025	192 392	175 944	177 311	223 131	25.84	243 948	252 523

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

Economic classification R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate % Change from Revised estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Capital)	2 142 423	1 969 399	2 086 367	2 056 527	2 038 766	2 036 926	2 370 052	16.35	2 418 955	2 550 712
Provinces and municipalities	133 309	53 103	66 086	59 813	78 707	78 707	119 695	52.08	47 000	40 500
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	133 309	53 103	66 086	59 813	78 707	78 707	119 695	52.08	47 000	40 500
Municipal bank accounts	133 309	53 103	66 086	59 813	78 707	78 707	119 695	52.08	47 000	40 500
Municipal agencies and funds										
Departmental agencies and accounts	10 815	52 301	40 688	31 811	18 311	18 311	66 128	261.14	56 672	60 558
Social security funds										
Departmental agencies (non-business entities)	10 815	52 301	40 688	31 811	18 311	18 311	66 128	261.14	56 672	60 558
Western Cape Gambling and Racing Board										
Environmental Commissioner										
Western Cape Nature Conservation Board	10 815	30 961	29 048	30 311	18 311	18 311	43 826	139.34	33 672	35 558
Destination Marketing Organisation										
Western Cape Tourism, Trade and Investment Promotion Agency										
Western Cape Cultural Commission										
Western Cape Liquor Board										
Western Cape Language Committee										
Artscape										
Heritage Western Cape										
SETA										
Government Motor Trading Account			8 480							
Saldanha Bay IDZ Licencing Company SOC Limited										
Other		21 340	3 160	1 500			22 302		23 000	25 000
Higher education institutions				5 000			5 000		15 000	
Foreign governments and international organisations										
Public corporations and private enterprises										
Public corporations										
Subsidies on products and production (pc)										
Other transfers to public corporations										
Private enterprises										
Subsidies on products and production (pe)										
Other transfers to private enterprises										
Non-profit institutions	131 722	31 823	75 952	38 498	35 010	35 010	25 011	(28.56)	5 012	5 013
Households	1 866 577	1 832 172	1 903 641	1 921 405	1 906 738	1 904 898	2 154 218	13.09	2 295 271	2 444 641
Social benefits										
Other transfers to households	1 866 577	1 832 172	1 903 641	1 921 405	1 906 738	1 904 898	2 154 218	13.09	2 295 271	2 444 641

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	% Change from Revised estimate 2017/18	2016/17	2018/19	2019/20
Transfers and subsidies to (Total)	7 418 124	8 240 887	8 397 540	8 637 937	8 987 056	9 009 730	9 484 462	5.27	9 922 069	10 387 856
Provinces and municipalities	1 049 617	1 136 257	1 393 051	1 335 773	1 566 132	1 566 132	1 627 362	3.91	1 703 573	1 809 627
Provinces	2 795	3 838	3 827	3 120	3 116	3 116	3 411	9.47	3 543	3 692
Provincial Revenue Funds				4						4
Provincial agencies and funds	2 795	3 838	3 827	3 116	3 116	3 116	3 411	9.47	3 543	3 688
Municipalities	1 046 822	1 132 419	1 389 224	1 332 653	1 563 016	1 563 016	1 623 951	3.90	1 700 030	1 805 935
Municipal bank accounts	1 042 742	1 128 219	1 387 311	1 328 260	1 558 350	1 558 350	1 618 964	3.89	1 694 516	1 800 137
Municipal agencies and funds	4 080	4 200	1 913	4 393	4 666	4 666	4 987	6.88	5 514	5 798
Departmental agencies and accounts	337 089	410 593	414 995	421 436	517 814	517 783	504 156	(2.63)	508 430	528 345
Social security funds			519	300	513	484	396	(18.18)	418	438
Departmental agencies (non-business entities)	337 089	410 593	414 476	421 136	517 301	517 299	503 760	(2.62)	508 012	527 907
Western Cape Gambling and Racing Board	5 523	10 406	5 244	9 908	9 908	9 908	16 407	65.59	17 342	18 325
Environmental Commissioner										
Western Cape Nature Conservation Board	221 907	246 095	253 742	261 717	249 717	249 717	287 050	14.95	287 103	302 597
Destination Marketing Organisation										
Western Cape Tourism, Trade and Investment Promotion Agency	57 308	48 474	59 196	67 110	75 342	75 504	76 196	0.92	80 608	84 843
Western Cape Cultural Commission	250	363	384	420	420	420	383	(8.81)	406	422
Western Cape Liquor Board	30 934	38 239	38 733	35 517	35 731	35 731	37 663	5.41	39 882	42 108
Western Cape Language Committee	210	221	233	242	242	242	221	(8.68)	247	258
Artscape	669	168	178	190	190	190	173	(8.95)	175	182
Heritage Western Cape	1 423	3 838	2 270	1 800	1 800	1 800	1 611	(10.50)	1 736	1 871
SETA	9 922	10 440	11 029	11 894	11 894	11 640	12 665	8.81	13 391	14 065
Government Motor Trading Account			8 751							
Saldanha Bay IDZ Licencing Company SOC Limited		28 091	28 958	29 824	130 224	130 224	47 906	(63.21)	42 882	36 938
Other	8 943	24 258	5 758	2 514	1 833	1 923	23 485	1121.27	24 240	26 298
Higher education institutions	5 632	8 863	5 528	9 632	5 382	5 382	10 685	98.53	20 934	6 133
Foreign governments and international organisations	128	239	286	165	297	297	263	(11.45)	279	295
Public corporations and private enterprises	908 208	1 143 003	1 044 489	1 111 876	1 143 854	1 143 944	1 154 524	0.92	1 201 929	1 296 973
Public corporations	134 284	347 155	210 544	208 553	236 303	236 303	199 770	(15.46)	209 206	245 028
Subsidies on products and production (pc)		19 488	205 790	21 100						
Other transfers to public corporations	134 284	327 667	4 754	187 453	236 303	236 303	199 770	(15.46)	209 206	245 028
Private enterprises	773 924	795 848	833 945	903 323	907 551	907 641	954 754	5.19	992 723	1 051 945
Subsidies on products and production (pe)			31 823							
Other transfers to private enterprises	773 924	795 848	802 122	903 323	907 551	907 641	954 754	5.19	992 723	1 051 945
Non-profit institutions	3 014 663	3 400 003	3 317 329	3 545 812	3 564 653	3 564 781	3 704 623	3.92	3 837 951	3 935 494
Households	2 102 787	2 141 929	2 221 862	2 213 243	2 188 924	2 211 411	2 482 849	12.27	2 648 973	2 810 989
Social benefits	121 266	153 702	155 196	99 446	106 242	129 202	105 500	(18.34)	109 754	113 825
Other transfers to households	1 981 521	1 988 227	2 066 666	2 113 797	2 082 682	2 082 209	2 377 349	14.17	2 539 219	2 697 164
Payments for capital assets	3 497 645	4 601 789	5 021 119	4 766 743	4 891 544	4 929 369	4 982 179	1.07	4 743 671	5 070 111
Buildings and other fixed structures	2 796 652	3 742 447	4 073 449	4 140 146	4 153 500	4 151 802	4 212 707	1.47	3 986 555	4 276 463
Buildings	1 335 102	1 608 686	1 541 774	1 619 579	1 532 844	1 530 732	1 376 483	(10.08)	1 358 830	1 373 072
Other fixed structures	1 461 550	2 133 761	2 531 675	2 520 567	2 620 656	2 621 070	2 836 224	8.21	2 627 725	2 903 391
Machinery and equipment	644 106	776 935	809 557	599 244	684 988	721 499	689 556	(4.43)	702 833	736 039
Transport equipment	179 256	279 401	320 319	278 094	301 412	317 417	302 097	(4.83)	313 740	327 712
Other machinery and equipment	464 850	497 534	489 238	321 150	383 576	404 082	387 459	(4.11)	389 093	408 327
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets	44 280	66 498	107 479	13 995	23 695	23 695	63 882	169.60	37 943	39 948
Software and other intangible assets	12 607	15 909	30 634	13 358	29 361	32 373	16 034	(50.47)	16 340	17 661
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>	1 702 832									
Payments for financial assets	20 121	26 208	15 957	5 583	9 540	16 650	6 051	(63.66)	6 234	6 580
Total economic classification	43 244 579	47 790 079	51 517 878	55 008 631	55 916 797	55 914 363	59 356 413	6.16	62 155 261	65 396 732

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

Outcome							Medium-term estimate				
				Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate				
Vote R'000	Audited 2013/14	Audited 2014/15	Audited 2015/16	2016/17	2016/17	2016/17		2017/18	2016/17	2018/19	2019/20
1. Department of the Premier											
2. Provincial Parliament											
3. Provincial Treasury											
4. Community Safety											
5. Education	1 054 312	1 439 491	1 549 959	1 454 815	1 582 054	1 582 054		1 614 044	2.02	1 532 314	1 617 100
6. Health	894 535	712 923	782 874	806 502	867 795	867 795		815 463	(6.03)	804 150	846 382
7. Social Development		17 000						572		655	692
8. Human Settlements	1 959 237	1 934 936	1 975 122	2 000 811	2 000 811	2 000 811		2 226 758	11.29	2 389 056	2 544 641
9. Environmental Affairs and Development Planning	24 218	29 821	29 048	30 311	18 311	18 311		43 826	139.34	33 672	35 558
10. Transport and Public Works	2 399 082	2 984 979	3 462 886	3 713 830	3 704 769	3 689 486		3 899 561	5.69	3 754 807	3 949 700
11. Agriculture											
12. Economic Development and Tourism											
13. Cultural Affairs and Sport											
14. Local Government											
Total provincial infrastructure payments and estimates by vote	6 331 384	7 119 150	7 799 889	8 006 269	8 173 740	8 158 457		8 600 224	5.41	8 514 654	8 994 073

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

Category R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Existing infrastructure assets	2 932 909	3 637 516	4 376 616	4 674 181	4 887 401	4 861 505	4 971 531	2.26	4 724 724	5 016 182
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	259 778	397 792	566 268	641 982	736 728	736 728	845 759	14.80	714 728	925 043
6. Health	384 536	353 944	472 627	525 458	596 219	581 481	528 043	(9.19)	526 358	493 029
7. Social Development		17 000					572		655	692
8. Human Settlements										
9. Environmental Affairs and Development Planning		12 063	11 787	9 521	12 409	12 409	26 865	116.50	33 672	35 558
10. Transport and Public Works	2 288 595	2 856 717	3 325 934	3 497 220	3 542 045	3 530 887	3 570 292	1.12	3 449 311	3 561 860
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Maintenance and repairs	1 102 209	1 152 077	1 479 465	1 588 367	1 733 083	1 708 350	1 853 651	8.51	1 875 758	1 904 874
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	217 758	249 843	407 856	425 711	473 160	473 160	522 233	10.37	520 827	604 560
6. Health	186 527	209 818	297 022	336 164	406 812	389 579	329 583	(15.40)	291 234	183 079
7. Social Development							572		655	692
8. Human Settlements										
9. Environmental Affairs and Development Planning		12 063	11 787	9 521	12 409	12 409	26 865	116.50	33 672	35 558
10. Transport and Public Works	697 924	680 353	762 800	816 971	840 702	833 202	974 398	16.95	1 029 370	1 080 985
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Upgrades and additions	468 680	736 482	735 026	913 495	987 120	977 089	926 300	(5.20)	818 203	1 279 432
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	34 807	147 949	158 412	216 271	263 568	263 568	323 526	22.75	193 901	320 483
6. Health	68 942	60 725	40 836	74 047	68 822	58 791	59 811	1.73	71 535	106 149
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	364 931	527 808	535 778	623 177	654 730	654 730	542 963	(17.07)	552 767	852 800
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

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

Category R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	% Change from Revised estimate 2017/18	2016/17	2018/19	2019/20
Refurbishment and rehabilitation Note	1 362 020	1 748 957	2 162 125	2 172 319	2 167 198	2 176 066	2 191 580	0.71	2 030 763	1 831 876
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	7 213									
6. Health	129 067	83 401	134 769	115 247	120 585	133 111	138 649	4.16	163 589	203 801
7. Social Development		17 000								
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	1 225 740	1 648 556	2 027 356	2 057 072	2 046 613	2 042 955	2 052 931	0.49	1 867 174	1 628 075
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
New infrastructure assets	908 927	1 242 853	1 137 786	1 078 192	1 011 171	1 004 052	1 118 588	11.41	1 144 848	1 172 708
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	640 365	998 391	903 726	767 900	786 629	786 629	710 628	(9.66)	778 267	650 068
6. Health	200 874	138 682	139 595	139 705	136 992	134 498	129 225	(3.92)	111 585	178 800
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning	24 218	17 758	17 261	20 790	5 902	5 902	16 961			
10. Transport and Public Works	43 470	88 022	77 204	149 797	81 648	77 023	261 774	239.86	254 996	343 840
11. Agriculture										
12. Economic Development and										
13. Cultural Affairs and Sport										
14. Local Government										
Infrastructure transfers	2 195 689	2 006 933	2 078 289	2 082 823	2 082 415	2 082 415	2 312 981	11.07	2 437 461	2 571 211
Infrastructure transfers - current	64 559	2 322	7 627	3 500	11 674	11 674	16 778	43.72	7 405	8 526
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	62 250	62	4 627		8 174	8 174	10 000	22.34		
6. Health							3 278		3 905	5 026
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	2 309	2 260	3 000	3 500	3 500	3 500	3 500		3 500	3 500
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

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

Category R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Infrastructure transfers - capital	2 131 130	2 004 611	2 070 662	2 079 323	2 070 741	2 070 741	2 296 203	10.89	2 430 056	2 562 685
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	80 685	31 592	64 838	20 000	20 000	20 000	15 000	(25.00)	5 000	5 000
6. Health	26 500	231	10 000	20 000	15 000	15 000	15 000		15 000	
7. Social Development										
8. Human Settlements	1 959 237	1 934 808	1 939 076	1 979 510	1 974 665	1 974 665	2 202 208		2 363 056	2 517 185
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	64 708	37 980	56 748	59 813	61 076	61 076	63 995	4.78	47 000	40 500
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Infrastructure payments for financial assets	16 683									
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health	16 683									
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works										
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Infrastructure leases										
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health										
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works										
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

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

Category R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Non Infrastructure	277 176	231 848	207 198	171 073	192 753	210 485	197 124	(6.35)	207 621	233 972
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	11 234	11 654	10 500	24 933	30 523	30 523	32 657	6.99	34 319	36 989
6. Health	265 942	220 066	160 652	121 339	119 584	136 816	139 917	2.27	147 302	169 527
7. Social Development										
8. Human Settlements		128	36 046	21 301	26 146	26 146	24 550	(6.10)	26 000	27 456
9. Environmental Affairs and Development Planning										
10. Transport and Public Works				3 500	16 500	17 000		(100.00)		
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Total provincial infrastructure payments and estimates	6 331 384	7 119 150	7 799 889	8 006 269	8 173 740	8 158 457	8 600 224	5.41	8 514 654	8 994 073
<i>of which</i>										
Professional fees ^a										
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	217 998	573 572	256 900	261 866	261 866	261 866	257 042	(1.84)	271 763	286 982
6. Health	97 594	47 550	78 935	55 554	55 554	55 554	80 745	45.35	84 487	100 380
7. Social Development										
8. Human Settlements	-	35 053	36 046	21 311	26 158	26 153	8 810	(66.31)	10 360	16 015
9. Environmental Affairs and Development Planning		11 489	12 257	12 124	12 124	12 124	12 730	5.00	13 469	13 469
10. Transport and Public Works	330 022	641 943	741 422	702 479	619 720	619 720	782 565	26.28	708 160	739 798
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

^a Professional fees based on estimated amounts.

Note: Inclusive of Professional fees.

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

R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2018/19	2019/20
Provincial Equitable Share & Other finance sources	2 388 090	3 478 990	3 855 644	3 489 510	3 454 595	3 439 312	3 712 365	3 611 243	3 780 021
Conditional grants	3 943 294	3 640 160	3 944 245	4 516 759	4 719 145	4 719 145	4 887 859	4 903 411	5 214 052
Education Infrastructure Grant	821 831	1 008 579	1 094 992	992 212	1 134 704	1 134 704	1 093 580	985 552	1 040 742
Expanded Public Works Programme Grant (Education)	3 000	1 437	2 818	2 520	2 520	2 520	2 149		
Health Facility Revitalisation Grant	613 887			673 472	733 366	733 366	605 786	595 363	628 703
Expanded Public Works Programme Grant (Health)	3 000	2 096	2 836	2 324	2 324	2 324	2 473		
Provincial Roads Maintenance Grant	520 797	685 849	858 962	830 729	830 729	830 729	940 089	932 785	999 274
Expanded Public Works Programme Grant (Transport and Public Works)	21 542	7 263	9 515	14 691	14 691	14 691	16 452		
Human Settlements Development Grant (Human Settlements)	1 959 237	1 934 936	1 975 122	2 000 811	2 000 811	2 000 811	2 226 758	2 389 056	2 544 641
Early Childhood Development Grant							572	655	692
Total provincial infrastructure payments and estimates by source of funding	6 331 384	7 119 150	7 799 889	8 006 269	8 173 740	8 158 457	8 600 224	8 514 654	8 994 073

Table A.5 Information on training: Relating to Chapter 6

Description	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Number of staff	80 161	80 726	81 572	81 782	81 506	81 437	81 918	0.59	81 105	80 553
Number of personnel trained	38 626	33 989	35 804	41 792	53 323	53 956	54 818	1.60	55 858	56 699
<i>of which</i>										
Male	15 189	11 205	11 782	17 239	22 854	23 004	23 713	3.08	23 991	24 621
Female	23 437	22 784	24 022	24 553	30 469	30 952	31 105	0.49	31 867	32 078
Number of training opportunities	26 366	35 519	29 376	29 337	30 618	29 385	29 714	1.12	31 337	31 337
<i>of which</i>										
Tertiary	724	695	983	888	793	888	1 063	19.69	1 085	1 085
Workshops	526	816	1 143	839	1 126	839	910	8.44	963	963
Seminars	193	364	220	371	152	371	277	(25.23)	295	295
Other	24 923	33 644	27 030	27 239	28 547	27 287	27 464	0.65	28 995	28 995
Number of bursaries offered	3 463	3 451	905	2 912	2 636	2 637	3 033	15.00	3 193	3 196
Number of interns appointed	1 031	850	886	867	885	878	792	(9.85)	766	786
Number of learnerships appointed	2 323	2 224	2 219	2 238	2 238	2 238	2 308	3.13	2 430	2 430
Number of days spent on training	6 099	6 590	12 868	6 809	14 743	8 164	13 576	66.30	14 010	14 010

Table A.6 Transfers to local government by category and municipality: Information relating to Chapter 5

Municipalities R'000	Outcome			Main appropriation 2016/17	Adjusted appropriation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				% Change from Revised estimate			
							2017/18	2016/17	2018/19	2019/20
Category A	1 161 376	1 173 964	1 256 815	1 263 018	1 278 519	1 299 935	1 230 810	(5.32)	1 377 006	1 485 813
City of Cape Town	1 161 376	1 173 964	1 256 815	1 263 018	1 278 519	1 299 935	1 230 810	(5.32)	1 377 006	1 485 813
Category B	1 053 809	907 348	1 127 442	1 156 436	1 301 431	1 255 670	1 200 101	(4.43)	1 124 327	885 725
Matzikama	24 979	12 915	35 904	40 023	41 844	39 444	12 162	(69.17)	7 912	7 507
Cederberg	21 043	21 356	8 567	4 534	25 429	10 764	38 840	260.83	6 043	5 298
Bergvriervier	12 922	15 045	37 747	30 214	35 124	23 144	19 540	(15.57)	8 404	9 547
Saldanha Bay	58 146	33 941	72 647	54 689	56 469	56 469	32 578	(42.31)	21 599	8 227
Swartland	43 110	23 283	74 704	58 770	59 120	52 120	56 687	8.76	15 752	8 825
Witzenberg	57 143	51 578	50 521	56 911	53 391	58 391	51 518	(11.77)	32 050	23 541
Drakenstein	85 245	45 877	84 366	82 756	69 579	59 979	147 803	146.42	199 762	76 770
Stellenbosch	53 283	17 779	48 022	49 186	53 466	63 416	23 884	(62.34)	42 165	36 949
Breede Valley	57 973	53 380	35 995	52 708	62 602	67 895	133 759	97.01	228 487	103 643
Langeberg	26 702	23 389	27 530	58 080	58 360	48 360	43 632	(9.78)	32 353	33 591
Theewaterskloof	56 486	87 779	78 060	59 674	60 154	50 154	80 036	59.58	69 711	82 287
Overstrand	31 389	35 371	63 378	65 978	67 288	57 188	51 100	(10.65)	39 109	65 809
Cape Agulhas	31 841	30 550	12 418	34 622	26 152	22 052	27 414	24.32	27 230	48 888
Swellendam	51 496	43 098	13 030	19 276	20 356	11 146	8 815	(20.91)	14 808	5 631
Kannaland	12 737	7 111	12 729	13 775	35 450	45 595	4 623	(89.86)	2 632	2 772
Hessequa	16 235	19 201	17 310	31 912	34 502	38 782	30 434	(21.53)	8 622	9 317
Mossel Bay	70 133	59 375	29 689	56 258	59 938	60 938	35 669	(41.47)	41 506	36 377
George	109 222	87 918	172 625	168 934	239 444	239 444	172 365	(28.01)	246 491	267 293
Oudtshoorn	29 274	36 344	47 609	37 190	44 870	57 350	40 918	(28.65)	25 653	6 552
Bitou	86 871	76 931	65 037	67 117	68 097	60 003	55 077	(8.21)	15 843	25 493
Knysna	57 531	53 610	74 432	86 383	87 643	65 970	86 491	31.11	26 962	9 463
Laingsburg	7 364	12 360	22 282	1 386	3 216	3 216	1 446	(55.04)	1 661	1 745
Prince Albert	26 396	33 661	11 515	11 764	15 460	18 668	13 608	(27.11)	3 619	3 730
Beaufort West	26 288	25 496	31 325	14 296	23 477	45 182	31 702	(29.83)	5 953	6 470
Category C	6 537	8 049	44 232	826	11 487	11 487	7 840	(31.75)	3 791	4 392
West Coast	480	900	36 437	120	1 350	1 350	1 690	25.19	360	480
Cape Winelands DM	1 970	2 295	2 607	195	1 175	1 175	2 014	71.40	1 334	1 454
Overberg	1 072	1 604	2 138	271	4 832	4 832	1 156	(76.08)	477	598
Eden	1 224	1 900	1 680	120	530	530	1 940	266.04	1 260	1 380
Central Karoo	1 791	1 350	1 370	120	3 600	3 600	1 040	(71.11)	360	480
Unallocated ^{Note 1}				26 458			56 197		102 197	138 665
Total transfers to local government	2 221 722	2 089 361	2 428 489	2 446 738	2 591 437	2 567 092	2 494 948	(2.81)	2 607 321	2 514 595
Funds retained by the Department of Human Settlements (not included in the transfers to local government)	404 904	569 123	493 265	446 241	443 741	468 086	847 565	81.07	882 255	1 183 270

		2017/18 Allocation (R'000)	2018/19 Allocation (R'000)	2019/20 Allocation (R'000)
Note 1 Unallocated				
Western Cape Financial Management Support Grant	The allocations will be based on the outcomes and recommendations of both the Municipal Governance Review and Outlook (MGRO) and Local Government Medium Term Expenditure Committee (LG MTEC) processes. The grant is unallocated at this stage and municipal-specific allocations will be made in the 2017/18 Adjusted Estimates.	26 766	27 511	26 034
Greenest Municipality Competition	As part of a national process, the Department biennially invite municipalities to participate in the Greenest Municipality Competition. The eventual outcome and announcement of the winners are known during the course of the financial year. Conclusion in the Adjusted Estimates is for the purpose of splitting the allocation/prize money.	500		500
Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure	The distribution of the outer year's allocations is dependent on the 20% co-funding by the relevant municipalities. As this has not yet been finalised, provided for in the municipal budgets and approved, it cannot be gazetted in the provincial gazette and transferred.		8 500	32 500

Note 1 Unallocated		2017/18 Allocation (R'000)	2018/19 Allocation (R'000)	2019/20 Allocation (R'000)
Community Library Services Grant	The allocations indicated in the outer years are provisional amounts subject to confirmed departmental allocations.		17 999	29 632
Development of Sport and Recreation facilities	The allocation of amounts in the outer years is dependent on municipalities submitting Business Plans. As the Business Plans for the outer years have not been submitted, these amounts cannot be gazetted and transferred.		1 559	1 621
Municipal Electrical Master Plan Grant	The allocations will be based on the outcomes and recommendations of the annual Intergovernmental engagements and monitoring and consultation processes with municipalities. These include Local Government Medium Term Expenditure Committee, Municipal Governance Review and Outlook, Integrated Development Planning Indaba and Back to Basic meetings. The grant is unallocated at this stage and municipal-specific allocations will be made in the 2017/18 Adjusted Estimates process.	1 397	1 478	1 560
Fire Service Capacity Building Grant	The allocations will be based on the outcomes and recommendations of the annual Intergovernmental Relation oversight, monitoring and consultation processes with municipalities. These include Local Government Medium Term Expenditure Committee, Category of Authorised Persons in terms of Fire Brigade Services Act 99 of 1987, Integrated Development Planning Indaba and "Back to Basic" meetings. The grant for 2018/19 and 2019/20 is unallocated at this stage and will be allocated in the 2018/19 and 2019/20 budget.		15 000	15 000
Municipal Drought Relief Grant	The allocations will be based on the outcomes and recommendations of the annual Intergovernmental engagements and monitoring and consultation processes with municipalities. These include Local Government Medium Term Expenditure Committee, Municipal Governance Review and Outlook, Integrated Development Planning Indaba and Back to Basic meetings and Drought Task Team meetings. The grant is unallocated at this stage and municipal-specific allocations will be made in the 2017/18 Adjusted Estimates process.	9 610	11 236	11 865
Municipal Service Delivery and Capacity Building Grant	The allocations will be based on the outcomes and recommendations of the annual Intergovernmental Relation monitoring and consultation processes with municipalities. These include Local Government Medium Term Expenditure Committee, Municipal Governance Review and Outlook, Integrated Development Planning Indaba and Back to Basic meetings. The grant is unallocated at this stage and municipal-specific allocations will be made in the 2017/18 Adjusted Estimates process.	17 924	18 914	19 953
Total		56 197	102 197	138 665

Table A.7 Summary of provincial payments and estimates by policy area

Policy Area R'000	Outcome						Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16	Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Change from Revised estimate 2017/18	2016/17	2018/19	2019/20
General public services	1 369 688	1 579 542	1 770 306	1 950 569	1 987 466	1 987 466	2 135 854	7.47	2 283 206	2 269 097
Public order and safety	222 196	264 966	269 233	292 016	289 844	289 595	302 056	4.30	305 981	315 724
Economic affairs	5 963 132	7 096 150	7 812 902	8 063 152	8 481 801	8 481 801	8 649 103	1.97	8 683 419	9 192 121
Environmental protection	412 199	457 181	502 648	550 964	543 699	543 699	591 570	8.80	588 153	607 656
Housing and community amenities	2 215 466	2 151 327	2 210 713	2 224 251	2 244 424	2 244 424	2 536 087	13.00	2 636 035	2 805 461
Health	15 916 962	17 305 808	18 737 118	19 982 793	20 144 545	20 142 360	21 679 806	7.63	22 798 527	24 030 698
Recreation, culture and religion	453 573	612 490	685 544	736 184	730 472	730 472	725 049	(0.74)	742 068	739 172
Education	15 111 220	16 588 773	17 637 342	19 247 264	19 530 682	19 530 682	20 629 914	5.63	21 913 385	23 107 146
Social protection	1 580 143	1 733 842	1 892 072	1 961 438	1 963 864	1 963 864	2 106 974	7.29	2 204 487	2 329 657
Total payments and estimates by policy area	43 244 579	47 790 079	51 517 878	55 008 631	55 916 797	55 914 363	59 356 413	6.16	62 155 261	65 396 732

Table A.8 Payments: Summary by policy area

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

Table A.8 Payments: Summary by policy area (continued)

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

Table A.9 Details of provincial payments and estimates by policy area

GFS function R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2018/19	2019/20
FUNCTION - GENERAL PUBLIC SERVICES									
Category - Legislative									
Department of the Premier (Programme 1.1)	70 784	73 023	80 245	96 567	96 267	96 267	105 376	112 891	105 252
Provincial Parliament (Vote 2)	103 122	107 041	116 126	130 821	129 321	129 321	137 715	138 628	148 471
Total for Category - Legislative	173 906	180 064	196 371	227 388	225 588	225 588	243 091	251 519	253 723
Category - Financial and fiscal affairs									
Department of Provincial Treasury (Vote 3)	199 967	232 148	240 387	260 739	254 548	254 548	308 184	338 130	357 514
Total for Category - Financial and fiscal affairs	199 967	232 148	240 387	260 739	254 548	254 548	308 184	338 130	357 514
Category - General services									
Department of the Premier (Programme 1.2 to 1.5)	823 753	969 851	1 120 528	1 244 543	1 268 583	1 268 583	1 335 373	1 432 872	1 383 438
Department of Local Government (Vote 14)	172 062	197 479	213 020	217 899	238 747	238 747	249 206	260 685	274 422
Total for Category - General services	995 815	1 167 330	1 333 548	1 462 442	1 507 330	1 507 330	1 584 579	1 693 557	1 657 860
TOTAL FOR FUNCTION - GENERAL PUBLIC SERVICES	1 369 688	1 579 542	1 770 306	1 950 569	1 987 466	1 987 466	2 135 854	2 283 206	2 269 097
FUNCTION - PUBLIC ORDER AND SAFETY									
Category - Police services									
Department of Community Safety (Vote 4)	222 196	264 966	269 233	292 016	289 844	289 595	302 056	305 981	315 724
Total for Category - Police services	222 196	264 966	269 233	292 016	289 844	289 595	302 056	305 981	315 724
TOTAL FOR FUNCTION - PUBLIC ORDER AND SAFETY	222 196	264 966	269 233	292 016	289 844	289 595	302 056	305 981	315 724
FUNCTION - ECONOMIC AFFAIRS									
Category - General economic affairs									
Department of Economic Development and Tourism (Vote 12 excluding 12.6)	288 728	424 807	353 992	440 181	523 456	523 456	370 839	374 292	386 989
Department of Transport and Public Works (Programme 10.2)	1 368 277	1 479 203	1 565 889	1 680 774	1 740 805	1 740 805	1 917 249	1 764 102	1 875 220
TOTAL FOR FUNCTION - General economic affairs	1 657 005	1 904 010	1 919 881	2 120 955	2 264 261	2 264 261	2 288 088	2 138 394	2 262 209

Table A.9 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2018/19	2019/20
Category - Agriculture									
Department of Agriculture (Vote 11)	608 862	855 436	750 633	787 855	815 871	815 871	795 179	838 770	915 116
Total for Category - Agriculture	608 862	855 436	750 633	787 855	815 871	815 871	795 179	838 770	915 116
Category - Transport									
Department of Transport and Public Works (Programmes 10.1, 10.3 to 10.6)	3 649 711	4 291 605	5 102 506	5 107 754	5 351 859	5 351 859	5 509 330	5 648 118	5 953 423
Total for Category - Transport	3 649 711	4 291 605	5 102 506	5 107 754	5 351 859	5 351 859	5 509 330	5 648 118	5 953 423
Category - Communication									
Department of Economic Development and Tourism (Programme 12.6)	47 554	45 099	39 882	46 588	49 810	49 810	56 506	58 137	61 373
Total for Category - Communication	47 554	45 099	39 882	46 588	49 810	49 810	56 506	58 137	61 373
TOTAL FOR FUNCTION - ECONOMIC AFFAIRS	5 963 132	7 096 150	7 812 902	8 063 152	8 481 801	8 481 801	8 649 103	8 683 419	9 192 121
FUNCTION - ENVIRONMENTAL PROTECTION									
Category - Environmental protection									
Department of Environmental Affairs and Development Planning (Vote 9)	412 199	457 181	502 648	550 964	543 699	543 699	591 570	588 153	607 656
Total for Category - Environmental protection	412 199	457 181	502 648	550 964	543 699	543 699	591 570	588 153	607 656
TOTAL FOR FUNCTION - ENVIRONMENTAL PROTECTION	412 199	457 181	502 648	550 964	543 699	543 699	591 570	588 153	607 656
FUNCTION - HOUSING AND COMMUNITY AMENITIES									
Category - Housing Development									
Department of Human Settlements (Vote 8)	2 215 466	2 151 327	2 210 713	2 224 251	2 244 424	2 244 424	2 536 087	2 636 035	2 805 461
Total for Category - Housing Development	2 215 466	2 151 327	2 210 713	2 224 251	2 244 424	2 244 424	2 536 087	2 636 035	2 805 461
TOTAL FOR FUNCTION - HOUSING AND COMMUNITY AMENITIES	2 215 466	2 151 327	2 210 713	2 224 251	2 244 424	2 244 424	2 536 087	2 636 035	2 805 461

Table A.9 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2018/19	2019/20
FUNCTION - HEALTH									
Category - Health n.e.c.									
Department of Health (Programme 6.1)	511 447	583 602	614 141	710 320	703 585	685 811	858 793	906 913	950 812
Total for Category - Health n.e.c.	511 447	583 602	614 141	710 320	703 585	685 811	858 793	906 913	950 812
Category - Outpatient service									
Department of Health Services (Programme 6.2)	6 039 262	6 767 273	7 352 880	7 826 316	7 919 237	7 936 458	8 719 001	9 266 125	9 763 617
Total for Category - Outpatient service	6 039 262	6 767 273	7 352 880	7 826 316	7 919 237	7 936 458	8 719 001	9 266 125	9 763 617
Category - R & D Health (CS)									
Department of Health Services (Programme 6.6)	264 193	312 111	319 793	340 881	349 232	343 263	316 453	335 901	353 261
Total for Category - R & D Health (CS)	264 193	312 111	319 793	340 881	349 232	343 263	316 453	335 901	353 261
Category - Hospital services									
Department of Health Services (Programmes 6.3 to 6.8, excluding 6.6)	9 102 060	9 642 822	10 450 304	11 105 276	11 172 491	11 176 828	11 785 559	12 289 588	12 963 008
Total for Category - Hospital services	9 102 060	9 642 822	10 450 304	11 105 276	11 172 491	11 176 828	11 785 559	12 289 588	12 963 008
TOTAL FOR FUNCTION - HEALTH	15 916 962	17 305 808	18 737 118	19 982 793	20 144 545	20 142 360	21 679 806	22 798 527	24 030 698
FUNCTION - RECREATION CULTURE AND RELIGION									
Category - Recreation and sporting services									
Department of Cultural Affairs and Sport (Programme 13.4)	113 934	170 270	180 173	205 593	199 761	199 761	180 954	169 612	156 383
Total for Category - Recreation and sporting services	113 934	170 270	180 173	205 593	199 761	199 761	180 954	169 612	156 383
Category - Cultural services									
Department of Cultural Affairs and Sport (Programmes 13.1 to 13.3)	339 639	442 220	505 371	530 591	530 711	530 711	544 095	572 456	582 789
Total for Category - Cultural services	339 639	442 220	505 371	530 591	530 711	530 711	544 095	572 456	582 789
TOTAL FOR FUNCTION - RECREATION CULTURE AND RELIGION	453 573	612 490	685 544	736 184	730 472	730 472	725 049	742 068	739 172

Table A.9 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- priation 2016/17	Adjusted appro- priation 2016/17	Revised estimate 2016/17	Medium-term estimate		
	Audited 2013/14	Audited 2014/15	Audited 2015/16				2017/18	2018/19	2019/20
FUNCTION - EDUCATION									
Category - Pre-primary and primary education									
Department of Education (Programme 5.2.1 and 5.5)	7 062 894	7 787 817	8 253 553	8 870 677	8 892 036	8 892 036	9 516 274	10 179 278	10 719 088
Total for Category - Pre-primary and primary education	7 062 894	7 787 817	8 253 553	8 870 677	8 892 036	8 892 036	9 516 274	10 179 278	10 719 088
Category - Secondary education									
Department of Education (Programme 5.2.2)	4 400 697	4 489 245	4 789 855	5 497 187	5 489 430	5 489 430	5 830 695	6 266 502	6 597 605
Total for Category - Secondary education	4 400 697	4 489 245	4 789 855	5 497 187	5 489 430	5 489 430	5 830 695	6 266 502	6 597 605
Category - Subsidiary service to education									
Department of Education (Programme 5.3)	84 648	89 845	95 384	101 298	101 298	101 298	107 578	113 925	120 533
Total for Category - Subsidiary service to education	84 648	89 845	95 384	101 298	101 298	101 298	107 578	113 925	120 533
Category - Education not definable by level									
Department of Education (Programmes 5.1, 5.2.3, 5.2.4, 5.4, 5.6 and 5.7)	3 562 981	4 221 866	4 498 550	4 778 102	5 047 918	5 047 918	5 175 367	5 353 680	5 669 920
Total for Category - Education not definable by level	3 562 981	4 221 866	4 498 550	4 778 102	5 047 918	5 047 918	5 175 367	5 353 680	5 669 920
TOTAL FOR FUNCTION - EDUCATION	15 111 220	16 588 773	17 637 342	19 247 264	19 530 682	19 530 682	20 629 914	21 913 385	23 107 146
FUNCTION - SOCIAL PROTECTION									
Category - Social security services									
Social Development (Vote 7)	1 580 143	1 733 842	1 892 072	1 961 438	1 963 864	1 963 864	2 106 974	2 204 487	2 329 657
Total for Category - Social security services	1 580 143	1 733 842	1 892 072	1 961 438	1 963 864	1 963 864	2 106 974	2 204 487	2 329 657
TOTAL FOR FUNCTION - SOCIAL DEVELOPMENT	1 580 143	1 733 842	1 892 072	1 961 438	1 963 864	1 963 864	2 106 974	2 204 487	2 329 657
TOTAL: BY FUNCTION	43 244 579	47 790 079	51 517 878	55 008 631	55 916 797	55 914 363	59 356 413	62 155 261	65 396 732

Table A.10 Summary of Expanded Public Works Programme (EPWP) payments and estimates

Provincial department R'000	Outcome			Main appro- piation 2016/17	Adjusted appro- piation 2016/17	Revised estimate 2016/17	Medium-term estimate			
	Audited 2013/14	Audited 2014/15	Audited 2015/16				Change from Revised estimate 2017/18	2016/17	2018/19	2019/20
1. Department of the Premier										
2. Provincial Parliament										
3. Provincial Treasury										
4. Community Safety	12 513	16 888	17 362	21 191	16 474	16 474	16 552	0.47	14 666	11 832
5. Education	120 217	100 153	113 526	133 728	127 302	127 302	122 970	(3.40)	119 220	126 135
6. Health	107 017	112 326	111 851	124 520	132 873	132 873	126 828	(4.55)	134 184	141 698
7. Social Development	4 900	7 815	10 167	15 597	15 597	15 597	21 903	40.43	6 311	6 311
8. Human Settlements	3 000	3 842	3 490	3 426	3 426	3 426	3 374	(1.52)		
9. Environmental Affairs and Development Planning	17 658	22 260	23 262	25 001	25 001	25 001	26 630	6.52	23 535	24 853
10. Transport and Public Works	1 032 611	1 438 679	2 007 963	1 896 587	1 896 587	1 896 587	2 206 066	16.32	2 157 891	2 278 846
11. Agriculture	550	2 248	2 000	2 068	2 068	2 068	2 062	(0.29)		
12. Economic Development and Tourism										
13. Cultural Affairs and Sport	8 035	16 138	14 886	18 558	18 558	18 558	17 052	(8.12)	13 034	13 764
14. Local Government										
Total EPWP	1 306 501	1 720 349	2 304 507	2 240 676	2 237 886	2 237 886	2 543 437	13.65	2 468 841	2 603 439
Financed from:										
Equitable share	749 084	984 505	1 410 922	1 338 809	1 336 019	1 336 019	1 536 877	15.03	1 536 056	1 604 165
Conditional Grants	548 123	735 844	893 585	901 867	901 867	901 867	1 006 560	11.61	932 785	999 274
Other	9 294									
Total EPWP	1 306 501	1 720 349	2 304 507	2 240 676	2 237 886	2 237 886	2 543 437	13.65	2 468 841	2 603 439

Note: The figures provided for Transport and Public Works are estimates.

Glossary

Baseline	The initial allocations used during the budget process, derived from the previous year's forward estimates.
Basic prices	The measure of Gross Domestic Product that does not take into account the value of taxes levied and subsidies received on production.
Brexit	The United Kingdom's prospective withdrawal from the European Union is widely known as Brexit, a portmanteau of "Britain" and "exit".
Broad/Expanded unemployment	Includes discouraged employment seekers in the labour force.
Budget Policy	The means by which government directs and adjusts its overall and differentiated levels of spending in order to foster and influence a nation's economy and social welfare.
Burden of disease	Refers to the nature and drivers of the causes of mortality and morbidity.
Conditional Grants	Allocations of money from one sphere of government to another, conditional on certain services being delivered or on compliance with specified requirements.
Consumer price inflation (CPI)	The main measure of inflation, charting the price movements of a basket of consumer goods and services.
Core Inflation	An inflation measure which excludes transitory or temporary price volatility as in the case of some commodities.
Current account (of the balance of payments)	The difference between total exports and total imports, also taking into account service payments and receipts, interest, dividends and transfers. The current account can be in deficit or surplus.
Discouraged work seekers	Individuals who want to work and are available to work, but who are not actively looking for work.
European Union	The European Union is a political and economic union of 28 member states that are located primarily in Europe.

Eurozone	Officially called the euro area, is a monetary union of 19 European Union (EU) member states that have adopted the euro (€) as their common currency and sole legal tender.
Expanded employment	Comprises all working-age individuals who were not employed during the reference week, but were willing and able to work. The expanded unemployed include all individuals unemployed according to the narrow definition of unemployment as well as all discouraged workseekers (i.e. the searching and the non-searching unemployed).
Equitable share	The allocation of revenue to the national, provincial and local spheres of government as required by the Constitution.
Financial year	The 12 months according to which companies and organisations budget and account.
Fiscal framework	A framework for integrating fiscal policy and budgeting over the medium-term by linking a system of aggregate fiscal forecasting to a disciplined process of maintaining detailed medium-term budget estimates by ministries reflecting existing government policies.
Fiscal policy	Policy on taxation, spending and borrowing by government.
Gini coefficient	A measure of statistical dispersion intended to represent the income or wealth distribution of a nation's residents, and is the most commonly used measure of inequality.
Gross domestic product (GDP)	A measure of the total national output, income and expenditure in the economy. GDP per head is the simplest overall measure of welfare, although it does not take account of the distribution of income, nor of goods and services produced outside the market economy.
Headline Inflation	The main measure of inflation, charting the price movements of a basket of consumer goods and services.
Industrial development zone	Designated sites linked to an international air or sea port, supported by incentives to encourage investment in export-oriented manufacturing and job creation.
Inflation	An increase in the general level of prices.
Labour force	Number of employed and unemployed individuals of working age.

Medium term expenditure framework (MTEF)	The three-year spending plans of national and provincial governments published at the time of the Budget.
Narrow unemployment rate	Rate of unemployment that does not take into account the discouraged employment seekers from the labour force.
National budget	The projected revenue and expenditure that flow through the National Revenue Fund. It does not include spending by provinces or local government from their own revenues.
Provincial own receipts	Refers to taxes/fees and/or user charges, which a provincial department receives.
Public entities	Companies, agencies, funds and accounts that are fully or partly owned by government or public authorities and are regulated by law.
Recession	Decline of Gross Domestic Product for two or more consecutive quarters.
Seasonally adjusted and annualised	The process of removing the seasonal volatility (monthly or quarterly) from a time series. This provides a measure of the underlying trend in the data. Annualised: to express a rate as if it were applied over one year.
Working age population	Individuals aged between 15 and 65.

