provincial treasury
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

MPUMALANGA
THE PLACE OF THE RISING SUN

Estimates of Provincial Revenue and Expenditure for 2018/19

Together We Move South Africa Forward

FOREWORD

The Provincial Budget for the 2018/19 financial year is tabled in the backdrop of a promising investor sentiments about the country's economy.

There's a new spirit of optimism and an expectation that South Africa is on course to economic recovery under the inspiring leadership of President Cyril Ramaphosa.

The economic growth prospects are showing signs of improvement, although off a low base after the technical recession in the fourth quarter of 2016 and first quarter of 2017.

We must continue working harder to ensure that the economy is inclusive, that it creates the much needed jobs and further contribute to improved socio-economic situation of all our people.

According to the 2018 Budget Review, there will be reductions to previously announced transfers to the provinces for the next three year spending period.

In view of these reductions, the provincial government is expected to implement various measures aimed to contain the fiscal pressure, whilst ensuring a sustained delivery of education, health, social services and infrastructure programmes.

In allocating the provincial resources, we were careful to balance a variety of important provincial priorities without undermining the social compact that defines the mandate of the people's budget.

We are committed to remain within the expenditure ceiling as outlined in the 2018 Budget Review and ensuring that this budget works for the people.

Mr. SE KHOLWANE, MPL
MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

Overview of Provincial Revenue and Expenditure

The economic and financial status of the country remains constraint by the lower economic growth in the country. The 2018 budget is thus tabled within ceiling set in 2017 MTEF budget circumstances. The government is required to reduce its spending while on the other hand creating a healthy environment for business to operate.

The budget that is tabled tries to put importance of the following areas, amongst others:

- To enable healthy economic growth and creating decent employment to improve the province's condition on unemployment, poverty, and inequality,
- To improve the quality and level of education,
- To improvise the health care system, and
- To ensuring that people have access to basic services in order to improve their quality of life, etc.

The Province has taken strides to improve delivery in infrastructure over the MTEF , mainly in education and health sectors. Funds have been set aside for school infrastructure as well as health facilities to provide better education and health services respectively. There are also efforts taken to improve road infrastructure in the Province.

There is continuous effort in putting ceiling to 2018 budget estimates to reduce spending levels in an attempt to reduce government debt that comes in the form of borrowing and related interest payments.

The Province experienced challenges in the bigger sectors, especially in delivery of infrastructure as well as accruals. Accruals always put pressure on their following year's budget and impacting the achievement by the sector of the set target in their plans. The Health sector is experiencing serious challenge as a result of accruals/payables which continues to increase each year.

Department of Education has experienced some delivery challenges in 2017/18 financial year that resulted in the Department having to surrender some funding. On the positive note the Department did well in 2016/17 financial year relating to planning and delivery in infrastructure that it qualified for an incentive funding that has been added to their baseline of Education Infrastructure Grant. The Health has improved in infrastructure delivery though affected by accruals from 2016/17 financial year.

1. SOCIO-ECONOMIC REVIEW AND OUTLOOK OF MPUMALANGA

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

1.1 DEMOGRAPHICS

1.1.1 Population figures and growth

According to Statistics South Africa's *Mid-year population estimates (MYPE) 2017*, Mpumalanga's population was 4.4 million or 7.9 per cent of the national total (Table 1.1). Mpumalanga registered the sixth largest/fourth lowest share among the provinces. Gauteng (25.3 per cent) was the province with the largest share of the national population, followed by KwaZulu-Natal with a 19.6 per cent share. Northern Cape recorded the lowest percentage share of the national population at 2.1 per cent. Mpumalanga's population increased by approximately 108 000 from 4.3 million in 2016, whilst the share of the national total increased slightly with 0.1 percentage points from 2016. Mpumalanga was one of four provinces where the shares increased, whilst the shares of three provinces decreased and two remained unchanged.

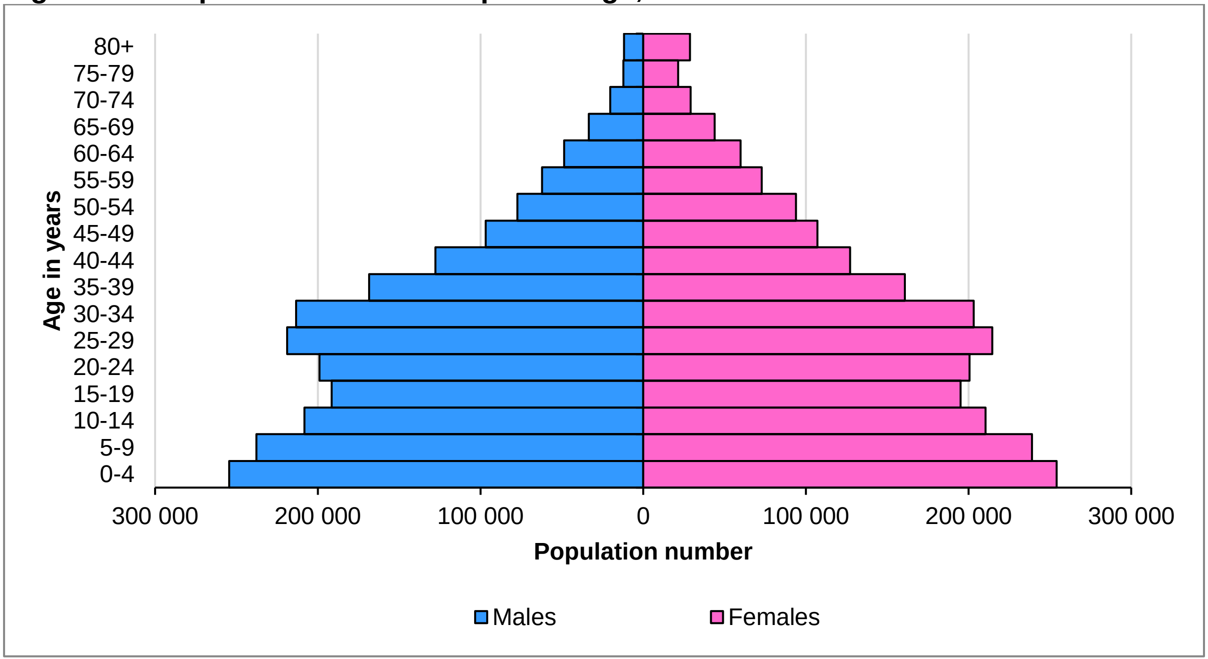
Table 1.1: Population in South Africa by province, 2011, 2016 & 2017

Region	Census 2011		Community Survey 2016		Mid-year estimate 2017	
	Number	% share of national	Number	% share of national	Number	% share of national
Western Cape	5 822 734	11.2	6 279 730	11.3	6 510 300	11.5
Eastern Cape	6 562 053	12.7	6 996 976	12.6	6 498 700	11.5
Northern Cape	1 145 861	2.2	1 193 780	2.1	1 214 000	2.1
Free State	2 754 590	5.3	2 834 714	5.1	2 866 700	5.1
KwaZulu-Natal	10 267 300	19.8	11 065 240	19.9	11 074 800	19.6
North West	3 509 953	6.8	3 748 436	6.7	3 856 200	6.8
Gauteng	12 272 263	23.7	13 399 724	24.1	14 278 700	25.3
Mpumalanga	4 039 939	7.8	4 335 964	7.8	4 444 200	7.9
Limpopo	5 404 868	10.4	5 799 090	10.4	5 778 400	10.2
Total	**51 770 560**	**100.0**	**55 653 655**	**100.0**	**56 521 900**	**100.0**

Sources: Statistics South Africa – Census 2011
Statistics South Africa – Community Survey (CS) 2016
Statistics South Africa – Mid-year population estimates (MYPE) 2017

Figure 1.1 shows the population cohort of Mpumalanga according to the *MYPE 2017*. Females constituted 2.26 million or 50.9 per cent of the provincial population distribution and males 2.18 million (49.1 per cent). The youth cohort (0-34 years) made up 68.4 per cent of the total population in the province and the age group 60 years and older, only 7.0 per cent. The age cohort of 0-4 years represented the most populous age cohort with 508 588 individuals or some 11.4 per cent of the provincial population. In South Africa, the youth cohort made up 65.7 per cent of the total population and the age group 60 years and older, 8.1 per cent. Nationally the most populous age cohort was also the 0-4 years group that represented some 10.4 per cent of the population.

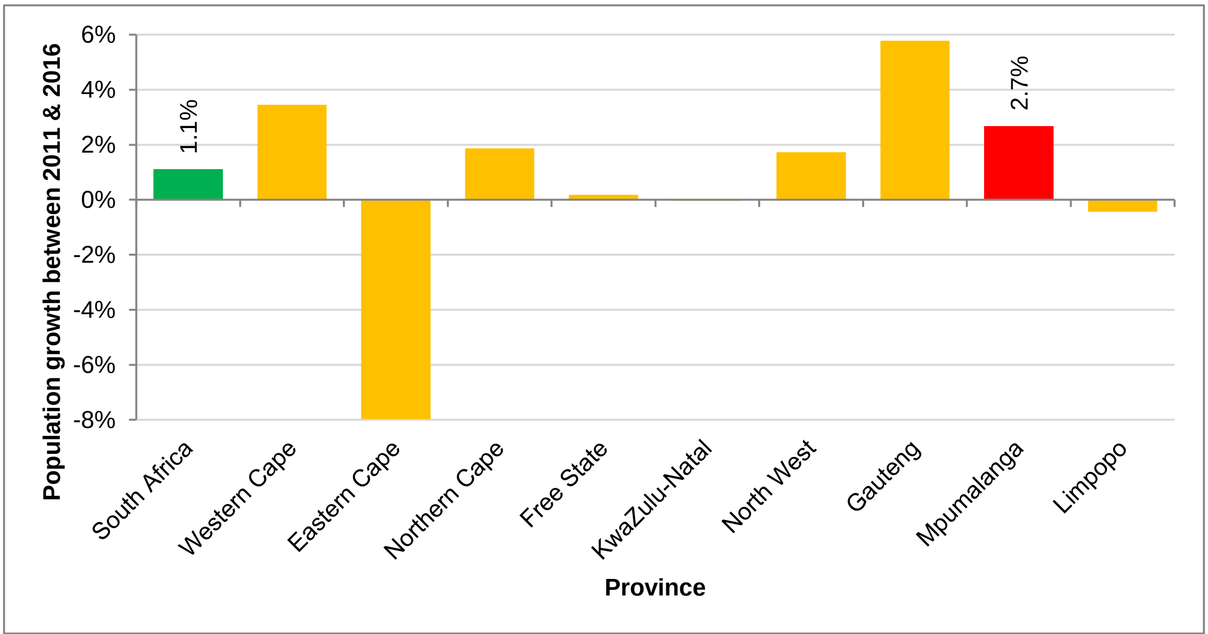
Figure 1.1: Population cohort of Mpumalanga, 2017



Source: Statistics South Africa – MYPE 2017

Over the last year, the population of South Africa increased by 1.1 per cent and that of Mpumalanga by 2.7 per cent. This was the third largest population increase behind Gauteng (5.8 per cent) and Western Cape (3.4 per cent). According to estimates, the population of Kwa-Zulu-Natal remained virtually unchanged, whereas the populations of Eastern Cape and Limpopo decreased by 8.0 per cent and 0.4 per cent, respectively (Figure 1.2).

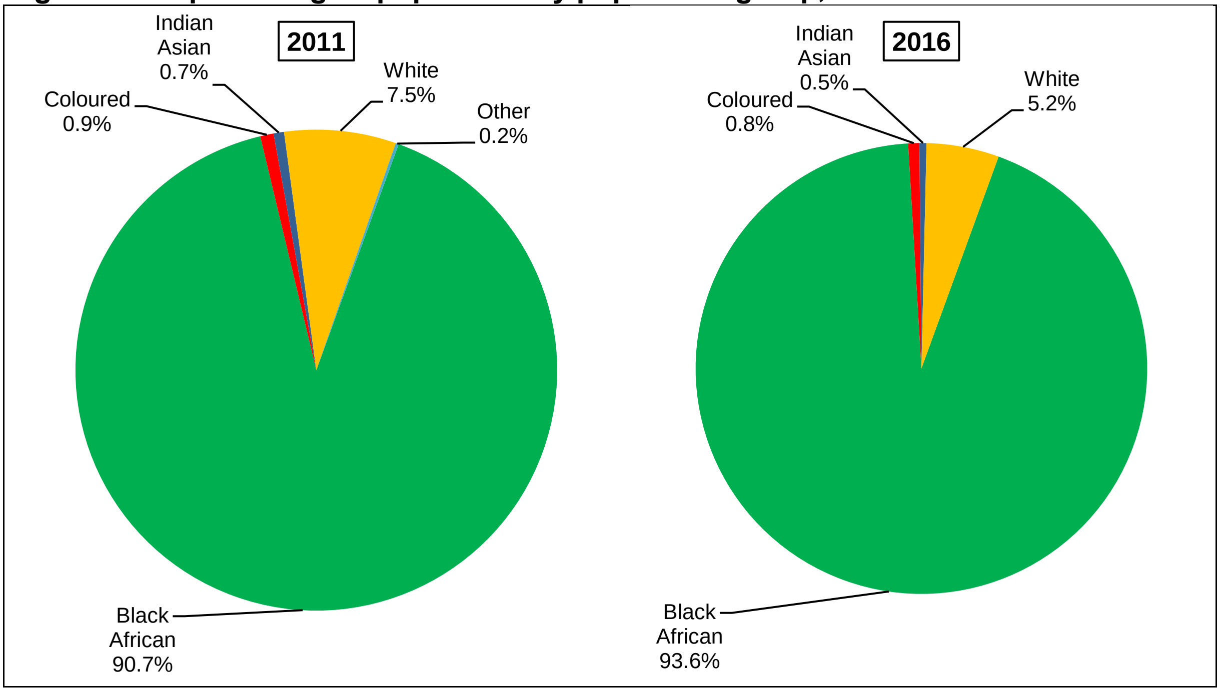
Figure 1.2: Comparison of annual population increase in South Africa by province, 2016-2017



Source: Statistics South Africa – MYPE 2016 & 2017

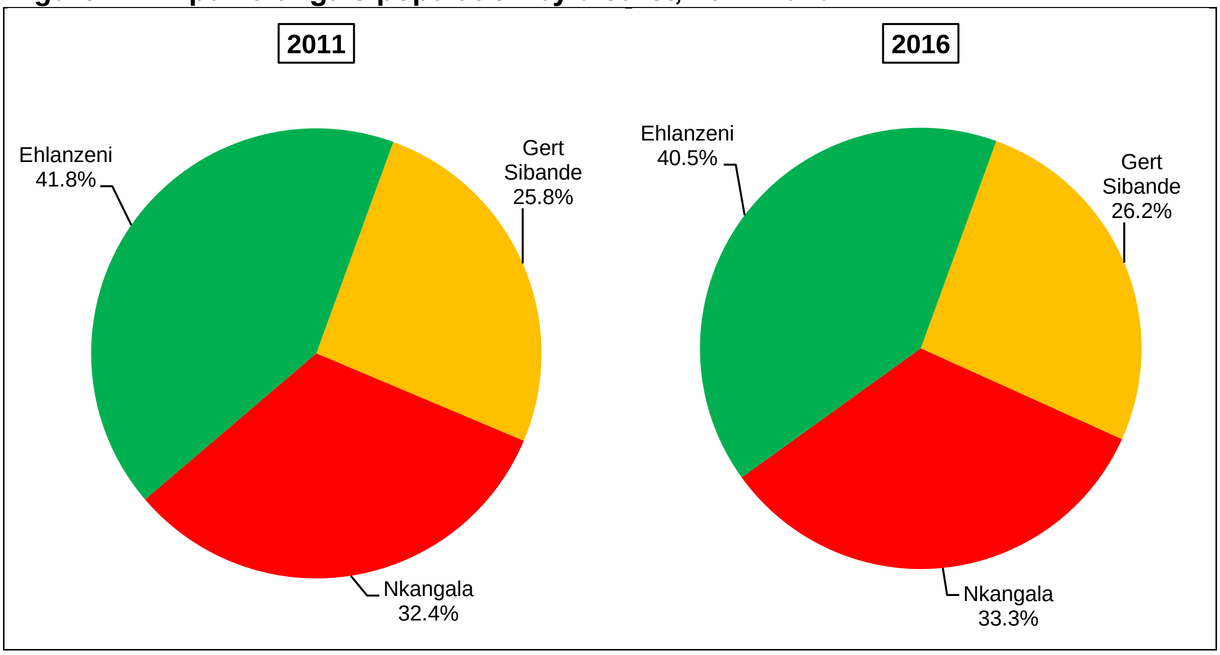
The provincial MYPE 2017 population numbers were disaggregated neither by population group nor by district, therefore CS 2016 population numbers were used for the presentation according to these two indicators in Figures 1.3 and 1.4. The breakdown by population group for Mpumalanga in 2011 and 2016, is presented in Figure 1.3. The majority of Mpumalanga's population in 2016 was Black Africans (93.6 per cent) with Whites contributing 5.2 per cent. Coloureds (0.8 per cent) and Asians (0.5 per cent) jointly contributed 1.3 per cent to the total population in 2016.

Figure 1.3: Mpumalanga's population by population group, 2011-2016



Source:* *Statistics South Africa – Census 2011
Statistics South Africa – CS 2016
Note: Due to rounding numbers do not necessarily add up to totals or change

Figure 1.4: Mpumalanga's population by district, 2011-2016



Source:* *Statistics South Africa – Census 2011
Statistics South Africa – CS 2016

In 2016, 40.5 per cent of Mpumalanga's population resided in Ehlanzeni, 33.3 per cent in Nkangala and 26.2 per cent in Gert Sibande (Figure 1.4). Females were in the majority in both Ehlanzeni (51.9 per cent) and Gert Sibande (50.3 per cent), whereas males formed the bulk of Nkangala's population with a share of 50.5 per cent. In 2016, 72.2 per cent of Ehlanzeni's population was younger than 35 years of age, followed by Gert Sibande (68.6 per cent) and Nkangala (67.4 per cent).

1.1.2 Fertility

The fertility rate is defined as the number of children the average women would have in her lifetime. According to the *MYPE 2017,* Mpumalanga's average fertility rate for the period 2006 to 2011 was 2.96 and 2.86 in the period 2011 to 2016. When compared with the other provinces Mpumalanga registered the fourth highest fertility rate for the period 2011 to 2016, Limpopo (3.07) the highest and Gauteng the lowest (2.19). It is anticipated that Mpumalanga's fertility rate will decline to 2.65 in the period 2016 to 2021. It is, however, it is expected to remain the fourth highest of the nine provinces.

1.1.3 Life expectancy

The NDP targets both average male and female life expectancy at birth to improve to 70 years by 2030. Mpumalanga's male life expectancy at birth was 53.1 years for the period 2006 to 2011 and 56.9 years for the period 2011 to 2016. Mpumalanga's male life expectancy for the period 2011 to 2016 was the fifth highest/lowest of the nine provinces. Western Cape (64.8 years) had the highest/best male life expectancy with Free State (53.3 years) the lowest. According to the *MYPE 2017*, the projection for the period 2016 to 2021 is that male life expectancy in Mpumalanga could increase to 59.5 years.

Mpumalanga's female life expectancy for the periods 2006 to 2011 and 2011 to 2016 were 56.2 years and 63.2 years, respectively. Mpumalanga recorded the fifth highest/lowest female life expectancy for the period 2011 to 2016. Western Cape (70.6 years) had the highest/best female life expectancy and Free State (58.2 years) the lowest. According to the *MYPE 2017*, the projection for the period 2016 to 2021 is that female life expectancy in Mpumalanga could increase to 65.1 years.

1.1.4 Migration

Table 1.2: Net migration in South Africa by province, 2006-2011 & 2011-2016

Region	Net migration	
	2006-2011	2011-2016
Western Cape	272 069	292 372
Eastern Cape	-358 482	-326 171
Northern Cape	1 157	3 311
Free State	-29 247	-20 913
KwaZulu-Natal	-64 050	-62 360
North West	86 691	97 764
Gauteng	904 619	981 290
Mpumalanga	52 594	64 003
Limpopo	-155 884	-143 767

Source: Statistics South Africa – MYPE 2017

Table 1.2 shows the net migration streams of the provinces over two periods, 2011 and 2016. The data was sourced from the *MYPE 2017.* Gauteng and Western Cape recorded the highest number of persons who move into these provinces as shown by the net migration 2006 to 2011 and 2011 to 2016. Mpumalanga registered a positive net migration of 52 594 from 2006 to 2011 and a positive net migration of 64 003 from 2011 to 2016. This was the fourth highest among the nine provinces. Eastern Cape and Limpopo recorded the largest net outflows throughout.

1.1.5 Disability

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

Table 1.3 presents the findings of Census 2011 and CS 2016 on disability in South Africa. Using the described classification system, 7.5 per cent of South Africans aged 5 years and older were classified as disabled in 2011 and 7.7 per cent in 2016. Mpumalanga's percentage of persons aged 5 years and older with disability was 7.0 per cent in 2011 and 7.5 per cent in 2016. Mpumalanga recorded the sixth largest/fourth lowest share of people with disability compared with the other eight provinces. Free State (11.0 per cent) recorded the highest share and Western Cape (6.3 per cent) the lowest.

Table 1.3: Percentage of persons aged 5 years and older with disability by province, 2011-16

Region	Census 2011	CS 2016
Western Cape	5.4%	6.3%
Eastern Cape	9.6%	8.5%
Northern Cape	11.0%	10.7%
Free State	11.1%	11.0%
KwaZulu-Natal	8.4%	8.6%
North West	10.0%	8.7%
Gauteng	5.3%	6.7%
Mpumalanga	7.0%	7.5%
Limpopo	6.9%	6.4%
South Africa	**7.5%**	**7.7%**

Source: Statistics South Africa – CS 2016

1.2. LABOUR PROFILE

1.2.1 Labour force profile

The labour force comprises of all the employed and the unemployed population in a region. The national labour force of 22 million individuals was 201 662 more at the end of the fourth quarter 2017 than a year earlier. Between the end of the fourth quarter 2016 and the end of the fourth quarter 2017, the employed in South Africa increased by 0.6 per cent while the unemployed increased by 1.7 per cent.

As a result, the strict unemployment rate for South Africa increased marginally from 26.5 per cent to 26.7 per cent between the fourth quarter 2016 and the fourth quarter 2017. The national labour absorption rate was 43.1 per cent at the end of the fourth quarter 2017, which was lower than the 43.5 per cent registered a year earlier. The labour force participation rate at the end of the fourth quarter 2017 (58.8 per cent) was also lower than the rate recorded at the end of the fourth quarter 2016.

The provincial labour force of around 1.75 million individuals was 74 334 more at the end of the fourth quarter 2017 than a year earlier (Table 1.4). The number of employed at

1 241 889 at the end of the fourth quarter 2017 was 29 86 575 more than at the end of the fourth quarter 2016. This was the highest employment number ever recorded for Mpumalanga. The number of employed was also 38 035 higher than the 1 203 854 in the previous quarter. The number of unemployed decreased by 12 241 to 505 802 between the end of the fourth quarter 2016 and the end of the fourth quarter 2017. The number of discouraged workers increased by 9 231 to 235 828 over the last four quarters.

Table 1.4: Labour force profile of Mpumalanga, 2016-2017

Indicator	Q4 2016 '000	Q3 2017 '000	Q4 2017 '000	Q3 2017 to Q4 2017 change '000	Year-on-year change '000
- Working age population (15-64 years)	2 828	2 866	2 877	12	49
- Not economically active	1 155	1 128	1 130	2	-25
- Labour Force/EAP	1 673	1 738	1 748	10	74
- Employed	1 155	1 204	1 242	38	87
- Unemployed	518	534	506	-28	-12
- Discouraged work seekers	227	228	236	8	9
Rates	**%**	**%**	**%**	**% point**	**% point**
- Unemployment rate (strict definition)	31.0	30.7	28.9	-1.8	-2.1
- Unemployment rate (expanded definition)	42.1	41.5	39.7	-1.8	-2.4
- Employed/population ratio (absorption rate)	40.9	42.0	43.2	1.2	2.3
- Labour force participation rate	59.2	60.6	60.7	0.1	1.5

Source: Statistics South Africa – QLFS, 2018
Note: Due to rounding numbers do not necessarily add up to totals or change

The unemployment rate (strict definition) was 2.1 percentage points lower at the end of the fourth quarter 2017 (28.9 per cent) than a year earlier (31.0 per cent). It also declined by 1.8 percentage points from the third quarter 2017 level of 30.7 per cent. The unemployment rate according to the expanded definition was also lower from a year earlier as well as the rate recorded at the end of the third quarter 2017. Over the last four quarters, the labour absorption rate increased/improved to 43.2 per cent and the labour force participation rate also rose/improved to 60.7 per cent.

1.2.2 Employment

The national labour market gained 102 414 jobs between the end of the fourth quarter 2016 and the end of the fourth quarter 2017 (Table 1.5). On an annual basis, Western Cape added 105 877 more jobs, the most among the provinces, whilst Mpumalanga (86 575) recorded the second highest addition to employment. Between the end of the third quarter 2017 and the end of the fourth quarter 2017, Mpumalanga's employment numbers increased by 38 035 – again the second highest quarterly increase after Western Cape (92 098). Total employment in Mpumalanga constituted 7.7 per cent of employment in the country, which was higher than the 7.2 per cent of twelve months earlier.

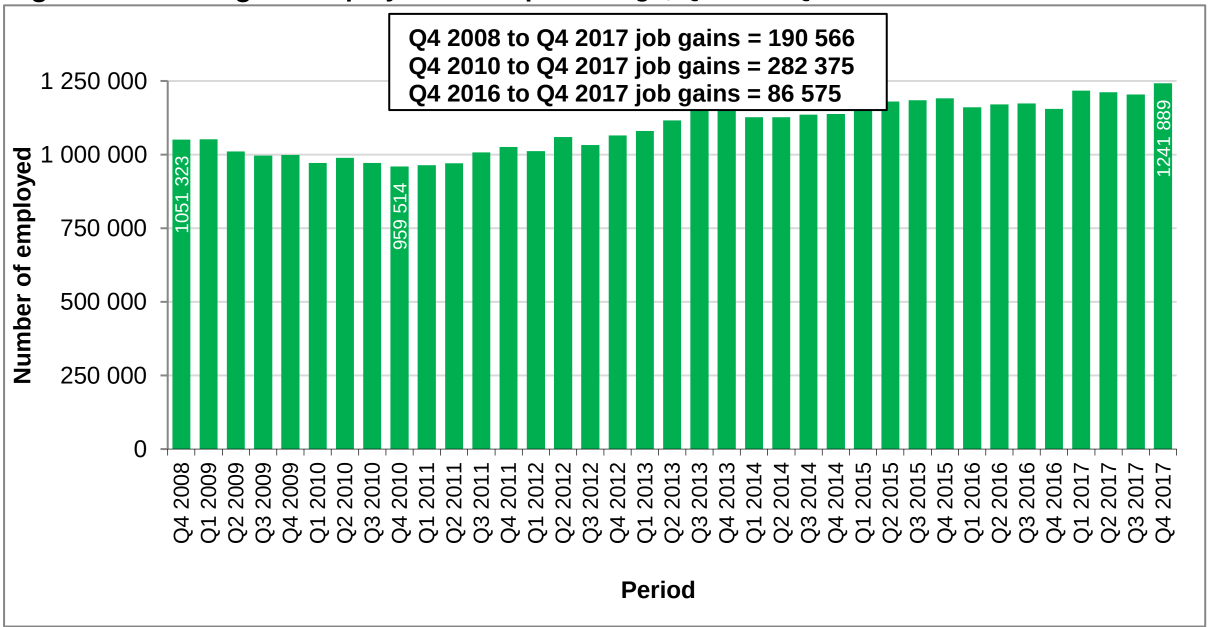
The change in Mpumalanga's total employment from the end of the fourth quarter 2008 (QLFS was introduced in 2008) to the fourth quarter 2017 is displayed in Figure 1.5. Over the past 36 quarters (nine years), the highest number of employed in the province was measured at the end of the fourth quarter 2017 (1 241 889) and the lowest at the end of the fourth quarter 2010 (959 514). Over the past nine years, job numbers increased in total by 190 566 or 21 174 on average per year. From the lowest level (959 514) to the end of the fourth quarter 2017, job numbers increased by 282 375 or by 40 339 annually. The job gains of 86 575 experienced over the past twelve months in Mpumalanga eclipsed the previous highest annual job growth of 84 042 recorded between the fourth quarters of 2012 and 2013.

Table 1.5: Changes in employment in South Africa and provinces, 2016-2017

Region	Q4 2016 '000	Q3 2017 '000	Q4 2017 '000	Q3 2017 – Q4 2017 change '000	Year-on-year change '000
Western Cape	2 386	2 399	2 492	92	106
Eastern Cape	1 447	1 421	1 391	-30	-57
Northern Cape	298	307	321	15	24
Free State	757	821	806	-16	48
KwaZulu-Natal	2 541	2 536	2 513	-23	-28
North West	959	983	999	16	40
Gauteng	5 111	5 068	4 991	-77	-121
Mpumalanga	1 155	1 204	1 242	38	87
Limpopo	1 414	1 452	1 417	-35	4
South Africa	**16 069**	**16 192**	**16 171**	**-21**	**102**

Source: Statistics South Africa – QLFS, 2018
Note: Due to rounding numbers do not necessarily add up to totals or change

Figure 1.5: Change in employment in Mpumalanga, Q4 2008-Q4 2017



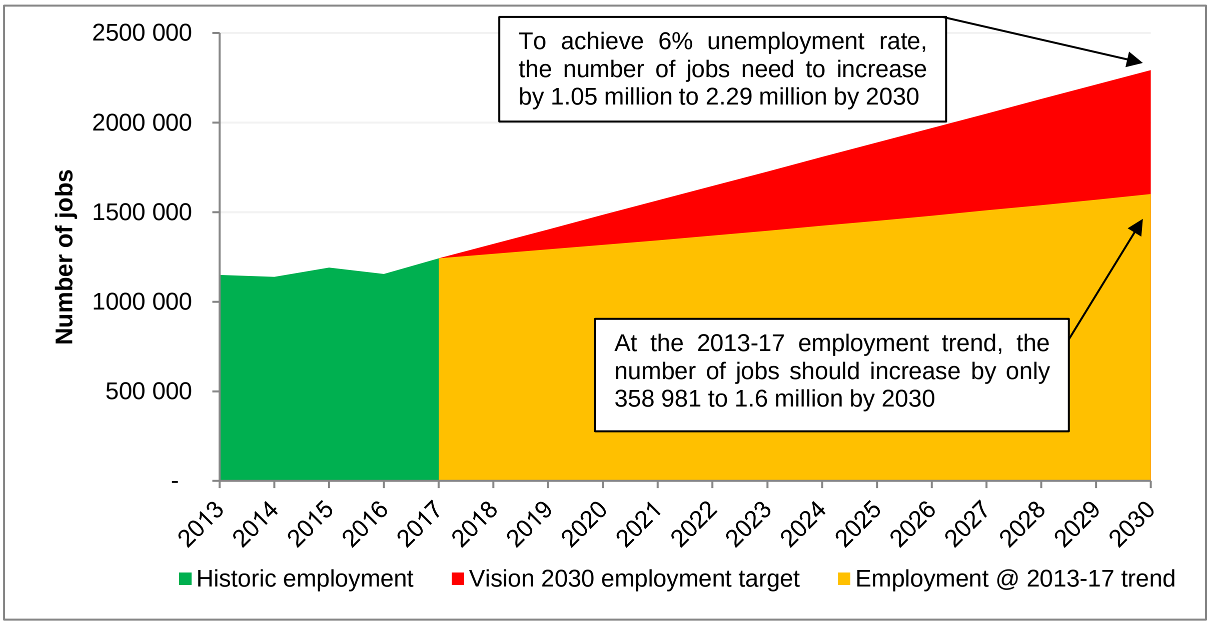
Source: Statistics South Africa – QLFS, 2018

Employment target

The NDP targets a decline in the national unemployment rate to 14.0 per cent by 2020 and 6.0 per cent by 2030. Similarly, the Provincial Vision 2030 targets a decline in the provincial unemployment rate to 15.0 per cent by 2020 and 6.0 per cent by 2030. In order to reach the unemployment rate target by 2030, it was calculated in 2013 that some 1.1 million new, sustainable jobs have to be created between 2013 and 2030. A recalculation based on the fourth quarter 2017 employment data was done recently. The result of the recalculation was that 1.05 million sustainable jobs must still be created between 2017 and 2030 to reach the desired unemployment rate.

The updated number of 1.05 million jobs equates to more or less 81 000 jobs per annum or an annual average employment growth of 4.8 per cent per annum. Figure 1.6 depicts historical employment numbers and required employment growth in Mpumalanga. It is evident from the illustration that employment growth of 2.0 per cent per annum – the average annual employment growth between 2013 and 2017 – will not be sufficient to reach the employment target of 2.29 million jobs by 2030. Mpumalanga recorded a net job growth of 93 332 over the past 4 years, which translates to an average of 23 333 jobs per annum.

Figure 1.6: Mpumalanga employment numbers and employment target, 2011-2030



Source: Statistics South Africa – QLFS, 2018 & calculations based thereon

Aggregate employment

Table 1.6 shows the aggregated employment composition of employment in South Africa and the province from the end of the fourth quarter 2016 to the end of the fourth quarter 2017. In Mpumalanga, the formal employees' share of total employment decreased from 61.9 per cent at the end of the fourth quarter 2016 to 56.9 per cent at the end of the fourth quarter 2017. The formal sector in Mpumalanga recorded a much smaller share of total employment than was the case nationally (69.5 per cent).

Table 1.6: Aggregate employment in South Africa & Mpumalanga, 2016-2017

Sector	**Q4 2016**		**Q3 2017**		**Q4 2017**	
	SA	**MP**	**SA**	**MP**	**SA**	**MP**
Formal sector	69.4%	61.9%	70.3%	58.1%	69.5%	56.9%
Informal sector[1]	16.8%	21.7%	16.6%	25.3%	17.4%	25.4%
Agriculture	5.7%	7.6%	5.0%	8.3%	5.3%	8.4%
Private households	8.1%	8.8%	8.1%	8.3%	7.9%	9.3%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Statistics South Africa – QLFS, 2018

In Mpumalanga, the informal sector's share increased from 21.7 per cent to 25.4 per cent on an annual basis. Agriculture's share increased from 7.6 per cent to 8.4 per cent and private households' share increased to 9.3 per cent. Over and above the 104 475 persons employed in Mpumalanga's agriculture industry, an additional 171 431 citizens were involved in subsistence farming (non-market activities). In Mpumalanga, agriculture, private

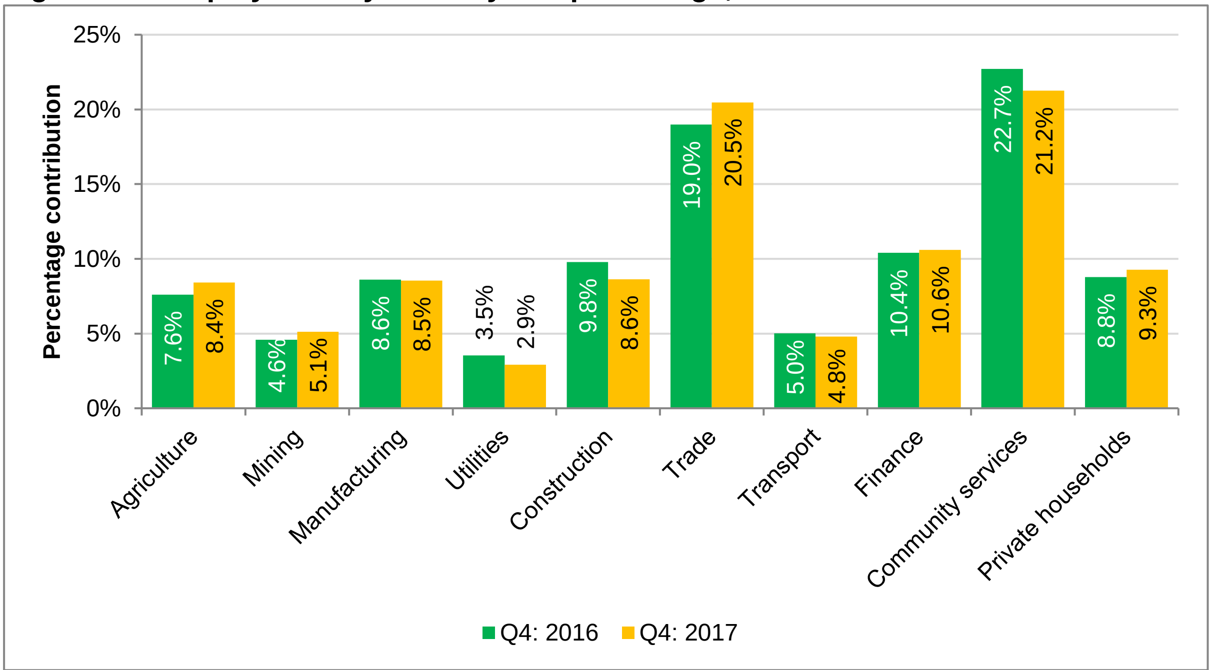
[1] The informal sector comprises i) Employees working in establishments that employ less than 5 employees, who do not deduct income tax from their salaries & ii) Employers, own-account workers and persons helping unpaid in their household business who are not registered for either income tax or value-added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

households and the informal sector registered larger shares of total employment in the fourth quarter of 2017, than was the case nationally.

Employment by industry

Figure 1.7 depicts employment by industry in Mpumalanga in the fourth quarters of 2016 and 2017, respectively. Community services employed the largest share of individuals in the province with 21.2 per cent at the end of the fourth quarter 2017. This was smaller than the 22.7 per cent share registered 12 months earlier. The trade industry (20.5 per cent) was the second largest employer and recorded a larger share than at the end of the fourth quarter 2016 (19.0 per cent). Utilities was the smallest industry in both years while transport was the second smallest industry in the fourth quarter of 2017. Over the course of the last year, community services recorded the largest percentage point decline and trade the largest increase.

Figure 1.7: Employment by industry in Mpumalanga, 2016-2017



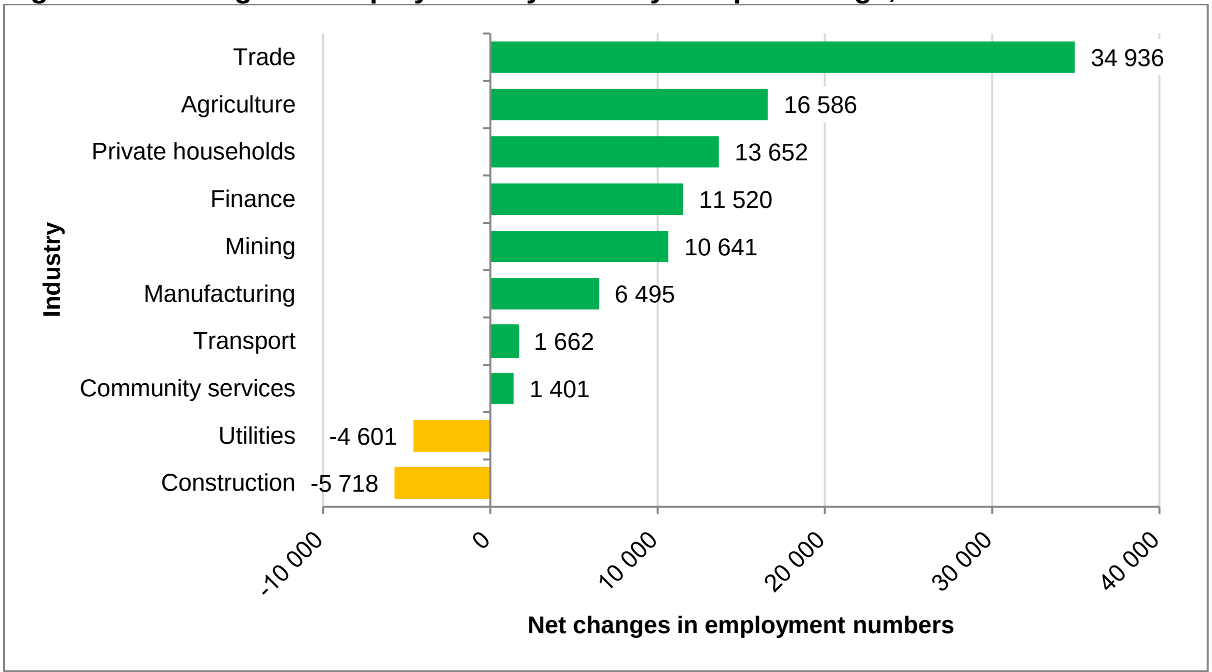
Source: Statistics South Africa – QLFS, 2018

According to Figure 1.8, trade (34 936), agriculture (16 586) and private households (13 652), were the three industries in Mpumalanga that recorded the highest employment increase from the fourth quarter 2016 to the end of the fourth quarter 2017. Community services (-5 718) and utilities (-4 601) were the only two industries that recorded the highest job losses over the one-year period. Mining, a key industry in Mpumalanga, recorded its first annual increase in employment numbers since 2013.

Employment by gender and age

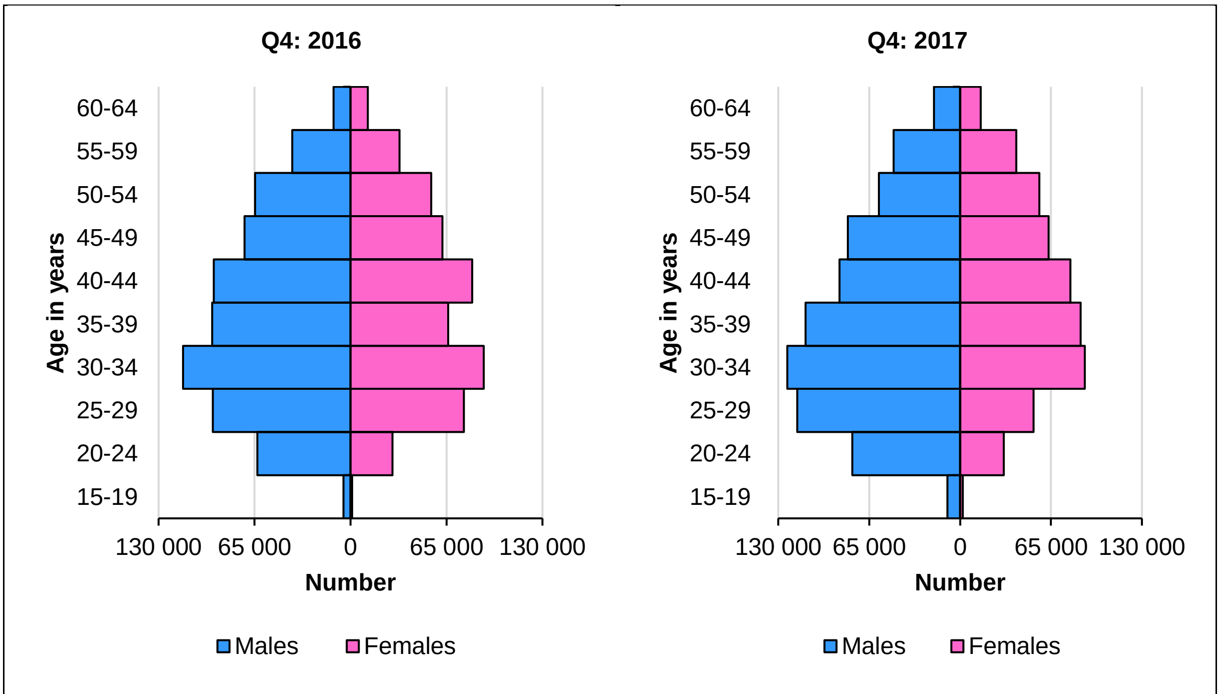
Figure 1.9 displays the employment by gender and age for the fourth quarters of 2016 and 2017, respectively. More males than females were employed in Mpumalanga with a share of 58.5 per cent at the end of the fourth quarter 2017. Over the past year, the male employment numbers increased to 727 061, an increase of 78 691. Female employment numbers increased by only 7 883 to 514 828 and therefore recorded a lower share at the end of the fourth quarter 2017 (41.5 per cent) than a year earlier (43.9 per cent).

Figure 1.8: Changes in employment by industry in Mpumalanga, 2016–2017



Source: Statistics South Africa – QLFS, 2018

Figure 1.9: Employment by gender and age group (15-64 years), 2016-2017



Source: Statistics South Africa – QLFS, 2018

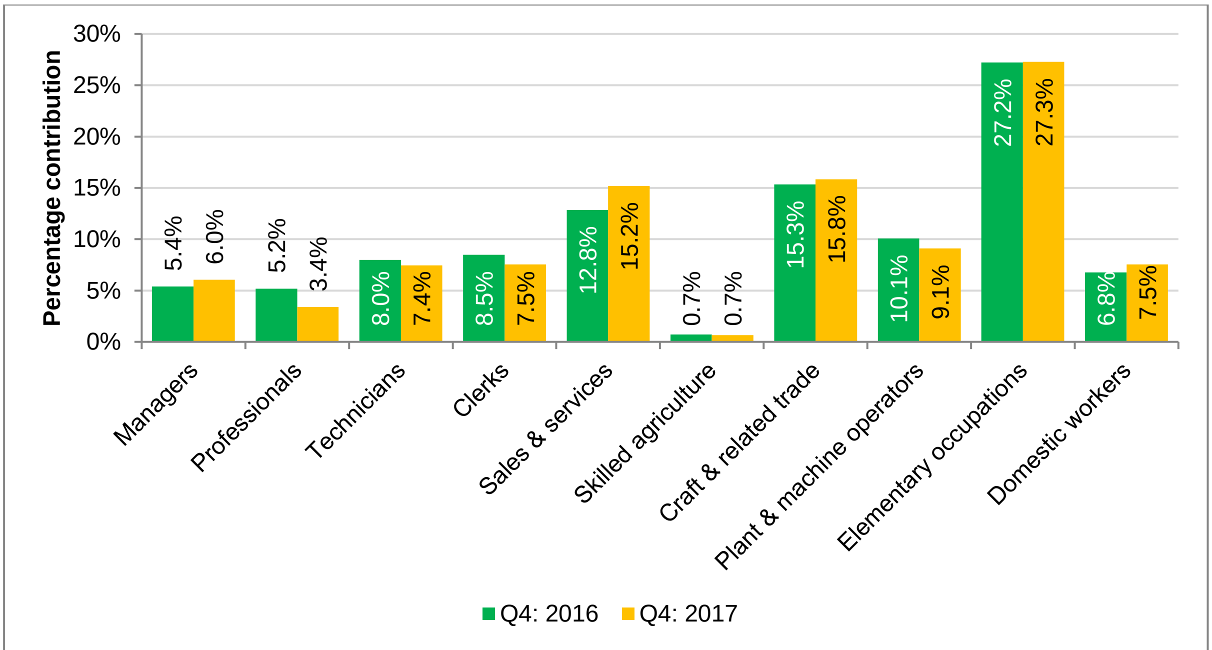
At the end of the fourth quarter 2017, adults (35-64 years) held the majority (59.7 per cent) of jobs in Mpumalanga. Adult employment numbers increased by 57 031 from the end of the fourth quarter 2016 and the share increased slightly from 59.2 per cent to 59.7 per cent. The main reason for the increase in share, is that youth (15-34 years) employment numbers increased by only 29 543 thus leaving the youth share lower on 40.3 per cent at the end of the fourth quarter 2017.

1.2.3 Occupational profile

The occupational profile is an indicator of the quality of the labour force. It provides information on the proficiency levels and assists in identifying the shortage of skills in the economy, by matching the demand for labour with its relative supply. Figure 1.10 illustrates the occupational profile of Mpumalanga in the fourth quarters of 2016 and 2017, respectively.

The occupational profile was skewed towards semi-skilled and unskilled occupations in both years. The share of skilled occupations (managers, professionals and technicians) was 16.9 per cent in the fourth quarter of 2017, which was lower than the 18.6 per cent share a year earlier. The share of semi-skilled occupations increased from 47.4 per cent to 48.3 per cent over the period under review. The combined share of elementary occupations and domestic workers (unskilled occupations) was 34.8 per cent at the end of the fourth quarter 2017, slightly higher than the share of one year earlier (34.0 per cent).

Figure 1.10: Mpumalanga's occupational profile, 2016-2017



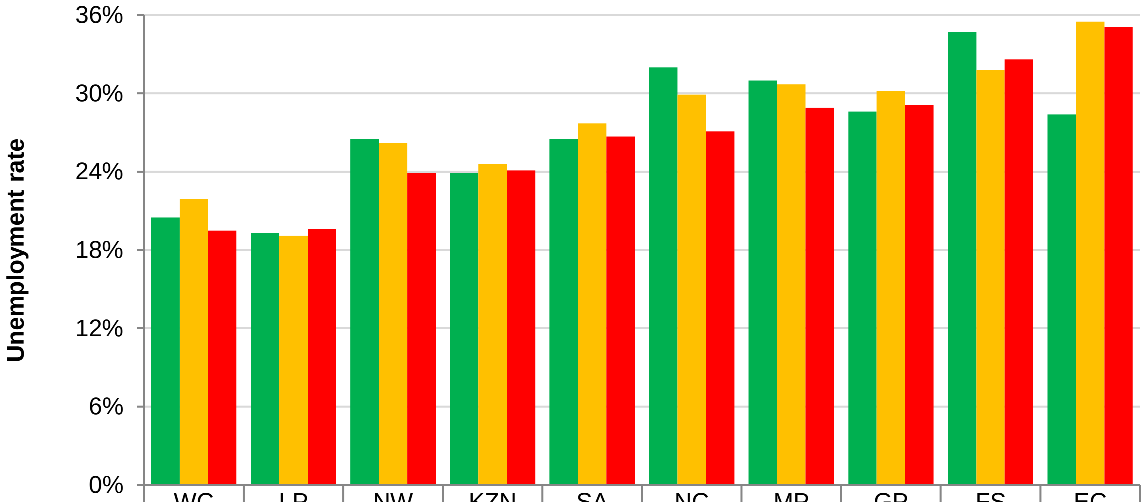
Source: Statistics South Africa – QLFS, 2018

1.2.4 Unemployment

According to Statistics South Africa's QLFS, the unemployment rate in Mpumalanga was 28.9 per cent at the end of the fourth quarter 2017, which was noticeably lower than the 31.0 per cent recorded at the end of the fourth quarter 2016 (Figure 1.11). This was the second consecutive decline/improvement after five consecutive quarters of increase/deterioration and the lowest that the provincial unemployment rate has been since the second quarter of 2016. It was also sharply lower than Mpumalanga's historically highest unemployment rate of 32.3 per cent that was recorded in the second quarter of 2017. Mpumalanga's rate was, however, higher than the national average of 26.7 per cent at the end of the fourth quarter 2017.

Mpumalanga, recorded the fourth highest unemployment rate among the nine provinces with Eastern Cape (35.1 per cent) registering the highest unemployment rate. Mpumalanga's unemployment rate decreased along with four other provinces from the end of the fourth quarter 2016 to the end of the fourth quarter 2017.

Figure 1.11: Unemployment rate for South Africa by province, 2016-2017



	WC	LP	NW	KZN	SA	NC	MP	GP	FS	EC
Q4: 2016	20.5%	19.3%	26.5%	23.9%	26.5%	32.0%	31.0%	28.6%	34.7%	28.4%
Q3: 2017	21.9%	19.1%	26.2%	24.6%	27.7%	29.9%	30.7%	30.2%	31.8%	35.5%
Q4: 2017	19.5%	19.6%	23.9%	24.1%	26.7%	27.1%	28.9%	29.1%	32.6%	35.1%

Region

Source: Statistics South Africa – QLFS, 2018

Unemployed by gender and age

At the end of the fourth quarter 2017, the unemployment rate of males (24.7 per cent) was lower than the female unemployment rate of 34.2 per cent. The unemployment rate of youth of working age (15-34 years[1]) in Mpumalanga was 41.5 per cent, whilst the unemployment rate of adults (35-64 years) was only 16.9 per cent. The female youth unemployment rate was very high at 52.6 per cent compared with the male youth unemployment rate of 33.1 per cent.

Figure 1.12 displays the unemployment by gender and age for the fourth quarters of 2016 and 2017, respectively. At the end of the fourth quarter 2017, females contributed 52.8 per cent to the number of unemployed, which was more than males (47.2 per cent). This was higher than twelve months earlier when females contributed 51.9 per cent. The youth added 70.2 per cent to the total number of unemployed in the province, which was lower than the 71.9 per cent at the end of the fourth quarter 2016.

Target unemployment rate

The Mpumalanga Vision 2030 target unemployment rate for Mpumalanga is 6 per cent by 2030. A significant unemployment rate sub-target is a reduction to 15.0 per cent by 2020 (Mpumalanga Economic Growth and Development Path). If 1.05 million jobs are to be created up to 2030, the unemployment rate should, in all probability, drop to 6 per cent as is

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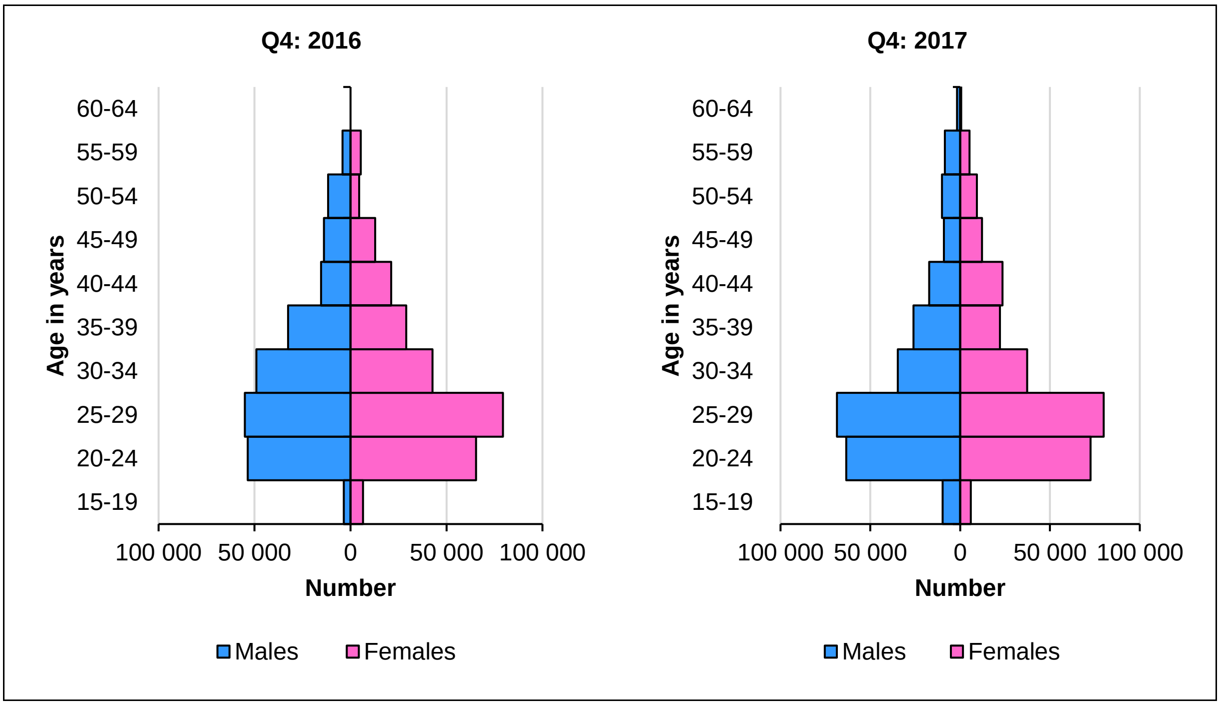
[1] The International Labour Organization defines youth as individuals between the ages of 15 to 24 years, with 15 being the minimum school-leaving age and legal employment age. It is important to note, however, that Statistics South Africa utilizes a broader definition, covering individuals between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

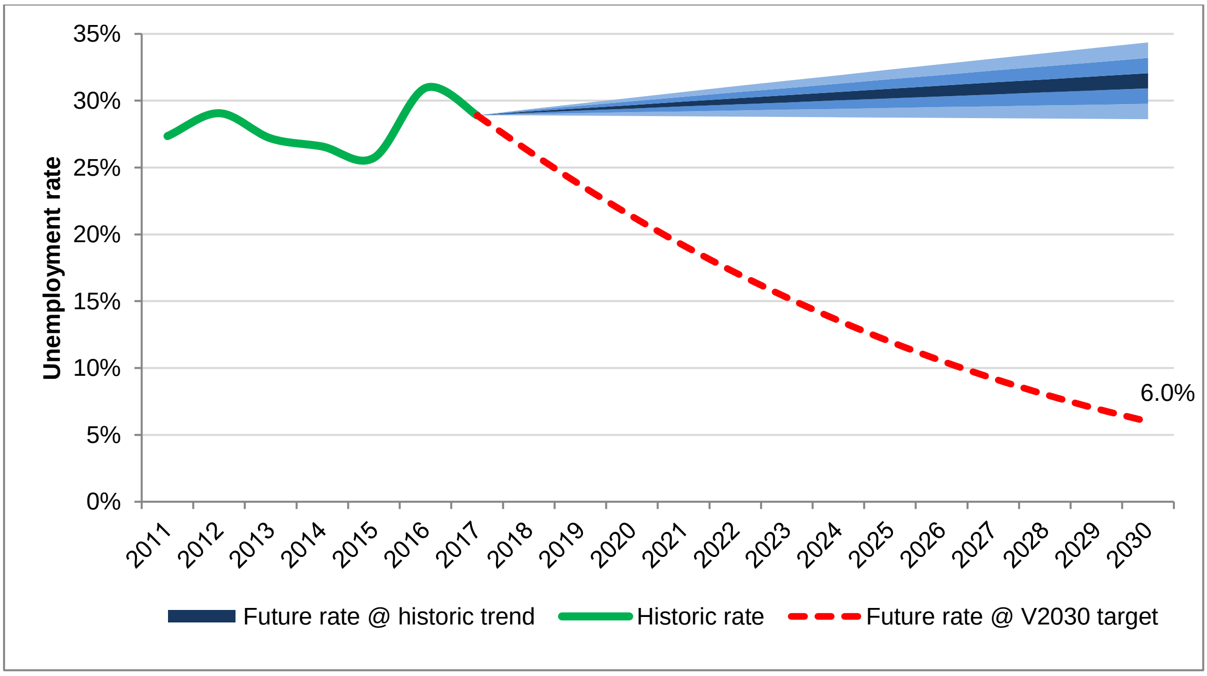
displayed in Figure 1.13. If jobs, however, are to be created in a similar fashion than over the past 6 years, the unemployment rate should in all be higher than the current rate by 2030.

Figure 1.12: Unemployed by gender and age group (15-64 years), 2016-2017



Source: Statistics South Africa – QLFS, 2018

Figure 1.13: Mpumalanga's unemployment rate target, 2011-2030



Source: Statistics South Africa – QLFS, 2018 & calculations based thereon

Duration of unemployment

The incidence of long-term unemployment (1 year and longer) in Mpumalanga remained unchanged between the fourth quarter 2016 and the fourth quarter 2017. The share of the unemployed in Mpumalanga that indicated they were unemployed in excess of 12 months, remained at 62.7 per cent (Table 1.7).

Table 1.7: Duration of unemployment in Mpumalanga, 2016-2017

Duration	Q4 2016			Q4 2017		
	Males	Females	Share of unemployed	Males	Females	Share of unemployed
1 year and longer	149 949	185 070	64.7%	138 150	189 304	64.7%
Less than 1 year	99 282	83 742	35.3%	100 654	77 695	35.3%
Total	**249 231**	**268 812**	**100.0%**	**238 804**	**266 998**	**100.0%**

Source: Statistics South Africa – QLFS, 2018

The incidence of long-term unemployment was highest among females in both 2016 and 2017. It is also significant that only the number of females in long-term unemployment increased over the last twelve months. The number of males in short-term unemployment, however, increased, whereas the number of females in short-term unemployment decreased. In the fourth quarter 2017, the youth cohort contributed 70.2 per cent to the number of unemployed that has been struggling to secure employment for more than 12 months.

Expanded definition of unemployment

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

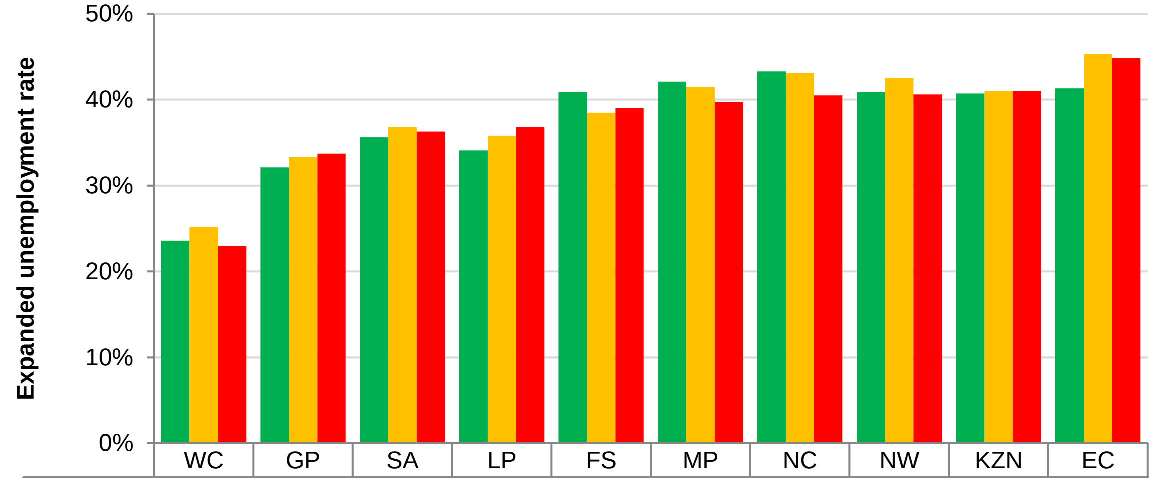
Figure 1.14 shows that South Africa's expanded unemployment rate was recorded at 35.6 per cent at the end of the fourth quarter 2016 and increased/deteriorated to 36.3 per cent at the end of the fourth quarter 2017. Mpumalanga's expanded unemployment rate was 39.7 per cent at the end of the fourth quarter 2017, 2.4 percentage points lower than a year earlier. It was higher than the national average and the fifth highest expanded unemployment rate among the nine provinces. It is notable how much higher the respective expanded unemployment rates of KwaZulu-Natal (41.0 per cent) and Limpopo (36.8 per cent) are than its strict unemployment rate as depicted in Figure 1.11.

Discouraged work seekers

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

South Africa had approximately 2.54 million discouraged workers by the end of the fourth quarter 2017. This represents an increase of more or less 246 000 over the end of the fourth quarter 2016. Figure 1.15 indicates that Mpumalanga's share was 235 828 or some 9.3 per cent of South Africa's discouraged work seekers at the end of the fourth quarter 2017, down from a 9.9 per cent share a year earlier. The number of discouraged work seekers in Mpumalanga increased by 7 738 from the end of the fourth quarter 2016 to the end of the fourth quarter 2017. When compared with other provinces, Mpumalanga registered the fourth lowest share of discouraged workers nationally.

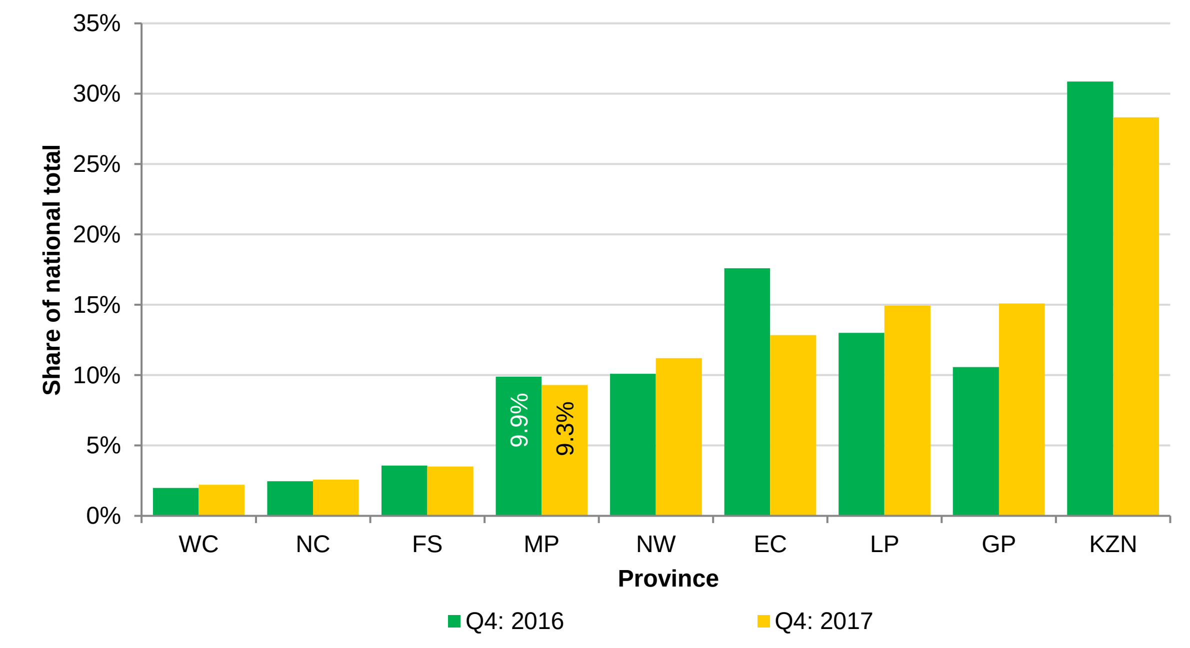
Figure 1.14: Expanded rate of unemployment in South Africa and provinces, 2016-2017



	WC	GP	SA	LP	FS	MP	NC	NW	KZN	EC
Q4: 2016	23.6%	32.1%	35.6%	34.1%	40.9%	42.1%	43.3%	40.9%	40.7%	41.3%
Q3: 2017	25.2%	33.3%	36.8%	35.8%	38.5%	41.5%	43.1%	42.5%	41.0%	45.3%
Q4: 2017	23.0%	33.7%	36.3%	36.8%	39.0%	39.7%	40.5%	40.6%	41.0%	44.8%

Source: Statistics South Africa – QLFS, 2018

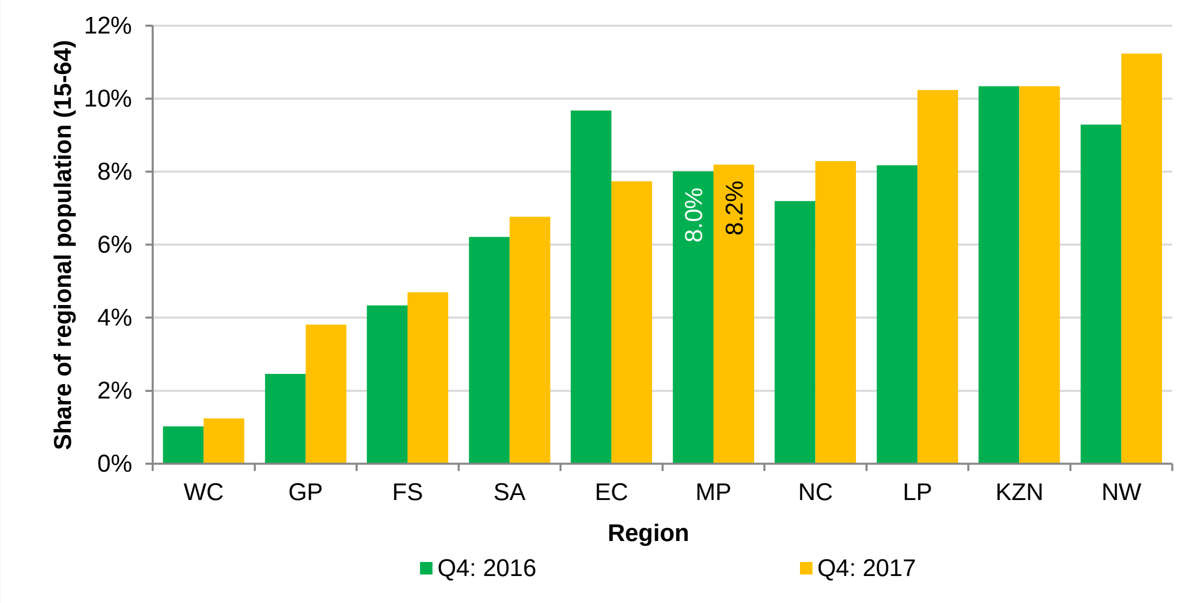
Figure 1.15: Provincial contribution to number of discouraged work seekers nationally, 2016-2017



Source: Statistics South Africa – QLFS, 2018

It is evident from Figure 1.16 that Mpumalanga's discouraged work seekers as a percentage of the provincial working age population (15-64 years) increased marginally between the fourth quarter 2016 and the end of the fourth quarter 2017. The discouraged work seekers' share of working age population in Mpumalanga (8.2 per cent) was also larger than the national share (6.8 per cent) at the end of the fourth quarter 2017. Discouraged work seekers in four provinces constituted a larger share of the working age population than in Mpumalanga at the end of the fourth quarter 2017.

Figure 1.16: Comparison of discouraged work seekers as a ratio of regional working age population (15-64 years), 2016-2017



Source: Statistics South Africa – QLFS, 2018

1.3. EDUCATION PROFILE

Level of education

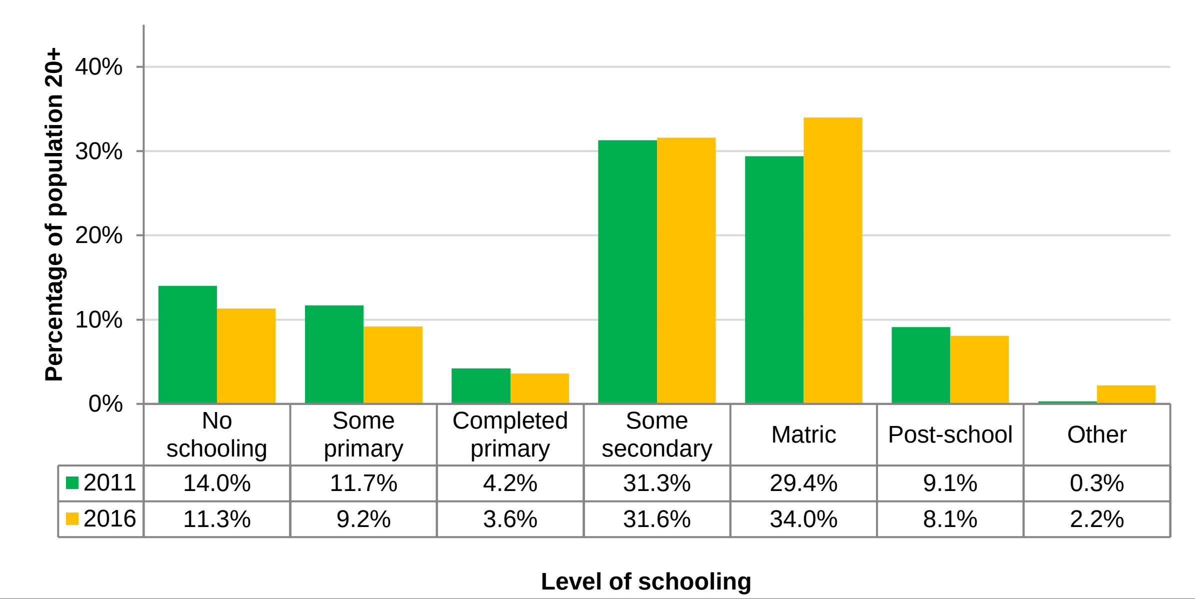
When the highest level of schooling in 2016 is compared with figures of 2011, it is evident that the situation regarding the level of education in Mpumalanga improved over the 5-year period in general. For example, in 2016, 11.3 per cent of the people 20 years and older have not received any schooling compared to 14.0 per cent in 2011 (Figure 1.17). The percentage of the population that obtained a matric increased from 29.4 per cent in 2011 to 34.0 per cent in 2016. The share of the population that obtained a post-school qualification was the only significant deterioration with a decline from 9.1 per cent in 2011 to 8.1 per cent in 2016.

Despite an improvement between 2011 and 2016 it is evident from Figure 1.18, that Mpumalanga (11.3 per cent) registered the second highest (worst) share of people 20 years and older with no schooling. It was 4.2 percentage points higher/worse than the national share of 7.1 per cent in 2016. Mpumalanga (34.0 per cent), however, recorded the third highest/best share of people 20 years and older with matric among the nine provinces, which was also higher than the national share of 33.0 per cent.

Adult literacy

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

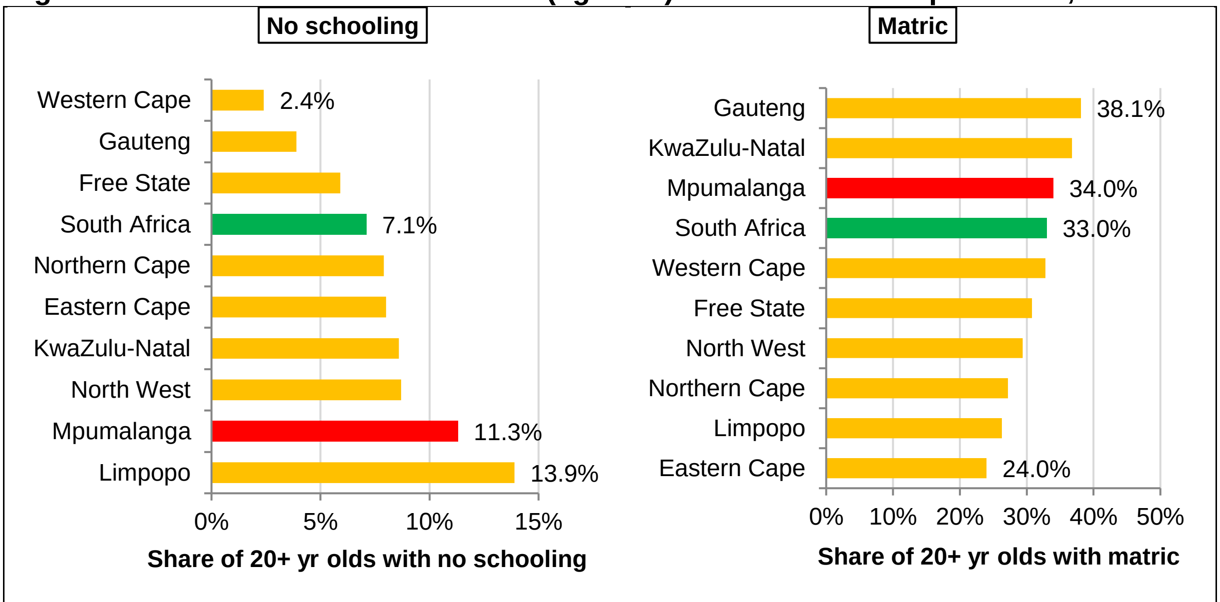
Figure 1.17: Highest level of education (age 20+) in Mpumalanga, 2011-2016



	No schooling	Some primary	Completed primary	Some secondary	Matric	Post-school	Other
2011	14.0%	11.7%	4.2%	31.3%	29.4%	9.1%	0.3%
2016	11.3%	9.2%	3.6%	31.6%	34.0%	8.1%	2.2%

Sources: Statistics South Africa – Census 2011
Statistics South Africa – CS 2016

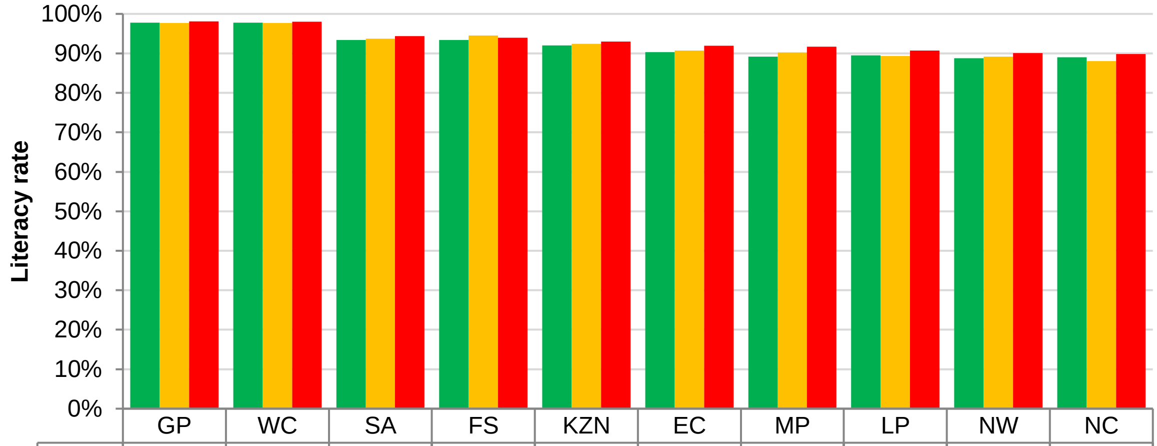
Figure 1.18: Selected education levels (age 20+) in South Africa & provinces, 2016



Source: Statistics South Africa – CS 2016

The regional picture, presented in Figure 1.19, reflects the literacy rates in South Africa and the provinces, of adults aged 20 and above. In 2014, the literacy rate in Mpumalanga was 89.2 per cent and it improved to 91.7 per cent by 2016. Mpumalanga’s adult literacy rate was lower than the national rate of 94.4 per cent in 2016 and the fourth lowest among the provinces. In 2016, Gauteng registered the highest adult literacy rate of 98.1 per cent and Northern Cape the lowest at 89.8 per cent.

Figure 1.19: Adult literacy rate (age 20+) in South Africa's provinces, 2011-2016



	GP	WC	SA	FS	KZN	EC	MP	LP	NW	NC
2014	97.8%	97.8%	93.4%	93.4%	92.0%	90.3%	89.2%	89.5%	88.8%	89.0%
2015	97.7%	97.7%	93.7%	94.5%	92.4%	90.7%	90.2%	89.3%	89.2%	88.0%
2016	98.1%	98.0%	94.4%	94.0%	93.0%	91.9%	91.7%	90.7%	90.1%	89.8%

Source: Statistics South Africa – General Household Survey (GHS) 2017

Grade 12 results

The NDP is very clear that the throughput[1] rate should be between 80 and 90 per cent by 2030 and that at least 80 per cent of them should successfully pass the exit exams. When Mpumalanga's throughput rate for 2017 is calculated, it is evident that only 55.5 per cent of the 2006 grade ones wrote grade 12 examinations in 2017.

Table 1.8 compares the grade 12 pass rates among the various provinces from 2012 to 2017. The national pass rate of matriculants increased from 72.5 per cent in 2016 to 75.1 per cent in 2017. Mpumalanga's Grade 12 pass rate, however, declined from 77.1 per cent in 2016 to 74.8 per cent in 2017. This was the third consecutive annual decrease and the first year since 2013 that Mpumalanga's pass rate was lower than the national grade 12 pass rate. Mpumalanga was the province with the fourth lowest pass rate in 2017. Free State (86.1 per cent) recorded the highest Grade 12 pass rate in 2017 and Eastern Cape (65.0 per cent) the lowest.

Table 1.8: Comparative grade 12 pass rate for South Africa and provinces, 2012-2017

Province	2012	2013	2014	2015	2016	2017
Eastern Cape	61.6%	64.9%	65.4%	56.8%	59.3%	65.0%
Free State	81.1%	87.4%	82.8%	81.6%	88.2%	86.1%
Gauteng	83.9%	87.0%	84.7%	84.2%	85.1%	85.1%
KwaZulu-Natal	73.1%	77.4%	69.7%	60.7%	66.4%	72.9%
Limpopo	66.9%	71.8%	72.9%	65.9%	62.5%	65.6%
Mpumalanga	70.0%	77.6%	79.0%	78.6%	77.1%	74.8%
North West	79.5%	87.2%	84.6%	81.5%	82.5%	79.4%
Northern Cape	74.6%	74.5%	76.4%	69.4%	78.7%	75.6%
Western Cape	82.8%	85.1%	82.2%	84.7%	86.0%	82.8%
National	**73.9%**	**78.2%**	**75.8%**	**70.7%**	**72.5%**	**75.1%**

Source: Department of Basic Education - National Senior Certificate Examinations Report 2018

[1] Learners writing Grade 12 examinations within 12 years of starting school in Grade 1.

A comparison of Grade 12 pass rates among the four education districts from 2012 to 2017 is presented in Table 1.9. Gert Sibande and Bohlabela both recorded an improvement between 2016 and 2017, whereas the other two districts' pass rate declined. Ehlanzeni (76.8 per cent) registered the highest Grade 12 pass rate in 2017 and Bohlabela (72.4 per cent) the lowest. The two highest pass rates among the local municipal areas were recorded in Thaba Chweu (87.5 per cent) and Victor Khanye (82.5 per cent) with the lowest registered in Dr Pixley Ka Isaka Seme (65.1 per cent). In 2017, Dipaleseng, Thembisile Hani, Dr JS Moroka and Dr Pixley Ka Isaka Seme were the only four municipal areas with a pass rate below 70 per cent.

Table 1.9: Comparative grade 12 pass rate for education districts in Mpumalanga, 2012-2017

Education district	% Pass rate					
	2012	2013	2014	2015	2016	2017
Bohlabela[1]	62.5	72.0	76.8	76.7	72.3	72.4
Ehlanzeni[2]	74.0	82.8	82.1	82.4	79.5	76.8
Gert Sibande	69.0	76.4	77.1	72.6	75.9	76.5
Nkangala	73.0	77.5	78.8	81.7	79.5	73.5

Source: Mpumalanga Department of Education, 2018

Education ratios

According to the Department of Basic Education's Education Realities report of 2016, there were 1 074 352 learners in ordinary public and independent schools in Mpumalanga, who attended 1 847 schools and were served by 34 404 educators. The learner-educator ratio (LER) in public schools of Mpumalanga increased from 30.8 learners per educator in 2014 to 31.8 in 2016 (Table 1.10). This was slightly lower (better) than the national level of 32.5 learners per educator. The learner-school ratio (LSR) in public schools of Mpumalanga was higher than the national figure of 521 in 2016 and increased from 587 learners per school in 2014 to 607 in 2016. According to the educator-school ratio (ESR), the number of educators per public school remained unchanged between 2014 and 2016 at 19. The aforesaid ratio was higher than the national level for 2016 of 16 educators per public school.

School nutrition programme

According to the GHS 2016, 86.1 per cent of children attending public schools in Mpumalanga benefitted from the school nutrition programme in 2016. This was higher than the national average (77.1 per cent) and Mpumalanga ranked third highest among the nine provinces.

Early Childhood Development

One of the most important educational priorities is to reach children of the age group 0–4 years with the intention of having universal access to Early Childhood Development (ECD) services by 2030. According to the GHS 2016, 33.3 per cent of the provincial population aged 0-4 years attended an ECD centre, which was higher than the 2015 figure of 26.1 per cent, but lower than the national level of 35.7 per cent in 2016.

[1] The Bohlabela education district includes schools in Bushbuckridge and Thaba Chweu
[2] The Ehlanzeni education district includes schools in Mbombela, Umjindi and Nkomazi

Table 1.10: Comparison of education ratios in ordinary public schools for South Africa and provinces, 2014-2016

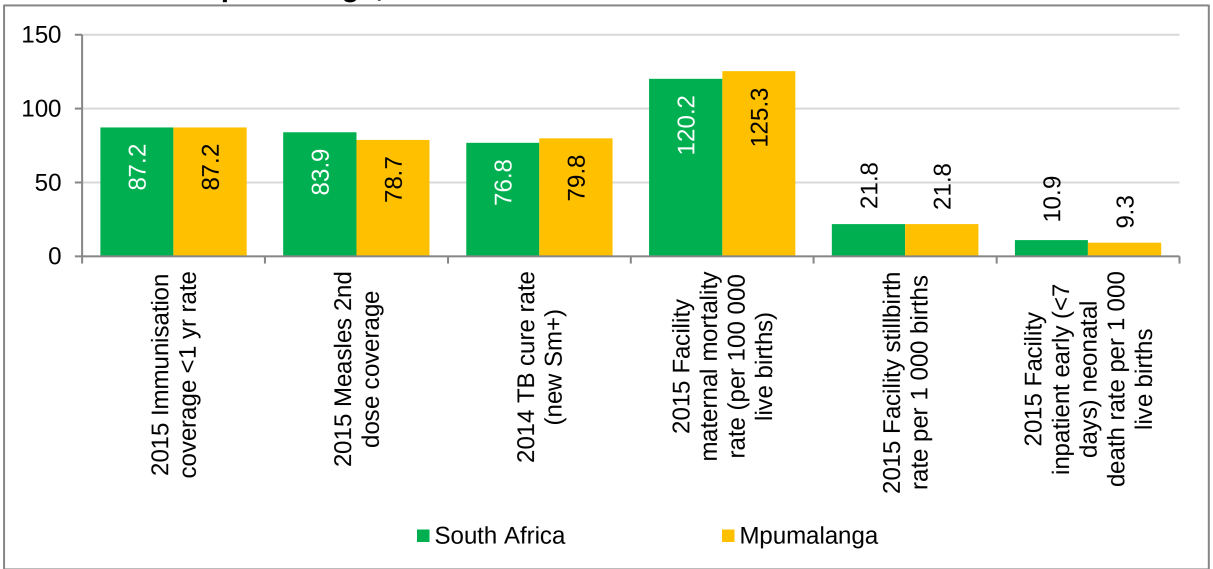
Province	LER[1]		LSR		ESR	
	2014	2016	2014	2016	2014	2016
Eastern Cape	30.8	32.5	340	347	11	11
Free State	27.8	29.9	503	553	18	19
Gauteng	32.0	32.5	939	983	29	30
KwaZulu-Natal	31.3	33.1	479	480	15	15
Limpopo	30.4	33.0	425	441	14	13
Mpumalanga	30.8	31.8	587	607	19	19
Northern Cape	32.1	32.5	517	529	16	16
North West	31.4	32.6	518	551	17	17
Western Cape	31.8	32.0	704	733	22	23
National	**31.0**	**32.5**	**504**	**521**	**16**	**16**

Source: Department of Basic Education – 2014 & 2016 Education Realities

1.4. HEALTH AND SOCIAL SERVICES

The immunisation coverage (<1 year) in Mpumalanga of 87.2 per cent was equal to the national level and the third highest/best in 2015. Mpumalanga's 2015 measles 2nd dose coverage was the third lowest/worst in the country at 78.7 per cent. The TB cure rate of 79.8 per cent in 2014 was better than the national average and the second highest/best in the country. Mpumalanga's maternal mortality rate of 125.3 was higher/worse than the national rate of 120.2 and the fifth highest/lowest among the provinces. In 2015, the province's stillbirth rate was recorded at 21.8 per 1 000 births, which was equal to the national rate. The inpatient early neonatal[2] death rate in facility of 9.3 per 1 000 live births was lower/better than the national rate and the second lowest among the provinces. Figure 1.20 compares some of Mpumalanga's health indicators with the national average level.

Figure 1.20: Comparison of selected health indicators between South Africa & Mpumalanga, 2014 & 2015



Source: Health Systems Trust – District Health Barometer 2015/16

[1] State paid and School Governing Body paid educators

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

1.5. HOUSEHOLD SERVICES

According to Figure 1.21, the same share of households in Mpumalanga occupied informal dwellings (10.9 per cent) in 2016 than did so in 2011. Fewer households had no access to toilets (4.0 per cent) in 2016 than 5 years earlier. The proportion of Mpumalanga's households with access to piped water[1] (88.1 per cent) and connected to electricity[2] (90.7 per cent) was higher in 2016 than in 2011. Households with weekly municipal refuse removal (39.4 per cent) declined between 2011 and 2016.

Figure 1.21: Access to household services in Mpumalanga, 2001-2016

	% of households in informal dwellings	% of households with no toilets or with bucket toilets	% of households with access to piped water	% of households connected to electricity	% of households with weekly municipal refuse removal
2001	14.5%	14.7%	85.7%	68.9%	37.0%
2011	10.9%	7.2%	87.4%	86.4%	42.4%
2016	10.9%	4.0%	88.1%	90.7%	39.4%

Sources: Statistics South Africa – Census 2011
Statistics South Africa – CS 2016

It is clear from Table 1.11 that 147 969 households in Mpumalanga still lacked access to piped water in any form and 135 039 households were still in informal dwellings. The number of households that were not connected to electricity numbered 103 933, whereas 49 218 households still had no access to toilets. Furthermore in 2016, 449 451 households in Mpumalanga did not have access to a hygienic toilet[3] and 750 912 households indicated that it does not benefit from weekly refuse removal.

The percentage of households in Mpumalanga without toilets and still using bucket toilets improved to 4.0 per cent in 2016 and was slightly lower than the national level of 4.7 per cent (Figure 1.22). The percentage of households without hygienic toilets improved from 42.8 per cent to 36.3 per cent. Figure 1.22 further reveals that Mpumalanga had the second lowest (best) share of households without access to toilets or still using bucket toilets, but also the second highest (worse) share of households with unhygienic toilets.

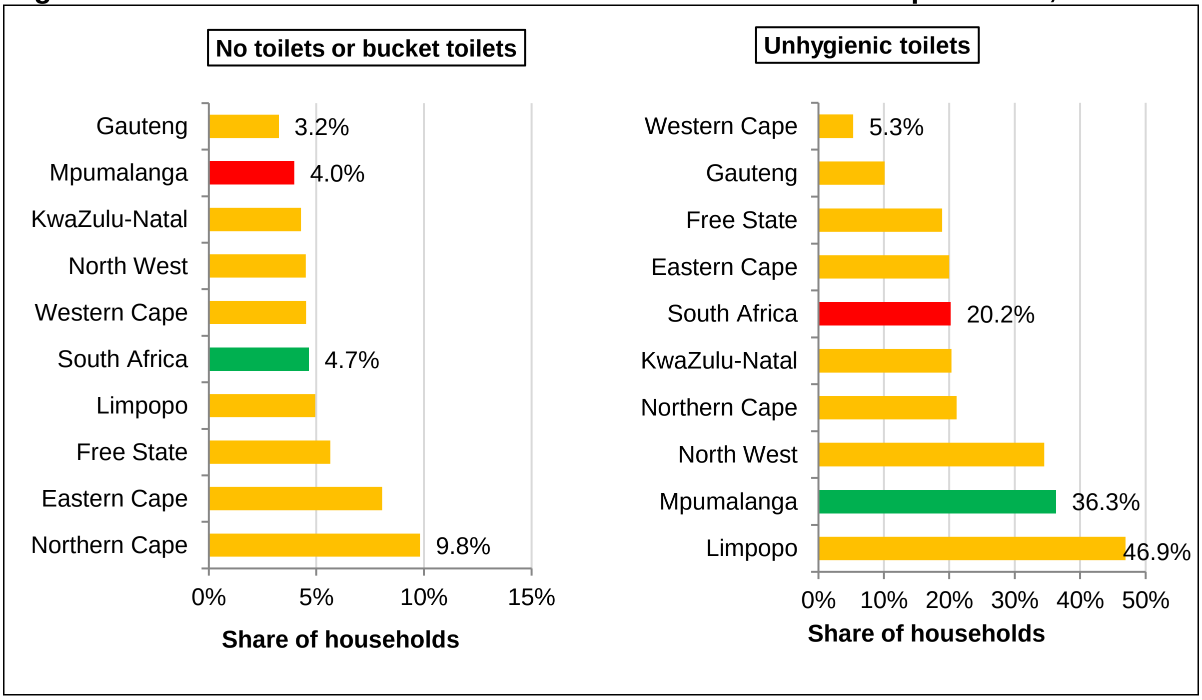
[1] The CS 2016 question on piped water was not phrased in the same way as in Census 2011; therefore, the results are not completely comparable.
[2] The CS 2016 groupings for electricity were different than for Census 2011; therefore, the results are not completely comparable.
[3] Hygienic toilets refers to flush toilets, chemical toilets or pit latrines with ventilation pipes (VIP).

Table 1.11: Household services backlog number in Mpumalanga, 2016

Household service	Backlog number
No toilet or bucket system (whether emptied by municipality or household)	49 218
Unhygienic toilets	449 451
Other sources of water for drinking	147 969
No electricity connection	103 933
Informal dwellings	135 039
No weekly refuse removal	750 912

Sources: Statistics South Africa – CS 2016

Figure 1.22: Selected household service levels in South Africa & provinces, 2016



Source: Statistics South Africa – CS 2016

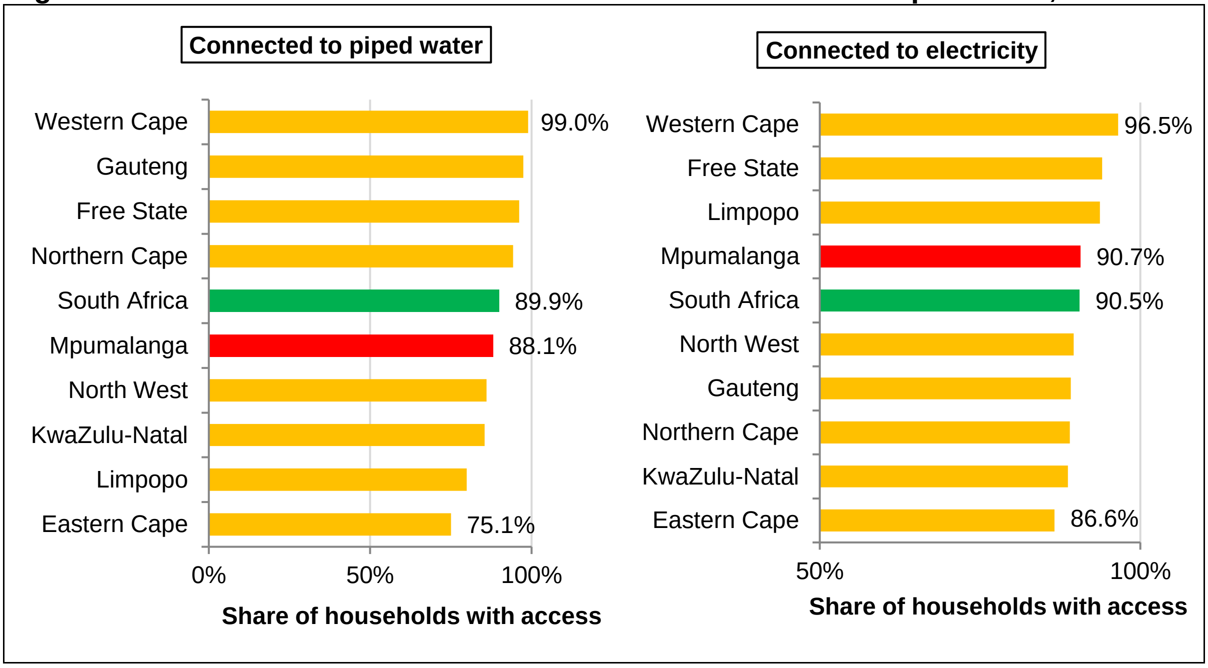
In 2016, the percentage of households connected to piped water recorded a relatively moderate level of delivery in Mpumalanga at 88.1 per cent (Figure 1.23). This was the fifth lowest/highest among the nine provinces and lower than the national level of 89.9 per cent. The percentage of households connected to electricity was recorded at 90.7 per cent in 2016. A larger share of households in Mpumalanga had access to electricity for lighting in 2016, than five other provinces and South Africa.

A relatively small percentage of households in Mpumalanga (10.9 per cent) occupied informal dwellings in 2016, compared to the national figure of 13.0 per cent. Mpumalanga ranked fourth lowest (best) among the nine provinces (Figure 1.24). The percentage of households that did not benefit from weekly refuse removal was recorded at 60.6 per cent in 2016. This was the second highest (worse) share among the nine provinces.

Household services index

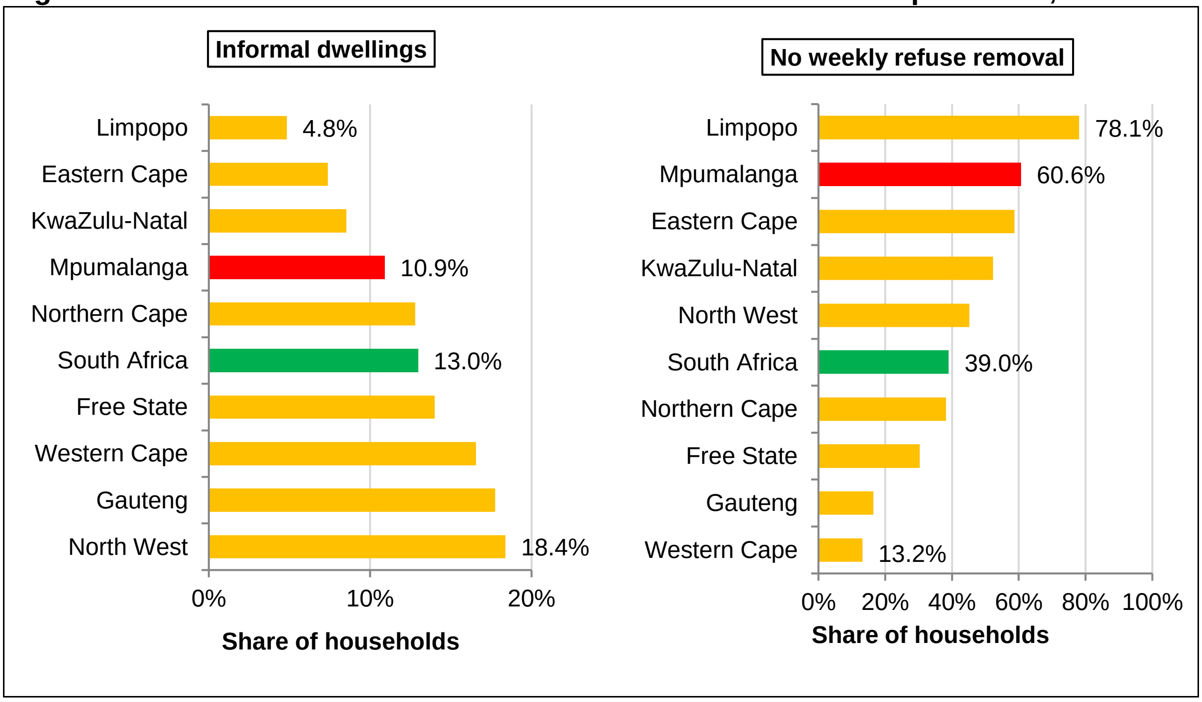
The access to household services index is a household adjusted, access to services-weighted index, which measures a region's overall access to services. The index ranges from 0 to 1, where 0 implies that no household in the region has access to any household service surveyed, and 1 implying that every household in the region has access to all the household services surveyed.

Figure 1.23: Selected household service levels in South Africa & provinces, 2016



Source: Statistics South Africa – CS 2016

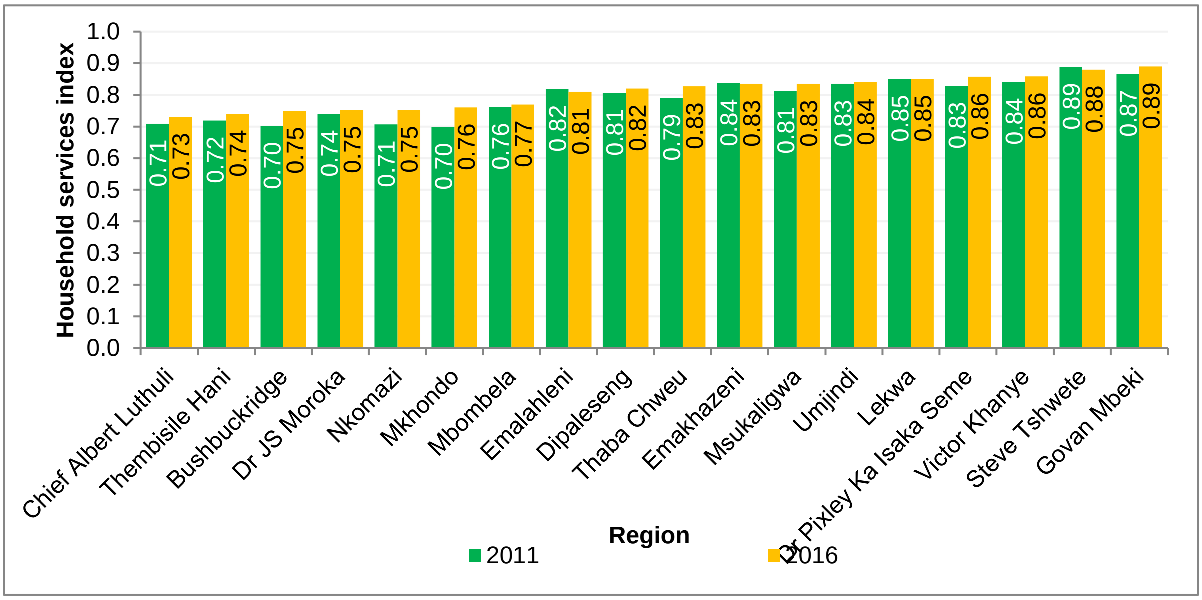
Figure 1.24: Selected household service levels in South Africa & provinces, 2016



Source: Statistics South Africa – CS 2016

In 2016, the highest index value of access to household services was recorded in Govan Mbeki and the lowest in Chief Albert Luthuli. Between 2011 and 2016, Mkhondo recorded the largest improvement in the household services index value and Emalahleni as well as Steve Tshwete the largest deterioration. Figure 1.25 compares the household services index values of 2011 with that of 2016 for Mpumalanga's local municipal areas.

Figure 1.25: Household services index in Mpumalanga's local municipal areas, 2011 & 2016



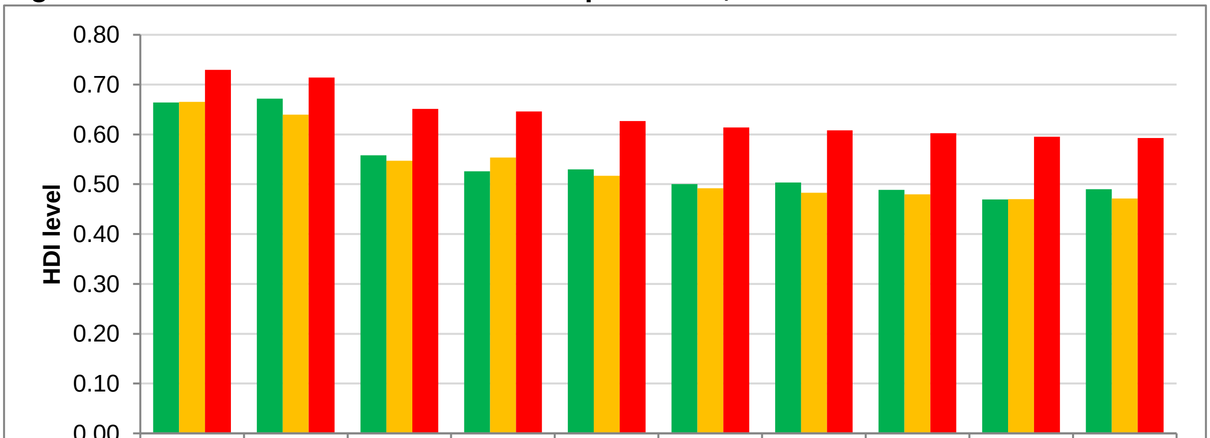
Sources: ***Statistics South Africa – Census 2011***
Statistics South Africa – CS 2016

1.6. DEVELOPMENT AND INCOME ASPECTS

1.6.1 Human development index

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

Figure 1.26: HDI levels for South Africa & provinces, 1996-2016



	WC	GP	SA	NC	FS	NW	KZN	MP	LP	EC
1996	0.66	0.67	0.56	0.53	0.53	0.50	0.50	0.49	0.47	0.49
2006	0.67	0.64	0.55	0.55	0.52	0.49	0.48	0.48	0.47	0.47
2016	0.73	0.71	0.65	0.65	0.63	0.61	0.61	0.60	0.60	0.59

Source: IHS Markit – Regional eXplorer (ReX), October 2017

It is clear from the depiction in Figure 1.26 that only Western Cape and Northern Cape registered an improvement in HDI between 1996 and 2006. Therefore, it can be argued that

HDI improvement essentially took place over the last ten years of the 20-year period. Mpumalanga's HDI level improved over the 20-year period from 0.49 in 1996 to 0.60 in 2016. Despite improving between 1996 and 2016, it was still lower than the national level of 0.65 in 2016. Mpumalanga recorded the third lowest HDI level among the nine provinces in 2016 with Western Cape (0.73) the highest. Between the three districts in the province, Nkangala recorded the highest HDI level of 0.62 in 2016 and Ehlanzeni the lowest at 0.59 (Table 1.12).

Table 1.12: HDI levels for South Africa, Mpumalanga & districts, 1996-2016

Region	1996	2001	2006	2011	2016
South Africa	0.56	0.53	0.55	0.61	0.65
Mpumalanga	0.49	0.45	0.48	0.55	0.60
Gert Sibande	0.49	0.45	0.49	0.56	0.61
Nkangala	0.52	0.48	0.50	0.57	0.62
Ehlanzeni	0.46	0.42	0.46	0.53	0.59

Source: IHS Markit – ReX, October 2017

When the HDI levels of the various population groups in Mpumalanga are analysed, it is evident that the White population recorded the highest HDI level of 0.88 in 2016. Asians and Coloureds followed with HDI levels of 0.78 and 0.68, respectively. The Black African population registered the lowest HDI level of 0.57 (Table 1.13), however, the largest HDI improvement over the 20-year period was registered in this population group.

Table 1.13: HDI level by population group in Mpumalanga, 1996-2016

Population group	1996	2001	2006	2011	2016
Black African	0.43	0.39	0.42	0.51	0.57
White	0.84	0.84	0.86	0.86	0.88
Coloured	0.57	0.61	0.64	0.67	0.68
Asian	0.74	0.76	0.78	0.75	0.78
Total	**0.49**	**0.45**	**0.48**	**0.55**	**0.60**

Source: IHS Markit – ReX, October 2017

1.6.2 Income inequality

Gini-coefficient

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

South Africa has one of the highest imbalanced income distributions in the world. The national Gini-coefficient was calculated to be 0.63 in 2016 (Table 1.14). Despite improving (declining) from a level of 0.66 in 2001, the most recent national level still reflects a more unequal income distribution than was the case in 1996.

Table 1.14: Gini-coefficient for South Africa, Mpumalanga & districts, 1996-2016

Region	1996	2001	2006	2011	2016
South Africa	0.61	0.66	0.65	0.63	0.63
Mpumalanga	0.59	0.64	0.63	0.61	0.60
Gert Sibande	0.59	0.64	0.64	0.62	0.60
Nkangala	0.58	0.63	0.62	0.60	0.59
Ehlanzeni	0.58	0.63	0.62	0.61	0.62

Source: IHS Markit – ReX, October 2017

The provincial income distribution followed the national trend and was still more unequal in 2016 than in 1996, however, in 2016 (0.60) it was lower/better than the 2001 level of 0.64. Among the provinces, Mpumalanga (0.60) registered the fourth lowest level of income inequality in 2016, with Northern Cape on 0.59, the lowest inequality and Gauteng (0.63) the most unequal. In 2016, Ehlanzeni registered the highest Gini-coefficient of 0.62 among the three districts.

Share of income

The NDP targets that the poorest 40 per cent of households in South Africa must earn at least 10 per cent of total income by 2030. In practise, one is able to calculate that the poorest 40 per cent of households in Mpumalanga earned 7.8 per cent of income in 2016 (Table 1.15). This was higher/better than the national figure of 6.7 per cent for 2016, but lower than the 7.9 per cent share achieved in 2011. Among the provinces, Mpumalanga registered the sixth highest/fourth lowest share behind Limpopo (9.0 per cent) in first place. In 2016, Ehlanzeni and Nkangala, jointly, registered the highest share of income by the poorest 40 per cent in Mpumalanga (8.0 per cent), whereas the poorest 40 per cent in Gert Sibande recorded a share of 7.7 per cent.

Table 1.15: Share of income earned by poorest 40% in South Africa, Mpumalanga & districts, 1996-2016

Region	1996	2001	2006	2011	2016
South Africa	7.8%	5.8%	6.3%	6.7%	6.7%
Mpumalanga	9.1%	7.2%	7.3%	7.9%	7.8%
Gert Sibande	8.9%	6.9%	6.8%	7.5%	7.7%
Nkangala	8.6%	6.8%	7.0%	7.7%	8.0%
Ehlanzeni	9.7%	7.7%	7.9%	8.6%	8.0%

Source: IHS Markit – ReX, October 2017

Palma ratio

The Palma ratio is a recently developed measure of inequality that can also assist in measuring the effectiveness of poverty reduction strategies. The ratio compares the top 10 per cent of population's share of gross income with the poorest 40 per cent of the population's share of income. Internationally, a Palma ratio of more than 3 would place a region in the most unequal quartile and a Palma of less than 1.5 in the least unequal quartile.

Table 1.16 displays the Palma ratio for South Africa, Mpumalanga and the districts over the period 1996 to 2016. South Africa's high Palma ratio of 7.33 in 2016 is comparable to the 7.05 calculated by Cobham and Sumner (2013) using World Bank indicators of 2010. The interpretation of South Africa's high Palma reveals that for every R1 of total income that the poorest 40 per cent received, the richest 10 per cent received R7.33. Unequal as it is, the ratio has declined from a high of 9.26 in 2001 to the most recent level, suggesting that income inequality reduction strategies are bearing fruit.

Mpumalanga's Palma ratio of 6.14 in 2016 was lower/better than the national total, however, it was still unacceptably high according to international standards. Mpumalanga's ratio was the third lowest among the provinces with the lowest/best ratio in Limpopo (5.48) and the highest in Gauteng (8.38). Mpumalanga's 2016 ratio is still higher than the 1996 ratio, although it is considerably lower than the 2001 level. Ehlanzeni's Palma ratio of 6.27 was the highest among the three districts and even increased/deteriorated between 2011 and 2016.

Table 1.16: Palma ratio in South Africa, Mpumalanga & districts, 1996-2016

Region	1996	2001	2006	2011	2016
South Africa	6.12	9.26	8.23	7.61	7.33
Mpumalanga	5.23	7.40	7.12	6.18	6.14
Gert Sibande	5.31	7.79	7.69	6.46	6.12
Nkangala	5.19	7.35	7.15	6.10	5.63
Ehlanzeni	5.00	7.02	6.63	5.87	6.27

Source: IHS Markit – ReX, October 2017

1.6.3 Poverty aspects

Poverty lines

In 2012, Statistics South Africa published a set of three national poverty lines based on expenditure data collected. The three lines were described as the food poverty line (FPL[1]), lower-bound poverty line (LBPL[2]) and upper-bound poverty line (UBPL[3]). The NDP refers to the LBPL when it states that the proportion of citizens in poverty must reduce from 39 per cent to zero by 2030.

It is evident from Table 1.17 that the share of South Africa's population below the LBPL declined from 51.0 per cent in 2006 to 40.0 per cent in 2015. Mpumalanga's population share below the LBPL improved from 60.2 per cent in 2006 to 42.6 per cent in 2015. Mpumalanga's share was higher than the national figure and the fifth lowest/highest among the nine provinces with Eastern Cape (59.1 per cent) registering the highest share and Gauteng (19.0 per cent) the lowest. The population share below the LBPL in Mpumalanga decreased by 17.6 percentage points between 2006 and 2015, which was the largest decline among the nine provinces. With the exception of Mpumalanga, all provinces recorded an increase in the population share below the LBPL between 2011 and 2015.

Table 1.17: Share of population below the LBPL in South Africa & provinces, 2006-2015

Region	% of population			
	2006	**2009**	**2011**	**2015**
Western Cape	29.7%	26.7%	17.0%	21.3%
Eastern Cape	64.3%	63.8%	51.8%	59.1%
Northern Cape	57.9%	53.6%	39.1%	40.7%
Free State	46.0%	51.7%	33.6%	36.2%
KwaZulu-Natal	63.7%	57.8%	48.0%	52.4%
North West	53.9%	51.8%	41.9%	46.9%
Gauteng	26.1%	23.3%	16.3%	19.0%
Mpumalanga	60.2%	58.4%	46.1%	42.6%
Limpopo	67.1%	71.5%	52.7%	57.0%
South Africa	**51.0%**	**47.6%**	**36.4%**	**40.0%**

Source: Statistics South Africa – Poverty Trends in South Africa 2006-2015, 2017

The share of South Africa's population below the UBPL declined from 66.6 per cent in 2006 to 55.5 per cent in 2015 (Table 1.18). Mpumalanga's population share below the UBPL improved from 75.0 per cent in 2006 to 59.3 per cent in 2015, which was also the largest decline among the nine provinces. Mpumalanga's share was higher than the national figure

[1] The level of consumption below which individuals are unable to purchase sufficient food to provide them with an adequate diet and amounted to R441 per capita per month in 2015.
[2] Includes expenditure on non-food items, but requires that individuals sacrifice food in order to obtain it and amounted to R647 per capita per month in 2015.
[3] Includes expenditure on adequate food and non-food items and amounted to R992 per capita per month in 2015.

and the fifth lowest/highest among the nine provinces with Eastern Cape (72.9 per cent) registering the highest share and Gauteng (33.3 per cent) the lowest. As with the LBPL, Mpumalanga was the only province to record a decline in the population share below the UBPL between 2011 and 2015.

Table 1.18: Share of population below the UBPL in South Africa & provinces, 2006-2015

Region	% of population			
	2006	2009	2011	2015
Western Cape	50.2%	41.3%	33.7%	37.1%
Eastern Cape	76.6%	77.4%	69.0%	72.9%
Northern Cape	74.5%	69.2%	58.2%	59.0%
Free State	62.0%	68.1%	52.4%	54.9%
KwaZulu-Natal	76.8%	72.2%	65.4%	68.1%
North West	69.1%	68.3%	59.9%	64.3%
Gauteng	44.5%	38.6%	30.6%	33.3%
Mpumalanga	75.0%	72.8%	63.8%	59.3%
Limpopo	82.4%	82.3%	70.1%	72.4%
South Africa	**66.6%**	**62.1%**	**53.2%**	**55.5%**

Source: Statistics South Africa – Poverty Trends in South Africa 2006-2015, 2017

It is evident from Table 1.19 that the share of South Africa's population below the FPL declined from 28.4 per cent in 2006 to 25.2 per cent in 2015. Mpumalanga's population share below the FPL improved from 34.8 per cent in 2006 to 26.4 per cent in 2015. Mpumalanga's share was marginally higher than the national figure and the fifth lowest/highest among the nine provinces with Eastern Cape (41.4 per cent) registering the highest share and Gauteng (9.2 per cent) the lowest. The population share below the FPL in Mpumalanga decreased by 8.4 percentage points between 2006 and 2015, which was the second largest decline among the nine provinces. Mpumalanga, as well as the other provinces recorded an increase in the population share below the FPL between 2001 and 2015.

Table 1.19: Share of population below the FPL in South Africa & provinces, 2006-2015

Region	% of population			
	2006	2009	2011	2015
Western Cape	11.6%	14.0%	6.9%	10.0%
Eastern Cape	37.5%	48.2%	31.5%	41.4%
Northern Cape	33.3%	35.9%	21.3%	24.2%
Free State	20.7%	32.8%	19.7%	21.1%
KwaZulu-Natal	40.4%	43.6%	30.6%	34.3%
North West	29.2%	34.5%	25.2%	28.7%
Gauteng	8.7%	13.3%	7.8%	9.2%
Mpumalanga	34.8%	42.0%	25.1%	26.4%
Limpopo	42.7%	55.8%	34.1%	40.3%
South Africa	**28.4%**	**33.5%**	**21.4%**	**25.2%**

Source: Statistics South Africa – Poverty Trends in South Africa 2006-2015, 2017

Multidimensional poverty

Poverty is often defined by income or expenditure. While this provides a very useful way of measuring absolute poverty, it does not fully capture all the aspects that constitute poverty. Multidimensional poverty constitutes several factors that amount to the poor's experience of deprivation such as poor health, lack of education, inadequate living standards, lack of income and lack of decent work.

The South African Multidimensional Poverty Index (SAMPI), published by Statistics South Africa provides multidimensional poverty data at provincial and municipal levels. It was not intended to replace the poverty headcount using the poverty lines that were developed and should rather be seen as a complementary measure to these money-metric measures. It is an index that is constructed using eleven indicators across four dimensions, namely health, education, living standards and economic activity. The poverty headcount shows the proportion of households that are considered to be multidimensionally poor. The intensity of poverty is the average proportion of indicators in which poor households are deprived.

In 2011, the poverty headcount showed that 7.9 per cent of households in Mpumalanga were multidimensionally poor, with the average intensity at 41.8 per cent amongst the poor households (Table 1.20). By 2016, the fraction of poor households decreased/improved to 7.8 per cent and the average intensity was higher/worse at 42.7 per cent. Mpumalanga's 2016 poverty headcount was the sixth lowest/fourth highest and higher than the national headcount. Mpumalanga's intensity of poverty was the seventh lowest/third highest but lower than the national indicator.

Table 1.20: Multidimensional poverty in South Africa & provinces, 2011-2016

Province	Census 2011		CS 2016	
	Headcount	Intensity	Headcount	Intensity
Western Cape	3.6%	42.6%	2.7%	40.1%
Eastern Cape	14.4%	41.9%	12.7%	43.3%
Northern Cape	7.1%	42.1%	6.6%	42.0%
Free State	5.5%	42.2%	5.5%	41.7%
KwaZulu-Natal	10.9%	42.0%	7.7%	42.5%
North West	9.2%	42.0%	8.8%	42.5%
Gauteng	4.8%	43.8%	4.6%	44.1%
Mpumalanga	7.9%	41.8%	7.8%	42.7%
Limpopo	10.1%	41.6%	11.5%	42.3%
South Africa	**8.0%**	**42.3%**	**7.0%**	**42.8%**

Source: Statistics South Africa – CS 2016

1.6.4 Ownership of household goods

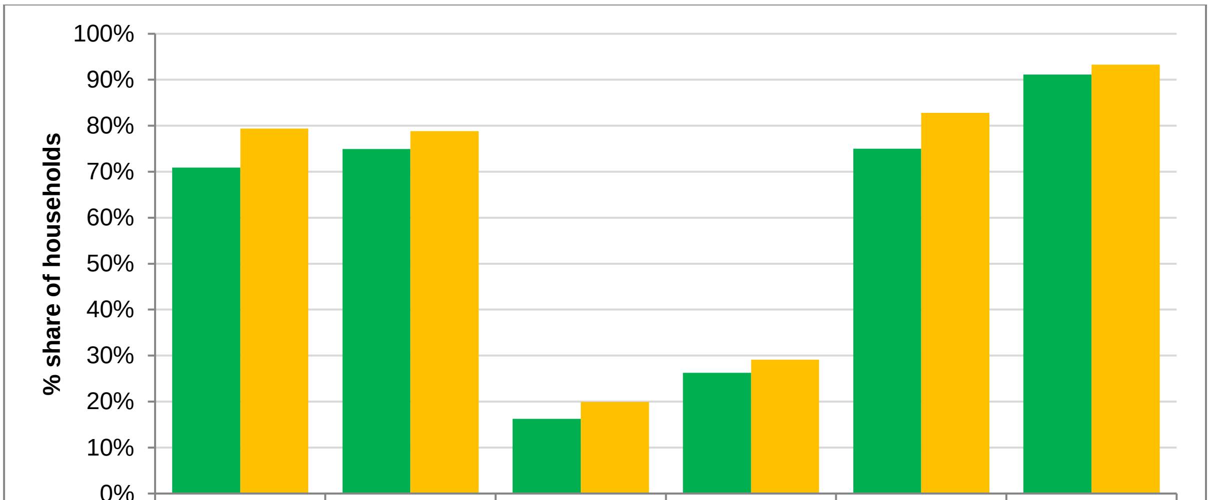
Figure 1.27 compares the ownership levels of certain household goods in Mpumalanga between 2011 and 2016. It is evident that more households in Mpumalanga owned the specific assets in 2016 than in 2011. The ownership of refrigerators (8.5 percentage point increase) increased the most between 2011 and 2016, followed by televisions (7.8 percentage point increase).

Ownership of household goods index

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

In 2016, the highest ownership of household goods index value was recorded in Mbombela and the lowest in Mkhondo. Between 2011 and 2016, Nkomazi recorded the largest improvement in the household goods index and Emalahleni the largest decline. Figure 1.28 compares the household goods index values of 2011 with that of 2016 for Mpumalanga's local municipal areas.

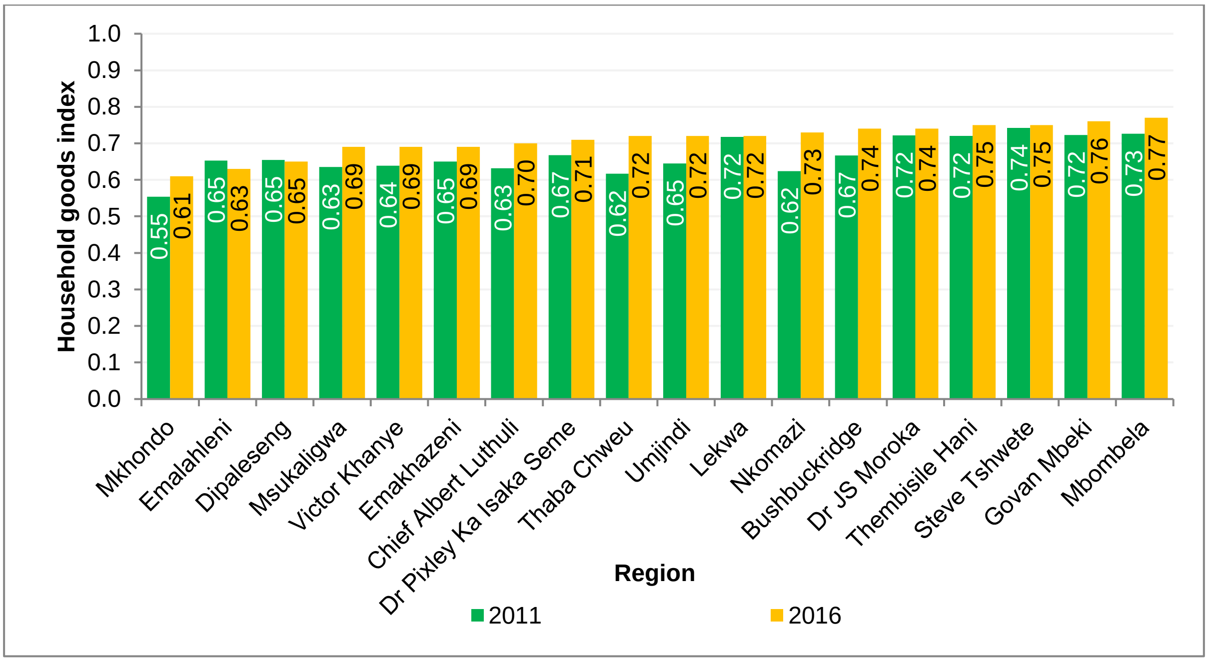
Figure 1.27: Percentage of households owning various goods in Mpumalanga, 2011-2016



	Refrigerator	Stove	Computer	Motorcar	Television	Cell phone
2011	70.9%	74.9%	16.3%	26.3%	75.0%	91.1%
2016	79.4%	78.8%	19.9%	29.1%	82.8%	93.3%

Sources: Statistics South Africa – Census 2011
Statistics South Africa – CS 2016

Figure 1.28: Household goods index in Mpumalanga's local municipal areas, 2011-2016



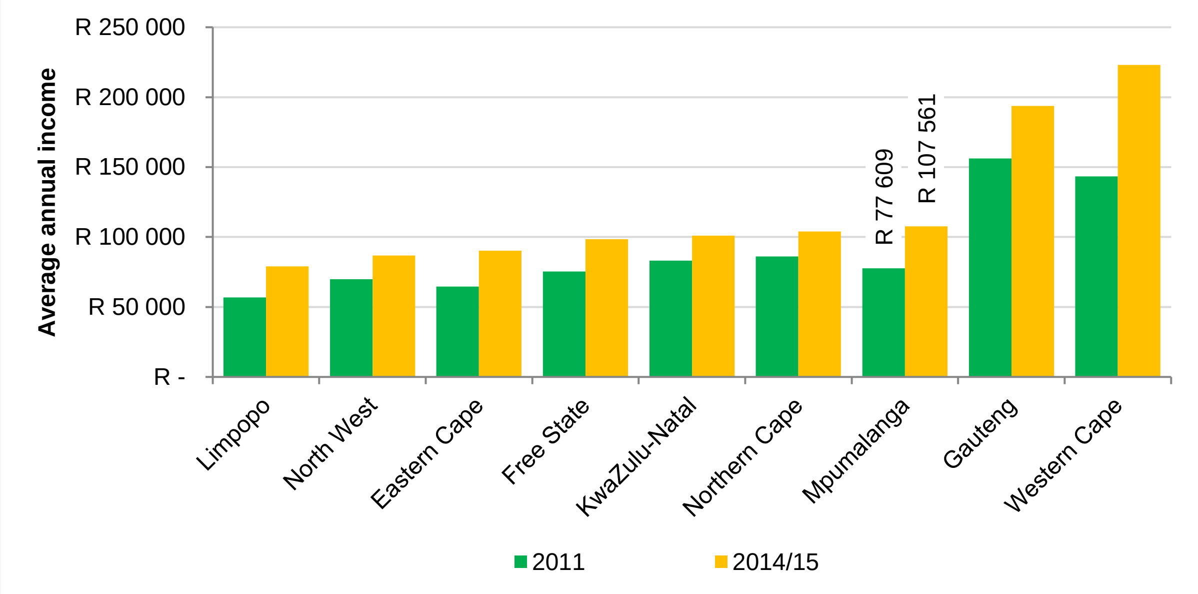
Sources: Statistics South Africa – Census 2011
Statistics South Africa – CS 2016

1.6.5 Income and expenditure aspects

Household income

According to the Living Conditions of Households 2014/15, the average annual household income for all households in South Africa increased from R103 204 per annum in 2011 (Census 2011) to R138 168 per annum (R11 514 per month) in 2014/15. Average household income in Mpumalanga increased from R77 609 per annum in 2011 to R107 561 per annum (R8 963 per month) in 2014/15 (Figure 1.29).

Figure 1.29: Average annual household income by province, 2011-2014/15



Sources: Statistics South Africa – Census 2011
Statistics South Africa – Living Conditions of Households 2014/15

Mpumalanga's average household income was the fifth highest in 2011 and the third highest in 2014/15. In 2014/15, the average household income of Western Cape households (R222 959 per annum) was the highest and that of Limpopo households (R79 152 per annum) the lowest.

Expenditure categories

Table 1.22: Household expenditure in South Africa & Mpumalanga, 2016

Expenditure category	Mpumalanga		South Africa	
	% of total	Cumulative %	% of total	Cumulative %
R0	0.1%	0.1%	0.2%	0.2%
R1-R199	0.4%	0.5%	0.3%	0.5%
R200-R399	1.0%	1.5%	1.2%	1.8%
R400-R799	5.8%	7.3%	5.2%	6.9%
R800-R1 199	11.3%	18.6%	8.5%	15.4%
R1 200-R1 799	15.9%	34.6%	13.1%	28.5%
R1 800-R2 499	20.6%	55.2%	14.8%	43.3%
R2 500-R4 999	20.3%	75.5%	21.9%	65.2%
R5 000-R9 999	12.3%	87.8%	14.0%	79.2%
R10 000 or more	10.8%	98.6%	17.0%	96.2%
Do not know	0.9%	99.6%	3.1%	99.3%
Refused	0.0%	99.6%	0.3%	99.6%
Unspecified	0.4%	100.0%	0.4%	100.0%
Total	**100.0%**	**-**	**100.0%**	**-**

Source: Statistics South Africa – GHS 2016

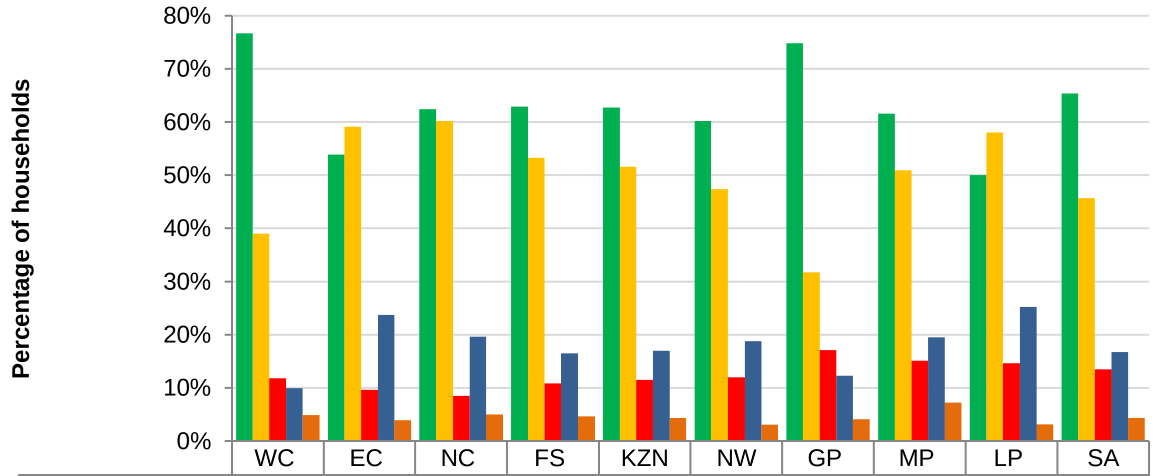
In the *GHS 2016*, respondents indicated what expenditure category best describes the monthly household expenditure in 2016. The results of this question for South Africa and Mpumalanga is summarised in Table 1.22. It is evident that the major share of households in Mpumalanga (55.2 per cent) indicated expenditure of less than R2 500 per month. The major share of households in South Africa (65.2 per cent) indicated expenditure of less than

R5 000 per month. Some 17.0 per cent of households in South Africa indicated expenditure of more than R10 000 per month compared with 10.8 per cent of households in Mpumalanga.

Household income sources

The majority of households in South Africa are dependent on incomes from salaries. Nationally, 65.4 per cent of households received an income from salaries in 2016. In Mpumalanga 61.6 per cent of households received an income from salaries. In 2016, 45.7 per cent and 50.9 per cent of households in South Africa and Mpumalanga obtained income from grants, respectively. Some 59.1 per cent of households in Eastern Cape received income from grants, whilst only 31.7 per cent of households in Gauteng received income from grants. Comparative figures of household income sources are presented in Figure 1.30.

Figure 1.30: Comparative sources of income[1] in South Africa and provinces, 2016



	WC	EC	NC	FS	KZN	NW	GP	MP	LP	SA
Salaries	76.7%	53.9%	62.4%	62.9%	62.7%	60.2%	74.8%	61.6%	50.0%	65.4%
Grants	39.0%	59.1%	60.2%	53.3%	51.6%	47.4%	31.7%	50.9%	58.0%	45.7%
Business income	11.8%	9.6%	8.5%	10.8%	11.5%	12.0%	17.1%	15.1%	14.6%	13.5%
Remittances	9.9%	23.7%	19.6%	16.5%	17.0%	18.8%	12.3%	19.5%	25.2%	16.7%
Pensions	4.8%	3.9%	5.0%	4.6%	4.3%	3.1%	4.1%	7.2%	3.1%	4.3%

Source: Statistics South Africa – GHS 2016

As part of GHS 2016, households were asked to indicate their main source of income. As a result, salaries were indicated to be the main source for 57.9 per cent of households nationally, whereas grants were the main source for 21.3 per cent of households (Figure 1.31). In Mpumalanga, salaries were also the main source for the majority (54.3 per cent) of households with grants the main source for 21.8 per cent of households in the province.

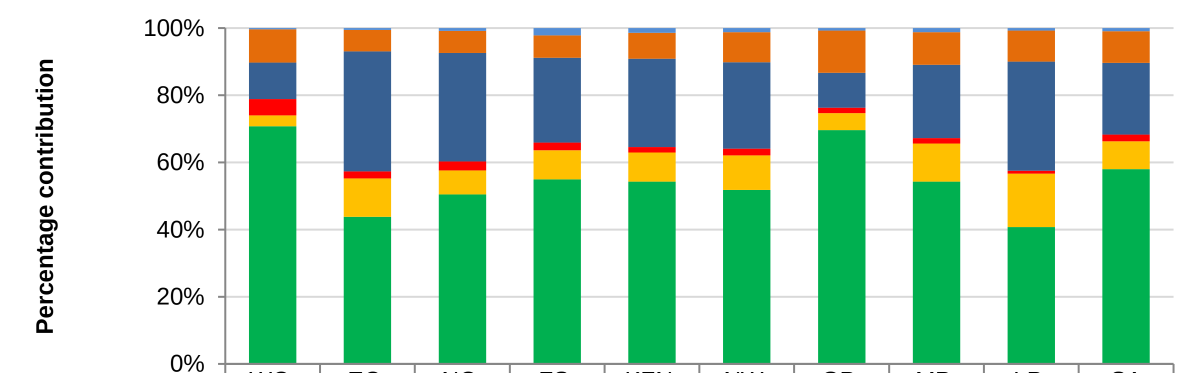
Social assistance grants

Together with providing income security to certain income insecure groups, the payments of grants made a positive impact on poverty and income inequality in Mpumalanga. Grants assisted to reduce poverty and redistribute income in Mpumalanga and its sub regions through the provision of income security. According to the South African Social Security Agency (SASSA), the number of South Africans that received social assistance grants

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

increased from 15.9 million in March 2014 to nearly 17.2 million by March 2017. In March 2014, 1.32 million citizens of Mpumalanga received social assistance grants. This was equal to an 8.3 per cent share of the total national grant recipients in 2014. By March 2017, the number of recipients in Mpumalanga increased to 1.44 million or 8.4 per cent of the total number of national grant recipients. Mpumalanga registered the sixth highest/fourth lowest number of social assistance recipients among the nine provinces (Figure 1.32). KwaZulu-Natal (3.9 million) registered the highest number of grant recipients by March 2017 and Northern Cape (465 908) the lowest.

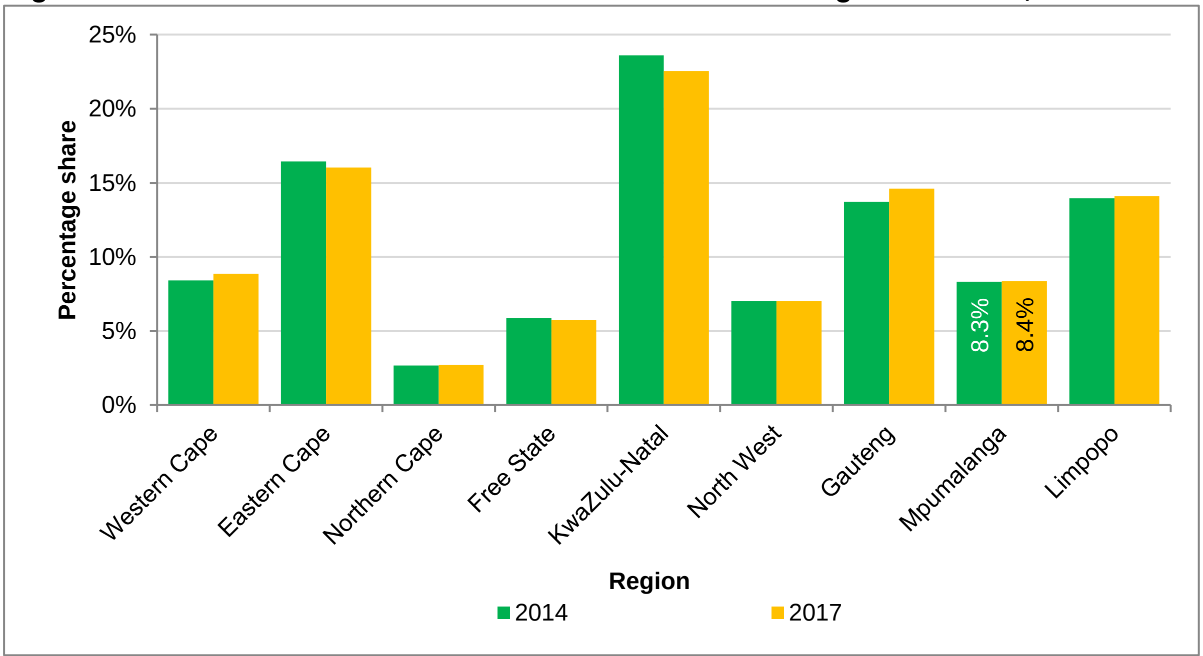
Figure 1.31: Main sources of income in South Africa and provinces, 2016



	WC	EC	NC	FS	KZN	NW	GP	MP	LP	SA
None	0.4%	0.6%	0.8%	2.2%	1.4%	1.2%	0.7%	1.2%	0.7%	0.9%
Other sources	9.9%	6.3%	6.6%	6.6%	7.7%	9.0%	12.6%	9.8%	9.3%	9.5%
Grants	10.9%	35.8%	32.4%	25.3%	26.4%	25.7%	10.4%	21.8%	32.5%	21.3%
Pensions	4.8%	2.1%	2.6%	2.2%	1.6%	2.0%	1.6%	1.6%	0.9%	2.0%
Remittances	3.3%	11.5%	7.2%	8.7%	8.7%	10.3%	5.1%	11.4%	15.9%	8.3%
Salaries	70.8%	43.8%	50.5%	54.9%	54.3%	51.8%	69.6%	54.3%	40.8%	57.9%

Source: Statistics South Africa – GHS 2016

Figure 1.32: Provincial shares of national social assistance grant number, 2014-2017

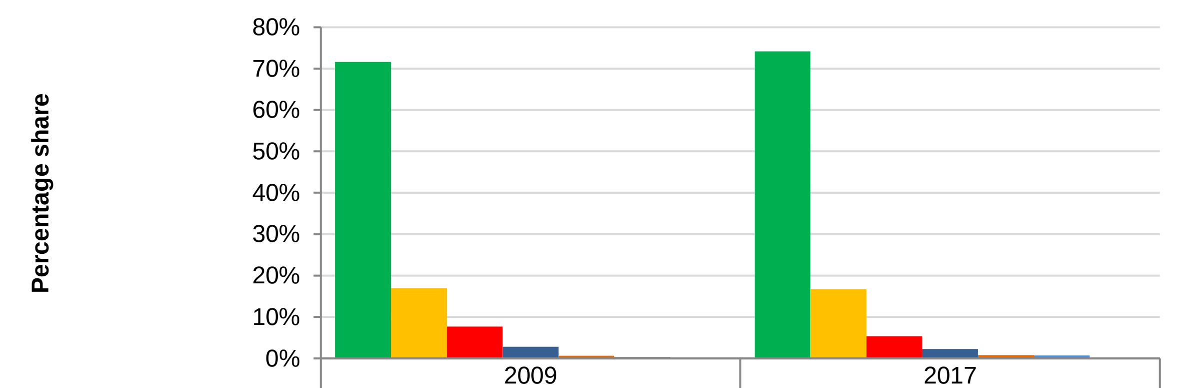


Source: SASSA - SOCPEN system, 2017

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

It is evident from Figure 1.33, that 74.2 per cent of Mpumalanga's total social assistance grants in March 2017 were child support grants, which was higher than the 71.6 per cent share in 2009. In actual numbers, child support grant beneficiaries increased from 735 648 in 2009 to 1 067 239 in 2017. Although the number of old age grant beneficiaries increased from 174 343 in 2009 to 241 271 in 2017, the share of the total number of grant beneficiaries decreased from 17.0 per cent in 2009 to 16.8 per cent in 2017. Disability grant recipients decreased marginally in number from 79 244 in 2009 to 76 921 in 2017 and recorded a smaller share in 2017 (5.3 per cent) of the total number of assistance grant beneficiaries than in 2009 (7.7 per cent).

Figure 1.33: Distribution of various types of social assistance grants in Mpumalanga, 2009-2017



	2009	2017
Child support grant	71.6%	74.2%
Old age grant	17.0%	16.8%
Disability grant	7.7%	5.3%
Foster child grant	2.8%	2.2%
Care dependancy grant	0.6%	0.8%
Grant in aid	0.3%	0.7%
War veteran's grant	0.0%	0.0%

Source: SASSA - SOCPEN system, 2017

1.7. ECONOMIC SECTORS AND PERFORMANCE

1.7.1 GDP growth

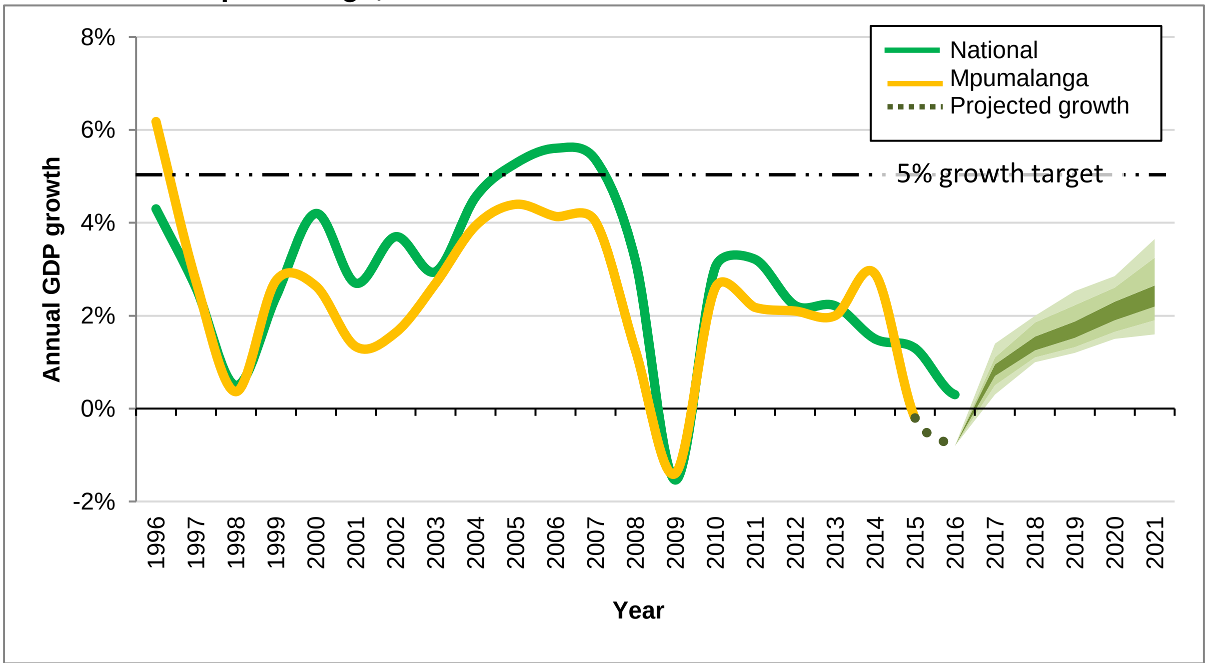
It is estimated that in 2015[1], Mpumalanga contributed some R305.0 billion in current prices or some 7.5 per cent to the GDP of South Africa. Converted to constant 2010 prices, Mpumalanga's contribution was R221.7 billion. According to estimates, Mpumalanga's

[1] The official, provincial GDP estimates for 2016 will only be published in March 2018.

contribution in constant 2010 prices was the joint fifth largest among the nine provinces. Mpumalanga's contribution decreased from 8.1 per cent in 1995 to 7.2 per cent in 2015. Gauteng (34.7 per cent) and KwaZulu-Natal (15.9 per cent) were the main contributors to the national economy in 2015.

At the start of the period under review, particularly 1996, 1997 and 1999, the economic growth of the province, as measured by growth in the GDP, was higher than the national rate. However, since then the provincial economy has outperformed the national economy in terms of GDP growth only in 2009 and 2014 (Figure 1.34). The average annual growth rate for the country and Mpumalanga over the period 1995 to 2015 was 3.0 per cent and 2.4 per cent, respectively. Mpumalanga recorded the joint fourth lowest annual average GDP growth rate in the 20-year period. The forecasted annual growth rates for South Africa and Mpumalanga are projected to remain low and average less than 2 per cent annually between 2016 and 2021.

Figure 1.34: GDP (constant 2010 prices) growth rates for South Africa and Mpumalanga, 1996-2021



Sources: Statistics South Africa – GDP, 2017 (Historic growth)
IHS Markit - ReX, October 2017 (Future growth)

The NDP targets average annual national GDP growth above 5 per cent up to 2030. The annual average growth rates for South Africa and Mpumalanga, from 2016 to 2021 are forecasted at 1.6 per cent and 1.5 per cent, respectively (Table 1.23). In such an event, Mpumalanga's growth will be the joint fifth highest among the nine provinces.

Because of the moderate economic growth experienced in South Africa over the last 20 years, the South African economy has not doubled in size over this period. From Figure 1.35 it is also evident that no provincial economy was by 2015, double its size of 1995. By 2015, the Western Cape economy, which grew the fastest between 1995 and 2015, was 191.6 per cent of its 1995 size. Mpumalanga's economy was 160.7 per cent of its 1995 size and registered the fourth lowest increase. For an economy to double in size over a 20-year period that economy needs to grow at an annual average growth rate of 3.5 per cent.

Table 1.23: Historic and forecasted GDP at market prices growth rates for South Africa and provinces, 1995-2021

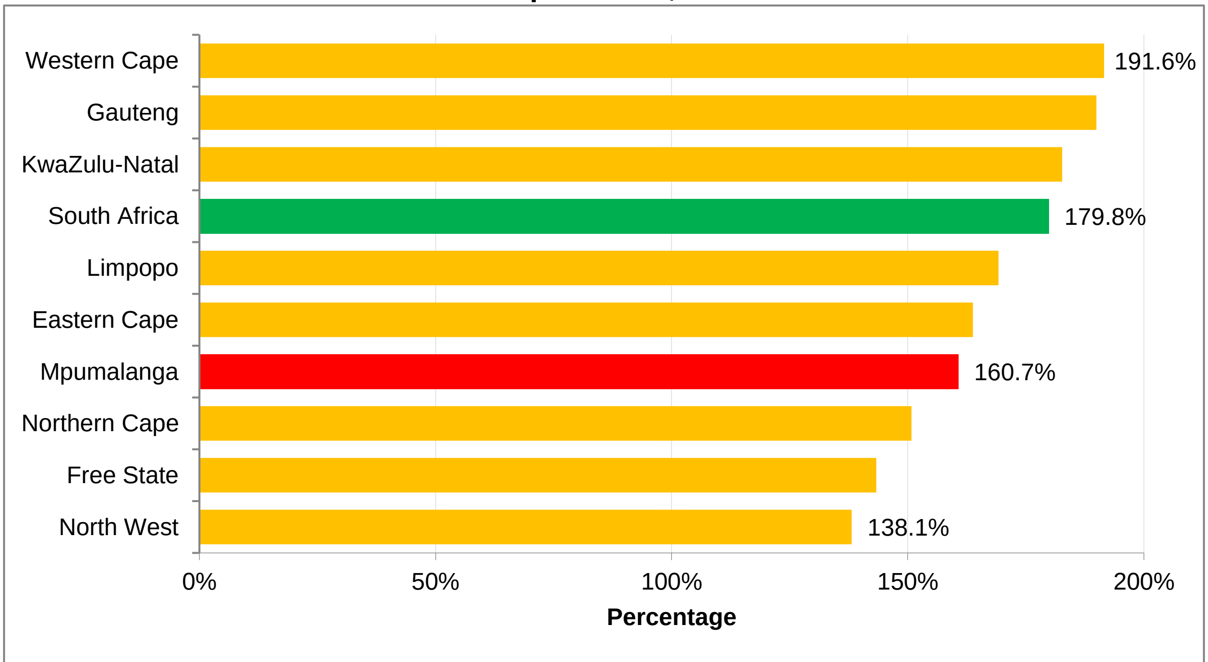
Province	1995-2015	1995-2000	2000-2005	2005-2010	2010-2015	2016-2021
Western Cape	3.3%	2.6%	4.7%	3.4%	2.5%	1.5%
Eastern Cape	2.5%	2.2%	3.0%	3.0%	1.8%	1.5%
Northern Cape	2.1%	2.7%	1.6%	1.7%	2.3%	1.5%
Free Sate	1.8%	1.1%	2.5%	2.0%	1.7%	1.0%
KwaZulu-Natal	3.1%	2.4%	4.0%	3.5%	2.4%	1.6%
North West	1.6%	1.1%	2.8%	1.7%	0.9%	1.8%
Gauteng	3.3%	2.7%	4.2%	3.6%	2.6%	1.7%
Mpumalanga	**2.4%**	**2.9%**	**2.8%**	**2.1%**	**1.8%**	**1.5%**
Limpopo	2.7%	2.5%	4.1%	2.2%	1.8%	2.2%
South Africa	**3.0%**	**2.4%**	**3.8%**	**3.1%**	**2.2%**	**1.6%**

Sources: Statistics South Africa – GDP, 2017 (Historic growth)
Economic Analysis Structural Model (Mpumalanga's estimated 2016 growth), 2017
IHS Markit – ReX, October 2017 (Future growth)

Estimated annual and quarterly GDP growth in Mpumalanga

Statistics SA compiles provincial estimates of GDP annually, which is then released together with the annual national estimates. The provincial GDP estimates for a particular year, however, are released one year later than the national estimates. For example, the 2015 provincial GDP estimates were only released when the national GDP estimates for 2016 was published. The provincial GDP estimates, that are already published a year later than national figures, are also not published on a quarterly basis. The release of quarterly national GDP results and statistics by Stats SA enables one to determine the national economic growth rate for that specific quarter. This provides an early indication on national economic growth for the full year as well as signalling which industries are contributing strongly to growth and which are lagging or faltering.

Figure 1.35: 2015 GDP (constant 2010 prices) expressed as a percentage of 1995 GDP values in South Africa & provinces, 2015

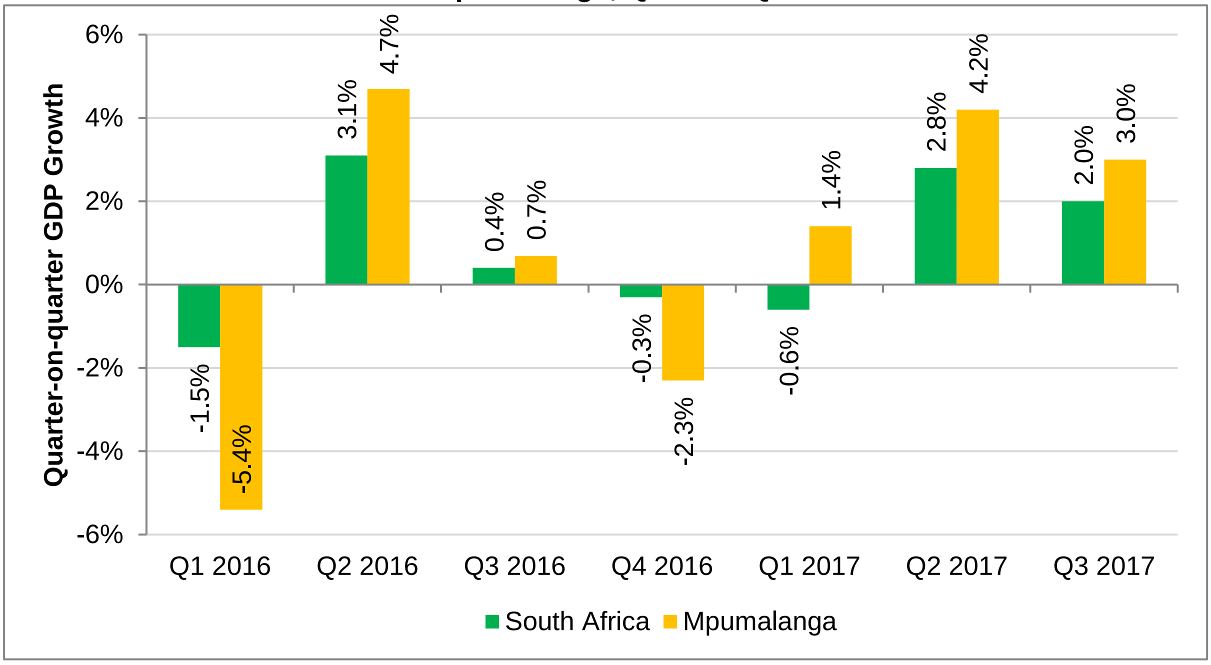


Source: Statistics South Africa – GDP, 2017

In light of these two challenges it is problematic to provide an early indication on provincial economic growth for a quarter and even a full year. Growing or struggling industries are only identified a year later when the growth cycle might have already changed. The possibility exist that ill-timed counter cyclical policy interventions can be administered with unsuccessful and even devastating effects. Therefore, to address the challenges, a structural model was adopted that allows one to estimate the GDP for Mpumalanga for years and quarters not yet published by Stats SA.

The quarter-on-quarter GDP growth in South Africa and Mpumalanga is displayed in Figure 1.36, which indicates that the real GDP (measured by production) of South Africa increased by 2.0 per cent in the third quarter of 2017, following an increase of 2.8 per cent in the second quarter 2017. Mpumalanga's GDP growth is estimated to have increased by 3.0 per cent[1] in the third quarter of 2017 after the 4.2 per cent increase estimated for the second quarter 2017. It is estimated that Mpumalanga, unlike the national economy, did not suffer a recession in 2016/17. The reason for it can largely be ascribed to the strong growth experienced in mining and agriculture and the extent of the two industries' contribution to the provincial economy compared to its national contribution.

Figure 1.36: Quarter-on-quarter GDP at market prices growth (constant 2010 prices) in South Africa & Mpumalanga, Q1 2016-Q3 2017



Sources: Statistics South Africa – GDP, 2017
Economic Analysis Structural Model, 2017

The annual growth for 2016 can now also be calculated based on the quarterly growth estimations. According to the structural model employed, Mpumalanga's real GDP growth for 2016, as calculated from the estimated quarterly figures, was -0.8 per cent[23]. This was lower than the national growth rate of 0.3 per cent and the second consecutive negative annual economic growth number by the province.

[1] As these are only estimates based on a structural model of the Mpumalanga economy it will not be regarded as official, but only used to guide economic policy and interventions in the province.

GDP per capita

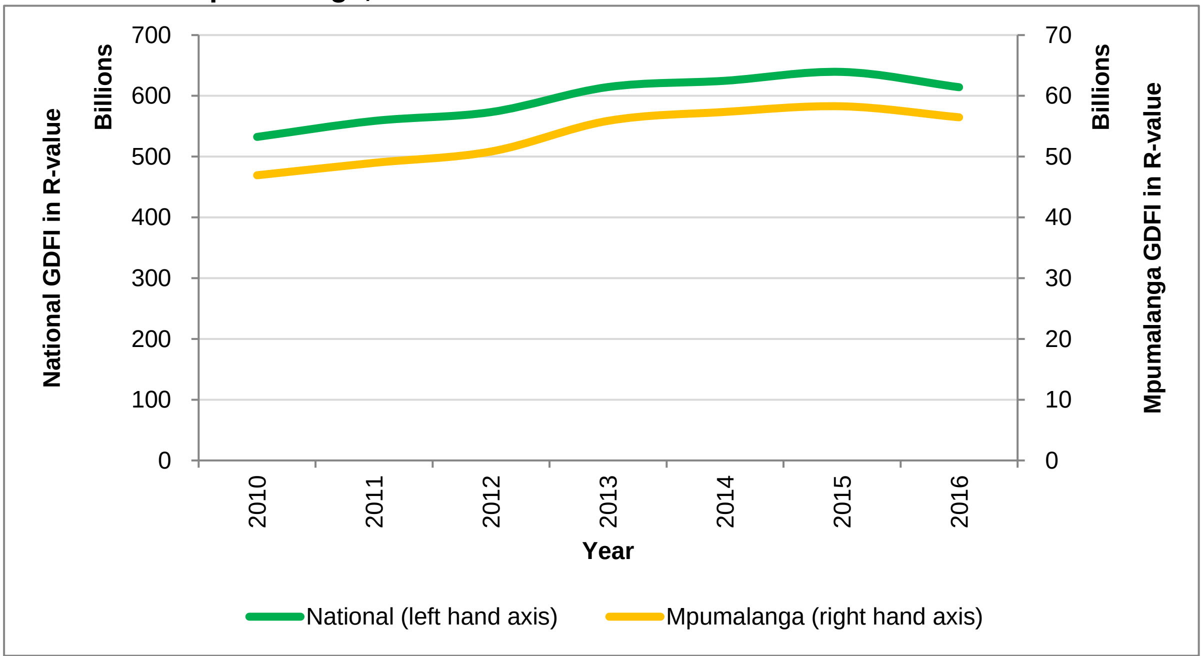
GDP per capita is often considered an indicator of a region's standard of living on the rationale that all citizens would benefit from the region's increased economic production. The Mpumalanga Vision 2030, states that the GDP per capita expressed in constant prices must increase from an estimated R51 100 in 2010 to R110 000 by 2030. In 2015, the provincial GDP per capita was equal to an estimated R51 750. Sustained annual average GDP growth above 5 per cent is necessary to achieve this target.

Fixed investment

Investment in infrastructure builds economic capacity and enhances competitiveness, while contributing to the quality of life of poor people. In 2016, the gross domestic fixed investment (GDFI) in Mpumalanga amounted to R56.5 billion which was equal to 9.2 per cent of total GDFI in South Africa (Figure 1.37). From 2010 to 2016, GDFI in South Africa grew on average by 2.4 per cent per annum and by 3.1 per cent annually in Mpumalanga.

According to the NDP, public infrastructure investment must be equal to 10 per cent of GDP by 2030. In 2016, expenditure by the Mpumalanga Provincial Government (MPG) on infrastructure was equal to approximately 1.6 per cent of provincial GDP. If the 2016 Municipal Infrastructure Grant (MIG) expenditure by municipalities is added to MPG infrastructure expenditure, then public expenditure on infrastructure was equal to 2.4 per cent. In order to reach the stated Vision 2030 goal of 10 per cent of GDP by 2030 in Mpumalanga, public expenditure on infrastructure in Mpumalanga has to increase by at least 11.7 per cent per annum up to 2030.

Figure 1.37: Comparison of GDFI (constant 2010 prices) in South Africa and Mpumalanga, 2010-2016



Source: Quantec, 2017

1.7.2 Inclusive growth

The overall Inclusive Growth Index[1] seeks to reflect the extent to which people living within a specific region can be considered included in the benefits of economic growth and national prosperity and the extent to which they are equipped with the skills that aid participation in the economy. An examination of the differences between regions is important in that it highlights geographical patterns in economic inclusion and prosperity.

In 2016, Gauteng and Western Cape recorded the highest overall inclusive growth scores of 9.84 and 8.74, respectively. Eastern Cape (1.74) and Limpopo (3.62), registered the lowest overall scores among the nine provinces. Mpumalanga's overall inclusive growth score of 4.75 was the fourth highest among the nine provinces (Figure 1.38). The economic inclusion theme made the largest contribution in eight provinces and only in Gauteng did the prosperity theme make the largest contribution.

In the individual prosperity and economic inclusion themes there were some differences in rankings compared with the overall score. For example, Northern Cape scored the fourth highest economic inclusion score and the third lowest prosperity score, but eventually ended fifth highest overall. Mpumalanga ranked fifth highest in the prosperity theme and sixth highest/fourth lowest in the economic inclusion theme.

Figure 1.38: Inclusive growth scores by province, 2016

	EC	LP	KZN	NW	NC	MP	FS	WC	GP
Inclusion	1.120	3.078	2.023	2.535	3.169	2.945	3.409	4.531	3.869
Prosperity	0.616	0.543	1.892	1.433	1.265	1.806	2.229	4.205	5.967

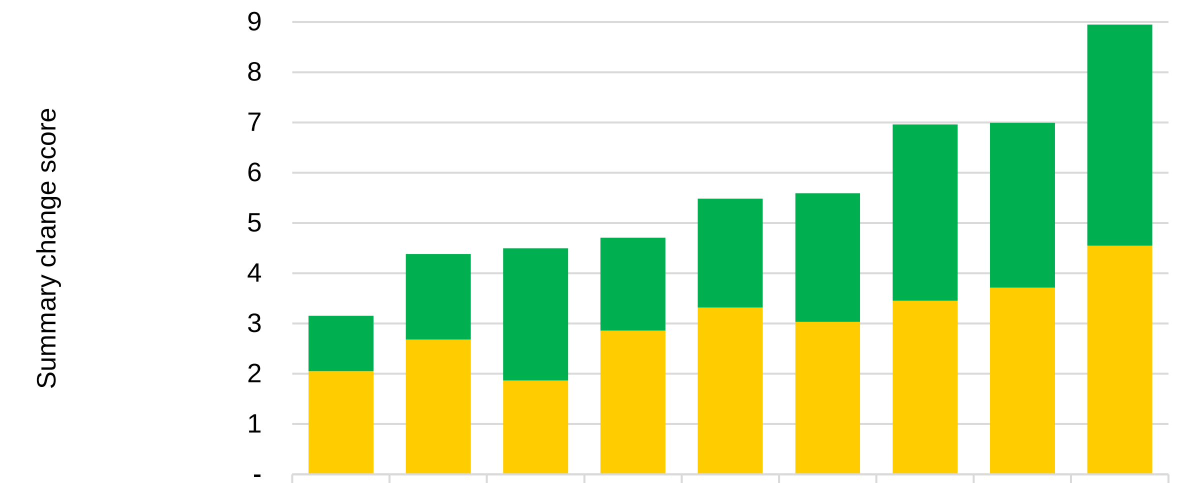
Source: IHS Markit – ReX, October 2017 & own calculations

The normalised change scores provide a way of assessing overall change on the two themes based upon percentage change in the underlying indicators. Here an area with the lowest score has the least improvement or greatest deterioration on a given theme, whereas

[1] The Inclusive Growth Index was adapted from the Inclusive Growth (IG) Monitor developed by Manchester University in 2014. The Inclusive Growth Index uses existing statistics to construct an index of the extent to which people living within a given locality may be considered as economically included and benefiting from broader national prosperity. The index is divided into two themes (Economic inclusion and Prosperity) each having three underlying dimensions constituted by a set of two indicators. Each indicator is normalised giving a minimum score of zero for the lowest scoring area and a maximum of one for the highest scoring. This means that each dimension has a minimum score of zero and a maximum score of two, therefore each theme can have a minimum score of zero and maximum of six.

the area with the highest score has the biggest improvement or least deterioration. The change scores provide a way of summarising the performance of different regions in inclusive growth over the 5-year period between 2011 and 2016.

Figure 1.39: Inclusive growth change scores by province, 2011-2016



	WC	NC	GP	FS	NW	KZN	EC	MP	LP
Inclusion change	1.101	1.698	2.631	1.847	2.161	2.562	3.510	3.284	4.400
Prosperity change	2.051	2.682	1.866	2.861	3.322	3.033	3.454	3.712	4.547

Prosperity change   Inclusion change

Source: IHS Markit – ReX, October 2017 & own calculations

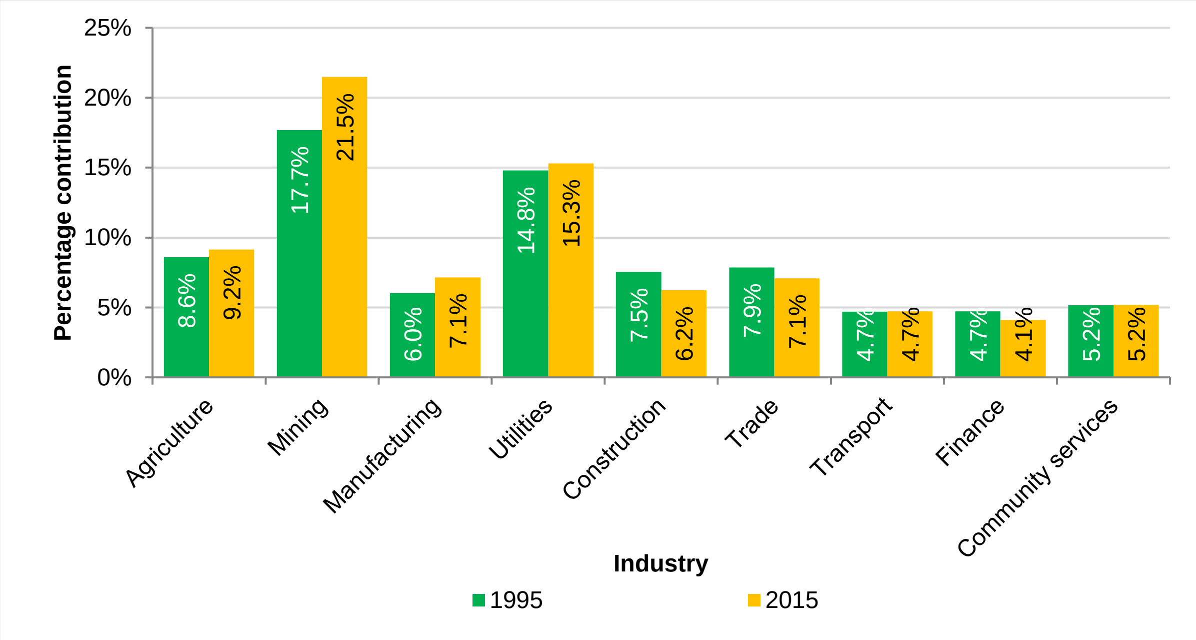
When examining change in economic inclusion and prosperity together, the overall inclusive growth change scores show that between 2011 and 2016, Limpopo (8.95), Mpumalanga (7.00) and Eastern Cape (6.96) experienced the biggest improvement in their respective scores (Figure 1.39). When one considers the individual theme scores it is apparent that the majority of improvement in all nine provinces were due to improvement in the prosperity theme and not in the economic inclusion theme. Between 2011 and 2016, Limpopo (4.40) registered the highest improvement in economic inclusion and Western Cape (1.10) the lowest. Over the same period, Limpopo (4.55) also recorded the highest score change in the prosperity theme and Gauteng (1.87) the lowest.

1.7.3 Regional contribution

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

Figure 1.40 depicts the contribution of each of the economic industries in Mpumalanga to the corresponding national industry in 1995 and in 2015. It is estimated that in 2015, the province was a substantial role-player in the national mining and utilities (mainly electricity supply) industries, with respective shares of 21.5 per cent and 15.3 per cent. It is noticeable that the contribution by the agriculture, mining, manufacturing and utilities industries increased between 1995 and 2015, whereas the other industries' contribution to the national figure remained either unchanged or declined.

Figure 1.40: Mpumalanga's contribution to South Africa's industries (constant 2010 prices), 1995-2015



Sources: Statistics South Africa – GDP, 2017

Table 1.24 exhibits the contribution by each of the three districts to the provincial industries in 1996 and 2016. Nkangala was the largest contributor to the provincial GVA with a share of 40.8 per cent in 1996 and 38.1 per cent in 2016. In 2016, the contribution by Gert Sibande was 27.7 per cent and that of Ehlanzeni 34.2 per cent. Nkangala made considerable contributions to the province's mining (63.6 per cent) and utilities (40.2 per cent) industries in 2016. In 2016, Gert Sibande was the main contributor to Mpumalanga's manufacturing (39.8 per cent), whilst Ehlanzeni played a major role in the province's tertiary/services industries.

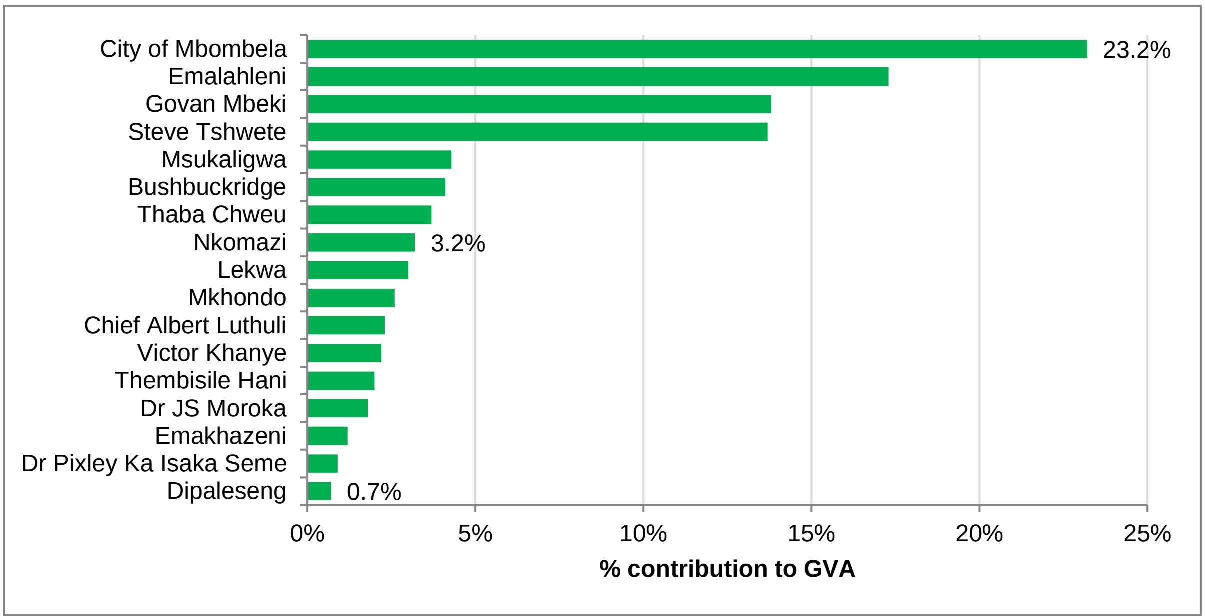
Table 1.24: Regional contribution to Mpumalanga's industries (GVA at constant 2010 prices), 1996-2016

Industry	Gert Sibande		Nkangala		Ehlanzeni	
	1996	**2016**	**1996**	**2016**	**1996**	**2016**
Agriculture	37.0%	35.1%	23.7%	22.4%	39.3%	42.5%
Mining	40.7%	29.7%	52.5%	63.6%	6.8%	6.7%
Manufacturing	37.8%	39.8%	36.9%	32.6%	25.2%	27.6%
Utilities	23.6%	24.5%	55.0%	40.2%	21.3%	35.4%
Construction	24.0%	22.7%	34.8%	30.3%	41.2%	47.0%
Trade	26.7%	25.3%	31.4%	27.3%	41.9%	47.4%
Transport	29.1%	27.6%	34.3%	30.3%	36.6%	42.1%
Finance	18.6%	20.2%	37.4%	30.7%	43.9%	49.1%
Community services	23.4%	23.1%	30.9%	26.8%	45.7%	50.1%
Total	**31.3%**	**27.7%**	**40.8%**	**38.1%**	**27.9%**	**34.2%**

Source: IHS Markit – ReX, October 2017

Figure 1.41 depicts the percentage contribution by the seventeen local municipal areas to the provincial GVA in 2016. In 2016, City of Mbombela (23.2 per cent), Emalahleni (17.3 per cent), Govan Mbeki (13.8 per cent) and Steve Tshwete (13.7 per cent) contributed 68.0 per cent to the Mpumalanga economy. Dipaleseng (0.7 per cent) made the smallest contribution to the provincial economy.

Figure 1.41: Contribution to provincial GVA (constant 2010 prices) by local municipal area in Mpumalanga, 2016



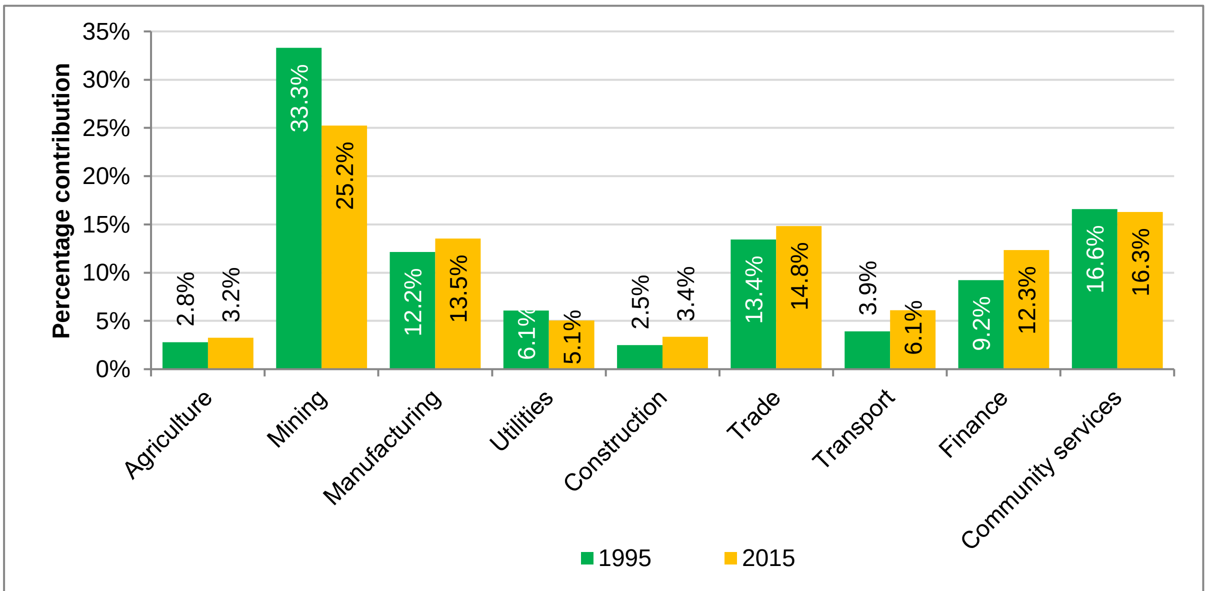
Source: IHS Markit – ReX, October 2017

1.7.4 Sectoral contribution and performance

Contribution to the provincial economy

In 2015, the primary sector in Mpumalanga contributed 28.5 per cent, the secondary sector 21.9 per cent and the tertiary sector 49.5 per cent to the provincial GDP. Although the economy depended less on the primary sector in 2015 than in 1995 (36.1 per cent), it continued to stand in contrast to the national primary sector's small contribution of 10.4 per cent in 2015. Nationally, the secondary sector added 19.9 per cent and the tertiary sector 69.6 per cent in 2015. Figure 1.42 displays the share of each economic industry in the provincial economy in 1995 and 2015.

Figure 1.42: Contribution to Mpumalanga GDP (constant 2010 prices) by industry, 1995-2015

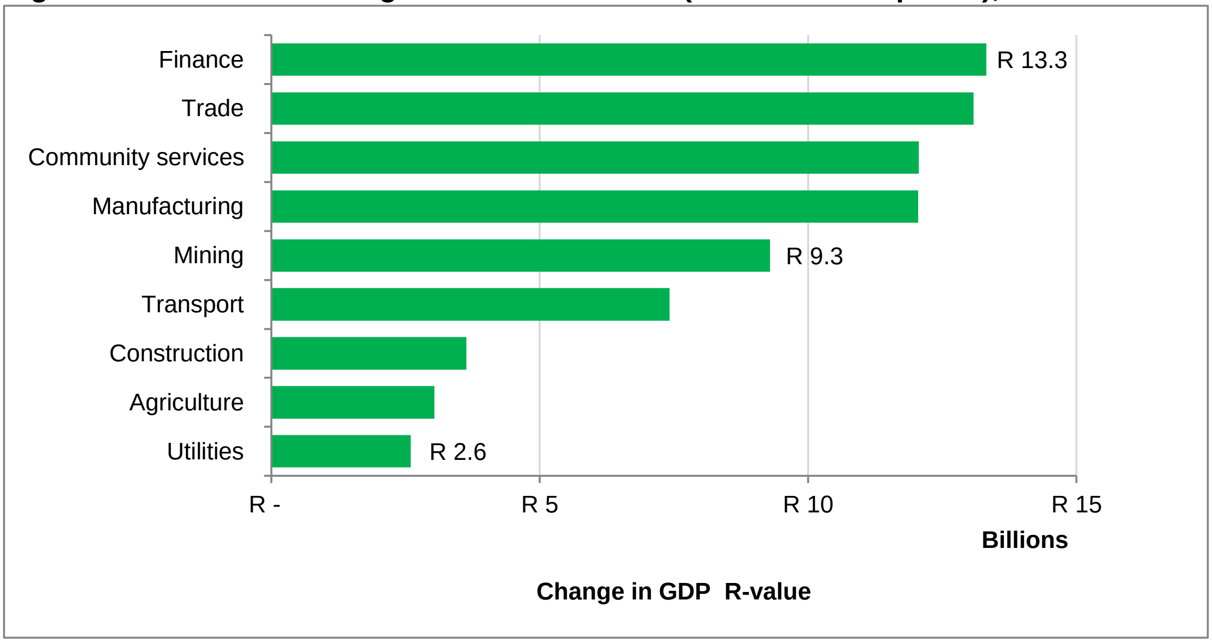


Source: Statistics South Africa – GDP, 2017

It is estimated that in 2015, the three largest contributors to the provincial economy were mining (25.2 per cent), community services (16.3 per cent) and trade (14.8 per cent). The top three's ranking was unchanged from 1995, when mining contributed 33.3 per cent, community services 16.6 per cent and trade 13.4 per cent.

Figure 1.43 illustrates the change in monetary terms by industry from 1995 to 2015. The real value of all nine industries increased between 1995 and 2015. The finance industry (R13.3 billion) registered the largest absolute change over the 20-year period and the utilities industry (R2.6 million) the smallest.

Figure 1.43: Absolute change in GDP rand value (constant 2010 prices), 1995-2015



Source: Statistics South Africa – GDP, 2017

Contribution to the districts' economy

Table 1.25 displays the share of each economic industry in the three districts' economies in 1996 and 2016. The mining industry was the largest industry in Gert Sibande in 2016 with a 26.5 per cent share. Mining activities also dominated the Nkangala economy as it added 41.2 per cent to the district's economy in 2016. In 2016, the largest contributing industry in Ehlanzeni was community services with a share of 24.2 per cent. The contributions by the primary sector in Gert Sibande and Ehlanzeni declined from 1996 to 2016, whereas it remained at 43.1 per cent in Nkangala. With the exception of Nkangala, the economic contributions of the secondary sectors increased. The economic contribution by the tertiary sectors improved over the 20-year period in all three districts.

Performance and employment in the provincial economy

Figure 1.44 depicts the real GVA growth per industry over the period 2010 to 2015 in the left-hand diagram and the contribution to changes in employment numbers over the same period in the right-hand diagram. Over the 5-year period, finance, community services and transport achieved the highest annual average growth rates, whereas utilities and manufacturing recorded the lowest average annual growth.

In 2015, some 184 460 more people were employed by the nine industries in Mpumalanga than in 2010. In the right hand diagram, it is observable that the medium growth industries, with growth between 2 and 4 per cent per annum, contributed 76.4 per cent to the increased number of employed. The low growth industries, with growth of less than 2 per cent per annum, contributed 23.6 per cent. Based on the two diagrams, it is evident that an industry makes a larger contribution to employment growth when it achieves a medium to high growth rate, than when it grows at a low growth rate.

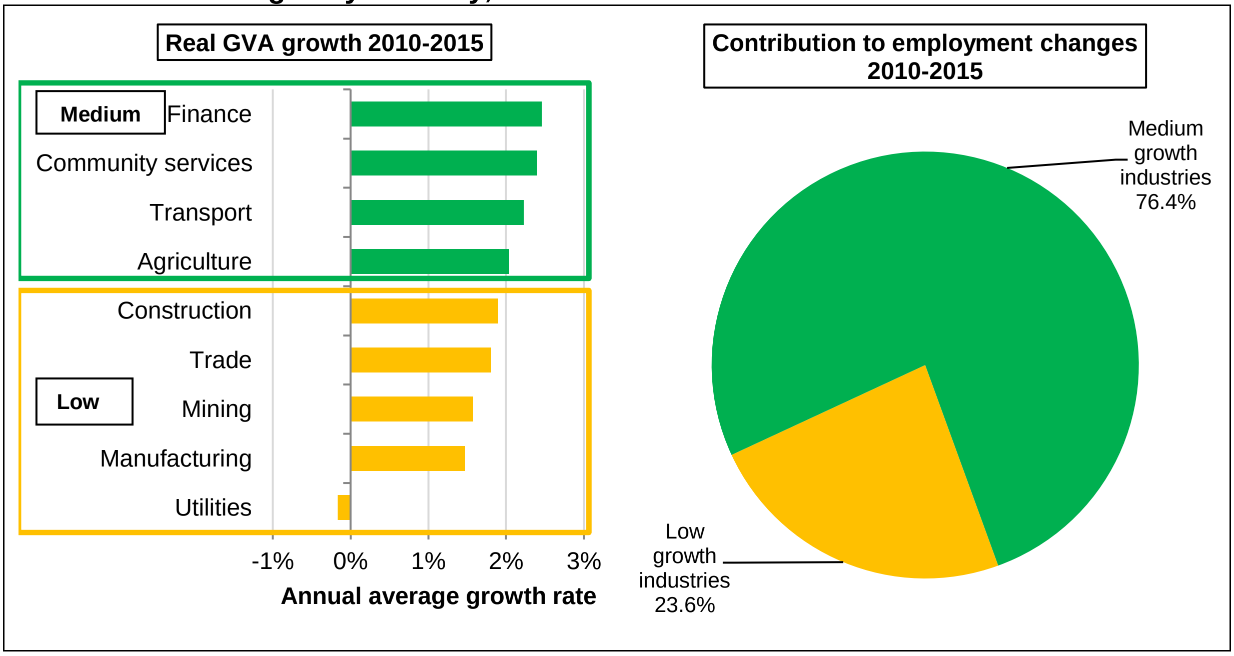
Table 1.25: Contribution to individual districts' GVA (constant 2010 prices) by industry, 1996-2016

Industry	Gert Sibande		Nkangala		Ehlanzeni	
	1996	2016	1996	2016	1996	2016
Agriculture	4.3%	3.9%	2.1%	1.8%	5.2%	3.8%
Mining	41.3%	26.5%	40.9%	41.2%	7.8%	4.9%
Primary sector	***45.6%***	***30.4%***	***43.1%***	***43.1%***	***12.9%***	***8.7%***
Manufacturing	14.4%	19.9%	10.8%	11.8%	10.8%	11.1%
Utilities	5.0%	4.3%	8.9%	5.2%	5.1%	5.1%
Construction	1.8%	2.8%	2.0%	2.7%	3.5%	4.6%
Secondary sector	***21.2%***	***26.9%***	***21.7%***	***19.6%***	***19.3%***	***20.8%***
Trade	11.2%	13.7%	10.1%	10.7%	19.7%	20.8%
Transport	3.8%	6.1%	3.4%	4.9%	5.3%	7.6%
Finance	6.0%	9.1%	9.3%	10.1%	16.0%	18.0%
Community services	12.2%	13.8%	12.4%	11.6%	26.8%	24.2%
Tertiary sector	***33.2%***	***42.7%***	***35.2%***	***37.3%***	***67.7%***	***70.5%***
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: IHS Markit – ReX, October 2017

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

Figure 1.44: Real GVA growth (constant 2010 prices) and contribution to employment changes by industry, 2010-2015



Sources: Statistics South Africa – GDP, 2017
Statistics South Africa – QLFS, 2017

1.7.5 Diversification of the economy

The Tress Index measures the level of concentration or diversification in an economy. An index score of zero represents a diversified economy, while a number nearing 100 indicates higher concentration. In 2016, the economy of Mpumalanga appears to be more diversified than that of South Africa with an index score of 34.8 compared to a national score of 40.1. Among the nine provinces, Mpumalanga ranked first in terms of the most diversified economy.

1.7.6 Comparative advantage of the economy

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

The location quotient at the end of the second quarter 2017 was calculated using QLFS data by Statistics SA. In Mpumalanga, agriculture (1.52), mining (1.65), utilities (3.77), construction (1.00) and trade (1.04) held a comparative advantage over the same industry in the national economy. Table 1.26 provides the location quotients of the various industries, indicating their respective comparative advantages. A rule of thumb is that when an industry has a location quotient of 1.2 or above it indicates that some degree of specialisation is taking place in that particular industry compared with the national industry. Mpumalanga recorded three industries (utilities, agriculture and mining) with a location quotient higher than 1.2 in 2017.

Table 1.26: Essential economic ratio's by industry in Mpumalanga, 2010-2017

Industry	Comparative advantage 2017	Labour intensity 2015	Employment elasticity 2010-2015	Labour productivity 2015
Agriculture	1.52	2.57	1.23	0.38
Mining	1.65	0.20	1.57	4.49
Manufacturing	0.87	0.70	1.74	1.52
Utilities	3.77	0.77	-11.29	2.06
Construction	1.00	3.20	4.50	0.30
Trade	1.04	1.40	0.28	0.67
Transport	0.76	0.90	4.64	1.09
Finance	0.75	0.92	3.23	1.04
Community services	0.92	1.53	3.15	0.69
Total	**-**	**-**	**2.59**	**1.00**

Sources: Statistics South Africa – QLFS, Q2 2017
Statistics South Africa – GDP, 2017
IHS Markit - ReX, October 2017

Comparative advantage analysis can be improved with two indicators to yield a dynamic location quotient. These two indicators are percentage change in location quotient over time and the size of the industry in terms of jobs. Industries can then be classified in four quadrants based on its location quotient and change in location quotient and ranked according to size.

The logic follows that an industry in the upper right quadrant (location quotient ≥ 1.0 and change in location quotient ≥ 0) holds a comparative advantage over the industry in the base region, and is also expanding the advantage over time (Table 1.27). These industries are "standouts" that distinguish the provincial economy and are doing more so every year. Such industries are especially important if they are also large in terms of job numbers. In Mpumalanga, trade, construction, private households and utilities (ranked according to employment number) can be regarded as "standout" industries.

The lower right quadrant (location quotient < 1.0 and change in location quotient ≥ 0) contains industries which do not have a comparative advantage yet, but are becoming more so over time. If these industries continue this trend, they will move over the horizontal cut-off into the upper right quadrant. They can be called "pre-emergent" industries, having the potential to contribute more to the region's economy in future. In Mpumalanga, community services, finance, manufacturing and transport (ranked according to employment size) can be regarded as "pre-emergent" industries.

Table 1.27: Classification of industries in Mpumalanga according to dynamic location quotient, 2014-2017

Location quotient ≥ 1.0 and negative change in location quotient *"Intensive care"*	**Location quotient ≥ 1.0 and positive change in location quotient** *"Standouts"*
Agriculture Mining	Trade Construction Private households Utilities
Location quotient < 1.0 and negative change in location quotient *"Little promise"*	**Location quotient < 1.0 and positive change in location quotient** *"Pre-emergent"*
	Community services Finance Manufacturing Transport

Source: Calculations based on labour data by Stats SA – QLFS, Q2 2017

The upper left quadrant (location quotient ≥ 1.0 and negative change in location quotient) contains industries that hold a comparative advantage over the industry in the base region, but with a declining advantage. If a medium or large industry is in this quadrant it is an important warning that the province is losing a major part of its economy and should inform planning and investment priorities accordingly. They can be called "intensive care" industries as this quadrant usually indicates industries in decline. In Mpumalanga, agriculture and mining both have a location quotient in excess of 1.0, but require "intensive care" in terms of planning and investment as its advantage has declined over time.

Finally, the lower left quadrant (location quotient < 1.0 and negative change in location quotient) contains industries which are less important regionally than nationally and are also declining in employment. These industries holds "little promise" in terms of relative employment size and labour growth, however, the province needs to attract more businesses in those industries in order to maintain an economy that is sufficiently balanced and diversified in comparison to the national economy. None of Mpumalanga's broad industries ranked in this quadrant.

1.7.7 Labour intensity

Labour intensive industries are identified by comparing the output generation capacity with the utilisation of labour by each of the industries. In 2015, the following four industries in Mpumalanga exhibited higher employment shares relative to their output shares, thereby indicating a high level of labour intensity: agriculture, construction, trade and community services. Nationally the same four industries revealed a high labour intensity. Table 1.26 provides a comparison of employment with output at industry level for 2015.

1.7.8 Employment elasticity

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

In Mpumalanga, the transport industry recorded the highest employment elasticity of 4.64 over the period 2010 to 2015. Therefore, on average over the 5-year period, every 1 per cent of real GVA growth in the province's transport industry translated into a 4.6 per cent increase in employment in the transport industry. The employment growth in utilities was negative over the 5-year period and therefore it recorded negative employment elasticity – or jobless growth. Table 1.26 provides the historic employment elasticities of the various industries.

1.7.9 Labour productivity

Productivity can be measured by relating changes in output to changes in one or more input to production. Should an industry achieve a score of more than unity (1) then that industry is regarded as experiencing higher labour productivity than all industries combined. When comparing Mpumalanga's industry specific labour productivity with that of the province's total industries, it is evident that five industries (mining, manufacturing, utilities, transport and finance) achieved higher labour productivity than the total industries combined in 2015 (Table 1.26).

1.7.10 Regional competitiveness

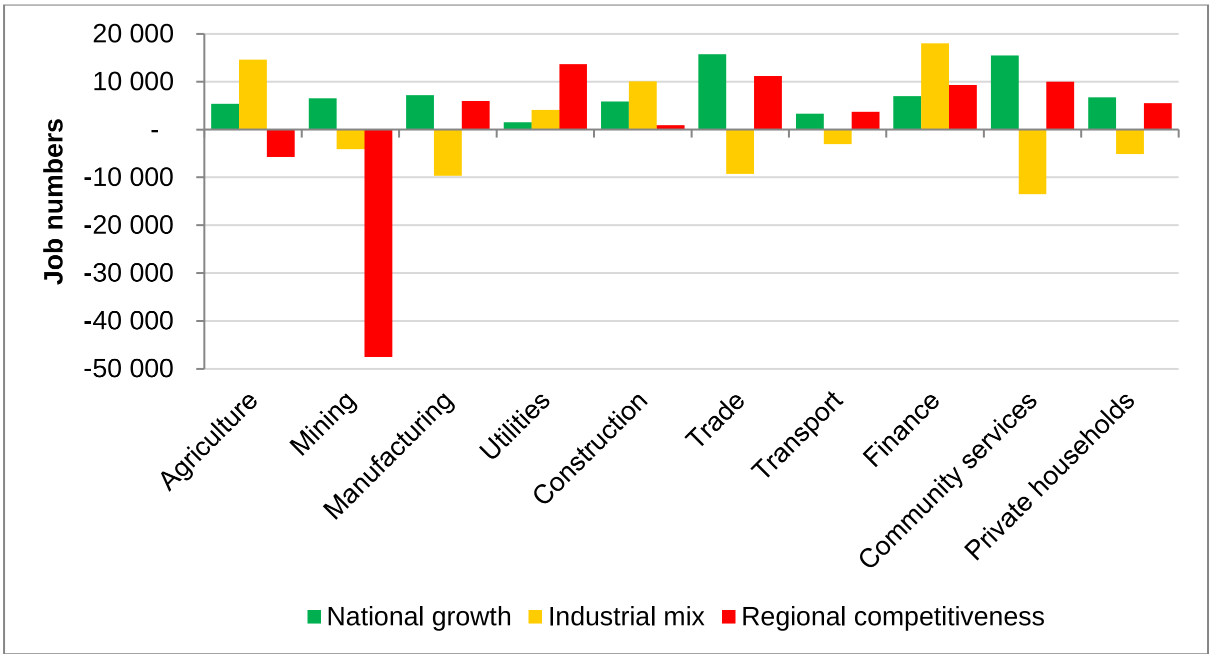
Shift share is a standard regional analysis method that attempts to determine how much of regional job growth can be attributed to national trends and how much is due to unique regional factors. In using a shift share analysis a regional economy (Mpumalanga) is indexed against a base economy (South Africa). The technique basically distributes job change into three component parts. The three component parts are the national growth effect, the industrial mix effect and the regional competitiveness effect.

The regional competitiveness effect is the most important of the three indicators, as it explains how much of the labour change in a given industry is due to some unique competitive advantage that the province possesses. This effect is calculated by taking the total provincial employment growth and subtracting the national growth and industrial mix effects. Note that this effect can be higher than actual job growth if national and/or industry mix effects are negative while provincial growth is positive. This is because the regional competitiveness effect accounts for jobs "saved" from declining national trends as well as new jobs created.

Industries with high regional competitiveness effects highlight the region's competitive advantages or disadvantages. Shift share analysis does not indicate why these industries are competitive but it merely shows the sectors in which the province is out-competing or under-competing the nation. Shift share is thus useful in identifying investment targets so that local stakeholders can assist provincial industries to either continue to outperform national trends or else "catch up" with national trends so that the provincial economy is not left behind.

Figure 1.45 displays what job change took place per industry in Mpumalanga between the second quarter 2014 and the second quarter 2017 and whether expected change (national and industrial) or regional competeviness was the dominant factor in the change. The agriculture industry in Mpumalanga increased by 14 280 between 2014 and 2017. Using shift share, 5 370 of those jobs might have been expected due to national trends in the economy as a whole, while 14 623 jobs might have been expected due to national trends in the agriculture industry specifically. This makes a total of 19 993 jobs in Mpumalanga's agriculture industry expected from national trends. The regional competitiveness effect is thus (14 280 – 19 993 =) -5 713 jobs, indicating that some specific condition in the provincial agriculture industry resulted in falling short of the expected change of 19 993 jobs. Therefore, agriculture's employment increased as a result of national as well as industry specific factors despite the negative regional factors. No other industry in Mpumalanga reveals the same shift share results.

Figure 1.45: Industry job changes according to shift share analysis in Mpumalanga, 2014-2017



Sources: Calculations based on labour data by Stats SA – QLFS, Q2 2017

Job numbers in Mpumalanga's mining industry declined by 45 095 over the 3-year period. Shift share analysis reveals that regional factors was the main reason for the declining numbers. Manufacturing job numbers increased by 3 554 over the 3-year period in the province. It is evident from Figure 1.45 that general national growth was responsible for the largest part of the increase and that the provincial manufacturing industry outperformed the national industry by stemming job losses. Other provincial industries that recorded higher employment as a result of national growth and regional competitiveness were trade, community services and private households.

Job numbers in Mpumalanga's utilities industry increased by 19 318 between 2014 and 2017. The majority (13 674) of this was due to specific factors in the province (regional competitiveness), followed by expected change due to the industry effects (4 146) and general national growth (1 497). No other industry revealed a similar higher regional competitiveness as utilities. The job changes in the provincial construction and finance industries were mainly due to industry specific factors, whereas the transport industry achieved job growth primarily due to general national growth.

1.7.11 Tourism

Because tourism is not a clearly defined industry in the SIC, it was therefore the first economic activity to use Satellite Account[1] standards to measure its impact on national economies – as approved by the United Nations (UN) in March 2000. According to Statistics South Africa's Tourism Satellite Account (TSA), the national tourism sector was simulated to have contributed some 3.1 per cent to GDP in 2015. Some 711 746 persons were directly engaged in producing goods and services purchased by visitors, which accounted for 4.5 per cent of total employment in 2015.

The current lack of sufficient baseline data of tourism supply on a provincial level makes an assessment of the supply side, and therefore a similar exercise such as the TSA for South Africa on a provincial basis, impossible. It is, however, possible to express tourism spend as a percentage of regional GDP in order to indicate how large an impact it makes and whether its contribution is growing. In terms of this indicator, tourism spend in 2011 was equal to 5.8 per cent of both South Africa and Mpumalanga's GDP. By 2016, tourism spend in South Africa increased to 6.1 per cent of GDP, whilst in Mpumalanga it also increased to 6.7 per cent of the provincial GDP. Among the nine provinces, Western Cape (10.6 per cent) registered the largest tourism spend to GDP share (Table 1.28).

Table 1.28: Tourism spend in South Africa and provinces, 2011-2016

Province	2011		2016	
	Total tourism spend R-million	Tourism spend as % of GDP (current prices)	Total tourism spend R-million	Tourism spend as % of GDP (current prices)
Western Cape	40 482	9.8%	62 608	10.6%
Eastern Cape	11 388	5.0%	14 047	4.2%
Northern Cape	2 340	3.7%	3 829	4.2%
Free State	6 576	4.2%	11 861	5.3%
KwaZulu-Natal	31 955	6.7%	36 084	5.2%
North West	9 263	5.0%	14 812	5.6%
Gauteng	44 842	4.3%	71 749	4.8%
Mpumalanga	13 215	5.8%	21 906	6.7%
Limpopo	14 509	6.5%	29 047	9.3%
Total	**174 571**	**5.8%**	**265 943**	**6.1%**

Source: IHS Markit – ReX, October 2017

According to South African Tourism's 2016 *Annual Tourism Report*, Mpumalanga was the fourth most visited province by foreign visitors in 2016, with a share of 14.2 per cent of total foreign arrivals visiting the province. This was slightly down from 14.6 per cent of total foreign arrivals in 2015. In 2016, Mpumalanga captured 9.6 per cent of the total bed-nights spent by all foreign tourists in South Africa. This was lower than the 10.6 per cent in 2015. Mpumalanga attracted 7 per cent of domestic tourists in 2016, which was down from 9 per cent in 2015.

1.7.12 Inflation

The most common way to measure inflation is by reference to a CPI, which measures the changes in prices of a basket of goods and services purchased by a representative set of households. Mpumalanga's average annual inflation rate for 2016 was 6.4 per cent, which was equal to the average for South Africa as well as the joint fifth lowest overall.

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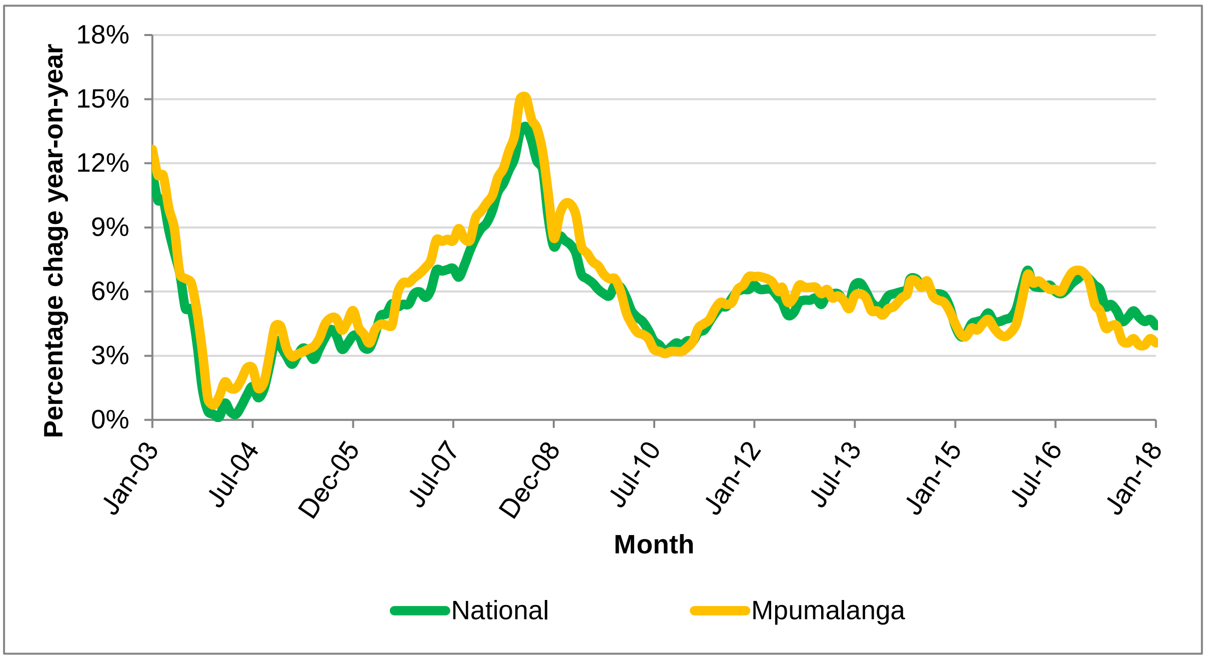
[1] A Satellite Account is a term developed by the United Nations to measure the size of economic sectors that are not defined as industries in national accounts.

In January 2018, Mpumalanga recorded an inflation measurement of 3.6 per cent. This was the twelfth consecutive month that Mpumalanga's inflation rate was below the upper 6 per cent limit of the inflation target zone. It was also the thirteenth consecutive month that Mpumalanga's inflation rate was lower than the national inflation rate. The comparative percentage change in the CPI for South Africa and Mpumalanga from January 2003 to January 2018 is displayed in Figure 1.46.

Figure 1.46: CPI in South Africa and Mpumalanga, 2003–2018



Source: Statistics South Africa – CPI, 2018

The main determinants of inflation in Mpumalanga based on their respective weightings, as provided in Table 1.29, are price changes in food and non-alcoholic beverages (FNAB), housing and utilities, transport as well as miscellaneous goods and services (MGS). These four broad determinants, in terms of the weighting, contribute more than 72 per cent to the level of inflation and inflation movements in Mpumalanga.

Table 1.29: Mpumalanga's CPI group indices, weights, percentage change & contribution to inflation, January 2018

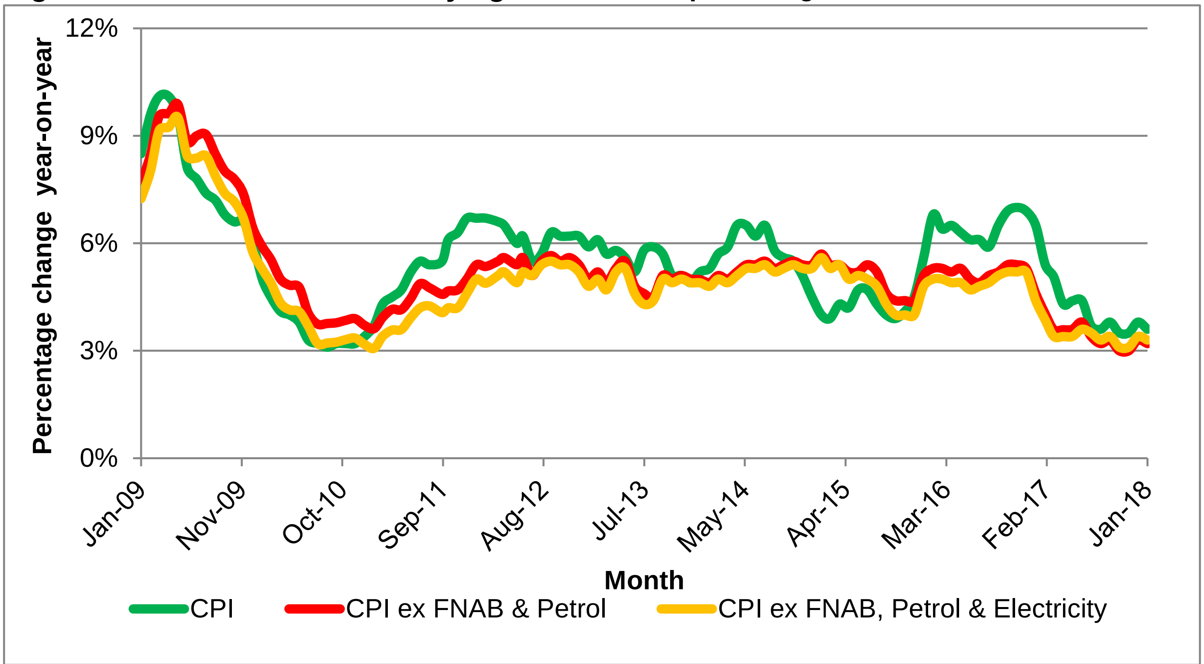
Index description	Weight	Percentage change		Estimated contribution to inflation
		Month-on-month	Year-on-year	
Food & non-alcoholic beverages	21.24	+0.9	+4.1	23.3%
Alcoholic beverages and tobacco	5.17	+0.1	+2.8	3.8%
Clothing and footwear	4.97	+0.1	+2.5	3.9%
Housing and utilities	20.08	+0.3	+1.5	13.5%
Household contents and services	3.69	+0.0	-0.3	0.0%
Health	0.55	+0.0	+4.3	0.6%
Transport	18.71	+1.0	+5.1	22.6%
Communication	2.59	+0.0	-1.4	-1.2%
Recreation and culture	5.14	+0.0	+0.6	0.3%
Education	1.84	+0.1	+7.0	3.6%
Restaurants and hotels	3.83	+0.1	+3.9	6.7%
Miscellaneous goods and services	12.19	+0.9	+7.1	22.9%
All items	**100.0**	**+0.0**	**+3.5**	**100.0%**

Source: Statistics South Africa – CPI Additional Tables, 2018

It appears from Table 1.29 that the FNAB index accounted for 23.3 per cent of the average price increase in Mpumalanga during January 2018. The MGS index was responsible for 22.9 per cent of the average price increase, whereas the transport index as well as the housing and utilities index were accountable for 22.6 per cent and 13.5 per cent, respectively. Together, the four main determinants contributed 82.3 per cent of the average price increase in Mpumalanga during January 2018.

When the impact of the more volatile FNAB and petrol prices are excluded from the consumer price index as in Figure 1.47, the underlying annual inflation amounted to 3.2 per cent in January 2018. If electricity prices are also excluded from the calculation of headline CPI inflation, the resultant core inflation would have been 3.3 per cent in January 2018.

Figure 1.47: Measures of underlying inflation in Mpumalanga, 2009–2018



Source: Statistics South Africa – CPI Additional Tables, 2018

1.8. INTERNATIONAL TRADE

Mpumalanga's contribution to total national trade[1] was 1.1 per cent in 2016, marginally lower from the 1.2 per cent contribution in 2014. The two leading provinces, in terms of total trade contribution in 2016, were Gauteng with a share of 63.5 per cent and Western Cape (14.7 per cent). Mpumalanga contributed 1.5 per cent and 0.6 per cent to national exports and national imports, respectively.

The value of Mpumalanga's exports declined by 4.7 per cent per annum between 2014 and 2016, whilst imports grew by 8.6 per cent per annum over the same 2-year period. In contrast, the national exports grew by 4.8 per cent per annum, whereas the value of national imports increased by a mere 0.9 per cent per annum. Mpumalanga was one of three provinces that experienced negative export growth, however, the province recorded the second fastest import growth.

[1] ReX international trade data is derived from administrative data collected by the South African Revenue Service's (SARS) Department of Customs and Excise. The postal code of the registered post office or street address of the South African importer or exporter is captured as part of the documentation of a particular transaction, thus enabling HIS Markit to disaggregate trade data to a regional level.

Mpumalanga registered a positive trade balance of R10.5 billion in 2016, continuing the trend of exports exceeding imports since the start of the period under review in 1996. During the same period, the trade balance of South Africa fluctuated between positive and negative territory, finishing 2016 with a surplus of R15 billion. Mpumalanga was the province with the fifth highest positive trade balance in 2016.

Among the three districts, Ehlanzeni (45.4 per cent) was the main contributor to provincial exports in 2016 followed by Gert Sibande and Nkangala with respective contributions of 36.2 per cent and 18.4 per cent (Table 1.30). Exports from Gert Sibande (19.3 per cent) recorded the highest growth since 1996 and those from Nkangala the slowest (5.2 per cent). Ehlanzeni attracted 37.4 per cent of Mpumalanga's imports in 2016, followed by Nkangala and Gert Sibande. Imports flowing to Ehlanzeni recorded the highest growth rate (18.2 per cent) over the 20-year period and those to Gert Sibande the lowest (7.9 per cent).

Among the three districts, Ehlanzeni recorded the largest positive trade balance of R5.3 billion in 2016, followed by Gert Sibande (R4.2 billion). Gert Sibande is the only district in Mpumalanga that, from time to time in the 20-year period, recorded a negative trade balance.

Table 1.30: Mpumalanga districts' contribution to provincial exports and imports, 2016

District	Exports		Imports	
	Share of Mpumalanga 2016	Growth per annum 96-16	Share of Mpumalanga 2016	Growth per annum 96-16
Gert Sibande	36.2%	19.3%	29.7%	7.9%
Nkangala	18.4%	5.2%	32.9%	13.1%
Ehlanzeni	45.4%	10.7%	37.4%	18.2%

Source: IHS Markit – ReX, October 2017

1.9. CRIME RATES

Crime in South Africa occupies centre stage in the hearts and minds of the public. Unacceptably high levels of crime, especially serious and violent crimes, result in people in South Africa living in fear and feeling unsafe. It also impacts negatively on the country's economic development, undermines the wellbeing of people in the country and hinders their ability to achieve their potential.

Among the four categories of serious community reported crimes displayed in Table 1.31, it is evident that at the national level all four categories declined between 2015/16 and 2016/17. In Mpumalanga, however, only contact related crimes declined by 4.6 per cent. Mpumalanga's contact crimes increase was the highest among the nine provinces and one of only two provinces to record an increase. Mpumalanga's contact crimes contributed 5.5 per cent to the national total, whereas contact related crimes contributed 4.8 per cent. Property related crimes in Mpumalanga made up 6.8 per cent of the national total and the other serious crimes category was equal to 5.8 per cent of the national total. Mpumalanga's property related crimes recorded the joint fourth highest increase among the nine provinces. Mpumalanga was one of only three provinces that recorded an increase in the other serious crimes category.

Table 1.31: Serious community reported crimes in South Africa and provinces, 2016/2017

Provinces	Contact crimes[1]		Contact related crimes[2]		Property related crimes[3]		Other serious crimes[4]	
	Number	% change	Number	% change	Number	% change	Number	% change
Western Cape	114 704	-1.8%	29 997	0.1%	104 754	-6.1%	112 239	-3.7%
Eastern Cape	65 524	-2.6%	12 810	2.5%	53 097	3.9%	36 461	3.5%
Northern Cape	18 105	-4.6%	3 103	-4.7%	13 407	1.5%	9 619	-0.1%
Free State	37 741	-8.2%	6 838	-12.5%	29 733	-2.9%	23 348	-0.7%
KwaZulu-Natal	95 153	-2.8%	14 709	-5.3%	83 492	-3.3%	67 284	-1.9%
North-West	35 483	0.7%	6 064	-0.2%	33 503	6.5%	21 767	-6.0%
Gauteng	171 466	-0.8%	34 023	-3.7%	154 761	2.5%	142 974	-3.7%
Mpumalanga	33 381	2.0%	5 834	-4.6%	36 666	1.5%	27 060	1.9%
Limpopo	36 764	-9.0%	7 352	-10.6%	31 240	-2.6%	28 524	3.9%
Total	**608 321**	**-2.4%**	**120 730**	**-3.3%**	**540 653**	**-0.5%**	**469 276**	**-2.0%**

Source: South African Police Service – Crime Situation in South Africa 2016/17

[1] The 7 serious community reported contact crimes are murder, sexual offences, attempted murder, assault GBH, common assault, common robbery & aggravated robbery.
[2] The 2 serious community reported contact related crimes are arson & malicious damage to property.
[3] The 5 serious community reported property related crimes are burglary at residential premises, burglary at non-residential premises, theft of motor vehicle and motorcycle, theft out of or from motor vehicle & stock theft.
[4] The 3 serious community reported other serious crimes are other theft, commercial crime and shoplifting.

2. BUDGET STRATEGY AND AGGREGATES

2.1. Introduction

The spending priorities for the 2018/2019 financial year as endorsed by the Executive Council are indicated below:

Social Services
The social cluster is allocated R 35 billion 803 million 397 thousand or 74 percent of the total provincial budget in line with the government priorities of social protection, security and societal development.
The social sector departments provide essential services to the poor through targeted interventions such as social relief, public education, and advances the social cohesion and unity of all people around the common Constitutional directive of protection of human rights.

Support to girl children
The government has introduced a variety of poverty alleviation programme to uphold human dignity and improve the socio-economic situation of the poor communities.
Most of the social relief benefits covers the most basic needs of the families, leaving the needs of girl children from poor household unattended.
There are reports that some of the girls eventually drop out of school to save themselves from the frustration of having to catch up on a monthly basis, while those who chose to stay on face the prospects of poor academic results and low level of confidence.
To address this challenges, **R20.2 million** is set aside to provide dignity pack to support the girl children in the Province.

School infrastructure
Education is one of the first and crucial building blocks of a successful society.
To this end, the government will continue to broaden access to education and invest in skills that are needed to growth the provincial economy.
In order to improve the quality of teaching and learning, and to provide comprehensive support to pupils who attends farm schools, **R370 million** is set aside for building of state of the art boarding school in Thaba Chweu.
Furthermore, we will also commence with the planning and design of boarding school to be situated in Gert Sibande District.

Post school support
The government has introduced a progressive policy of fee free post education for children from poor household earning a combined annual R350 000 salary this year.
Despite this, the provincial government will continue to sustain bursaries for the current bursary holders, who fell out of the threshold for fee free but within the provincial set criteria for deriving beneficiary.
R210 million is allocated towards such bursaries in order to sustain the existing commitments whilst a mechanism is being sought on implementation of the directive and the related threshold.

Health infrastructure
R1 billion 320 million 298 thousand is allocated towards health infrastructure delivery, included in this is budget for the construction of Bethal Hospital, finalization of Phase 1 and 2 of Mmametlhake hospital and ongoing construction of Mapulaneng and Middleburg hospitals.

Sanitation programme
Lack of or inadequate waste disposal or sewage system have profound impact on the health of the society.
To ensure fulfillment the right of access to proper sanitation, **R165 million** is made available to address sewer spillages challenges in Emzinoni and Embalenhle (Govan Mbeki); Tekwane South (City of Mbombela) and address sewer spillage as well as refurbishment and internal reticulation in Amersfoort (Dr Pixley Ka Isaka Seme).
The sanitation challenges in Siyanqoba (Emalahleni) will be covered through the existing Mining Town Grant.

Economy, Investment and Employment
The Minister of Finance in his Budget speech last month, called for bold and coordinated steps to *"move our economy towards the targets we have set ourselves in the National Development Plan*".
We can boldly state that the Province has started to experience the benefits of some of the economic interventions of the administration in the last years.
We will continue to invest in our key economic industries, and progressively bring the previously disadvantaged communities and targeted groups in the mainstream of the economy.
The share of the economy, investment and employment cluster is R10 billion 825 million 761 thousand, or 23 percent of the provincial budget.

Transport infrastructure
Road infrastructure is one of the key enabler of economic prosperity, we have thus allocated **R1.9 billion** for 2018/19. Included in this allocation is **R712 million towards the coal haulage** to address the infrastructure backlog in the Province.
One of the high impact infrastructure programme of the Province, that is, the **Special Economic Zone** in Nkomazi will receive a green light when the SEZ Advisory Committee meet on the 20 March this year.
The announcement of the Minister of Finance who indicated that **R4.9 billion** is allocated, nationwide, for industrial infrastructure projects, which include Nkomazi SEZ, over the medium term period to promote industrial development and increase investment into the country.

Agriculture
Agricultural production is a one of the key catalyst for economic development & employment strategy.
To this end, **R60 million** is allocated for the finalization of the Agri-Hubs in Mkhuhlu and Mkhondo, as well as the Fortune 40 programme.
R 320 million 488 thousand is allocated for commencement of the construction of top structure market building of the Mpumalanga International Fresh Produce Market.

Promotion of township economy, SMMEs and cooperatives
The State of the Nation Address has reaffirmed the importance rural and township enterprises within the setup of local communities as the base for the initiation of radical economic transformation agenda.

Social Enterprise Development model
The Provincial government will honour the undertaking to shift a significant component of the government spend to SMMEs, cooperatives, township and rural enterprises.
Good progress, in this regard has been made, since the launch of the Social Enterprise Development Model last year, which is assisting the Province to re-orientate small enterprises and cooperatives as the centres of local production and supply of goods and material for our social and economic infrastructure.

The amount of investment in local suppliers will increase as many enterprises increase the capacity to supply and achieve the desired levels of quality assurance and grading.

Government nutrition programme

Since the inception of the Mpumalanga Government Nutrition Programme in June 2017, approximately **2 088.5** tonnes of fresh produce were procured locally as part of the drive to support the growth of emerging farmers and to revitalize agriculture and the agro-processing value chain in the Province.

Governance and administration

The remaining 3 percent of the budget, which translates to R1 billion 478 million 490 thousand is shared by the departments in the Governance and administration cluster.

2.2. Summary of budget aggregates

Table 1.6: Provincial budget summary

Table 1.6: Provincial budget summary

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
Provincial receipts									
Transfer receipts from national	35 798 918	38 158 313	40 839 744	43 264 220	43 733 317	43 733 317	46 404 343	49 384 492	52 609 270
Equitable share	29 396 392	31 336 643	33 794 139	36 081 680	36 503 821	36 503 821	38 467 686	41 394 597	44 554 600
Conditional grants	6 402 526	6 821 670	7 045 605	7 182 540	7 229 496	7 229 496	7 936 657	7 989 895	8 054 670
Provincial own receipts	702 727	821 638	864 798	1 180 946	1 180 946	1 180 946	1 320 099	1 342 695	1 369 382
Total provincial receipts	**36 501 645**	**38 979 951**	**41 704 542**	**44 445 166**	**44 914 263**	**44 914 263**	**47 724 442**	**50 727 187**	**53 978 652**
Provincial payments									
Current payments	28 479 368	30 647 530	32 933 091	35 059 254	35 968 910	36 272 484	38 425 657	40 723 968	43 332 822
Transfers and subsidies	4 663 835	5 134 522	5 431 640	5 516 273	5 233 490	5 294 621	5 390 617	5 401 346	5 683 707
Payments for capital assets	2 986 688	3 534 620	3 027 589	3 961 348	3 806 097	3 827 211	4 291 168	3 919 970	3 387 080
Payments for financial assets	28 521	2 295	15 337	-	94	94	-	-	-
Unallocated contingency reserve	-	-	-	-	-	-	-	681 903	1 575 043
Total provincial payments	**36 158 412**	**39 318 967**	**41 407 657**	**44 536 875**	**45 008 591**	**45 394 410**	**48 107 442**	**50 727 187**	**53 978 652**
Surplus/(deficit) before financing	**343 233**	**(339 016)**	**296 885**	**(91 709)**	**(94 328)**	**(480 147)**	**(383 000)**	**-**	**-**
Financing									
Provincial roll-overs	65 160	177 271	229 137						
Provincial cash reserves	272 997	349 319	453 020	91 200	91 200	91 200	383 000		
Donor Funding	25	40 000	29 219						
Legislature Receipts Retention					2 619	2 619			
Surplus/(deficit) after financing	**681 415**	**227 574**	**1 008 261**	**(509)**	**(509)**	**(386 328)**	**-**	**-**	**-**

The above table indicates provincial receipts, payments and budget and surplus is only reflected in the outer years for allocation later during the MTEF period, which will be allocated later. The numbers included in 2017/18 under the revised estimates column refer to the estimated actual position, which includes the actual expenditure and collection as at 31 December and projected expenditure up to 31 March.

3. BUDGET PROCESS AND THE MEDIUM-TERM EXPENDITURE FRAMEWORK (MTEF)

The Provincial Treasury issues a provincial budget schedule that states dates on which budget drafts are required from provincial departments. This schedule is in consistent with the schedule that is received from National Treasury for a particular year. The Provincial Treasury also prepares a provincial MTEF budget guidelines in line with the guidelines received from National Treasury that is sent to all votes to provide guidance on how the budget compilation should be made, which includes, consumer price index rate, percentage guides on how to budget for personnel related estimates.

The Provincial Treasury conducts Provincial Medium Term Expenditure committee meetings to interrogate departments' performance as well as their medium term expenditure framework estimates to ensure that provincial priorities are addressed. The budget estimates, annual performance plans and their performance reports are also presented at relevant portfolio committees at the Provincial Legislature before the budgets are appropriated.

Each sector is required to present their budget and their annual performance plans at relevant portfolio committee of the Provincial Legislature before Provincial Legislature appropriates the budget.

4. RECEIPTS

4.1. Overall position

The table below reflects all receipts by the Province, including Equitable Share, conditional grants as well as provincial own receipts. The prominent improvement in the revenue estimates is to be realised in motor vehicle licences. This was as a result of the Province taking a decision to take over this function from some municipalities that defaulted in transferring this revenue to the Province.

Other funding that is also appropriated is as a result of surplus revenue estimated in this financial year as well as revenue earned from investment the Provincial Treasury invested.

Table 1.7: Summary of provincial receipts

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Transfer receipts from National									
Equitable share	29 361 939	31 726 817	33 810 402	36 081 680	36 503 821	36 503 821	38 467 686	40 731 114	42 988 129
Conditional grants	6 331 537	6 851 055	6 986 592	7 182 540	7 229 496	7 228 966	7 936 657	7 989 895	8 054 670
Total transfer receipts from National	**35 693 476**	**38 577 872**	**40 796 994**	**43 264 220**	**43 733 317**	**43 732 787**	**46 404 343**	**48 721 009**	**51 042 799**
Provincial own receipts									
Tax receipts	453 462	510 696	530 800	821 401	821 401	909 396	958 997	969 365	979 867
Casino taxes	72 006	75 608	77 296	83 357	83 357	79 885	88 192	93 484	98 626
Horse racing taxes	7 936	8 332	16 349	9 635	9 635	19 023	10 193	10 805	11 399
Liquor licences	2 218	17 861	6 589	8 409	8 409	7 724	8 612	8 816	9 301
Motor vehicle licences	371 302	408 895	430 566	720 000	720 000	802 764	852 000	856 260	860 541
Sales of goods and services other than capital assets	121 479	116 610	134 518	146 125	146 125	152 286	158 219	164 025	171 116
Transfers received	-	1 049	170	-	-	290	-	-	-
Fines, penalties and forfeits	63 674	90 254	89 229	70 321	70 321	53 372	48 106	48 330	50 553
Interest, dividends and rent on land	98 806	92 690	154 395	128 951	128 951	149 149	137 861	143 398	150 747
Sales of capital assets	3 758	6 113	5 377	4 710	4 710	5 345	5 163	5 644	4 607
Financial transactions in assets and liabilities	13 671	18 349	14 295	9 438	9 438	12 805	11 753	11 933	12 492
Total provincial own receipts	**754 850**	**835 761**	**928 784**	**1 180 947**	**1 180 947**	**1 282 643**	**1 320 099**	**1 342 695**	**1 369 382**
Other funding	-	-	-	-	-	-	**383 000**	-	-
Total provincial receipts	**36 448 326**	**39 413 633**	**41 725 778**	**44 445 167**	**44 914 264**	**45 015 431**	**48 107 442**	**50 063 704**	**52 412 181**

4.2 Equitable share

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	**2014/15**	**2015/16**	**2016/17**		**2017/18**		**2018/19**	**2019/20**	**2020/21**
Vote 01: Office of the Premier	216 820	267 649	263 071	289 769	306 650	306 650	279 328	293 712	309 866
Vote 02: Provincial Legislature	254 937	282 383	282 966	275 802	289 485	289 485	303 084	309 577	326 604
Vote 03: Provincial Treasury	258 108	269 386	278 211	280 919	280 919	280 919	301 225	316 191	333 582
Vote 04: Co-operative Governance and Traditional Affairs	445 004	473 447	612 907	447 044	452 044	452 044	466 715	500 279	527 795
Vote 05: Agriculture, Rural Development, Land and Environmenta	767 575	776 586	742 160	906 928	925 928	925 928	946 837	993 505	1 048 148
Vote 06: Economic Development and Tourism	760 732	796 343	998 231	1 126 572	1 126 572	1 126 572	1 174 799	1 257 471	1 326 632
Vote 07: Education	14 002 624	15 404 319	16 242 595	17 647 785	17 901 675	17 901 675	19 151 658	20 030 266	21 342 931
Vote 08: Public Works, Roads and Transport	2 081 000	2 135 144	2 362 682	2 417 879	2 429 267	2 429 267	2 542 283	2 867 745	2 814 471
Vote 09: Community Safety, Security and Liaison	1 016 425	1 199 254	1 142 535	1 062 462	1 088 085	1 088 085	1 110 205	1 176 404	1 241 106
Vote 10: Health	7 523 357	8 120 059	8 571 677	9 710 239	9 717 849	9 717 849	10 242 792	10 823 945	11 419 262
Vote 11: Culture, Sport and Recreation	275 941	246 180	262 687	297 020	230 639	230 639	240 090	325 373	343 269
Vote 12: Social Development	1 214 297	1 275 424	1 387 485	1 368 953	1 422 382	1 422 382	1 447 361	1 562 473	1 648 499
Vote 13: Human Settlements	545 119	480 643	663 195	250 308	332 326	332 326	261 309	274 173	305 964
Total provincial own receipts by Vote	**29 361 939**	**31 726 817**	**33 810 402**	**36 081 680**	**36 503 821**	**36 503 821**	**38 467 686**	**40 731 114**	**42 988 129**

Due to constraint economic condition of the country National Treasury had to marginally decrease the provincial equitable share though this has been covered by the improved own receipt collected by all institutions in the province.

Table 1.7(b): Summary of provincial revenue allocated by Vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	**2014/15**	**2015/16**	**2016/17**		**2017/18**		**2018/19**	**2019/20**	**2020/21**
Vote 01: Office of the Premier	-	-	-	-	-	-	2 450	2 587	2 729
Vote 02: Provincial Legislature	36 184	37 812	39 513	41 489	44 108	44 108	43 563	45 306	47 118
Vote 03: Provincial Treasury	8 476	8 857	9 255	9 026	9 026	9 026	21 481	9 859	10 253
Vote 04: Co-operative Governance and Traditional Affairs	-	-	-	61 000	61 000	61 000	53 239	23 484	24 423
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	118 684	-	-	-	-	-	-	-	-
Vote 06: Economic Development and Tourism	-	-	-	-	-	-	-	-	-
Vote 07: Education	438 068	206 081	240 330	231 356	231 356	231 356	243 001	252 715	262 824
Vote 08: Public Works, Roads and Transport	25 785	27 177	28 645	287 936	287 936	287 936	241 142	254 176	264 343
Vote 09: Community Safety, Security and Liaison	-	48 876	34 917	89 155	89 155	89 155	107 179	102 006	106 086
Vote 10: Health	135 622	548 935	482 138	535 493	535 493	535 493	578 044	618 302	643 034
Vote 11: Culture, Sport and Recreation	-	-	-	-	-	-	-	-	-
Vote 12: Social Development	-	-	12 800	17 200	17 200	17 200	-	-	-
Vote 13: Human Settlements	-	-	-	-	-	-	30 000	15 840	-
Total provincial own receipts by Vote	**762 819**	**877 738**	**847 598**	**1 272 655**	**1 275 274**	**1 275 274**	**1 320 099**	**1 324 275**	**1 360 810**

Table 1.7(c): Summary of other funding allocated by Vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	**2014/15**	**2015/16**	**2016/17**		**2017/18**		**2018/19**	**2019/20**	**2020/21**
Vote 01: Office of the Premier	-	-	-	-	-	-	-	-	-
Vote 02: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 03: Provincial Treasury	-	-	-	-	-	-	-	-	-
Vote 04: Co-operative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	-	-	-	-	-	-	-	-	-
Vote 06: Economic Development and Tourism	-	-	-	-	-	-	20 000	-	-
Vote 07: Education	-	-	-	-	-	-	-	-	-
Vote 08: Public Works, Roads and Transport	-	-	-	-	-	-	68 000	-	-
Vote 09: Community Safety, Security and Liaison	-	-	-	-	-	-	-	-	-
Vote 10: Health	-	-	-	-	-	-	113 000	-	-
Vote 11: Culture, Sport and Recreation	-	-	-	-	-	-	13 000	-	-
Vote 12: Social Development	-	-	-	-	-	-	19 000	-	-
Vote 13: Human Settlements	-	-	-	-	-	-	150 000	-	-
Total provincial own receipts by Vote	**-**	**-**	**-**	**-**	**-**	**-**	**383 000**	**-**	**-**

4.3. Conditional grants

Table 1.8: Summary of conditional grants by grant

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
Vote 04: Co-operative Governance and Traditional Affairs	**2 000**	**2 633**	**2 762**	**2 000**	**2 000**	**2 000**	**2 306**	**-**	**-**
Expanded Public Works Programme Incentive Grant for Provinces	2 000	2 633	2 762	2 000	2 000	2 000	2 306	-	-
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	**213 951**	**226 038**	**231 973**	**217 873**	**217 873**	**217 873**	**233 600**	**230 362**	**244 949**
Agricultural Disaster Management Grant	14 700	-	-	-	-	-	-	-	-
Comprehensive Agricultural Support Programme Grant	135 810	169 684	172 414	155 447	155 447	155 447	162 907	159 717	170 418
Ilima/Letsema Projects Grant	46 062	46 270	49 136	52 213	52 213	52 213	58 242	61 504	64 887
Land Care Programme Grant: Poverty Relief and Infrastructure Development	6 105	5 948	6 208	6 608	6 608	6 608	8 310	9 141	9 644
Expanded Public Works Programme Incentive Grant for Provinces	11 274	4 136	4 215	3 605	3 605	3 605	4 141	-	-
Vote 06: Economic Development and Tourism	**3 561**	**3 138**	**3 911**	**3 505**	**3 505**	**3 505**	**3 259**	**-**	**-**
Expanded Public Works Programme Incentive Grant for Provinces	3 561	3 138	3 911	3 505	3 505	3 505	3 259	-	-
Vote 07: Education	**1 217 553**	**1 473 456**	**1 442 126**	**1 443 601**	**1 454 047**	**1 454 047**	**1 578 774**	**1 500 852**	**1 635 951**
Dinaledi Schools Grant	10 228	-	-	-	-	-	-	-	-
Education Infrastructure Grant	623 602	857 247	788 153	750 184	750 184	750 184	838 551	730 112	810 132
HIV and Aids (Life Skills Education) Grant	19 404	19 631	18 798	20 102	20 298	20 298	20 819	21 919	22 994
National School Nutrition Programme Grant	524 913	545 910	574 843	615 071	625 058	625 058	651 036	683 588	732 147
Occupation Specific Dispensation for Education Sector Therapists Grant	1 072	337	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation Grant	28 682	-	-	-	-	-	-	-	-
Maths, Science and Technology Grant	-	39 136	41 639	39 756	40 019	40 019	38 206	40 354	42 794
Learners with Profound Intellectual Disabilities Grant	-	-	-	12 883	12 883	12 883	20 709	24 879	27 884
Expanded Public Works Programme Incentive Grant for Provinces	3 340	2 453	3 066	2 597	2 597	2 597	3 094	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	6 312	8 742	15 627	3 008	3 008	3 008	6 359	-	-
Vote 08: Public Works, Roads and Transport	**2 134 806**	**2 237 728**	**2 208 501**	**2 059 932**	**2 059 932**	**2 059 932**	**2 135 577**	**2 050 820**	**1 616 138**
Expanded Public Works Programme Incentive Grant for Provinces	12 798	16 038	20 504	16 729	16 729	16 729	11 030	-	-
Provincial Roads Maintenance Grant	1 630 590	1 719 418	1 638 865	1 461 269	1 461 269	1 461 269	1 523 757	1 416 386	939 197
Public Transport Operations Grant	491 418	502 272	549 132	581 934	581 934	581 934	600 790	634 434	676 941
Vote 09: Community Safety, Security and Liaison	**2 580**	**1 000**	**4 307**	**1 482**	**1 482**	**952**	**5 438**	**-**	**-**
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	2 580	1 000	4 307	1 482	1 482	952	5 438	-	-
Vote 10: Health	**1 367 865**	**1 422 915**	**1 531 329**	**1 774 305**	**1 791 711**	**1 791 711**	**2 344 338**	**2 548 780**	**2 794 916**
Comprehensive HIV and Aids Grant	818 836	927 214	1 032 055	1 188 073	1 196 105	1 196 105	1 744 627	1 939 243	2 150 377
Hospital Facility Revitalisation Grant	343 509	287 942	281 174	325 617	325 987	325 987	333 935	347 212	366 310
Health Professions Training and Development Grant	95 288	97 460	101 646	108 014	108 014	108 014	114 279	120 678	127 315
National Tertiary Services Grant	97 116	99 311	103 597	110 103	116 755	116 755	116 489	122 993	131 234
National Health Insurance Grant	7 000	7 206	7 546	-	699	699	-	-	-
Human Papillomavirus Vaccine Grant	-	-	-	-	-	-	17 665	18 654	19 680
Expanded Public Works Programme Incentive Grant for Provinces	2 732	2 264	2 311	2 000	3 653	3 653	2 322	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	3 384	1 518	3 000	40 498	40 498	40 498	15 021	-	-
Vote 11: Culture, Sport and Recreation	**166 519**	**197 711**	**209 220**	**214 212**	**221 428**	**221 428**	**215 371**	**219 797**	**231 708**
Community Library Services Grant	114 781	150 325	155 289	162 777	169 993	169 993	162 479	171 389	180 910
Expanded Public Works Programme Incentive Grant for Provinces	2 199	2 148	2 000	2 000	2 000	2 000	2 054	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	2 580	1 199	2 888	3 083	3 083	3 083	4 375	-	-
Mass Participation and Sport Development Grant	46 959	44 039	49 043	46 352	46 352	46 352	46 463	48 408	50 798
Vote 12: Social Development	**6 012**	**19 274**	**35 806**	**69 856**	**69 856**	**69 856**	**85 223**	**61 826**	**65 968**
Expanded Public Works Programme Incentive Grant for Provinces	2 024	2 000	2 074	2 000	2 000	2 000	2 000	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	3 988	17 274	33 732	27 109	27 109	27 109	25 048	-	-
Early Childhood Development Grant	-	-	-	25 799	25 799	25 799	41 998	44 344	47 315
Social Worker Employment Grant	-	-	-	14 948	14 948	14 948	16 177	17 482	18 653
Vote 13: Human Settlements	**1 216 690**	**1 267 162**	**1 316 657**	**1 395 774**	**1 407 662**	**1 407 662**	**1 332 771**	**1 377 458**	**1 465 040**
Human Settlements Development Grant	1 216 690	1 265 162	1 314 645	1 395 774	1 407 662	1 407 662	1 278 427	1 322 832	1 407 412
Title Deeds Restoration Grant	-	-	-	-	-	-	51 734	54 626	57 628
Expanded Public Works Programme Incentive Grant for Provinces	-	2 000	2 012	-	-	-	2 610	-	-
Total conditional grants	**6 331 537**	**6 851 055**	**6 986 592**	**7 182 540**	**7 229 496**	**7 228 966**	**7 936 657**	**7 989 895**	**8 054 670**

Overall conditional grants allocations were generally reduced due to economic challenges in the country.

The increase in conditional grants are in Education Infrastructure grant, which was as a result of infrastructure incentive of R133 million the Department of Education received due to improved planning and delivery by the Department of Education in 2016/17 financial year.

The Department of Health has also received an increase in the Comprehensive HIV, Aids and TB grant; due to provision in this grant for the Community Outreach Services, in order to move towards the integration of this cadre of health workers into the health services platform given how instrumental they have been in improving health access in South Africa, particularly in rural and vulnerable populations.

There is also an increase in respect of Provincial Roads Maintenance Grant for the maintenance of the coal caulage.

4.4. Total provincial own receipts (own revenue)

Table 1.9: Summary of provincial own receipts by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Vote 01: Office of the Premier	816	961	1 078	495	495	979	524	553	583
Vote 02: Provincial Legislature	956	1 674	2 998	1 354	1 354	2 964	1 432	1 512	1 595
Vote 03: Provincial Treasury	68 226	56 199	110 499	112 722	112 722	126 436	114 808	119 549	126 124
Vote 04: Co-operative Governance and Traditional Affairs	1 464	2 072	1 406	1 478	1 478	1 478	1 564	1 564	1 650
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	3 607	17 821	7 974	3 641	3 641	3 641	3 674	3 880	4 093
Vote 06: Economic Development and Tourism	83 963	103 706	102 915	103 049	103 049	108 616	108 741	115 153	121 486
Vote 07: Education	27 048	24 282	25 570	26 394	26 394	26 394	28 305	28 992	30 587
Vote 08: Public Works, Roads and Transport	21 357	22 346	27 676	24 708	24 708	24 708	25 114	26 520	28 523
Vote 09: Community Safety, Security and Liaison	470 683	535 683	562 776	826 391	826 391	904 000	949 932	954 078	958 849
Vote 10: Health	70 662	63 215	76 108	74 628	74 628	76 928	79 423	83 870	88 482
Vote 11: Culture, Sport and Recreation	1 115	2 717	1 842	1 438	1 438	1 438	1 522	1 607	1 696
Vote 12: Social Development	2 775	2 973	2 203	2 313	2 313	2 313	2 447	2 584	2 726
Vote 13: Human Settlements	2 178	2 112	5 739	2 335	2 335	2 748	2 613	2 833	2 988
Total provincial own receipts by Vote	**754 850**	**835 761**	**928 784**	**1 180 947**	**1 180 947**	**1 282 643**	**1 320 099**	**1 342 695**	**1 369 382**

The table above reflects an improved projections on revenue collection by the Department of Community Safety, Security and Liaison specifically on motor vehicle licences. This is as a result of takeover of collection of this revenue from some municipalities that have been defaulting in transferring that revenue to the Province as well as the increases in the licence fees.

4.5. Donor funding

There are no reported donors currently.

5. PAYMENTS

5.1. Overall position

The Province is continuing with the moratorium on appointments of staff where there are vacancies as a result of exit. Professional employees, mainly in social sectors are treated with priority and are replaced when they exit departments. The Province has shifted more funds to infrastructure in the 2018 MTEF to improve investments.

5.2. Payments by Vote

Table 1.10: Summary of provincial payments and estimates by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Vote 01: Office of the Premier	211 586	262 393	261 901	289 769	306 650	311 694	281 778	296 299	312 595
Vote 02: Provincial Legislature	288 670	295 621	309 897	317 291	333 593	333 593	346 647	354 883	373 722
Vote 03: Provincial Treasury	275 329	273 091	286 270	289 945	289 945	289 945	322 706	326 050	343 835
Vote 04: Co-operative Governance and Traditional Affairs	447 004	476 080	615 669	510 044	515 044	515 044	522 260	523 763	552 218
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	1 004 444	1 005 346	968 719	1 124 801	1 143 801	1 143 801	1 180 437	1 223 867	1 293 097
Vote 06: Economic Development and Tourism	764 536	795 227	998 569	1 130 077	1 130 077	1 127 725	1 198 058	1 257 471	1 326 632
Vote 07: Education	15 674 968	17 098 289	17 809 481	19 322 742	19 587 078	19 535 077	20 973 433	21 783 833	23 241 706
Vote 08: Public Works, Roads and Transport	4 241 161	4 390 245	4 599 578	4 765 747	4 777 135	4 777 135	4 987 002	5 172 741	4 694 952
Vote 09: Community Safety, Security and Liaison	1 003 379	1 245 917	1 175 237	1 153 099	1 178 722	1 194 121	1 222 822	1 278 410	1 347 192
Vote 10: Health	8 858 526	10 080 392	10 579 880	12 020 037	12 045 053	12 445 693	13 278 174	13 991 027	14 857 212
Vote 11: Culture, Sport and Recreation	411 103	423 084	467 690	511 232	452 067	471 156	468 461	545 170	574 977
Vote 12: Social Development	1 220 303	1 270 653	1 369 843	1 456 009	1 509 438	1 509 438	1 551 584	1 624 299	1 714 467
Vote 13: Human Settlements	1 757 403	1 702 629	1 964 923	1 646 082	1 739 988	1 739 988	1 774 080	1 667 471	1 771 004
Total provincial payments and estimates by Vote	**36 158 412**	**39 318 967**	**41 407 657**	**44 536 875**	**45 008 591**	**45 394 410**	**48 107 442**	**50 045 284**	**52 403 609**

5.3. Payments by economic classification

Table 1.11: Summary of provincial payments and estimates by economic classification

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Current payments	**28 479 368**	**30 647 530**	**32 933 091**	**35 059 254**	**35 968 910**	**36 272 484**	**38 425 657**	**40 723 968**	**43 332 822**
Compensation of employees	21 233 017	22 836 945	24 674 958	27 073 798	26 950 677	26 860 152	29 072 966	31 252 992	33 415 942
Goods and services	7 240 936	7 809 486	8 255 633	7 985 456	9 018 213	9 411 986	9 352 691	9 470 976	9 916 880
Interest and rent on land	5 415	1 099	2 500	–	20	346	–	–	–
Transfers and subsidies	**4 663 835**	**5 134 522**	**5 431 640**	**5 516 273**	**5 233 490**	**5 294 621**	**5 390 617**	**5 401 346**	**5 683 707**
Provinces and municipalities	411 705	402 120	217 189	171 826	171 993	172 702	185 220	195 072	205 406
Departmental agencies and accounts	408 366	424 715	466 066	437 128	497 066	496 646	530 126	499 536	526 152
Universities and technikons	–	–	–	–	–	–	–	–	–
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	708 362	735 135	901 042	1 075 393	782 393	779 742	812 428	869 931	925 390
Non-profit institutions	1 389 145	1 710 138	1 739 013	1 824 014	1 796 108	1 790 676	1 923 620	1 976 078	2 067 473
Households	1 746 257	1 862 414	2 108 330	2 007 912	1 985 930	2 054 855	1 939 223	1 860 729	1 959 286
Payments of capital assets	**2 986 688**	**3 534 620**	**3 027 589**	**3 961 348**	**3 806 097**	**3 827 211**	**4 291 168**	**3 919 970**	**3 387 080**
Buildings and other fixed structures	2 589 051	3 093 792	2 687 878	3 629 209	3 354 235	3 366 756	4 035 792	3 622 548	3 087 371
Machinery and equipment	384 217	389 308	317 279	307 180	420 504	414 226	246 172	296 593	298 843
Heritage assets	–	28 484	–	–	–	–	8 500	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	–	28	–	–	–	–	–	–	–
Land and sub-soil assets	–	1 336	–	–	–	–	–	–	–
Software and other intangible assets	13 420	21 672	22 432	24 959	31 358	46 229	704	829	866
Payments for financial assets	28 521	2 295	15 337	–	94	94	–	–	–
Total economic classification	**36 158 412**	**39 318 967**	**41 407 657**	**44 536 875**	**45 008 591**	**45 394 410**	**48 107 442**	**50 045 284**	**52 403 609**

Table 1.11 (a): Summary of provincial compensation of employees by Vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Vote 01: Office of the Premier	118 236	122 680	128 982	143 892	143 822	143 822	159 706	170 260	181 353
Vote 02: Provincial Legislature	115 908	129 156	142 062	170 947	165 447	164 068	191 959	206 117	224 411
Vote 03: Provincial Treasury	142 059	151 406	162 714	171 006	164 962	166 562	193 630	194 041	209 313
Vote 04: Co-operative Governance and Traditional Affairs	319 399	341 176	351 350	378 677	378 677	372 932	407 647	444 742	484 769
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	498 615	514 929	531 137	609 517	590 575	590 575	653 681	707 457	744 037
Vote 06: Economic Development and Tourism	112 823	118 581	118 100	130 470	129 412	126 054	139 662	152 353	166 045
Vote 07: Education	12 406 448	13 211 515	14 246 863	15 589 577	15 556 346	15 504 849	16 682 979	17 847 366	19 007 093
Vote 08: Public Works, Roads and Transport	839 217	877 477	920 740	1 013 077	1 013 078	1 013 077	1 096 365	1 181 508	1 246 487
Vote 09: Community Safety, Security and Liaison	366 644	398 808	462 455	498 107	493 392	503 777	547 968	585 516	624 094
Vote 10: Health	5 516 897	6 102 017	6 686 678	7 329 114	7 282 617	7 245 550	7 877 247	8 561 805	9 246 749
Vote 11: Culture, Sport and Recreation	145 187	151 669	161 091	173 097	165 217	165 217	191 926	202 139	217 921
Vote 12: Social Development	500 387	556 022	590 774	681 424	675 543	672 080	703 957	755 123	803 208
Vote 13: Human Settlements	151 197	161 509	172 012	184 893	191 589	191 589	226 239	244 565	260 462
Total provincial payments and estimates by Vote	**21 233 017**	**22 836 945**	**24 674 958**	**27 073 798**	**26 950 677**	**26 860 152**	**29 072 966**	**31 252 992**	**33 415 942**

Table 1.11 (b): Summary of provincial goods and services by Vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Vote 01: Office of the Premier	84 032	125 757	102 735	116 277	125 265	130 309	116 240	118 984	123 800
Vote 02: Provincial Legislature	130 287	99 972	92 508	101 451	116 253	117 632	92 664	92 109	96 924
Vote 03: Provincial Treasury	123 550	107 028	107 654	112 409	116 951	115 582	120 094	125 683	128 059
Vote 04: Co-operative Governance and Traditional Affairs	72 447	66 970	115 091	61 722	66 722	66 722	70 502	55 633	62 649
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	195 639	256 412	360 726	258 515	481 253	477 777	473 632	440 116	479 258
Vote 06: Economic Development and Tourism	89 845	77 619	62 170	106 291	77 254	80 398	93 610	80 968	80 109
Vote 07: Education	1 568 464	1 755 591	1 582 723	1 404 139	1 703 503	1 709 020	1 787 363	1 797 077	1 869 240
Vote 08: Public Works, Roads and Transport	1 414 320	1 469 124	1 722 156	1 801 424	1 876 555	1 876 394	1 810 139	1 841 908	1 939 398
Vote 09: Community Safety, Security and Liaison	541 394	567 863	600 230	632 143	653 958	665 388	662 580	678 657	709 037
Vote 10: Health	2 639 473	2 902 264	3 064 888	2 990 076	3 396 894	3 761 843	3 719 075	3 864 628	4 000 242
Vote 11: Culture, Sport and Recreation	147 167	157 029	202 431	185 110	191 647	192 871	172 753	141 515	183 549
Vote 12: Social Development	183 229	173 640	183 764	161 424	157 254	163 509	186 599	190 667	201 004
Vote 13: Human Settlements	51 089	50 217	58 557	54 475	54 704	54 541	47 440	43 031	43 611
Total provincial payments and estimates by Vote	**7 240 936**	**7 809 486**	**8 255 633**	**7 985 456**	**9 018 213**	**9 411 986**	**9 352 691**	**9 470 976**	**9 916 880**

Table 1.11 (c): Summary of provincial interest on land by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Vote 01: Office of the Premier	-	-	-	-	-	-	-	-	-
Vote 02: Provincial Legislature	-	-	-	-	-	-	-	-	-
Vote 03: Provincial Treasury	-	-	-	-	-	-	-	-	-
Vote 04: Co-operative Governance and Traditional Affairs	-	-	-	-	-	-	-	-	-
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	-	-	-	-	-	-	-	-	-
Vote 06: Economic Development and Tourism	-	-	-	-	-	-	-	-	-
Vote 07: Education	68	26	183	-	-	55	-	-	-
Vote 08: Public Works, Roads and Transport	-	-	-	-	-	-	-	-	-
Vote 09: Community Safety, Security and Liaison	33	66	11	-	-	-	-	-	-
Vote 10: Health	3 614	1 007	2 306	-	-	272	-	-	-
Vote 11: Culture, Sport and Recreation	1 700	-	-	-	20	19	-	-	-
Vote 12: Social Development	-	-	-	-	-	-	-	-	-
Vote 13: Human Settlements	-	-	-	-	-	-	-	-	-
Total provincial payments and estimates by Vote	**5 415**	**1 099**	**2 500**	**-**	**20**	**346**	**-**	**-**	**-**

Table 1.11 (d): Summary of provincial transfers and subsidies by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Vote 01: Office of the Premier	8 516	11 382	3 673	6 950	4 893	4 893	2 720	5 781	6 098
Vote 02: Provincial Legislature	37 819	58 731	53 554	42 948	42 948	42 948	60 496	55 044	50 686
Vote 03: Provincial Treasury	6 646	3 580	2 463	705	930	699	1 251	605	638
Vote 04: Co-operative Governance and Traditional Affairs	22 816	21 658	21 903	28 465	22 265	21 855	22 294	22 323	3 650
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	230 798	195 018	8 625	235 800	6 998	10 474	6 836	7 429	7 838
Vote 06: Economic Development and Tourism	556 540	595 417	751 098	889 945	613 040	610 761	640 678	681 239	718 707
Vote 07: Education	893 163	1 153 464	1 276 145	1 258 153	1 407 350	1 402 892	1 407 568	1 442 009	1 521 319
Vote 08: Public Works, Roads and Transport	642 975	687 569	758 194	793 862	794 350	794 367	832 587	877 008	932 857
Vote 09: Community Safety, Security and Liaison	2 986	2 637	4 524	3 823	3 823	1 866	4 006	3 173	3 346
Vote 10: Health	264 468	479 149	306 487	335 280	315 560	388 046	345 676	353 677	356 245
Vote 11: Culture, Sport and Recreation	8 720	8 344	9 484	10 199	10 690	10 690	12 132	11 210	11 827
Vote 12: Social Development	453 208	441 177	503 799	510 526	520 070	514 442	556 472	564 299	605 360
Vote 13: Human Settlements	1 535 180	1 476 396	1 731 691	1 399 617	1 490 573	1 490 688	1 497 901	1 377 549	1 465 136
Total provincial payments and estimates by Vote	**4 663 835**	**5 134 522**	**5 431 640**	**5 516 273**	**5 233 490**	**5 294 621**	**5 390 617**	**5 401 346**	**5 683 707**

Table 1.11 (e): Summary of provincial payments of capital assets by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Vote 01: Office of the Premier	802	2 562	26 498	22 650	32 600	32 600	3 112	1 274	1 344
Vote 02: Provincial Legislature	4 656	7 500	21 773	1 945	8 945	8 945	1 528	1 613	1 701
Vote 03: Provincial Treasury	3 070	11 065	13 436	5 825	7 102	7 102	7 731	5 721	5 825
Vote 04: Co-operative Governance and Traditional Affairs	32 342	45 845	127 092	41 180	47 380	53 535	21 817	1 065	1 150
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	78 705	38 987	67 368	20 969	64 975	64 975	46 288	68 865	61 964
Vote 06: Economic Development and Tourism	5 328	3 610	67 181	3 371	310 371	310 512	324 108	342 911	361 771
Vote 07: Education	780 092	977 693	703 567	1 070 873	919 879	918 261	1 095 523	697 381	844 054
Vote 08: Public Works, Roads and Transport	1 343 558	1 355 461	1 195 488	1 157 384	1 093 152	1 093 297	1 247 911	1 272 317	576 210
Vote 09: Community Safety, Security and Liaison	92 322	275 842	108 017	19 026	27 549	23 090	8 268	11 064	10 715
Vote 10: Health	434 074	595 955	509 496	1 365 567	1 049 982	1 049 982	1 336 176	1 210 917	1 253 976
Vote 11: Culture, Sport and Recreation	108 323	106 042	94 625	142 826	84 493	102 359	91 650	190 306	161 680
Vote 12: Social Development	83 479	99 719	90 385	102 635	156 571	159 407	104 556	114 210	104 895
Vote 13: Human Settlements	19 937	14 339	2 663	7 097	3 098	3 146	2 500	2 326	1 795
Total provincial payments and estimates by Vote	**2 986 688**	**3 534 620**	**3 027 589**	**3 961 348**	**3 806 097**	**3 827 211**	**4 291 168**	**3 919 970**	**3 387 080**

Table 1.11 (f): Summary of provincial payments for financial assets by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Vote 01: Office of the Premier	-	12	13	-	70	70	-	-	-
Vote 02: Provincial Legislature	-	262	-	-	-	-	-	-	-
Vote 03: Provincial Treasury	4	12	3	-	-	-	-	-	-
Vote 04: Co-operative Governance and Traditional Affairs	-	431	233	-	-	-	-	-	-
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	687	-	863	-	-	-	-	-	-
Vote 06: Economic Development and Tourism	-	-	20	-	-	-	-	-	-
Vote 07: Education	26 733	-	-	-	-	-	-	-	-
Vote 08: Public Works, Roads and Transport	1 091	614	3 000	-	-	-	-	-	-
Vote 09: Community Safety, Security and Liaison	-	701	-	-	-	-	-	-	-
Vote 10: Health	-	-	10 025	-	-	-	-	-	-
Vote 11: Culture, Sport and Recreation	6	-	59	-	-	-	-	-	-
Vote 12: Social Development	-	95	1 121	-	-	-	-	-	-
Vote 13: Human Settlements	-	168	-	-	24	24	-	-	-
Total provincial payments and estimates by Vote	**28 521**	**2 295**	**15 337**	**-**	**94**	**94**	**-**	**-**	**-**

5.4. Payments by functional area

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

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
General public services	2 040 612	2 205 034	2 475 691	2 481 534	2 486 645	2 491 689	2 600 625	2 823 364	2 766 421
Public order and safety	1 003 379	1 245 917	1 175 237	1 153 099	1 178 722	1 194 121	1 222 822	1 278 410	1 347 192
Economic affairs	5 071 144	5 186 801	5 458 807	5 807 058	5 879 773	5 877 421	6 101 215	6 193 935	5 985 277
Environmental protection	69 438	85 777	89 942	112 733	109 678	109 678	115 509	114 526	120 827
Housing and community amenities	1 757 403	1 702 629	1 964 923	1 646 082	1 739 988	1 739 988	1 774 080	1 667 471	1 771 004
Health	8 684 557	9 869 929	10 367 326	11 772 865	11 806 009	12 236 138	13 056 573	13 757 172	14 615 087
Recreation, culture and religion	411 103	423 084	467 690	511 232	452 067	471 156	468 461	545 170	574 977
Education	15 900 473	17 329 143	18 038 198	19 596 263	19 846 271	19 764 781	21 216 573	22 040 937	23 508 357
Social protection	1 220 303	1 270 653	1 369 843	1 456 009	1 509 438	1 509 438	1 551 584	1 624 299	1 714 467
Total provincial payments and estimates by functiona	**36 158 412**	**39 318 967**	**41 407 657**	**44 536 875**	**45 008 591**	**45 394 410**	**48 107 442**	**50 045 284**	**52 403 609**

5.5. Infrastructure payments

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

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
Vote 02: Provincial Legislature	3 968	4 361	729	397	397	397	417	438	462
Vote 03: Provincial Treasury	4 085	3 776	4 830	4 425	3 725	3 725	4 814	4 928	5 199
Vote 04: Co-operative Governance and Traditional Affairs	44 070	10 602	37 896	21 759	21 759	21 759	31 583	10 599	10 614
Vote 05: Agriculture, Rural Development, Land and Environmental	270 084	130 820	194 312	177 940	61 528	61 528	49 500	72 500	85 500
Vote 06: Economic Development and Tourism	–	7 360	12 358	12 972	319 972	319 972	334 901	400 455	372 896
Vote 07: Education	909 971	1 089 388	1 008 411	1 202 491	1 072 278	1 072 278	1 257 793	753 137	902 876
Vote 08: Public Works, Roads and Transport	1 891 753	1 918 809	2 016 058	1 752 257	1 752 257	1 752 257	1 951 236	2 076 953	1 838 392
Vote 09: Community Safety, Security and Liaison	100 778	266 079	89 955	22 500	22 500	22 500	14 204	15 000	18 666
Vote 10: Health	446 612	582 102	601 416	1 352 966	1 142 991	1 144 017	1 392 148	1 224 918	1 286 857
Vote 11: Culture, Sport and Recreation	99 180	91 996	93 310	146 442	146 442	146 442	87 653	181 962	152 514
Vote 12: Social Development	89 912	92 837	101 702	123 854	123 854	123 854	125 425	136 414	129 805
Vote 13: Human Settlements	7 002	6 583	6 070	8 654	8 654	8 654	8 200	4 911	5 179
Total	**3 867 415**	**4 204 713**	**4 167 047**	**4 826 657**	**4 676 357**	**4 677 383**	**5 257 874**	**4 882 215**	**4 808 960**

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

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
New infrastructure assets	**990 749**	**1 174 090**	**575 933**	**1 176 192**	**1 446 802**	**1 446 802**	**1 801 230**	**1 992 450**	**2 437 999**
Existing infrastructure assets	**2 494 153**	**2 764 259**	**3 257 550**	**3 312 566**	**2 978 088**	**2 978 565**	**3 222 480**	**2 652 703**	**2 098 837**
Upgrading and additions	567 302	753 770	1 075 358	1 606 742	1 053 437	1 053 437	1 317 399	1 124 906	596 343
Rehabilitation, renovations and refurbishment	1 263 018	1 279 638	1 093 068	902 378	910 626	910 626	943 502	712 065	718 671
Maintenance and repairs	663 833	730 851	1 089 124	803 446	1 014 025	1 014 502	961 579	815 732	783 823
Infrastructure transfers	**208 075**	**67 837**	**100 314**	**111 712**	**8 262**	**8 262**	**–**	**–**	**–**
Current	169 783	67 837	100 314	107 655	370	370	–	–	–
Capital	38 292	–	–	4 057	7 892	7 892	–	–	–
Infrastructure payments for financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Infrastructure leases	**132 670**	**146 544**	**167 360**	**179 198**	**171 380**	**171 929**	**130 173**	**134 256**	**143 902**
Non infrastructure	**41 768**	**51 983**	**65 890**	**46 989**	**71 825**	**71 825**	**103 992**	**102 807**	**128 222**
Total provincial infrastructure payments and estimates	**3 867 415**	**4 204 713**	**4 167 047**	**4 826 657**	**4 676 357**	**4 677 383**	**5 257 874**	**4 882 215**	**4 808 960**

5.5.1. Infrastructure per category

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

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
New infrastructure assets									
Vote 04: Co-operative Governance and Traditional Affairs	–	4 500	14 452	2 987	2 987	2 987	10 583	10 599	10 614
Vote 05: Agriculture, Rural Development, Land and Environmental	29 325	–	769	–	38 828	38 828	30 000	50 000	60 000
Vote 06: Economic Development and Tourism	–	–	–	–	307 000	307 000	320 488	385 562	357 183
Vote 07: Education	645 879	668 662	223 389	725 503	507 374	507 374	688 566	337 043	863 488
Vote 08: Public Works, Roads and Transport	40 136	85 159	72 428	35 897	35 897	35 897	95 062	220 795	13 818
Vote 09: Community Safety, Security and Liaison	92 912	256 395	78 444	10 000	10 000	10 000	–	–	–
Vote 10: Health	27 489	2 462	36 886	185 885	328 796	328 796	494 345	748 718	904 222
Vote 11: Culture, Sport and Recreation	93 679	86 558	73 622	121 715	121 715	121 715	68 228	138 010	135 468
Vote 12: Social Development	61 329	70 354	75 943	94 205	94 205	94 205	93 958	101 723	93 206
Sub-total: New infrastructure assets	**990 749**	**1 174 090**	**575 933**	**1 176 192**	**1 446 802**	**1 446 802**	**1 801 230**	**1 992 450**	**2 437 999**
Upgrading and additions									
Vote 04: Co-operative Governance and Traditional Affairs	–	–	–	5 388	5 388	5 388	21 000	–	–
Vote 05: Agriculture, Rural Development, Land and Environmental	–	–	271	2 500	2 500	2 500	2 000	3 000	4 000
Vote 07: Education	131 782	266 990	549 160	320 981	371 467	371 467	395 328	296 796	2 500
Vote 08: Public Works, Roads and Transport	221 172	193 778	223 700	218 833	218 833	218 833	177 307	415 391	324 617
Vote 10: Health	213 798	291 231	294 022	1 048 000	444 209	444 209	710 992	377 195	259 873
Vote 11: Culture, Sport and Recreation	550	1 771	8 205	11 040	11 040	11 040	10 772	32 525	5 353
Sub-total: Upgrade and additions	**567 302**	**753 770**	**1 075 358**	**1 606 742**	**1 053 437**	**1 053 437**	**1 317 399**	**1 124 906**	**596 343**
Rehabilitation, renovations and refurbishment									
Vote 04: Co-operative Governance and Traditional Affairs	–	–	17 000	2 520	2 520	2 520	–	–	–
Vote 05: Agriculture, Rural Development, Land and Environmental	12 549	–	11 156	7 000	4 200	4 200	2 000	3 500	4 500
Vote 07: Education	93 664	31 445	98 821	61 573	24 107	24 107	8 244	–	–
Vote 08: Public Works, Roads and Transport	1 085 570	1 088 160	859 405	801 282	801 282	801 282	912 779	708 565	714 171
Vote 10: Health	71 235	160 033	106 686	30 003	78 517	78 517	20 479	–	–
Sub-total: Rehabilitation, renovations and refurbishment	**1 263 018**	**1 279 638**	**1 093 068**	**902 378**	**910 626**	**910 626**	**943 502**	**712 065**	**718 671**
Maintenance and repairs									
Vote 05: Agriculture, Rural Development, Land and Environmental	6 758	1 000	3 020	1 500	1 500	1 500	–	–	–
Vote 06: Economic Development and Tourism	–	1 000	500	500	500	500	525	525	554
Vote 07: Education	8 230	79 875	90 741	41 300	111 991	111 991	121 529	75 839	–
Vote 08: Public Works, Roads and Transport	523 200	527 869	829 310	668 374	668 374	668 374	730 233	694 339	745 841
Vote 10: Health	116 317	114 994	149 869	73 033	212 921	213 398	94 510	27 032	18 802
Vote 11: Culture, Sport and Recreation	1 851	1 481	9 676	11 187	11 187	11 187	6 053	8 777	8 897
Vote 12: Social Development	7 477	4 578	5 842	7 342	7 342	7 342	8 628	9 111	9 612
Vote 13: Human Settlements	–	54	166	210	210	210	100	108	117
Sub-total: Maintenance and repairs	**663 833**	**730 851**	**1 089 124**	**803 446**	**1 014 025**	**1 014 502**	**961 579**	**815 732**	**783 823**
Infrastructure transfers - Current									
Vote 05: Agriculture, Rural Development, Land and Environmental	169 783	67 837	100 314	107 655	–	–	–	–	–
Vote 07: Education	–	–	–	–	370	370	–	–	–
Sub-total: Infrastructure transfers	**169 783**	**67 837**	**100 314**	**107 655**	**370**	**370**	**–**	**–**	**–**
Infrastructure transfers - Capital									
Vote 04: Co-operative Governance and Traditional Affairs	38 292	–	–	4 057	4 057	4 057	–	–	–
Vote 07: Education	–	–	–	–	3 835	3 835	–	–	–
Sub-total: Infrastructure transfers	**38 292**	**–**	**–**	**4 057**	**7 892**	**7 892**	**–**	**–**	**–**
Infrastructure payments for financial assets									
Sub-total: Infrastructure payments for financial assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Infrastructure leases									
Vote 02: Provincial Legislature	3 968	4 361	729	397	397	397	417	438	462
Vote 03: Provincial Treasury	4 085	3 776	4 830	4 425	3 725	3 725	4 814	4 928	5 199
Vote 04: Co-operative Governance and Traditional Affairs	5 778	6 102	6 444	6 807	6 807	6 807	–	–	–
Vote 05: Agriculture, Rural Development, Land and Environmental	9 901	10 000	12 892	14 500	14 500	14 500	15 500	16 000	17 000
Vote 06: Economic Development and Tourism	–	6 360	11 858	12 472	12 472	12 472	13 888	14 368	15 159
Vote 07: Education	30 416	42 416	46 300	50 930	50 930	50 930	–	–	–
Vote 08: Public Works, Roads and Transport	21 675	23 843	31 215	27 871	27 871	27 871	35 855	37 863	39 945
Vote 09: Community Safety, Security and Liaison	7 866	9 684	11 511	12 500	12 500	12 500	14 204	15 000	18 666
Vote 10: Health	17 773	13 382	13 953	16 045	8 927	9 476	11 956	12 626	12 626
Vote 11: Culture, Sport and Recreation	3 100	2 186	1 807	2 500	2 500	2 500	2 600	2 650	2 796
Vote 12: Social Development	21 106	17 905	19 917	22 307	22 307	22 307	22 839	25 580	26 987
Vote 13: Human Settlements	7 002	6 529	5 904	8 444	8 444	8 444	8 100	4 803	5 062
Sub-total: Infrastructure leases	**132 670**	**146 544**	**167 360**	**179 198**	**171 380**	**171 929**	**130 173**	**134 256**	**143 902**
Non-Infrastructure									
Vote 05: Agriculture, Rural Development, Land and Environmental	41 768	51 983	65 890	44 785	–	–	–	–	–
Vote 07: Education	–	–	–	2 204	2 204	2 204	44 126	43 460	36 888
Vote 10: Health	–	–	–	–	69 621	69 621	59 866	59 347	91 334
Sub-total: Non infrastructure	**41 768**	**51 983**	**65 890**	**46 989**	**71 825**	**71 825**	**103 992**	**102 807**	**128 222**
Total provincial infrastructure payments and estimates	**3 829 123**	**4 204 713**	**4 167 047**	**4 822 600**	**4 668 465**	**4 669 491**	**5 257 874**	**4 882 215**	**4 808 960**

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

The table above reflects infrastructure by category, which includes maintenance as well as transfers, and all other categories

5.6. Provincial Public-Private Partnership (PPP) projects

Not applicable.

5.7. Transfers

5.7.1. Transfers to public entities

A summary of all transfers to public entities is presented and summarised by transferring department. The details thereof are to be presented in the relevant Vote as referred to in Section 5.6.1 of Estimates of Provincial Revenue and Expenditure in this document.

Table 1.14: Summary of provincial transfers to public entities by transferring department

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
Vote 01: Office of the Premier	–	–	–	–	–	–	–	–	–
Vote 02: Provincial Legislature	–	–	–	–	–	–	–	–	–
Vote 03: Provincial Treasury	–	–	–	–	–	–	–	–	–
Vote 04: Co-operative Governance and Traditional Affairs	–	–	–	–	–	–	–	–	–
Vote 05: Agriculture, Rural Development, Land and Enviro	–	–	–	–	–	–	–	–	–
Vote 06: Economic Development and Tourism	537 046	520 297	806 201	860 459	610 311	610 311	636 700	678 185	715 485
Vote 07: Education	87 650	100 000	228 815	228 000	228 000	228 000	150 000	158 400	167 112
Vote 08: Public Works, Roads and Transport	–	–	–	–	–	–	–	–	–
Vote 09: Community Safety, Security and Liaison	–	–	–	–	–	–	–	–	–
Vote 10: Health	–	–	–	–	–	–	–	–	–
Vote 11: Culture, Sport and Recreation	–	–	–	–	–	–	–	–	–
Vote 12: Social Development	–	–	–	–	–	–	–	–	–
Vote 13: Human Settlements	–	–	–	–	–	–	–	–	–
Total provincial transfers to public entities	**624 696**	**620 297**	**1 035 016**	**1 088 459**	**838 311**	**838 311**	**786 700**	**836 585**	**882 597**

5.7.2. Transfers to other entities

Table 1.15: Summary of provincial transfers to other entities (such as NGOs etc)

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
Vote 01: Office of the Premier	–	–	–	–	–	–	–	–	–
Vote 02: Provincial Legislature	37 894	58 493	53 554	42 948	42 948	42 948	60 496	55 044	50 686
Vote 03: Provincial Treasury	–	–	–	–	–	–	–	–	–
Vote 04: Co-operative Governance and Traditional Affairs	11 590	19 520	21 350	21 350	21 350	21 350	21 350	21 350	21 350
Vote 05: Agriculture, Rural Development, Land and Enviro	–	–	–	–	–	–	–	–	–
Vote 06: Economic Development and Tourism	–	–	–	–	–	–	–	–	–
Vote 07: Education	–	–	–	–	–	–	–	–	–
Vote 08: Public Works, Roads and Transport	–	–	–	–	–	–	–	–	–
Vote 09: Community Safety, Security and Liaison	–	–	–	–	–	–	–	–	–
Vote 10: Health	202 567	240 706	187 331	228 702	198 511	193 466	229 140	230 671	243 288
Vote 11: Culture, Sport and Recreation	7 080	6 942	9 850	9 536	9 536	10 000	11 431	10 470	11 046
Vote 12: Social Development	435 255	435 389	494 221	494 252	495 152	495 152	534 354	550 567	590 831
Vote 13: Human Settlements	–	–	–	–	–	–	–	–	–
Total provincial transfers to other entities	**694 386**	**761 050**	**766 306**	**796 788**	**767 497**	**762 916**	**856 771**	**868 102**	**917 201**

5.7.3. Transfers to local government

Table 1.16: Summary of provincial transfers to local government by category									
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Category A	-	-	-	-	-	-	-	-	-
Category B	394 418	398 612	216 640	171 250	171 447	172 213	184 387	194 213	204 894
Category C	17 175	3 000	-	-	-	-	-	-	-
Unallocated	112	515	552	576	576	519	833	859	512
Total provincial transfers to local government	**411 705**	**402 127**	**217 192**	**171 826**	**172 023**	**172 732**	**185 220**	**195 072**	**205 406**

5.8. Personnel numbers and costs

In Table 1.18 below, provincial treasuries should provide a summary of personnel numbers and the cost thereof by Vote. A further breakdown by programme will be required in Estimates of Provincial Revenue and Expenditure (Section 9.3.1).

Table 1.17: Summary of personnel numbers and costs by component																			
Personnel numbers	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	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 growth rate	Costs growth rate	% Costs of Total
Vote																			
Vote 01: Office of the Premier	269	118 236	246	122 680	249	128 982	266	–	266	143 822	264	159 706	264	170 260	264	181 353	-0.3%	8.0%	0.5%
Vote 02: Provincial Legislature	194	115 908	221	129 156	232	142 062	183	26	209	164 068	232	191 959	232	206 117	232	224 411	3.5%	11.0%	0.6%
Vote 03: Provincial Treasury	370	142 059	348	151 406	319	162 714	357	28	385	166 562	343	193 630	328	194 041	328	209 313	-5.2%	7.9%	0.6%
Vote 04: Co-operative Governance and Traditional Affairs	1 253	319 399	1 336	341 176	1 336	351 350	1 454	–	1 454	372 932	1 467	407 647	1 342	444 742	1 347	484 769	-2.5%	9.1%	1.4%
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs	1 777	498 615	1 510	514 929	1 365	531 137	1 317	–	1 317	590 575	1 417	653 681	1 417	707 457	1 417	744 037	2.5%	8.0%	2.2%
Vote 06: Economic Development and	279	112 823	279	118 581	255	118 100	238	–	238	126 054	245	139 662	248	152 353	249	166 045	1.5%	9.6%	0.5%
Vote 07: Education	46 286	12 406 448	42 534	13 211 515	42 534	14 246 863	43 198	–	43 198	15 504 849	43 267	16 682 979	43 267	17 847 366	43 267	19 007 093	0.1%	7.0%	57.2%
Vote 08: Public Works, Roads and Transport	3 542	839 217	3 508	877 477	3 509	920 740	2 999	–	2 999	1 013 077	2 999	1 096 365	2 955	1 181 508	2 936	1 246 487	-0.7%	7.2%	3.8%
Vote 09: Community Safety, Security and Liaison	2 046	366 644	1 845	398 808	1 854	462 455	1 945	–	1 945	503 777	1 945	547 968	1 945	585 516	1 945	624 094	–	7.4%	1.9%
Vote 10: Health	19 733	5 516 897	20 433	6 102 017	20 592	6 686 678	20 590	–	20 590	7 245 550	20 792	7 877 247	20 792	8 561 805	20 792	9 246 749	0.3%	8.5%	27.4%
Vote 11: Culture, Sport and Recreation	511	145 187	592	151 669	869	161 091	674	184	858	165 217	979	191 927	621	202 139	651	217 921	-8.8%	9.7%	0.6%
Vote 12: Social Development	2 308	500 387	2 179	556 022	2 114	590 774	1 952	–	1 952	672 080	1 966	703 957	1 966	755 123	1 966	803 208	0.2%	6.1%	2.4%
Vote 13: Human Settlements	389	151 197	381	161 509	381	172 012	372	–	372	191 589	400	226 239	400	244 565	400	260 462	2.4%	10.8%	0.8%
Total provincial personnel numbers	**78 957**	**21 233 017**	**75 412**	**22 836 945**	**75 609**	**24 674 958**	**75 545**	**238**	**75 783**	**26 860 152**	**76 316**	**29 072 967**	**75 777**	**31 252 992**	**75 794**	**33 415 942**	**0.0%**	**7.6%**	**100.0%**

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

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

5.9. Payments on training

Table 1.18: Summary of provincial payments on training by Vote									
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
Vote 01: Office of the Premier	1 226	1 419	1 434	1 455	1 455	1 455	1 539	1 626	1 716
Vote 02: Provincial Legislature	1 159	1 329	1 571	1 701	1 701	1 701	1 809	1 910	2 015
Vote 03: Provincial Treasury	4 565	5 304	5 285	6 104	6 104	6 104	6 458	6 820	7 196
Vote 04: Co-operative Governance and Traditional	2 591	3 038	3 831	2 642	2 642	2 642	2 315	1 223	1 300
Vote 05: Agriculture, Rural Development, Land and	3 666	3 700	3 738	3 925	3 925	3 925	4 153	4 387	4 628
Vote 06: Economic Development and Tourism	3 346	1 628	1 930	2 027	2 027	2 027	2 144	2 252	2 376
Vote 07: Education	127 485	183 127	238 912	317 772	317 772	317 772	335 737	355 843	375 414
Vote 08: Public Works, Roads and Transport	31 770	31 202	32 080	33 684	33 684	23 703	25 053	26 456	27 910
Vote 09: Community Safety, Security and Liaison	1 041	1 051	1 062	1 115	1 115	1 115	2 927	3 427	2 615
Vote 10: Health	39 495	42 096	69 917	70 839	39 497	38 914	44 950	37 217	35 103
Vote 11: Culture, Sport and Recreation	874	2 153	947	1 730	1 730	1 730	1 810	1 902	2 006
Vote 12: Social Development	981	1 690	2 329	921	921	681	711	762	816
Vote 13: Human Settlements	545	790	945	1 855	1 855	1 683	2 128	2 357	2 489
Total provincial payments on training	**218 744**	**278 527**	**363 981**	**445 770**	**414 428**	**403 452**	**431 733**	**446 182**	**465 584**

Annexure to the Overview of Provincial Revenue and Expenditure

Table A.1: Details of total provincial own receipts

Table A.1: Details of total provincial own receipts

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
Tax receipts	**453 462**	**510 696**	**530 800**	**821 401**	**821 401**	**909 396**	**958 997**	**969 365**	**979 867**
Casino taxes	72 006	75 608	77 296	83 357	83 357	79 885	88 192	93 484	98 626
Horse racing taxes	7 936	8 332	16 349	9 635	9 635	19 023	10 193	10 805	11 399
Liquor licences	2 218	17 861	6 589	8 409	8 409	7 724	8 612	8 816	9 301
Motor vehicle licences	371 302	408 895	430 566	720 000	720 000	802 764	852 000	856 260	860 541
Sales of goods and services other than capital assets	**121 479**	**116 610**	**134 518**	**146 125**	**146 125**	**152 286**	**158 219**	**164 025**	**171 116**
Sales of goods and services produced by department (e:	**121 134**	**116 610**	**134 388**	**145 726**	**145 726**	**151 887**	**157 797**	**163 579**	**170 646**
Sales by market establishments	64 149	102 572	79 078	74 529	74 529	80 642	82 311	83 871	86 555
Administrative fees	14 577	13 438	14 316	15 396	15 396	15 475	16 510	17 435	18 393
Other sales	42 408	600	40 994	55 801	55 801	55 770	58 976	62 273	65 698
Of which									
Health patient fees	33 427	30 280	38 100	18 916	18 916	33 807	21 785	22 983	24 247
0	–	–	–	–	–	–	–	–	–
0	–	–	–	–	–	–	–	–	–
0	–	–	–	–	–	–	–	–	–
Sales of scrap, waste, arms and other used current gooc	345	–	130	399	399	399	422	446	470
Transfers received from:	**–**	**1 049**	**170**	**–**	**–**	**290**	**–**	**–**	**–**
Other governmental units (Excl. Equitable share and con	–	–	–	–	–	–	–	–	–
Higher education institutions	–	–	–	–	–	–	–	–	–
Foreign governments	–	–	–	–	–	–	–	–	–
International organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	–	350	170	–	–	290	–	–	–
Households and non-profit institutions	–	699	–	–	–	–	–	–	–
Fines, penalties and forfeits	**63 674**	**90 254**	**89 229**	**70 321**	**70 321**	**53 372**	**48 106**	**48 330**	**50 553**
Interest, dividends and rent on land	**98 806**	**92 690**	**154 395**	**128 951**	**128 951**	**149 149**	**137 861**	**143 398**	**150 747**
Interest	98 806	92 595	154 395	128 951	128 951	149 149	137 861	143 398	150 747
Dividends	–	–	–	–	–	–	–	–	–
Rent on land	–	95	–	–	–	–	–	–	–
Sales of capital assets	**3 758**	**6 113**	**5 377**	**4 710**	**4 710**	**5 345**	**5 163**	**5 644**	**4 607**
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Other capital assets	3 758	6 113	5 377	4 710	4 710	5 345	5 163	5 644	4 607
Financial transactions in assets and liabilities	**13 671**	**18 349**	**14 295**	**9 438**	**9 438**	**12 805**	**11 753**	**11 933**	**12 492**
Total departmental receipts	**754 850**	**835 761**	**928 784**	**1 180 947**	**1 180 947**	**1 282 643**	**1 320 099**	**1 342 695**	**1 369 382**

Table A.2: Details of information relating to Conditional Grants

Table A.2: Information relating to Conditional Grants

Vote and Grant	Purpose	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Actual transfer	Audited expenditure	Main appropriation	Revised transfer estimate	Revised expenditure	Medium-term estimates		
R thousand			2014/15			2015/16			2016/17			2017/18		2018/19	2019/20	2020/21
Vote 04: Co-operative Governance and Traditional Affairs		**-**	**-**	**2 000**	**-**	**-**	**2 633**	**2 000**	**2 000**	**2 762**	**2 000**	**2 000**	**2 000**	**2 306**	**-**	**-**
Expanded Public Works Programme Incentive Grant for Provinces		-	-	2 000	-	-	2 633	2 000	2 000	2 762	2 000	2 000	2 000	2 306	-	-
Vote 05: Agriculture, Rural Development, Land and Environmental Affairs		**171 356**	**171 356**	**213 951**	**190 699**	**190 699**	**226 038**	**213 951**	**187 042**	**231 973**	**217 873**	**217 873**	**217 873**	**233 600**	**230 362**	**244 949**
Agricultural Disaster Management Grant		-	-	14 700	-	-	-	14 700	14 700	-	-	-	-	-	-	-
Comprehensive Agricultural Support Programme Grant		114 829	114 829	135 810	130 986	130 986	169 684	135 810	108 901	172 414	155 447	155 447	155 447	162 907	159 717	170 418
Ilima/Letsema Projects Grant		42 000	42 000	46 062	43 845	43 845	46 270	46 062	46 062	49 136	52 213	52 213	52 213	58 242	61 504	64 887
Land Care Programme Grant: Poverty Relief and Infrastructure Development		10 958	10 958	6 105	10 249	10 249	5 948	6 105	6 105	6 208	6 608	6 608	6 608	8 310	9 141	9 644
Expanded Public Works Programme Incentive Grant for Provinces		3 569	3 569	11 274	5 619	5 619	4 136	11 274	11 274	4 215	3 605	3 605	3 605	4 141	-	-
Vote 06: Economic Development and Tourism		**1 000**	**1 000**	**3 561**	**1 431**	**1 431**	**3 138**	**3 561**	**3 561**	**3 911**	**3 505**	**3 505**	**3 505**	**3 259**	**-**	**-**
Expanded Public Works Programme Incentive Grant for Provinces		1 000	1 000	3 561	1 431	1 431	3 138	3 561	3 561	3 911	3 505	3 505	3 505	3 259	-	-
Vote 07: Education		**1 106 261**	**1 105 901**	**1 217 553**	**1 102 651**	**1 102 651**	**1 473 456**	**1 233 204**	**1 233 204**	**1 442 126**	**1 443 601**	**1 454 047**	**1 454 047**	**1 578 774**	**1 500 852**	**1 635 951**
Dinaledi Schools Grant		9 802	9 802	10 228	9 675	9 675	-	10 228	10 228	-	-	-	-	-	-	-
Education Infrastructure Grant		530 711	530 711	623 602	536 370	536 370	857 247	623 602	623 602	788 153	750 184	750 184	750 184	838 551	730 112	810 132
HIV and Aids (Life Skills Education) Grant		17 896	17 896	19 404	18 015	18 015	19 631	19 404	19 404	18 798	20 102	20 298	20 298	20 819	21 919	22 994
National School Nutrition Programme Grant		506 561	506 201	524 913	504 835	504 835	545 910	541 636	541 636	574 843	615 071	625 058	625 058	651 036	683 588	732 147
Occupation Specific Dispensation for Education Sector Therapists Grant		-	-	1 072	-	-	337	-	-	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation Grant		25 678	25 678	28 682	30 756	30 756	-	28 682	28 682	-	-	-	-	-	-	-
Maths, Science and Technology Grant		-	-	-	-	-	39 136	-	-	41 639	39 756	40 019	40 019	38 206	40 354	42 794
Learners with Profound Intellectual Disabilities Grant		-	-	-	-	-	-	-	-	-	12 883	12 883	12 883	20 709	24 879	27 884
Expanded Public Works Programme Incentive Grant for Provinces		3 000	3 000	3 340	3 000	3 000	2 453	3 340	3 340	3 066	2 597	2 597	2 597	3 094	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces		12 613	12 613	6 312	-	-	8 742	6 312	6 312	15 627	3 008	3 008	3 008	6 359	-	-
Vote 08: Public Works, Roads and Transport		**1 696 314**	**1 696 314**	**2 134 806**	**1 973 010**	**1 973 010**	**2 237 728**	**2 099 056**	**2 099 056**	**2 208 501**	**2 059 932**	**2 059 932**	**2 059 932**	**2 135 577**	**2 050 820**	**1 616 138**
Expanded Public Works Programme Incentive Grant for Provinces		16 617	16 617	12 798	20 691	20 691	16 038	12 798	12 798	20 504	16 729	16 729	16 729	11 030	-	-
Provincial Roads Maintenance Grant		1 240 694	1 240 694	1 630 590	1 489 393	1 489 393	1 719 418	1 594 840	1 594 840	1 638 865	1 461 269	1 461 269	1 461 269	1 523 757	1 416 386	939 197
Public Transport Operations Grant		439 003	439 003	491 418	462 926	462 926	502 272	491 418	491 418	549 132	581 934	581 934	581 934	600 790	634 434	676 941
Vote 09: Community Safety, Security and Liaison		**522**	**522**	**2 580**	**819**	**819**	**1 000**	**2 580**	**2 580**	**4 307**	**1 482**	**1 482**	**952**	**5 438**	**-**	**-**
Social Sector Expanded Public Works Programme Incentive Grant for Provinces		522	522	2 580	819	819	1 000	2 580	2 580	4 307	1 482	1 482	952	5 438	-	-
Vote 10: Health		**1 260 185**	**1 260 185**	**1 367 865**	**1 186 647**	**1 185 747**	**1 422 915**	**1 373 568**	**1 373 568**	**1 531 329**	**1 774 305**	**1 791 711**	**1 791 711**	**2 344 338**	**2 548 780**	**2 794 916**
Comprehensive HIV and Aids Grant		586 097	586 097	818 836	690 591	690 591	927 214	818 836	818 836	1 032 055	1 188 073	1 196 105	1 196 105	1 744 627	1 939 243	2 150 377
Hospital Facility Revitalisation Grant		483 803	483 803	343 509	306 433	306 433	287 942	343 509	343 509	281 174	325 617	325 987	325 987	333 935	347 212	366 310
Health Professions Training and Development Grant		85 837	85 837	95 288	89 894	89 894	97 460	95 288	95 288	101 646	108 014	108 014	108 014	114 279	120 678	127 315
National Tertiary Services Grant		91 879	91 879	97 116	91 879	91 879	99 311	102 049	102 049	103 597	110 103	116 755	116 755	116 489	122 993	131 234
National Health Insurance Grant		11 500	11 500	7 000	4 850	4 850	7 206	7 770	7 770	7 546	-	699	699	-	-	-
Human Papillomavirus Vaccine Grant		-	-	-	-	-	-	-	-	-	-	-	-	17 665	18 654	19 680
Expanded Public Works Programme Incentive Grant for Provinces		1 069	1 069	2 732	3 000	2 100	2 264	2 732	2 732	2 311	2 000	3 653	3 653	2 322	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces		-	-	3 384	-	-	1 518	3 384	3 384	3 000	40 498	40 498	40 498	15 021	-	-
Vote 11: Culture, Sport and Recreation		**114 112**	**110 229**	**166 519**	**126 237**	**126 237**	**197 711**	**167 635**	**167 635**	**209 220**	**214 212**	**221 428**	**221 428**	**215 371**	**219 797**	**231 708**
Community Library Services Grant		72 705	68 822	114 781	77 405	77 405	150 325	115 897	115 897	155 289	162 777	169 993	169 993	162 479	171 389	180 910
Expanded Public Works Programme Incentive Grant for Provinces		1 000	1 000	2 199	550	550	2 148	2 199	2 199	2 000	2 000	2 000	2 000	2 054	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces		524	524	2 580	1 142	1 142	1 199	2 580	2 580	2 888	3 083	3 083	3 083	4 375	-	-
Mass Participation and Sport Development Grant		39 883	39 883	46 959	47 140	47 140	44 039	46 959	46 959	49 043	46 352	46 352	46 352	46 463	48 408	50 798
Vote 12: Social Development		**-**	**-**	**6 012**	**-**	**-**	**19 274**	**6 012**	**6 012**	**35 806**	**69 856**	**69 856**	**69 856**	**85 223**	**61 826**	**65 968**
Expanded Public Works Programme Incentive Grant for Provinces		-	-	2 024	-	-	2 000	2 024	2 024	2 074	2 000	2 000	2 000	2 000	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces		-	-	3 988	-	-	17 274	3 988	3 988	33 732	27 109	27 109	27 109	25 048	-	-
Early Childhood Development Grant		-	-	-	-	-	-	-	-	-	25 799	25 799	25 799	41 998	44 344	47 315
Social Worker Employment Grant		-	-	-	-	-	-	-	-	-	14 948	14 948	14 948	16 177	17 482	18 653
Vote 13: Human Settlements		**965 127**	**965 127**	**1 216 690**	**1 126 096**	**1 126 096**	**1 267 162**	**1 327 960**	**1 327 960**	**1 316 657**	**1 395 774**	**1 407 662**	**1 407 662**	**1 332 771**	**1 377 458**	**1 465 040**
Human Settlements Development Grant		965 127	965 127	1 216 690	1 126 096	1 126 096	1 265 162	1 327 960	1 327 960	1 314 645	1 395 774	1 407 662	1 407 662	1 278 427	1 322 832	1 407 412
Title Deeds Restoration Grant		-	-	-	-	-	-	-	-	-	-	-	-	51 734	54 626	57 628
Expanded Public Works Programme Incentive Grant for Provinces		-	-	-	-	-	2 000	-	-	2 012	-	-	-	2 610	-	-
Total conditional grants		**5 314 877**	**5 310 634**	**6 331 537**	**5 707 590**	**5 706 690**	**6 851 055**	**6 429 527**	**6 402 618**	**6 986 592**	**7 182 540**	**7 229 496**	**7 228 966**	**7 936 657**	**7 989 895**	**8 054 670**

Table A.3: Details of information on provincial payments and estimates

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

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term 2018/19	Medium-term 2019/20	Medium-term 2020/21
Current payments									
....									
Goods and services	**7 240 936**	**7 809 486**	**8 255 633**	**7 985 456**	**9 018 213**	**9 411 986**	**9 352 691**	**9 470 976**	**9 916 880**
Administrative fees	16 453	41 921	185 984	74 606	283 850	282 122	230 555	243 957	235 255
Advertising	29 982	32 817	47 444	32 550	42 610	40 460	47 866	43 717	45 049
Minor Assets	47 357	36 948	35 351	31 008	35 090	25 666	43 270	39 258	47 759
Audit cost: External	79 971	83 499	77 806	83 749	84 196	84 092	90 101	94 034	95 713
Bursaries: Employees	20 575	15 286	26 867	22 871	21 091	26 160	25 000	24 288	25 624
Catering: Departmental activities	52 945	45 213	47 733	50 989	54 184	62 045	46 096	52 256	64 643
Communication (G&S)	148 583	142 331	147 811	138 585	138 008	130 782	137 986	145 851	151 897
Computer services	179 187	206 021	154 909	238 557	259 062	243 171	231 822	247 379	252 579
Consultants and professional services: Business and advisor	92 743	153 107	127 959	106 244	141 352	152 798	126 625	77 409	80 661
Consultants and professional services: Infrastructure and plan	88 847	124 034	146 484	201 682	234 290	229 107	151 165	147 361	167 903
Consultants and professional services: Laboratory services	357 810	329 329	374 295	331 183	445 936	526 571	525 860	648 844	750 743
Consultants and professional services: Scientific and technolo				263	263				
Consultants and professional services: Legal costs	20 532	53 524	49 899	69 839	77 263	80 675	46 215	52 747	58 471
Contractors	607 921	600 631	854 928	828 360	966 981	942 059	941 052	897 859	971 491
Agency and support / outsourced services	742 095	708 853	795 731	738 886	768 108	811 657	804 277	823 136	896 166
Entertainment	349	402	183	371	371	371	380	236	505
Fleet services (including government motor transport)	247 715	247 688	232 665	249 362	237 368	251 148	252 517	268 034	274 568
Housing									
Inventory: Clothing material and accessories	6 866	14 859	10 817	5 400	6 848	14 441	16 119	13 956	14 724
Inventory: Farming supplies	4 556	5 828	52 452	7 118	50 115	49 779	52 590	74 544	77 823
Inventory: Food and food supplies	92 076	87 967	87 457	94 565	79 139	78 768	95 577	95 771	95 950
Inventory: Fuel, oil and gas	37 175	50 052	43 769	43 604	27 426	33 182	17 925	19 671	20 014
Inventory: Learner and teacher support material	478 449	439 861	228 240	251 386	365 995	378 124	266 407	305 060	295 209
Inventory: Materials and supplies	62 619	57 873	111 500	61 753	86 374	107 561	82 023	91 087	96 702
Inventory: Medical supplies	320 440	356 424	361 414	360 867	344 458	366 423	381 976	396 658	400 310
Inventory: Medicine	1 021 312	1 123 245	1 079 041	1 305 929	1 303 326	1 451 495	1 603 339	1 666 835	1 687 221
Medsas inventory interface									
Inventory: Other supplies	61 870	97 153	66 449	83 384	126 544	114 961	185 715	193 441	192 873
Consumable supplies	148 797	144 272	181 638	111 193	125 842	131 258	101 281	97 763	102 637
Consumable: Stationery,printing and office supplies	71 407	83 268	75 050	70 918	70 422	73 739	76 312	90 019	82 381
Operating leases	246 386	277 063	265 327	280 269	287 468	310 222	357 111	320 583	355 987
Property payments	831 504	942 703	1 084 854	1 082 691	1 206 966	1 210 425	1 185 722	1 011 449	1 043 804
Transport provided: Departmental activity	369 454	441 432	426 125	464 150	476 350	469 906	477 423	513 502	536 965
Travel and subsistence	510 500	529 313	526 917	315 726	372 265	439 828	430 049	396 007	394 530
Training and development	104 223	157 081	196 403	101 494	126 929	125 261	167 682	204 529	216 835
Operating payments	80 675	87 425	66 328	76 681	92 752	91 124	89 244	91 531	96 920
Venues and facilities	48 554	76 406	76 961	61 704	71 044	68 796	54 667	73 146	76 807
Rental and hiring	11 008	15 657	8 842	7 519	7 927	7 809	10 743	9 058	10 162
....									
Total economic classification									

Table A.4 (a): Payments summary by functional area

Table A.4(a): Payments summary by functional area

Function	Catergory	Department	Programmes
General public services	Legislative	Premier	Administration
			Institutional Development
			Policy and Governance
		Provincial Legislature	Administration
			Parliamentary Business
		Co-operative Governance and Traditional Affairs	The House of Traditional Leaders
	General policy and administration	Co-operative Governance and Traditional Affairs	Administration
			Local Governance
			Development and Planning
			Traditional Institutional Management
	General Services	Public Works, Roads and Transport	Administration
			Public Works Infrastructure
	Financial and Fiscal Services	Provincial Treasury	Administration
			Sustainable Resources Management
			Asset And Liabilities Management
			Financial Governance
Public order and safety	Police services	Community Safety, Security and Liaison	Administration
			Civilian Oversight
			Security Management
Economic Affairs	Transport	Community Safety, Security and Liaison	Transport Regulation
		Public Works, Roads and Transport	Transport Infrastructure
			Transport Operations
			Community Based Programmes
	General economic affairs	Economic Development and Tourism	Administration
			Integrated Economic Development
			Trade and Sector Development
			Business Regulation and Governance
			Economic Planning
	Communication	Economic Development and Tourism	Tourism
	Agriculture	Agriculture, Rural Development, Land and Environmental Affairs	Administration
			Sustainable Resource Management
			Farmer Support and Development
			Veterinary Services
			Research and Technology Development
			Agricultural Economics Services
			Rural Development Coordination
Environmental Protection	Environmental protection	Agriculture, Rural Development, Land and Environmental Affairs	Environmental Affairs
Housing and community amenities	Housing development	Human Settlements	Administration
			Housing Needs, Planning and Research
			Housing Development
			Housing Asset Management
Health	Outpatient service	Health	District Health Services
			Health Facilities Management
	Hospital services		Administration
			District Health Services
			Emergency Medical Services
			Provincial Hospital Services
			Central Hospital Services
			Health Sciences and Training
			Health Care Support Services
			Health Facilities Management
Recreation, culture and religion	Recreational and sporting services	Culture, Sport and Recreation	Administration
			Sport and recreation
	Cultural services		Administration
			Cultural Affairs
			Library and Archives Services
Education	Pre-primary and primary	Education	Public Ordinary Schools Education
			Early Childhood Development
	Secondary education	Education	Public Ordinary Schools Education
	Subsidiary service to education	Education	Administration
			Public Ordinary Schools Education
			Independent Schools Subsidies
			Public Special Schools Education
			Early Childhood Development
			Infrastructure Development
			Examination and Education Related Services
	Education not definable by level	Education	Public Special Schools Education
			Independent Schools Subsidies
		Health	Health Sciences and Training
		Agriculture, Rural Development, Land and Environmental Affairs	Structured Agricultural Education and Training
Social protection	Social security services	Social Development	Administration
			Social Welfare Services
			Children and Families
			Restorative Services
			Development and Research

Table A.4(b): Details of provincial payments and estimates by functional area

A.4(b): Details of provincial payments and estimates by functional area

R thousand	Outcome 2014/15	Outcome 2015/16	Outcome 2016/17	Main appropriation 2017/18	Adjusted appropriation 2017/18	Revised estimate 2017/18	Medium-term estimates 2018/19	Medium-term estimates 2019/20	Medium-term estimates 2020/21
General Public Services									
Executive and Legislature	515 281	575 643	590 247	624 705	658 569	663 613	648 130	668 635	707 040
Office of the Premier	211 586	262 393	261 901	289 769	306 650	311 694	281 778	296 299	312 595
The House of Traditional Leaders	15 025	17 629	18 449	17 645	18 326	18 326	19 705	17 453	20 723
Provincial Legislature	288 670	295 621	309 897	317 291	333 593	333 593	346 647	354 883	373 722
Financial and Fiscal Services	275 329	273 091	286 270	289 945	289 945	289 945	322 706	326 050	343 835
Provincial Treasury	275 329	273 091	286 270	289 945	289 945	289 945	322 706	326 050	343 835
General Services (Public Works, Local Government)	1 250 002	1 356 300	1 599 174	1 566 884	1 538 131	1 538 131	1 629 789	1 828 679	1 715 546
Total: General Public Services	**2 040 612**	**2 205 034**	**2 475 691**	**2 481 534**	**2 486 645**	**2 491 689**	**2 600 625**	**2 823 364**	**2 766 421**
Public Order and Safety									
Police Services	1 003 379	1 245 917	1 175 237	1 153 099	1 178 722	1 194 121	1 222 822	1 278 410	1 347 192
Community Safety, Security and Liaison	1 003 379	1 245 917	1 175 237	1 153 099	1 178 722	1 194 121	1 222 822	1 278 410	1 347 192
Total: Public Order and Safety	**1 003 379**	**1 245 917**	**1 175 237**	**1 153 099**	**1 178 722**	**1 194 121**	**1 222 822**	**1 278 410**	**1 347 192**
Economic Affairs									
General Economic Affairs	764 536	795 227	998 569	1 130 077	1 130 077	1 127 725	1 198 058	1 257 471	1 326 632
Economic Development and Tourism	764 536	795 227	998 569	1 130 077	1 130 077	1 127 725	1 198 058	1 257 471	1 326 632
Agriculture	883 470	899 178	862 614	985 719	1 013 974	1 013 974	1 043 389	1 086 092	1 147 744
Agriculture, Rural Dev, Land and Enviro Affairs	883 470	899 178	862 614	985 719	1 013 974	1 013 974	1 043 389	1 086 092	1 147 744
Transport	3 423 138	3 492 396	3 597 624	3 691 262	3 735 722	3 735 722	3 859 768	3 850 372	3 510 901
Transport	3 423 138	3 492 396	3 597 624	3 691 262	3 735 722	3 735 722	3 859 768	3 850 372	3 510 901
Total: Economic Affairs	**5 071 144**	**5 186 801**	**5 458 807**	**5 807 058**	**5 879 773**	**5 877 421**	**6 101 215**	**6 193 935**	**5 985 277**
Environmental Protection									
Environmental Protection	69 438	85 777	89 942	112 733	109 678	109 678	115 509	114 526	120 827
Total: Environmental Protection	**69 438**	**85 777**	**89 942**	**112 733**	**109 678**	**109 678**	**115 509**	**114 526**	**120 827**
Housing and Community Amenities									
Housing Development	1 757 403	1 702 629	1 964 923	1 646 082	1 739 988	1 739 988	1 774 080	1 667 471	1 771 004
Human Settlements	1 757 403	1 702 629	1 964 923	1 646 082	1 739 988	1 739 988	1 774 080	1 667 471	1 771 004
Total: Housing and Community Amenities	**1 757 403**	**1 702 629**	**1 964 923**	**1 646 082**	**1 739 988**	**1 739 988**	**1 774 080**	**1 667 471**	**1 771 004**
Health									
Outpatient services	3 282 129	3 765 329	3 982 767	4 642 259	4 614 818	4 734 225	5 230 359	5 463 751	5 815 981
Hospital Services	5 402 429	6 104 601	6 384 559	7 130 606	7 191 190	7 501 913	7 826 215	8 293 421	8 799 106
Total: Health	**8 684 557**	**9 869 929**	**10 367 326**	**11 772 865**	**11 806 009**	**12 236 138**	**13 056 573**	**13 757 172**	**14 615 087**
Recreation, Culture and Religion									
Sporting and Recreational Affairs	411 103	423 084	467 690	511 232	452 067	471 156	468 461	545 170	574 977
Sport, Arts and Culture	411 103	423 084	467 690	511 232	452 067	471 156	468 461	545 170	574 977
Total: Recreation, Culture and Religion	**411 103**	**423 084**	**467 690**	**511 232**	**452 067**	**471 156**	**468 461**	**545 170**	**574 977**
Education									
Pre-primary & Primary Phases	7 817 254	8 345 040	8 850 288	9 489 784	9 696 028	9 650 668	10 254 394	11 003 898	11 694 399
Secondary Education Phase	4 661 910	4 954 458	5 246 677	5 651 031	5 748 196	5 716 931	6 056 419	6 485 696	6 892 552
Subsidiary Services to Education	2 970 088	3 560 011	3 445 782	3 869 384	3 834 199	3 850 832	4 256 775	3 865 701	4 194 367
Education not defined by level	451 221	469 634	495 451	586 064	567 848	546 349	648 985	685 642	727 039
Total: Education	**15 900 473**	**17 329 143**	**18 038 198**	**19 596 263**	**19 846 271**	**19 764 781**	**21 216 573**	**22 040 937**	**23 508 357**
Social protection									
Social Services and Population Development	1 220 303	1 270 653	1 369 843	1 456 009	1 509 438	1 509 438	1 551 584	1 624 299	1 714 467
Total: Social protection	**1 220 303**	**1 270 653**	**1 369 843**	**1 456 009**	**1 509 438**	**1 509 438**	**1 551 584**	**1 624 299**	**1 714 467**
Total provincial payments and estimates by functiona	**36 158 412**	**39 318 967**	**41 407 657**	**44 536 875**	**45 008 591**	**45 394 410**	**48 107 442**	**50 045 284**	**52 403 609**

Table A.5: Details of transfers to local government

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
Category A	–	–	–	–	–	–	–	–	–
Category B	**394 418**	**398 612**	**216 640**	**171 250**	**171 447**	**172 213**	**184 387**	**194 213**	**204 894**
MP301 Albert Luthuli	8 650	11 393	11 553	9 252	9 252	12 614	13 295	14 279	15 136
MP302 Msukaligwa	8 873	12 225	12 619	6 962	6 962	12 803	13 494	14 493	15 363
MP303 Mkhondo	2 065	111 118	3 695	8 788	8 788	3 073	3 239	3 479	3 688
MP304 Pixley Ka Seme	3 944	2 321	1 002	3 062	3 062	1 224	1 549	1 664	1 764
MP305 Lekwa	23 260	2 116	1 642	4 693	4 693	5 438	5 732	6 156	6 525
MP306 Dipaleseng	1 120	2 000	1 105	3 971	3 971	2 047	2 158	2 318	2 457
MP307 Govan Mbeki	68 695	24 171	9 408	12 703	12 703	7 326	7 722	8 293	8 791
MP311 Delmas	2 161	1 406	1 670	2 955	2 955	4 945	5 212	5 598	5 934
MP312 Emalahleni	49 427	72 602	18 543	14 277	14 277	12 727	13 414	14 407	15 271
MP313 Steve Tshwete	17 716	20 237	10 611	16 215	16 215	12 768	13 457	14 453	15 320
MP314 Emakhazeni	3 707	–	3 256	4 633	4 633	9 333	9 837	10 565	11 199
MP315 Thembisile	3 810	–	6 952	1 486	1 486	8 391	8 844	9 498	10 068
MP316 Dr JS Moroka	1 392	2 305	12 123	5 709	5 709	1 979	2 086	2 240	2 374
MP321 Thaba Chweu	5 479	7 450	6 552	7 480	7 480	14 505	15 288	16 419	17 404
MP322 Mbombela	7 251	81 246	13 849	6 481	6 481	14 444	15 181	15 793	16 739
MP323 Umjindi	5 857	17 623	10 399	32 508	32 508	17 414	18 354	19 712	20 895
MP324 Nkomazi	107 011	30 399	47 661	30 075	30 272	31 182	35 525	34 846	35 966
MP325 Bushbuckridge	74 000	–	44 000	–	–	–	–	–	–
Category C	**17 175**	**3 000**	–	–	–	–	–	–	–
DC30 Gert Sibande	11 064	–	–	–	–	–	–	–	–
DC31 Nkangala	4 750	3 000	–	–	–	–	–	–	–
DC32 Ehlanzeni	1 361	–	–	–	–	–	–	–	–
Unallocated	**112**	**515**	**552**	**576**	**576**	**519**	**833**	**859**	**512**
Total departmental transfers to loc	**411 705**	**402 127**	**217 192**	**171 826**	**172 023**	**172 732**	**185 220**	**195 072**	**205 406**

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ISBN: 978-0-621-46115-2 PR38/2018