

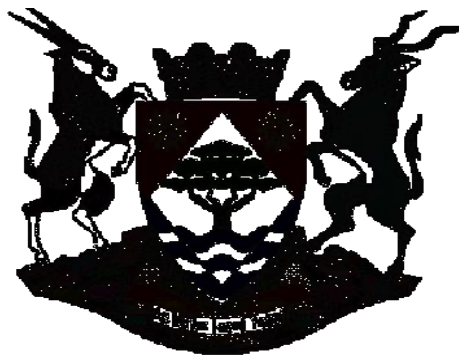


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“We know it well that none of us acting alone can achieve success. We must therefore act together as a united people, for national reconciliation, for nation building, for the birth of a new world. Let there be justice for all. Let there be peace for all. Let there be work, bread, water and salt for all. Let each know that for each the body, the mind and the soul have been freed to fulfill themselves. ”

UNION BUILDING, PRETORIA. 10 MAY 1994

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**Northern Cape Provincial Treasury**

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### **Estimates of Provincial Revenue and Expenditure**

Vote 1: Office of the Premier

Vote 2: Provincial Legislature

Vote 3: Department of Transport, Safety and Liaison

Vote 4: Department of Education

Vote 5: Department of Roads and Public Works

Vote 6: Department of Economic Development and Tourism

Vote 7: Department of Sports, Arts and Culture

Vote 8: Provincial Treasury

Vote 9: Department of Co-Operative Governance, Human Settlements and Traditional Affairs

Vote 10: Department of Health

Vote 11: Department of Social Development

Vote 12: Department of Agriculture, Land Reform and Rural Development

Vote 13: Department of Environment and Nature Conservation

## **Acronyms**

AADT	Average Annual Daily Traffic
ABET	Adult Basic Education and Training
AET	Adult Education and Training
AG	Auditor General
ANA	Annual National Assessment
APP	Annual Performance Plan
B2B	Back to Basic
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BHF	Board of Health Funders
BPO	Business Process Outsourcing
BRICS	Brazil, Russia, India and China and South Africa
CAPS	Curriculum and Assessment Policy Statement
CASP	Comprehensive Agricultural Support Programme
CDW	Community Development Workers
CFO	Chief Financial Officer
CHC	Community Health Centre
CHW	Community Health Workers
CLCs	Community Learning Centres
CMAPs	Chemicals Management Action Plans
COGHTSA	Co-operative Governance, Human Settlements and Traditional Affairs
CPI	Consumer Price Index
CPIs	Comprehensive Infrastructure Plans
CRDP	Comprehensive Rural Development Programme
CSP	Comprehensive Service Plan

CSPS	Community, Social and Personal Services
CUT	Central University of Technology
CWP	Community Work Programme
DHET	Department of Higher Education
DHIS	District Health Information Systems
DOPRF	Devolution of Property Rates Fund
DoRA	Division of Revenue Act
DoRB	Division of Revenue Bill
DPSA	Department of Public Service and Administration
DRS	Debt Redemption Strategy
DTI	Department of Trade and Industry
DTSL	Department of Safety and Liaison
DWA	Department of Water Affairs
ECD	Early Childhood Development
EDI	Electronic Data Interchange
EMIS	Education Management Information System
EMS	Emergency Medical Services
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERP	Extension Recovery Plan
ETDP	Education Training and Development Practice Sector Education and Training Authority
EXCO	Executive Council
FARR	Foundation for Alcohol Related Research
FET	Further Education and Training
FIFA	Federation of International Football Association
FSD	Farmer Support and Development
GDP	Gross Domestic Product
GEM	Global Economic Monitor

GEMS	Government Employee Medical Scheme
GET	General Education and Training
GIAMA	Government Immoveable Asset Management Act
GRAP	Generally Recognised Accounting Practice
HCBC	Home Community Based Care
HCDS	Human Capital Development Strategy
HCWM	Health Care Waste Management
HDI	Historically Disadvantaged Individuals
HFRG	Health Facility Revitalization Grant
HIS	Hospital Information System
HIV AND AIDS	Human Immunodeficiency Virus and Acquired Immunodeficiency Syndrome
HOD	Head of Department
HPTDG	Health Professional Training and Development Grant
HRP	Hospital Revitalisation Programme
HSDG	Human Settlement Development Grant
HSS	Human Settlement Subsidy System
ICS	Improvement of Conditions of Service
ICT	Information Communication Technology
IDC	Industrial Development Corporation
IDIP	Infrastructure Delivery Improvement Programme
IDPs	Integrated Development Plans
IES	Income and Expenditure Survey
IGP	Infrastructure Grant to Provinces
IGR	Intergovernmental Relations
IMF	International Monetary fund
INP	Integrated Nutrition Programme
IRDP	Integrated Residential Development Programme
ISDM	Integrated Service Delivery Model

ISRDP	Integrated Sustainable Rural Development Programme
IT	Information Technology
IYM	In-Year Monitoring
LED	Local Economic Development
LFS	Labour Force Survey
LGTAS	Local Government Turn Around Strategy
LOGIS	Logistical Information System
LRAD	Land Redistribution and Agricultural Development
LTSM	Learner Teacher Support Materials
M&E	Monitoring and Evaluation
MAFISA	Micro Agricultural Financial Institutions of South Africa
MDR-TB	Multi-Drug Resistant TB
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agency
MoA	Memorandum of Agreement
MPAT	Monitoring Performance Assessment Tool
MPL	Member of Provincial Legislature
MSIP	Municipal Support and Intervention Plan
MSWH	Mother, Child and Women`s Health
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTREF	Medium-Term Revenue and Expenditure Framework
MTSF	Medium Term Strategic Framework
MYHDP	Multi-Year Housing Development Plan
NACH	National Anti-Corruption Hotline
NAMC	National Agriculture Marketing Council

NCA	National Credit Act
NCDoE	Northern Cape Department of Education
NCEDA	Northern Cape Economic Development Trade and Investment Promotion Agency
NCFF	Northern Cape Fiscal Framework
NCGB	Northern Cape Gambling Board
NCLB	Northern Cape Liquor Board
NCOP	National Council of Provinces
NCPGDS	Northern Cape Provincial Growth and Development Strategy
NCPL	Northern Cape Provincial Legislature
NCPT	Northern Cape Provincial Treasury
NCTA	Northern Cape Tourism Authority
NDHS	National Department of Human Settlement
NDP	National Development Plan
NGO	Non-governmental Organisation
NHI	National Health Insurance
NHLS	National Health Laboratory Services
NPO	Non-profit Organisations
NQF	National Qualification Framework
NSC	National Senior Certificate
NSDA	Negotiated Service Delivery Agreement
NSDF	National Spatial Development Framework
NSDP	National Spatial Development Perspective
NSLA	National Strategy for Learner Attainment
NSNP	National School Nutrition Programme
NSNP	National School Nutrition Programme
NSP	National Strategic Plan
NT	National Treasury
NTR's	National Treasury Regulations



NTSG	National Tertiary Services Grant
OECD	Organization for Economic Co-operation and Development
OPRE	Overview of Provincial Revenue and Expenditure
OSD	Occupational Specific Dispensation
OTP	Office of the Premier
PCA	Provincial Council on AIDS
PERSAL	Personnel and Salary Administration System
PES	Provincial Equitable Share
PFMA	Public Finance Management Act
PGDS	Provincial Growth and Development Strategy
PHC	Primary Health Care
PIGF	Premier's Inter-Governmental Forum
PMTCT	Prevention of Mother-to-Child Transmission
PMTEC	Provincial Medium Term Expenditure Committee
PPHC	Personal Primary Health Care
PPI	Production Price Index
PPP	Public Private Partnerships
PRF	Provincial Revenue Fund
PSC	Public Service Commission
PSCBC	Public Service Coordinating and Bargaining Council
PSDF	Provincial Spatial Development Framework
PSETA	Public Sector Education and Training Authority
PTIF	Provincial Transport Infrastructure Fund
RCAM	Roads Classification and Access Management
RDP	Reconstruction and Development Programme
REQV	Relevant Education Qualification Value
RIFSA	Roads Infrastructure Strategic Framework for South Africa
SACSSP	South African Council for Social Service Professions

SALGA	South African Local Government Association
SANAS	South African National Accreditation System
SANCB	South African National Council for the Blind
SAPS	South African Police Services
SARCC	South African Rail Commuter Corporation
SARS	South African Revenue Services
SASSA	South African Social Security Agency
SAWs	Social Auxiliary Workers
SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SDFs	Spatial Development Frameworks
SDG	Sustainable Development Goals
SETA	Sector Education Training Authority
SEZ	Special Economic Zone
SGB	School Governing Bodies
SIOC	Sishen Iron Ore Community Trust
SIP	Strategic Infrastructure Projects
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprise
SMS	Senior Management Service
SMT	School Management Teams
SOEs	State Owned Enterprises
SONA	State of the Nation Address
SOPA	State of the Province Address
SPV	Special Purpose Vehicles
STI	Sexually Transmitted Infection
TB	Tuberculosis
TCF	Technical Committee on Finance

TIPS	Trade and Industry Policy Service
UISP	Informal Settlement Programme
UPFS	Uniform Patient Fee Schedules
URP	Urban Renewal Programme
URS	User Requirement Statement
VIP	Ventilation Improved Pit

## Foreword by MEC

The 2018/19 MTEF Budget is about development and fiscal sustainability. It continues to support plans expressed in the National Development Plan (NDP), which is to eliminate poverty, and reducing inequalities, with a focus lowering the cost of living, creating more jobs and inclusive economic growth.

Infrastructure programmes are most immediate contributors to the goals of NDP. Investment in economic and social infrastructure improve economic growth and thus quality life for all. A total of **R8.3 billion** is budgeted for infrastructure over the next three years in this regard.

This budget is also an expression of our resolve, in the face of economic difficulties, to maintain control over expenditure, ensuring that over finance remains sustainable. In this regard, we will ensure that expenditure is financed in a fiscally responsible manner and we will relentlessly look at opportunities that improve the efficiency of spending and tighten supply chain management.

Budget is not just about numbers. It is about people, their desires, their needs and their hopes. It is therefore a monetary expression of this government's priorities and how they will be achieved in a fiscally sustainable manner.

This budget has however, been challenging. Revenue growth is slowing while demands on the fiscus are greater than ever before. It once again sets out baseline expenditure cuts totalling to R124.9 million over the three years and reprioritise spending. Notwithstanding these challenges, 2018/19 Budget still prioritises increase in infrastructure investment, health and education spending.

I would like to acknowledge the hard work of Treasury Committee, Executive Council for their constant probing of expenditure options at various stages of the budget process. Large thanks goes to the dedicated Provincial Treasury officials and official from other departments in putting together this budget.

**MN Jack**

**MEC for Finance, Economic Development and Tourism**

# **Overview of Provincial Revenue and Expenditure**

**7 March 2018**

## 1. Socio-Economic Outlook

### 1.1. Demographic Profile

In this section, the demographic analysis of the Northern Cape Province is provided. This is intended to guide the budget process for the 2018/19 financial year. This is crucial in that it ensures equity to the province's citizens as far as service delivery is concerned. Table 1.1 presents the total population for the province and its district municipalities for 2006 and 2016.

**Table 1.1: Population Size and Distribution Between Districts, 2006 and 2016**

District	Total Population		Percentage (%)	
	2006	2016	2006	2016
Namakwa DM	119 104	127 617	11.5	10.5
Pixley ka Seme DM	174 497	199 785	16.9	16.5
ZF Mgcawu DM	222 270	258 318	21.5	21.3
Frances Baard DM	331 584	400 088	32.1	32.9
John Taolo Gaetsewe DM	184 284	228 662	17.9	18.8
<b>Northern Cape</b>	<b>1 031 740</b>	<b>1 214 471</b>	<b>100.0</b>	<b>100.0</b>

Source: IHS Markit, 2018 [Regional eXplorer Version 1277 (2.6b)]

The Northern Cape experienced an increase in total population between 2006 and 2016, and this is observed in all district municipalities. Frances Baard remained the district with the largest share of the provincial population at 32.9 per cent, and this is not surprising as it is the economic hub of the province. ZF Mgcawu had the second largest population share at 21.3 per cent while Namakwa had the smallest proportion of the total provincial population at 10.5 per cent. There could be various factors that contribute to the rise in the population size, including increased fertility and migration rates, as well as low mortality rates.

Table 1.2 below shows the provincial population by number of households, race and gender. In some instances, comparison is made with South Africa.

**Table 1.2: Population Profile for Northern Cape by Number of Households, Race and Gender, 2006 and 2016**

	Total Population		Households	
	Northern Cape	South Africa	Number of Households	Average Number of People per Household
2006	1 031 740	47 823 267	280 805	3.7
2016	1 214 471	55 724 934	331 081	3.7
% Change	1.6	1.5		
Total Population by Race and Gender				
	Race	Male	Female	Total
2016	African	297 665	299 771	597 436
	White	45 229	48 823	94 052
	Coloured	249 910	264 849	514 759
	Asian	4 593	3 631	8 224
	<b>Total</b>	<b>597 396</b>	<b>617 074</b>	<b>1 214 471</b>

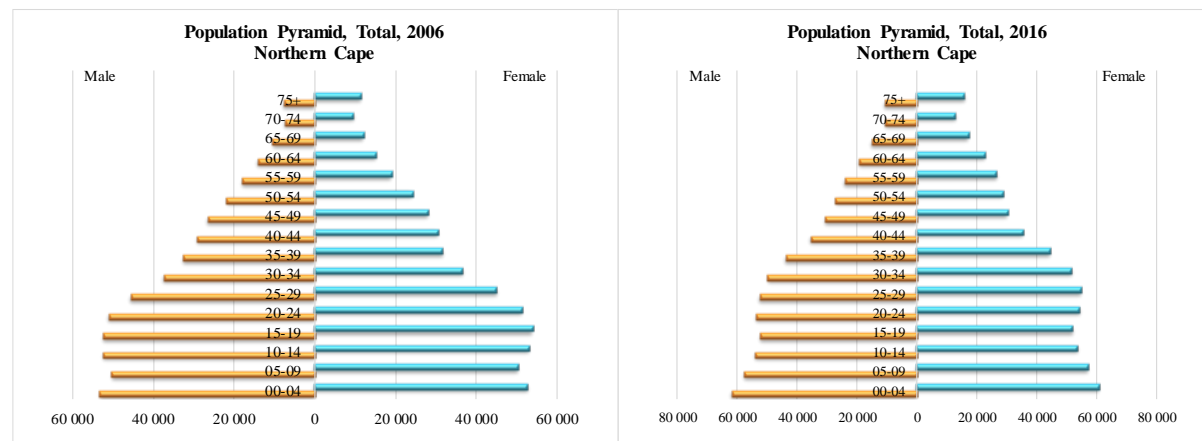
Source: IHS Markit, 2018 [Regional eXplorer Version 1277 (2.6b)]

The Northern Cape experienced a population growth rate of 1.6 per cent on average annually in its population between 2006 and 2016. This was higher than the national figure by 0.1 percentage points. The increase in the population also led to an increase in the number of households over the same period. On average, the province had 3.7 people in one household. Africans remained the population group with the largest percentage of the total provincial population at 49.2 per cent, followed by the Coloured population at 42.4 per cent and Whites at 7.7 per cent. Asians constituted the smallest share

of the total population at 0.7 per cent. Regarding gender, there were more females than males in the province in 2016. Females represented 50.8 per cent of the province's total population whereas males made up 49.2 per cent.

Figure 1.1 below depicts the Northern Cape's population pyramids for 2006 and 2016.

**Figure 1.1: Population Pyramid for Northern Cape, 2006 and 2016**

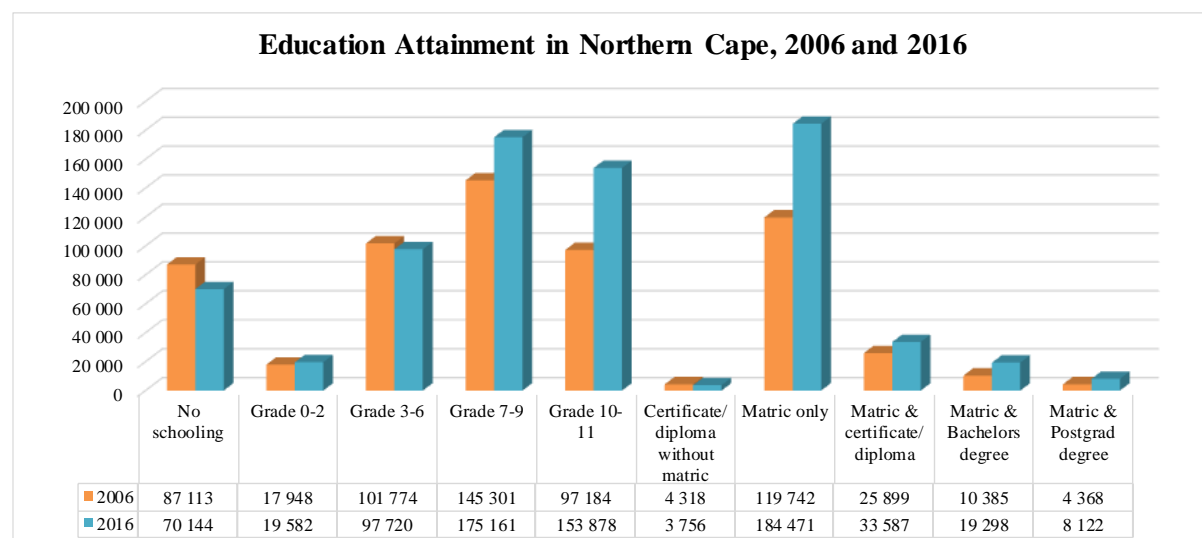


Source: IHS Markit, 2018 [Regional eXplorer Version 1277 (2.6b)]

The 2006 pyramid has a broader base when compared to the 2016 one, indicating a larger proportion of people in lower age cohorts. In 2006, the 0 to 4 years and 15 to 19 years age cohorts constituted the largest proportion of the provincial population, while the 70 to 74 years age cohort represented the smallest share. In 2016, the age cohort that had the largest share of the population was the 0 to 4 years cohort while the 70 to 74 years cohort was still the smallest. In general, the Northern Cape has the smallest population size in South Africa, one of the factors behind the province's smallest share of the national fiscus.

In Figure 1.2 below, the Northern Cape's education levels are shown for 2006 and 2016.

**Figure 1.2: Education Attainment in Northern Cape, 2006 and 2016**



Source: IHS Markit, Regional Explorer, 2018 [Version 1277 (2.6b)]

In 2016, the largest number of people had matric only. Those with certificates or diploma but without matric were the smallest. It is still concerning to observe the low numbers of people with a postgraduate education. This situation is however expected to improve following the establishment of the university in the province and the recent announcement of a fee-free education in South Africa.

There was a significant increase in the number of people with matric only, as well as in the number of people with matric and higher education. This improvement shows how the people in the province are becoming more skilled. It is however also a concern that the province still has people with no schooling. This is something that should be attended to as it affects the employability of these people.

Tracking progress in service delivery is also of great importance, especially now in the twenty-fourth year of democracy. The Constitution of the Republic of South Africa made provision for all the services that people are entitled to. The table below provides the number of households that did and did not have access to basic services in the province in 2006 and 2016.

**Table 1.3: Number of Households With and Without Access to Basic Services in Northern Cape, 2006 and 2016**

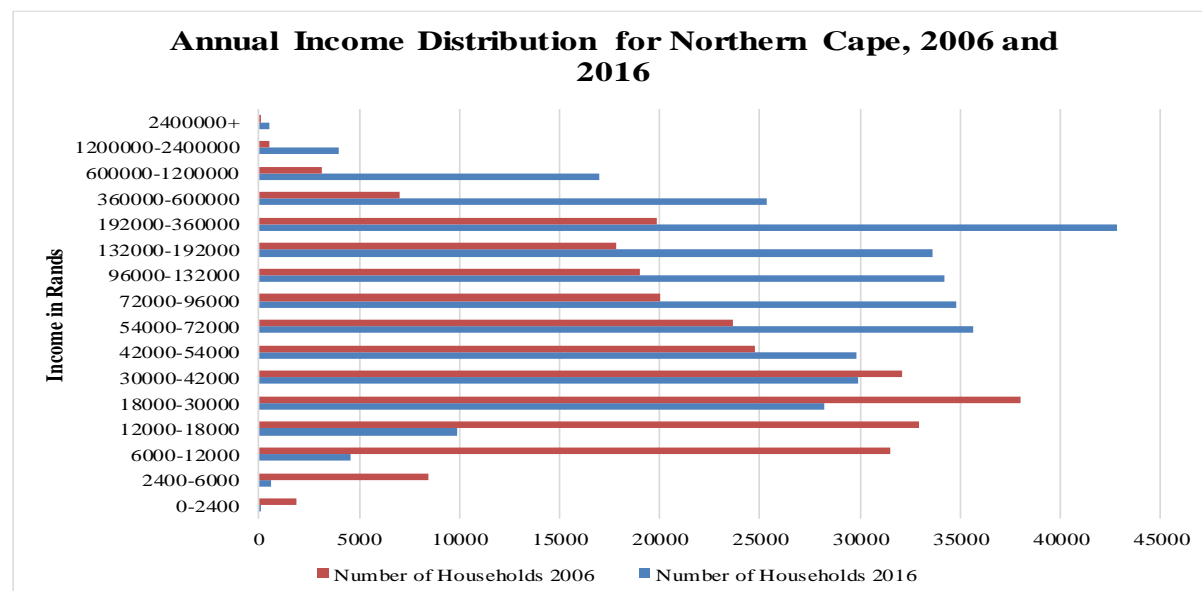
Basic Services	2006		2016	
	Households with Access	Households without Access	Households with Access	Households without Access
Electricity	235 623	45 182	299 429	31 652
Flush Toilets	201 585	79 220	233 988	97 094
Piped Water	268 460	12 345	318 344	12 737
Refuse Removal	267 277	13 528	317 010	14 071

Source: IHS Markit, 2018 [Regional eXplorer Version 1277 (2.6b)]

The number of households that had access to basic services increased between 2006 and 2016, while the number of households with no access to basic services over the same period also increased, except for electricity which decreased. With an increase in population one would expect increases even in the number of households without access to basic services.

The gap between the rich and the poor in South Africa is still a major concern due to the imbalances of the past, hence one of government's priorities is to narrow this gap. Figure 1.3 below shows the annual income distribution for the Northern Cape for 2006 and 2016.

**Figure 1.3: Annual Income Distribution for Northern Cape, 2006 and 2016**



Source: IHS Markit, 2018 [Regional eXplorer Version 1277 (2.6b)]

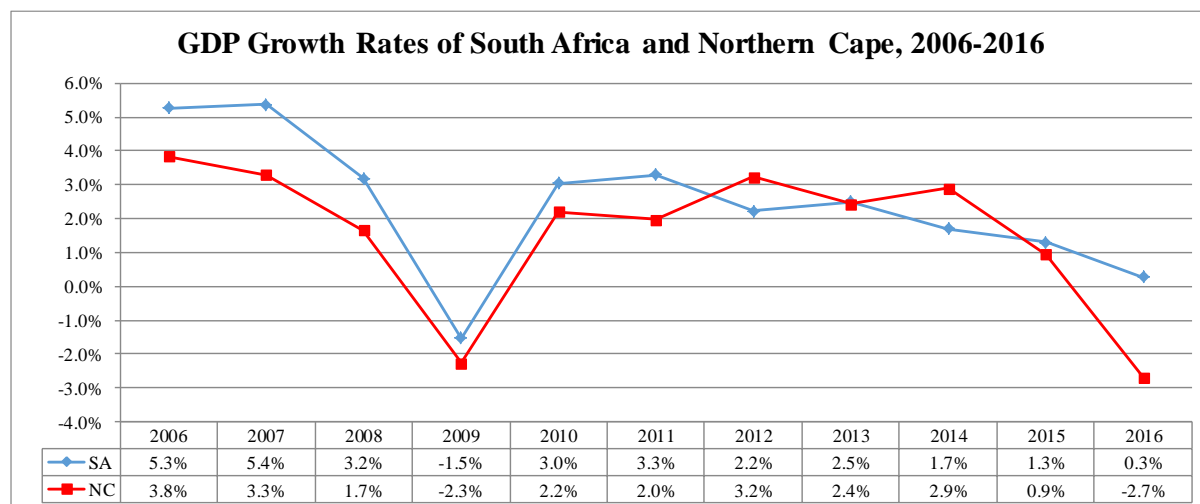
It can be noted that in 2016, the largest number of households were earning in the income bracket of R192 000-360 000 per annum, whereas in 2006 the largest number were in the income bracket of R18 000-R30 000 per annum. Even though there is an improvement, the issue of inequality still needs to be addressed. Job creation and support for small and medium enterprises cannot be underestimated in improving the financial wellbeing of the people and alleviating poverty.



## 1.2. Economic Indicators

Like the national economy, the economy of the province was struggling to perform in 2016. The province however recorded negative growth according to IHS Markit. Figure 1.4 below provides the gross domestic product (GDP) growth rates of South Africa and the Northern Cape for the period from 2006 to 2016.

**Figure 1.4: GDP Growth Rates of South Africa and Northern, 2006-2016**



Source: IHS Markit, 2018 [Regional eXplorer Version 1277 (2.6b)]

Following the 2008/09 financial crisis, Northern Cape economic growth peaked at 3.2 per cent in 2012 and at 2.9 per cent in 2014. In both these years, the Northern Cape economy grew above that of South Africa. However, after 2014 the provincial economy was on a downward turn for two consecutive years, firstly reaching a marginal 0.9 per cent growth in 2015 and then -2.7 per cent in 2016.

Table 1.4 below shows the provincial sectoral growth and contributions to the GDP for 2015 and 2016.

**Table 1.4: Provincial Sectoral Growth and Contributions to GDP, 2015 and 2016**

Sector	Growth Rate		Contributions to GDP	
	2015	2016	2015	2016
<b>Primary sector</b>	<b>0.0%</b>	<b>-8.1%</b>	<b>27.8%</b>	<b>25.6%</b>
Agriculture	0.7%	-6.2%	7.6%	8.2%
Mining	-0.2%	-8.5%	20.2%	17.5%
<b>Secondary sector</b>	<b>0.7%</b>	<b>-0.3%</b>	<b>10.8%</b>	<b>11.1%</b>
Manufacturing	0.1%	1.3%	3.4%	3.5%
Electricity	-0.2%	-2.7%	4.5%	4.6%
Construction	2.5%	0.3%	2.9%	3.0%
<b>Tertiary sector</b>	<b>1.7%</b>	<b>0.6%</b>	<b>61.4%</b>	<b>63.3%</b>
Trade	0.4%	0.0%	12.4%	13.2%
Transport	1.1%	-0.3%	13.0%	13.3%
Finance	3.7%	1.4%	14.0%	14.3%
Community services	1.5%	0.8%	22.0%	22.5%

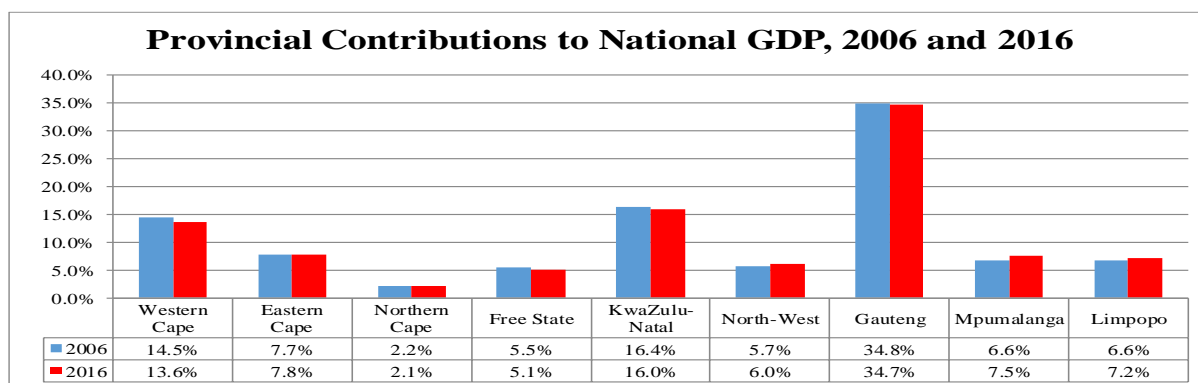
Source: IHS Markit, 2018 [Regional eXplorer Version 1277 (2.6b)]

Significant negative growth rates in both the mining and agriculture industries in 2016 led to the primary sector having a negative growth rate of -8.1 per cent. There was a decline in the growth rate of the secondary sector that became negative in 2016, which can be explained by the negative growth in the electricity industry. The slight growth of 0.6 per cent in the tertiary sector in 2016 makes it the only one of the three sectors achieving positive growth. The only industries recording positive growth in 2016 were manufacturing, construction, finance and community services.

With a contraction in output in the mining industry in both years under review, the need to diversify the economy and venture into other industries are highlighted. The largest two industries in the province are community services and mining. As the province has high levels of output in the primary sector, the secondary sector can be important for the province because of the potential it holds for job creation through the beneficiation of primary sector outputs.

Figure 1.5 below provides the contributions that all of the provinces made to the national GDP in 2006 and 2016. This provides context to the size of the Northern Cape economy compared to the economies of other provinces.

**Figure 1.5: Provincial Contributions to National GDP, 2006 and 2016**



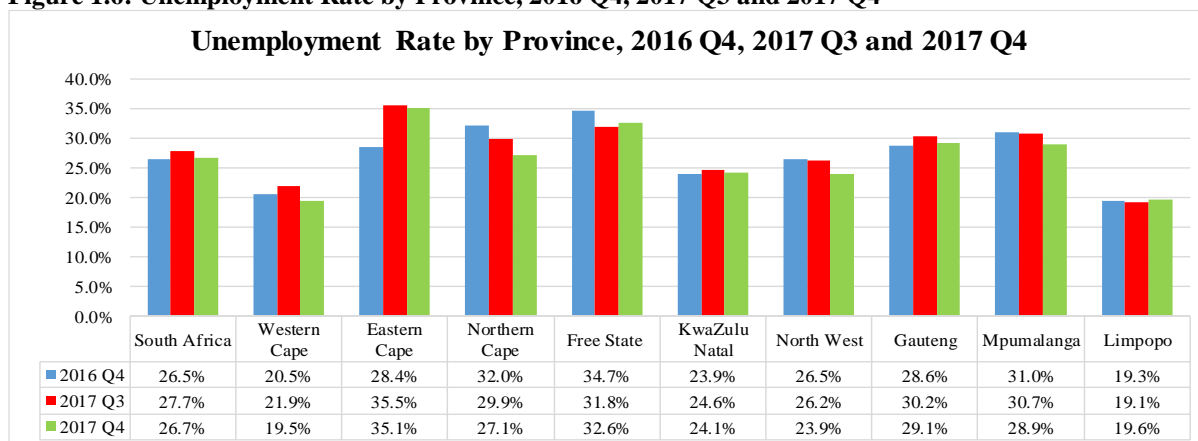
Source: IHS Markit, 2018 [Regional eXplorer Version 1277 (2.6b)]

In 2016, the Northern Cape remained the smallest contributor to national GDP, contributing 2.1 per cent. Gauteng made the largest contribution to national GDP both in 2006 (34.8 per cent) and 2016 (34.7 per cent), which is slightly more than twice the contribution of Kwa-Zulu Natal; the province closest to Gauteng in terms of contributions to national GDP.

### 1.3. Labour Status

In Figure 1.6, below the unemployment rates of the provinces are compared for quarter 4 of 2016 (2016 Q4), quarter 3 of 2017 (2017 Q3) and quarter 4 of 2017 (2017 Q4).

**Figure 1.6: Unemployment Rate by Province, 2016 Q4, 2017 Q3 and 2017 Q4**



Source: StatsSA QLFS P0211 Q4 2017

Limpopo recorded the lowest unemployment rate in quarter 3 of 2017 at 19.1 per cent. In quarter 4 of 2017, the Western Cape however recorded the lowest unemployment rate at 19.5 per cent and only one other province was able to record an unemployment rate lower than 20 per cent. The Eastern Cape had the highest unemployment rate in quarter 4 of 2017 at 35.1 per cent.

Table 1.5 below contains the labour market status of the Northern Cape for quarter 4 of 2016 (2016 Q4), quarter 3 of 2017 (2017 Q3) and quarter 4 of 2017 (2017 Q4).

**Table 1.5: Labour Market Status for Northern Cape, 2016 Q4, 2017 Q3 and 2017 Q4**

Labour market	2016 Q4	2017 Q3	2017 Q4	Qtr-to-qtr change	Year-on-year change
	('000)	('000)	('000)	('000)	('000)
Population aged 15-64 years	780	787	790	2	9
Labour force	438	438	441	3	3
Employed	298	307	321	15	24
Unemployed	140	131	120	-11	-21
Not economically active	342	350	349	-1	7
Discouraged work seekers	56	72	65	-7	9
Other	286	278	283	5	-3
Rates	( % )	( % )	( % )	(Percentage point)	(Percentage point)
Unemployment rate	32.0	29.9	27.1	-2.8	-4.9
Absorption rate	38.2	39.0	40.7	1.7	2.5
Labour force participation rate	56.2	55.6	55.9	0.3	-0.3

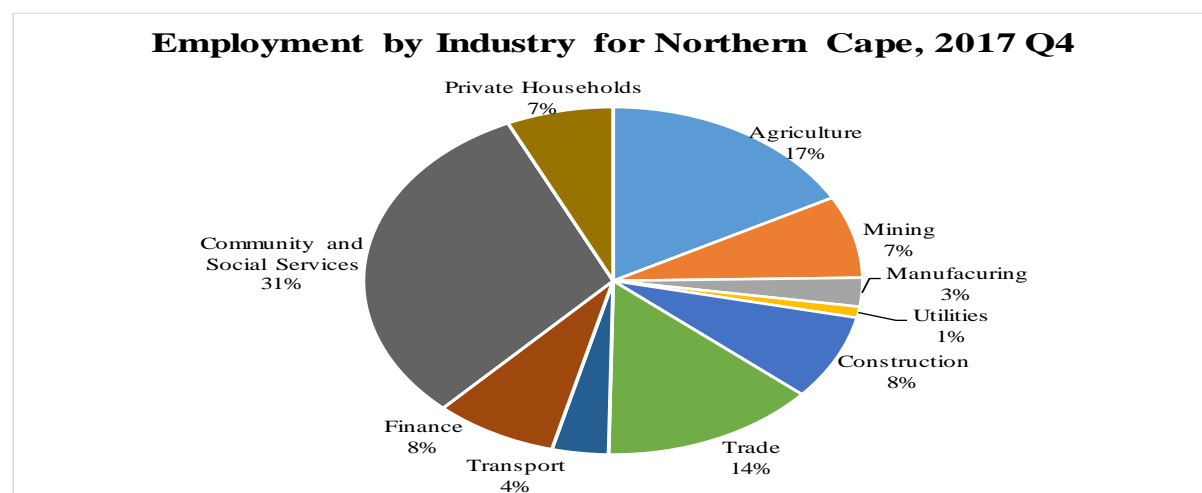
*Due to rounding, numbers do not necessarily add up to totals.*

*Source: StatsSA QLFS P0211 Q4 2017*

There was a decrease of 11 000 in the number of unemployed people from quarter 3 of 2017 to quarter 4 of 2017. On an annual basis (from quarter 4 of 2016), the decrease was 21 000. From quarter 3 of 2017 to quarter 4 of 2017, the number of employed people increased by 15 000 and it increased by 24 000 on an annual basis. The province further recorded a decrease in the unemployment rate on a quarterly as well as an annual basis. In quarter 4 of 2017, the provincial unemployment rate was 4.9 percentage points lower than in quarter 4 of 2016.

Figure 1.7 below shows the distribution of the employment by industry for the Northern Cape for the fourth quarter of 2017 (2017 Q4).

**Figure 1.7: Employment by Industry for Northern Cape, 2017 Q4**



*Source: StatsSA QLFS P0211 Q4 2017*

Utilities, followed by manufacturing and transport were the smallest employing industries in the Northern Cape. Utilities accounted for only 1 per cent of employment while manufacturing and transport accounted for 3 and 4 per cent respectively. The low contribution of manufacturing to employment in the province shows the need for economic and employment diversification. Community and social services and agriculture were the largest contributors to employment in the province, accounting for 31 and 17 per cent respectively. The mining industry contributed 7 per cent to employment.

## **2. Budget strategy and aggregates**

### **2.1. Introduction**

The overall budget of the province grows from R16.862 billion to R18.837 billion in the outer year of the 2018 MTEF. The equitable share transfers from national government constitute 72 per cent of the total provincial receipts followed by conditional grants at 26 per cent, whilst provincially own collected revenue account for only 2 percent.

The review of the equitable share formula is at an advanced stage, and the second phase coincided with a change in methodology used to collect learner enrolment numbers. In this regards the Learner Unit Record Information Tracking System (LURITS) will be used and allows detailed information to be collected on scholars, including modules they are taking and their progress through the schooling system.

Revisions to the provincial equitable share are also informed by the data from the Census 2011, age cohorts, district health information services for patient load data (2015/16 – 2016/17), 2011 risk adjusted index (risk equalization fund), insured population (2016 GHS) and the 2010 Income and Expenditure Survey. The new shares across provinces will be phased in over three years.

The provincial equitable share formula is updated annually and consequently adjusted the provincial , baseline due to the new data updates which have resulted to an additional amount of R43 million over the 2017 MTEF. However, during the same period, reductions on the provincial equitable share amount to R124 million as a result of government effort towards fiscal consolidation. Furthermore, an amount of R256 million is made available in the 2020/21 financial year to provide for the historical carry through costs related to improvement of conditions of service (ICS).

### **2.2. Aligning provincial budgets to achieve government's prescribed outcomes**

The development of the Provincial Growth and Development Strategy (PGDS) is at an advanced stage. However, in the absence of Provincial Growth & Development Plan (PGDP) and Provincial Spatial Development Framework (PSDF), EXCO resolved that the Office of the Premier takes responsibility for Coordination of Provincial long term spatial planning and that the Office be capacitated in order to fulfil the function

The province is also looking at establishing and capacitating a planning commission in order to ensure that planning in the province is managed in a coordinated fashion, this unit will reside in the Office of the Premier.

## Summary of Budget Aggregates

Table 1.6 below outlines the summary of the revenue, payments and own financing components of the budget.

Table 1.6 : Provincial budget summary

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Provincial receipts</b>									
Transfers from national	13 027 945	13 974 067	14 677 197	16 009 235	16 306 090	16 306 090	16 862 224	17 544 087	18 837 183
Equitable share	9 620 463	10 225 645	10 862 660	11 719 982	11 787 153	11 787 153	12 475 021	13 403 527	14 404 558
Conditional grants	3 407 482	3 748 422	3 814 537	4 289 253	4 518 937	4 518 937	4 387 203	4 140 560	4 432 625
<b>Provincial own receipts</b>	<b>296 613</b>	<b>330 949</b>	<b>346 435</b>	<b>339 830</b>	<b>339 830</b>	<b>358 088</b>	<b>360 539</b>	<b>381 969</b>	<b>402 975</b>
<b>Total provincial receipts</b>	<b>13 324 558</b>	<b>14 305 016</b>	<b>15 023 632</b>	<b>16 349 065</b>	<b>16 645 920</b>	<b>16 664 178</b>	<b>17 222 763</b>	<b>17 926 056</b>	<b>19 240 158</b>
<b>Provincial payments</b>									
Current payments	10 374 238	11 472 555	12 267 996	12 864 183	13 056 846	13 526 911	14 210 179	14 962 405	15 944 446
Transfers and subsidies	1 508 760	1 555 490	1 574 192	1 664 785	1 696 237	1 733 028	1 755 664	1 793 367	1 888 853
Payments for capital assets	1 434 522	1 385 021	1 329 628	1 535 653	1 754 249	1 645 725	1 184 424	1 092 161	1 115 903
Payments for financial assets	14 241	2 668	4 093	-	-	101	-	-	-
<b>Total provincial payments</b>	<b>13 331 761</b>	<b>14 415 733</b>	<b>15 175 909</b>	<b>16 064 621</b>	<b>16 507 332</b>	<b>16 905 765</b>	<b>17 150 267</b>	<b>17 847 933</b>	<b>18 949 202</b>
<b>Surplus/(deficit) before financing</b>	<b>-7 203</b>	<b>-110 717</b>	<b>-152 277</b>	<b>284 444</b>	<b>138 588</b>	<b>-241 587</b>	<b>72 496</b>	<b>78 122</b>	<b>290 956</b>
<b>Financing</b>									
Provincial Rollovers	37 104	83 030	64 086	-	65 069	65 069	-	-	-
Other	75 884	57 519	18 026	-	67 171	67 171	-	-	-
Other (self-financing- Legislature)	-	-	-	14 584	11 000	11 000	12 013	-	-
Debt Redemption	-	-	-	-	-	-	-	-	-
<b>Surplus/(deficit) before financing</b>	<b>105 785</b>	<b>29 832</b>	<b>-70 165</b>	<b>299 028</b>	<b>281 828</b>	<b>-98 347</b>	<b>84 509</b>	<b>78 122</b>	<b>290 956</b>

The Northern Cape equitable share allocation grows by 5.8 per cent to R12.475 billion in the 2018/19 financial year and at an average of 6.8 per cent over the MTEF. Conditional grants have seen a negative growth of 2.9 per cent to R4.387 billion compared to the revised estimates, this is mainly due to government's efforts to maintain the expenditure ceiling. The revenue generated within the province shows an increase of 0.7 per cent to R360.539 million from a revised estimate of R358.088 million.

The total provincial receipts amount to R17.223 billion in the 2018/19 financial year. The two outer years of the medium term increase to R17.926 billion and R19.240 billion respectively. The remaining surpluses after factoring out provincial payments, amounts to R84.509 million in 2018/19, R78.122 million in 2019/20 and R290.956 million in 2020/21.

## Financing

The budget of the province is mainly financed through transfers from national in the form of equitable share and conditional grants and supplemented by provincial own revenue which constitutes only 2 per cent of the total provincial budget.

## Surplus

The province has in total budgeted for a surplus amounting to R453 million over the 2018 MTEF. An amount of R205 million is set aside for the Debt Redemption Strategy over the MTEF, R30 million is earmarked for townships revitalisation projects and an amount of R200 million remains unallocated in respect of the shortfall on the improvements on conditions of service.

## 3. Budget Process and the Medium-Term Expenditure Framework

The purpose of the budget process is mainly to allow the Executive Council to become actively involved during the implementation of the budget. Provincial Treasury present quarterly reports to both the Executive Council and the respective committees of the Legislature on a regular basis, as it relates to risks identified in the budgets of various departments.

The budget process of the province starts essentially in June every year with budget workshops and planning the process with the relevant stakeholders. This phase builds into the different forums to clearly articulate out how the entire process will flow and how budgetary decisions will be communicated.

The Treasury Committee as the technical committee of the Executive Council is responsible for assessing and endorsing all budget proposals in line with the policy priorities of the province.

### **Municipal Finance Management Budget Process Highlights**

Annually municipalities must table a budget in council after extensive consultation with communities. Municipalities had to be fully compliant with the mSCOA regulations, which required all transactions by the municipality to be on the new standard chart of accounts. This implies that municipalities must table their budgets in compliance with the Municipal Standard Chart of Accounts (mSCOA) and part of this reform will require municipalities to disaggregate budgets at ward level.

The role of the community is explained clearly to simplify the process. The budget determines the spending priorities of the municipalities for the period it relates to. Communities must participate in the process so that they do not demand municipalities to implement programmes and projects that were not approved. The local government process allows the municipality to consult with their communities during the Integrated Development Plan (IDP) process to determine their developmental priorities. The National Development Plan of the country helps to inform the planning priorities of the municipalities. These plans go a long way towards informing the budgeting process of the municipalities.

The Equitable Share of local government is intended to subsidise the poor households in the community that must be registered as indigents. The income of the households is used as a threshold to determine who qualifies as an indigent. The municipalities must also render services of an acceptable standard to the communities and attend to legitimate complaints from the communities. The other households have to pay for the services that they receive from their municipalities since the municipality has to pay for the bulk services from their service providers.

## **4 Receipts**

### **4.1 Overall position**

The 2018 MTEF budget is prepared in the context of an uncertain world economic outlook and domestic constraints. In view of the current economic conditions which are characterised by slow economic growth, recession, ratings downgrades; the fiscal policy and the overall funding envelope available to the province have been negatively affected.

The Northern Cape Government funds provincial expenditure through the national transfers (comprised of the Provincial Equitable Share and conditional grants); and provincial own receipts (made up of taxes and fees/user charges).

The Provincial Equitable Share (PES) provides for a formula-based approach to dividing nationally raised revenue between the provinces. Equitable share contribute the highest towards total receipts followed by conditional grants and provincially generated revenue, respectively.

Conditional grants were introduced over and above the equitable share; addressing the needs and interests of the national government at level where services are provided, to address policy concerns that are inter-provincial in nature. These grants are designed to achieve specific objectives, and provinces must fulfil certain conditions to receive them.

The provincially generated own revenue is mainly from motor vehicle licences, casino taxes, patient fees, interest earned on short term investment on unspent funds at any given point in a fiscal year.

Table 1.7 shows the actual and projected total receipts of the province over a seven year period, which includes the three year estimates of the 2018 MTEF.

Table 1.7 : Summary of provincial receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Transfers receipts from national</b>									
Equitable share	9 620 463	10 225 645	10 862 660	11 719 982	11 787 153	11 787 153	12 475 021	13 403 527	14 404 558
Conditional grants	3 407 482	3 748 422	3 814 537	4 289 253	4 518 937	4 518 937	4 387 203	4 140 560	4 432 625
<b>Total receipts: Treasury funding</b>	<b>13 027 945</b>	<b>13 974 067</b>	<b>14 677 197</b>	<b>16 009 235</b>	<b>16 306 090</b>	<b>16 306 090</b>	<b>16 862 224</b>	<b>17 544 087</b>	<b>18 837 183</b>
<b>Provincial own receipts</b>									
Tax receipts	169 948	188 848	210 894	243 000	243 000	230 544	259 646	275 856	291 022
Casino taxes	16 037	21 305	22 609	25 036	25 036	23 111	26 180	27 646	29 166
Horse racing taxes	1 517	1 595	2 477	1 637	1 637	2 370	1 924	2 032	2 144
Liquor licences	3 773	3 758	3 762	4 327	4 327	4 399	4 639	4 899	5 168
Motor vehicle licences	148 621	162 190	182 046	212 000	212 000	200 664	226 903	241 279	254 544
Sales of goods and services other than capital assets	72 652	69 882	81 006	83 039	83 039	79 286	84 786	89 565	94 474
Transfers received	–	–	969	–	–	–	–	–	–
Fines, penalties and forfeits	2 379	2 764	2 233	3 531	3 531	2 971	3 614	3 777	4 014
Interest, dividends and rent on land	38 375	49 014	42 836	1 046	1 046	34 781	4 808	5 080	5 363
Sales of capital assets	630	4 438	2 108	3 271	3 271	2 125	3 811	3 607	3 806
Transactions in financial assets and liabilities	12 629	16 003	6 389	5 943	5 943	8 381	3 874	4 084	4 296
<b>Total provincial own receipts</b>	<b>296 613</b>	<b>330 949</b>	<b>346 435</b>	<b>339 830</b>	<b>339 830</b>	<b>358 088</b>	<b>360 539</b>	<b>381 969</b>	<b>402 975</b>
<b>Total provincial receipts</b>	<b>13 324 558</b>	<b>14 305 016</b>	<b>15 023 632</b>	<b>16 349 065</b>	<b>16 645 920</b>	<b>16 664 178</b>	<b>17 222 763</b>	<b>17 926 056</b>	<b>19 240 158</b>

The available fiscal envelop remains constrained showing average annual growth of 5 per cent over the 2018 MTEF. Total receipts over a three year 2018 MTEF in the form of Equitable Share is projected to amount to R40.283 billion, of which R12.475 billion in 2018/19 financial year, R13.404 billion in 2019/20 financial year and R14.405 billion in the 2020/21 financial year. The conditional grants are projected to amount to R12.960 billion over the 2018 MTEF of which R4.387 billion in 2018/19, R4.141 billion in 2019/20 financial year, and R4.433 billion in 2020/21 financial year.

The average growth in transfers from national government for Equitable Share and conditional grants amounts to 4.9 per cent for the 2018 MTEF period.

The remaining portion of the projected total receipts is derived from own revenue, which constitute 2.1 per cent of the overall receipts of the province. There has been consistent growth in own revenue over the past years and the trend is anticipated to continue in the coming financial years. The total projected own revenue amounts to R1.145 billion over the 2018 MTEF of which R361 million in 2018/19; R382 million in 2019/20; and R403 million in 2020/21 financial years. The average growth over the 2018 MTEF is 5.8 per cent.

In aggregate, the provincial receipts are estimated to grow by 4.5 per cent from the 2017/18 estimated revenue to the 2018/19 budgeted revenue and the average provincial receipts over the Medium Term Expenditure Framework (MTEF) period amounts to 5.9 per cent.

Table 1.7 indicates the sources of own revenue in the province. Provincial revenue is mainly driven by tax receipts which include motor vehicle licenses as the major revenue source of the province. The tax receipts item contributes 72.2 per cent on average, of the total estimated own revenue over the MTEF. The budget for this item grows by 12.6 per cent from the 2017/18 estimated collection to the 2018/19 financial year budget; and further grows by 6.2 per cent and 5.5 per cent in 2019/20 and 2020/21 financial years respectively.

The reason for the increased growth from the revised estimate is attributed by the Department of Transport, Safety and Liaison (DTSL's) projected under collection of the 2017/18 financial year that was caused by the delay in the roll-out of the motor vehicles license renewal function in the 10 pilot South Africa Post Office (SAPO) sites. The department is however in the process of rolling out motor vehicles license renewal function to the remaining South Africa Post Offices throughout the province, which is expected to further increase the revenue collection thereof.

Other non-tax receipts item which contributes more to the provincial revenue is sale of goods and services which is mainly made up of receipts from patient fees; rental dwellings; commission on insurance and garnishees; applications for learner's licences and renewal of driver's licences. This item accounts for, on average, 24.2 per cent over the MTEF. The budget for this item increases by 10.3 per cent from the 2017/18 estimated collection to the 2018/19 financial year budget; and further grows by 5.6 per cent in 2019/20 financial year and 5.5 per cent in 2020/21 financial year. The reason for the increased growth from the revised estimate is attributed to the 2017/18 financial year status of projected collection by the department of Health, which is expected to recover during the 2018 MTEF. The average annual growth of the budget grows by 5.5 per cent over the 2018 MTEF.

In addition to the above-mentioned major sources of revenue, the province also collects own revenue from the following sources:

**Fines, penalties and forfeits:** This item caters for compulsory non-exchange revenue, enforced by a court of law or similar judicial body or mutually agreed settlement outside the courts. The items that mainly contribute to this source of revenue are the fines charged by the Department of Transport, Safety, and Liaison on road offenders; and the fines charged by the Department of Environment and Nature Conservation on waste removal and pollution of environment. The budget for this item increases by 22.2 per cent from the 2017/18 estimated collection to the 2018/19 financial year budget; and further increases by 4.5 per cent and 6.3 per cent in 2019/20 and 2020/21 financial years respectively.. The average annual growth of the budget declines by 4.4 per cent over the 2018 MTEF.

**Interest, dividends and rent on land** caters for receipts arising from the ownership of interest-bearing financial instruments such as bank deposits, loans extended to other parties and bills and bonds issued by other parties. This item is mainly comprised of the interest raised by the Provincial Treasury on the positive bank account of the province. The budget for this item increases by 103.1 per cent from the 2017/18 adjusted collection to the 2018/19 financial year budget. This growth is attributed to collection that the Department of Education is budgeting to collect from the grants in their bank account. The budget is further projected to grow by 5.7 per cent to the 2019/20 and 2020/21 financial years. The 2018/19 financial year budget is however projected to decline when compared to the 2017/18 revised estimate. The reason for this revenue decline is attributed to the interest raised by Provincial Treasury that is treated as a once-off as it relates to the adverse spending patterns by the departments that cannot be predicted. The average annual growth of the budget grows by 38.1 per cent over the 2018 MTEF.

**Sale of capital assets:** This item caters for the sale of assets that costs more than R0.005 million as well as the sale of intangible items such as computer software. This item experiences a growth of 79.3 per cent from the 2017/18 revised estimated collection to the 2018/19 financial year budget; which is followed by an decline of 5.4 per cent to the 2019/20 financial year and thereafter by a growth of 5.5 per cent in 2020/21 financial years. The fluctuation in the estimated collections from this item is a result of the nature of this item that is mainly composed of once-off sales by the departments. The average annual growth of the budget is 5.6 per cent over the 2018 MTEF.

**Transactions in financial assets and liabilities:** mainly comprises of other types of receipts, such as revenue from loans, receivables, and other receipts (such as overpayments, and stale cheques). This item experiences a decline of 53.7 per cent in budget from the 2017/18 estimated collection to the 2018/19 financial year budget; which then increases by 5.4 per cent and 5.2 per cent in 2019/20 and 2020/21 financial years respectively. The decline in estimated collections from this item is as a result of the nature of this item; which includes the prior year expenditure being repaid to the departments and as a result the item is not easily predicted in nature.



## 4.2 Provincial Equitable Share

The formula used to divide the equitable share between provinces is objective-based and redistributive by design. The formula is reviewed and updated yearly for new data as well as the recommendations from the Financial and Fiscal Commission (FFC). The equitable share formula is designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities.

In terms of Section 214 of the Constitution, the equitable division of revenue raised nationally among the three spheres of government, is unconditional. Although the division is based on the equitable shares as outlined in the Table below, provinces have a prerogative to allocate funds in line with their specific provincial priorities. The PES formula is reviewed and updated with new data annually. The equitable share formula for the 2018 MTEF has been updated with the following data sets: the 2017 mid-year estimates, preliminary 2017 learner enrolment numbers as taken from the Learner Unit Record Information and Tracking System (LURITS), people without medical insurance from the 2015 General Household Survey (GHS) and output from the national Department of Health (2015/16-2016/17).

For the 2018 MTEF, the following data will be used:

Component	Share %	Data used
Education	48	Census 2011 age cohorts
		2017 Preliminary Enrolment (new data)
Health	27	2017 Mid-Year Population Estimates (new data)
		Insured population (2016 GHS) (new data)
		Risk adjusted index
		Patient load data (DHIS 2015/16 – 2016/17) (new data)
Basic	16	2017 Mid-Year Population Estimates (new data)
Poverty	3	2017 Mid-Year Population Estimates (new data)
		Income and Expenditure Survey (IES) 2010/11
Economic	1	GDP-R 2015
Institutional	5	Not applicable (data not used)

The impact of these data updates on the provincial equitable shares will be phased-in over three years, from 2018/19 to 2020/21 financial years.

Table 1.7 above set out the Provincial Equitable Shares for the 2018 MTEF budget. Equitable Share transfers to the province increase by R0.684 million or 5.8 per cent from the adjusted R11.787 billion in 2017/18 financial year to R12.475 billion in 2018/19 financial year. The 2018 MTEF Equitable Share allocation will rise from R13.404 billion in 2019/20 financial year to R14.405 billion in the 2020/21 financial year, with an average growth of 6.9 per cent over the 2018 MTEF.

## 4.3 Conditional Grants

The conditional grants framework forms part of the Division of Revenue Act (DoRA) and grants are assigned to provinces from national government to pursue specific national objectives and targets aimed at enhancing the delivery of services.

Conditional grants are also used to ensure that the minimum nation-wide standards for the provision of national concerns are met across all provinces. Funds from the equitable share are topped up including own revenue generated by province as these grants supplement priorities that need to be realized by national government through provinces. These additional transfers from the national government have conditions attached as stipulated in DoRA.

Conditional grants funding is the second largest source of funding for the province and constitutes an average of 24.3 per cent of the transfers that the province receives from national, over the 2018 MTEF. Conditional grants transfers to the province decrease by R0.132 million or 2.9 per cent from the adjusted R4.519 billion in 2017/18 financial year to R4.387 billion in 2018/19 financial year. Over the course of the 2018 MTEF, the conditional grants allocation will rise from R4.387 million in 2017/18 financial year to R4.433 million in the 2020/21 financial year, with an average annual decrease of 0.5 per cent over the MTEF.

Table 1.8 shows the actual and projected allocations of conditional grants for the province over a seven-year period, which includes the three-year estimates of the 2018 MTEF.

**Table 1.8: Summary of Conditional grants by transferring national department: Northern Cape**

Department/Grant	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
	Amount Received	Amount Received	Amount Received	Amount Received	Provincial Roll overs	Total Available	Estimated Actual Payments	Medium Term Expenditure Estimates		
<b>Agriculture, Forestry and Fisheries</b>	<b>512 563</b>	<b>212 530</b>	<b>194 466</b>	<b>298 346</b>	<b>14 809</b>	<b>313 155</b>	<b>313 155</b>	<b>320 953</b>	<b>196 167</b>	<b>208 442</b>
Agricultural Disaster Management Grant	50 000	-	-	-	-	-	-	-	-	-
Comprehensive Agricultural Support Programme Grant	380 339	135 768	129 924	232 772	11 609	244 381	244 381	252 434	123 832	132 129
Ilima/Letsema Projects Grant	74 762	69 460	55 222	58 480	3 200	61 680	61 680	60 766	64 169	67 698
Land Care Programme Grant: Poverty Relief and Infrastructure Development	7 462	7 302	9 320	7 094	-	7 094	7 094	7 753	8 166	8 615
<b>Arts and Culture</b>	<b>123 559</b>	<b>165 670</b>	<b>157 656</b>	<b>163 000</b>	<b>16 670</b>	<b>179 670</b>	<b>179 670</b>	<b>159 554</b>	<b>168 250</b>	<b>177 562</b>
Community Library Services Grant	123 559	165 670	157 656	163 000	16 670	179 670	179 670	159 554	168 250	177 562
<b>Basic Education</b>	<b>503 916</b>	<b>617 963</b>	<b>670 275</b>	<b>804 278</b>	<b>-</b>	<b>804 278</b>	<b>804 278</b>	<b>775 405</b>	<b>669 242</b>	<b>736 709</b>
Dinaledi Schools Grant	3 782	-	-	-	-	-	-	-	-	-
Education Infrastructure Grant	346 445	446 998	489 550	612 267	-	612 267	612 267	568 766	450 710	500 107
HIV and Aids (Life Skills Education) Grant	5 059	5 281	5 281	5 547	-	5 547	5 547	5 356	5 594	5 794
National School Nutrition Programme Grant	134 645	142 724	152 414	160 807	-	160 807	160 807	170 211	178 722	191 160
Occupation Specific Dispensation for Education Sector Therapists Grant	7	2	-	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation Grant	13 978	-	-	-	-	-	-	-	-	-
Maths, Science and Technology Grant	-	22 958	23 030	23 636	-	23 636	23 636	24 564	25 948	28 388
Learners With Profound Intellectual Disabilities Grant	-	-	-	2 021	-	2 021	2 021	6 508	8 268	11 260
<b>Health</b>	<b>1 203 306</b>	<b>1 416 091</b>	<b>1 342 392</b>	<b>1 348 327</b>	<b>144 454</b>	<b>1 492 781</b>	<b>1 492 781</b>	<b>1 345 239</b>	<b>1 419 067</b>	<b>1 531 258</b>
Comprehensive HIV and Aids Grant	355 972	372 403	413 231	478 242	-	478 242	478 242	515 155	549 437	609 257
Forensic Pathology Services Grant	-	-	-	-	-	-	-	-	-	-
Health Disaster Response (Cholera) Grant	-	-	-	-	-	-	-	-	-	-
Hospital Facility Revitalisation Grant	464 910	652 231	514 585	443 753	116 507	560 260	560 260	374 391	389 281	410 692
Health Professions Training and Development Grant	76 697	78 445	81 815	86 300	4 310	90 610	90 610	91 305	97 132	102 475
National Tertiary Services Grant	298 727	305 477	322 272	340 032	22 021	362 053	362 053	359 754	378 323	403 671
National Health Insurance Grant	7 000	7 535	10 489	-	1 616	1 616	1 616	-	-	-
Human Papillomavirus Vaccine Grant	-	-	-	-	-	-	-	4 634	4 894	5 163
<b>Human Settlements</b>	<b>374 832</b>	<b>480 408</b>	<b>374 930</b>	<b>402 668</b>	<b>8 973</b>	<b>411 641</b>	<b>402 668</b>	<b>495 155</b>	<b>509 433</b>	<b>535 643</b>
Title Deeds Restoration Grant	-	-	-	-	-	-	-	20 364	21 503	22 685
Human Settlements Development Grant	374 832	480 408	374 930	402 668	8 973	411 641	402 668	474 791	487 930	512 958
<b>Public Works</b>	<b>42 934</b>	<b>33 127</b>	<b>45 931</b>	<b>76 737</b>	<b>-</b>	<b>76 737</b>	<b>76 737</b>	<b>57 426</b>	<b>-</b>	<b>-</b>
Devolution of Property Rate Funds Grant to Provinces	-	-	-	-	-	-	-	-	-	-
<b>Expanded Public Works Programme Incentive Grant for Provinces</b>	<b>20 916</b>	<b>17 123</b>	<b>19 162</b>	<b>20 143</b>	<b>-</b>	<b>20 143</b>	<b>20 143</b>	<b>21 769</b>	<b>-</b>	<b>-</b>
Department of Transport, Safety and Liaison	-	-	-	2 000	-	2 000	2 000	2 000	-	-
Department of Education	2 593	2 077	2 000	2 083	-	2 083	2 083	2 222	-	-
Department of Roads and Public Works	2 964	3 493	3 803	3 834	-	3 834	3 834	4 154	-	-
Department Economic Development and Tourism	4 102	2 000	2 030	2 000	-	2 000	2 000	2 012	-	-
Department of Sports, Arts and Culture	2 102	2 000	2 000	2 000	-	2 000	2 000	2 171	-	-
Department of Co-operative Governance, Human Settlements and Traditional Affairs	2 836	2 153	2 000	2 000	-	2 000	2 000	2 002	-	-
Department of Health	2 115	1 400	3 286	2 000	-	2 000	2 000	2 907	-	-
Department of Agriculture, Land Reform and Rural Development	2 102	2 000	2 000	2 044	-	2 044	2 044	2 266	-	-
Department of Environment and Nature Conservation	2 102	2 000	2 043	2 182	-	2 182	2 182	2 035	-	-
<b>Social Sector Expanded Public Works Programme Incentive Grant for Provinces</b>	<b>22 018</b>	<b>16 004</b>	<b>26 769</b>	<b>56 594</b>	<b>-</b>	<b>56 594</b>	<b>56 594</b>	<b>35 657</b>	<b>-</b>	<b>-</b>
Department of Transport, Safety and Liaison	2 703	1 000	2 914	2 510	-	2 510	2 510	3 211	-	-
Department of Education	3 237	1 000	2 925	2 017	-	2 017	2 017	6 335	-	-
Department of Sports, Arts and Culture	2 580	1 215	2 200	2 341	-	2 341	2 341	1 455	-	-
Department of Health	7 337	6 488	15 230	30 229	-	30 229	30 229	13 423	-	-
Department of Social Development	6 161	6 301	3 500	19 497	-	19 497	19 497	11 233	-	-
Department of Environment and Nature Conservation	-	-	-	-	-	-	-	-	-	-
<b>Social Development</b>	<b>2 000</b>	<b>16 000</b>	<b>43 000</b>	<b>28 570</b>	<b>43 000</b>	<b>71 570</b>	<b>71 570</b>	<b>36 800</b>	<b>38 872</b>	<b>41 251</b>
Substance Abuse Treatment Grant	2 000	16 000	43 000	14 237	43 000	57 237	57 237	17 709	18 700	19 728
Early Childhood Development Grant	-	-	-	13 761	-	13 761	13 761	18 472	19 503	20 809
Social Worker Employment Grant	-	-	-	572	-	572	572	619	669	714
<b>Sport and Recreation South Africa</b>	<b>31 450</b>	<b>29 181</b>	<b>31 413</b>	<b>31 283</b>	<b>-</b>	<b>31 283</b>	<b>31 283</b>	<b>31 319</b>	<b>32 086</b>	<b>32 883</b>
Mass Participation and Sport Development Grant	31 450	29 181	31 413	31 283	-	31 283	31 283	31 319	32 086	32 883
<b>Transport</b>	<b>684 409</b>	<b>870 851</b>	<b>957 485</b>	<b>1 136 045</b>	<b>1 777</b>	<b>1 137 822</b>	<b>1 137 822</b>	<b>1 165 352</b>	<b>1 107 443</b>	<b>1 168 877</b>
Provincial Roads Maintenance Grant	640 472	822 430	905 360	1 084 016	-	1 084 016	1 084 016	1 111 637	1 050 720	1 108 353
Public Transport Operations Grant	43 937	48 421	52 125	52 029	1 777	53 806	53 806	53 715	56 723	60 524
<b>Total National Conditional Grants</b>	<b>3 478 969</b>	<b>3 841 821</b>	<b>3 817 548</b>	<b>4 289 254</b>	<b>229 683</b>	<b>4 518 937</b>	<b>4 509 964</b>	<b>4 387 203</b>	<b>4 140 560</b>	<b>4 432 625</b>

Reprioritisation and reductions were made to conditional grants with fast growth, low spending and/or where the impact was lesser on economic growth or service delivery.

### Education

Over the 2018 MTEF, the Maths, Science and Technology grant was also reduced. The baselines for the Learners with Profound Intellectual Disabilities grant remained the same over the 2018 MTEF, however provincial allocations have been further revised to ensure that allocations between provinces reflect the actual burden of learners needing the services provided for by the grant. HIV, AIDS Life Skills Education grant was reduced over the 2018 MTEF.

### Health

A new component was introduced to the Comprehensive HIV, AIDS and TB grant, namely 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. This component will aim to harmonise and standardise the work of the ward-based primary health care outreach teams. The Health Facility Revitalisation Grant was also reduced.

The 2018/19 financial year sees the Human Papillomavirus Vaccine grant, a previous component of the National Health Insurance Indirect Grant, become a standalone direct grant to provinces. The National Department of Health worked to ensure that provincial departments were ready to take over the provision of this service and preserve the high coverage ratios that were achieved under this grant.

### Human Settlements

Over the 2018 MTEF, a portion of the Human Settlements Development Grant was reprioritised from the Human Settlements Development Grant to make provision for two new grants namely; Emergency Housing grant, Title Deeds Restoration grant.

## 4.4 Provincial own revenue

Provincial own revenue streams are limited but play an important role in supplementing national transfers thus resourcing provincially determined priority outcomes. The provincial own revenue collection contributes an average of 2.2 per cent of total budget over the 2018 MTEF, while national transfers constitute about 97.8 per cent.

The economic performance and the projected economic prospects have a direct negative impact on the performance of revenue in the province. Thus, the nominal projected growth on revenue estimates is mainly as a result of economic conditions such unemployment and subdued economic prospects.

Table 1.9 : Summary of provincial own receipts by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Premier	1 201	2 485	1 207	176	176	197	136	144	152
2. Provincial Legislature	1 496	1 734	2 806	2 947	2 947	3 379	3 117	3 293	3 475
3. Department Of Transport, Safety And Liaison	171 195	184 059	213 296	231 471	231 471	228 657	247 447	262 875	277 327
4. Department Of Education	6 845	11 391	8 957	10 177	10 177	9 622	9 436	9 493	9 966
5. Department Of Roads And Public Works	4 691	4 146	2 431	2 293	2 293	2 293	2 430	2 574	2 728
6. Department Economic Development And Tourism	21 663	27 454	29 081	31 254	31 254	31 311	33 006	34 855	36 771
7. Department Of Sports, Arts And Culture	307	603	280	216	216	222	229	242	255
8. Provincial Treasury	36 891	47 068	39 343	1 009	1 009	32 824	1 075	1 145	1 219
9. Department Of Co-Operative Governance, Human Settlements And Traditional Affairs	965	1 208	646	557	557	519	590	624	659
10. Department Of Health	42 937	45 037	41 545	51 950	51 950	40 369	55 015	58 206	61 407
11. Department Of Social Development	997	573	1 233	1 023	1 023	735	1 095	1 168	1 232
12. Department Of Agriculture, Land Reform And Rural Development	2 813	2 968	3 311	2 297	2 297	3 500	2 420	2 556	2 696
13. Department Of Environment And Nature Conservation	4 612	2 223	2 299	4 461	4 461	4 461	4 543	4 793	5 088
<b>Total provincial own receipts</b>	<b>296 613</b>	<b>330 949</b>	<b>346 435</b>	<b>339 830</b>	<b>339 830</b>	<b>358 088</b>	<b>360 539</b>	<b>381 969</b>	<b>402 975</b>

Table 1.9 above shows that provincial own receipts is projected to increase from R358.088 million in the 2017/18 revised estimates to R402.975 million in 2020/21 financial year, mainly due to higher projected collections from the major revenue generating department which is Transport, Safety and Liaison.

The once-off collections are not included over the MTEF period due to their unpredictability for estimation. These items include interest earned, sale of capital assets and once-off recoveries of surpluses surrendered by public entities. Thus over the MTEF period revenue is projected to grow by an average of 5.8 per cent.

### **Major revenue collecting departments**

The Northern Cape mainly generates its own revenue through motor vehicle licenses, patient fees, casino taxes as well as interest on unspent funds by the Provincial Treasury. Therefore, the main departments that contribute significantly towards provincial own revenue are: Transport, Safety and Liaison, Health, Economic Development and Tourism.

#### *Transport, Safety and Liaison*

The department is contributing R247.447 million in 2018/19 financial year which is the bulk of the provincial own revenue collected which is equal to 68.6 per cent of the total provincial own revenue budget. Motor vehicle licence taxes are the main revenue generating item to the own revenue of the department and the province. This revenue source is based on the actual number of motor vehicle in the province coupled with the annual increase in motor vehicle license fees.

#### *Health*

The department remains the second largest contributor towards the own revenue of the province, accounting for R55.015 million or 15.3 per cent of total provincial own revenue over the 2018/19 financial year. The department collects revenue mainly from patient fees in respect of cost recovery of services provided to patients. The tariffs for patient fees are informed by tariffs introduced by the National Department of Health and do not have real revenue enhancement potential.

#### *Economic Development and Tourism*

It is the third biggest contributor to total provincial own revenue, accounting for R33.006 million or 9.2 per cent of total provincial own revenue over the 2018/19 financial year. Casino Taxes is the main contributor to the collection of the department through the Northern Cape Gambling Board.

#### *Other departments*

Other department's collection is minimal as it is based on cost recovery sources such as parking fees however there are departments with potential to collect additional revenue; Environment and Nature Conservation through environmental impact assessment and nature reserves fees, and Roads and Public Works through property rental fees.

### **Analysis of negative real growth per departments**

Five departments out of thirteen departments will be experiencing a negative growth when comparing between 2017/18 revised estimate and 2018/19 budgets. Below are the reasons:

*Office of the Premier:* the negative growth of 31 per cent is due to the department's 2017/18 projected over collection resulting from the nature of the department's revenue sources that cannot be reliably estimated as they are variable in nature.

*Provincial Legislature:* The department experience a negative growth of 7.7 per cent mainly due to the interest that the Legislature gained from its bank account during 2017/18 financial year.

*Education:* The minimal negative growth of 1.9 per cent is due to the over collection in fines, penalties and forfeits that the department realised during 2017/18 financial year.

*Agriculture, Land Reform and Rural Development:* The department experiences a negative growth of 30.9 per cent due to the upward revision of the budget attributed to the following reasons

- Sales of goods and services other than capital assets: The revenue collected relates to PERSAL related items such as insurance commissions and sales of agricultural product (sales of animals and plants). The department is projecting to over collect by R0.532 million hence the item has been adjusted. The item is unpredictable to project for as it varies throughout the year.
- Sale of scrap, waste and other goods: A projected over collection of R0.166 million is due to the sale of scrap assets that was not budgeted for.

*Provincial Treasury:* shows significant revenue collections, however, such revenue relates mainly due to unanticipated higher collections of interest earned on positive bank balances and reflected in the Provincial Revenue Fund (PRF) as a result of departments having cash available in their bank accounts of which may not be estimated appropriately to show growth over the MTEF.

### **Revenue Enhancement Initiatives**

The province and the country as a whole are under tight fiscal constraints therefore the departments together with Provincial Treasury must monitor and take effective and appropriate steps to collect revenue due to the department. Provincial Treasury is therefore considering appointing a service provider who will assist departments with data cleansing of the debt to ensure that the debt book of the province is credible and to ascertain the collectability of the debt. Provincial Treasury will work closely with departments to strengthen the systems of revenue collection to promote the completeness of revenue collected by the different cash points of the departments.

Support will be provided to the Department of Transport, Safety and Liaison to extend the function of motor vehicle licence renewal to SAPO in all towns throughout the province. Provincial Treasury will also continue to assist departments in establishing the tariff committees which are aimed, among others; on determining the tariffs for different revenue sources of the departments, ensuring that all tariffs are analysed and reviewed annually, as well as working on the departmental processes that should be followed before Provincial Treasury's approval of the tariffs takes place.

Provincial Treasury will also continue to assist the Department of Health with promoting the efficiency and effectiveness in the management of revenue thereby enhancing revenue collection; with more focus placed on medical aid claims, Road Accident Fund (RAF) claims, inter-departmental claims, as well as private claim for those who can afford to pay. The Department of Roads and Public Works will continue to be encouraged to dispose the unused properties and to continue with the consideration of leasing out vacant land for commercial development purposes.

## 5 Payments

### 5.1 Overall Position

**Financial year 2018/19: R17.150 billion**

**Financial year 2019/20: R17.848 billion**

**Financial year 2020/21: R18.949 billion**

### 5.2 Payments by Vote

**Table 1.10 : Summary of payments and estimates by vote: Northern Cape**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Premier	194 538	208 098	223 531	236 119	246 526	251 526	248 331	255 748	270 440
2. Provincial Legislature	154 766	161 361	187 984	194 971	216 471	209 223	200 280	200 703	212 211
3. Department Of Transport, Safety And Liason	383 975	353 227	368 154	388 899	417 546	417 546	291 696	306 143	298 507
4. Department Of Education	4 709 217	5 101 117	5 511 818	5 857 847	5 896 119	6 069 346	6 417 223	6 687 716	7 103 237
5. Department Of Roads And Public Works	1 213 976	1 462 408	1 559 757	1 683 768	1 707 307	1 844 603	1 747 944	1 722 632	1 818 177
6. Department Economic Development And Tourism	278 030	279 671	272 467	296 518	303 091	303 091	314 834	332 797	351 603
7. Department Of Sports, Arts And Culture	286 874	337 900	338 263	371 088	390 337	390 531	382 821	403 571	424 874
8. Provincial Treasury	193 099	218 566	242 923	299 179	318 185	312 754	302 232	306 313	323 931
9. Department Of Co-Operative Governance, Human Settlements And Traditional Affairs	651 875	723 625	691 313	725 432	734 405	744 654	831 899	866 804	913 620
10. Department Of Health	3 713 980	4 168 265	4 369 138	4 433 893	4 630 292	4 722 157	4 735 195	5 132 248	5 504 576
11. Department Of Social Development	654 471	713 793	729 776	818 612	870 316	870 316	870 916	922 584	975 277
12. Department Of Agriculture, Land Reform And Rural Development	769 374	554 050	540 109	609 304	624 113	617 394	648 908	544 217	576 685
13. Department Of Environment And Nature Conservation	127 586	133 652	140 676	148 991	152 625	152 625	157 988	166 457	176 064
<b>Total payments and estimates</b>	<b>13 331 761</b>	<b>14 415 733</b>	<b>15 175 909</b>	<b>16 064 621</b>	<b>16 507 332</b>	<b>16 905 765</b>	<b>17 150 267</b>	<b>17 847 933</b>	<b>18 949 202</b>

The above table shows an annual average growth for the provincial payments over the 2018 MTEF at 3.9 per cent. The Department of Education's share is 37 per cent of the total provincial budget, followed by the Department of Health at 28 per cent and the Department of Roads and Public Works at 10 per cent which mainly relates to infrastructure investments.

### 5.3 Payment by Economic Classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Current payments</b>	<b>10 374 238</b>	<b>11 472 555</b>	<b>12 267 996</b>	<b>12 864 183</b>	<b>13 056 846</b>	<b>13 526 911</b>	<b>14 210 179</b>	<b>14 962 405</b>	<b>15 944 446</b>
Compensation of employees	7 169 501	7 809 298	8 507 428	9 036 644	9 123 276	9 308 414	10 073 249	10 753 912	11 424 879
Goods and services	3 202 092	3 659 536	3 755 812	3 824 070	3 930 056	4 215 438	4 136 696	4 208 248	4 519 308
Interest and rent on land	2 646	3 721	4 756	3 469	3 515	3 059	233	246	259
<b>Transfers and subsidies to:</b>	<b>1 508 760</b>	<b>1 555 490</b>	<b>1 574 192</b>	<b>1 664 785</b>	<b>1 696 237</b>	<b>1 733 028</b>	<b>1 755 664</b>	<b>1 793 367</b>	<b>1 888 853</b>
Provinces and municipalities	86 698	137 103	128 004	138 416	136 806	134 387	114 086	118 242	122 604
Departmental agencies and accounts	109 063	87 959	107 204	126 924	110 188	120 153	104 322	104 865	109 859
Higher education institutions	1 125	1 796	2 589	3 122	4 122	2 901	5 103	4 740	4 984
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	117 224	99 255	73 493	91 157	111 266	102 809	97 753	105 795	112 295
Non-profit institutions	681 137	724 851	741 576	819 868	830 131	835 360	859 511	872 516	921 658
Households	513 514	504 526	521 326	485 298	503 724	537 418	574 889	587 209	617 453
<b>Payments for capital assets</b>	<b>1 434 522</b>	<b>1 385 021</b>	<b>1 329 628</b>	<b>1 535 653</b>	<b>1 754 249</b>	<b>1 645 725</b>	<b>1 184 424</b>	<b>1 092 161</b>	<b>1 115 903</b>
Buildings and other fixed structures	1 179 161	1 140 511	1 121 275	1 273 759	1 402 882	1 322 979	918 554	815 415	823 602
Machinery and equipment	250 950	234 077	187 061	245 623	331 830	302 517	264 916	274 901	291 347
Heritage Assets	–	–	–	–	–	–	–	–	–
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	1 546	692	990	–	–	638	800	800	–
Land and sub-soil assets	–	40	–	–	–	–	–	–	–
Software and other intangible assets	2 865	9 701	20 302	16 271	19 537	19 591	154	1 045	954
<b>Payments for financial assets</b>	<b>14 241</b>	<b>2 668</b>	<b>4 093</b>	<b>–</b>	<b>–</b>	<b>101</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total economic classification</b>	<b>13 331 761</b>	<b>14 415 733</b>	<b>15 175 909</b>	<b>16 064 621</b>	<b>16 507 332</b>	<b>16 905 765</b>	<b>17 150 267</b>	<b>17 847 933</b>	<b>18 949 202</b>

## 5.4 Payments by Functional Area

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

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
General public services	1 756 379	2 050 433	2 214 195	2 414 037	2 488 489	2 618 106	2 498 787	2 485 396	2 624 759
Public order and safety	340 870	304 951	315 691	332 091	357 883	357 868	228 074	238 974	227 384
Economic affairs	1 090 509	881 997	865 039	962 630	986 867	980 163	1 027 364	944 183	999 411
Environmental protection	127 586	133 652	140 676	148 991	152 625	152 625	157 988	166 457	176 064
Housing and community amenities	651 875	723 625	691 313	725 432	734 405	744 654	831 899	866 804	913 620
Health	3 713 980	4 168 265	4 369 138	4 433 893	4 630 292	4 722 157	4 735 195	5 132 248	5 504 576
Recreation, culture and religion	286 874	337 900	338 263	371 088	390 337	390 531	382 821	403 571	424 874
Education	4 709 217	5 101 117	5 511 818	5 857 847	5 896 119	6 069 346	6 417 223	6 687 716	7 103 237
Social protection	654 471	713 793	729 776	818 612	870 316	870 316	870 916	922 584	975 277
<b>Total provincial payments and estimates by policy area</b>	<b>13 331 761</b>	<b>14 415 733</b>	<b>15 175 909</b>	<b>16 064 621</b>	<b>16 507 332</b>	<b>16 905 765</b>	<b>17 150 267</b>	<b>17 847 933</b>	<b>18 949 202</b>

## 5.5 Infrastructure Payments

Infrastructure is financed through various funding mechanisms. The view from the National Development Plan 2030 is that in the long term, users must pay the bulk of the costs for economic infrastructure, with due protection for poor households. For infrastructure that generates financial returns, debt raised to build facilities should be on the balance sheets of state-owned enterprises or private companies that do the work. Guarantees should be used selectively to lower the cost of capital and to secure long-term finance.

Social infrastructure that does not generate financial returns – such as schools, hospitals, secure care centres should be financed from the budget. Provinces and municipalities use their own discretion on how much to contribute and spend on infrastructure from their equitable share revenues. However, infrastructure funding from conditional grants (different types of conditional grants: specific purpose, supplementary, indirect and disaster allocations) can only be used for the purpose for which it was allocated. Municipalities raise more tax revenue as they have more fiscal autonomy, while provinces rely largely on the national fiscus as they have limited revenue raising powers.

The Northern Cape Government total spending on infrastructure over the last four years amounts R9,562 billion and R8,345 billion over 2018 medium-term expenditure framework (MTEF). Infrastructure projects and programmes are financed through equitable share allocations and conditional grants. These funds will be spent on the construction of new, upgrades, additions, rehabilitation, refurbishment, and maintenance and repairs of infrastructure. Planned projects include school building programme, hospitals and clinics, roads, electricity, water and sanitation infrastructure.

The budget cycle is a three year phase consisting of planning, implementation and closure processes being undertaken in each year. It is clear that in any single year, departments will concurrently be dealing with these different activities of the MTEF, namely:

- Closure activities for the previous year's implementation;
- Implementation activities for the current years implementation and;
- Planning activities for next years' implementation.

There is a need, therefore, to allocate sufficient time for planning, design and tendering to take place from the time that the approved projects list is given to the implementing agent and before implementation starts. After the User Asset Management Plan (U-AMP) has been updated the client department prepares or updates an (Infrastructure Programme Management Plan) IPMP. In addition an updated Annual Performance Plan (APP) must also be prepared. The client department first enters into a Service Delivery Agreement (SDA) with its implementing agents based on an agreement of the functions to be performed by each party.

It is proposed that the submission of projects from the client department to the implementing agent be improved by means of a formal process in which all parties agree to do exactly what needs to be done, where, by whom, when, and at what cost. To facilitate the process of agreement between parties, three plans have to be put in place:

- The IPMP by the client department;
- The Construction Procurement Strategy; and
- The Infrastructure Programme Implementation Plan (IPIP) by the implementing agent.

The IPMP stipulates what the client department intends to achieve in the next 3 years of implementation. The implementing agent responds to the IPMP through the development of an IPIP, which validates the implementing agents' understanding of what needs to be done and explicitly indicates how this will be achieved, when and by whom.

Once the client department has approved the IPIP submitted by the implementing agent, the implementing agent is able to continue with detailed project designs, followed by the project tendering process. Multi-year project implementation for projects planned in Year 0 of the MTEF would typically start in Year 2 of that MTEF allowing for one-year lead for project design and tendering. These phases should take up most of the following year resulting in a detailed U-AMP with associated realistic costing, timeframes and cash flows for each project. The detailed planning and design undertaken would assist in establishing exactly what multi-year commitments are required to complete the projects.

Table 1.13(a) shows capital infrastructure by Vote.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Vote 04: Education	354 482	436 031	486 533	523 824	523 824	523 824	568 766	450 710	500 107
Vote 05: Roads and Public Works	845 206	1 060 378	1 159 029	1 216 513	1 231 887	1 370 377	1 254 481	1 193 825	1 259 328
Vote 07: Sports, Arts and Culture	22 006	27 252	27 167	36 965	36 965	36 345	30 800	27 837	30 315
Vote 09: Co-Operative Government, Human Settlement and Traditional Affairs				402 668	402 668	402 668	474 791	487 930	512 958
Vote 10: Health	403 815	566 871	519 606	443 753	560 259	407 580	376 213	391 103	412 514
Vote 11: Social Development	8 807	17 988	29 051	27 965	27 965	27 965	15 206	16 024	17 054
Vote 12: Agriculture Land Reform and Rural Development	280 685	114 116	126 255	135 031	135 031	135 031	142 873	83 741	88 348
<b>Total provincial infrastructure payments and estimates</b>	<b>1 915 001</b>	<b>2 222 636</b>	<b>2 347 641</b>	<b>2 786 719</b>	<b>2 918 599</b>	<b>2 903 790</b>	<b>2 863 130</b>	<b>2 651 170</b>	<b>2 820 624</b>

Through the commitment of the provincial government to increase investments on infrastructure development, since the 2014/15 to the 2018/19 financial year an amount of R 9.562 billion has been spent on infrastructure. The total infrastructure budget of the province for the 2018/19 financial year amounts to R 2.873 billion. The projected spending on infrastructure in the province amounts to R 8.345 billion over the MTEF. The departments of Health, Education and Roads and Public Works are major infrastructure delivery departments.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Existing infrastructure assets</b>	<b>1 349 265</b>	<b>1 360 031</b>	<b>1 654 444</b>	<b>1 759 712</b>	<b>1 865 945</b>	<b>1 870 032</b>	<b>1 805 542</b>	<b>1 638 359</b>	<b>1 816 083</b>
Maintenance and repairs	758 916	990 713	1 024 495	1 002 012	1 097 502	1 160 837	1 169 785	1 099 531	1 212 459
Upgrades and additions	328 042	292 345	520 006	398 516	404 059	389 400	338 019	291 516	344 130
Refurbishment and rehabilitation	262 307	76 973	109 944	359 185	364 385	319 796	297 737	247 312	259 494
<b>New infrastructure assets</b>	<b>561 673</b>	<b>840 852</b>	<b>690 439</b>	<b>581 385</b>	<b>641 348</b>	<b>650 203</b>	<b>433 991</b>	<b>376 509</b>	<b>343 692</b>
<b>Infrastructure transfers</b>	<b>2 410</b>	<b>-</b>	<b>-</b>	<b>402 668</b>	<b>402 668</b>	<b>402 668</b>	<b>474 791</b>	<b>487 930</b>	<b>512 958</b>
Current	2 410	-	-	44 073	44 073	44 073	26 488	47 703	54 231
Capital	-	-	-	358 595	358 595	358 595	448 303	440 227	458 727
<b>Infrastructure payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Infrastructure leases	1 653	2 197	2 116	2 860	2 602	2 602	3 026	3 195	3 371
Non infrastructure	-	39 495	10 165	142 703	150 312	122 561	155 924	145 618	144 984
<b>Total department infrastructure</b>	<b>1 915 001</b>	<b>2 242 575</b>	<b>2 357 164</b>	<b>2 889 329</b>	<b>3 062 876</b>	<b>3 048 067</b>	<b>2 873 273</b>	<b>2 651 611</b>	<b>2 821 089</b>

Table 1.13(b) shows that the province will spend R1.805 billion on Existing Infrastructure in province in the 2018/19 financial and in total R5.260 billion over the MTEF. Furthermore, the province will



spend R433 million on new infrastructure; R3 million on infrastructure leases and R155 million on Non– infrastructure items which relates to machinery and equipment and compensation of employees.

R thousand	Outcome			Main appropriati	Adjusted appropriati	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Provincial Equitable Share	427 157	309 004	251 204	409 750	165 620	165 620	166 425	86 020	91 689
Conditional grants <sup>1</sup>	1 487 844	1 933 571	2 032 316	2 466 462	2 882 447	2 882 447	2 706 848	2 565 591	2 729 400
Education Infrastructure Grant	346 419	429 079	486 538	612 267	612 267	612 267	568 766	450 710	500 107
Health Infrastructure Grant	395 519	608 736	472 267	443 753	560 259	560 259	374 391	389 281	410 692
Provincial Roads Maintenance Grant	640 472	822 430	905 360	958 766	1 084 016	1 084 016	1 111 637	1 050 720	1 108 353
Community Library Service Grant	103 434	57 326	144 151	34 771	163 000	163 000	159 554	168 250	177 562
Human Settlements Development Grant				402 668	402 668	402 668	474 791	487 930	512 958
Substance Abuse Treatment Grant	2 000	16 000	24 000	14 237	60 237	60 237	17 709	18 700	19 728
<b>Total provincial infrastructure payments and estimates<sup>2</sup></b>	<b>1 915 001</b>	<b>2 242 575</b>	<b>2 283 520</b>	<b>2 876 212</b>	<b>3 048 067</b>	<b>3 048 067</b>	<b>2 873 273</b>	<b>2 651 611</b>	<b>2 821 089</b>

1. Include all relevant Conditional Grants per sector

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

Table overleaf shows that the province will spend R2.706 billion on the conditional grant allocation of infrastructure in the 2018/19 financial year and in total of R8 billion over the MTEF. Furthermore, the province will spend and R166 million on equitable share in 2018/19 financial year and totalling to R344 million on over the MTEF reflecting a reliance on conditional grant.

### 5.5.1. Maintenance of provincial infrastructure

The stock of infrastructure that is owned by government and its agencies is vast and increasing at a rapid rate. However, the maintenance of this stock varies greatly from sector to sector and sometimes, also from institution to institution. Infrastructure assets should be planned and budgeted for throughout their life cycle, from planning through to disposal. This will ensure that assets operate efficiently and are maintained cost effectively. Unless maintenance is improved in these sectors, funds to address the cost of repairs and unplanned replacements will have to be sourced from capital budgets. This will severely limit the programme for addressing maintenance backlogs and expanding service delivery.

The existence of an asset management system, updated regularly, through condition assessments on existing facilities, will guide proper planning and budgeting for maintenance. Section 38(1) (d) of the PFMA states that, the accounting officer for a department, trading entity or constitutional institution is responsible for the management, including the safeguarding and the maintenance of the assets of the department, trading entity or constitutional institution.

Infrastructure maintenance is a strategic tool, as it offers outstanding opportunities for economic stimulation and as jobs are created, capital expenditure expanded and sustainable delivery achieved while community aspirations can be met.

Departments are also required to provide detail on maintenance in the infrastructure table (Table B5). Providing detail on maintenance affords increased transparency and allows for effective financial management.

### 5.5.2. Provincial infrastructure transfers

Provincial infrastructure payments or estimates by vote must include transfers made for the delivery of provincial infrastructure. Hence, aggregation on the vote table must equal that on the infrastructure by category table.

### 5.5.3. Non infrastructure items

Non Infrastructure refers to items/projects that do not fall within the category of building and other fixed structures, such as machinery, equipment, furniture, compensation of employees and do not fall within the four 'nature of investment' categories.

## 5.6 Public-Private Partnership (PPP)

The Northern Cape Provincial Treasury has gone through a rigorous process of capacitating the Public Private Partnership unit to enable the province to leverage the full alternative potentials that the PPP process provides to assist the province in managing infrastructure at provincial and local government more effectively. A PPP is therefore defined in South African Law as: A contract between a government institution and private party, where:

- the private party performs an institutional function and/or uses state property in terms of output specifications
- substantial project risk (financial, technical, operational) is transferred to the private party
- the private party benefits through: unitary payments from government budgets and/or user fees.

A PPP is a facilitating framework that enables sustainable development by effectively leveraging limited public funds, integrating scale with efficiency, reducing life cycle costs, harnessing national resources and applying best practices, to achieve a social purpose. A PPP provides a format in which all the important stakeholders are incentivised to come together in achieving the community development goals enshrined in the project. To that effect, a PPP is more than a joint venture.

Treasury Regulations are not prescriptive about the financing structure of a PPP. It is assumed that this will vary widely from project to project and sector to sector, and will be closely linked to the funding sources that can be secured for each deal.

However, PPPs usually involve the private party raising both debt and equity to finance the project. In most PPPs, a dedicated business entity is set up by the private party. This is called a special purpose vehicle (SPV), whose sole purpose is to deliver the project.

PPPs may involve some capital \_contribution by government to the initial costs of the project. Some PPP projects do not involve debt finance at all, being initially funded either wholly through corporate finance or by a combination of government funds and private equity. In end-user-pay projects, there may also be some government funding for either or both the capital and operating costs of the project.

The concept of a PPP's where Government needs infrastructure and services, but the annual budget does not allow for this type of expense. Private sector through the PPP process gets involved in the provision of this infrastructure and government can pay this over a concession period. Certain services are linked to manage this infrastructure during this period of payment for physical infrastructure. The private sector interest is enhanced since there is big enough value and the private sector can look after the capital investment until government takes full ownership which is at the end of concession agreement.

The current PPP projects within the province are as follows:

- Renosterberg Municipality: Vanderkloof Tourism PPP project:
- Siyathemba Municipality: Prieska - The "Die Bos" Resort as a potential PPP
- Northern Cape Renal Replacement Therapy with the Department of Health:
- Port Nolloth Boegoe Baai Harbour:
- Marine and Coastal Economy Tourism PPP:
- Provincial Waste Management PPP

## 5.7 Transfers

### 5.7.1 Transfers to Public Entities

Table 1.15 : Summary of provincial transfers to public entities by transferring department

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
6. Department Economic Development And Tourism	43 037	45 056	53 498	51 860	57 833	57 833	67 312	71 180	75 244
7. Department Of Sports, Arts And Culture	2 953	3 133	2 951	3 246	3 246	3 246	3 386	3 386	3 386
12. Department Of Agriculture, Land Reform And Rural Development	2 550	2 550	2 550	2 550	2 550	2 550	3 350	3 350	2 550
<b>Total provincial transfers</b>	<b>48 540</b>	<b>50 739</b>	<b>58 999</b>	<b>57 656</b>	<b>63 629</b>	<b>63 629</b>	<b>74 048</b>	<b>77 916</b>	<b>81 180</b>

The province has allocated an amount of R74.048 million in the 2018/19 financial year towards transfers to existing public entities and the budget is projected to grow to R81.180 in the 2020/21 financial year. Department of Economic Development and Tourism will transfer R213.736 million over the next three years to 4 public entities, namely: Northern Cape Gambling Board, Northern Cape Liquor Board, Northern Cape Economic Development, Trade and Investment Promotion Agency and the Northern Cape Tourism Authority.

### 5.7.2 Transfers to Development Corporations

The province does not have any development corporations

### 5.7.3 Transfer to Local Government

Table B1.17: Transfers to local government by category : Northern Cape

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A	–	–	–	–	–	–	–	–	–
Category B	84 685	153 466	134 090	119 472	119 121	119 121	103 639	112 851	116 960
Category C	4 335	10 710	13 280	6 673	6 673	5 840	2 942	2 231	2 299
Unallocated	–	2 718	4 156	11 567	16 637	15 473	482	509	537
<b>Total transfers to municipalities</b>	<b>89 020</b>	<b>166 894</b>	<b>151 526</b>	<b>137 711</b>	<b>142 430</b>	<b>140 433</b>	<b>107 063</b>	<b>115 591</b>	<b>119 796</b>

The province has allocated an amount of R107.063 million in the 2018/19 financial year towards transfers to local government, the amount increases to R119.796 million in the outer year of the MTEF.

## 5.8 Personnel Numbers and Costs

Table 1.18 : Summary of provincial personnel numbers and costs by component

	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2014/15		2015/16		2016/17		2017/18				2018/19		2019/20		2020/21		2017/18 - 2020/21		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
R thousands																			
Vote																			
1. Office Of The Premier	248	108 994	256	118 474	252	127 492	263		263	139 956	263	151 239	294	163 480	294	173 100	3.8%	7.3%	1.5%
2. Provincial Legislature	168	91 510	167	96 954	167	105 084	161		161	108 262	161	119 309	161	126 935	160	135 030	-0.2%	7.6%	1.2%
3. Department Of Transport, Safety And Liason	338	116 793	398	132 568	381	146 457	371		371	153 986	371	164 796	363	172 134	363	182 086	-0.7%	5.7%	1.6%
4. Department Of Education	13 454	3 647 477	12 729	3 924 981	12 729	4 109 327	13 416		13 416	4 651 988	13 416	4 916 520	13 421	5 271 899	13 421	5 579 275	0.0%	6.2%	49.2%
5. Department Of Roads And Public Works	826	220 953	861	240 154	908	251 110	961		961	291 618	961	320 667	1 000	345 651	1 000	368 118	1.3%	8.1%	3.2%
6. Department Economic Development And	153	73 904	194	81 144	210	93 795	210		210	101 663	210	114 182	231	123 332	231	130 726	3.2%	8.7%	1.1%
7. Department Of Sports, Arts And Culture	651	97 806	577	118 487	696	140 371	616		616	153 531	616	175 438	509	187 253	509	204 086	-6.2%	10.0%	1.7%
8. Provincial Treasury	295	129 156	330	159 343	335	168 946	397		397	191 871	397	229 683	442	233 547	369	246 994	-2.4%	8.8%	2.1%
9. Department Of Co-Operative Governance,	657	211 664	659	226 200	661	239 800	663		663	255 560	663	270 646	665	291 282	698	307 300	1.7%	6.3%	2.7%
10. Department Of Health	6 925	1 936 740	6 840	2 150 712	7 183	2 322 039	7 095		7 095	2 564 791	7 095	2 835 282	7 114	3 000 293	7 114	3 204 160	0.1%	7.7%	27.9%
11. Department Of Social Development	929	273 352	983	307 060	1 076	323 839	1 154		1 154	360 078	1 154	404 781	1 196	437 117	1 196	467 334	1.2%	9.1%	4.0%
12. Department Of Agriculture, Land Reform And	609	179 210	612	194 248	615	210 440	625		625	222 860	625	253 877	636	271 610	636	287 631	0.6%	8.9%	2.5%
13. Department Of Environment And Nature	215	84 193	243	93 998	259	104 554	249		249	112 408	249	118 874	265	126 255	270	134 679	2.7%	6.2%	1.2%
<b>Total</b>	<b>25 468</b>	<b>7 171 752</b>	<b>24 849</b>	<b>7 844 323</b>	<b>25 472</b>	<b>8 343 254</b>	<b>26 181</b>	<b>-</b>	<b>26 181</b>	<b>9 308 571</b>	<b>26 181</b>	<b>10 075 295</b>	<b>26 297</b>	<b>10 750 788</b>	<b>26 261</b>	<b>11 420 519</b>	<b>0.1%</b>	<b>7.1%</b>	<b>100.0%</b>

## 5.9 Payments on Training

Table 1.20 : Payments on training by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
1. Office Of The Premier	952	999	1 052	1 105	1 105	1 105	1 169	1 169	1 233
2. Provincial Legislature	208	146	153	933	933	240	987	1 042	1 099
3. Department Of Transport, Safety And Liaison	534	710	1 350	1 544	1 544	1 544	1 647	1 721	1 820
4. Department Of Education	13 714	10 850	14 255	17 388	15 628	9 537	12 686	13 503	14 246
5. Department Of Roads And Public Works	2 223	2 591	2 772	3 013	3 013	3 013	3 219	3 457	3 681
6. Department Economic Development And Tourism	1 426	3 499	886	1 338	1 338	1 338	1 414	1 493	1 574
7. Department Of Sports, Arts And Culture	287	257	905	2 380	2 380	2 380	2 498	2 624	2 769
8. Provincial Treasury	1 362	1 480	1 720	811	811	3 627	2 237	2 563	2 587
9. Department Of Co-Operative Governance, Human Settlements And Traditional Affairs	2 171	3 890	2 116	2 222	2 222	2 222	2 353	2 502	2 639
10. Department Of Health	5 236	20 164	21 845	26 819	26 819	26 819	28 375	29 965	31 614
11. Department Of Social Development	2 867	3 011	3 180	3 339	3 339	3 339	3 533	3 730	3 936
12. Department Of Agriculture, Land Reform And Rural Development	1 760	1 848	1 959	2 057	2 057	2 057	2 176	2 297	2 424
13. Department Of Environment And Nature Conservation	116	1 216	822	2 396	2 396	2 396	2 370	2 453	4 416
<b>Total payments on training</b>	<b>32 856</b>	<b>50 661</b>	<b>53 015</b>	<b>65 345</b>	<b>63 585</b>	<b>59 617</b>	<b>64 663</b>	<b>68 519</b>	<b>74 038</b>

**Annexure: Overview of Provincial Revenue  
and Expenditure Estimates**

Table A.1: Specification of receipts: Northern Cape

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>Tax receipts</b>	<b>169 948</b>	<b>188 848</b>	<b>210 894</b>	<b>243 000</b>	<b>243 000</b>	<b>230 544</b>	<b>259 646</b>	<b>275 856</b>	<b>291 022</b>
Casino taxes	16 037	21 305	22 609	25 036	25 036	23 111	26 180	27 646	29 166
Horse racing taxes	1 517	1 595	2 477	1 637	1 637	2 370	1 924	2 032	2 144
Liquor licences	3 773	3 758	3 762	4 327	4 327	4 399	4 639	4 899	5 168
Motor vehicle licences	148 621	162 190	182 046	212 000	212 000	200 664	226 903	241 279	254 544
<b>Sales of goods and services other than capital assets</b>	<b>72 652</b>	<b>69 882</b>	<b>81 006</b>	<b>83 039</b>	<b>83 039</b>	<b>79 286</b>	<b>84 786</b>	<b>89 565</b>	<b>94 474</b>
Sale of goods and services produced by department (excluding capital assets)	72 642	69 881	81 002	83 039	83 039	79 286	84 786	89 565	94 474
Sales by market establishments	9 537	8 007	6 527	11 518	11 518	8 338	9 386	9 933	10 492
Administrative fees	21 709	23 327	37 498	25 137	25 137	34 411	26 366	27 755	29 251
Other sales	41 396	38 547	36 977	46 383	46 383	36 537	49 033	51 878	54 732
Of which									
Health patient fees	37 181	34 875	33 569	46 398	46 398	34 163	49 124	51 971	54 829
Other (Specify)	259	312	288	395	395	387	417	441	466
Other (Specify)	549	566	812	710	710	493	748	790	834
Other (Specify)	503	344	439	196	196	445	207	218	231
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	10	1	4	-	-	-	-	-	-
<b>Transfers received from:</b>	<b>-</b>	<b>-</b>	<b>969</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other governmental units	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	969	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	<b>2 379</b>	<b>2 764</b>	<b>2 233</b>	<b>3 531</b>	<b>3 531</b>	<b>2 971</b>	<b>3 614</b>	<b>3 777</b>	<b>4 014</b>
<b>Interest, dividends and rent on land</b>	<b>38 375</b>	<b>49 014</b>	<b>42 836</b>	<b>1 046</b>	<b>1 046</b>	<b>34 781</b>	<b>4 808</b>	<b>5 080</b>	<b>5 363</b>
Interest	38 366	49 014	42 836	1 046	1 046	34 751	4 728	4 996	5 274
Dividends	9	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	30	80	84	89
<b>Sales of capital assets</b>	<b>630</b>	<b>4 438</b>	<b>2 108</b>	<b>3 271</b>	<b>3 271</b>	<b>2 125</b>	<b>3 811</b>	<b>3 607</b>	<b>3 806</b>
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	630	4 438	2 108	3 271	3 271	2 125	3 811	3 607	3 806
<b>Transactions in financial assets and liabilities</b>	<b>12 629</b>	<b>16 003</b>	<b>6 389</b>	<b>5 943</b>	<b>5 943</b>	<b>8 381</b>	<b>3 874</b>	<b>4 084</b>	<b>4 296</b>
<b>Total provincial receipts</b>	<b>296 613</b>	<b>330 949</b>	<b>346 435</b>	<b>339 830</b>	<b>339 830</b>	<b>358 088</b>	<b>360 539</b>	<b>381 969</b>	<b>402 975</b>

Table A.2 Information Relating to Conditional Grants

R thousand	2014/15			2015/16			2016/17			2017/18			2018/19	2019/20	2020/21
	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Expenditure Estimates	Medium Term Expenditure Estimates		
<b>Agriculture, Forestry and Fisheries</b>	<b>514 665</b>	<b>514 665</b>	<b>514 389</b>	<b>214 530</b>	<b>214 530</b>	<b>212 670</b>	<b>196 466</b>	<b>196 466</b>	<b>196 466</b>	<b>315 199</b>	<b>315 199</b>	<b>300 390</b>	<b>323 219</b>	<b>196 167</b>	<b>208 442</b>
Agricultural Disaster Management Grant	50 000	50 000	50 000	—	—	—	—	—	—	—	—	—	—	—	—
Comprehensive Agricultural Support Programme Grant	380 339	380 339	380 076	135 768	135 768	134 127	129 924	129 924	129 924	244 381	244 381	232 772	252 434	123 832	132 129
Ilirima/Letsema Projects Grant	74 762	74 762	74 760	69 460	69 460	69 288	55 222	55 222	55 222	61 680	61 680	58 480	60 766	64 169	67 698
Land Care Programme Grant Poverty Relief and Infrastructure Development	7 462	7 462	7 451	7 302	7 302	7 256	9 320	9 320	9 320	7 094	7 094	7 094	7 753	8 166	8 615
Expanded Public Works Programme Incentive Grant for Provinces	2 102	2 102	2 102	2 000	2 000	1 999	2 000	2 000	2 000	2 044	2 044	2 044	2 266	—	—
<b>Education</b>	<b>509 746</b>	<b>509 746</b>	<b>508 430</b>	<b>621 040</b>	<b>621 040</b>	<b>603 028</b>	<b>675 200</b>	<b>675 200</b>	<b>672 577</b>	<b>808 378</b>	<b>808 378</b>	<b>808 378</b>	<b>783 962</b>	<b>669 242</b>	<b>736 709</b>
Dinaledi Schools Grant	3 782	3 782	2 706	—	—	—	—	—	—	—	—	—	—	—	—
Education Infrastructure Grant	346 445	346 445	346 419	446 998	446 998	429 079	489 550	489 550	486 990	612 267	612 267	612 267	568 766	450 710	500 107
HIV and Aids (Life Skills Education) Grant	5 059	5 059	5 059	5 281	5 281	5 259	5 281	5 281	5 117	5 547	5 547	5 547	5 356	5 594	5 794
National School Nutrition Programme Grant	134 645	134 645	134 637	142 724	142 724	142 722	152 414	152 414	152 463	160 807	160 807	160 807	170 211	178 722	191 160
Occupation Specific Dispensation for Education Sector Therapists Grant	7	7	—	2	2	—	—	—	—	—	—	—	—	—	—
Technical Secondary Schools Recapitalisation Grant	13 978	13 978	13 779	—	—	—	—	—	—	—	—	—	—	—	—
Maths, Science and Technology Grant	—	—	—	22 958	22 958	22 956	23 030	23 030	23 079	23 636	23 636	23 636	24 564	25 948	28 388
Learners With Profound Intellectual Disabilities Grant	—	—	—	—	—	—	—	—	—	2 021	2 021	2 021	6 508	8 268	11 260
Expanded Public Works Programme Incentive Grant for Provinces	2 593	2 593	2 593	2 077	2 077	2 077	2 000	2 000	1 998	2 083	2 083	2 083	2 222	—	—
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	3 237	3 237	3 237	1 000	1 000	935	2 925	2 925	2 930	2 017	2 017	2 017	6 335	—	—
<b>Health</b>	<b>1 212 758</b>	<b>1 212 758</b>	<b>1 131 173</b>	<b>1 423 979</b>	<b>1 423 979</b>	<b>1 370 651</b>	<b>1 360 908</b>	<b>1 360 908</b>	<b>1 216 450</b>	<b>1 525 010</b>	<b>1 525 010</b>	<b>1 525 090</b>	<b>1 361 569</b>	<b>1 419 067</b>	<b>1 531 258</b>
Comprehensive HIV and Aids Grant	355 972	355 972	354 004	372 403	372 403	372 403	413 231	413 231	413 231	478 242	478 242	478 242	515 155	549 437	609 257
Health Disaster Response (Cholera) Grant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hospital Facility Revitalisation Grant	464 910	464 910	395 519	652 231	652 231	608 736	514 585	514 585	398 052	560 260	560 260	560 259	374 391	389 281	410 692
of which	103 029	103 029	103 029	—	—	—	—	—	—	—	—	—	—	—	—
Health infrastructure component	361 881	361 881	292 490	652 231	652 231	608 736	514 585	514 585	398 052	560 260	560 260	560 259	374 391	389 281	410 692
Hospital Revitalisation component	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nursing Colleges and Schools component	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Health Professions Training and Development Grant	76 697	76 697	76 697	78 445	78 445	78 445	81 815	81 815	77 505	90 610	90 610	90 610	91 305	97 132	102 475
National Tertiary Services Grant	298 727	298 727	291 526	305 477	305 477	301 866	322 272	322 272	300 274	362 053	362 053	362 134	359 754	378 323	403 671
National Health Insurance Grant	7 000	7 000	3 975	7 535	7 535	2 599	10 489	10 489	8 872	1 616	1 616	1 616	—	—	—
Human Papillomavirus Vaccine Grant	—	—	—	—	—	—	—	—	—	—	—	—	4 634	4 894	5 163
Expanded Public Works Programme Incentive Grant for Provinces	2 115	2 115	2 115	1 400	1 400	114	3 286	3 286	3 286	2 000	2 000	2 000	2 907	—	—
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	7 337	7 337	7 337	6 488	6 488	6 488	15 230	15 230	15 230	30 229	30 229	30 229	13 423	—	—
<b>Human Settlements</b>	<b>377 668</b>	<b>377 668</b>	<b>375 470</b>	<b>482 561</b>	<b>482 561</b>	<b>478 761</b>	<b>376 930</b>	<b>376 930</b>	<b>373 109</b>	<b>413 641</b>	<b>413 641</b>	<b>404 668</b>	<b>497 157</b>	<b>509 433</b>	<b>535 643</b>
Housing Disaster Relief Grant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Human Settlements Development Grant	374 832	374 832	374 832	480 408	480 408	476 608	374 930	374 930	371 109	411 641	411 641	402 668	474 791	487 930	512 958
Title Deed Restoration Grant	—	—	—	—	—	—	—	—	—	—	—	—	20 364	21 503	22 685
Expanded Public Works Programme Incentive Grant for Provinces	2 836	2 836	638	2 153	2 153	2 153	2 000	2 000	2 000	2 000	2 000	2 000	2 002	—	—
<b>Public Works</b>	<b>643 436</b>	<b>643 436</b>	<b>643 436</b>	<b>825 923</b>	<b>822 430</b>	<b>825 923</b>	<b>909 163</b>	<b>909 163</b>	<b>909 163</b>	<b>1 087 850</b>	<b>3 834</b>	<b>1 087 850</b>	<b>1 115 791</b>	<b>1 050 720</b>	<b>1 108 353</b>
Provincial Roads Maintenance Grant	640 472	640 472	640 472	822 430	822 430	822 430	905 360	905 360	905 360	1 084 016	—	1 084 016	1 111 637	1 050 720	1 108 353
Expanded Public Works Programme Incentive Grant for Provinces	2 964	2 964	2 964	3 493	3 493	3 493	3 803	3 803	3 803	3 834	3 834	3 834	4 154	—	—
<b>Social Development</b>	<b>8 161</b>	<b>8 161</b>	<b>8 159</b>	<b>22 301</b>	<b>22 301</b>	<b>22 258</b>	<b>46 500</b>	<b>3 500</b>	<b>3 500</b>	<b>91 067</b>	<b>76 734</b>	<b>91 067</b>	<b>48 033</b>	<b>38 872</b>	<b>41 251</b>
Substance Abuse Treatment Grant	2 000	2 000	1 998	16 000	16 000	16 000	43 000	—	—	57 237	57 237	57 237	17 709	18 700	19 728
Early Childhood Development Grant	—	—	—	—	—	—	—	—	—	13 761	—	13 761	18 472	19 503	20 809
Social Worker Employment Grant	—	—	—	—	—	—	—	—	—	572	—	572	619	669	714
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	6 161	6 161	6 161	6 301	6 301	6 258	3 500	3 500	3 500	19 497	19 497	19 497	11 233	—	—
<b>Sport and Recreation South Africa</b>	<b>159 691</b>	<b>159 691</b>	<b>138 746</b>	<b>198 066</b>	<b>198 066</b>	<b>73 795</b>	<b>193 269</b>	<b>193 269</b>	<b>178 178</b>	<b>215 294</b>	<b>215 294</b>	<b>197 544</b>	<b>194 499</b>	<b>200 336</b>	<b>210 445</b>
Mass Participation and Sport Development Grant	31 450	31 450	31 450	29 181	29 181	15 419	31 413	31 413	33 642	31 283	31 283	29 819	31 319	32 086	32 883
Community Library Services Grant	123 559	123 559	103 434	165 670	165 670	57 326	157 656	157 656	139 016	179 670	179 670	163 000	159 554	168 250	177 562
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	2 580	2 580	2 128	1 215	1 215	550	2 200	2 200	3 075	2 341	2 341	2 404	1 455	—	—
Expanded Public Works Programme Incentive Grant for Provinces	2 102	2 102	1734	2000	2000	500	2000	2000	2445	2 000	2 000	2 321	2171	—	—
<b>Economic Development and Tourism</b>	<b>4 102</b>	<b>4 102</b>	<b>4 102</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 030</b>	<b>2 030</b>	<b>2 030</b>	<b>2 000</b>	<b>—</b>	<b>2 000</b>	<b>2 012</b>	<b>—</b>	<b>—</b>
Expanded Public Works Programme Incentive Grant for Provinces	4 102	4 102	4 102	2 000	2 000	2 000	2 030	2 030	2 030	2 000	—	2 000	2 012	—	—
<b>Environment</b>	<b>2 102</b>	<b>2 102</b>	<b>2 102</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>2 043</b>	<b>2 043</b>	<b>2 043</b>	<b>2 182</b>	<b>2 182</b>	<b>2 182</b>	<b>2 035</b>	<b>—</b>	<b>—</b>
Expanded Public Works Programme Incentive Grant for Provinces	2 102	2 102	2 102	2 000	2 000	2 000	2 043	2 043	2 043	2 182	2 182	2 182	2 035	—	—
<b>Transport</b>	<b>46 640</b>	<b>46 640</b>	<b>42 917</b>	<b>49 421</b>	<b>49 421</b>	<b>44 267</b>	<b>55 039</b>	<b>55 039</b>	<b>53 209</b>	<b>58 316</b>	<b>58 316</b>	<b>58 316</b>	<b>58 926</b>	<b>56 723</b>	<b>60 524</b>
Public Transport Operations Grant	43 937	43 937	40 272	48 421	48 421	43 346	52 125	52 125	50 348	53 806	53 806	53 806	53 715	56 723	60 524
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	2 703	2 703	2 645	1 000	1 000	921	2 914	2 914	2 861	2510	2510	2510	3211	—	—
Expanded Public Works Programme Incentive Grant for Provinces	—	—	—	—	—	—	—	—	—	2000	2000	2000	2000	—	—
<b>Total</b>	<b>3 478 969</b>	<b>3 478 969</b>	<b>3 368 924</b>	<b>3 841 821</b>	<b>3 838 328</b>	<b>3 635 353</b>	<b>3 817 548</b>	<b>3 774 548</b>	<b>3 606 725</b>	<b>4 518 937</b>	<b>3 418 588</b>	<b>4 477 485</b>	<b>4 387 203</b>	<b>4 140 560</b>	<b>4 432 625</b>



Table A.3: Payments and estimates by economic classification: Northern Cape

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17	2017/16	2017/16	2017/16	2018/19	2019/20	2020/21
<b>Current payments</b>	<b>10 374 238</b>	<b>11 472 555</b>	<b>12 267 996</b>	<b>12 864 183</b>	<b>13 068 846</b>	<b>13 526 911</b>	<b>14 207 633</b>	<b>14 958 410</b>	<b>15 940 237</b>
Compensation of employees	7 169 501	7 809 298	8 507 428	9 036 644	9 123 276	9 308 414	10 073 249	10 753 912	11 424 879
Salaries and wages	6 308 106	6 792 310	7 412 854	7 926 764	7 999 573	8 115 859	8 813 136	9 434 030	10 009 225
Social contributions	861 395	1 016 988	1 094 574	1 109 880	1 123 703	1 192 555	1 260 113	1 319 882	1 415 654
Goods and services	3 202 092	3 659 536	3 755 812	3 824 070	3 930 096	4 215 438	4 134 150	4 204 253	4 515 099
Administrative fees	13 421	14 367	14 733	13 060	16 837	14 308	15 552	15 917	16 724
Advertising	36 446	22 764	13 120	22 433	17 102	13 551	18 285	19 343	20 309
Minor assets	36 895	28 074	13 813	39 479	37 381	22 504	36 048	41 630	43 709
Audit cost: External	62 866	67 096	67 908	63 601	67 021	69 920	66 619	69 486	72 224
Bursaries: Employees	6 362	8 456	6 644	9 570	8 622	8 935	8 059	7 190	7 584
Catering: Provincial activities	40 765	35 048	33 383	40 124	37 572	34 602	37 921	38 464	40 299
Communication (G&S)	50 900	56 544	62 781	59 934	54 706	46 560	57 884	60 990	64 277
Computer services	92 308	98 673	84 544	112 464	112 847	103 705	114 028	116 963	123 242
Consultants and professional services: Business and advisory services	65 060	79 363	93 091	32 209	103 369	112 700	47 224	45 901	21 905
Infrastructure and planning	48 206	62 483	24 705	42 519	15 041	4 409	35 660	14 256	9 006
Laboratory services	88 907	113 487	126 337	137 990	137 575	129 045	119 741	137 117	145 163
Scientific and technological services	85	-	-	-	-	-	-	-	-
Legal services	20 953	15 828	16 705	8 967	14 113	29 563	8 201	8 983	9 476
Contractors	729 064	749 967	647 365	895 054	958 457	1 200 641	1 070 709	909 523	1 055 282
Agency and support / outsourced services	167 325	188 449	230 420	210 806	200 803	226 049	209 335	223 501	236 987
Entertainment	1 109	604	195	1 017	939	274	855	906	952
Fleet services (including government motor transport)	105 971	130 213	135 592	136 515	144 548	120 432	142 243	173 491	186 031
Housing	-	-	-	408	408	93	-	-	-
Inventory: Clothing material and accessories	1 788	2 151	1 085	4 395	3 875	2 651	6 722	6 746	7 116
Inventory: Farming supplies	71 407	35 785	18 454	16 750	17 062	19 244	23 562	12 496	13 226
Inventory: Food and food supplies	20 569	21 538	29 192	28 348	28 118	30 731	38 848	42 100	44 442
Inventory: Fuel, oil and gas	18 411	22 361	30 276	24 074	24 477	21 187	24 086	29 244	31 482
Inventory: Learner and teacher support material	39 437	39 877	20 980	47 049	67 349	72 890	38 072	40 901	44 736
Inventory: Materials and supplies	9 868	35 367	4 263	18 734	62 269	74 361	82 968	81 173	85 419
Inventory: Medical supplies	124 612	117 280	158 554	143 578	143 578	139 862	127 872	137 485	145 090
Inventory: Medicine	187 420	255 360	311 618	279 995	296 712	305 413	266 832	364 283	428 301
Medias inventory interface	135	-	-	4	4	-	0	-	-
Inventory: Other supplies	16 477	61 646	45 544	31 527	64 177	90 389	102 024	73 410	79 947
Consumable supplies	136 486	149 030	164 256	128 557	79 313	70 086	62 191	60 334	63 597
Consumable: Stationery/printing and office supplies	55 959	52 039	40 261	60 448	58 541	47 816	58 471	63 049	65 564
Operating leases	267 790	409 072	539 291	358 318	302 379	266 201	367 660	383 746	402 730
Property payments	290 963	330 077	370 888	331 428	330 871	377 004	377 004	429 443	424 008
Transport provided: Provincial activity	13 790	125 845	135 159	133 026	138 980	165 527	158 199	175 099	184 077
Travel and subsistence	288 091	243 263	235 781	279 285	283 647	273 531	271 565	280 025	293 858
Training and development	32 486	37 568	32 739	63 752	73 972	45 471	83 510	77 960	82 091
Operating payments	30 496	31 962	30 453	29 363	30 437	30 976	29 934	32 329	34 042
Venues and facilities	25 318	15 227	12 516	14 988	13 298	12 566	13 119	13 510	14 249
Rental and hiring	3 946	2 011	3 166	4 301	3 656	32 218	16 204	17 259	17 954
Interest and rent on land	2 646	3 721	4 756	3 469	3 515	3 059	233	246	259
Interest	2 646	3 720	4 756	3 469	3 515	3 059	233	246	259
Rent on land	-	1	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 508 760</b>	<b>1 555 490</b>	<b>1 574 192</b>	<b>1 664 785</b>	<b>1 696 237</b>	<b>1 733 028</b>	<b>1 758 210</b>	<b>1 797 362</b>	<b>1 893 062</b>
Provinces and municipalities	86 698	137 103	128 004	138 416	136 806	134 387	114 086	118 242	122 604
Provinces	1 850	59	1 475	8 942	8 942	6 556	9 432	9 960	10 508
Provincial Revenue Funds	-	35	-	-	-	42	-	-	-
Departmental agencies and funds	1 850	24	1 475	8 942	8 942	6 514	9 432	9 960	10 508
Municipalities	84 848	137 044	126 529	129 474	127 864	127 831	104 654	108 282	112 096
Municipalities	79 878	109 066	104 214	98 327	100 048	100 258	102 089	106 395	110 105
Municipal agencies and funds	4 970	27 978	22 315	31 147	27 816	27 573	2 565	1 887	1 991
Departmental agencies and accounts	109 063	87 959	107 204	126 924	110 188	120 153	104 322	104 865	109 859
Social security funds	2	2	126	-	-	-	-	-	-
Provide list of entities receiving transfers	109 061	87 957	107 078	126 924	110 188	120 153	104 322	104 865	109 859
Higher education institutions	1 125	1 796	2 589	3 122	4 122	2 901	5 103	4 740	4 984
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	117 224	99 255	73 493	91 157	111 266	102 809	97 753	105 795	112 295
Public corporations	36 303	412	23	212	15 212	15 212	224	237	250
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	36 303	412	23	212	15 212	15 212	224	237	250
Private enterprises	80 921	98 843	73 470	90 945	96 054	87 597	97 529	105 558	112 045
Subsidies on production	5	10 415	-	-	-	-	-	-	-
Other transfers	80 916	88 428	73 470	90 945	96 054	87 597	97 529	105 558	112 045
Non-profit institutions	681 137	724 851	741 576	819 868	830 131	835 360	862 057	876 511	925 867
Households	513 514	504 526	521 326	485 298	503 724	537 418	574 889	587 209	617 453
Social benefits	40 685	50 425	47 009	10 898	14 754	31 446	12 038	12 557	13 070
Other transfers to households	472 829	454 101	474 317	474 400	488 970	505 972	562 851	574 652	604 383
<b>Payments for capital assets</b>	<b>1 434 522</b>	<b>1 385 021</b>	<b>1 329 628</b>	<b>1 535 653</b>	<b>1 754 249</b>	<b>1 645 725</b>	<b>1 184 424</b>	<b>1 092 161</b>	<b>1 115 903</b>
Buildings and other fixed structures	1 179 161	1 140 511	1 121 275	1 273 759	1 402 882	1 322 979	918 554	815 415	823 602
Buildings	703 438	821 504	745 793	847 700	1 023 580	949 703	651 239	569 586	526 617
Other fixed structures	475 723	319 007	375 482	426 059	379 302	373 276	267 315	245 829	296 985
Machinery and equipment	250 950	234 077	187 061	245 623	331 830	302 517	264 916	274 901	291 347
Transport equipment	72 835	100 269	77 616	56 282	91 856	89 906	63 909	66 375	70 419
Other machinery and equipment	178 115	133 808	109 445	189 341	239 974	212 611	201 007	208 526	220 928
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	1 546	692	990	-	-	638	800	800	-
Land and sub-soil assets	-	40	-	-	-	-	-	-	-
Software and other intangible assets	2 865	9 701	20 302	16 271	19 537	19 591	154	1 045	954
<b>Payments for financial assets</b>	<b>14 241</b>	<b>2 668</b>	<b>4 093</b>	<b>-</b>	<b>-</b>	<b>101</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>13 331 761</b>	<b>14 415 733</b>	<b>15 175 909</b>	<b>16 064 621</b>	<b>16 507 332</b>	<b>16 905 765</b>	<b>17 150 267</b>	<b>17 847 933</b>	<b>18 949 202</b>

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

Function	Category	Department	Programme
General Public Services	Legislative	Office of the Premier	Administration Institutional Development Policy and Governance
		Provincial Legislature	Administration Facilities for Members and Political Parties Parliamentary Business
		Provincial Treasury	Administration Sustainable Resource Assets and Liabilities Management Financial Governance Provincial Internal Audit
		Public Works	Administration Public Works Infrastructure Transport Infrastructure Community Based Programme
		Cooperative Governance and Traditional Affairs	Administration Human Settlement Co-operative Governance
Public Order and Safety	Police Services	Transport, Safety and Liaison	Administration Civilian Oversight Transport Operations
Economic Affairs	General Economic Affairs	Economic Development and Tourism	Administration Integrated Economic Development Services Trade And Sector Development Business Regulation And Governance Economic Planning Tourism
	Agriculture	Agriculture	Administration Sustainable Resource Management Farmer Support and Development Veterinary Services Research and Technology Development Services Agricultural Economics Services Structured Agricultural Education and Training Rural Development
	Transport	Transport	Transport Regulations
Environmental Protection	Environmental protection	Environment and Nature Conservation	Administration Environmental Policy, Planning and Coordination Compliance and Enforcement Environmental Quality Management Biodiversity Management Environmental Empowerment Services
Housing and Community Amenities	Housing Development	Human Settlements	Human Settlements
Health	Health	Health	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 Cultural services	Sport, Arts and Culture	Administration Cultural Affairs Library and Archives Services Sport and Recreation
Education	Pre-primary & Primary Phases	Education	Administration
	Secondary Education Phase Subsidised Services to Education Education not defined by level		Public Ordinary School Education Independent Schools Education  Public Special Schools Education Early Childhood Development Infrastructure Development Examinations and Education Related Services
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 policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
<b>General Public Services</b>									
Executive and Legislature	349 304	369 459	411 515	431 090	462 997	460 749	448 611	456 451	482 651
Office of the Premier	194 538	208 098	223 531	236 119	246 526	251 526	248 331	255 748	270 440
Provincial Legislature	154 766	161 361	187 984	194 971	216 471	209 223	200 280	200 703	212 211
Financial and Fiscal Services	193 099	218 566	242 923	299 179	318 185	312 754	302 232	306 313	323 931
Provincial Treasury	193 099	218 566	242 923	299 179	318 185	312 754	302 232	306 313	323 931
General Services (Public Works, Local Government)	1 213 976	1 462 408	1 559 757	1 683 768	1 707 307	1 844 603	1 747 944	1 722 632	1 818 177
<b>Total: General Public Services</b>	<b>1 756 379</b>	<b>2 050 433</b>	<b>2 214 195</b>	<b>2 414 037</b>	<b>2 488 489</b>	<b>2 618 106</b>	<b>2 498 787</b>	<b>2 485 396</b>	<b>2 624 759</b>
<b>Public Order and Safety</b>									
Police Services	340 870	304 951	315 691	332 091	357 883	357 868	228 074	238 974	227 384
Transport, Safety and Liaison	340 870	304 951	315 691	332 091	357 883	357 868	228 074	238 974	227 384
<b>Total: Public Order and Safety</b>	<b>340 870</b>	<b>304 951</b>	<b>315 691</b>	<b>332 091</b>	<b>357 883</b>	<b>357 868</b>	<b>228 074</b>	<b>238 974</b>	<b>227 384</b>
<b>Economic Affairs</b>									
General Economic Affairs	278 030	279 671	272 467	296 518	303 091	303 091	314 834	332 797	351 603
Dept of Economic Affairs	278 030	279 671	272 467	296 518	303 091	303 091	314 834	332 797	351 603
Agriculture	769 374	554 050	540 109	609 304	624 113	617 394	648 908	544 217	576 685
Dept of Agriculture Affairs	769 374	554 050	540 109	609 304	624 113	617 394	648 908	544 217	576 685
Transport	43 105	48 276	52 463	56 808	59 663	59 678	63 622	67 169	71 123
Department of Transport	43 105	48 276	52 463	56 808	59 663	59 678	63 622	67 169	71 123
<b>Total: Economic Affairs</b>	<b>1 090 509</b>	<b>881 997</b>	<b>865 039</b>	<b>962 630</b>	<b>986 867</b>	<b>980 163</b>	<b>1 027 364</b>	<b>944 183</b>	<b>999 411</b>
<b>Environmental Protection</b>	<b>127 586</b>	<b>133 652</b>	<b>140 676</b>	<b>148 991</b>	<b>152 625</b>	<b>152 625</b>	<b>157 988</b>	<b>166 457</b>	<b>176 064</b>
Environmental Protection	127 586	133 652	140 676	148 991	152 625	152 625	157 988	166 457	176 064
<b>Total: Environmental Protection</b>	<b>127 586</b>	<b>133 652</b>	<b>140 676</b>	<b>148 991</b>	<b>152 625</b>	<b>152 625</b>	<b>157 988</b>	<b>166 457</b>	<b>176 064</b>
<b>Housing and Community Amenities</b>									
Housing Development	651 875	723 625	691 313	725 432	734 405	744 654	831 899	866 804	913 620
Department of Housing	651 875	723 625	691 313	725 432	734 405	744 654	831 899	866 804	913 620
<b>Total: Housing and Community Amenities</b>	<b>651 875</b>	<b>723 625</b>	<b>691 313</b>	<b>725 432</b>	<b>734 405</b>	<b>744 654</b>	<b>831 899</b>	<b>866 804</b>	<b>913 620</b>
<b>Health</b>									
Outpatient services	1 020 856	1 252 089	1 118 377	1 170 913	1 320 637	1 339 191	1 166 493	1 241 776	1 314 821
R and D Health (CS)	1 633 011	1 696 409	1 915 040	1 986 793	1 997 360	2 012 944	2 169 979	2 347 897	2 518 203
Hospital Services	1 060 113	1 219 767	1 335 721	1 276 187	1 312 295	1 370 022	1 398 724	1 542 575	1 671 552
<b>Total: Health</b>	<b>3 713 980</b>	<b>4 168 265</b>	<b>4 369 138</b>	<b>4 433 893</b>	<b>4 630 292</b>	<b>4 722 157</b>	<b>4 735 195</b>	<b>5 132 248</b>	<b>5 504 576</b>
<b>Recreation, Culture and Religion</b>									
Sporting and Recreational Affairs	286 874	337 900	338 263	371 088	390 337	390 531	382 821	403 571	424 874
Sport, Arts and Culture	286 874	337 900	338 263	371 088	390 337	390 531	382 821	403 571	424 874
<b>Total: Recreation, Culture and Religion</b>	<b>286 874</b>	<b>337 900</b>	<b>338 263</b>	<b>371 088</b>	<b>390 337</b>	<b>390 531</b>	<b>382 821</b>	<b>403 571</b>	<b>424 874</b>
<b>Education</b>									
Pre-primary & Primary Phases	2 022 809	2 204 970	2 526 566	2 449 978	2 552 103	2 752 085	2 830 931	3 043 047	3 179 251
Secondary Education Phase	1 362 862	1 443 254	1 362 830	1 603 879	1 553 987	1 530 664	1 781 950	1 901 096	2 054 300
Subsidised Services to Education	8 065	7 887	8 722	9 169	9 169	9 169	9 600	9 600	9 688
Education not defined by level	1 315 481	1 445 006	1 613 700	1 794 821	1 780 860	1 777 428	1 794 742	1 733 973	1 859 998
<b>Total: Education</b>	<b>4 709 217</b>	<b>5 101 117</b>	<b>5 511 818</b>	<b>5 857 847</b>	<b>5 896 119</b>	<b>6 069 346</b>	<b>6 417 223</b>	<b>6 687 716</b>	<b>7 103 237</b>
<b>Social protection</b>									
Social Security Services									
Social Services and Population Development	654 471	713 793	729 776	818 612	870 316	870 316	870 916	922 584	975 277
<b>Total: Social protection</b>	<b>654 471</b>	<b>713 793</b>	<b>729 776</b>	<b>818 612</b>	<b>870 316</b>	<b>870 316</b>	<b>870 916</b>	<b>922 584</b>	<b>975 277</b>
<b>Total provincial payments and estimates by policy area</b>	<b>13 331 761</b>	<b>14 415 733</b>	<b>15 175 909</b>	<b>16 064 621</b>	<b>16 507 332</b>	<b>16 905 765</b>	<b>17 150 266</b>	<b>17 847 933</b>	<b>18 949 202</b>

**Table A.5: Transfer to local government by category and Municipality**

Entity	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
Type of transfer / grant name									
Category A	-	-	-	-	-	-	-	-	-
Category B	82 368	129 951	119 854	109 805	109 805	109 805	103 620	112 831	116 939
Richtersveld	796	1 238	1 596	1 145	1 145	1 145	964	1 166	1 168
Nama Khoi	1 803	5 106	5 978	4 584	4 836	4 836	5 000	5 435	5 679
Kamiesberg	1 789	1 814	2 487	2 018	2 077	2 077	1 970	2 246	2 325
Hantam	1 348	1 819	2 151	1 706	1 720	1 720	1 592	1 821	1 851
Karoo Hoogland	1 153	1 986	2 345	1 913	1 913	1 913	1 757	1 972	1 987
Khâi-Ma	920	1 179	1 634	1 027	1 039	1 039	889	1 099	1 110
Ubuntu	1 245	2 085	2 438	1 259	1 730	1 730	1 595	1 847	1 901
Umsobomvu	1 228	2 320	2 643	2 461	2 464	2 464	2 314	2 561	2 610
Emthanjeni	1 535	3 124	3 479	3 753	3 596	3 596	3 699	4 067	4 242
Kareeberg	1 356	1 877	2 398	2 122	1 919	1 919	1 753	1 989	2 027
Renosterberg	836	1 077	1 431	648	648	648	988	1 218	1 249
Thembelihle	1 121	1 412	2 667	2 109	2 113	2 113	2 052	2 341	2 434
Siyathemba	1 992	3 725	3 663	2 974	3 405	3 405	3 406	3 736	3 871
Siyancuma	2 307	2 222	1 812	1 151	1 173	1 173	1 013	1 233	1 253
IKai IGarib	1 698	3 238	2 830	2 272	989	989	2 237	2 517	2 601
IKheis	608	906	5 157	968	907	907	819	1 023	1 026
Tsantsabane	1 989	1 985	2 348	1 652	1 684	1 991	1 543	1 763	1 783
Kgalopele	1 260	2 030	2 058	930	2 085	2 308	2 092	2 372	2 456
Dawid Kruiper	3 141	9 365	12 844	13 783	11 855	11 855	11 043	11 698	12 169
Sol Plaatje	45 742	50 511	41 520	47 582	46 988	46 458	41 072	43 132	45 064
Dikgatong	787	6	459	790	790	790	626	826	826
Magareng	679	2 456	2 977	2 328	2 780	2 780	2 786	3 089	3 196
Phokwane	1 385	21 156	4 503	2 354	1 706	1 706	2 033	2 351	2 418
Joe Morolong	2 735	1 717	1 936	5 069	5 069	5 069	5 280	5 692	5 912
Ga-Segonyana	1 816	3 838	4 228	1 821	3 970	3 970	3 888	4 215	4 347
Gamagara	1 099	1 711	2 272	1 385	1 203	1 203	1 210	1 422	1 434
	-	48	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Category C	4 332	8 210	4 891	6 673	6 673	4 676	2 942	2 231	2 299
Namakwa District Municipality	2 410	1 522	1 568	1 248	1 248	1 248	889	747	763
Pixley Ka Seme District Municipality	770	1 376	1 274	1 462	1 462	732	389	246	259
ZF Mgcawu District Municipality	-	700	350	732	732	732	388	246	259
Frances Baard District Municipality	852	2 490	1 069	2 078	2 078	1 232	888	746	759
John Taolo Gaetsewe District Municipality	300	2 122	630	1 153	1 153	732	388	246	259
	-	-	-	-	-	-	-	-	-
Total transfers to local government	86 700	138 161	124 745	116 478	116 478	114 481	106 562	115 062	119 238