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Department:

Finance

North West Provincial Government
Republic of South Africa

ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2018/19

**for the
year ending 31st March 2019**



PR39/2018

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Foreword

The Province has witnessed the benefit of investing in Agriculture, Culture and Tourism as the key economic strategic pillars for economy growth with more on Villages, Township and Small Dorpies. Amidst the slow economic growth, technical recession and rating downgrades, the North West provincial economy registered a growth rate above the national average during the Third Quarter of 2017.

The 2018 MTEF Budget prioritises programmes and projects which will contribute to the acceleration and improved service delivery that has a positive impact on the lives of the North West communities. Despite the reduction in the equitable share and our provincial contribution to the R57 billion earmarked for key national priorities, the Province will ensure aggressive implementation of the National Development Plan through the Repositioning, Rebranding and Renewal programme, anchored on five concretes.

Over the past 4 years, the Province managed to contain the compensation of employees below 60 per cent as a share of the total provincial budget. The Provincial Government will continue to direct funding towards ACT and infrastructure development projects as the enablers for improved economic growth and job creation.

The 2018 MTEF Budget affirms our unwavering determination for implementation of both national and provincial agreed priorities. We find inspiration in the words of wisdom of the former State President, Tata Rolihlahla Mandela, when he said, “what counts in life is not the mere fact that we have lived. It is what difference we have made to the lives of others that will determine the significance of the life we lead.” The 2018 MTEF budget aims to changes the lives of our citizens for the better.



WENDY JOY NELSON

MEC FOR FINANCE, ECONOMY AND ENTERPRISE DEVELOPMENT

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List of Abbreviations

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

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

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

1. Provincial Economic Outlook

South African Economy remains subdued and has just recovered from the technical recession caused by successive declining GDP growth during the fourth Quarter of 2016 and the first Quarter of 2017. . The National Treasury is projecting tax under collection of R50 billion which has resulted in the reduction of equitable share across all three spheres of government. This tax revenue shortfall has resulted increased the total government borrowing requirements to R149 billion (National Treasury Budget Review; 13: 2017). In order to address the shortfall government is proposing cutting expenditure and increasing tax rate to contain the public debt.

Fiscal discipline and quality of institutions remains of critically important in economically challenging times. Bokone Bophirima is currently experiencing rapid population growth and particularly in Bojanala Platinum District as a result of migration induced by the development of the mining industry. Mining activities in this Province have surely resulted in different economic spill-over effects. Low growth in other districts presents the Province with the opportunity to explore various economic opportunities such as trade, manufacturing, agriculture and tourism. It therefore of paramount importance to ensure that expenditure investment in the North West Province is correctly executed backed-up with scientific evidence.

Poverty, high unemployment and -income inequality remain both economic and social challenge not only in our Province but to the entire country. Income inequality is not only confined to the provincial population. A racial disaggregation data shows huge gap between population groups and within same population groups with the most affected being Most of those living under poverty and low human development index resides in rural areas hence the need for government to fast-track its VTSD and ACT pillars to transform rural economies and over-come inequality, unemployment and poverty. These triple challenges are highly correlated and require government to deploy sound policies to effectively and efficiently address them while optimally utilizing state resources.

2. North West Demographic Profile

The importance of demographic factors in development planning can never be overemphasized. In 2009, the world's population was estimated to be 6.8 billion people. Projections by the United Nations placed the figure at more than 9.2 billion by the year 2050 (another widely cited projection is higher, at 9.5 billion). The overwhelming majority of that population will inhabit the developing world. South Africa has the estimated population size of 55.6 million in 2016 with 51 per cent being females and 49 per cent being males and the majority of the population in terms of age structure 36.2 per cent is youth. North West has a population sizes of 2.9 million, 3.2 million and 3.7 million in 1996, 2006 and 2016, respectively.

Figure 1

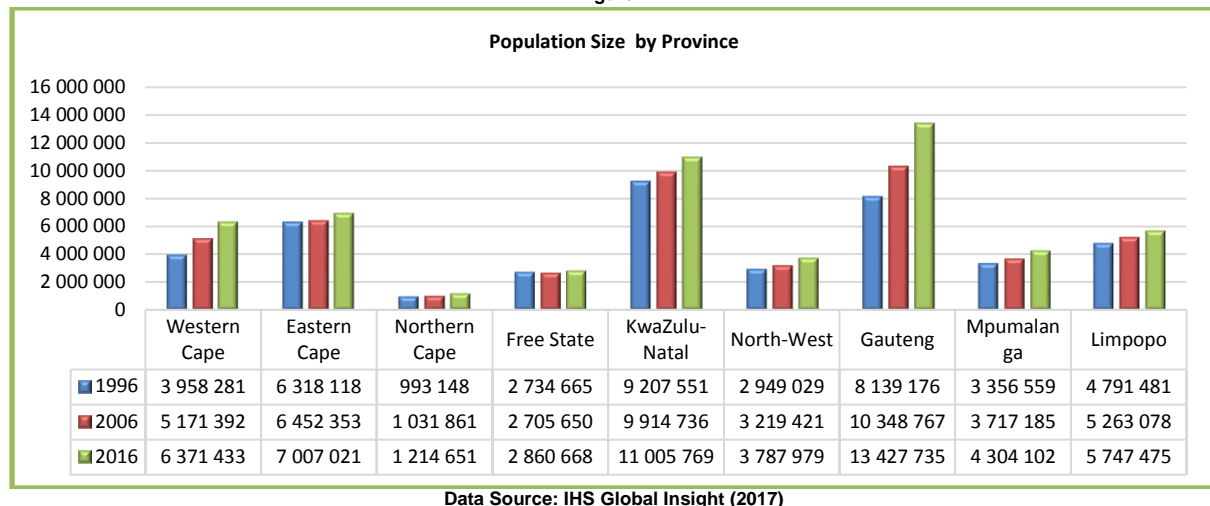


Figure 2 below shows the population growth rate by Province in South Africa. The North West Province continues to be on a slight upward trend since 1996. See a detailed growth rate trends for the North West Province on figure 3 below.

Figure 2

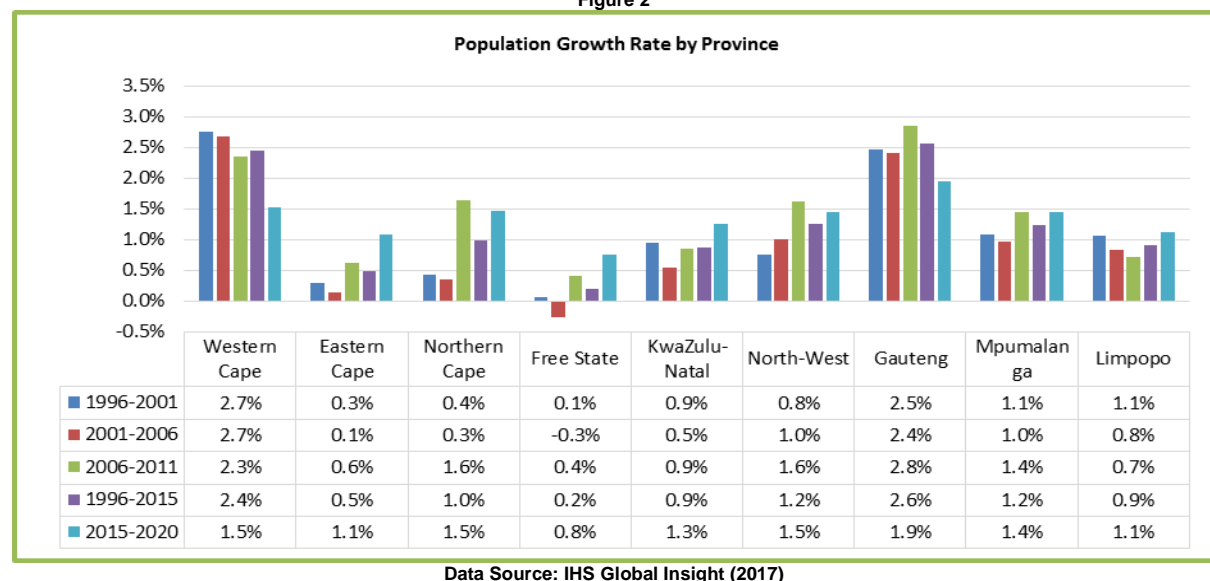
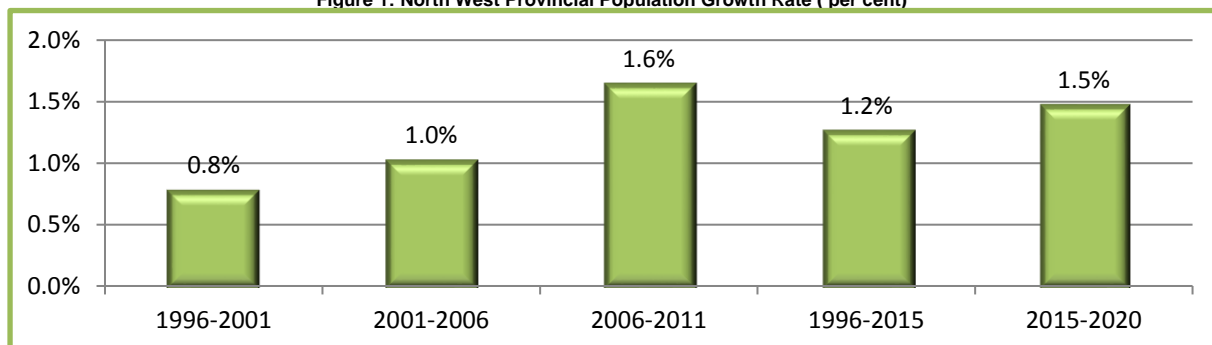


Figure 3 below shows that the North West population growth rate is on a upward growth trend and has increased by 0.8 per cent during the period 1996-2001 and by 1.6 per cent during 2006-2011. The average annual population growth for the period 1996 to 2015 in the North West Province is 1.2 per cent and it is projected to grow at an annual rate of 1.2 per cent by 2020.

Figure 1: North West Provincial Population Growth Rate (per cent)

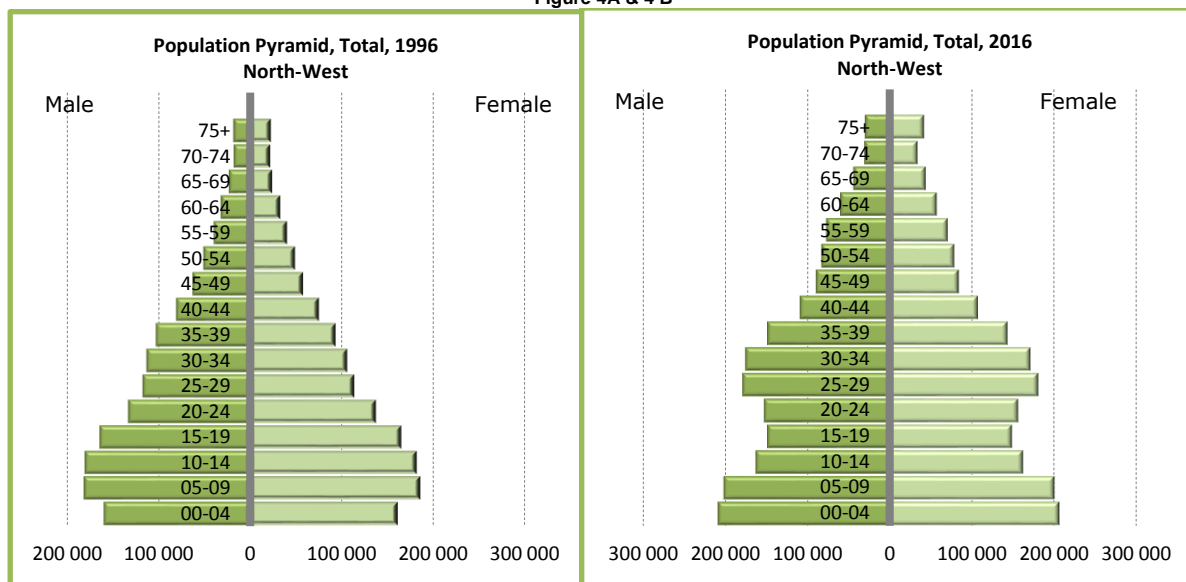


Data Source: IHS Global Insight (2017)

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

While the Province is largely dominated by young people, the Province should be able to optimise such available human resources capacity at its disposal consequently tapping into population dividend. More skills and qualified young people in the Province cannot find nor create jobs in the economy and contribute meaningfully to the growth and development of the Province. High unemployment amongst youth can results in many social ills such as crime, drugs and substance abuse that can result in serious socioeconomic challenges.

Figure 4A & 4 B



Data Source: IHS Global Insight (2017)

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

Table 1

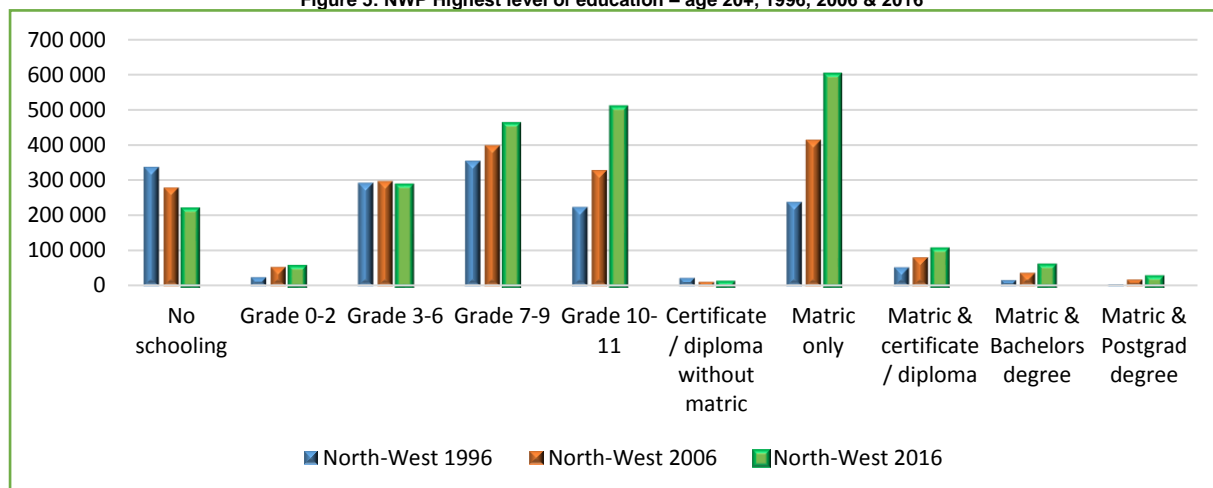
	1996	2006	2016	per cent Share 2016
North-West	2 949 029	3 219 421	3 787 979	
Bojanala Platinum	1 148 397	1 322 556	1 671 586	44 per cent
Ngaka Modiri Molema	749 046	808 649	885 738	23 per cent
Dr Ruth Segomotsi Mompati	456 577	443 764	484 776	13 per cent
Dr Kenneth Kaunda	595 009	644 452	745 878	20 per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

Data Source: IHS Global Insight (2017)

3. Socio-Economic Indicators Level of Education & Literacy

Figure 5 below shows the number of education attainment by schooling level in the North West Province for the periods 1996, 2006 and 2016. Education attainment is clearly improving in the Province with a significant reduction in the number of people with no schooling at all and increase in attainment of grade 7 matric. With the NDP target of increasing the number of PhDs in the country, the North West Province will have to play its fair share of increasing the number of people with matric and postgraduate degrees.

Figure 5: NWP Highest level of education – age 20+, 1996, 2006 & 2016



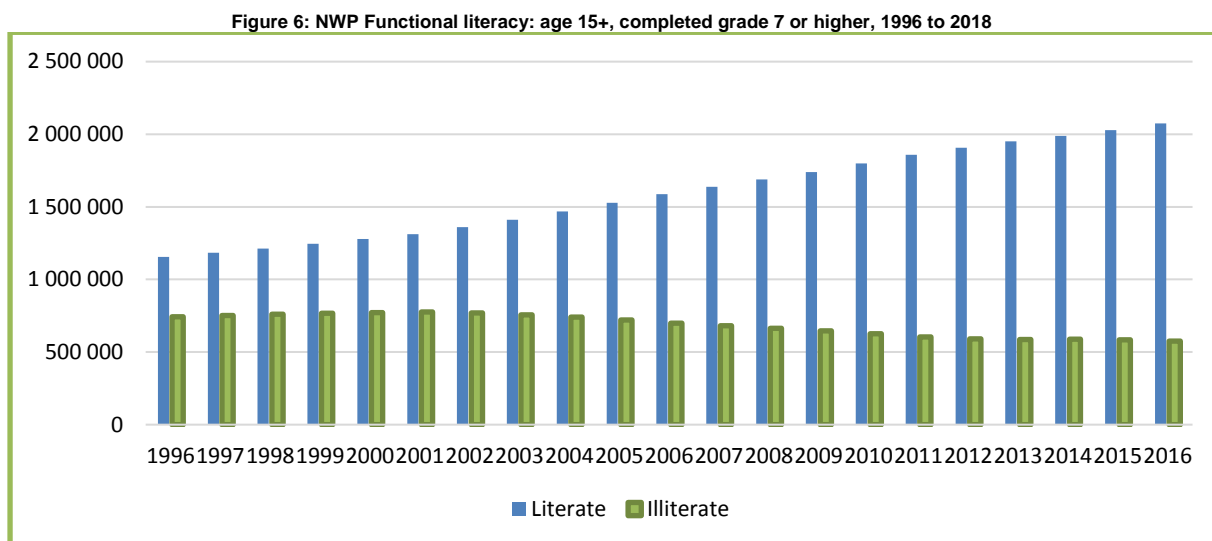
Data Source: IHS Global Insight (2016)

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

Generally there has been improved access to education in the Province over time as a result of government intervention. It should be noted that improved access to education cannot necessarily be equated to quality education and most importantly employability of those qualified. Worth noting is the improvement in the literacy rate in the Province which means more and more people are able to read and write. Noting that we are living the technological and knowledge driven economies, the ability to read and write provides people with a competitive edge to communicate, access information, convert

it to knowledge and ultimately become active participants in the economy of the Province and South Africa at large.

As shown in figure 6 below, there is improvement in literacy rate since 1996 to 2016 and a desired decrease in illiteracy rate over the same period.

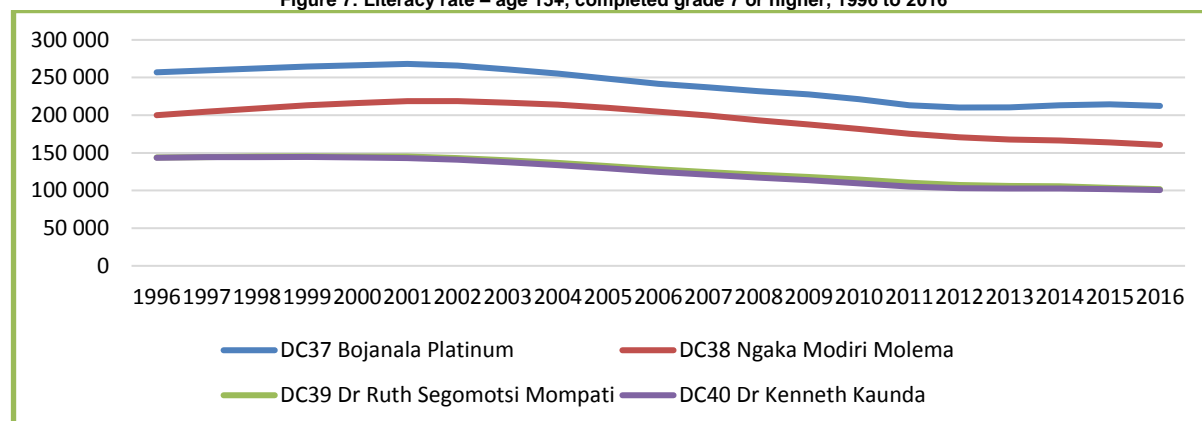


Data Source: IHS Global Insight (2018)

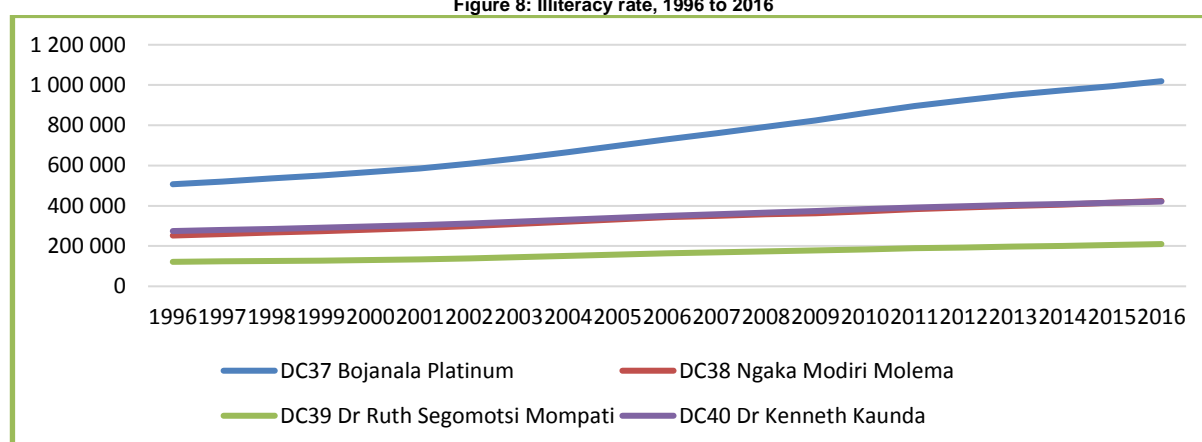
Education is positively correlated to employment hence the need to not only increase investment in education but to also put in place measures to improve efficiency and effectiveness in the education system and ultimately attain desired quality output with maximum economic and social impact in the Province. Figures 7 and 8 below shows literacy and illiteracy by district municipalities in the North West Province, respectively.

Bojanala District Municipality have both high literacy and illiteracy amongst all district with both Ngaka Modiri Molema and Dr. Kenneth Kaunda Districts having the same level of literacy rate and Dr. Ruth Segomotsi Mompati recording the lowest level of literacy amongst all district across the Province.

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

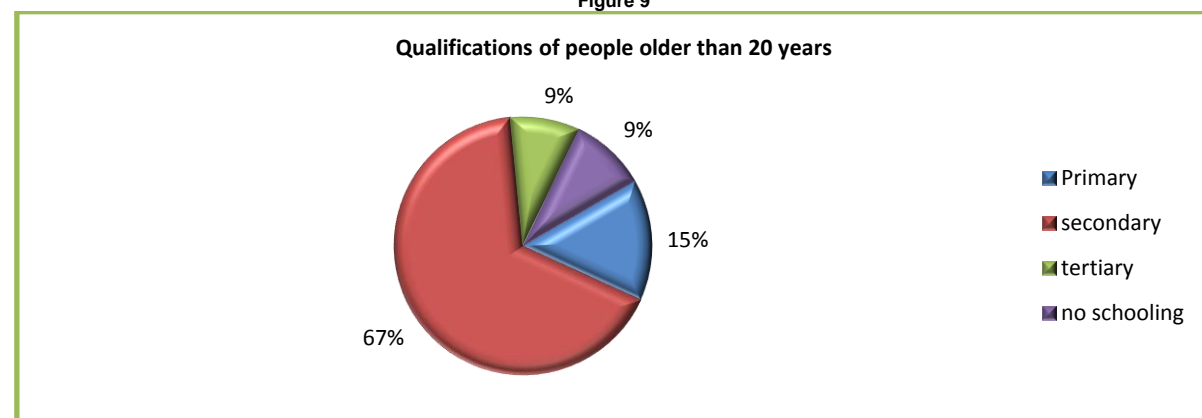
Figure 7: Literacy rate – age 15+, completed grade 7 or higher, 1996 to 2016


Data Source: IHS Global Insight (2018)

Figure 8: Illiteracy rate, 1996 to 2016


Data Source: IHS Global Insight (2018)

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

Figure 9


Data Source: IHS Global Insight (2018)

3.2. Basic Infrastructure

3.2.1 Access to Water

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

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

The right of access to sufficient water in s27(2) should be understood to mean that the State is not obliged to provide water freely, but is under an obligation to create mechanisms that enable people to have access to sufficient water. In the event of resource constraints, which limit the ability of the State to fulfil its obligations, the State is still obliged to provide a plan of action that demonstrates that the full realization of the right shall be achieved over time. Furthermore, available resources should be utilised effectively so as to give maximum results, with priority being given to assuring to everyone, the satisfaction of the most basic requirements as well as the provision of essential services, including access to sufficient water.

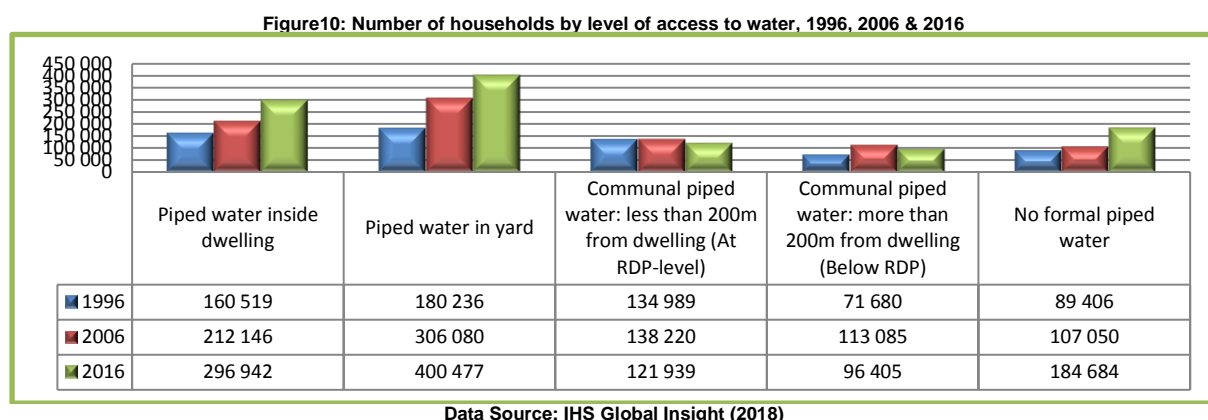
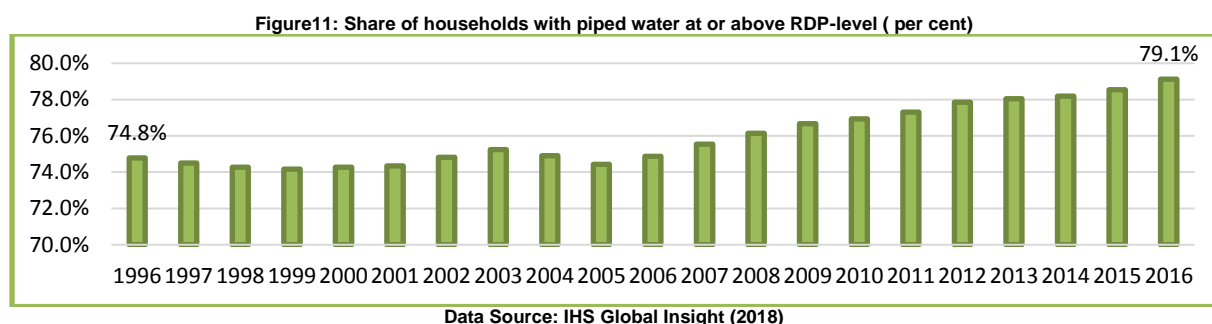


Figure 10 above demonstrate the continuous improvement on access to water by most South African household and largely provided by government. Piped water inside dwelling increased from 160 519 in 1996 to 296 942 to 2016. Communal piped water less than 200m from dwelling (at RDP-level) has been on a slight decline from 2006 to 2016 the same goes for communal piped water more than 200m from dwelling (below RDP). It is however a worrying factor that a total of 184 684 households in the Province do not have formal piped water which could have implications on both social and economic conditions of those households.

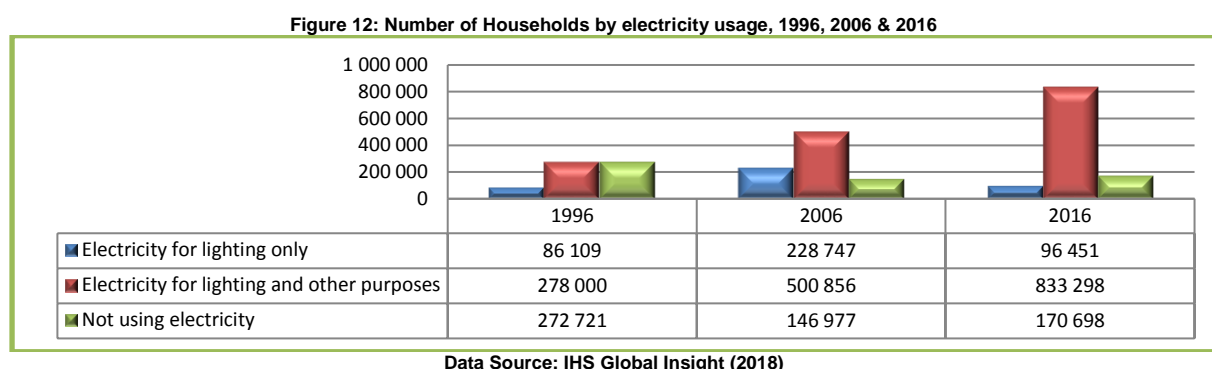
Households at or above the RDP level are not considered to be part of the water supply backlog. Above RDP level includes all households that have access to piped water within their dwelling, within their yard or within 200 meters of their dwelling.

Figure 11 shows that in this category of households in the North West, there has been an increase from 74.8 per cent in 1996 to 79.1 per cent in 2016. Various factors such infrastructure development and increase in conditional grants (Municipal Infrastructure Grants) amongst others may be attributed to such an improvement in share of households with piped water at or above RDP-level.



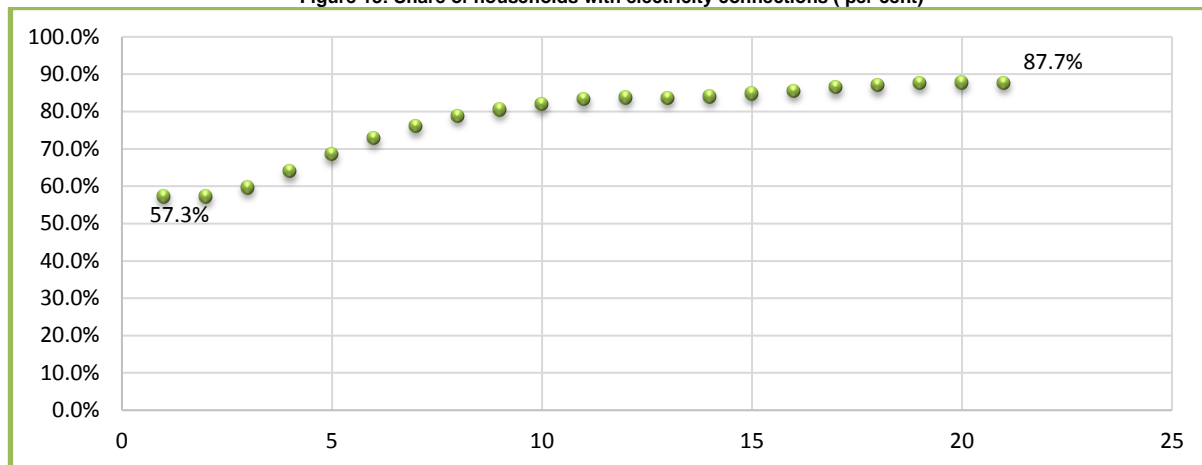
3.2.2 Access to Electricity

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



Generally, the number of households using electricity in the Province have been on an increase since 1996 while this the opposite with those not using electricity. While the share of households with electricity connections increased from 57.3 per cent in 1996 to 87.7 per cent in 2016, there was a slide decline of 0.5 per cent between 2014 and 2015 as shown in figure 13 below.

Figure 13: Share of households with electricity connections (per cent)



Data Source: IHS Global Insight (2018)

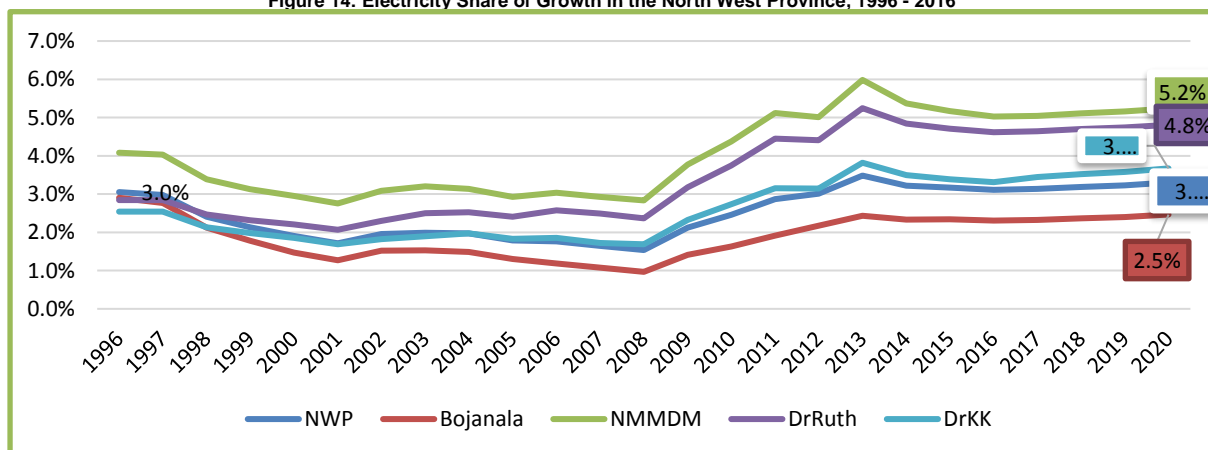
It is clear that by investing in energy infrastructure, governments can help both small and large firms simultaneously, while also helping to alleviate poverty. Figure 14 below shows the trend of electricity as an economic sector's share of economic growth in the North West Province and its four district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

Electricity share of growth in the North West Province was 3.3 per cent in 2015 from 3 per cent in 1996, a growth of 0.3 per cent over time while in Ngaka Modiri Molema District Municipality (NMMDM) electricity share of growth was the highest at 5.2 per cent in 2015 from the lowest point of 4.1 per cent in 1996.

The growth of electricity share in NMMDM together with Dr. Ruth Segomotsi Mompati District municipality (Dr. Ruth) as mostly rural district in the Province shows to be more benefitting more in electricity as a share of growth and of critical importance is how does these districts leverage on such electricity contribution to improve lives.

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

Figure 14: Electricity Share of Growth in the North West Province, 1996 - 2016



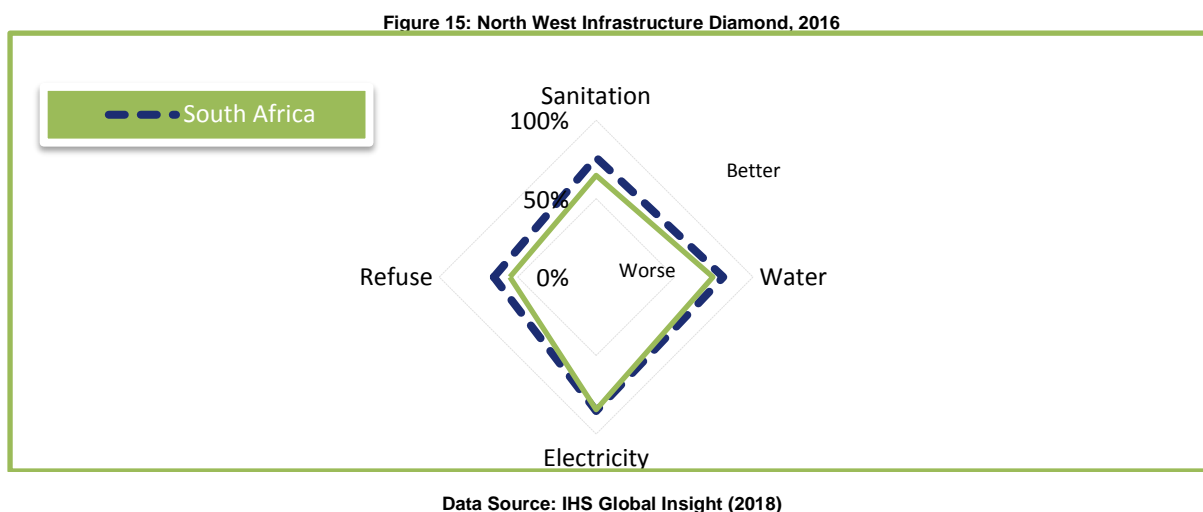
Data Source: IHS Global Insight (2016)

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

3.2.3 Access to Basic Infrastructure

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

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



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

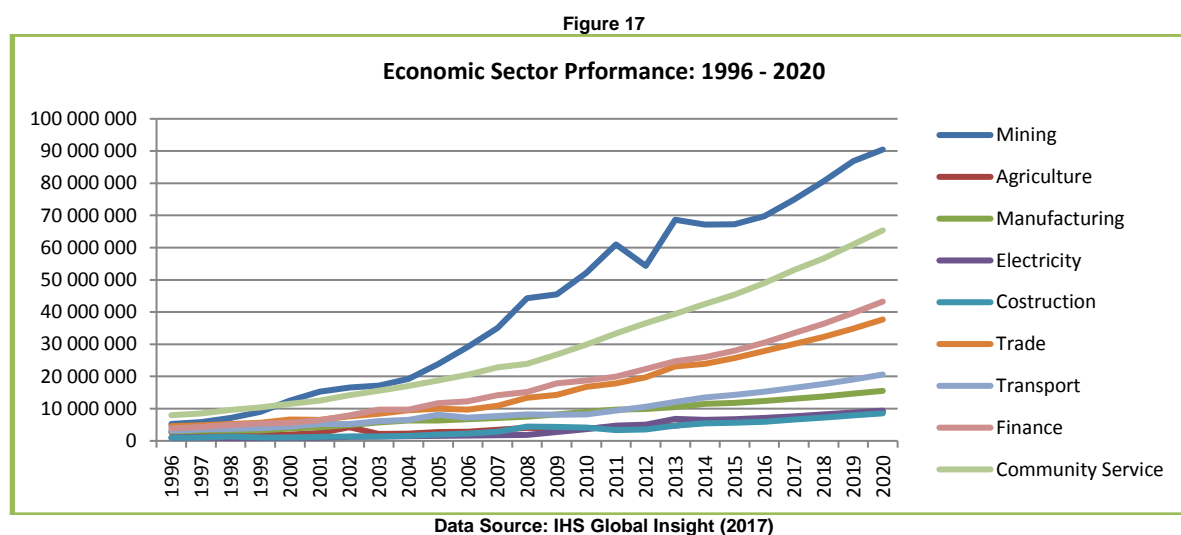
Practically this means that every household has at least a ventilation improved pit latrine, refuse removal by authorities, a basic electrical connection and piped water within 200 meters of their yard.

3.3. Economic Indicators

North West economy is characterised by high dominance of the mining sector. Its share of provincial economy was 31.1 per cent in 2016 and is projected to increase to 31.2 per cent in 2020. The main minerals are uranium, platinum and coal. Nevertheless, the Province's economy bears the risk of submitting to vulnerabilities given that the mining sector is one of the main contributors to the Province's economic growth and the sector is vulnerable to exogenous demand shocks.

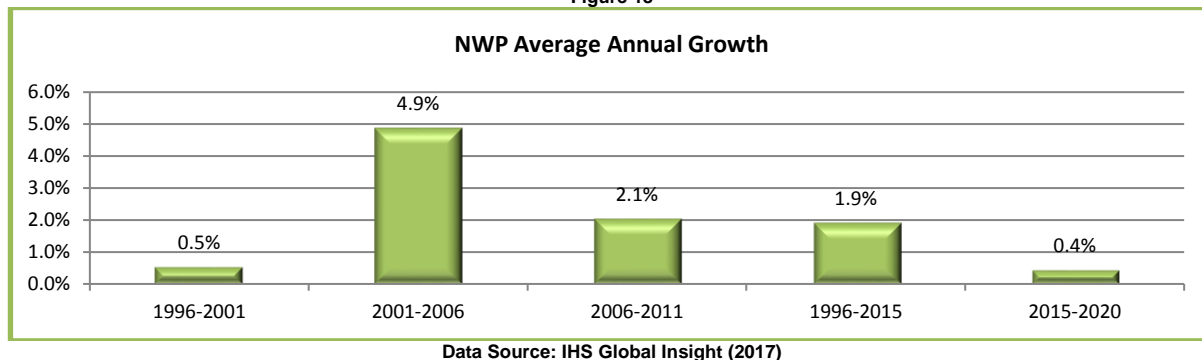
Manufacturing, Electricity and Construction are the least contributing sectors in the provincial economy and accounted for 5.6 per cent of the Provincial economy in 2016. Within the tertiary sector, the largest contributing industry is community services which contributed 24.7 per cent in 1996 and declined to 21.5 per cent in 2016 and is projected to slightly improve to 2.8 per cent in 2020.

Community service is followed by Finance, Trade and Transport which contributed 12 per cent, 14.1 per cent and 9.7 per cent in 1996; 13.3 per cent, 12.1 per cent and 6.8 per cent in 2016, these three industries are projected to reach 14.4 per cent, 12.6 per cent and 6.9 per cent in 2020, respectively. The Provincial government is working hard to ensure that our budget is more responsive to provincial socio-economic challenges in order to achieve the radical socio-economic transformation. These amongst others are sufficient measures to ensure that Province grows far above the 2 per cent growth forecast. Figure 17 below shows trends in different sector performance in the Province since 1996 to 2016 with projection towards 2020.



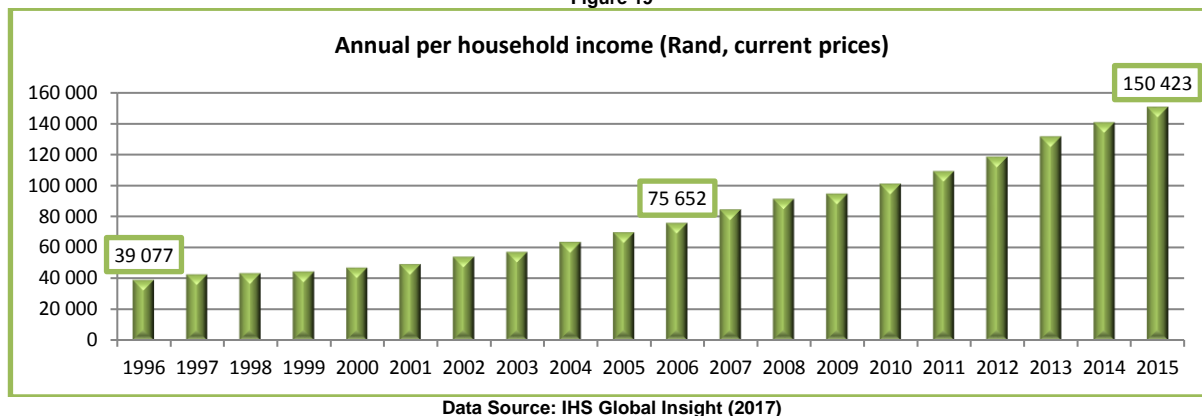
Through Agriculture, Culture and Tourism; the Province aims to turn around the current economic conditions.

Figure 18



Annual household income has been on an increase since 1996 to 2015 as shown in figure 19 below. This is despite the fact that the both human and household population have significantly increased. Various factors contributed to the increase and amongst others is the role played by government through social security programmes and informal sector employed which is usually not completely captured.

Figure 19



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

Figure 20

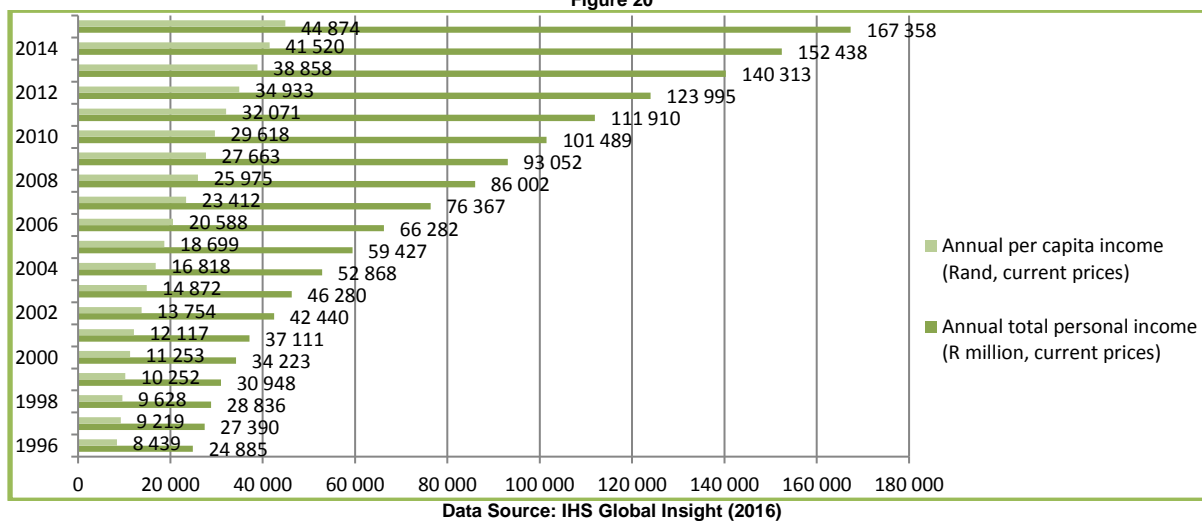
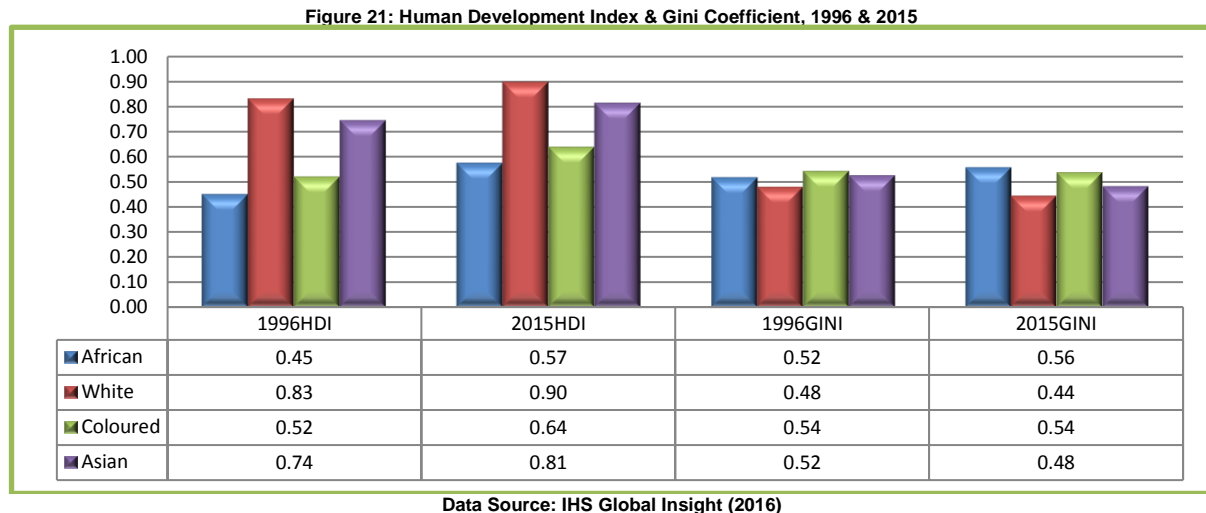


Figure 21 below shows a disaggregation of human development index and income inequality in the Province by race. While African population is the largest in the Province, it has the lowest levels of human development since 1996 to 2015 and has also recorded the high levels of income inequality while this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



3.4. Conclusion

The importance of socio-economic transformation in South Africa and the North West Province cannot be over-emphasized. The Province is faced with growing population, high levels of inequality, high unemployment and poverty and the largest number of the unemployed is youth. Crime and most importantly drug related crime is on the increase which has a detrimental impact on the social and moral fiber of the society at large. Effective and efficient implementation of Agriculture, Culture and Tourism (ACT) policy programmes as pronounced by the Premier has never been urgent as now. Over and above ACT, government needs to devise new policy interventions such as industrialization and ICT innovation.

4. Summary of Budget Strategy and Aggregates

4.1. Overview of the Budget Strategy

The economic growth is slowly improving following the drought in recent years, driven by recovery in agriculture and favorable commodity prices. However, unemployment remains high, inequalities in opportunities and income in household remains high. The government budget deficit is overshooting due to significant shortfalls in tax revenue and high spending, particularly in areas of debt servicing costs, infrastructure, education, health and other core social programmes that benefit poor South Africans. At the time of tabling the Medium Term Budget Policy Statement (MTBPS) in October 2017, the consolidated budget deficit was at 4.3 per cent of GDP in 2017/18 against the projection of 3.1 per cent.

In 2017 budget, the projected GDP growth was 1.3 per cent. Following the recession in the fourth quarter of 2016 and the first quarter of 2017 it was revised down to 0.7 per cent. However, economic growth is expected to slowly recover to reach 1.9 per cent in 2020. It should be noted that the economic slowdown is likely to impact negatively on tax revenue, limiting budgetary resources and rising pressures on the provincial fiscus.

Given this backdrop, the Bokone Bophirima Province will continue with revenue enhancement strategies on one hand while implementing cost cutting measures on non-core items, cut on programmes that are not realising their intended outcomes. This suggest that departments and entities are required to realise savings by reducing spending amongst others on consultants, litigation costs and improving on value for money on the delivery of government infrastructure projects. The 2018 MTEF budget overarching objective is the balancing between spending restriction and ensuring that existing resources are efficiently and effectively allocated towards developmental priorities while maintaining fiscal sustainability.

Above and beyond the current economic challenges, the 2018 MTEF budget is prepared also with the aim of protecting spending on core social programmes (Education, Health and Social Development), contributing to stimulating inclusive growth of the economy of Bokone Bophirima, alleviating poverty, reducing the rate of unemployment and mitigating the effects of inequality. The approach is in line with a provincial policy decision of implementing the National Development Plan (NDP) through Rebranding, Repositioning and Renewal (RRR).

The RRR approach is supported by five concretes namely, Agriculture, Culture and Tourism (ACT); Villages, Townships, and Small Dorpies (VTSD); Reconciliation, Healing and Renewal (RHR); Setsokotsane; and Saamwerk–Saamtrek.

While the Province has chosen the ACT as our key economic drivers, its tributaries namely, Mining, Construction, Manufacturing, Finance, Community Services, Trade, Transport, Electricity, Households, are central to the economy of the Province.

The RRR aim is to ensure that the triple challenges of poverty, unemployment and inequality in the VTSD areas are adequately addressed within the timeframes of the NDP.

Through the “Saamwerk-Saamtrek philosophy”, the Province will ensure that the Setsokotsane approach expedites the provision of basic services to the people and that Agriculture, Culture and Tourism take the lead towards economic growth and development. The Rebranding, Repositioning and Renewal seeks to achieve the following outcomes:

- **Rebranding** seeks to amongst others move the Province from the current sluggish economic growth to a sustainable high growth path in order to create conducive conditions for addressing the triple challenges of poverty, unemployment and inequality. Furthermore, other rebranding opportunities entails improving good corporate governance in government institutions, enhancing performance monitoring and evaluation and intervention systems to obtain value for money including elimination of all service delivery backlogs across the Province.
- **Repositioning** consolidates and compliments the gains made during the rebranding process, through the successful implementation of the five concretes, which entail anchoring economic growth around agriculture, culture, tourism sectors and its tributaries, prioritizing and refocusing state resources to grow Villages, Townships and Small Dorpies economies, developing new and strengthening existing partnerships to optimise development efforts. Having repositioned the Province to the status of being one of the best in the country focus will now shift to revamp the look and feel of the Bokone Bophirima Province.
- **Renewal** seeks to build on the achievements of the previous administrations; this pillar aspires to improve on the weak areas such as engagements with communities in order to address the pressure points which manifest through service delivery protests.

The 2018 MTEF budgets is therefore the Province’s key policy instrument in achieving government priorities that are aligned to the objectives of the NDP, Medium Term Strategic Framework (MTSF), 14 national outcomes, the Nine-Point Plan and Provincial spending priorities.

The underlining policy principles of the Province’s budget are: Allocative efficiency (allocation of resources towards priorities of government to programmes that are effective); Fiscal consolidation (which generally entails reducing government expenditure and/or increasing revenues), Fiscal sustainability (maintaining stability in key government programmes and managing risks) and Fiscal discipline (being financially accountable by ensuring that there is no irregular or wasteful spending by any department or entity).

4.2. Aligning Provincial budget to achieve government's prescribed outcomes

In preparing the 2018/19 budget, departments and entities were requested to focus on the 14 National Outcomes, the NDP, the Nine Point Plan as well as the Provincial five (5) concretes or Provincial apex spending priorities. The 14 national outcomes are listed below:

1. Quality basic education.
2. A long and healthy life for all South Africans.
3. All people in South Africa are and feel safe.
4. Decent employment through inclusive economic growth.
5. A skilled and capable workforce to support an inclusive growth path.
6. An efficient, competitive and responsive economic infrastructure network.
7. Comprehensive rural development and land reform.
8. Sustainable human settlements and improved quality of household life.
9. A responsive, accountable, effective and efficient local government system.
10. Environmental assets and natural resources that are well protected and continually enhanced.
11. Create a better South Africa and contribute to a better and safer Africa and World.
12. An efficient, effective and development oriented public service.
13. An inclusive and responsive social protection system.
14. Nation building and social cohesion.

In giving effects to the above government priorities, the Provincial consolidated spending increased from R39.9 billion in 2017/18 to R46.8 billion in 2020/21, represents an annual average growth of 5.5 per cent. The largest category of expenditure is in Education at 39 per cent of the total Provincial expenditure, followed by Health at 27 per cent, Public Works and Roads at 7.4 per cent, Local Government and Human Settlements at 6 per cent. The ACT as the apex priority of the Bokone Bophirima receive 6 per cent of the consolidated provincial budget. The details of the allocation are discussed under each department's chapter.

4.3. Medium term budget policy priorities

4.3.1. Agriculture

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

In respond to MTSF, the department will be **combating land degradation, expanding the conservation area estate expanding the conservation area estate** through declaration of state owned protected areas, MPAs and biodiversity stewardship, identifying and developing management interventions for reducing species loss, and integration of ecological infrastructure considerations into land-use planning and decision-making about new developments.

4.3.2. Culture

The department of Culture, Arts and Traditional Affairs, will continue to exhibit the rich cultural, heritage and talent of Bokone Bophirima through sustenance and promotion of the **North West Cultural Ensemble, Art in Schools Programme**, capacity building of art practitioners and community conversations.

The department will give financial support to the publishing house and continue to source other relevant resources to **promote and sustain the publishing house**. In branding the Province as the originator of Motswako music and dance, the department will continuously promote the Motswako and Setswana Cultural dance brands. To this extent, more cultural festivals will be taking place in Villages, Townships and Small Dorpies throughout the financial year.

In line with the policy pronouncements of reducing the number of **state owned entities** the department is in a process of merging the North West Provincial Arts and Culture Council with Mmabana Arts, Culture And Sport Foundation.

In partnership with the **Community Arts Centres, private sector and Mmabana**, the department will continue to deploy artists in schools. The art in school programme is designed to promote arts and culture as well as the use of arts and culture in the learning programmes.

4.3.3. Tourism

The Department of Tourism will continue to explore other critical areas of **Tourism and Heritage products** such as Agricultural Tourism and Education Tourism through the Inter-Governmental Relations (IGR) forum including LED structures in municipalities. The priority requirement is that annually, the department should produce the Provincial state of tourism report.

In **enhancing tourist destination competitiveness to the Province**, the department will implement tourism sector transformation programmes and facilitate the development and implementation of integrated support packages; and create employment opportunities by implementing tourism projects targeted at unemployed through the Expanded Public Works Programme (EPWP).

4.3.4. Basic Education

In improving the quality of **Early Childhood Development** to all Grade R learners, the department will gradually continue to place Grade R learners in primary schools where they can be thoroughly prepared for the physical and academic demands of formal schooling and ensuring that educators in the programme are comprehensively trained to offer quality service.

Teacher development will continue to be a key priority for the department in order to improve the quality of teaching with special attention given to the gateway subjects such as mathematics, science, accounting, technology etc. The training of mathematics and science educators is of critical importance as this remains an area that has not been performing well across all grades, including grade 12.

In **improving literacy, numeracy/mathematics and science outcomes**, the department will focus on increasing the number of learners eligible to pursue studies in mathematics and science-based degrees at tertiary level. This is in line with the National Department of Basic Education's aim to increase the number of learners in grades 3, 6 and 9 who have mastered the minimum competencies in language and numeracy to 90 per cent by the end of each year.

The department will **improve the access and quality of learning** by ensuring that all schools in the Province will be funded at the minimum levels in line with the national school funding norms and standards and learners in quintiles 1 to 3 will benefit from the "No School Fee" policy. Furthermore, the department will continue to make conscious efforts to provide support to learners who are vulnerable due to the effect of the HIV/AIDS epidemic through programmes and activities funded from the Lifestyle Conditional Grant.

In line with outcome 14: **Nation building and social cohesion**, department Culture, Arts and Traditional Affairs will implement twelve (12) reading awareness and library promotion programmes to promote the usage of community libraries and instill the culture of reading amongst communities. The reading awareness and library promotional programmes will be rolled through events such a World Book Day, World Play Day, National Book Week, SA Library Week and focus month events such as Youth Month, Women's Month, Heritage month etc. The four (4) mobile libraries that are at each District will be used to render services to communities that have no access to community libraries.

In ensuring access and quality of learning, **school infrastructure** will be provided and maintained in line with minimum physical infrastructure standards and within the available budget so that learners and teachers have an inspiring environment for teaching and learning. In realising the above, all public ordinary schools, Grade R, Public Primary Schools, Special Schools and Schools hostels are provided with water, electricity and sanitation facilities.

4.3.5. Health

Primary Health Care (PHC) re-engineering is a national priority for health service delivery improvement. Ward-based community services rendered by Community Health Workers, in this regard, specialist teams have been trained to conduct community health work at a household level. The related personnel cost need to be efficiently managed.

The **Emergency Medical Services (EMS)** response times in both rural and urban areas needs to improve in order to meet the national standards. Provision of sufficient ambulances is important for the achievement of this objective. Twenty ambulances were purchased, of which 10 were converted to obstetric ambulances to improve EMS response and decrease mortality.

The department partnered with Emergency and Rescue Companies to ensure that extreme emergency cases (certain categories of accidents) are responded to on time in order to save lives.

Regional Training Centers (RTCs) are established in each district to foster rural-based training of health professionals. These centres are linked to tertiary academic institutions such as the Medical University of South Africa (MEDUNSA) and University of the Witwatersrand (Wits) as part of expansion of their academic platform into rural areas, thus bringing skills training to the disadvantaged rural communities.

The department will prioritise the **maintenance of health facilities** to ensure that the infrastructure investment is maintained and meets basic community requirements as well as related staff retention initiatives. The services are routinely sourced at a local level thus providing employment in the districts as most of the health facilities are placed in a decentralized manner to reach coverage of all communities in the Province.

4.3.6. Social protection

An allocation of R5.2 billion over the MTEF is allocated to the department of Social Development to address amongst other priorities, the expansion of its services by ensuring adequate numbers and training of social service professionals, review of funding models and the roles assigned to non-profit organizations. The allocation will also improve access to quality **Early Childhood Development** through the provision of comprehensive ECD services as an instrument to make investments in health, development of capabilities, and mitigate vulnerabilities and to serve as the building blocks for future resilience.

The department will also continue to **expand social assistance** and extend the scope for social security to address both issues of coverage and policy instruments including the defining of a social protection floor that provides a minimum set of guarantees coupled with a framework of progressive realization of rights.

In the fight against **HIV & AIDS** the department will be strengthening and expanding services to the infected and affected through the Community Home Based Care Programmes.

The Department will further intensify efforts to protect the **rights of older persons** in line with the Older Person's Act 13 of 2006 by up scaling establishment of residential care facilities and service clubs, intensify active ageing programme to improve their health profile and increase support to statutory organizations rendering services to older Persons.

4.3.7. Local Government and Human Settlements

The Department of Local Government and Human Settlements will continue **to monitor and support 22 municipalities** towards enhancing compliance to financial governance and statutory requirements. Monitoring and support of these municipalities will also include corporate governance, administration and public participation in accordance with statutory requirements. The intention is to monitor municipalities' performance against predetermined standards as well as to co-ordinate support and intervention programmes.

The Department holds a plan to **support and monitor integrated structures** within 22 municipalities according to social and economic development guidelines. The plan includes supporting and monitoring the implementation of infrastructure grants and access to identified basic services.

For the 2018/19 MTEF the allocation for Human Settlements has been split into the Human Settlements Development Grant and the Title Deeds Restoration Grant. An amount of R2 billion is allocated in 2018/19 for **Human Settlements Development Grant** for/ the creation of sustainable and integrated human settlements in the Province. The department plans to construct **13 666 housing units** across the Province.

4.3.8. Infrastructure

To give effect to the Executive Council decision of strengthening the implementation of infrastructure across departments, municipalities and their entities, the Provincial Treasury will continue with the sustainability of the Bokone Bophirima Infrastructure Delivery Management System (IDMS Framework) and the implementation of the Standard for Infrastructure Procurement and Delivery Management (SIPDM) to ensure prudent planning, delivery and procurement of infrastructure.

Considering the performance and the current challenges in the implementation of infrastructure across departments, municipalities and their entities, the institutionalization of the Shared Services Model remains relevant with the objective of guiding the functionality and coordination of infrastructure governance structures, procurement as well as integrated planning and delivery in the Province.

Given the importance on infrastructure in growing the economy in the VTSD areas and supporting the ACT, Treasury will continue with the assessment of infrastructure plans, monitoring of infrastructure performance and the necessary capacitation of the built environment professionals, enforcing compliance as well as reporting on progress realized with the delivery of sustainable socio-economic infrastructure.

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

Public infrastructure that is acquired needs to be financially, economically and technically viable, and should offer value for money over its life cycle. Underlying value for money is an explicit commitment to ensure that the best results possible are obtained from the money spent, or the maximum benefit is derived from the resources available. It is a means for developing a better understanding (and better articulation) of costs and results so that more informed, evidence-based choices can be made and the availability of applicable procurement policies and guidelines, implementation of infrastructure control gates with proper delegation cannot be under estimated.

4.4.

4.5. Summary of budget aggregates

Table 2.1 provides an analysis of the overall Provincial budget performance by comparing total receipts against total payments, resulting in a surplus or deficit before financing over the seven-year period. The table also provides the details on financing to provide the net position after financing for each year.

The data for 2014/15 to 2016/17 is based on audited receipts and payments, while the 2017/18 figures provide a revised estimate position as at the end of December 2017. The 2018/19 to 2020/21 data reflects the budgeted receipts and payments for the 2018 MTEF.

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

Table 2.1 : 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
Provincial receipts									
Transfers from national	30 294 379	33 770 163	34 971 902	37 881 997	38 182 409	38 182 410	39 859 241	42 249 374	45 395 264
Equitable share	24 668 655	26 567 177	28 048 223	30 329 644	30 329 643	30 329 644	32 391 896	34 788 928	37 372 220
Conditional grants	5 625 724	7 202 986	6 923 679	7 552 353	7 852 766	7 852 766	7 467 345	7 460 446	8 023 044
Provincial own receipts	948 039	1 014 652	1 227 152	1 181 276	1 157 276	1 157 345	1 209 862	1 276 225	1 374 221
Total provincial receipts	31 242 418	34 784 815	36 199 054	39 063 273	39 339 685	39 339 755	41 069 102	43 525 598	46 769 485
Provincial payments									
Current payments	24 256 957	25 375 894	28 076 389	30 782 346	31 105 092	31 773 075	32 763 437	35 120 283	37 945 469
Transfers and subsidies	5 001 199	5 590 682	5 637 295	5 691 306	6 076 812	6 151 860	5 735 800	6 026 504	6 339 484
Payments for capital assets	2 263 002	3 184 473	2 243 011	2 607 650	2 708 390	2 847 049	2 572 879	2 380 896	2 484 532
Payments for financial assets	346	10 530	15 262	-	-	-	-	-	-
Total provincial payments	31 521 504	34 161 578	35 971 957	39 081 302	39 890 293	40 771 984	41 072 116	43 527 683	46 769 485
Surplus/(deficit) before financing	(279 087)	623 237	227 097	(18 029)	(550 609)	(1 432 229)	(3 014)	(2 085)	
Financing									
Provincial Rollovers	243 719	-	10 000	-	41 558	41 558	-	-	-
National Rollovers	13 561	1 018	5 221	-	-	-	-	-	-
Donor Funding	-	3 364	1 997	1 856	1 856	1 856	1 967	2 085	-
Other Financing	728 442	349 702	225 458	16 173	507 194	507 194	1 047	-	-
Specify	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	706 635	977 321	469 773			(881 621)			

Source: Provincial treasury database, 2018

In aggregate, the Province is projecting to over spend by R882 million or by 2.2 per cent as at 31st December 2017. The projected overspending is mainly in the department of Health (R820 million), Public Works and Roads (R6.5 million) and Provincial Legislature (R66.1 million) and is largely under goods and services, transfers and subsidies and payments of capital assets.

Over the 2018 MTEF, the Province will table a balanced budget, which is informed by reprioritisation within the departmental baselines, reduced personnel headcounts in administrative and managerial posts, eliminate unnecessary positions and establish sustainable level of authorized and funded posts and continuous implementation of cost containment measures by reducing expenditure on “frills” and “nice to have” and re-direct these funds into service delivery areas.

The total Provincial fiscus amounts to R41.072 billion in 2018/19, R43.528 billion in 2019/20 and R46.769 billion in 2020/21, this represents an annual average growth of 6.2 per cent. The total fiscal framework is inclusive of equitable share, conditional grants as well as Provincial own revenue over the 2018 MTEF.

The Provincial Equitable Share grows from revised estimate of R30.330 billion in 2017/18 to R32.392 billion in 2018/19; this represent an increase of 6.8 per cent. In the outer two years, the equitable share grows by 7.4 per cent per year; thus on average the allocation for equitable share increases by 7.2 per cent over the 2018 MTEF.

The main driver within current payments is compensation of employees which is at 58.7 per cent of the provincial budget and goods and services at 21.1 per cent of the total Provincial budget. Measures are in place to contain and manage the compensation of employees over the MTEF period, through continuously reducing personnel headcounts in administrative and managerial posts, eliminating unnecessary positions and establish sustainable level of authorized and funded posts.

4.6. Financing

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

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

A total amount of R41.558 million was rolled over from the 2016/17 financial year, mainly to the department of Community Safety and Transport Management, Education and Sports Development, Local Government and Human Settlement, Tourism and Public Works and Roads. As a result of reprioritisation an amount of R405 million was made available and reallocated to other departments to address budget pressures.

4.7. Donor Funding

The Department of Health received an amount of R2 million in 2018/19, R2.1 million in 2019/20, as donations from Netcare to fund 4 Registrar Posts for a period of four years. These Registrars are based in Klerksdorp Tertiary Hospital.

Budget Process and the Medium- Term Expenditure Framework

The 2018/19 MTEF budget process began with the preparation and distribution of the Treasury Guidelines document to all departments and entities. This document explains the policy framework and format that departments and entities must use to prepare the 2018 MTEF budget submissions; and was workshopped on 27 July 2017 to all departments and public entities.

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

Between 16 – 20 October 2017, MTEC met with 12 Provincial departments (a separate engagement with the Provincial Legislature was held after the MTEC's) and 5 public entities who had submitted initiatives for funding. The 2017 MTEC hearings mainly focused on reviewing the allocative efficiency of the 1st budget submission for all departments and public entities, promote the alignment of provincial budgets with strategic planning documents such as the PGDS, NDP, IDPs and Spatial Development Frameworks in support of inclusive growth and transformation, improve analysis of key policies, fully examine the extent of reprioritization, evaluate realistic spending plans, focus on policy areas and concurrent functions and finalize recommendations for consideration and approval by the Executive.

The following forums were also established to enforce Integrated Planning in the Province with the budget process:

- Bokone Bophirima Premier's Coordinating Council (includes, ESKOM, Water Boards, Municipalities, SANRAL, DWS);
- Provincial IDP Forum;
- Back to Basic Forum;
- Infrastructure Support Forum;
- Municipal Infrastructure Forum; and
- Broader Extech – Extended to include municipal managers.

The department of Local Government and Human Settlement, Finance and Office of the Premier assessed and analyzed IDPs from all municipalities to ensure integration and alignment. Other stakeholders namely, ESKOM, Water Boards, IDT, Sefa, Banks, DBSA, Transnet, Mining companies have also participated in planning initiatives in the Province.

The process also aims to ensure that the budget is funding programmes and projects which are aligned to the 2014-2019 Medium Term Strategic Framework (MTSF) and Provincial policy thrust of Rebranding, Repositioning and Renewal (RRR), which is an overarching concept of the Provincial five concretes.

The 2018 MTEF strategic planning processes is also broadly informed by government's priorities, expressed in the objectives of the National Development Plan, 2014-2019 Medium Term Strategic Framework; and Provincial policy thrust of Rebranding, Repositioning and Renewal (RRR); as well as the quarterly expenditure reviews and programme evaluations undertaken, with the aim of identifying efficiency gains, among others; and the composition of spending shifting away from current consumption towards investment.

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

The Provincial baseline cuts from National Treasury did not allow the Province to fund all additional requests amounting to R14.1 billion over the MTEF period, other pressing requests were funded through reprioritisation within the baselines.

5. Receipts

5.1. Overall Position

Table 4.1 below shows the total provincial fiscal framework over the 2018 MTEF budget amounts to R131.4 billion. The framework consist of three sources of funding, i.e. National transfers (comprised of the provincial equitable share and conditional grants); Provincial own receipts (made amongst others, casino taxes, horse racing taxes, liquor licences, motor vehicle licences) and financing (off which includes, rollovers, surrenders from departments, funds raised through reproritisation).

Besides the national cuts, total national transfers (equitable share and conditional grants) are projected to increase from adjusted appropriation of R38.182 billion in 2017/18 to R39.859 billion in 2018/19, R42.249 billion in 2019/20 and R45.395 billion in 2020/21.

Year-on-year the transfers grows by 4.4 per cent and by 5.9 per cent over the MTEF period. The minimum growth is as a result of the reductions to the conditional grants by national government.

In 2014/15, the actual Provincial receipts collection amounted to R948 million, increased to R1 billion in 2015/16, this is an increase of R66.6 million. The Province budgeted own revenue collection of R1.181 billion in 2017/18 and was adjusted downwards to R1.157 billion as a result of poor collection from departments. An amount of R3.9 billion is projected to be collected over the 2018 MTEF, reflecting an annual average growth of 5 per cent.

Table 4.1 : 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
Transfers receipts									
Transfers receipts from national	30 294 379	33 770 163	34 971 902	37 881 997	38 182 409	38 182 410	39 859 241	42 249 374	45 395 264
Equitable share	24 668 655	26 567 177	28 048 223	30 329 644	30 329 643	30 329 644	32 391 896	34 788 928	37 372 220
Conditional grants	5 625 724	7 202 986	6 923 679	7 552 353	7 852 766	7 852 766	7 467 345	7 460 446	8 023 044
Financing (incl.rollovers and additional)	985 722	350 720	240 679	16 173	548 752	548 752	1 047	–	–
Donor Funding	–	3 364	1 997	1 856	1 856	1 856	1 967	2 085	–
Total receipts: Treasury funding	31 280 101	34 124 247	35 214 578	37 900 026	38 733 017	38 733 018	39 862 255	42 251 459	45 395 264
Provincial own receipts									
Tax receipts	505 747	534 005	576 309	632 786	612 518	612 518	640 624	674 237	739 121
Casino taxes	107 470	125 084	139 322	161 200	147 074	147 074	153 532	163 396	200 441
Horse racing taxes	5 908	8 000	15 000	18 000	12 105	12 105	7 281	4 680	4 680
Liquor licences	2 744	2 722	3 878	4 072	3 825	3 825	4 308	4 549	4 799
Motor vehicle licences	389 625	398 199	418 109	449 514	449 514	449 514	475 503	501 612	529 201
Sales of goods and services other than capital assets	285 163	314 714	352 450	371 465	367 455	367 106	387 230	409 781	432 317
Transfers received	590	–	1 047	–	–	–	–	–	–
Fines, penalties and forfeits	14 318	17 683	18 301	19 743	19 743	19 942	20 874	22 112	23 328
Interest, dividends and rent on land	124 038	124 476	207 157	134 290	134 540	134 540	135 880	143 495	151 388
Sales of capital assets	1 327	3 729	8 295	7 082	7 082	7 082	7 445	7 709	8 134
Transactions in financial assets and liabilities	16 856	20 045	63 593	15 910	15 938	16 157	17 810	18 891	19 933
Total provincial own receipts	948 039	1 014 652	1 227 152	1 181 276	1 157 276	1 157 345	1 209 862	1 276 225	1 374 221
Total provincial receipts	32 228 140	35 138 899	36 441 730	39 081 302	39 890 293	39 890 363	41 072 116	43 527 683	46 769 485

Source: Provincial treasury database, 2018

5.2. Equitable Share

The Provincial Equitable Share (PES) provides for a formula-based approach to dividing nationally raised revenue between the Provinces. The formula is designed to divide a portion of nationally raised revenue in an appropriate, efficient, transparent and unbiased manner. The PES formula consists of six components that capture the relative demand for services amongst Provinces. These components are Health, Education, Basic component, Poverty, Institutional and Economic activity. Four of the six components rely on population figures to determine a Province's share of the PES.

It should be noted that the PES formula is not intended to be regarded as a budgeting tool or instrument and therefore the weighting allocated to each of the components is not suggestive of how much a Province should allocate to a specific area.

To ensure that the formula remains responsive to the population and service delivery changes and is reflective of inter-provincial changes, the data used in the formula are updated on an annual basis. The updates to the revisions to the Provincial equitable share are also informed by the data from 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 updates also takes into account the new system called the Learner Unit Record Information Tracking System (LURITS), which allows for the detailed information to be collected on scholars, including the modules they are taking and their progress through the school system. Previously, a yearly survey was conducted on the 10th school day and then added up to collate learner enrolment numbers for the country. The impact of these updates will be phased in over three years (2018/19 – 2020/21).

Table 4.1 above set out the Provincial Equitable Share for 2018 MTEF. The PES is revised upward by a total of R773 million, which is the net effect of new data updates, fiscal framework reductions, plus education, health and wage inflation additions to the PES. Over the MTEF, equitable share transfers to the Province grows by an annual average of 7 per cent.

5.3. Conditional Grants

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

The current economic meltdown has persuaded the national government to reduce departmental baseline budgets by R20.4 billion in 2018/19, R28.8 billion in 2019/20 and R30.5 billion in 2020/21 aggregating to R85.8 billion over the 2018 MTEF.

Largely, Provincial conditional grants such as the school education infrastructure grant, human settlements development grant and the provincial roads maintenance grant were reduced. These cuts might delay the completion of a number of infrastructure projects if efficient spending is not applied. The cuts were centered on the augmentation of baseline for the Department of Higher Education and Training for implementation of fee-free higher education and training for students from poor and working-class households.

The table 4.2 below shows Provincial conditional grants allocations per departments over the 2018 MTEF period. Conditional Grants funding is the second largest source of funding for the Province and it constitutes 19.3 per cent of transfers that the Province receives from national. In order to fund government pressures such as fee-free higher education, in 2018/19 financial year conditional grants decreased from an adjusted appropriation of R7.869 billion to R7.454 billion, which is a decrease of R415 million. As a result of the reduction of the Education Infrastructure Grant, Human Settlements Development Grant and Provincial Roads Maintenance Grant.

Agriculture

Comprehensive Agricultural Support Programme: In order to provide effective agricultural support services, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution, and other black producers who have acquired land through private means and are engaged in value-adding enterprises domestically, or the export market and also to address damages to infrastructure caused by floods R176.1 million is been set aside in 2018/19 financial year. The allocation grows to R353.2 million in the two outer years of 2018 MTEF period.

Illima/Letsema Projects: the government strives to assist the vulnerable provincial farming communities to achieve an increase in agricultural production and invest in infrastructure that unlocks agricultural production by allocating R66.8 million in 2018/19 and this allocation grows to R70.6 million and R74.5 million in 2019/20 and 2020/21 financial years respectively.

Land Care Programme Grant: with efforts of promoting sustainable use and management of natural resources by engaging in community based initiatives that support the pillars of sustainability leading to greater productivity, food security, job creation and better wellbeing for all, government has set aside R8.4 million in 2018/19 financial year and this allocation grows to R9.3 million and R9.7 million in 2019/20 and 2020/21 financial years respectively.

Table 4.2 : Summary of conditional grants by transferring national department: North West

R thousand	2014/15	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
		Amount Received		Amount Received	Provincial Roll overs	Total Available	Estimated Actual Payments	Medium Term Expenditure Estimates		
Agriculture, Forestry and Fisheries	233 612	253 374	238 327	-	-	-	240 383	251 295	250 717	266 556
Comprehensive Agricultural Support Programme Grant	179 410	195 066	171 258	-	-	-	169 167	176 054	170 893	182 342
Ilma/Letsema Projects Grant	46 062	50 337	59 448	-	-	-	63 178	66 843	70 586	74 468
Land Care Programme Grant: Poverty Relief and Infrastructure Development	8 140	7 971	7 621	-	-	-	8 038	8 398	9 238	9 746
Arts and Culture	98 883	-	-	-	10 975	10 975	152 067	136 369	143 767	151 733
Community Library Services Grant	98 883	-	-	-	10 975	10 975	152 067	136 369	143 767	151 733
Basic Education	1 041 063	1 428 028	4 511	-	334	334	1 561 124	1 526 192	1 451 904	1 590 146
Dinaledi Schools Grant	11 785	-	-	-	-	-	-	-	-	-
Education Infrastructure Grant	623 602	995 107	-	-	-	-	1 074 331	1 002 988	900 412	999 095
HIV and Aids (Life Skills Education) Grant	17 388	17 531	-	-	-	-	17 825	17 884	18 849	19 791
National School Nutrition Programme Grant	366 890	381 566	4 511	-	200	200	431 176	456 176	478 985	513 015
Occupation Specific Dispensation for Education Sector Therapists Grant	1 417	446	-	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation Grant	19 981	-	-	-	-	-	-	-	-	-
Maths, Science and Technology Grant	-	33 378	-	-	134	134	35 518	36 347	38 391	40 831
Learners With Profound Intellectual Disabilities Grant	-	-	-	-	-	-	2 274	12 797	15 267	17 414
Health	1 785 909	2 065 187	1 980 161	30 000	8 857	38 857	2 280 619	2 323 616	2 426 242	2 642 344
Comprehensive HIV and Aids Grant	936 938	1 012 984	1 127 523	-	-	-	1 296 769	1 315 304	1 467 366	1 627 124
Hospital Facility Revitalisation Grant	500 121	695 404	480 434	30 000	8 857	38 857	597 118	585 886	511 935	540 091
of which	-	-	-	-	-	-	-	-	-	-
Hospital Revitalisation component	500 121	-	-	-	-	-	-	-	-	-
Health Professions Training and Development Grant	104 586	106 970	111 565	-	-	-	119 194	126 107	132 452	139 738
National Tertiary Services Grant	237 264	242 625	253 086	-	-	-	267 538	283 055	300 482	320 614
National Health Insurance Grant	7 000	7 204	7 543	-	-	-	-	-	-	-
Human Papillomavirus Vaccine Grant	-	-	-	-	-	-	-	13 264	14 007	14 777
Human Settlements	1 517 136	-	2 151 817	-	192 109	192 109	2 378 788	1 977 331	2 041 493	2 161 248
Human Settlements Development Grant	1 517 136	-	2 151 817	-	192 109	192 109	2 378 788	1 926 644	1 987 972	2 104 786
Title Deeds Restoration Grant	-	-	-	-	-	-	-	50 687	53 521	56 462
Public Works	43 604	58 916	62 919	-	-	-	46 391	62 485	-	-
Expanded Public Works Programme Incentive Grant for Provinces	14 249	28 662	36 740	-	-	-	14 383	17 673	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	29 355	30 254	26 179	-	-	-	32 008	44 812	-	-
Social Development	-	17 000	-	-	-	-	72 104	77 179	81 676	86 925
Substance Abuse Treatment Grant	-	17 000	-	-	-	-	32 686	17 708	18 700	19 729
Early Childhood Development Grant	-	-	-	-	-	-	32 686	52 185	55 102	58 794
Social Worker Employment Grant	-	-	-	-	-	-	6 732	7 286	7 874	8 402
Sport and Recreation South Africa	43 503	40 752	42 250	-	2 339	2 339	44 101	41 855	43 814	45 850
Mass Participation and Sport Development Grant	43 503	40 752	42 250	-	2 339	2 339	44 101	43 370	45 058	47 536
Transport	787 288	788 060	867 524	-	53 655	53 655	1 093 493	1 071 023	1 020 833	1 078 242
Provincial Roads Maintenance Grant	696 970	788 060	867 524	-	53 655	53 655	986 539	960 604	904 230	953 827
Public Transport Operations Grant	90 318	-	-	-	-	-	106 954	110 419	116 603	124 415
Total	5 550 998	4 651 317	5 347 509	30 000	268 269	298 269	7 869 070	7 467 345	7 460 446	8 023 044

Arts and Culture Grant

Community Library Services Grant: the baseline of this grant is been revised downward to R136.4 million in 2018/19 and it grows to R143.8 million and R151.7 million in the two outer years of the 2018 MTEF period. The allocation is set aside to transform urban and rural community library infrastructure, facilities and services (primarily targeting previously disadvantaged communities) through a recapitalized programme at Provincial level in support of local government and national initiatives.

Basic Education Grants

HIV and Aids (Life Skills Education) Grant: in order to provide comprehensive sexuality education and access to sexual and reproductive health services to learners and educators, with a particular focus on orphaned children and girls, government has set aside R17.8 million in 2018/19, that grows to R18.8 million in 2019/20 and R19.8 million in 2020/21. This allocation will further allow the department to mitigate the impact of HIV and Tuberculosis by providing a caring, supportive and enabling environment.

National School Nutrition Programme Grant: the government ensures continuous provision of nutritious meal to all qualifying learners on school days. In efforts of responding to pressure exerted by inflation on spending, an amount of R456.2 million is being set aside in 2018/19, increasing to R478.9 million in 2019/20 and R513 million in 2020/21. This grant feeds about 714 504 thousand learners covering 945 primary schools, 28 special schools and 364 secondary schools at a Provincial level.

Mathematics, Science and Technology Grant: The government strives to improve access, equity, efficiency and quality Mathematics, Science and Technology (MST) education in the country by providing support and resources to schools, teachers and learners for the improvement of MST teaching and learning at selected public schools allocated. To this effect an amount of R36.4 million in 2018/19 and it increase to R38.4 million in 2019/20, and R40.8 million 2020/21.

Education Infrastructure Grant: In order to accelerate maintenance, upgrading and rehabilitation of existing infrastructure in education government has set aside R1 002.9 billion in 2018/19, revised to R900.4 million in 2019/20 and a further R999.1 million in 2020/21. The allocation is also intended to address damage to infrastructure including district and circuit accommodation.

Learners with Profound Intellectual Disabilities Grant: this is the second year since inception of this grant wherein government strives to provide the necessary support, resources and equipment to identified care centers and schools for the provision of education to children with severe to profound intellectual disabilities. In order to accomplish this effort, an of R12.8 million has been set aside in 2018/19, the allocation grows to R15.3 million and R17.4 million in 2019/20 and 2020/21 financial years respectively.

Health Grants

Comprehensive HIV and Aids Grant: In order to enable the health sector to develop and implement an effective response to HIV and AIDS and TB R1 315.3 billion is been aside in 2018/19 and included in this amount is R167.7 million for community outreach services component. The allocation grows to R1 467.4 billion in 2019/20 and R1 627.1 billion in 2020/21 financial years.

Hospital Facility Revitalization Grant: To accelerate construction, maintenance, upgrading and rehabilitation of new and existing infrastructure in health including, health technology, organizational development systems and quality assurance, an amount of R585.9 million is been set aside in 2018/19. In order to allow completion of current projects, reprioritization need to be applied moving forward. Furthermore, R511.9 million and R540.1 million has been allocated in the two outer years of the 2018 MTEF period.

Human Papillomavirus Vaccine Grant: the government is making efforts to address capacity constraints in the Provinces and to create an alternate track to speed up infrastructure delivery by introduction of this grant in 2018/19. As 2018/19 is the first year of implementation of this grant, an amount of R13.3 million is been set aside and it further grows to R14 million and R14.8 million in the two outer years of 2018 MTEF period.

National Tertiary Services Grant: an amount of R283.1 million is been set aside in 2018/19 financial year for provision of tertiary health services and to compensate tertiary facilities for the additional costs associated with provision of these services.

Health Professions Training and Development Grant: an amount of R126.1 million is been allocated in 2018/19 financial year to service costs associated with clinical teaching and training of health science trainees on the public service platform. The allocation grows to R132.5 million and R139.7 million in 2019/20 and 2020/21 financial years respectively.

Human Settlements Grant

Human Settlement Development Grant: In efforts of government to provide funding for the creation of sustainable and integrated human settlements in the Province, R1.926 billion is been allocated in 2018/19 financial year and this amount grows to R1.988 billion and R2.105 billion in 2019/20 and 2020/21 respectively. An amount of R161 million is allocated for the **Title Deeds Restoration Grant** over the MTEF period.

Public Works and Transport Grants: Expanded Public Works Programme

To incentivize Provincial departments in order to expand work creation efforts through the use of labor intensive delivery methods in the following identified focus areas, in compliance with the Expanded Public Works Programme guidelines: road maintenance and the maintenance of buildings; low traffic volume roads and rural roads; other economic and social infrastructure; R62.5 million is been allocated and inclusive is an allocation to various departments and will be coordinated by the Department of Roads and Public Works.

Provincial Roads Maintenance Grant: is allocated R960.6 million in 2018/19 financial year, revised to R904.2 million and R953.8 million in the two outer financial years. This is to ensure that the Province supplement investments and support preventative, routine and emergency maintenance on provincial road networks; to ensure Provinces implement and maintain road asset management systems and promote the use of labor-intensive methods in road maintenance.

Community Safety and Transport Management

Public Transport Operations Grant: In order to provide supplementary funding towards public transport services provided by provincial departments of transport, an amount of R110.4 million is been set aside in 2018/19 and the allocation grows to R241 million in the two outer years of the 2018 MTEF period.

Social Development Grant

Early Childhood Development Grant: In efforts of increasing the number of poor children accessing subsidized early childhood development services through partial care facilities, an amount of R52.2 million is been set aside and included in this allocation is R5.9 million for maintenance component. This grant grows to R55.1 million and R58.8 million in the two outer years of the MTEF period.

Substance Abuse Treatment Grant: The government is providing funding of R17.7 million in 2018/19 for the operationalization of substance dependency treatment facilities. The allocation grows to R18.7 million and R19.7 million in 2019/20 and 2020/21 financial years respectively. The funding also contains the purchasing of equipment for the treatment facilities.

Social Worker Employment Grant: to ensure that the needs of social workers in the sector are addressed and to reduce the backlog in the number of social worker graduates that remain unemployed after completion of their government subsidized education. The amount of R7.3 million is been allocated in 2018/19, R7.9 million and R8.4 million is been allocated in the two outer years of the MTEF period.

Sport and Recreation

Mass Participation and Sport Development Grant: An amount of R41.9 million is been allocated in 2018/19 to facilitate sport and recreation participation and empowerment in partnership with relevant stakeholders. The allocation grows to R43.8 million and R45.9 million in 2019/20 and 2020/21 financial years respectively.

5.4. Total Provincial Own Receipts

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

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

Table 4.3 below shows tax receipts which exhibits significant growth from R948 million to R1.157 billion between 2014/15 and 2017/18, respectively. The major revenue sources in this category are motor vehicle licenses and casino taxes. Over the MTEF, this category is projected to rise from R640.624 million in 2018/19 to R739.121 million in 2020/21. The increase in motor vehicle licenses is as a result of the increase in vehicle population and casino taxes increases is due to increase in consumer activities.

Table 4.3 : Summary of provincial own receipts collection

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
Tax receipts	505 747	534 005	576 309	632 786	612 518	612 518	640 624	674 237	739 121
Casino taxes	107 470	125 084	139 322	161 200	147 074	147 074	153 532	163 396	200 441
Horse racing taxes	5 908	8 000	15 000	18 000	12 105	12 105	7 281	4 680	4 680
Liquor licences	2 744	2 722	3 878	4 072	3 825	3 825	4 308	4 549	4 799
Motor vehicle licences	389 625	398 199	418 109	449 514	449 514	449 514	475 503	501 612	529 201
Sales of goods and services other than capital assets	285 163	314 714	352 450	371 465	367 455	367 106	387 230	409 781	432 317
Sale of goods and services produced by department (excluding capital assets)	285 012	314 383	352 353	371 305	367 295	367 005	386 985	409 563	432 087
Sales by market establishments	4 721	4 175	2 302	1 939	1 439	1 445	2 048	2 160	2 277
Administrative fees	2 871	2 025	4 399	5 053	5 053	4 884	5 349	5 941	6 268
Other sales	277 420	308 183	345 652	364 313	360 803	360 676	379 588	401 462	423 542
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	151	331	97	160	160	101	245	218	230
Transfers received	590	–	1 047	–	–	–	–	–	–
Other governmental units	540	–	1 047	–	–	–	–	–	–
Public corporations and private enterprises	50	–	–	–	–	–	–	–	–
Households and non-profit institutions	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	14 318	17 683	18 301	19 743	19 743	19 942	20 874	22 112	23 328
Interest, dividends and rent on land	124 038	124 476	207 157	134 290	134 540	134 540	135 880	143 495	151 388
Interest	123 793	124 476	207 157	134 290	134 540	134 540	135 880	143 495	151 388
Dividends	245	–	–	–	–	–	–	–	–
Rent on land	–	–	–	–	–	–	–	–	–
Sales of capital assets	1 327	3 729	8 295	7 082	7 082	7 082	7 445	7 709	8 134
Land and sub-soil assets	–	–	–	–	–	–	–	–	–
Other capital assets	1 327	3 729	8 295	7 082	7 082	7 082	7 445	7 709	8 134
Transactions in financial assets and liabilities	16 856	20 045	63 593	15 910	15 938	16 157	17 810	18 891	19 933
Total provincial own receipts	948 039	1 014 652	1 227 152	1 181 276	1 157 276	1 157 345	1 209 862	1 276 225	1 374 221

Source: Provincial treasury database, 2018

Sale of goods and services other than capital assets increased from R285.163 million in 2014/15 to R432.317 million in 2020/21. The projected under-collection in the 2017/18 revised estimate can be ascribed to DOH, largely as a result of lower than anticipated collection against Health patient fees. Over the MTEF, the steady increase in this category is related to inflationary increments.

Fines, penalties and forfeits increased from R14.318 million in 2014/15 to R23.328 million in 2020/21, reflecting a steady increase due to traffic offences and other related fines.

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

Financial transactions in assets and liabilities consists of recovery of previous year's expenditure, loan repayments, and other revenue items. Financial transactions in assets and liabilities are projected to grow by an annual average growth rate of 7.3 per cent from R16.157 million in 2016/17 to R19.933 million in 2020/21.

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

Table 4.4 : Summary 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	589	320	330	350	350	350	367	388	409
2. Provincial Legislature	-	-	-	-	-	-	1 480	1 563	1 649
3. Health	64 660	64 450	78 738	76 711	76 711	76 711	80 547	85 058	89 736
4. Culture, Arts And Traditional Affairs	992	1 148	1 263	1 389	889	889	1 458	1 540	1 625
5. Community Safety And Transport Management	574 239	625 113	702 450	699 685	699 685	699 685	734 670	775 811	818 481
6. Economy And Enterprise Development	116 567	135 895	158 320	183 392	163 392	163 392	165 241	172 752	210 054
7. Finance	124 810	120 890	204 271	130 179	130 179	130 179	134 640	142 180	150 000
8. Education And Sports Development	17 159	17 898	18 798	19 738	19 738	19 738	20 725	21 886	23 089
9. Local Government And Human Settlement	2 197	1 518	622	869	869	938	921	976	1 029
10. Tourism	-	114	550	588	588	588	629	672	709
11. Public Works And Roads	33 958	30 186	46 984	50 038	50 038	50 038	53 539	56 753	59 877
12. Social Development	1 004	3 616	1 611	1 692	1 692	1 692	1 777	1 877	1 980
13. Rural, Environment And Agricultural Development	11 864	13 504	13 215	16 645	13 145	13 145	13 868	14 769	15 583
Total provincial own receipts	948 039	1 014 652	1 227 152	1 181 276	1 157 276	1 157 345	1 209 862	1 276 225	1 374 221

Source: Provincial treasury database, 2018

Community Safety and Transport Management: The department continues to be the major contributor to the total Provincial own revenue in the Province. The department's revenue increases from R574.239 million in 2014/15 to R699.685 million in 2017/18 revised estimate. Over the 2018 MTEF is increase by an annual average growth of 5.4 per cent to reach R818.481 million in 2020/21. The increase continues to be informed by the growth in vehicle population and higher than anticipated application of new and the renewal of motor licenses.

Economy and Enterprise Development: the department's main sources of revenue are from Casino taxes and Horse racing taxes in respect of the North West Gambling Board. Over the seven-year financial period, the department's budget is reflecting a steady increase, increasing from R116.567 million in 2014/15 to R210.054 million in 2020/21 due to increase in consumer activities.

Finance: generates a significant portion of revenue through accrues from the interest earned from positive bank balances in the IGCC and PMG accounts, which is reflected against *Interest, dividends and rent on land*. Over the 2018 MTEF the department is projecting to collect R426.820 million, this is difficult to project as is driven by the spending trends of Provincial departments.

Health: the revenue collection for the department is mainly from patient fees which are classified under Sales of goods and services other than capital assets. The department projects to collect R80.547 million in 2017/18, R85.058 million in 2018/19 and R89.736 million in 2020/21, reflecting an average growth rate of 5.4 per cent. The projected own revenue show a steady increase, however the department is experiencing difficulties with the collection of patient fees.

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

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

6. Payments

6.1 Overall Position

Table 5.1 below shows that the total expenditure increased from R31.522 billion in 2014/15 to R35.972 billion in 2016/17. Over the MTEF expenditure is expected to grow by 6.2 per cent or to reach R46.769 billion in 2020/21.

The 2018 MTEF budgets commits Bokone Bophirima government to continue to work towards realizing the objectives of RRR agenda which support the NDP and strives to grow the Provincial economy despite the slow economic growth.

In support of national priorities, Bokone Bophirima government has prioritized spending on education, healthcare, housing and social development, which is in line with the Constitution and the bill of rights.

The expenditure growth in Health amongst others is mainly driven by expanded provision of antiretroviral treatment and implementing of a universal test-and-treat policy, while in Education the growth is compelled by drive to improve the quality of and access to basic education, in Social Development is mainly for early childhood development.

6.2 Payments by Vote

Table 5.1 above summarises the provincial payments and estimates per vote from 2014/15 to 2020/21. The department's budget grows from the adjusted budget of R39.890 billion in 2017/18 to R41.072 billion in 2018/19, representing year-on-year growth of 5.1 per cent, on average the Provincial budget grows by 5.5 per cent.

Table 5.1 : Summary of payments and estimates by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17		2017/18		2018/19	2019/20	2020/21
1. Office Of The Premier	560 729	852 861	569 415	648 857	780 522	779 271	775 381	867 971	936 488
2. Provincial Legislature	280 293	302 263	394 457	449 484	547 400	553 938	473 898	488 778	487 601
3. Health	8 372 853	9 042 677	9 767 254	10 461 340	10 600 197	11 420 212	11 153 568	11 934 038	12 884 404
4. Culture, Arts And Traditional Affairs	501 449	585 294	642 159	711 440	745 299	743 535	732 049	775 236	812 245
5. Community Safety And Transport Management	1 538 857	1 802 470	1 881 567	1 983 725	2 078 184	2 078 301	2 163 473	2 263 071	2 388 476
6. Economy And Enterprise Development	225 799	234 760	298 401	305 268	297 708	297 708	297 190	313 762	374 138
7. Finance	421 085	425 598	452 001	486 299	467 005	467 005	484 084	515 079	558 512
8. Education And Sports Development	12 077 940	13 109 934	14 086 368	15 281 697	15 274 429	15 266 406	16 183 868	17 148 058	18 488 567
9. Local Government And Human Settlement	2 189 675	2 612 189	2 440 933	2 709 162	2 882 772	2 882 772	2 476 863	2 570 660	2 719 497
10. Tourism	138 305	118 073	209 607	245 761	257 916	257 916	261 551	277 350	304 792
11. Public Works And Roads	2 934 376	2 699 137	2 594 831	2 895 063	3 032 345	3 098 403	3 020 961	3 125 287	3 326 208
12. Social Development	1 218 083	1 289 264	1 360 559	1 532 570	1 525 356	1 525 356	1 608 750	1 717 355	1 842 863
13. Rural, Environment And Agricultural Development	1 072 060	1 087 059	1 274 405	1 370 636	1 401 161	1 401 161	1 440 478	1 531 038	1 645 694
Total payments and estimates	31 521 504	34 161 578	35 971 957	39 081 302	39 890 294	40 771 984	41 072 116	43 527 683	46 769 485

Source: Provincial treasury database, 2018

The department of Education remains the highest spending Provincial department, at 39.4 per cent, Health the second highest spending department at 27.2 per cent (which is the improvement of 1.2 per cent from last 2017 MTEF), while Social Development is at 3.9 per cent of the total Provincial budget. The department of Public Works and Roads at 7.4 per cent and Local Government and Human Settlement takes 6 per cent of the Provincial budget, mainly from conditional grants of R1.927 billion in 2018/19.

The summary of allocations is provided below, the details per department are provided in each chapter of the Estimate of Provincial Revenue and Expenditure:

Office of the Premier

The budget for the Office of the Premier declines by 0.5 per cent from the revised estimate of R779.271 million in 2017/18 to R775.381 million in 2018/19, the decline is as a result of the once-off allocation of R102 million during the 2017/18 adjustment budget. However, the budget recovers to grow to R936.488 million or 7.9 per cent in 2020/21. This is to ensure that the Office of the Premier is able to improve government performance in achieving the desired outcomes; improve service delivery through changing the way government works; and in implementing the Rebrand, Reposition and Renew Bokone Bophirima Province through the five concretes namely; Agriculture, Culture and Tourism (ACT), Villages, Townships and Small Dorpies (VTSD), Reconciliation, Healing and Renewal (RHR), Setsokotsane, as well as Saamtrek-Saamwerk Philosophy.

Provincial Legislature

Over the medium term, R1.450 billion is allocated to the Provincial Legislature to improve oversight between the provincial legislature and other organs of state, increasing the number of public participation events and public hearings; continuing with outreach programmes such as “Ore bone re go Bone”; increasing participation on international forums and providing support to the fifth democratic parliament. Over the 2018 MTEF the budget grows an annual average of 2.8 per cent, the minimum growth is as a result of the reduction to the infrastructure allocation due to the completion of the upgrade of the Legislature.

Department of Health

The department is the second largest beneficiary of the provincial budget at 27.2 per cent or R11.154 billion in 2018/19 financial year. This allocation include the funding amongst other to provide mobile services to farming areas to ensure a healthy workforce that will result in an increased productivity and better economic outcomes for the Province, expansion and re-engineered primary health care, (including municipal ward-based), promotion of healthy lifestyles and encouragement of regular screening for non-communicable diseases.

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

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

Department of Culture, Arts and Traditional Affairs

An amount of R732.049 million is allocated in 2018/19 and over the MTEF it increase to R812.245 million in 2020/21. The allocation will ensure as Arts and Culture forms part of ACT (Agriculture, Culture and Tourism) which is one of the five concretes in the development of a sustainable economy in the Province, to continue to exhibit the rich cultural, heritage and talent of Bokone Bophirima through sustenance and promotion of the North West Cultural Ensemble, Art in Schools Programme, capacity building of art practitioners and community conversations.

The allocation also includes a budget for the promotion and implementation of Mahika Mahikeng Music and Cultural festival, re-establishment of the North West Cultural Ensemble, establishing a Publishing House for the creative writers, promotion of the Motswako and Setswana Cultural dance brands.

Department of Community Safety and Transport Management

The department receives an amount of R2.163 billion in 2018/19 and it increases to R2.263 billion in 2019/20 and R2.388 billion in 2020/21. The allocation will ensure that the department continues to strengthen local Community Police Forums and Boards, as part of its mandate to promote community safety and mobilize communities, the department will be able to forge partnerships with other government departments and municipalities in implementing Crime Prevention through Environmental Design programme.

The allocation enables the department to intensify and advocate road safety education and conducting awareness campaigns throughout the Province with emphasis on VTSD through implementation of three initiatives i.e. Road Safety Education, Road Safety Promotions and Road Safety Community Engagement.

Department of Economy and Enterprise Development

The department receives a budget allocation of R297.190 million in 2018/19 that increases to R374.138 million in 2020/21. The allocation amongst others is intended for the implementation of integrated enterprise support services is designed to unlock the potential of SMMEs, cooperatives, townships and rural enterprises through the Growth Accelerator Program (GAP) - a new type of SME support and development programme that aims to make a significant short, medium and long-term impact on the growth acceleration of a significant provincial cohort of high growth potential SMEs; and Enterprise support which anchors on access to market, access to finance, training and development, mentorship – coaching and incubation game changers.

Inclusive in the allocation is an amount of R77.986 million allocated to the North West Gambling Board in 2018/19, with the primary objective of providing effective and efficient regulatory services through the maintenance of gambling standards towards contributing to socio-economic growth and development.

Department of Finance

Over the MTEF period an amount of R1.558 billion, reflecting an average increase of 6.2 per cent. The allocation for the 2018 MTEF budget will continue to promote capacity building to various departments, municipalities, public entities, strengthening financial governance practices, enforce fiscal discipline and improve operational efficiency and managing provincial budget and spending.

Department of Education and Sports Development

Education and Sports Development is the largest beneficiary of the total Provincial budget at 39.4 per cent. R16.184 billion is allocated in 2018/19 and it increase to R17.148 billion and R18.489 billion in the 2019/20 and 2020/21 respectively. This is to ensure that all children of school going age from ages of 7 to 17 have access to basic education and attain the highest possible educational outcomes. Learners and educators are provided with basic Learning and Teaching Support Materials (LTSM) in accordance with the curriculum needs. To also to be able to provide professional support to all educators in schools, and basic physical infrastructure in public ordinary schools, which includes the school building programme, sanitation and effective maintenance of existing structures; and that Learners (714 504) are also provided with nutrition through the implementation of the School Nutrition Programme at all no-fee schools.

Department of Local Government and Human Settlements

This department receives R2.477 billion in 2018/19, R2.571 billion in 2019/20 and R2.719 billion in 2020/21. The department is mainly funded by conditional grants, namely the Human Settlement Development Grant (HSDG) for which an amount of R1.927 billion is allocated for 2018/19. The HSDG is fundamental for the creation of sustainable and integrated human settlements, hence the drive to provide adequate housing opportunities and improved quality living environments.

The remaining allocation is to ensure that the department continues to monitor and support all municipalities towards enhancing compliance to financial governance and statutory requirements; monitoring and support municipalities on corporate governance, administration and public participation in accordance with statutory requirements, with the intention is to monitor municipalities' performance against predetermined standards and also to co-ordinate support and intervention programmes.

Department of Tourism

The department is allocated an amount of R261.551 million in 2018/19 and it increases to R304.792 million in 2020/21, primarily to accelerate the tourism development, skills development, marketing and promotion within the Province. Included in the allocation is an amount for the Renovations and improvements to infrastructure of the Orkney Hotel School; and to be able to continue to explore other critical areas of Tourism and Heritage products such as Agricultural Tourism and Education Tourism through the Inter-Governmental Relations (IGR) forum including LED structures in municipalities.

Department of Public Works and Roads

The total allocation for the department amounts to R3 billion in 2018/19 and the aggregated total over the MTEF amounts to R9.5 billion, 32 per cent of the total allocation or R966 million is funded through Provincial Roads Maintenance Grant (PRMG). A substantial amount of the department's allocation is for maintenance and construction of buildings and roads; payment of rates and taxes of all government owned properties; property payments such as security services and utilities.

Department of Social Development

The department receives R5.169 billion over the 2017 MTEF. An amount of R1.609 billion is allocated for 2018/19 to be able to reform the welfare sector through legislative and policy reforms. Expand services by ensuring adequate numbers and training of social service professionals, review of funding models and the roles assigned to non-profit organizations.

Improve access to quality Early Childhood Development through the provision of comprehensive ECD services as an instrument to make investments in health, development of capabilities, and mitigate vulnerabilities and to serve as the building blocks for future resilience.

The allocation is inclusive of R7.3 million for the Social Worker Employment Grant, to ensure that the needs of social workers in the sector are addressed and to reduce the backlog in the number of social worker graduates that remain unemployed after completion of their government subsidized education.

Department of Rural, Environment and Agricultural Development

The allocation for the department increases from R1.401 billion in 2017/18 to R1.440 billion in 2018/19 and further increased to R1.646 billion in 2020/21, reflecting an annual growth of 5.5 per cent.

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

6.3 Summary of Payments and Estimates by Economic Classifications

Table 5.2 below presents a summary of payments and estimates by economic classifications from 2014/15 to 2020/21.

Table 5.2 : Summary of provincial payments and estimates by economic classification

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
Current payments	24 256 957	25 375 894	28 076 389	30 782 346	31 105 092	31 773 075	32 763 437	35 120 283	37 945 469
Compensation of employees	18 291 092	19 082 449	20 510 538	22 620 361	22 429 340	22 313 326	24 093 520	25 756 997	27 853 543
Goods and services	5 962 829	6 287 878	7 560 106	8 160 754	8 673 974	9 457 856	8 668 589	9 361 941	10 090 508
Interest and rent on land	3 036	5 567	5 745	1 231	1 778	1 893	1 328	1 345	1 418
Transfers and subsidies to:	5 001 199	5 590 682	5 637 295	5 691 306	6 076 812	6 151 860	5 735 800	6 026 504	6 339 484
Provinces and municipalities	300 736	337 991	416 204	400 441	471 344	529 103	393 128	433 643	461 364
Departmental agencies and accounts	148 970	174 111	334 675	348 556	373 776	373 776	384 895	419 814	446 731
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	150	-	-	-	-	-	-
Public corporations and private enterprises	1 225 134	752 263	837 073	792 206	952 818	912 644	888 395	907 759	938 924
Non-profit institutions	1 298 614	1 549 062	1 430 200	1 623 043	1 588 647	1 588 778	1 744 159	1 855 901	1 967 562
Households	2 027 745	2 777 255	2 618 993	2 527 060	2 690 227	2 747 559	2 325 223	2 409 387	2 524 903
Payments for capital assets	2 263 002	3 184 473	2 243 011	2 607 650	2 708 390	2 847 049	2 572 879	2 380 896	2 484 532
Buildings and other fixed structures	2 004 694	2 978 836	1 985 001	2 261 643	2 375 559	2 521 542	2 209 484	2 055 304	2 135 414
Machinery and equipment	233 200	201 076	253 888	336 442	324 566	320 080	354 475	318 984	340 648
Heritage Assets	-	3 897	211	7 500	4 000	4 000	6 736	4 300	4 536
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	499	591	796	899	899	899	951	1 006	2 561
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	24 609	73	3 115	1 166	3 366	528	1 233	1 302	1 373
Payments for financial assets	346	10 530	15 262	-	-	-	-	-	-
Total economic classification	31 521 504	34 161 578	35 971 957	39 081 302	39 890 294	40 771 984	41 072 116	43 527 683	46 769 485

Source: Provincial treasury database, 2018

Currents payments

Current payments constitute the largest share of the total Provincial spending, at an average of 79.8 per cent over the 2018 MTEF and increases from revised estimate of R31.773 billion in 2017/18 to R32.763 billion in 2018/19 financial year.

The largest portion of current payments is **Compensation of employees (CoE)**, which takes 58.7 per cent of the Provincial spending; and is set to increase from R22.314 billion in 2017/18 to R24.094 billion in 2017/18, reflecting year-on-year growth of 8.0 per cent.

The major share of CoE budget is allocated to Education and Health, due to the need to have educators and health care professionals in these departments to ensure that quality teaching and health care services are provided in the Province.

The Provincial Treasury will ensure that there is a reduction in personnel headcounts in administrative and managerial posts, eliminate unnecessary positions and establish sustainable level of authorized and funded posts, through closely monitoring the implementation of the moratorium in provincial departments and entities, only critical funded vacant posts must be filled.

Goods and Services declines by 8.3 per cent or from revised estimate of R9.458 billion in 2017/18 to R8.669 billion in 2018/19, mainly in response to the current cost containment measures. The allocation is to cater for critical spending in areas such as medicine, medical supplies, Learner and Teacher Support Material (LTSM), infrastructure and planning, legal costs, property payments and rental and hiring.

Transfer Payments and Subsidies

Transfer Payments and Subsidies, over the 2018 MTEF is allocated an amount of R18.1 billion. A substantial portion of transfers and subsidies is transferred to non-profit institutions emanating from Education to subsidise schools according to the norms and standards for school funding this include, Public ordinary schools, independent schools and Public special education. Social Development also transfers funds to non-profit organisations as this department works in collaboration with the NGO's to deliver services. R888 million is budgeted to be transferred to Public Entities, mainly in Parks Board, Mmabana, Gambling Board and Housing Corporation.

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

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

Payment for Capital assets

Payment for Capital assets declines by 9.6 per cent from R2.8 billion in 2017/18 to R2.6 billion in 2018/19 and recovers to grow by 4.4 per cent in the last year of the MTEF. The bulk of the payment for capital assets is driven by the department of Education, Health, and Public Works and Roads.

6.4 Payments by Functional Area

Table 5.3 below shows the summary of provincial payments and estimates for the 2018 MTEF by functional area, details of which are shown in Table A.1 of the Annexure to Overview of Provincial Revenue and Expenditure.

Table 5.3 : Summary of provincial payments and estimates by functional area

R'000	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
General public services	3 644 885	3 420 119	3 258 999	3 434 449	3 688 996	3 768 998	3 588 665	3 864 537	4 075 850
Public order and safety	167 819	216 169	295 693	349 959	335 693	335 810	356 795	374 009	394 577
Economic affairs	3 824 521	4 194 510	4 311 371	4 846 635	5 068 399	5 067 381	5 163 110	5 335 946	5 754 812
Environmental Protection	172 787	128 313	270 836	276 040	283 651	283 651	287 345	315 746	332 463
Housing and community amenities	1 613 599	2 237 908	2 027 119	2 265 687	2 466 496	2 466 496	2 068 804	2 135 291	2 260 204
Health	8 088 990	8 715 631	9 292 674	10 035 671	10 173 478	10 988 112	10 723 032	11 474 269	12 396 910
Recreation, culture and religion	526 398	591 401	641 476	726 113	770 952	761 551	767 059	807 947	846 813
Education	12 274 300	13 377 135	14 523 477	15 626 416	15 589 509	15 586 867	16 520 817	17 515 530	18 878 652
Social protection	1 208 205	1 280 392	1 350 314	1 520 332	1 513 118	1 513 118	1 596 489	1 704 408	1 829 204
Total provincial payments and estimates by policy area	31 521 504	34 161 578	35 971 959	39 081 302	39 890 292	40 771 984	41 072 116	43 527 683	46 769 485

Source: Provincial treasury database, 2018

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

As reflected on the above table, the highest expenditure is on Education and it anticipated to grow from R15.587 billion in 2017/18 to R16.521 billion in 2018/19. The growth is an indication of the provincial commitment to human development in the Province. Amongst other the allocation is also for improving the quality of and access to basic education and for the completion of outstanding infrastructure projects.

The second largest expenditure is on Health and is expected to increase from R34.594 billion over the MTEF. Mainly for the department to be able to render accessible, equitable and integrated quality health care services through the delivery of District Health Services (DHS), Primary Health Care Services (PHC), Hospital Services, Forensic Pathology Services, Emergency Medical Services and Central and Tertiary Health Services to uninsured population of the Province.

Economic Affairs comprises of Economy and Enterprise Development, Rural, Environment and Agricultural Development, Tourism and Roads. The budget for this category increase from R5.1 billion in 2017/18 or R5.2 billion in 2018/19, representing year-on-year growth of 1.9 per cent. The allocation will ensure that there management and implementation of EPWP, road maintenance, SMME development, to accelerate tourism development, promote and facilitate agricultural development by targeting beneficiaries of land reform, restitution and redistribution.

The Housing and Community Amenities declines in 2018/19 as a results of the reduction on HSDG, however in the last two outer years of the MTEF, it recovers to grow by 5.8 per cent. This will ensure that the provision of low income housing using different programmes continuous, such as project linked subsidies, people's housing programmes, integrated residential development programmes, rural housing subsidies, informal settlement upgrades, social housing, etc.

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

6.5 Infrastructure Payments

The payments and estimates on infrastructure are categorised as shown in Table 5.1. The category Existing infrastructure assets includes maintenance and repair; upgrades and additions; as well as refurbishment and rehabilitation.

The Infrastructure transfers category refers to transfer of funding to municipalities and public entities for infrastructure projects or payments to infrastructure which will not reside in government immovable asset register on completion.

The non-infrastructure category is specifically for spending not directly related to the construction or purchase of infrastructure assets.

Such spending can either be of a current or capital nature and includes payments relating to stand-alone purchases of goods and services, as well as purchases relating to the maintenance and repair of non-infrastructure assets.

The category also caters for the purchase of stand-alone capital assets and the creation of new, and or upgrading, rehabilitation and refurbishment of existing infrastructure assets, as well as other non-infrastructure projects of a capital nature.

Table 5.1 below shows an decline in the value of the Provincial allocations for infrastructure, from R6.460 billion in 2017/18 to R5.816 billion in 2018/19, representing a decline of 9.8 per cent year-on-year.

Table 5.1 : Summary of provincial infrastructure payments and estimates by category and 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
Existing infrastructure assets	1 725 950	2 387 846	2 434 846	2 532 900	2 194 983	2 194 983	2 335 140	2 274 610	2 195 244
1. Office Of The Premier	37 730	100 000	-	-	-	-	-	-	-
2. Provincial Legislature	-	-	19 460	44 840	42 644	42 644	22 420	81 606	18 778
3. Health	179 612	269 426	298 894	319 873	319 873	319 873	390 897	243 755	313 819
4. Culture, Arts And Traditional Affairs	17 842	4 398	18 928	19 800	22 924	22 924	14 580	14 850	15 667
5. Community Safety And Transport Management	-	6 000	-	12 873	19 679	19 679	18 520	17 188	7 858
8. Education And Sports Development	391 256	689 292	708 564	679 187	337 511	337 511	502 488	515 796	438 969
9. Local Government And Human Settlement	-	73 992	146 991	-	-	-	60 870	60 000	58 000
10. Tourism	-	8 371	9 069	8 650	9 418	9 418	-	-	-
11. Public Works And Roads	1 082 625	1 147 221	1 121 054	1 334 418	1 329 675	1 329 675	1 228 686	1 226 959	1 227 551
12. Social Development	16 885	26 816	7 755	17 950	17 950	17 950	37 324	46 675	43 093
13. Rural, Environment And Agricultural Development	-	62 330	104 131	95 309	95 309	95 309	59 355	67 781	71 509
New infrastructure assets	1 508 740	1 573 621	1 200 893	1 120 964	1 601 356	1 601 356	3 116 234	3 051 508	3 309 076
2. Provincial Legislature	-	-	40 000	75 000	141 596	141 596	73 028	33 876	-
3. Health	404 393	471 295	266 596	308 874	347 731	347 731	298 372	377 559	341 682
4. Culture, Arts And Traditional Affairs	61 855	51 820	54 463	63 358	58 033	58 033	58 259	51 278	54 099
5. Community Safety And Transport Management	15 500	65 000	52 500	10 000	22 448	22 448	38 000	5 000	5 250
8. Education And Sports Development	215 304	386 045	285 554	394 144	747 820	747 820	502 508	377 616	553 126
9. Local Government And Human Settlement	-	9 415	11 000	-	10 531	10 531	1 943 173	2 016 001	2 143 107
10. Tourism	-	14 541	25 931	40 350	41 072	41 072	51 842	54 745	57 756
11. Public Works And Roads	466 292	210 165	158 380	55 525	59 912	59 912	114 800	101 250	116 075
12. Social Development	32 689	40 313	31 191	23 494	21 994	21 994	8 300	1 500	3 500
13. Rural, Environment And Agricultural Development	312 707	287 027	275 278	150 219	150 219	150 219	27 952	32 683	34 481
Infrastructure transfers - Current	269 876	-	-	128 399	103 802	103 802	-	-	-
9. Local Government And Human Settlement	269 876	-	-	128 399	103 802	103 802	-	-	-
Infrastructure transfers - Capital	1 517 136	2 159 795	2 149 265	2 186 679	2 378 788	2 378 788	-	-	-
9. Local Government And Human Settlement	1 517 136	2 159 795	2 149 265	2 186 679	2 378 788	2 378 788	-	-	-
Non infrastructure	-	-	-	164 393	180 903	180 903	364 511	392 347	427 924
8. Education And Sports Development	-	-	-	5 000	5 000	5 000	7 000	7 000	7 000
9. Local Government And Human Settlement	-	-	-	-	-	-	1 000	1 560	1 866
10. Tourism	-	-	-	-	3 510	3 510	-	-	-
11. Public Works And Roads	-	-	-	41 118	54 118	54 118	68 030	76 012	94 355
13. Rural, Environment And Agricultural Development	-	-	-	118 275	118 275	118 275	288 481	307 775	324 703
Total provincial infrastructure	5 021 702	6 121 263	5 785 004	6 133 335	6 459 832	6 459 832	5 815 885	5 718 465	5 932 244

The bulk of the infrastructure funding is reflected against the Existing Infrastructure assets, through Maintenance and repairs, Upgrades and additions and Refurbishment and rehabilitation. This indicates that the Province is focusing on the maintenance of the assets to prevent deterioration of government assets.

Table 5.2 below depicts summary of provincial infrastructure payments and estimates by category. It has been evidenced that the infrastructure planning for previous years has been inclined towards creation of new assets and the current administration has directed that infrastructure spending should be directed towards maintenance and sustenance of existing buildings.

Table 5.2 : 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
Existing infrastructure assets	1 725 950	2 387 846	2 434 846	2 532 900	2 194 983	2 194 983	2 335 140	2 274 610	2 195 244
Maintenance and repairs	735 364	263 101	497 322	561 275	768 404	768 404	504 911	465 266	544 657
Upgrades and additions	552 318	1 037 863	1 245 192	1 226 111	918 078	918 078	930 240	887 424	874 899
Refurbishment and rehabilitation	438 268	1 086 882	692 332	745 514	508 501	508 501	899 989	921 920	775 688
New infrastructure assets	1 508 740	1 573 621	1 200 893	1 120 964	1 601 356	1 601 356	3 116 234	3 051 508	3 309 076
Infrastructure transfers	1 787 012	2 159 795	2 149 265	2 315 078	2 482 590	2 482 590	-	-	-
Current	269 876	-	-	128 399	103 802	103 802	-	-	-
Capital	1 517 136	2 159 795	2 149 265	2 186 679	2 378 788	2 378 788	-	-	-
Non infrastructure	-	-	-	164 393	180 903	180 903	364 511	392 347	427 924
Total department infrastructure	5 021 702	6 121 263	5 785 004	6 133 335	6 459 832	6 459 832	5 815 885	5 718 465	5 932 244

1. Total provincial infrastructure is the sum of "Capital" plus "Recurrent maintenance". This includes non infrastructure items.

Source: Provincial treasury database, 2018

Table 5.3 below depicts summary of infrastructure payments estimates by votes between 2014/15 to 2020/21.

Departments such as Local Government and Human Settlements, Public Works and Roads, Education and Health, contribute to the positive growth in the infrastructure allocations in 2018/19. The department of Local Government and Human Settlements has the largest infrastructure budget in the Province with a budget of R6.286 billion over the 2018 MTEF, followed by Public Works and Roads has the second biggest infrastructure budget of R4.254 billion over the MTEF. Education at R2.912 billion over the MTEF.

Table 5.3: Summary of infrastructure payments estimates by votes

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	37 730	100 000	-	-	-	-	-	-	-
2. Provincial Legislature	-	-	59 460	119 840	184 240	184 240	95 448	115 482	18 778
3. Health	584 005	740 721	565 490	628 747	667 604	667 604	689 269	621 314	655 501
4. Culture, Arts And Traditional Affairs	79 697	56 218	73 391	83 158	80 957	80 957	72 839	66 128	69 766
5. Community Safety And Transport Management	15 500	71 000	52 500	22 873	42 127	42 127	56 520	22 188	13 108
6. Economy And Enterprise Development	-	38 000	-	-	-	-	-	-	-
8. Educaion And Sports Development	606 560	1 075 338	994 118	1 078 331	1 090 331	1 090 331	1 011 996	900 412	999 095
9. Local Government And Human Settlement	1 787 012	2 243 202	2 307 256	2 315 078	2 493 121	2 493 121	2 005 043	2 077 561	2 202 973
10. Tourism	-	22 912	35 000	49 000	54 000	54 000	51 842	54 745	57 756
11. Public Works And Roads	1 548 917	1 357 386	1 279 434	1 431 061	1 443 705	1 443 705	1 411 516	1 404 221	1 437 981
12. Social Development	49 574	67 129	38 946	41 444	39 944	39 944	45 624	48 175	46 593
13. Rural, Enviroment And Agricultural Development	312 707	349 357	379 409	363 803	363 803	363 803	375 788	408 239	430 693
Total department infrastructure	5 021 702	6 121 263	5 785 004	6 133 335	6 459 832	6 459 832	5 815 885	5 718 465	5 932 244

The budget has however, decreased from R6.460 billion in 2017/18 to R5.816 billion in 2018/19 as a result reduction on the Human Settlements Development grant, Education Infrastructure grant and the Provincial Roads Maintenance grant.

The Province will embark on the massive infrastructure investment which will be funded through the public finance and also the private sector. The 2018 MTEF allocation makes provision for the construction of modernized primary schools, Boarding Schools, Doctors and Nurses residences within health facilities, upgrading and rehabilitation of Nursing Colleges, Upgrading, Rehabilitation and Maintenance of Provincial Roads, Construction of New Weighbridges and Vehicle Testing Stations, Construction and Maintenance of libraries and Traditional Authority offices.

The private sector funding will be sourced to finance amongst others the Construction of the State of the Art Traffic College, Stadium, Convention Centre, Government Precinct and Mahikeng Airport.

5.6 Provincial Public Private Partnership (PPP) Projects

The Province does not have any public private partnership venture.

6.6 Transfers

6.6.1 Transfers to public entities

In line with the presidential process of rationalisation state owned entities, particularly the DFIs and/or development agencies, the Province is a process of merging North West Development Corporation, with North West Transport Investment, North West Housing Corporation, North West Parks Board and North West Tourism Board to form the North West People's Economic Growth Agency.

Furthermore, Mmabana Arts, Culture and Sport Foundation and Provincial Arts and Culture Council will merger under Mmabana in 2018/19 financial year. In terms of section 47 and 48 of the PFMA, a request was submitted to National Treasury for delisting and listing of Provincial Heritage Resource Authority and Youth Entrepreneurship Services Fund respectively. As a result of rationalisation, the provincial entities are expected to further be reduced from 9 to 3.

The table 5.6 and 5.7 shows the summary of provincial transfers to public entities and by departments, which are discussed below. Transfer to public entities reflect a fluctuating trend from 2014/15 to 2020/21, this is as a result of various once-off allocations as well as de-establishment of other entities.

Table 5.4: Summary of provincial transfers to public entities

	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
	Audited outcome		Actual outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term receipts estimate		
R thousand									
Mmabana Arts, Culture and Sport Foundation	71 258	71 441	88 483	97 695	89 695	89 695	97 546	103 213	108 890
North West Gambling Board	52 342	64 661	77 154	89 590	77 810	77 810	77 986	82 812	85 116
North West Parks and Board	98 535	96 705	111 830	116 922	116 922	116 922	122 828	129 706	136 192
North West Tourism Board	178 172	188 583	93 427	82 261	92 261	92 261	94 404	99 643	104 624
North West Development Corporation	35 269	67 937	40 498	32 893	79 893	79 893	79 801	86 750	103 588
North West Housing Corporation	–	–	54 000	30 000	30 000	30 000	35 000	36 960	38 993
Total Transfers	435 576	489 327	465 392	449 361	486 581	486 581	507 565	539 084	577 403

Table 5.5: Summary of provincial transfers to public entities

	2014/15	2015/16	2016/17	2017/18			2018/19	2019/20	2020/21
	Audited outcome		Actual outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term receipts estimate		
R thousand									
Office of the Premier	35 269	67 937	40 498	32 893	79 893	79 893	79 801	86 750	103 588
Culture, Arts and Traditional Affairs	71 258	71 441	88 483	97 695	89 695	89 695	97 546	103 213	108 890
Economy and Enterprise Development	52 342	64 661	77 154	89 590	77 810	77 810	77 986	82 812	85 116
Local Government and Human Settlements	–	–	54 000	30 000	30 000	30 000	35 000	36 960	38 993
Tourism	178 172	188 583	93 427	82 261	92 261	92 261	94 404	99 643	104 624
Rural, Environment and Agricultural Development	98 535	96 705	111 830	116 922	116 922	116 922	122 828	129 706	136 192
Total Transfers	435 576	489 327	465 392	449 361	486 581	486 581	507 565	539 084	577 403

Overall the provincial transfers to public entities consumes 1.2 per cent of provincial budget. Over the 2018 MTEF the transfers to entities grows at an average annual rate of 5.6 per cent, to reach R577.403 million in 2020/21. North West Parks and Board receive the largest of the transfers at 24.2 per cent, Mmabana receiving 19.2 per cent of the transfers, Tourism Board at 18.6 per cent, NWDC at 15.7 per cent and Housing Corporation at 6.9 per cent.

Vote 1: Office of the Premier

- The North West Development Corporation (NWDC) is a 3D public entity of the Office of the Premier and its role is to plan, finance, co-ordinate, promote and carry out the economic development of the North West Province and its people in the fields industry, commerce, finance, mining, tourism enterprise related activities and other business resulting in wealth and job creation. The entity is allocated R270.139 million over the MTEF.
- The NWDC three core activities are (a) property management, (b) small, medium and micro-sized enterprises (SMME) support (including funding), and (c) trade and industry development.

Vote 4: Cultural, Arts and Traditional Affairs

- Year-on-year the budget for Mmabana Arts, Culture and Sport Foundation grows by 8.8 per cent, from R89.7 million in 2017/18 to R97.5 million in 2018/19, as a result of the merger of Mmabana and PACC and mainly for the development, fostering, enhancement and promotion of the total spectrum of the arts, sports arts and supporting skills, expertise, technology and excellence in the North West Province.

Vote 6: Economy and Enterprise Development

- North West Gambling Board is mandated to provide effective and efficient regulatory services and maintain a gambling industry, which contributes to socio-economic growth and development of the Province. In ensuring that the board achieve its mandate, the board receive an amount of R77.8 million in 2018/19, R77.9 million in 2019/20 and R82.8 million in 2020/21.

Vote 9: Local Government and Human Settlements

- An amount of R111 million over the MTEF period will be transferred Housing Corporation by the department to facilitated housing development and property management in the Province.

Vote 9: Tourism

- North West Tourism Board is allocated an amount of R93 million in 2018/19, R94 million in 2019/20 and R105 million in 2020/21 to promote, market tourism and provide for tourism sector training in the Province.

Vote 9: Rural, Environment and Agricultural Development

- North West Parks Board is to initiate, develop, administer, manage and maintain protected areas, to conserve and preserve wildlife sector in protected areas; to create enabling environment for access to markets for new entrants in the wildlife sector and to contribute to the establishment of enabling environment for job creation in the wildlife sector in the Province. The board receives an amount of R117 million in 2018/19 and it grow at an annual average of 5.2 per cent over the MTEF period.

6.6.2 Transfers to Local Government

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

Table 5.6 provides summary of provincial transfers to local government by category, as defined in the constitution. The table reflects that transfers to local government fluctuate over the seven year period. It should be noted that the amounts reflected in these tables are in terms of the Provincial financial year running from 1 April 2018 to 31 March 2019.

Table 5.6 : Summary of provincial transfers to local government 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
Category A	–	–	–	–	–	–	–	–	–
Category B	239 139	257 915	403 055	381 389	465 144	388 457	384 395	422 286	445 657
Category C	–	–	–	19 052	4 200	5 998	8 733	11 357	15 707
Unallocated	54 754	80 073	–	–	2 000	–	–	–	–
Total provincial transfers	293 893	337 988	403 055	400 441	471 344	394 455	393 128	433 643	461 364

Source: Provincial treasury database, 2018

Brief description of each of the categories is explained below and a summary of the provincial transfers to local government by municipal category as contained in Table 5.7 below.

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

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

Table 5.7: Summary of provincial transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
Category A	-	-	-	-	-	-	-	-	-
Category B	239 139	257 915	403 055	381 389	465 144	388 457	384 395	422 286	445 657
Moretele	22 879	27 382	36 211	31 685	36 635	35 635	38 890	40 660	34 426
Madibeng	4 276	1 300	53 659	51 512	51 230	47 800	45 591	54 655	62 386
Rustenburg	6 078	7 634	2 737	8 498	8 266	7 266	7 062	7 265	7 665
Kgetlengrivier	4 230	2 818	5 823	5 210	7 493	5 996	11 740	11 859	9 126
Moses Kotane	81 453	52 725	40 448	77 800	96 790	90 790	83 486	78 385	82 696
Ratlou	8 791	1 750	32 214	11 085	19 901	18 901	21 333	18 633	19 658
Tswaing	10 112	3 150	4 740	27 070	16 320	11 570	13 914	11 487	11 064
Matikeng	34 034	84 486	84 362	61 383	83 912	69 360	36 427	59 026	57 557
Ditsobotla	2 350	6 093	2 902	1 250	2 159	2 159	6 839	6 310	5 602
Ramotshere Moiloa	1 304	2 423	19 421	19 990	7 386	650	12 450	3 620	2 764
Naledi	16 383	9 150	15 189	21 547	17 547	13 797	21 385	29 640	36 665
Mamusa	3 050	4 794	4 207	5 740	4 345	2 644	2 604	2 882	3 040
Greater Taung	620	2 772	41 167	4 070	21 354	19 031	21 335	26 929	33 281
Lekwa-Teemane	1 456	2 106	2 177	12 283	2 043	2 043	2 651	2 261	3 385
Kagisano-Molopo	19 261	26 296	11 195	-	10 936	10 936	-	-	-
City of Maflosana	15 363	13 057	13 043	14 275	39 555	33 070	18 946	25 350	30 414
Maquassi Hills	1 133	1 804	6 924	24 900	23 777	2 314	19 353	20 616	20 411
Ventersdorp/Tlokwe (NW405)	6 366	8 175	26 636	3 091	15 495	14 495	20 389	22 708	25 517
Category C	-	-	-	19 052	4 200	5 998	8 733	11 357	15 707
Bojanala Platinum District Municipality	-	-	-	750	500	-	250	390	1 467
Ngaka Modiri Molema District Municipality	-	-	-	1 469	2 000	-	7 250	9 390	10 466
Dr Ruth Segomotsi Mompati District Municipality	-	-	-	2 030	1 200	700	983	1 187	2 307
Dr Kenneth Kaunda District Municipality	-	-	-	14 803	500	5 298	250	390	1 467
Unallocated	54 754	80 073	-	-	2 000	-	-	-	-
Total provincial transfers	293 893	337 988	403 055	400 441	471 344	394 455	393 128	433 643	461 364

Source: Provincial treasury database, 2018

Table 5.8 presents a summary of provincial transfers to local government (municipalities) by votes from 2014/15 to 2020/21.

Table 5.8: Transfers to local government by votes

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
4. Culture, Arts And Traditional Affairs	12 656	28 340	24 885	26 550	22 050	22 050	17 425	18 786	19 820
9. Local Government And Human Settlement	54 754	80 073	98 995	128 399	103 802	26 913	78 399	83 589	88 187
11. Public Works And Roads	226 483	229 575	279 175	245 492	345 492	345 492	297 304	331 268	353 357
Total provincial transfers	293 893	337 988	403 055	400 441	471 344	394 455	393 128	433 643	461 364

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

In 2018/19 the Department of Public Works and Roads will transfer R297.304 million for the payment of property rates and taxes for provincial owned properties.

The transfers under Cultural, Arts and Traditional Affairs of R17.425 million in 2018/19, R18.786 million in 2019/20 and R18.820 million in 2020/21 is for the community library services.

6.7 Personnel numbers and costs

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

Table 5.8 provides personnel numbers, by vote, as well as the total personnel costs for the Bokone Bophirima Province.

The table reflect personnel numbers fluctuation over the seven year period, as a result of restructuring of various departments' organisational structures, resignations and retirements. However, the Provincial wage bill increased from R20.8 billion in 2016/17 to R22.3 billion in 2017/18, increase to R24.1 billion in 2018/19, reflecting a year-on-year growth of 8.5 per cent.

Table 5.8 : Personnel numbers and costs by vote

Personnel numbers	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2018	As at 31 March 2019	As at 31 March 2020
1. Office Of The Premier	778	702	804	804	804	804	804
2. Provincial Legislature	206	265	265	232	232	232	233
3. Health	28 101	27 736	26 164	26 738	26 738	26 897	26 668
4. Culture, Arts And Traditional Affairs	1 247	831	881	1 058	1 058	1 056	1 065
5. Community Safety And Transport Management	1 134	1 448	1 499	1 499	1 499	1 700	1 700
6. Economy And Enterprise Development	221	15 377	212	213	213	238	238
7. Finance	554	565	615	693	693	738	786
8. Education And Sports Development	31 096	32 688	32 619	32 746	32 746	32 746	32 746
9. Local Government And Human Settlement	640	613	639	615	615	675	696
10. Tourism	105	192	192	192	192	192	200
11. Public Works And Roads	3 262	3 077	5 941	2 813	2 813	2 814	2 814
12. Social Development	4 305	2 730	2 456	2 695	2 695	2 467	2 633
13. Rural, Environment And Agricultural Development	1 646	1 646	1 645	1 646	1 646	1 485	2 134
Total provincial personnel numbers	73 295	87 871	73 932	71 944	71 944	72 044	72 717
Total provincial personnel cost (R thousand)	18 288 791	19 083 122	20 510 536	22 313 894	24 093 520	25 756 997	27 853 543
Unit cost (R thousand)	250	217	277	310	335	358	383

1. Full-time equivalent

Source: Provincial treasury database, 2018

Between 2014/15 and 2016/17 personnel numbers declined by 1 351 from 73 295 in 2014/15 to 71 944 in 2017/18 due to resignations and retirements, however in terms of the costs it increased can be attributed on restructuring of departmental organisational structures in an attempt to cope with policy changes, such as implementation of the five provincial concretes and higher than expected wage agreements.

6.8 Provincial payments for training by vote

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

Table 5.9 : 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	1 453	1 295	1 603	7 335	7 335	7 335	7 837	8 169	8 618
2. Provincial Legislature	4 401	4 461	4 665	4 898	4 898	4 898	5 182	5 473	5 774
3. Health	39 290	47 620	47 850	55 853	55 853	55 853	59 092	62 401	65 833
4. Culture, Arts And Traditional Affairs	6 353	6 467	2 899	4 026	4 026	4 026	4 794	4 928	5 198
5. Community Safety And Transport Management	2 025	3 751	3 950	4 167	4 167	4 167	4 409	4 656	4 912
6. Economy And Enterprise Development	—	523	551	579	1 079	1 079	613	847	894
7. Finance	3 864	3 464	7 461	5 140	5 140	5 140	5 606	4 814	5 079
8. Education And Sports Development	38 984	40 935	53 240	56 577	56 577	56 577	66 768	70 508	74 385
9. Local Government And Human Settlement	1 485	1 768	2 566	2 822	2 822	2 822	2 767	2 963	3 126
10. Tourism	600	672	568	727	727	727	775	827	882
11. Public Works And Roads	9 450	8 780	18 532	10 516	10 516	10 516	11 126	11 749	12 396
12. Social Development	5 800	5 103	5 409	2 569	2 569	2 569	2 586	2 603	2 746
13. Rural, Environment And Agricultural Development	5 431	5 457	5 746	6 034	8 734	8 734	6 384	6 740	7 112
Total payments on training	119 136	130 296	155 040	161 243	164 443	164 443	177 939	186 678	196 955

Source: Provincial treasury database, 2018

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

The steady increase over the 2018 MTEF for training in education will address the educators skills gaps and improve the quality of education, through the availability of the in-service training centre.

Spending on training against Public Works and Roads reflects a steady increase trends from 2014/15 to 2020/21 due to training and staff development costs.

Annexure to the Overview of Provincial Revenue and Expenditure

Table B.1: Specification of receipts: North West

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
Tax receipts	505 747	534 005	576 309	632 786	612 518	612 518	640 624	674 237	739 121
Casino taxes	107 470	125 084	139 322	161 200	147 074	147 074	153 532	163 396	200 441
Horse racing taxes	5 908	8 000	15 000	18 000	12 105	12 105	7 281	4 680	4 680
Liquor licences	2 744	2 722	3 878	4 072	3 825	3 825	4 308	4 549	4 799
Motor vehicle licences	389 625	398 199	418 109	449 514	449 514	449 514	475 503	501 612	529 201
Sales of goods and services other than capital assets	285 163	314 714	352 450	371 465	367 455	367 106	387 230	409 781	432 317
Sale of goods and services produced by department (excluding capital assets)	285 012	314 383	352 353	371 305	367 295	367 005	386 985	409 563	432 087
Sales by market establishments	4 721	4 175	2 302	1 939	1 439	1 445	2 048	2 160	2 277
Administrative fees	2 871	2 025	4 399	5 053	5 053	4 884	5 349	5 941	6 268
Other sales	277 420	308 183	345 652	364 313	360 803	360 676	379 588	401 462	423 542
Of which									
Health patient fees	64 165	60 535	74 233	74 547	74 547	74 420	78 489	83 064	87 632
Other (Specify)	171 982	4 634	2 607	3 948	3 948	3 948	4 377	4 611	4 864
Other (Specify)	10 794	4 446	5 610	8 815	8 805	8 805	12 103	12 807	13 512
Other (Specify)	44 003	52 568	48 138	47 461	43 961	43 961	48 718	51 319	54 141
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	151	331	97	160	160	101	245	218	230
Transfers received from:	590	-	1 047	-	-	-	-	-	-
Other governmental units	540	-	1 047	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	50	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	14 318	17 683	18 301	19 743	19 743	19 942	20 874	22 112	23 328
Interest, dividends and rent on land	124 038	124 476	207 157	134 290	134 540	134 540	135 880	143 495	151 388
Interest	123 793	124 476	207 157	134 290	134 540	134 540	135 880	143 495	151 388
Dividends	245	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Sales of capital assets	1 327	3 729	8 295	7 082	7 082	7 082	7 445	7 709	8 134
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	1 327	3 729	8 295	7 082	7 082	7 082	7 445	7 709	8 134
Transactions in financial assets and liabilities	16 856	20 045	63 593	15 910	15 938	16 157	17 810	18 891	19 933
Total provincial receipts	948 039	1 014 652	1 227 152	1 181 276	1 157 276	1 157 345	1 209 862	1 276 225	1 374 221

Source: Provincial treasury database, 2018

Table B.2: Payments and estimates by economic classification: North West

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
Current payments	24 256 957	25 375 894	28 076 389	30 782 346	31 105 092	31 773 075	32 763 437	35 120 283	37 945 469
Compensation of employees	18 291 092	19 082 449	20 510 538	22 620 361	22 429 340	22 313 326	24 093 520	25 756 997	27 853 543
Salaries and wages	16 032 113	16 515 675	17 800 417	19 585 961	19 308 155	19 273 462	20 735 305	22 198 083	24 065 946
Social contributions	2 258 979	2 566 774	2 710 121	3 034 400	3 121 185	3 039 864	3 358 215	3 558 915	3 787 597
Goods and services	5 962 829	6 287 878	7 560 106	8 160 754	8 673 974	9 457 856	8 668 589	9 361 941	10 090 508
Administrative fees	81 010	68 171	70 277	92 330	95 034	97 314	86 555	86 963	91 744
Advertising	47 666	42 836	75 984	47 728	63 335	71 700	81 766	60 638	63 071
Minor assets	55 235	45 841	56 787	68 302	74 385	72 463	77 992	78 612	80 565
Audit cost: External	87 551	131 898	99 175	106 936	106 975	106 533	107 853	107 057	117 465
Bursaries: Employees	8 802	10 999	20 111	27 499	22 975	19 055	15 456	15 456	16 307
Catering: Provincial activities	88 145	76 880	68 329	71 582	76 486	91 302	83 461	85 880	90 722
Communication (G&S)	149 433	162 856	165 542	177 773	175 986	174 445	148 364	167 650	174 929
Computer services	70 698	100 200	159 855	112 883	117 717	126 517	197 506	257 482	269 705
Consultants and professional services: Business and advisory services	287 637	320 523	288 300	247 569	310 470	277 667	208 551	267 902	288 635
Infrastructure and planning	20 541	52 950	17 036	32 154	39 704	32 645	41 436	41 564	44 352
Laboratory services	248 774	335 443	288 647	335 464	376 121	407 445	377 855	428 396	526 050
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	109 344	101 052	149 945	76 544	91 500	109 103	41 905	60 181	72 281
Contractors	987 528	585 311	1 210 167	1 324 912	1 434 989	1 434 878	1 409 193	1 252 864	1 326 604
Agency and support / outsourced services	387 347	323 986	471 841	617 075	728 944	737 659	650 671	825 064	880 341
Entertainment	4 330	-	27	204	149	304	216	228	240
Fleet services (including government motor transport)	129 183	144 070	205 027	217 646	199 084	402 383	209 664	249 664	253 573
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	12 439	13 751	13 032	16 961	21 110	21 244	12 731	12 958	13 671
Inventory: Farming supplies	4 369	4 217	4 448	5 347	7 010	7 050	4 411	4 823	5 087
Inventory: Food and food supplies	13 825	18 863	19 228	20 189	19 499	19 868	21 985	20 203	21 307
Inventory: Fuel, oil and gas	39 334	44 604	46 140	60 648	53 009	59 727	47 172	68 046	82 352
Inventory: Learner and teacher support material	313 012	367 379	480 072	510 265	545 727	543 733	532 161	544 474	574 420
Inventory: Materials and supplies	54 387	46 665	55 627	37 894	47 330	47 092	33 296	31 128	35 186
Inventory: Medical supplies	266 360	285 268	324 896	322 353	366 573	498 327	424 169	454 099	477 574
Inventory: Medicine	560 435	581 487	738 719	844 059	805 928	1 013 251	837 636	1 077 755	1 143 400
Medias inventory interface	-	-	-	6	6	6	6	6	6
Inventory: Other supplies	38 456	45 127	48 473	307 729	332 548	318 794	360 109	352 108	376 687
Consumable supplies	106 089	104 994	123 511	125 152	116 799	119 836	134 939	141 092	152 317
Consumable: Stationery, printing and office supplies	100 041	109 668	156 332	155 026	161 652	162 938	172 459	214 897	229 183
Operating leases	272 242	333 112	305 173	279 310	299 202	286 423	306 905	326 425	350 903
Property payments	631 867	820 284	893 633	874 287	838 436	1 003 705	924 795	913 140	970 926
Transport provided: Provincial activity	43 312	292 412	327 900	323 647	400 352	407 251	405 457	411 928	505 202
Travel and subsistence	493 913	506 560	466 294	477 173	483 896	491 171	465 681	522 649	557 134
Training and development	117 292	91 696	59 132	103 307	109 299	110 718	110 671	129 322	136 534
Operating payments	75 987	66 656	59 081	79 027	84 903	107 203	74 607	83 334	90 123
Venues and facilities	47 275	41 809	77 341	56 314	59 972	70 838	55 084	61 106	64 731
Rental and hiring	8 970	10 309	14 024	5 460	6 870	7 268	5 871	6 846	7 222
Interest and rent on land	3 036	5 567	5 745	1 231	1 778	1 893	1 328	1 345	1 418
Interest	3 033	5 564	5 566	1 231	1 778	1 893	1 328	1 345	1 418
Rent on land	3	3	179	-	-	-	-	-	-
Transfers and subsidies	5 001 199	5 590 682	5 637 295	5 691 306	6 076 812	6 151 860	5 735 800	6 026 504	6 339 484
Provinces and municipalities	300 736	337 991	416 204	400 441	471 344	529 103	393 128	433 643	461 364
Provinces	6 843	-	13 149	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Departmental agencies and funds	6 843	-	13 149	-	-	-	-	-	-
Municipalities	293 893	337 991	403 055	400 441	471 344	529 103	393 128	433 643	461 364
Municipal agencies and funds	54 754	80 073	99 995	128 399	103 802	103 802	375 703	414 857	441 544
Departmental agencies and accounts	239 139	257 918	304 060	272 042	367 542	425 301	17 425	18 786	19 820
Social security funds	148 970	174 111	334 675	348 556	373 776	373 776	384 895	419 814	446 731
Provide list of entities receiving transfers	-	-	-	-	-	-	-	-	-
Higher education institutions	148 970	174 111	334 675	348 556	373 776	373 776	384 895	419 814	446 731
Foreign governments and international organisations	-	-	150	-	-	-	-	-	-
Public corporations and private enterprises	1 225 134	752 263	837 073	792 206	952 818	912 644	888 395	907 759	938 924
Public corporations	1 175 134	751 740	751 905	698 646	819 065	819 084	804 019	847 640	907 500
Subsidies on production	89 315	92 313	100 925	106 954	109 098	109 098	110 419	116 603	124 723
Other transfers	1 085 819	659 427	650 980	591 692	709 967	709 986	693 600	731 037	782 777
Private enterprises	50 000	523	85 168	93 560	133 753	93 560	84 376	60 119	31 424
Subsidies on production	-	-	67 648	93 560	93 560	93 560	84 376	60 119	31 424
Other transfers	50 000	523	17 520	-	40 193	-	-	-	-
Non-profit institutions	1 298 614	1 549 062	1 430 200	1 623 043	1 588 647	1 588 778	1 744 159	1 855 901	1 967 562
Households	2 027 745	2 777 255	2 618 993	2 527 060	2 690 227	2 747 559	2 325 223	2 409 387	2 524 903
Social benefits	179 765	188 633	164 846	117 992	111 874	161 012	123 503	135 197	145 804
Other transfers to households	1 847 980	2 588 622	2 454 147	2 409 068	2 578 353	2 586 547	2 201 720	2 274 190	2 379 099
Payments for capital assets	2 263 002	3 184 473	2 243 011	2 807 650	2 708 390	2 847 049	2 572 879	2 380 896	2 484 532
Buildings and other fixed structures	2 004 694	2 978 836	1 985 001	2 261 643	2 375 559	2 521 542	2 209 484	2 055 304	2 135 414
Buildings	1 190 908	1 819 513	1 792 855	1 813 681	1 950 719	2 172 137	1 784 793	1 623 835	1 701 456
Other fixed structures	813 786	1 159 323	192 146	447 962	424 840	349 405	424 691	431 469	433 958
Machinery and equipment	233 200	201 076	253 888	336 442	324 566	320 080	354 475	318 984	340 648
Transport equipment	53 835	68 005	75 638	91 667	113 470	118 637	92 892	93 376	112 218
Other machinery and equipment	179 365	133 071	178 250	244 775	211 096	201 443	261 583	225 608	228 430
Heritage Assets	-	3 897	211	7 500	4 000	4 000	6 736	4 300	4 536
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	499	591	796	899	899	899	951	1 006	2 561
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	24 609	73	3 115	1 166	3 366	528	1 233	1 302	1 373
Payments for financial assets	346	10 530	15 262	-	-	-	-	-	-
Total economic classification	31 521 504	34 161 578	35 971 957	39 081 302	39 890 294	40 771 984	41 072 116	43 527 683	46 769 485

Source: Provincial treasury database, 2018

Table B.3: Transfers to local government by category and municipality

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	239 139	257 915	403 055	381 389	465 144	388 457	384 395	422 286	445 657
Culture, Arts and Traditional Affairs	12 656	28 340	24 885	25 270	21 350	21 350	16 692	17 989	18 979
Local Government and Human Settlement	-	-	98 995	110 627	98 302	21 615	70 399	73 029	73 321
Public Works and Roads	226 483	229 575	279 175	245 492	345 492	345 492	297 304	331 268	353 357
Category C	-	-	-	19 052	4 200	5 998	8 733	11 357	15 707
Culture, Arts and Traditional Affairs	-	-	-	1 280	700	700	733	797	841
Local Government and Human Settlement	-	-	-	17 772	3 500	5 298	8 000	10 560	14 866
Unallocated	54 754	80 073	-	-	2 000	-	-	-	-
Total transfers to municipalities	293 893	337 988	403 055	400 441	471 344	394 455	393 128	433 643	461 364

Source: Provincial treasury database, 2018

Table A.1: Summary of provincial payments and estimates by functional area

Function	Outcome			Main appropriation	Adjusted appropriation 2017/18	Revised estimate	Medium-term estimates		
	2014/15	2015/16	2016/17				2018/19	2019/20	2020/21
General Public Services									
Executive and Legislative	975 329	1 279 892	1 149 412	1 309 334	1 509 624	1 523 566	1 409 791	1 522 345	1 585 905
Financial and Fiscal Services	413 599	417 748	444 186	477 685	458 391	458 391	475 122	505 592	548 505
General Services	2 255 957	1 722 479	1 665 399	1 647 430	1 720 982	1 787 041	1 703 752	1 836 600	1 941 440
Total: General Public Services	3 644 885	3 420 119	3 258 997	3 434 449	3 688 997	3 768 998	3 588 665	3 864 537	4 075 850
Public Order and Safety									
Police Services	167 819	216 169	295 693	349 959	335 693	335 810	356 795	374 009	394 577
Total: Public Order and Safety	167 819	216 169	295 693	349 959	335 693	335 810	356 795	374 009	394 577
Economic Affairs									
General Economic Affairs	402 344	426 141	540 113	573 708	625 303	624 285	628 996	667 728	771 827
Agriculture	822 997	859 930	870 063	982 773	1 006 187	1 006 187	1 037 860	1 093 686	1 184 935
Transport	2 599 180	2 908 440	2 901 195	3 290 154	3 436 909	3 436 909	3 496 254	3 574 532	3 798 050
Total: Economic Affairs	3 824 521	4 194 510	4 311 371	4 846 635	5 068 399	5 067 381	5 163 110	5 335 946	5 754 812
Environmental Protection									
Environmental Protection	172 787	128 313	270 836	276 040	283 651	283 651	287 345	315 746	332 463
Total: Environmental Protection	172 787	128 313	270 836	276 040	283 651	283 651	287 345	315 746	332 463
Housing and Community Amenities									
Housing Development	1 613 599	2 237 908	2 027 119	2 265 687	2 466 496	2 466 496	2 068 804	2 135 291	2 260 204
Total: Housing and Community Amenities	1 613 599	2 237 908	2 027 119	2 265 687	2 466 496	2 466 496	2 068 804	2 135 291	2 260 204
Health									
Outpatient services	5 378 571	5 846 351	6 133 926	6 699 111	6 665 471	7 321 371	6 981 685	7 422 295	8 051 330
Hospital Services	2 710 419	2 869 280	3 158 748	3 336 560	3 508 007	3 666 741	3 741 347	4 051 974	4 345 580
Total: Health	8 088 990	8 715 631	9 292 674	10 035 671	10 173 478	10 988 112	10 723 032	11 474 269	12 396 910
Recreation, Culture and Religion									
Sporting and Recreational Affairs	526 398	591 401	641 476	726 113	770 952	761 551	767 059	807 947	846 813
Total: Recreation, Culture and Religion	526 398	591 401	641 476	726 113	770 952	761 551	767 059	807 947	846 813
Education									
Pre-primary, Primary and Secondary Education Phase	9 565 864	10 067 000	10 904 684	11 830 667	11 788 084	11 788 084	12 683 702	13 598 675	14 706 158
Subsidised Services to Education	1 353 469	1 373 933	1 422 030	1 636 525	1 625 301	1 625 301	1 681 372	1 792 649	1 878 482
Education not defined by level	1 354 967	1 936 202	2 196 763	2 159 224	2 176 124	2 173 482	2 155 743	2 124 206	2 294 012
Total: Education	12 274 300	13 377 135	14 523 477	15 626 416	15 589 509	15 586 867	16 520 817	17 515 530	18 878 652
Social Protection									
Social Services and Population Development	1 208 205	1 280 392	1 350 314	1 520 332	1 513 118	1 513 118	1 596 489	1 704 408	1 829 204
Total: Social Protection	1 208 205	1 280 392	1 350 314	1 520 332	1 513 118	1 513 118	1 596 489	1 704 408	1 829 204
Total provincial payments and estimates by policy area	31 521 504	34 161 578	35 971 957	39 081 302	39 890 293	40 771 984	41 072 116	43 527 683	46 769 485

Source: Provincial treasury database, 2018

Table A.2: Information on training

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
Number of staff	73 295	87 871	73 932	71 944	71 944	71 944	71 944	72 044	72 717
Number of personnel trained	18 717	24 513	25 930	26 903	26 903	26 903	28 467	30 026	31 677
of which									
Male	5 403	7 702	8 335	8 780	8 780	8 780	9 552	10 071	10 624
Female	13 314	16 811	17 595	18 123	18 123	18 123	18 915	19 955	21 053
Number of training opportunities	-	-	-	-	-	-	-	-	-
of which									
Tertiary	236	210	224	346	346	346	357	371	393
Workshops	597	598	688	1 524	1 524	1 524	1 601	1 691	1 784
Seminars	72	78	90	88	88	88	93	100	106
Other	953	1 505	1 225	1 670	1 670	1 670	1 724	1 788	1 847
Number of bursaries offered	1 460	1 570	1 781	1 962	1 936	1 936	2 034	2 141	2 259
Number of interns appointed	593	622	674	686	686	686	708	743	785
Number of learnerships appointed	509	498	476	499	499	499	524	553	583
Number of days spent on training	930	1 192	1 278	1 643	1 643	1 643	1 721	1 817	1 917
Payments on training by vote									
1. Office Of The Premier	1 453	1 295	1 603	7 335	7 335	7 335	7 837	8 169	8 618
2. Provincial Legislature	4 401	4 461	4 665	4 898	4 898	4 898	5 182	5 473	5 774
3. Health	39 290	47 620	47 850	55 853	55 853	55 853	59 092	62 401	65 833
4. Culture, Arts And Traditional Affairs	6 353	6 467	2 899	4 026	4 026	4 026	4 794	4 928	5 198
5. Community Safety And Transport Management	2 025	3 751	3 950	4 167	4 167	4 167	4 409	4 656	4 912
6. Economy And Enterprise Development	-	523	551	579	1 079	1 079	613	847	894
7. Finance	3 864	3 464	7 461	5 140	5 140	5 140	5 606	4 814	5 079
8. Education And Sports Development	38 984	40 935	53 240	56 577	56 577	56 577	66 768	70 508	74 385
9. Local Government And Human Settlement	1 485	1 768	2 566	2 822	2 822	2 822	2 767	2 963	3 126
10. Tourism	600	672	568	727	727	727	775	827	882
11. Public Works And Roads	9 450	8 780	18 532	10 516	10 516	10 516	11 126	11 749	12 396
12. Social Development	5 800	5 103	5 409	2 569	2 569	2 569	2 586	2 603	2 746
13. Rural, Environment And Agricultural Development	5 431	5 457	5 746	6 034	8 734	8 734	6 384	6 740	7 112
Total payments on training	119 136	130 296	155 040	161 243	164 443	164 443	177 939	186 678	196 955

Source: Provincial treasury database, 2018