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Estimates of Provincial Revenue and Expenditure

Vote 1: Office of the Premier

Vote 2: Provincial Legislature

Vote 3: Department of Transport, Safety and Liaison

Vote 4: Department of Education

Vote 5: Department of Roads and Public Works

Vote 6: Department of Economic Development and Tourism

Vote 7: Department of Sports, Arts and Culture

Vote 8: Provincial Treasury

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

Vote 10: Department of Health

Vote 11: Department of Social Development

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

Vote 13: Department of Environment and Nature Conservation

Acronyms

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

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

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

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

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

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

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

UPFS	Uniform Patient Fee Schedules
URP	Urban Renewal Programme
URS	User Requirement Statement
VIP	Ventilation Improved Pit

Foreword

Government's fiscal consolidation instruments are a permanent feature in the province's fiscal framework as part of National Treasury's efforts to manage the primary deficit, and this inevitably impacts directly on our budget. This is further compounded by revenue shortfalls both at national and in the province. It therefore follows that any shortfalls at national government will adversely impact on the estimates of the province.

Despite these challenges, the fiscal sustainability of the province remains a top priority and we have shown resilience in that we have managed to make provision for some of the emerging provincial priorities over the next three years.

The budget for compensation of employees is set to grow by an average of 7 per cent over the next three years well above the projected consumer price index (CPI). Education and Health continues to drive employment numbers in the province, these two departments constitute 78 per cent of the total provincial budget in respect of personnel expenditure.

As part of Government's intervention to manage the wage bill, it is estimated that 30 000 people across the country will take up subsidised early retirement with no penalties applied. This dispensation will target employees between the ages of 55 and 59 years old. The province currently has 3634 employees within this age bracket. This strategy is expected open up space at the lower echelon to provide young people with decent employment opportunities.

National Treasury has undertaken to review the Provincial Equitable Share Formula (PES), which aims to incorporate the Rural Component into the formula, taking into account rural and urban cost differentials. Although work was targeted on defining "rural" so as to better differentiate between rural vs urban cost differentials in the provincial equitable share formula, there has been delays in this process and work will continue in the 2019 financial year. This review is generally expected to make the equitable share formula more redistributive towards smaller and rural provinces.

We have firmly prepared ground for the incoming Administration to inherit a well-oiled machinery capable of continuing the sterling work achieved by maintaining the current fiscal consolidation stance, having said that, this does not mean the budget is a purely technical exercise because budgets are inevitably political, not only because they adjudicate over choices to be made but because they are products of political choices and ultimately the choices made reflect the balance of power between competing demands.

MN Jack

MEC for Finance, Economic Development and Tourism

Overview of Provincial Revenue and Expenditure

6 March 2019

1. Socio-Economic Outlook

1.1. Demographic Profile

This section provides the demographic analysis for the Northern Cape Province. This analysis is important as it shows the socio-economic conditions of the province. This will guide the allocation of resources in order to improve the living conditions of the people of the province.

Table 1.1 presents the total population for the province and the five district municipalities for 2007 and 2017.

Table 1.1: Total Population in Northern Cape per District, 2007 and 2017

District	Total Population		Percentage (%)	
	2007	2017	2007	2017
Namakwa	119 875	130 660	11.5	10.6
Pixley ka Seme	177 559	204 531	17.0	16.6
ZF Mgcawu	225 006	262 506	21.6	21.3
Frances Baard	332 535	398 728	31.9	32.3
John Taolo Gaetsewe	187 881	236 297	18.0	19.2
Northern Cape	1 042 856	1 232 722	100.0	100.0

Source: IHS Markit, 2019 [Regional eXplorer Version 1570 (2.6d)]

Frances Baard was the biggest district in terms of population size in the province, representing 32.3 per cent in 2017. Namakwa remained the smallest in the province at 10.6 per cent.

In the table below, the percentage change in the Northern Cape's population is given. The province's number of households as well as population by race and gender is also provided.

Table 1.2: Northern Cape's Population Dynamics & Households Number, 2007 and 2017

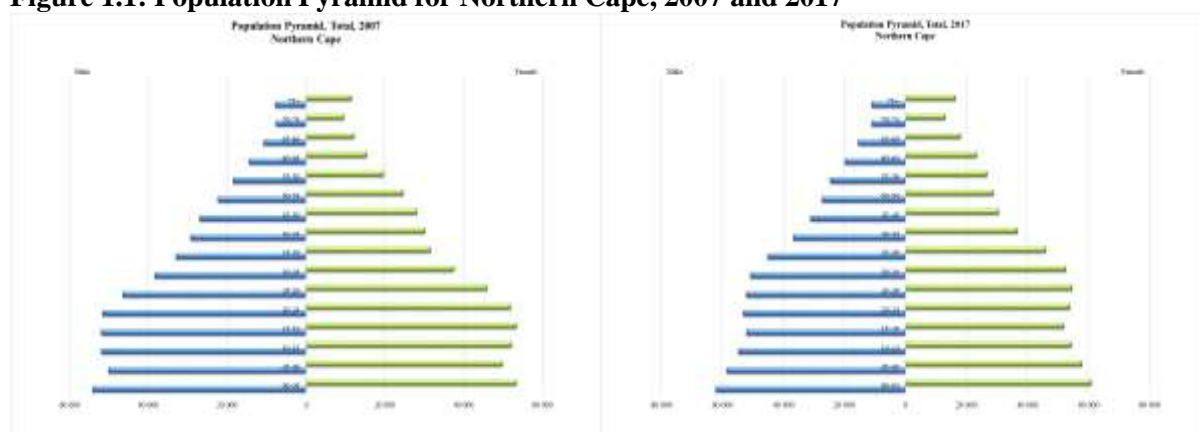
	Total Population		Households	
	Northern Cape	South Africa	Number of Households	Average Number of People per Household
2007	1 042 856	48 445 495	283 669	3.7
2017	1 232 722	56 548 694	340 966	3.6
% Change	1.7	1.6		
	Total Population by Population Group and Gender			
	Population Group	Male	Female	Total
2017	African	304 109	306 956	611 064
	White	44 985	48 617	93 603
	Coloured	252 183	267 270	519 454
	Asian	4 787	3 814	8 601
	Total	606 065	626 657	1 232 722

Source: IHS Markit, 2019 [Regional eXplorer Version 1570 (2.6d)]

The province had a positive population growth rate implying that there was a rise in its total population between 2007 and 2017. The province's total population grew on average by 1.7 per cent per year for the period under study. The provincial households also grew in numbers as a result of increased population size. In 2017, on average, the number of people per household were 3.6. In terms of population groups, Africans comprised the largest share of the population in the Northern Cape, followed by Coloureds while Asians were the smallest.

Figure 1.1 below shows the Northern Cape's population pyramids for 2007 and 2017.

Figure 1.1: Population Pyramid for Northern Cape, 2007 and 2017

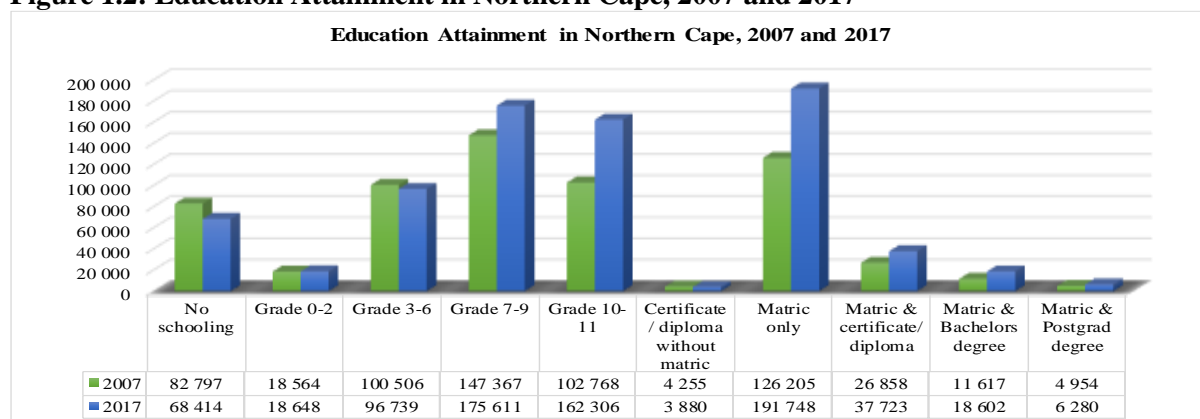


Source: IHS Markit, 2019 [Regional eXplorer Version 1570 (2.6d)]

The Northern Cape's population pyramids for 2007 and 2017 do not differ much. However, the 2007 one has a broader base, indicating a larger number of young people. For both the years under review, children aged between 0 and 4 were representing the largest share of the population while those aged 70 to 74 were the smallest. Females were more than their male counterparts in both years, shown by the skewness of each pyramid to the right.

The graph below provides a comparison of the education attainment in Northern Cape for 2007 and 2017.

Figure 1.2: Education Attainment in Northern Cape, 2007 and 2017



Source: IHS Markit, 2019 [Regional eXplorer Version 1570 (2.6d)]

There has been improvement in some education levels in the Northern Cape between 2007 and 2017. For example, the number of people who had matric only, matric and a diploma, matric and bachelor's degree, and matric and a postgraduate degree had increased between 2007 and 2017. There was a decline in the number of people who had no schooling in 2017.

According to the South African Constitution, every citizen is entitled to receiving basic services.

Table 1.3 presents the number of households that had and did not have access to basic services in 2007 and 2017.

Table 1.3: Households With and Without Basic Services Access in Northern Cape, 2007 and 2017

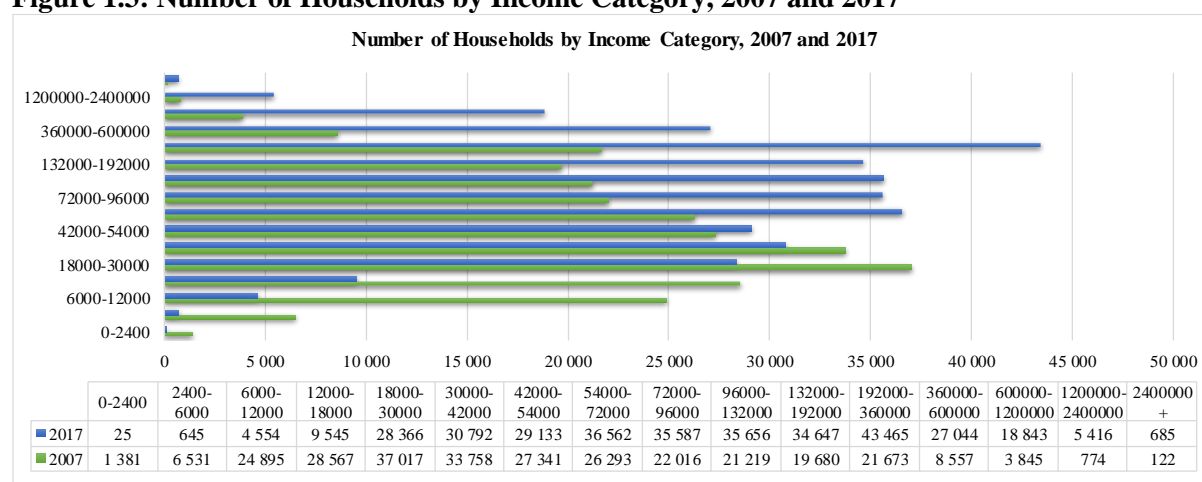
Basic Services	2007		2017	
	Households with Access	Households without Access	Households with Access	Households without Access
Electricity	215 880	32 756	297 512	27 917
Flush Toilets	205 883	22 787	245 489	17 824
Piped Water	16 850	17 864	40 726	4 631
Refuse Removal	201 468	13 189	229 639	13 648

Source: IHS Markit, 2019 [Regional eXplorer Version 1570 (2.6d)]

There has been a rise in the number of households that had access to services in 2017 in comparison to 2007. As a result, the number of households without access to services had declined in 2017, except for refuse removal.

Figure 1.3 below shows the number of households by income category in the Northern Cape for 2007 and 2017.

Figure 1.3: Number of Households by Income Category, 2007 and 2017



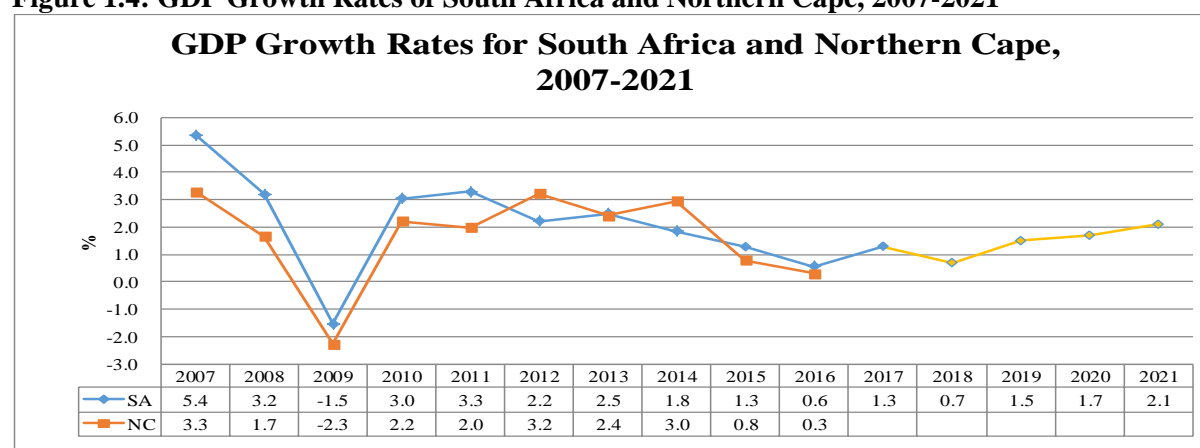
Source: IHS Markit, 2019 [Regional eXplorer Version 1570 (2.6d)]

In 2017, the largest number of households was falling in the R192 000-R360 000 income category, while the smallest number of households was falling in the R0-R2 400 income category.

1.2. Economic Indicators

Figure 1.4 below shows the gross domestic product (GDP) growth rates of South Africa and the Northern Cape for the period from 2007 to 2021. The figures for 2018 and 2019 to 2021 were estimated and forecasted respectively.

Figure 1.4: GDP Growth Rates of South Africa and Northern Cape, 2007-2021



Source: StatsSA P0441 Q4 2017 (SA and NC 2007-2016), National Treasury Budget Review 2019 (SA 2017-2021)

Both national and provincial economic growth peaked in 2007 at 5.4 and 3.3 per cent respectively, while negative growth was only recorded in 2009 in both the province and the country over the review period. The projections show expectations of fairly low, but increasing growth for the national economy for the period from 2019 to 2021.

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

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

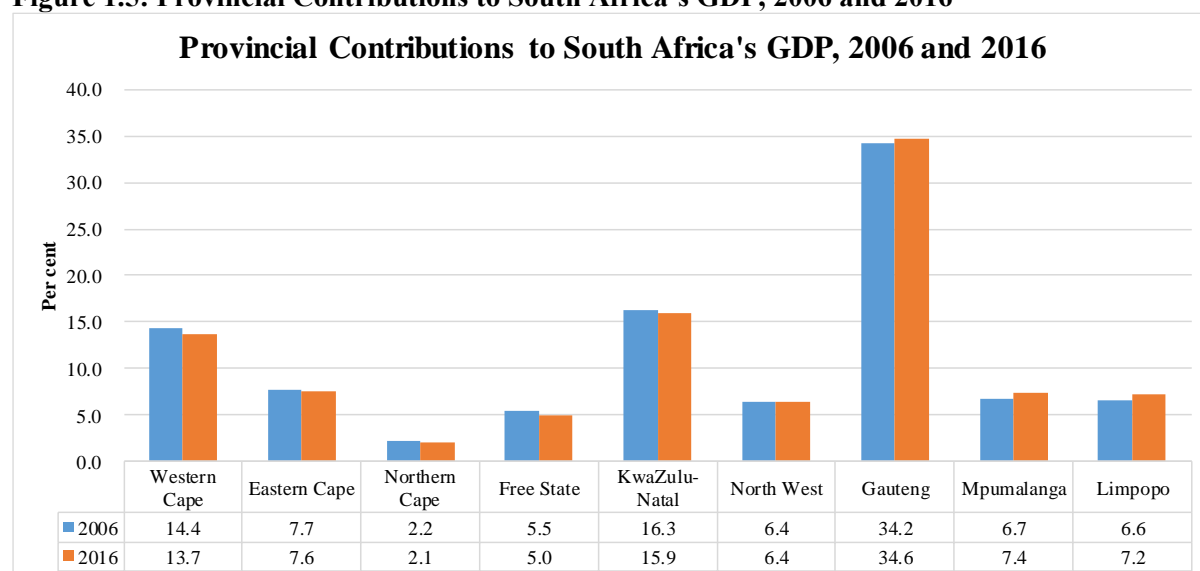
Sector	Growth Rate (%)		Contributions to GDP (%)	
	2015	2016	2015	2016
Primary Sector	-0.9	-0.7	24.9	25.5
Agriculture, forestry and fishing	0.9	-7.1	6.8	6.5
Mining and quarrying	-1.3	0.9	18.1	18.9
Secondary Sector	0.6	0.0	9.4	10.1
Manufacturing	0.2	0.3	3.0	3.2
Electricity, gas and water	-0.3	-0.9	3.8	3.7
Construction	2.2	0.7	2.6	3.2
Tertiary Sector	2.0	1.1	55.4	53.8
Trade, catering and accommodation	0.9	0.5	11.2	10.8
Transport, storage and communication	1.4	0.3	11.6	10.9
Finance, real estate and business services	3.5	1.7	12.5	11.9
Personal services	1.7	2.1	4.8	4.8
General government services	2.1	1.2	15.3	15.4
All industries at basic prices	0.8	0.4	89.7	89.4
Taxes less subsidies on products	0.4	-0.3	10.3	10.6
GDPR at market prices	0.8	0.3	100.0	100.0

Source: StatsSA P0441 Q4 2017

In 2016, *Mining and quarrying* and *General government services* were the largest industries, accounting for 18.9 and 15.4 per cent respectively of the provincial economy. The *Tertiary sector* accounted for more than half of the GDP of the province. Negative growth was recorded in *Agriculture, forestry and fishing* and *Electricity, gas and water* in 2016. The rest of the industries recorded positive but fairly low growth. The total growth in GDP of the province declined slightly over the review period by 0.5 of a percentage point.

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

Figure 1.5: Provincial Contributions to South Africa's GDP, 2006 and 2016



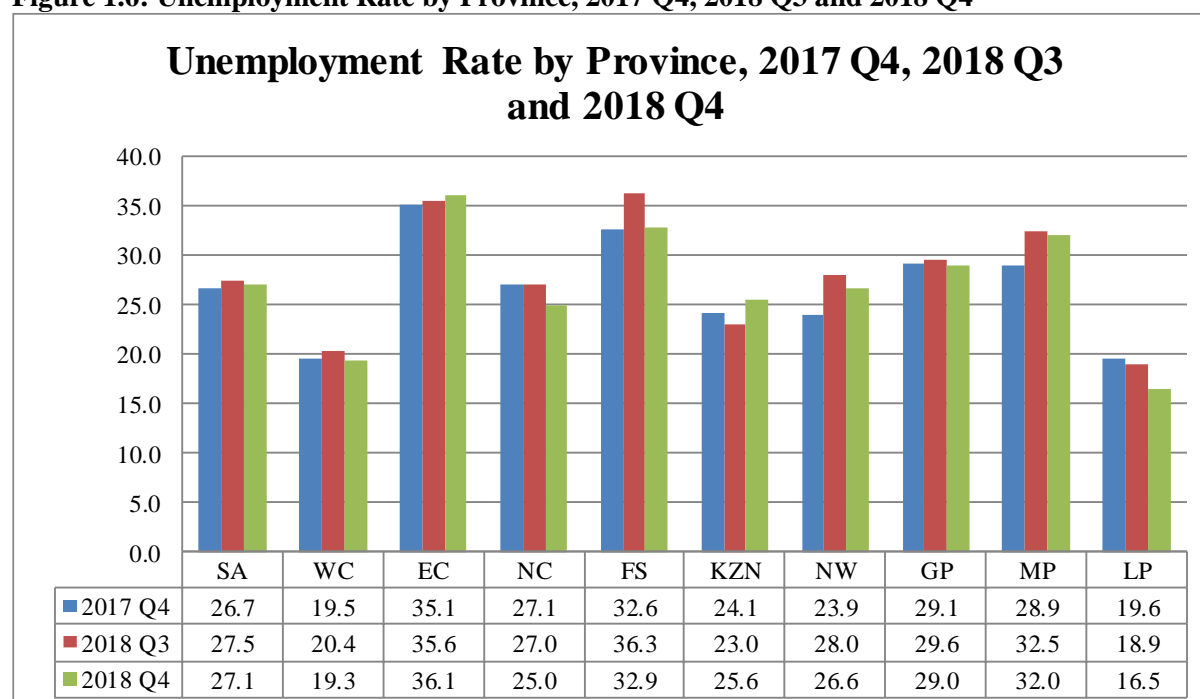
Source: StatsSA P0441 Q4 2017

Gauteng remained the largest contributor to national GDP, contributing slightly over a third. KwaZulu-Natal and Western Cape made the second and third largest contributions, while the Northern Cape was the smallest contributor to national GDP in both 2006 and 2016.

1.3. Labour Status

In Figure 1.6 below, the unemployment rates of the provinces are compared for quarter 4 of 2017 and quarters 3 and 4 of 2018.

Figure 1.6: Unemployment Rate by Province, 2017 Q4, 2018 Q3 and 2018 Q4



Source: Stats SA P0211 - QLFS Q4 2018

In quarters 3 and 4 of 2018, Limpopo had the lowest unemployment rate at 18.9 and 16.5 per cent respectively. In quarter 4 of 2018, the Northern Cape had the third lowest unemployment rate at 25.0 per cent, while the Eastern Cape had the highest unemployment rate. There was an increase in the unemployment rates of the Eastern Cape and Kwa-Zulu Natal from the third to fourth quarter of 2018.

Table 1.5 below provides the labour market status of the Northern Cape for quarter 4 of 2017 and quarters 3 and 4 of 2018.

Table 1.5: Labour Market Status for Northern Cape, 2017 Q4, 2018 Q3 and 2018 Q4

Labour market	2017 Q4	2018 Q3	2018 Q4	Qtr-to-qtr change	Year-on-year change
	('000)	('000)	('000)	('000)	('000)
Population aged 15-64 years	790	796	798	2	9
Labour force	441	442	429	-13	-12
Employed	321	323	322	-1	0
Unemployed	120	120	107	-12	-12
Not economically active	349	354	369	15	21
Discouraged work-seekers	65	63	63	0	-3
Other	283	291	306	15	23
Rates	(%)	(%)	(%)	(Percentage point)	(Percentage point)
Unemployment rate	27.1	27.0	25.0	-2.0	-2.1
Absorption rate	40.7	40.5	40.3	-0.2	-0.4
Labour force participation rate	55.9	55.6	53.8	-1.8	-2.1

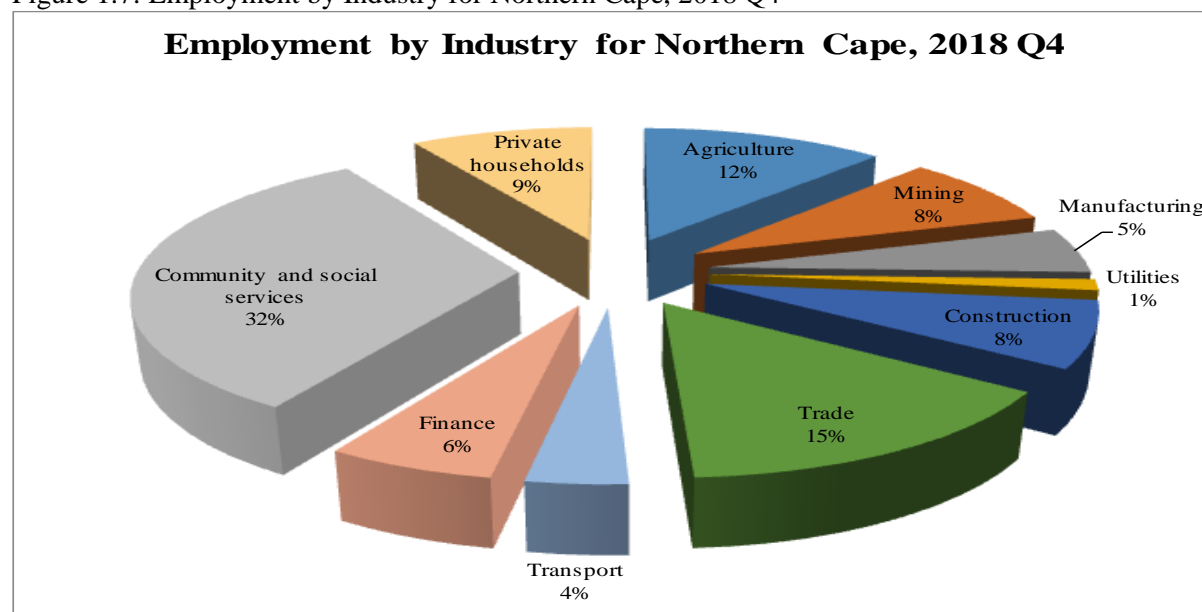
Due to rounding, numbers do not necessarily add up to totals.

Source: StatsSA QLFS P0211 Q4 2018

The Northern Cape unemployment rate decreased by 2.0 percentage points on a quarterly basis and 2.1 percentage points on an annual basis to 25.0 per cent in the fourth quarter of 2018. On an annual basis, there was no change in the number of employed people, while the number unemployed decreased by 12 000. The not economically active population increased by 21 000 over the same period. Looking at the quarterly changes, the number of employed people decreased by 1 000, the unemployed decreased by 12 000 and the not economically active people increased by 15 000.

Figure 1.7 below shows the distribution of the employment by industry for the Northern Cape for the fourth quarter of 2018.

Figure 1.7: Employment by Industry for Northern Cape, 2018 Q4



Source: Stats SA P0211 – QLFS Q4 2018

Community and social services employed 32 per cent of the employed people in the province, making it the largest employer in the province. The second largest employing industry was *Trade* followed by *Agriculture*. *Utilities* only employed 1 per cent, making it the smallest employing industry in the province, with *Transport* being the second smallest Budget strategy and aggregates

2. Budget Strategy and aggregates

2.1. Introduction

The provincial budget grows from R17.535 billion in 2018/19 to R20.511 billion in the outer year of the 2019 MTEF. The equitable share transfers from national government constitute 73 per cent of the total provincial receipts followed by conditional grants at 25 per cent, whilst provincially own collected revenue account for only 2 percent.

The provincial equitable share formula for the 2019 MTEF was updates and resulted in the share pf the Northern Cape reducing from 2.7 percent to 2.6 per cent. This reduction will have serious negative consequences in future allocations to the province as this will mean that less money will be available to the province for service delivery purposes.

As part of the PES review Budget Council Lekgotla resolved to replace census 2011 numbers with Mid-Year Population Estimates (MYPE) for the 5-17 cohort.

The provincial equitable share formula is updated annually and consequently adjusted the provincial baseline due to the new data updates which have resulted in a reduction on the provincial equitable share amount to R170 million as a result of government effort towards fiscal consolidation.

Furthermore, an amount of R157 million is made available in the 2019 MTEF financial year for various government priorities such as the sanitary dignity project, funding for the absorption of Cuban doctors as well as allocations for the capacitation of provincial treasuries to address challenges in municipalities and the monitoring of infrastructure projects.

2.2. Aligning provincial budgets to achieve government's prescribed outcomes and Provincial Development Plan

Government's Outcomes have been firmly institutionalised in the planning and strategic documents of all provincial departments and indicators have been developed accordingly in line with these outcomes. This has allowed the Legislature and the Department of Planning, Monitoring and Evaluation to exercise monitoring and oversight in the implementation of these outcomes.

The Province has also completed the Provincial Development Plan (PDP) 2030 Vision, this framework will also assist Provincial Treasury to align resources towards the achievement of this plan. Office of the Premier is also building the requisite capacity in order align and integrate Provincial and Local Government planning, this will go a long way in eliminating the current fragmentation between these two spheres.

With the adoption of the PDP 2030 Vision for the Northern Cape, an opportunity is presented for the new Administration to build on this foundation and present the 5 Years Strategic Plans and Annual Performance Plans towards the progressive realisation of our long term vision.

Summary of Budget Aggregates

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

Table 1.6 : Provincial budget summary

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Provincial receipts									
Transfers from national	13 974 067	14 677 197	16 306 090	16 862 224	17 168 595	17 168 595	17 907 454	18 805 244	20 059 039
Equitable share	10 225 645	10 862 660	11 787 153	12 475 021	12 475 021	12 475 021	13 424 046	14 388 464	15 308 827
Conditional grants	3 748 422	3 814 537	4 518 937	4 387 203	4 693 574	4 693 574	4 483 408	4 416 780	4 750 212
Provincial own receipts	330 949	346 435	349 567	360 539	360 539	366 152	384 689	417 008	452 215
Total provincial receipts	14 305 016	15 023 632	16 655 657	17 222 763	17 529 134	17 534 747	18 292 143	19 222 252	20 511 254
Provincial payments									
Current payments	11 435 595	12 263 995	13 299 577	14 172 853	14 658 974	14 761 498	15 243 606	16 174 514	17 164 463
Transfers and subsidies	1 680 023	1 578 193	1 800 322	1 793 789	1 743 574	1 778 276	1 813 971	1 770 365	1 832 936
Payments for capital assets	1 384 933	1 329 628	1 510 805	1 183 625	1 182 118	1 173 477	1 197 839	1 030 444	1 123 661
Payments for financial assets	2 668	4 093	1 158	-	-	-	-	-	-
Total provincial payments	14 503 218	15 175 909	16 611 862	17 150 267	17 584 667	17 713 251	18 255 416	18 975 323	20 121 060
Surplus/(deficit) before financing	-198 202	-152 277	43 795	72 496	-55 533	-178 504	36 726	246 929	390 194
Financing									
Provincial Rollovers	83 030	64 086	229 683	-	144 032	144 032	-	-	-
Other	57 519	18 026	65 069	-	27 223	27 223	-	-	-
Other (Self financing - Legislature)	-	-	11 000	12 013	12 013	12 013	-	-	-
Debt Redemption	-	-	-	-	-	-	-	-	-
0	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after financing	-57 653	-70 165	349 547	84 509	127 735	4 764	36 726	246 929	390 194

The Northern Cape equitable share allocation grows by 7.6 per cent to R13.424 billion in the 2019/20 financial year and at an average of 7.1 per cent over the MTEF. Conditional grants have seen a negative growth of 4.5 per cent to R4.483 billion compared to the revised estimates, this is mainly to continue with government's efforts of fiscal consolidation. The revenue generated within the province shows an increase of 5.1 per cent to R384.689 million from a revised estimate of R366.152 million.

The total provincial receipts amount to R18.292 billion in the 2019/20 financial year. The two outer years of the medium term increase to R19.222 billion and R20.511 billion respectively. The remaining surpluses after factoring out provincial payments, amounts to R36.726 million in 2019/20, R246.929 million in 2020/21 and R390.194 million in 2021/22.

Financing

The budget of the province is mainly financed through transfers from national in the form of equitable share and conditional grants and supplemented by provincial own revenue which constitutes only 2 per cent of the total provincial budget. The province is embarking on various efforts in order to increase the provincially generated revenue.

Surplus

The province has in total budgeted for a committed surplus amounting to R673 million over the 2019 MTEF. An amount of R148 million is set aside for the Debt Redemption Strategy over the MTEF, R20 million is earmarked for townships revitalisation projects and an amount of R463 million remains unallocated in respect of the shortfall on the improvements on conditions of service and the remaining R80 million is committed towards the revitalisation of the provincial IT network.

3. Budget Process and the Medium-Term Expenditure Framework

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

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

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

Municipal Finance Management Budget Process Highlights

To better monitor the financial management within the local government, a set of six game changers (Revenue Management, Asset Management, Supply Chain Management, Funded Budgets, mSCOA and Audit Support) were adopted by all Provincial Treasuries.

To ensure that the Northern Cape Provincial Treasury also complies with this requirement, the strategy to support municipalities was also reviewed to cater for this game changers. Subsequently, the National Treasury through the MFIP programme appointed specialist in line with the above game changers to assist in building capacity in municipalities and Provincial Treasuries.

Annually there are two main engagement sessions in the Local Government

Draft budget engagement, which aims at influencing the final budgets of municipalities. This engagement takes place in April/May each year.

1. The mid-year engagement, which aims at influencing the adjustment and draft budgets of municipalities. This engagement happens in February.
2. To assist municipalities in planning for these engagements, the engagement dates are communicated to municipalities in August to ensure that these dates are included in the budget schedule of key deadlines of municipalities.

The municipal Chief Financial Officers Forum is taking place on a quarterly basis. This is the platform where municipal officials share good practices and new reforms are workshopped.

4 Receipts

4.1 Overall position

South Africa is a small open economy and we are impacted by events in the global economy. World growth is expected to slow, constraining South Africa's export growth forecast. These macroeconomic conditions have led to a weaker economic outlook." (2019 Budget Speech, Minister of Finance: Tito Titus Mboweni).

In view of the current economic conditions which are characterised by slow economic growth, recession, ratings downgrades; the fiscal policy and the overall funding envelope available to the province have been negatively affected. The Northern Cape government funds provincial expenditure through the national transfers comprised of the provincial equitable share and conditional grants as well as provincial own receipts (made up of taxes and fees/user charges).

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

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

The provincially generated own revenue is mainly from motor vehicle licences, casino taxes, patient fees, interest earned on short term investment and on sale of goods and services.

Table 1.7 shows the actual and projected total receipts of the province over a seven year period, which includes the three year estimates of the 2019 MTEF.

Table 1.7 : Summary of provincial receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Transfers receipts from national									
Equitable share	10 225 645	10 862 660	11 787 153	12 475 021	12 475 021	12 475 021	13 424 046	14 388 464	15 308 827
Conditional grants	3 748 422	3 814 537	4 518 937	4 387 203	4 693 574	4 693 574	4 483 408	4 416 780	4 750 212
Total receipts: Treasury funding	13 974 067	14 677 197	16 306 090	16 862 224	17 168 595	17 168 595	17 907 454	18 805 244	20 059 039
Provincial own receipts									
Tax receipts	188 848	210 894	222 264	259 646	259 646	253 318	284 170	311 030	340 491
Casino taxes	21 305	22 609	22 672	26 180	26 180	23 172	27 646	29 166	30 770
Horse racing taxes	1 595	2 477	2 753	1 924	1 924	2 457	2 032	2 144	2 262
Liquor licences	3 758	3 762	3 869	4 639	4 639	3 955	4 899	5 168	5 452
Motor vehicle licences	162 190	182 046	192 970	226 903	226 903	223 734	249 593	274 552	302 007
Sales of goods and services other than c	69 882	81 014	71 063	84 788	84 788	66 056	85 696	90 348	95 240
Transfers received	–	969	250	–	–	–	–	–	–
Fines, penalties and forfeits	2 764	2 233	1 217	3 613	3 613	2 649	2 417	2 551	2 689
Interest, dividends and rent on land	49 014	42 828	47 317	4 808	4 808	32 591	5 073	5 356	5 651
Sales of capital assets	4 438	2 106	340	3 811	3 811	2 475	3 222	3 398	3 582
Transactions in financial assets and liabil	16 003	6 391	7 116	3 872	3 872	9 063	4 111	4 325	4 562
Total provincial own receipts	330 949	346 435	349 567	360 539	360 539	366 152	384 689	417 008	452 215
Total provincial receipts	14 305 016	15 023 632	16 655 657	17 222 763	17 529 134	17 534 747	18 292 143	19 222 252	20 511 254

The available fiscal envelope remains constrained showing average annual growth of 5.4 per cent over the 2019 MTEF. Total receipts over a three year 2019 MTEF in the form of Equitable Share is projected to amount to R43.121 billion, of which R13.424 billion in 2019/20 financial year,

R14.389 billion in 2020/21 financial year and R15.309 billion in the 2021/22 financial year. The conditional grants are projected to amount to R13.650 billion over the 2019 MTEF of which R4.483 billion in 2019/20, R4.417 billion in 2020/21 financial year, and R4.750 billion in 2021/22 financial year.

The average growth in transfers from National government for Equitable Share and conditional grants amounts to 5.3 per cent for the 2019 MTEF period.

The remaining portion of the projected total receipts is derived from provincial own revenue, which constitutes 2.1 per cent of the overall receipts of the province during the 2019/20 financial year. The share of provincial own revenue over the total provincial receipts slightly increases to 2.2 per cent during the two outer years of the 2019 MTEF. The growth in own revenue has been consistent over the past years besides the 2017/18 financial year wherein the growth lowered to only 0.9 per cent from 4.8 per cent growth of the prior year. It is anticipated that own revenue will grow consistently from the 2018/19 financial year through to the 2021/22 financial year. The total projected own revenue amounts to R1.254 billion over the 2019 MTEF of which R385 million in 2019/20 financial year; R417 million in 2020/21 financial year; and R452 million in 2021/22 financial year. The average growth over the 2019 MTEF is 7.3 per cent.

In aggregate, the provincial receipts are estimated to grow by 4.3 per cent from the 2018/19 estimated revenue to the 2019/20 financial year budgeted revenue and the average provincial receipts over the Medium Term Expenditure Framework (MTEF) period amounts to 5.4 per cent.

Table 1.7 indicates the sources of own revenue in the province. Provincial own revenue is mainly driven by tax receipts which include motor vehicle licenses as the major revenue source of the province. The tax receipts item contributes 74.6 per cent on average, of the total estimated own revenue over the MTEF. The budget for this item grows by 12.2 per cent from the 2018/19 financial year revised estimated collection to the 2019/20 financial year budget; and further grows by 9.5 per cent in both 2020/21 and 2021/22 financial years.

The reason for the increased growth from the revised estimate is attributed to the projected under collection by the departments of Transport, Safety and Liaison (DTSL) and Economic Development and Tourism. The contributing factor to the under collection was the delay of the installation of motor vehicle license renewal at the remaining sites of SAPO; the delay of the roll out of the LPM machines as well as the economic conditions which are affecting the gambling industry negatively. The DTSL has however completed the rollout of the motor vehicle license renewal function at the South Africa Post Offices and it is anticipated that the revenue will stabilise during the MTEF period. The department of Economic Development and Tourism is in the process of reviewing gambling fees, which would result to increased revenue collection by the department, hence the expected growth recovery from the projected under collection.

Other non-tax receipts item which contributes more to the provincial revenue is sale of goods and services which is mainly made up of receipts from patient fees; rental dwellings; commission on insurance and garnishees; applications for learner's licences and renewal of driver's licences. This item accounts for, on average, 21.6 per cent over the MTEF. The budget for this item increases by 29.7 per cent from the 2018/19 estimated collection to the 2019/20 financial year budget; and further grows by 5.4 per cent in 2020/21 and 2021/2022 financial years respectively. The reason for the increased growth from the revised estimate is attributed to the 2017/18 financial year status of the projected under collection by the department of Health. The average annual growth of the budget for this item is 4 per cent over the 2019 MTEF.

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

Fines, penalties and forfeits: This item caters for compulsory non-exchange revenue, enforced by a court of law or similar judicial body or mutually agreed settlement outside the courts. The items that

mainly contribute to this source of revenue are the fines charged by the Department of Transport, Safety, and Liaison on road offenders; and the fines charged by the Department of Environment and Nature Conservation on waste removal and pollution of environment. The budget for this item declines by 7.1 per cent from the 2018/19 estimated collection to the 2019/20 financial year budget; after which it is expected to increase by 5.6 per cent and 5.4 per cent in the two outer years of the 2019 MTEF. The budget for this item experiences an average decline of 7.4 per cent over the 2019 MTEF.

Interest, dividends and rent on land caters for receipts arising from the ownership of interest-bearing financial instruments such as bank deposits, loans extended to other parties and bills and bonds issued by other parties. This item is mainly comprised of the interest raised by the Provincial Treasury on the positive bank account of the province. The budget for this item decreases by 84.4 per cent from the 2018/19 projected collection to the 2019/20 financial year budget. The reason for this revenue decline is attributed to the interest raised by Provincial Treasury that is treated as a once-off as it relates to the adverse spending patterns by the departments that cannot be predicted. The budget for this item grows by an average of 5.5 per cent over the 2019 MTEF.

Sale of Capital Assets: This item caters for the sale of assets that costs more than R0.005 million as well as the sale of intangible items such as computer software. This item experiences a growth of 30.2 per cent from the 2018/19 revised estimated collection to the 2019/20 financial year budget; which is followed by a growth of 5.5 per cent and 5.4 per cent to the 2020/21 and 2021/22 financial years respectively. On average, the budget for this item from the 2018/19 financial year through to the 2019 MTEF declines by 1.5 per cent. The decline emanates from the nature of this item in that it is mainly composed of once-off sales by the departments.

Transactions in financial assets and liabilities: mainly comprises of other types of receipts, such as revenue from loans, receivables, and other receipts (such as overpayments, and stale cheques). This item experiences a decline of 54.6 per cent in budget from the 2018/19 estimated collection to the 2019/20 financial year budget; which then increases by 5.2 per cent and 5.5 per cent in 2020/21 and 2021/22 financial years respectively. The decline in estimated collections from this item is as a result of the nature of this item; which includes the prior year expenditure being repaid to the departments and as a result the item is not easily predicted in nature.

4.2 Provincial Equitable Share

The provincial equitable share allocation from the nationally raised revenue is formula driven. The formula that is used to divide the equitable share between provinces is objective-based and redistributive by design. The formula is reviewed and updated annually, based on the latest available data as well as the recommendations from the Financial and Fiscal Commission (FFC). The equitable share formula is designed to ensure fair, stable and predictable revenue shares, and to address economic and fiscal disparities.

The weighted share of the province is constant at 2.6 percent over each year of the 2019 MTEF, and averaging 2.6 percent compared to 2.7 percent in the 2018 MTEF. As a result of the redistributive nature of the formula and data changes the provinces share decreased downwards although the allocation increased at constant rate.

In terms of Section 214 of the Constitution, the equitable division of revenue raised nationally among the three spheres of government, is unconditional. Although the division is based on the equitable shares as outlined in the Table below, provinces have a prerogative to allocate funds in line with their specific provincial priorities.

The PES formula is reviewed and updated with new data annually. The equitable share formula for the 2019 MTEF has been updated with the following data sets: the 2018 mid-year population estimates, preliminary 2018 learner enrolment numbers as taken from the Learner Unit Record Information and Tracking System (LURITS), people without medical insurance from the 2017

General Household Survey (GHS) and output from the national Department of Health (2016/17-2017/18).

For the 2019 MTEF, the following data sets will be used:

Component	Data used
Education	Mid-Year Population Estimates 2018 age cohorts (new data)
	2018 Preliminary Enrolment (new data)
Health	2018 Mid-Year Population Estimates (new data)
	Insured population (2017 GHS) (new data)
	Risk adjusted index
	Patient load data (DHIS 2016/17 – 2017/18) (new data)
Basic	2018 Mid-Year Population Estimates (new data)
Poverty	2018 Mid-Year Population Estimates (new data)
	Income and Expenditure Survey (IES) 2010/11
Economic	GDP-R 2016
Institutional	Not applicable (data not used)

The impact of these data updates on the provincial equitable shares will be phased-in over three years, from 2019/20 to 2021/22 financial years.

The updates to the equitable division of revenue also encompass the PES formula review that is currently underway. Due to the impact of policy updates stemming from the provincial equitable share review, principles that will guide on how to phase-in the impact of the policy update were endorsed. These types of phase-ins would be known as special phasing- in and should be subordinate to the overarching phase-in that is built into the formula. In other words, it only takes place within the affected component. The principles that will guide the phase-in process are as follows:

- a) Special phasing in should only be considered when a change to a component, as a result of a data change or a structural change, results in a difference that exceeds 1 percentage point (upwards or downwards) for any of the province's share within that component
- b) Only changes to the two largest components, education and health, should be entertained for special phasing-in
- c) Special phasing-in of changes should not exceed 3 years.

Equitable Share transfers to the province, as set out in table 1.7 above, increase by R0.949 million or 5.8 per cent from the adjusted share of R12.475 billion in 2018/19 financial year to R13.424 billion in 2019/20 financial year. The 2019 MTEF Equitable Share allocation will rise from R14.388 billion in 2020/21 financial year to R15.309 billion in the 2021/22 financial year, with an average growth of 7.1 per cent over the 2019 MTEF.

4.3 Conditional Grants

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

Conditional grants are also used to ensure that the minimum nation-wide standards for the provision of national concerns are met across all provinces. Funds from the equitable share are topped up

including own revenue generated by province as these grants supplement priorities that need to be realized by national government through provinces. These additional transfers from the national government have conditions attached as stipulated in DoRA.

Conditional grants funding is the second largest source of funding for the province and constitutes an average of 23.5 per cent of the transfers that the province receives from national, over the 2019 MTEF. Conditional grants transfers to the province decrease by R0.210 million or 4.5 per cent from the adjusted R4.694 billion in 2018/19 financial year to R4.483 billion in 2019/20 financial year. Over the course of the 2019 MTEF, the conditional grants allocation will rise from R4.483 billion in 2019/20 financial year to R4.750 billion in the 2021/22 financial year, with an average annual increase of 0.5 per cent over the MTEF.

Table 1.8 shows the actual and projected allocations of conditional grants for the province over a seven year period, which includes the three year estimates of the 2019 MTEF.

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

Department/Grant	2015/16	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
	Amount Received			Amount Received	Provincial Roll overs	Total Available	Estimated Actual Payments	Medium Term Expenditure Estimates		
Agriculture, Forestry and Fisheries	212 530	194 466	313 155	441 292	16 704	457 996	457 996	191 793	206 462	221 760
Agricultural Disaster Management Grant	-	-	-	42 339	-	42 339	42 339	-	-	-
Comprehensive Agricultural Support Programme Grant	135 768	129 924	244 381	295 434	16 494	311 928	311 928	119 458	130 149	140 843
Ilima/Letsema Projects Grant	69 460	55 222	61 680	60 766	-	60 766	60 766	64 169	67 698	71 828
Land Care Programme Grant: Poverty Relief and Infrastructure Development	7 302	9 320	7 094	42 753	210	42 963	42 963	8 166	8 615	9 089
Arts and Culture	165 670	157 656	179 670	159 554	29 310	188 864	188 864	168 750	178 062	188 959
Community Library Services Grant	165 670	157 656	179 670	159 554	29 310	188 864	188 864	168 750	178 062	188 959
Basic Education	617 963	670 275	804 278	775 405	329	775 734	775 734	871 881	752 723	805 490
Dinalledi Schools Grant	-	-	-	-	-	-	-	-	-	-
Education Infrastructure Grant	446 998	489 550	612 267	568 766	-	568 766	568 766	639 817	505 649	544 738
HIV and Aids (Life Skills Education) Grant	5 281	5 281	5 547	5 356	-	5 356	5 356	5 594	5 794	6 113
National School Nutrition Programme Grant	142 724	152 414	160 807	170 211	-	170 211	170 211	189 224	199 632	210 611
Occupation Specific Dispensation for Education Sector Therapists Grant	2	-	-	-	-	-	-	-	-	-
Technical Secondary Schools Recapitalisation Grant	-	-	-	-	-	-	-	-	-	-
Maths, Science and Technology Grant	22 958	23 030	23 636	24 564	-	24 564	24 564	25 948	28 388	30 038
Learners With Profound Intellectual Disabilities Grant	-	-	2 021	6 508	329	6 837	6 837	11 298	13 260	13 950
Health	1 416 091	1 342 392	1 492 781	1 387 239	60 116	1 447 355	1 447 355	1 474 937	1 590 495	1 755 839
Comprehensive HIV and Aids Grant	372 403	413 231	478 242	515 155	9 481	524 636	524 636	596 276	657 409	761 747
Forensic Pathology Services Grant	-	-	-	-	-	-	-	-	-	-
Health Disaster Response (Cholera) Grant	-	-	-	-	-	-	-	-	-	-
Hospital Facility Revitalisation Grant	652 231	514 585	560 260	416 391	-	416 391	416 391	386 706	409 404	441 495
Health Professions Training and Development Grant	78 445	81 815	90 610	91 305	24 434	115 739	115 739	97 132	102 475	108 111
National Tertiary Services Grant	305 477	322 272	362 053	359 754	26 201	385 955	385 955	378 323	403 671	425 873
Human Resource Capacitation Grant	-	-	-	-	-	-	-	11 606	12 372	13 164
National Health Insurance Grant	7 535	10 489	1 616	-	-	-	-	-	-	-
Human Papillomavirus Vaccine Grant	-	-	-	4 634	-	4 634	4 634	4 894	5 164	5 449
Human Settlements	480 408	374 930	411 641	495 155	32 402	527 557	527 557	481 052	473 909	473 119
Title Deeds Restoration Grant	-	-	-	20 364	-	20 364	20 364	10 790	11 383	-
Informal Settlement Upgrading and Development Grant	-	-	-	-	-	-	-	-	59 464	85 232
Human Settlements Development Grant	480 408	374 930	411 641	474 791	32 402	507 193	507 193	470 262	403 062	387 887
Public Works	33 127	45 931	76 737	57 426	-	57 426	57 426	45 517	-	-
Devolution of Property Rate Funds Grant to Provinces	-	-	-	-	-	-	-	-	-	-
Expanded Public Works Programme Incentive Grant for Provinces	17 123	19 162	20 143	21 769	-	21 769	21 769	20 321	-	-
Department of Transport, Safety and Liaison	-	-	2 000	2 000	-	2 000	2 000	-	-	-
Department of Education	2 077	2 000	2 083	2 222	-	2 222	2 222	2 663	-	-
Department of Roads and Public Works	3 493	3 803	3 834	4 154	-	4 154	4 154	4 439	-	-
Department Economic Development and Tourism	2 000	2 030	2 000	2 012	-	2 012	2 012	2 089	-	-
Department of Sports, Arts and Culture	2 000	2 000	2 000	2 171	-	2 171	2 171	2 154	-	-
Department of Co-operative Governance, Human Settlements and Traditional Affairs	2 153	2 000	2 000	2 002	-	2 002	2 002	2 046	-	-
Department of Health	1 400	3 286	2 000	2 907	-	2 907	2 907	2 439	-	-
Department of Agriculture, Land Reform and Rural Development	2 000	2 000	2 044	2 266	-	2 266	2 266	2 491	-	-
Department of Environment and Nature Conservation	2 000	2 043	2 182	2 035	-	2 035	2 035	2 000	-	-
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	16 004	26 769	56 594	35 657	-	35 657	35 657	25 196	-	-
Department of Transport, Safety and Liaison	1 000	2 914	2 510	3 211	-	3 211	3 211	1 636	-	-
Department of Education	1 000	2 925	2 017	6 335	-	6 335	6 335	3 675	-	-
Department of Sports, Arts and Culture	1 215	2 200	2 341	1 455	-	1 455	1 455	1 000	-	-
Department of Health	6 488	15 230	30 229	13 423	-	13 423	13 423	8 154	-	-
Department of Social Development	6 301	3 500	19 497	11 233	-	11 233	11 233	10 731	-	-
Department of Environment and Nature Conservation	-	-	-	-	-	-	-	-	-	-
Social Development	16 000	43 000	71 570	36 800	4 210	41 010	41 010	14 199	15 152	15 985
Substance Abuse Treatment Grant	16 000	43 000	57 237	17 709	4 210	21 919	21 919	-	-	-
Early Childhood Development Grant	-	-	13 761	18 472	-	18 472	18 472	14 199	15 152	15 985
Social Worker Employment Grant	-	-	572	619	-	619	619	-	-	-
Sport and Recreation South Africa	29 181	31 413	31 283	31 319	-	31 319	31 319	32 086	32 883	33 727
Mass Participation and Sport Development Grant	29 181	31 413	31 283	31 319	-	31 319	31 319	32 086	32 883	33 727
Transport	870 851	957 485	1 137 822	1 165 352	961	1 166 313	1 166 313	1 203 193	1 167 094	1 255 333
Provincial Roads Maintenance Grant	822 430	905 360	1 084 016	1 111 637	-	1 111 637	1 111 637	1 146 470	1 106 570	1 191 479
Public Transport Operations Grant	48 421	52 125	53 806	53 715	961	54 676	54 676	56 723	60 524	63 854
Total National Conditional Grants	3 841 821	3 817 548	4 518 937	4 549 542	144 032	4 693 574	4 693 574	4 483 408	4 416 780	4 750 212

Additions and reprioritisation made to conditional grants amount to R2 billion over the 2019 MTEF, with breakdown highlighted below.

Agriculture, Forestry and Fisheries

For the Comprehensive Agricultural Support Programme Grant, the grant has been reduced by R106.3 million (R66.3 million in 2019/20; R30 million in 2020/21 and R10 million in 2021/22) to fund the foot and mouth disease facility that will be established by the Agricultural Research Council. Furthermore, an amount of R887.3 million which was previously unallocated in the grant will now be reprioritised and ring-fenced under the department of Agriculture, Forestry and Fisheries. This will enable the department to transfer funds to the Land Bank for blended finance mechanism.

Education

Education Infrastructure Grant changes to reflect the need for pit latrines per province. The allocations for this grant were determined by proportionately splitting additions and reductions made to the grant baseline.

There is a shift over the 2019 MTEF of a grant of R2.8 billion that was initially allocated through the Education Infrastructure Grant to enable the provision of safe and appropriate sanitation at schools has been shifted and will now be allocated through the Schools Infrastructure Backlog Grant in order to leverage both public and private funds as well as expertise to achieve economies of scale.

Health

Within the Comprehensive HIV, AIDS and TB Grant, changes were made to grant components; specifically the Community Outreach Services component where the allocations now reflect the number of Community Health Workers per province and the main Comprehensive HIV and AIDS component where these allocations now reflect updated performance data for patients that are still on Anti-retroviral.

To address the cost implications of maintaining the current statutory staff cohort, amounts of R250.7 million in 2019/20, R663.1 million in 2020/21 and R662.2 million in 2021/22 have been reprioritised from the National Health Insurance Indirect Grant to augment the Human Resources Capacitation Grant. As a result, the revised baseline for the Human Resources Capacitation Grant is R2.8 billion over the 2019 MTEF (R605 million, 2019/20; R1.1 billion, 2020/21 and R1.1 billion in 2021/22).

Human Settlements Development Grant

The Title Deeds Restoration Grant, which comes to an end in 2020/21, will be phased back into the Human Settlements Development Grant (HSDG) with R609.6 million added back to the HSDG's grant baseline. Moreover, in order to promote improved coordination in support to individuals in the gap market purchasing homes, an amount of R950 million over the 2019 MTEF has been reprioritised out of the HSDG to the National Housing Finance Corporation for the Finance Linked Individual Subsidy Programme (FLISP). Due to the KwaZulu-Natal storms, R647 million has been added to the grant for the rehabilitation of damaged houses. The HSDG has been reduced by R1 billion and R2 billion respectively in the 2020/21 and 2021/22 financial years. These cuts are part of a broader set of reductions that are needed to improve the sustainability of the overall fiscus.

4.4 Provincial own revenue

Provincial own revenue streams are limited but play an important role in supplementing national transfers thus resourcing provincially determined priority outcomes. The provincial own revenue collection contributes an average of 2.1 per cent of total budget over the 2019 MTEF, while national transfers constitute about 97.9 per cent.

Table 1.9 shows the actual and projected departmental receipts of the province over a seven year period, which includes the three year estimates of the 2019 MTEF.

Table 1.9 : Summary of provincial own receipts by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Office Of The Premier	2 485	1 207	384	136	136	273	144	152	160
2. Provincial Legislature	1 734	2 806	1 803	3 117	3 117	1 629	3 293	3 475	3 666
3. Transport, Safety And Liaison	184 059	213 296	219 773	247 447	247 447	244 009	270 447	296 574	325 217
4. Education	11 391	8 957	9 639	9 436	9 436	9 436	9 493	9 966	10 514
5. Roads And Public Works	4 146	2 431	2 357	2 430	2 430	2 430	2 563	2 704	2 853
6. Economic Development And Tourism	27 454	29 081	31 069	33 006	33 006	32 075	34 855	36 771	38 793
7. Sport, Arts And Culture	603	280	213	229	229	222	242	255	269
8. Provincial Treasury	47 068	39 343	45 468	1 075	1 075	31 629	1 145	1 219	1 287
9. Cooperative Governance Human Se	1 208	646	519	590	590	527	624	659	696
10. Health	45 037	41 545	30 935	55 015	55 015	34 536	55 015	57 986	61 117
11. Social Development	573	1 233	836	1 095	1 095	1 815	1 154	1 219	1 286
12. Agriculture Land Reform And Rural	2 968	3 311	4 670	2 420	2 420	3 360	2 818	2 971	3 134
13. Environment And Nature Conserva	2 223	2 299	1 901	4 543	4 543	4 211	2 895	3 057	3 223
Total provincial own receipts	330 949	346 435	349 567	360 539	360 539	366 152	384 689	417 008	452 215

Table 1.9 above shows that provincial own receipts is projected to increase from R366.107 million in the 2018/19 revised estimates to R452.215 million in 2021/22 financial year. The once-off collections are not included over the MTEF period due to their unpredictability for estimation. These items include interest earned, sale of capital assets, once-off recoveries of surpluses surrendered by public entities, and recoveries of previous year payments. Thus over the MTEF period revenue is projected to grow by an average of 7.3 per cent from the revised estimated collection.

The revenue estimates are being determined by considering economic performance and the projected economic forecasts that have a direct influence on the performance of revenue in the province. Furthermore, the effect of reviewing and setting of tariffs for revenue items also has a major impact on revenue. In effort to ensure efficient and effective revenue management in the province, Provincial Treasury will continue to provide technical and strategic support to departments with the aim of improving the revenue enhancement. The establishment of various revenue forums with departments and close working relationship with stakeholders that have direct impact on revenue will benefit the province on anticipated revenue collection.

Major revenue collecting departments

There are three major revenue generating departments within the province namely; Transport, Safety and Liaison through motor vehicle licence fees; Health through patient's fees; and Economic Development and Tourism through gambling taxes. Provincial Treasury also collects major revenue as a result of the interest earned from unspent funds during the financial year.

Transport, Safety and Liaison

The department is contributing R270.447 million in 2019/20 financial year which is the bulk of the provincial own revenue collected which is equal to 70.3 per cent of the total provincial own revenue budget. Motor vehicle licence taxes are the main revenue generating item to the own revenue of the department and the province. This revenue source is based on the actual number of motor vehicle in the province coupled with the annual increase in motor vehicle license fees.

The department's budget increased by 10.8 per cent from the 2018/19 financial year projected collection to the 2019/20 financial year budgeted receipts. The increase in revenue budget is attributed to the increase in motor vehicle licence renewal fees, which increased by 10 per cent.

Health

The department remains the second largest contributor towards the own revenue of the province, accounting for R55.015 million or 14.3 per cent of total provincial own revenue over the 2019/20 financial year. The department collects revenue mainly from patient fees in respect of cost recovery of services provided to patients. The tariffs for patient fees are informed by tariffs introduced by the National Department of Health and do not have real revenue enhancement potential.

Economic Development and Tourism

It is the third biggest contributor to total provincial own revenue, accounting for R34.855 million or 9.1 per cent of total provincial own revenue over the 2019/20 financial year. Casino Taxes is the main contributor to the collection of the department through the Northern Cape Gambling Board. The tariffs use by the department have since been set and enacted in year 2008, hence Provincial Treasury is encouraging for tariffs to be reviewed and be set as a separate annexure to the Act in order to enable annual review thereof.

Provincial Treasury: The department shows significant revenue collections, however, such revenue relates mainly due to unanticipated higher collections of interest earned on positive bank balances and reflected in the Provincial Revenue Fund (PRF) as a result of departments having cash available in their bank accounts. The interest earned is also due to all monies banked including own revenue, unallocated funds, surpluses returned by entities, and interest charges retained.

Analysis of negative real growth departments

Five departments out of thirteen departments will be experiencing a negative growth when comparing between 2018/19 revised estimate and 2019/20 budgets. Reasons are as discussed below:

Office of the Premier: the negative growth of 47.3 per cent is due to the department's 2019/20 financial year projected over collection resulting from recoupment of payments of previous year which are of a once-off nature and their recurrence is uncertain hence they were never budgeted for.

Social Development: The department experience a negative growth of 7.7 per cent mainly due to over collection of 2018/19 financial year on the financial transactions in assets and liabilities item resulting from collection of previous year's debt and recoveries of previous year's expenditure which are unpredictable in nature.

Environment and Nature Conservation: The minimal negative growth of 30.5 per cent is due to the decision taken by the department not to cull animals, but rather to give them over to new and upcoming farmers.

Agriculture, Land Reform and Rural Development: The department experiences a negative growth of 16.1 per cent due to the upward revision of the budget attributed to the following reasons

- Sales of goods and services other than capital assets: The revenue collected relates to PERSAL related items such as insurance commissions and sales of agricultural product (sales of animals and plants). The department is projecting to over collect by R0.963 million hence the item has been adjusted. The item is unpredictable to project for as it varies throughout the year.

Provincial Treasury: shows significant revenue collections, however, such revenue relates mainly due to unanticipated higher collections of interest earned on positive bank balances and reflected in the Provincial Revenue Fund (PRF) as a result of departments having cash available in their bank accounts. The interest earned is also due to all monies banked including own revenue, unallocated funds, surpluses returned by entities, and interest charges retained, the department gets to budget for only its projected collection as a vote hence there is a negative growth of 96.4 per cent.

Provincial Own Revenue Enhancement Initiatives

Provincial Treasury implemented various initiatives in order to improve credibility of budgets as well as to encourage revenue enhancement in departments.

Departments budgeted conservatively for own revenue therefore credibility of revenue budgets of departments was a concern hence Provincial Treasury deemed it necessary to develop a Provincial Own Revenue Budget Guideline aims to guide the Accounting Officers and the Chief Financial

Officers in the preparation of provincial own revenue budgets. Provincial Treasury also developed a budgeting tool to assist the hospitals with credible budgeting.

Provincial Treasury introduced a platform that would assist departments in addressing the challenges that hinder them from meeting the revenue budget and to share best practices of improving the province's own revenue with other departments. The revenue forums assisted to build relations with the revenue unit officials in departments and enabled Provincial Treasury to learn more about the revenue management gaps that existed in departments.

In order to address the gaps in revenue management, Provincial Treasury developed the following Practice Note guideline documents for implementation by departments:

- Surrender of Revenue Practice Note & Framework on surrendering of revenue
- Practice note on Internal Controls on Cash Management
- Debt Management Policy
- Revenue enhancement strategy

Provincial Treasury developed a provincial Revenue Enhancement Strategy. It was recommended to the departments to develop their own revenue enhancement strategies and debt management policies in order to better manage and improve the recovery of revenue owed to the department as well as to enhance revenue collected.

Cash offices contribute significantly to the potential of the department in collecting revenue needed to augment the equitable share. In order to strengthen the revenue value chain, the systems at these cash offices should be effective, cashiers should be performing duties at an acceptable standard. Cash Office visits were introduced to assess the implementation of the revenue management internal control practice note by departments and for assisting the cash collection points with proper execution of their duties. Furthermore, training of cash office clerks was introduced with the aim is to assist the department in the effective and efficient performance of the functions at cash offices and continuous training is provided as the need arises.

Provincial Treasury will continue with the monitoring, providing training and strengthening revenue collecting systems at cash points for major collecting departments. The aim is to ensure revenue officials are capacitated with knowledge and this will ensure there are proper controls in place in collecting, banking and reconciling revenue at cash points to head office.

Bilateral sessions were introduced where one-on-one meetings between Provincial Treasury and the departments were held to assist with revenue budgeting. These meetings are continuously held on an annual basis to assist departments with the MTEF revenue budgeting.

Provincial Treasury embarked on a study aimed at identifying new sources of revenue that can be explored and implemented by the provincial departments so to enhance revenue of the province. During this study, benchmarking with other eight provinces on the additional sources of revenue in place as well as the approach that can be taken by the Northern Cape provincial departments in implementing the new sources of revenue was done. Amongst other revenue initiatives discovered from this study, Northern Cape learned how the South African Post Office (SAPO) assisted other provinces with effective revenue collection; and revenue maximisation from increasing parking fees.

In addition to the effectiveness provided by SAPO, moving the motor vehicle renewal function to this agency aimed to also assist in addressing the challenge faced by the department of Transport, Safety & Liaison with respect to municipalities not paying over all the revenue collected on behalf of the department as well as to improving the standard of the service offered by ensuring that the service is easily accessible to all customers the province. The motor vehicle licence renewal function is now active in all the identified Post Offices across the province.

In order to promote the annual review of tariffs for the revenue sources, as well as to encourage the factoring of the approved tariffs in the MTEF budget submissions, tariff committees were established by departments. A tariff framework was also developed in order to guide the

departments in the processes of tariff reviews. Provincial Treasury is currently enforcing the full implementation of the increase of parking fees charged as well as the increase in rental dwelling rates. Provincial Treasury will continue to assist all departments in establishing these tariff committees.

Provincial Treasury conducted a fact finding exercise with the aim of assisting the hospitals and the department of Health as a whole with revenue budgets, revenue management issues and revenue optimization, as well as to identify the challenges that hospitals are experiencing with respect to revenue issues. The results of situational analysis from this exercise is what gave birth to the appointment of revenue clerks to assist the hospitals with collection.

In an aim to enhance revenue collected from patient fees the department has changed the patient administration and billing system to improve amongst other areas a more accurate classification of patients that will enable the hospitals to collect revenue from all patients that can afford to pay. The system has being rolled out to all the hospitals in the province and the department is in a process to enhance the functions of the system in order to fast track the recovery of bills from medical aid schemes. In order to improve on revenue collection, the department is also being encouraged to implement an online ITC linked System that will validate the demographic details of each and every person using the services of our hospitals.

Provincial Treasury has therefore implemented the strategy for the province to recover its revenue that is continuously building up in debt through the appointment of debt collectors. The service provider will do data cleansing of all department's debt in order to assess and identify the debt that is recoverable and the debt not recoverable. The results of this process will then inform the adjustment budgets of the departments as this process has not yet commenced.

The economic situation has not been showing improvement and the ability of the province to collect and optimize own revenue remains equally constrained. This has been evident in the trends of revenue performance by the departments and the rising debt across various departments. Provincial Treasury has therefore implemented the strategy for the province to recover its revenue that is continuously building up in debt through the appointment of debt collectors. The service provider will do data cleansing of all department's debt in order to assess and identify the debt that is recoverable and the debt not recoverable. The results of this process will then inform the adjustment budgets of the departments as this process has not yet commenced.

The debt collecting agency will also assist in enhancing revenue collection of the Department of Health by processing Road Accident Fund (RAF) claims and collect fees from the RAF on behalf of the department. Furthermore, the agency will also assist in collecting current year debt raised by the all departments in order to ensure that there is no build-up of debts in provincial departments' books.

The department of Roads and Public Works has been striving to maximise revenue from government rental properties. Through working together with Provincial Treasury, the collection of rental from the dwellings has been given over to the various departments so that revenue can be deducted directly from Persal by the department where the tenant of the dwelling works; the state owned housing rental policy was developed; increase in rental dwelling rates has commenced.

Provincial Treasury will be assisting the Department of Roads and Public Works to fast track the process of handing-over process of the rental properties from the department of Roads and Public Works to the user departments. This will enable the user departments to properly manage the properties, and the processes involved in letting them out and thereby improving revenue management and collection for the benefit of the province. The department of Roads and Public Works will continue to be encouraged to dispose all the unused properties.

Provincial Treasury together with the Department of Transport, Safety and Liaison are considering engaging into a PPP project in order to enhance the operationalisation of weighbridges, and maximise the monitoring of compliance to the requirements of mass the loaded by the heavy duty vehicles and trucks. The two departments are currently in a process that is looking at constructing a weighbridge in

the John Taolo Gaetsewe district, a road that is mainly used by the heavy load trucks as they transport their mined materials between the mines and the porting bays.

The initiatives developed and implemented by Provincial Treasury over the years contributed in the following ways:

- To bring awareness of the importance of revenue management and collection in departments, especially considering that the departments did not have functional revenue units or officials dedicated to deal with revenue matters. Currently, the three major revenue collecting departments of the province have dedicated fully functional revenue units. Other departments have dedicated personnel with whom Provincial Treasury liaise with on any revenue related matters.
- Deeper analysis of the revenue sources of the departments and the work that has been done on revenue budgets resulted to estimates that are substantiated allowing for focused intervention on areas that are problematic.
- Improvement in revenue management and internal controls in departments and at cash collecting points. The cash points also became aware of and understand the risks in the ways they were operating and started working on improving internal controls.
- Departments are also approaching Provincial Treasury with revenue enhancement ideas and suggesting ways of funding the projects, e.g. the request of revenue retention to embark on revenue projects.
- The introduction of the tariff committees improved the communication within units of the departments, the committees broke the spirit of working in isolation and brought about transparency and the importance of knowing how the various units of the department link and contribute to revenue generation.

5.1 Payments

5.2 Overall Position

Financial year 2019/20: R18.255 billion

Financial year 2020/21: R18.975 billion

Financial year 2021/22: R20.121 billion

5.3 Payments by Vote

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Office Of The Premier	208 098	223 531	241 162	248 331	252 988	252 988	273 403	270 440	285 044
2. Provincial Legislature	161 361	187 984	204 579	200 280	220 580	220 580	197 929	212 211	223 670
3. Transport, Safety And Liaison	353 227	368 154	410 284	291 696	319 179	319 179	309 515	298 507	314 688
4. Education	5 101 117	5 511 818	6 006 305	6 417 223	6 437 552	6 555 352	6 905 811	7 119 251	7 515 810
5. Roads And Public Works	1 462 408	1 559 757	1 835 028	1 747 944	1 787 944	1 787 944	1 839 387	1 816 394	1 939 633
6. Economic Development And Tourism	279 671	272 467	303 091	314 834	331 077	331 077	327 997	351 603	370 590
7. Sport, Arts And Culture	337 900	338 263	356 044	382 821	423 499	422 711	404 882	425 374	448 694
8. Provincial Treasury	218 566	242 923	292 696	302 232	274 312	274 312	313 606	338 820	356 757
9. Cooperative Governance Human Settlements And Traditional Affairs	811 110	691 313	806 148	831 899	881 281	890 541	858 851	851 886	871 507
10. Health	4 168 265	4 369 138	4 567 352	4 735 195	4 854 311	4 877 866	5 197 311	5 563 813	5 970 121
11. Social Development	713 793	729 776	839 410	870 916	870 183	870 183	920 594	976 255	1 029 087
12. Agriculture Land Reform And Rural Development	554 050	540 109	604 301	648 908	773 746	752 503	538 960	574 705	609 888
13. Environment And Nature Conservation	133 652	140 676	145 462	157 988	158 015	158 015	167 170	176 064	185 571
Total payments and estimates	14 503 218	15 175 909	16 611 862	17 150 267	17 584 667	17 713 251	18 255 416	18 975 323	20 121 060

The above table shows an annual average growth for the provincial payments over the 2019 MTEF at 3.1 per cent. The Department of Education's share is 38 per cent of the total provincial budget, followed by the Department of Health at 28 per cent and the Department of Roads and Public Works at 10 per cent, which mainly relates to infrastructure investments.

5.4 Payment by Economic Classification

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	11 435 595	12 263 995	13 299 577	14 172 853	14 658 974	14 761 498	15 243 606	16 174 514	17 164 463
Compensation of employees	7 805 408	8 507 428	9 226 036	10 073 249	9 952 390	10 086 095	10 835 887	11 556 203	12 240 586
Goods and services	3 626 466	3 751 811	4 069 417	4 099 372	4 706 543	4 672 569	4 407 569	4 618 052	4 923 604
Interest and rent on land	3 721	4 756	4 124	233	41	2 834	150	259	273
Transfers and subsidies to:	1 680 023	1 578 193	1 800 322	1 793 789	1 743 574	1 778 276	1 813 971	1 770 365	1 832 936
Provinces and municipalities	132 515	128 004	119 510	114 086	126 226	117 012	177 952	122 142	126 662
Departmental agencies and accounts	87 959	107 202	114 747	105 122	127 217	128 910	117 378	117 688	123 067
Higher education institutions	1 796	2 589	2 459	5 103	5 022	5 022	3 788	5 283	5 557
Foreign governments and international organisations	–	–	–	–	–	–	–	–	–
Public corporations and private enterprises	99 080	73 493	108 095	97 753	114 874	113 192	133 573	110 725	116 775
Non-profit institutions	759 888	753 852	857 354	896 836	762 216	749 582	822 057	861 330	904 850
Households	598 785	513 053	598 157	574 889	608 019	664 558	559 223	553 197	556 025
Payments for capital assets	1 384 933	1 329 628	1 510 805	1 183 625	1 182 118	1 173 477	1 197 839	1 030 444	1 123 661
Buildings and other fixed structures	1 140 511	1 121 275	1 318 776	918 554	863 315	922 992	913 489	737 363	813 707
Machinery and equipment	233 983	187 061	175 637	264 917	317 640	247 816	283 322	292 122	308 935
Heritage Assets	–	–	–	–	–	–	85	60	70
Specialised military assets	–	–	–	–	–	–	–	–	–
Biological assets	692	990	730	–	262	313	–	–	–
Land and sub-soil assets	40	–	–	–	–	–	–	–	–
Software and other intangible assets	9 707	20 302	15 662	154	901	2 356	943	899	949
Payments for financial assets	2 668	4 093	1 158	–	–	–	–	–	–
Total economic classification	14 503 218	15 175 909	16 611 862	17 150 267	17 584 667	17 713 251	18 255 416	18 975 323	20 121 060

5.5 Payments by Functional Area

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
General public services	2 050 433	2 214 195	2 573 465	2 498 787	2 535 824	2 535 824	2 624 325	2 637 865	2 805 104
Public order and safety	304 951	315 691	350 606	228 074	256 545	256 545	242 195	227 183	239 487
Economic affairs	881 997	865 039	967 070	1 027 364	1 167 457	1 146 214	934 277	997 632	1 055 679
Environmental protection	133 652	140 676	145 462	157 988	158 015	158 015	167 170	176 064	185 571
Housing and community amenities	811 110	691 313	806 148	831 899	881 281	890 541	858 851	851 886	871 507
Health	4 168 265	4 369 138	4 567 352	4 735 195	4 854 311	4 877 866	5 197 311	5 563 813	5 970 121
Recreation, culture and religion	337 900	338 263	356 044	382 821	423 499	422 711	404 882	425 374	448 694
Education	5 101 117	5 511 818	6 006 305	6 417 223	6 437 552	6 555 352	6 905 811	7 119 251	7 515 810
Social protection	713 793	729 776	839 410	870 916	870 183	870 183	920 594	976 255	1 029 087
Total provincial payments and estimates by policy area	14 503 218	15 175 909	16 611 862	17 150 267	17 584 667	17 713 251	18 255 417	18 975 323	20 121 060

5.6 Infrastructure Payments

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

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

The Northern Cape Government total spending on infrastructure over the last four years amounts R 10.676 billion, for the 2019 medium-term expenditure framework (MTEF) the Northern Cape will be allocating R 8.728 billion. Infrastructure projects and programmes are financed through equitable share allocations and conditional grants. These funds will be spent on the construction of new,

upgrades, additions, rehabilitation, refurbishment, and maintenance and repairs of infrastructure. Planned projects include school building programme, hospitals and clinics, roads, electricity, water and sanitation infrastructure.

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

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

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

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

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

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

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

Table 1.13 (a) Summary of Provincial Infrastructure Payments and Estimates by Vote.

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
4. Education	125 879	295 341	379 214	328 305	328 305	328 305	374 094	262 470	276 338
5. Roads And Public Works	1 038 625	1 109 551	1 357 096	1 155 843	1 222 953	1 259 701	1 251 079	1 158 983	1 246 600
7. Sport, Arts And Culture	107	269	6 358	8 083	15 806	15 806	8 600	9 600	8 633
8. Provincial Treasury	-	-	-	-	-	-	-	-	-
9. Cooperative Governance Human Settlements And Traditional	-	-	-	-	-	-	-	-	-
10. Health	130 157	233 914	100 530	254 463	254 463	129 270	161 300	242 260	370 398
11. Social Development	1 062	1 751	13 987	15 244	38 900	33 390	13 176	14 176	4 159
12. Agriculture Land Reform And Rural Development	64 201	4 095	24 320	25 738	25 738	25 738	1 417	1 495	1 577
Total provincial infrastructure	1 360 031	1 644 921	1 881 505	1 787 676	1 886 165	1 792 210	1 809 666	1 688 984	1 907 705

Through the commitment of the provincial government to increase investments on infrastructure development, since the 2015/16 to the 2018/19 financial year an amount of R 6.679 billion has been spent on infrastructure. The total infrastructure budget of the province for the 2018/19 financial year amounts to R 1.792 billion. The projected spending on infrastructure in the province amounts to R 5.406 billion over the MTEF. The departments of Health, Education and Roads and Public Works are major infrastructure delivery departments.

Table 1.13(b) : Summary of Provincial Infrastructure Payments and Estimates by Category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Existing infrastructure assets	1 362 399	1 654 444	1 889 573	1 797 399	1 895 888	1 801 933	1 809 666	1 688 984	1 907 705
Maintenance and repairs	990 713	1 024 495	1 180 411	1 158 576	1 238 472	1 249 002	1 322 570	1 195 894	1 305 373
Upgrades and additions	292 345	520 006	402 513	341 085	355 254	318 608	309 040	388 732	455 502
Refurbishment and rehabilitation	79 341	109 944	306 650	297 737	302 161	234 322	178 056	104 358	146 830
New infrastructure assets	840 852	685 386	643 564	430 963	454 321	478 538	510 834	445 932	381 813
Infrastructure transfers	-	-	402 668	474 791	474 791	474 791	487 930	512 958	541 172
Current	-	-	44 073	26 488	26 488	26 488	47 703	54 231	57 214
Capital	-	-	358 595	448 303	448 303	448 303	440 227	458 727	483 958
Infrastructure payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure leases	2 197	2 116	2 413	3 026	3 006	3 006	3 195	3 371	3 556
Non infrastructure	39 495	10 165	115 685	169 796	129 138	266 648	110 236	158 253	162 280
Total department infrastructure	2 244 943	2 352 111	3 053 904	2 875 974	2 957 143	3 024 915	2 921 862	2 809 498	2 996 526

Table 5 shows that the province will spend R1.802 billion on Existing Infrastructure in province in the 2018/19 financial and in total R5.495 billion over the MTEF. Furthermore, the province will spend R 433 million on New Infrastructure; R 3.006 million on infrastructure leases and R 266 million on Non – infrastructure items that relates to machinery and equipment and compensation of employees.

Table 1.13(c): Summary of Provincial Infrastructure Payments and Estimates by Source of Funding

Department/Grant	2015/16	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
	Amount Received	Amount Received	Amount Received	Amount Received	Provincial Roll overs	Total Available	Estimated Actual Payments	Medium Term Expenditure Estimates	Medium Term Expenditure Estimates	Medium Term Expenditure Estimates
Agriculture, Forestry and Fisheries	205 228	183 414	291 252	144 274	16 494	160 768	329 694	183 627	197 847	212 671
Comprehensive Agricultural Support Programme Grant	135 768	128 364	232 772	120 096	16 494	136 590	268 928	119 458	130 149	140 843
Ilima/Letsema Projects Grant	69 460	55 050	58 480	24 178	-	24 178	60 766	64 169	67 698	71 828
Basic Education	446 998	486 538	612 267	-	-	-	568 766	639 817	505 649	544 738
Education Infrastructure Grant	446 998	486 538	612 267	-	-	-	568 766	639 817	505 649	544 738
Health	-	-	443 752	42 000	-	42 000	416 391	386 706	409 404	441 495
Hospital Facility Revitalisation Grant	-	-	443 752	42 000	-	42 000	416 391	386 706	409 404	441 495
Human Settlements	480 408	371 109	-	474 791	32 402	507 193	507 193	470 262	462 526	473 119
Human Settlements Development Grant	480 408	371 109	-	474 791	32 402	507 193	507 193	470 262	462 526	473 119
Roads & Public Works	867 337	954 456	1 136 045	-	-	-	1 165 352	1 203 193	1 167 094	1 255 333
Provincial Roads Maintenance Grant	867 337	954 456	1 136 045	-	-	-	1 165 352	1 203 193	1 167 094	1 255 333
Social Development	16 000	43 000	3 000	36 181	4 210	40 391	36 181	14 199	15 152	15 985
Substance Abuse Treatment Grant	16 000	43 000	3 000	17 709	4 210	21 919	17 709	-	-	-
Early Childhood Development Grant	-	-	-	18 472	-	18 472	18 472	14 199	15 152	15 985
Total National Conditional Grants	2 015 971	2 038 517	2 042 564	655 246	53 106	708 352	2 607 186	2 511 098	2 348 268	2 501 846

Table 6 shows that the province will spend R 2.706 billion on the conditional grant allocation of infrastructure in the 2018/19 financial and R 166 million on Equitable Share and in total R 8.001 billion over the MTEF. Furthermore, the province will spend R 344 million on Equitable Share over the MTEF reflecting a reliance on conditional grant funding by the province.

Maintenance of provincial infrastructure

	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R 000's									
Education	37 214	54 148	11 297	58 999	58 999	58 999	113 233	79 941	61 226
Roads and Public Works	867 678	907 845	1 110 405	980 421	1 040 911	1 077 148	1 048 445	1 002 101	1 081 775
Sport, Arts and Culture	81 178	60 660	47 968	104 322	104 322	84 125	146 700	96 760	155 104
Cooperative Governance Human Settlements and Traditional Affairs	3 968	515	543	573	573	573	577	609	642
Health	81 178	60 660	47 968	104 322	104 322	84 125	146 700	96 760	155 104
Social Development	675	1 327	9 618	11 178	29 676	24 166	12 015	12 883	2 828
Agriculture Land Reform and Rural Development	3 968	515	543	573	573	573	577	609	642
Total	1 981 426	2 048 989	2 359 663	2 310 987	2 468 963	2 490 023	2 641 941	2 384 588	2 603 151

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

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

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

Provincial infrastructure transfers

INFRASTRUCTURE TRANSFERS - INFRASTRUCTURE TRANSFERS - CURRENT									
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R 000's									
Cooperative Governance Human Settlements and Traditional Affairs	-	-	44 073	26 488	26 488	26 488	47 703	54 231	57 214
Total	-	-	44 073	26 488	26 488	26 488	47 703	54 231	57 214

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

Non-infrastructure items

	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R 000's									
Education	19 556	10 165	27 242	95 612	54 954	38 206	34 740	91 740	96 786
Cooperative Governance Human Settlements and Traditional Affairs	-	-	-	-	-	154 258	-	-	-
Total	19 556	10 165	27 242	95 612	54 954	192 464	34 740	91 740	96 786

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

5.7 Transfers

5.7.1 Transfers to Public Entities

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
6. Economic Development And Tourism	40 200	23 789	34 696	43 814	44 929	43 242	41 850	50 201	52 922
12. Agriculture Land Reform And Rural	10 415	50	9 600	–	15 900	15 900	35 000	–	–
Total provincial transfers	50 615	23 839	44 296	43 814	60 829	59 142	76 850	50 201	52 922

The province has allocated an amount of R76.850 million in the 2019/20 financial year towards transfers to existing public entities and the budget is projected to grow to R52.922 million in the 2021/22 financial year. Department of Economic Development and Tourism will transfer R144.973 million over the next three years to 4 public entities, namely: Northern Cape Gambling Board, Northern Cape Liquor Board, Northern Cape Economic Development, Trade and Investment Promotion Agency and the Northern Cape Tourism Authority.

5.7.2 Transfers to Development Corporations

The province does not have any development corporations

5.7.3 Transfer to Local Government

Table 1.17 : Summary of provincial transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Category A	–	–	–	–	–	–	–	–	–
Category B	153 466	134 090	109 160	103 639	116 639	110 238	169 198	117 506	121 837
Category C	10 710	13 280	4 858	2 942	2 942	2 104	1 231	1 299	1 369
Unallocated	2 718	4 156	15 017	482	482	–	509	537	567
Total provincial transfers	166 894	151 526	129 035	107 064	120 064	112 342	170 938	119 342	123 773

The province has allocated an amount of R170.938 million in the 2019/20 financial year towards transfers to local government, the amount increases to R123.773 million in the outer year of the MTEF.

5.8 Personnel Numbers and Costs

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

R thousands	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2015/16		2016/17		2017/18		2018/19		Filled posts	Additional posts	2019/20		2020/21		2021/22		Personnel growth rate	Costs growth rate	% Costs of Total
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs			Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs			
Vote																			
1. Office Of The Premier	256	118 474	252	127 492	264	139 956	267	149 165	267		267	163 480	294	174 509	294	185 678	3.3%	7.6%	1.5%
2. Provincial Legislature	167	96 954	167	103 717	161	109 020	161	121 808	161		161	126 935	160	135 313	168	143 493	1.4%	5.6%	1.2%
3. Transport, Safety And Liaison	398	132 568	381	146 457	371	152 346	374	161 734	374		374	170 611	393	181 381	397	191 157	2.0%	5.7%	1.6%
4. Education	12 729	3 924 981	12 729	4 109 327	13 416	4 651 988	13 421	5 013 345	13 421		13 421	5 271 288	13 421	5 581 436	13 421	5 882 148	–	5.5%	48.6%
5. Roads And Public Works	861	240 154	908	251 110	863	274 783	914	304 234	914		914	325 073	999	362 518	1 025	385 720	3.9%	8.2%	3.1%
6. Economic Development And Tourism	194	81 144	210	93 795	210	101 663	218	107 847	218		218	120 697	231	130 727	231	137 781	1.9%	8.5%	1.1%
7. Sport, Arts And Culture	577	118 487	696	140 371	616	153 531	639	171 536	639		639	194 547	663	208 825	538	227 513	-5.6%	9.9%	1.8%
8. Provincial Treasury	330	159 343	335	168 946	397	191 871	347	194 868	347		347	224 773	399	258 696	427	272 230	7.2%	11.8%	2.1%
9. Cooperative Governance Human Settlements	659	226 200	661	239 800	663	255 560	665	273 928	665		665	269 464	698	288 097	732	303 239	3.3%	3.4%	2.6%
10. Health	6 840	2 150 712	7 183	2 322 039	7 114	2 564 791	9 521	2 863 924	9 521		9 521	3 136 829	9 685	3 345 435	9 715	3 568 410	0.7%	7.6%	28.9%
11. Social Development	983	307 060	1 076	323 839	1 154	360 078	1 196	383 200	1 196		1 196	441 235	1 196	470 591	1 260	500 691	1.8%	9.3%	4.0%
12. Agriculture Land Reform And Rural	612	194 248	615	210 440	625	222 860	537	229 557	537		537	268 022	636	287 631	636	303 094	5.8%	9.7%	2.4%
13. Environment And Nature Conservation	243	93 998	259	104 554	249	112 408	241	110 901	241		241	122 933	255	131 045	274	139 432	4.4%	7.9%	1.1%
Total	24 849	7 844 323	25 472	8 341 887	26 103	9 290 854	28 501	10 086 047	28 501	–	28 501	10 835 886	29 030	11 556 204	29 118	12 240 586	0.7%	6.7%	100.0%

5.9 Payments on Training

Table 1.20 : Payments on training by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
1. Office Of The Premier	999	1 052	1 080	1 512	1 512	1 612	1 635	1 745	1 857
2. Provincial Legislature	146	153	240	987	987	987	1 042	1 099	1 159
3. Transport, Safety And Liaison	710	1 350	1 544	1 616	1 616	1 616	1 689	1 813	1 911
4. Education	9 878	13 555	10 928	11 786	11 786	6 203	11 185	11 880	12 585
5. Roads And Public Works	2 591	2 772	2 146	3 219	3 219	3 219	3 042	3 625	3 822
6. Economic Development And Tourism	3 499	886	1 338	1 414	1 414	1 414	1 493	1 574	1 661
7. Sport, Arts And Culture	257	905	2 380	2 498	2 498	2 498	2 624	2 769	2 922
8. Provincial Treasury	1 480	1 720	3 627	1 583	1 583	1 583	2 563	2 587	2 730
9. Cooperative Governance Human Se	3 890	2 116	2 222	2 353	2 353	2 353	2 502	2 639	2 783
10. Health	20 164	21 845	26 819	28 375	28 375	28 375	29 965	31 614	33 353
11. Social Development	3 011	3 180	3 339	3 533	3 533	3 533	3 730	3 936	4 154
12. Agriculture Land Reform And Rural	1 848	1 959	2 057	2 176	2 176	2 176	2 297	2 424	2 556
13. Environment And Nature Conserva	1 216	822	1 144	1 240	1 240	1 108	1 229	1 311	1 395
Total payments on training	49 689	52 315	58 864	62 291	62 291	56 676	64 996	69 016	72 888

Annexure: Overview of Provincial Revenue and Expenditure Estimates

Table A.1: Specification of receipts: Northern Cape

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18		2018/19		2019/20	2020/21	2021/22
Tax receipts	188 848	210 894	222 264	259 646	259 646	253 318	284 170	311 030	340 491
Casino taxes	21 305	22 609	22 672	26 180	26 180	23 172	27 646	29 166	30 770
Horse racing taxes	1 595	2 477	2 753	1 924	1 924	2 457	2 032	2 144	2 262
Liquor licences	3 758	3 762	3 869	4 639	4 639	3 955	4 899	5 168	5 452
Motor vehicle licences	162 190	182 046	192 970	226 903	226 903	223 734	249 593	274 552	302 007
Sales of goods and services other than capital assets	69 882	81 014	71 063	84 788	84 788	66 006	85 696	90 348	95 240
Sale of goods and services produced by department (excluding capital assets)	69 881	81 010	70 716	84 788	84 788	66 006	85 696	90 348	95 240
Sales by market establishments	8 007	6 526	3 999	8 608	8 608	4 613	9 971	9 460	9 974
Administrative fees	23 327	37 498	35 235	26 526	26 526	26 509	27 216	28 700	30 257
Other sales	38 547	36 986	31 491	49 653	49 653	34 884	49 509	52 187	55 009
Of which									
Health patient fees	35 030	33 773	27 706	49 146	49 146	32 259	49 249	51 945	54 750
Other (Specify)	312	288	256	269	269	260	293	310	327
Other (Specify)	566	812	584	455	455	766	617	651	687
Other (Specify)	189	237	271	—	—	106	—	—	—
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1	4	347	—	—	50	—	—	—
Transfers received from:	—	969	250	—	—	—	—	—	—
Other governmental units	—	—	—	—	—	—	—	—	—
Higher education institutions	—	—	—	—	—	—	—	—	—
Foreign governments	—	—	—	—	—	—	—	—	—
International organisations	—	—	—	—	—	—	—	—	—
Public corporations and private enterprises	—	969	250	—	—	—	—	—	—
Households and non-profit institutions	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	2 764	2 233	1 217	3 613	3 613	2 649	2 417	2 551	2 689
Interest, dividends and rent on land	49 014	42 828	47 317	4 808	4 808	32 591	5 073	5 356	5 651
Interest	49 014	42 828	47 213	4 728	4 728	32 511	4 989	5 267	5 557
Dividends	—	—	—	—	—	—	—	—	—
Rent on land	—	—	104	80	80	80	84	89	94
Sales of capital assets	4 438	2 106	340	3 811	3 811	2 475	3 222	3 398	3 582
Land and sub-soil assets	4 438	2 106	340	3 811	3 811	2 475	3 222	3 398	3 582
Other capital assets	—	—	—	—	—	—	—	—	—
Transactions in financial assets and liabilities	16 003	6 391	7 116	3 872	3 872	9 063	4 111	4 325	4 562
Total provincial receipts	330 949	346 435	349 567	360 539	360 539	366 152	384 689	417 008	452 215

Table A.2 Information Relating to Conditional Grants

R thousand	2015/16			2016/17			2017/18			2018/19			2019/20	2020/21	2021/22
	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Audited Expenditure	Adjusted Appropriation	Actual Transfer	Expenditure Estimates	Medium Term Expenditure Estimates		
Agriculture, Forestry and Fisheries	214 530	214 530	212 670	196 466	196 466	196 466	315 199	315 199	298 176	460 262	460 262	350 262	194 284	206 462	221 760
Agricultural Disaster Management Grant	—	—	—	—	—	—	—	—	—	42 339	42 339	42 339	—	—	—
Comprehensive Agricultural Support Programme Grant	135 768	135 768	134 127	129 924	129 924	129 924	244 381	244 381	227 836	311 928	311 928	201 928	119 458	130 149	140 843
Ilma/Letsema Projects Grant	69 460	69 460	69 288	55 222	55 222	55 222	61 680	61 680	61 675	60 766	60 766	60 766	64 169	67 698	71 828
Land Care Programme Grant Poverty Relief and Infrastructure Development	7 302	7 302	7 256	9 320	9 320	9 320	7 094	7 094	6 621	42 963	42 963	42 963	8 166	8 615	9 089
Expanded Public Works Programme Incentive Grant for Provinces	2 000	2 000	1 999	2 000	2 000	2 000	2 044	2 044	2 044	2 266	2 266	2 266	2 491	—	—
Education	621 040	621 040	603 028	675 200	675 200	672 577	808 378	808 378	804 868	784 291	784 291	783 962	878 219	752 723	805 490
Dinaledi Schools Grant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Education Infrastructure Grant	446 998	446 998	429 079	489 550	489 550	486 990	612 267	612 267	609 361	568 766	568 766	568 766	639 817	505 649	544 738
HIV and Aids (Life Skills Education) Grant	5 281	5 281	5 259	5 281	5 281	5 117	5 547	5 547	5 536	5 356	5 356	5 356	5 594	5 794	6 113
National School Nutrition Programme Grant	142 724	142 724	142 722	152 414	152 414	152 463	160 807	160 807	160 801	170 211	170 211	170 211	189 224	199 632	210 611
Occupation Specific Dispensation for Education Sector Therapists Grant	2	2	—	—	—	—	—	—	—	—	—	—	—	—	—
Technical Secondary Schools Recapitalisation Grant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Maths, Science and Technology Grant	22 958	22 958	22 956	23 030	23 030	23 079	23 636	23 636	23 595	24 564	24 564	24 564	25 948	28 388	30 038
Learners With Profound Intellectual Disabilities Grant	—	—	—	—	—	—	2 021	2 021	1 557	6 837	6 837	6 837	11 298	13 260	13 990
Expanded Public Works Programme Incentive Grant for Provinces	2 077	2 077	2 077	2 000	2 000	1 998	2 083	2 083	2 031	2 222	2 222	2 222	2 263	—	—
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 000	1 000	935	2 925	2 925	2 930	2 017	2 017	1 987	6 335	6 335	6 335	3 675	—	—
Health	1 423 980	1 423 980	1 370 651	1 360 908	1 360 908	1 216 450	1 525 010	1 525 010	1 472 572	1 463 685	1 463 685	1 463 685	1 485 530	1 590 495	1 755 838
Comprehensive HIV and Aids Grant	372 403	372 403	372 403	413 231	413 231	413 231	478 242	478 242	478 762	524 636	524 636	524 636	596 276	657 409	761 747
of which	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Community Services component	—	—	—	—	—	—	—	—	—	—	—	—	66 967	70 717	115 296
Comprehensive HIV/AIDS component	—	—	—	—	—	—	—	—	—	—	—	—	497 690	553 334	611 258
Tuberculosis component	—	—	—	—	—	—	—	—	—	—	—	—	31 619	33 358	35 193
Health Disaster Response (Cholera) Grant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hospital Facility Revitalisation Grant	652 232	652 232	608 736	514 585	514 585	398 052	560 260	560 260	560 259	416 391	416 391	416 391	386 706	409 404	441 495
Health Professions Training and Development Grant	78 445	78 445	78 445	81 815	81 815	77 505	90 610	90 610	65 824	115 739	115 739	115 739	97 132	102 475	108 111
National Tertiary Services Grant	305 477	305 477	301 866	322 272	322 272	300 274	362 053	362 053	335 852	385 955	385 955	385 955	378 323	403 671	425 873
National Health Insurance Grant	7 535	7 535	2 599	10 489	10 489	8 872	1 616	1 616	1 646	—	—	—	—	—	—
Human Papillomavirus Vaccine Grant	—	—	—	—	—	—	—	—	—	4 634	4 634	4 634	4 894	5 164	5 448
Human Resource Capelation Grant	—	—	—	—	—	—	—	—	—	—	—	—	11 606	12 372	13 164
Expanded Public Works Programme Incentive Grant for Provinces	1 400	1 400	114	3 286	3 286	3 286	2 000	2 000	—	2 907	2 907	2 907	2 439	—	—
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	6 488	6 488	6 488	15 230	15 230	15 230	30 229	30 229	30 229	13 423	13 423	13 423	8 154	—	—
Human Settlements	482 561	482 561	478 761	376 930	376 930	373 109	413 641	413 641	404 668	529 559	529 559	529 559	483 098	473 909	473 119
Housing Disaster Relief Grant	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Human Settlements Development Grant	480 408	480 408	476 608	374 930	374 930	371 109	411 641	411 641	402 668	507 193	507 193	507 193	470 262	462 526	473 119
Title Deed Restoration Grant	—	—	—	—	—	—	—	—	—	20 364	20 364	20 364	10 790	11 383	—
Expanded Public Works Programme Incentive Grant for Provinces	2 153	2 153	2 153	2 000	2 000	2 000	2 000	2 000	2 000	2 002	2 002	2 002	2 046	—	—
Public Works	825 923	825 923	825 923	909 163	909 163	909 163	1 087 850	1 087 850	1 087 850	1 115 791	1 115 791	1 115 791	1 150 909	1 106 570	1 191 479
Provincial Roads Maintenance Grant	822 430	822 430	822 430	905 360	905 360	905 360	1 084 016	1 084 016	1 084 016	1 111 637	1 111 637	1 111 637	1 146 470	1 106 570	1 191 479
Expanded Public Works Programme Incentive Grant for Provinces	3 493	3 493	3 493	3 803	3 803	3 803	3 834	3 834	3 834	4 154	4 154	4 154	4 439	—	—
Social Development	22 301	22 301	22 258	46 500	3 500	3 500	91 067	91 067	79 734	52 243	52 243	44 270	24 930	15 152	15 985
Substance Abuse Treatment Grant	16 000	16 000	16 000	43 000	—	—	57 237	57 237	60 237	21 919	21 919	14 709	—	—	—
Early Childhood Development Grant	—	—	—	—	—	—	13 761	13 761	—	18 472	18 472	17 709	14 199	15 152	15 985
Social Worker Employment Grant	—	—	—	—	—	—	572	572	—	619	619	619	—	—	—
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	6 301	6 301	6 258	3 500	3 500	3 500	19 497	19 497	19 497	11 233	11 233	11 233	10 731	—	—
Sport and Recreation South Africa	198 066	198 066	73 795	193 269	193 269	178 178	215 294	215 294	197 544	223 809	223 809	221 679	203 990	210 945	222 686
Mass Participation and Sport Development Grant	29 181	29 181	15 419	31 413	31 413	33 642	31 283	31 283	29 819	31 319	31 319	31 319	32 086	32 883	33 727
Community Library Services Grant	165 670	165 670	57 326	157 656	157 656	139 016	179 670	179 670	163 000	188 864	188 864	186 861	168 750	178 062	188 959
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 215	1 215	550	2 200	2 200	3 075	2 341	2 341	2 404	1 455	1 455	1 409	1 000	—	—
Expanded Public Works Programme Incentive Grant for Provinces	2 000	2 000	500	2 000	2 000	2 445	2 000	2 000	2 321	2 171	2 171	2 070	2 154	—	—
Economic Development and Tourism	2 000	2 000	2 000	2 030	2 030	2 030	2 000	2 000	2 000	2 012	2 012	2 012	2 089	—	—
Expanded Public Works Programme Incentive Grant for Provinces	2 000	2 000	2 000	2 030	2 030	2 030	2 000	2 000	2 000	2 012	2 012	2 012	2 089	—	—
Enviroment	2 000	2 000	2 000	2 043	2 043	2 043	2 182	2 182	2 182	2 035	2 035	2 035	2 000	—	—
Expanded Public Works Programme Incentive Grant for Provinces	2 000	2 000	2 000	2 043	2 043	2 043	2 182	2 182	2 182	2 035	2 035	2 035	2 000	—	—
Transport	49 421	49 421	44 267	55 039	55 039	53 209	58 316	58 316	2 479	59 887	59 887	59 887	58 359	60 524	63 854
Public Transport Operations Grant	48 421	48 421	43 346	52 125	52 125	50 348	53 806	53 806	—	54 676	54 676	53 715	56 723	60 524	63 854
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	1 000	1 000	921	2 914	2 914	2 861	2 510	2 510	2 479	3211	3211	3211	1636	—	—
Expanded Public Works Programme Incentive Grant for Provinces	—	—	—	—	—	—	2 000	2 000	—	2000	2000	2961	—	—	—
Total	3 841 822	3 841 822	3 635 353	3 817 548	3 774 548	3 606 725	4 518 937	4 518 937	4 352 073	4 693 574	4 693 574	4 573 142	4 483 408	4 416 780	4 750 212

Table A3: Payments and estimates by economic classification: Northern Cape

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
Current payments	11 435 595	12 263 995	13 299 577	14 172 853	14 658 974	14 761 498	15 243 606	16 174 514	17 164 463
Compensation of employees	7 805 408	8 507 428	9 226 036	10 073 249	9 952 390	10 086 095	10 835 887	11 556 203	12 240 586
Salaries and wages	6 790 461	7 412 854	8 038 805	8 813 136	8 693 281	8 809 665	9 515 566	10 132 663	10 736 893
Social contributions	1 014 947	1 094 574	1 187 231	1 260 113	1 259 109	1 276 430	1 320 322	1 423 540	1 503 693
Goods and services	3 626 466	3 751 811	4 069 417	4 099 372	4 706 543	4 672 569	4 407 569	4 618 052	4 923 604
Administrative fees	14 235	14 733	14 457	15 552	20 790	19 199	18 677	19 233	20 160
Advertising	22 440	13 120	11 449	18 285	19 934	16 906	18 662	20 078	21 024
Minor assets	27 913	13 813	8 202	35 049	44 551	33 863	41 653	48 142	50 893
Audit cost: External	67 211	67 908	70 939	66 619	68 795	74 866	67 955	76 813	80 834
Bursaries: Employees	8 638	6 644	6 294	8 059	8 367	8 281	8 253	8 524	8 983
Catering: Provincial activities	34 866	33 383	30 202	37 921	40 007	41 351	38 293	40 055	42 007
Communication (G&S)	57 122	62 781	54 306	57 885	56 751	52 878	49 240	53 196	56 241
Computer services	98 553	84 544	109 509	114 028	118 061	110 082	98 591	152 335	160 367
Consultants and professional services: Business and advisory services	83 916	93 091	99 581	47 224	151 406	148 872	104 706	30 297	30 178
Infrastructure and planning	62 485	24 705	7 682	35 660	37 654	22 688	5 922	3 302	4 337
Laboratory services	113 487	126 337	116 235	119 741	130 701	100 943	146 677	154 163	186 993
Scientific and technological services	-	-	-	-	-	-	854	854	901
Legal services	15 768	16 705	28 389	8 201	12 424	18 991	8 762	9 252	9 763
Contractors	749 842	647 365	1 115 904	1 070 709	1 171 109	1 139 373	1 048 590	1 054 238	1 147 995
Agency and support / outsourced services	188 390	230 535	184 852	211 881	327 264	319 077	217 464	231 695	248 235
Entertainment	413	195	140	855	707	445	607	690	726
Fleet services (including government motor transport)	130 332	135 592	123 437	142 243	142 606	154 349	166 726	177 349	187 229
Housing	3	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	2 125	1 085	1 717	6 722	4 867	2 796	5 274	5 428	5 698
Inventory: Farming supplies	35 785	18 454	25 125	23 562	113 611	155 350	13 112	13 226	14 361
Inventory: Food and food supplies	21 351	35 125	34 233	39 848	49 493	41 159	47 692	50 376	54 612
Inventory: Fuel, oil and gas	22 833	30 276	14 301	24 066	36 093	36 030	29 168	31 462	33 211
Inventory: Learner and teacher support material	4 870	8 704	120	1 747	2 281	16 249	342	1 933	2 040
Inventory: Materials and supplies	35 337	4 279	64 316	82 968	106 536	108 875	80 725	87 736	90 335
Inventory: Medical supplies	117 280	158 561	116 676	127 872	139 117	141 987	149 660	157 636	172 714
Inventory: Medicine	255 360	311 618	319 371	266 832	268 746	274 791	350 143	412 966	448 084
Medias inventory interface	-	-	-	0	-	-	-	-	-
Inventory: Other supplies	61 646	47 741	99 034	102 024	92 596	57 729	51 425	98 374	104 652
Consumable supplies	149 235	164 256	55 698	62 190	69 246	60 282	78 933	66 291	69 898
Consumable: Stationery, printing and office supplies	51 731	40 261	42 847	59 470	56 650	52 541	63 757	67 545	71 286
Operating leases	409 542	539 291	330 526	367 660	357 122	320 557	391 460	406 813	427 287
Property payments	329 575	370 888	467 753	371 947	436 528	530 099	488 667	475 687	476 756
Transport provided: Provincial activity	125 758	135 159	165 965	157 899	170 500	183 836	166 351	186 586	196 862
Travel and subsistence	242 286	235 788	264 372	271 865	304 480	299 953	303 410	322 814	337 891
Training and development	37 076	32 739	38 195	83 510	85 740	59 503	78 449	83 160	87 654
Operating payments	31 974	30 453	29 600	29 934	33 678	44 143	34 648	36 867	38 857
Venues and facilities	15 123	12 516	11 788	13 119	11 961	13 219	15 598	14 993	15 757
Rental and hiring	1 964	3 166	6 202	16 204	16 171	11 346	17 124	17 924	18 783
Interest and rent on land	3 721	4 756	4 124	233	41	2 834	150	259	273
Interest	3 720	4 756	4 124	233	41	2 834	150	259	273
Rent on land	1	-	-	-	-	-	-	-	-
Transfers and subsidies	1 680 023	1 578 193	1 800 322	1 793 789	1 743 574	1 778 276	1 813 971	1 770 365	1 832 936
Provinces and municipalities	132 515	128 004	119 510	114 086	126 226	117 012	177 552	122 142	126 662
Provinces	59	1 475	200	9 432	9 496	390	9 960	10 508	11 086
Provincial Revenue Funds	35	-	44	-	35	35	-	-	-
Departmental agencies and funds	24	1 475	156	9 432	9 461	355	9 960	10 508	11 086
Municipalities	132 456	126 529	119 310	104 654	116 730	116 622	167 592	111 634	115 576
Municipalities	109 066	104 214	96 759	102 089	114 156	116 248	146 105	109 643	113 476
Municipal agencies and funds	23 390	22 315	22 551	2 565	2 574	374	21 887	1 991	2 100
Departmental agencies and accounts	87 959	107 202	114 747	105 122	127 217	128 910	117 378	117 688	123 067
Social security funds	2	126	-	-	-	-	-	-	-
Provide list of entities receiving transfers	87 957	107 076	114 747	105 122	127 217	128 910	117 378	117 688	123 067
Higher education institutions	1 796	2 589	2 459	5 103	5 022	5 022	3 788	5 283	5 557
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	99 080	73 493	108 095	97 753	114 874	113 192	133 573	110 725	116 775
Public corporations	264	-	10 000	224	330	335	-	-	-
Subsidies on production	27	-	-	-	-	-	-	-	-
Other transfers	237	-	10 000	224	330	335	-	-	-
Private enterprises	98 816	73 493	98 095	97 529	114 544	112 857	133 573	110 725	116 775
Subsidies on production	10 415	-	-	-	-	-	-	-	-
Other transfers	88 401	73 493	98 095	97 529	114 544	112 857	133 573	110 725	116 775
Non-profit institutions	759 888	753 852	857 354	896 836	762 216	749 582	822 057	861 330	904 850
Households	598 785	513 053	598 157	574 889	608 019	664 558	559 223	553 197	556 025
Social benefits	50 414	47 024	40 687	12 038	15 703	43 504	12 323	13 315	13 494
Other transfers to households	548 371	466 029	557 470	562 851	592 316	621 054	546 900	539 882	542 531
Payments for capital assets	1 384 933	1 329 628	1 510 805	1 183 625	1 182 118	1 173 477	1 197 839	1 030 444	1 123 661
Buildings and other fixed structures	1 140 511	1 121 275	1 318 776	918 554	863 315	922 992	913 489	737 363	813 707
Buildings	821 504	745 793	908 739	651 239	616 746	691 137	636 883	498 602	526 985
Other fixed structures	319 007	375 482	410 037	267 315	246 569	231 855	276 606	238 761	286 722
Machinery and equipment	233 963	187 061	175 637	264 917	317 640	247 816	283 322	292 122	308 935
Transport equipment	99 679	77 616	65 315	63 909	79 720	65 221	85 432	86 063	91 799
Other machinery and equipment	134 304	109 445	110 322	201 008	237 920	182 595	197 890	206 059	217 136
Heritage Assets	-	-	-	-	-	-	65	60	70
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	692	990	730	-	262	313	-	-	-
Land and sub-soil assets	40	-	-	-	-	-	-	-	-
Software and other intangible assets	9 707	20 302	15 662	154	901	2 356	943	899	949
Payments for financial assets	2 668	4 093	1 158	-	-	-	-	-	-
Total economic classification	14 503 218	15 175 909	16 611 862	17 150 267	17 584 667	17 713 251	18 255 416	18 975 323	20 121 060

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

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

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2018/19	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2019/20	2020/21	2021/22
General Public Services									
Executive and Legislature	369 459	411 515	445 741	448 611	473 568	473 568	471 332	482 651	508 714
Office of the Premier	208 098	223 531	241 162	248 331	252 988	252 988	273 403	270 440	285 044
Provincial Legislature	161 361	187 984	204 579	200 280	220 580	220 580	197 929	212 211	223 670
Financial and Fiscal Services	218 566	242 923	292 696	302 232	274 312	274 312	313 606	338 820	356 757
Provincial Treasury	218 566	242 923	292 696	302 232	274 312	274 312	313 606	338 820	356 757
General Services (Public Works, Local Government)	1 462 408	1 559 757	1 835 028	1 747 944	1 787 944	1 787 944	1 839 387	1 816 394	1 939 633
Total: General Public Services	2 050 433	2 214 195	2 573 465	2 498 787	2 535 824	2 535 824	2 624 325	2 637 865	2 805 104
Public Order and Safety									
Police Services	304 951	315 691	350 606	228 074	256 545	256 545	242 195	227 183	239 487
Transport, Safety and Liaison	304 951	315 691	350 606	228 074	256 545	256 545	242 195	227 183	239 487
Total: Public Order and Safety	304 951	315 691	350 606	228 074	256 545	256 545	242 195	227 183	239 487
Economic Affairs									
General Economic Affairs	279 671	272 467	303 091	314 834	331 077	331 077	327 997	351 603	370 590
Dept of Economic Affairs	279 671	272 467	303 091	314 834	331 077	331 077	327 997	351 603	370 590
Agriculture	554 050	540 109	604 301	648 908	773 746	752 503	538 960	574 705	609 888
Dept of Agriculture Affairs	554 050	540 109	604 301	648 908	773 746	752 503	538 960	574 705	609 888
Transport	48 276	52 463	59 678	63 622	62 634	62 634	67 320	71 324	75 201
Department of Transport	48 276	52 463	59 678	63 622	62 634	62 634	67 320	71 324	75 201
Total: Economic Affairs	881 997	865 039	967 070	1 027 364	1 167 457	1 146 214	934 277	997 632	1 055 679
Environmental Protection	133 652	140 676	145 462	157 988	158 015	158 015	167 170	176 064	185 571
Environmental Protection	133 652	140 676	145 462	157 988	158 015	158 015	167 170	176 064	185 571
Total: Environmental Protection	133 652	140 676	145 462	157 988	158 015	158 015	167 170	176 064	185 571
Housing and Community Amenities									
Housing Development	811 110	691 313	806 148	831 899	881 281	890 541	858 851	851 886	871 507
Department of Housing	811 110	691 313	806 148	831 899	881 281	890 541	858 851	851 886	871 507
Total: Housing and Community Amenities	811 110	691 313	806 148	831 899	881 281	890 541	858 851	851 886	871 507
Health									
Outpatient services	1 252 089	1 118 377	1 285 582	1 166 493	1 202 993	1 224 962	1 234 740	1 307 671	1 415 575
R and D Health (CS)	1 696 409	1 915 040	1 989 019	2 169 978	2 186 459	2 186 459	2 406 496	2 570 199	2 777 514
Hospital Services	1 219 767	1 335 721	1 292 751	1 398 724	1 464 859	1 466 445	1 556 075	1 685 943	1 777 032
Total: Health	4 168 265	4 369 138	4 567 352	4 735 195	4 854 311	4 877 866	5 197 311	5 563 813	5 970 121
Recreation, Culture and Religion									
Sporting and Recreational Affairs	337 900	338 263	356 044	382 821	423 499	422 711	404 882	425 374	448 694
Sport, Arts and Culture	337 900	338 263	356 044	382 821	423 499	422 711	404 882	425 374	448 694
Total: Recreation, Culture and Religion	337 900	338 263	356 044	382 821	423 499	422 711	404 882	425 374	448 694
Education									
Pre-primary & Primary Phases	2 204 970	2 526 566	2 757 027	2 830 931	2 960 931	3 038 355	3 186 842	3 326 144	3 509 025
Secondary Education Phase	1 443 254	1 362 830	1 488 555	1 781 950	1 681 950	1 699 386	1 770 682	1 912 873	2 014 381
Subsidised Services to Education	7 887	8 722	9 164	9 600	9 600	9 600	10 080	10 168	10 727
Education not defined by level	1 445 006	1 613 700	1 751 559	1 794 742	1 785 071	1 808 011	1 938 207	1 870 066	1 981 677
Total: Education	5 101 117	5 511 818	6 006 305	6 417 223	6 437 552	6 555 352	6 905 811	7 119 251	7 515 810
Social protection									
Social Security Services									
Social Services and Population Development	713 793	729 776	839 410	870 916	870 183	870 183	920 594	976 255	1 029 087
Total: Social protection	713 793	729 776	839 410	870 916	870 183	870 183	920 594	976 255	1 029 087
Total provincial payments and estimates by policy area	14 503 218	15 175 909	16 611 862	17 150 267	17 584 667	17 713 251	18 255 416	18 975 323	20 121 060