

FOREWORD

The 2019 MTEF Budget is presented at the end of the fifth Medium Term Strategic Framework (MTSF) cycle when the world economy and South African economy are anticipated to only grow moderately. The International Monetary Fund (IMF) has lowered its projection for global growth to 3.5 percent in 2019 and 3.6 percent in 2020 from a prior estimate of 3.7 percent in both years.

The national economy experienced a technical recession during 2018 with two consecutive quarters of negative growth, amongst others, due to the poor performance of the mining industry. National Treasury anticipate that the GDP real growth will rise to 1.5 percent in 2019 and strengthen moderately to 2.1 percent in 2021. The province recorded growth of 1.8 percent in 2017 and is expected to continue performing better than that at the national level. The 2017 provincial growth was supported by Waterberg and Sekhukhune districts recording growth of 3.3 percent and 3.1 percent respectively.

Limpopo government ascribes to fiscal consolidation and maintain its commitment to improving the lives of the people of the province. Significant strides have been achieved, people living in poverty reduced from 88 percent to 70 percent, literacy rate increased from 59 percent to 79 percent, people occupying formal dwelling increased to 90 percent from 69 percent while the number of people connected to electricity increased from 49 percent to 94 percent.

Much of the development in the province is based on prudent financial management on all spheres of government. The 2019 budget is carefully crafted taking into account both the economic and social needs of the province. It is aimed at accelerating programmes and projects that will facilitate job creation, improving quality of life, promoting access to basic education, delivery and maintenance of provincial infrastructure and strengthening the capacity of the state. These will be achieved by utilising the most cost effective means to yield the maximum impact possible.



The provincial budget amounts to R69.5 billion in 2019/20, R72.8 billion in 2020/21 and to R77.9 billion in 2021/22 financial years. These allocations truly provides for a road map to a better life for all.

I would like to thank the entire administration of the Limpopo Provincial Government, Head of Department of the Provincial Treasury and the Provincial Treasury staff members, for the help, support and understanding in ensuring that the provincial government remain sustainable and committed to deliver on its mandate.



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ABBREVIATIONS

AIDS	-	Acquired Immune Deficiency Syndrome
ART	-	Antiretroviral Therapy
ARV	-	Antiretroviral
EAP	-	Economic Active Population
ECD	-	Early Childhood Development
GDP	-	Gross domestic product
GFCF	-	Gross Fixed Capital Formation
GHS	-	General Household Survey
GOS	-	Gross Operating Surplus
GVA	-	Gross Value Added
HDI	-	Human Development Index
HIV	-	Human Immunodeficiency Virus
IMF	-	International Monetary Fund
LDP	-	Limpopo Development Plan
LED	-	Local Economic Development
LICs	-	Low Income Countries
LTA	-	Limpopo Tourism Agency
NDP	-	National Development Plan
NHI	-	National Health Insurance
OECD	-	Organization for Economic Cooperation and Development
QLFS	-	Quarterly Labour Force Survey
Q-on-Q	-	Quarter on Quarter
RDTs	-	Rapid Diagnostic Tests
SA	-	South African
SADC	-	Southern Africa Development Community
SASSA	-	South African Social Security Agency
SDGs	-	Sustainable Development Goals
SERO	-	Socio Economic Review and Overview
SEZs	-	Special Economic Zone
StatsSA	-	Statistics South Africa
TVET	-	Technical and Vocational Education and Training
UK	-	United Kingdom
UN	-	United Nations
UNESCO	-	United Nations Educational Scientific and Cultural organization
US	-	United States
USA	-	United States of America
WHO	-	World Health Organization's
WIDE	-	World Inequality Database on Education
WTO	-	World Trade Organization

CHAPTER 1: ECONOMIC OVERVIEW

1.1 Introduction

Countries worldwide are constantly in an adjustment mode, rebalancing from eminent development from trade, politics, natural disasters to complicated and perpetual wars. Uncertainty always presents high levels of risks and may lead to underinvestment which in return may lead to low economic growth. Trade tariffs and sporadic radical policies affecting developing economies more as their policies inevitably depends on advanced economy's policy action. In the medium term, world economy is expected to be less volatile with much economic growth coming from advanced and emerging economies. South Africa needs to position itself and take advantage of taking policy action that will grow its export base and attract foreign direct investment in the country which will bring in expert skills and research and development. Though economic growth is pivotal, sustainable economic development will happen when there's positive and sustained economic growth. As advocated by the Sustainable Development Goals- South Africa must pursue inclusive economic growth that will benefit people and not only the owners of capital

1.1 World Economic Overview

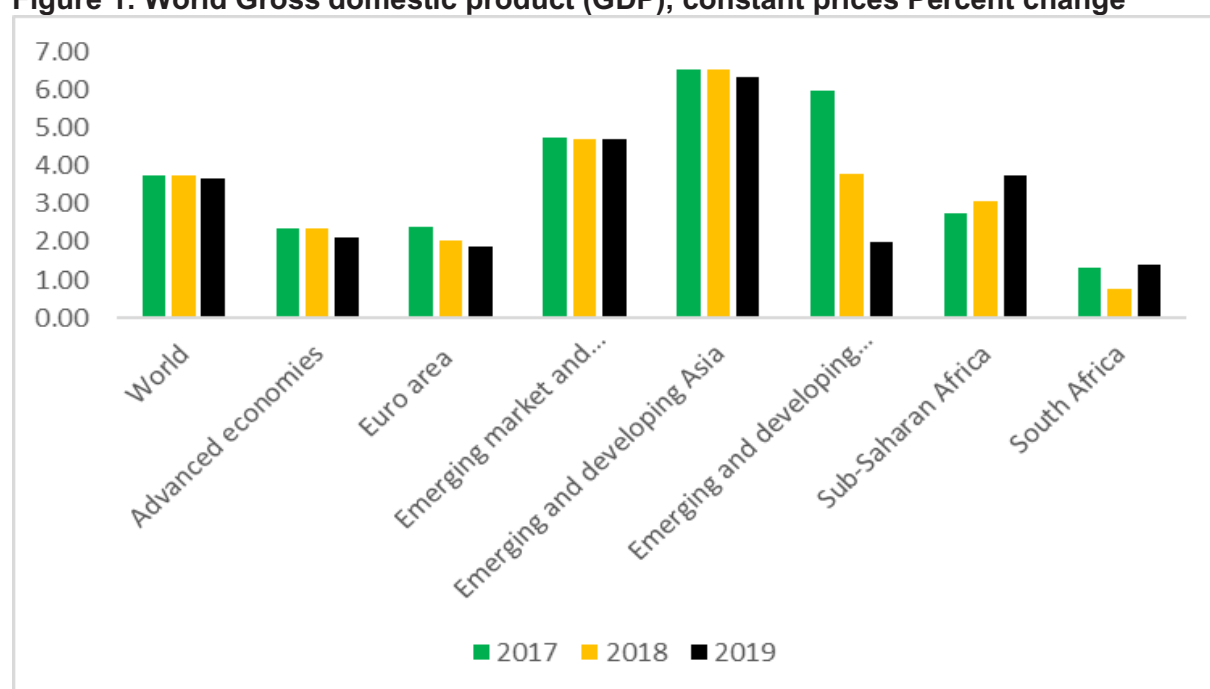
The world is manoeuvring through the difficult storms of trade and political uncertainty. This is evidenced by the ongoing spats between United States of America and China. This has multiplier effects, particularly in developing economies which heavily rely on these economic giants as their export market. South Africa suffered because of the import duties levied by the USA, however the country managed to remain resilient as it exited the technical recession boosted by manufacturing and Financial Services sector.

Global economic growth rate averaged 3.6 percent since 2014 maintaining positive yet moderate trends amidst trade and geopolitical tensions. These tensions, combined with concerns about softening global growth prospects, have weighed on investor sentiment. World economic growth in 2018 is projected to be 3.7 percent. Global



growth is projected by the IMF to decline to 3.6 percent in 2019 before picking up slightly to 3.7 percent in 2020. The World Bank is even more bearish than the IMF, only expecting 2.9 percent world economic growth during 2019. This growth pattern reflects a persistent decline in the growth rate of advanced economies together with a temporary decline in the growth rate for emerging market and developing economies in 2019. The current trade tensions between America and China had a bigger negative impact on China than America.

Figure 1: World Gross domestic product (GDP), constant prices Percent change



Source: IMF World Economic Outlook Database, October 2018

1.1.1 World Fiscal Overview

General government debt levels are rising in all the regions, this is indicative of counter cyclical fiscal policy stance of many economies that sought to stimulate economic growth through stimulated aggregate demand. Many countries have sizable government debt and primary fiscal deficits, elevated or rising private debt, and high non-performing loans. Corporate borrowers have increasingly relied on bond markets to finance rising debt levels, and now face significant refinancing needs amid rising interest rates. This could result in sudden increases in corporate default rates and have a sustained negative effect on investment and financial stability.

Table 1: World fiscal position (% to GDP)

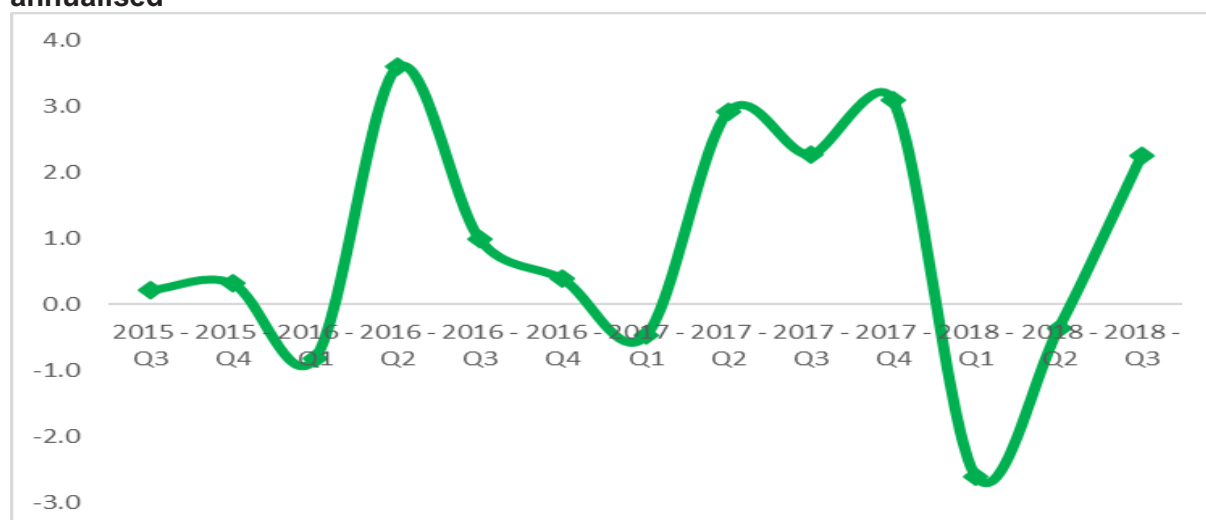
	General government revenue	General government total expenditure	General government gross debt
World	36.0	38.5	102.8
Advanced economies	36.0	38.5	102.8
Euro area	45.9	46.5	84.4
Emerging market and developing economies	26.8	30.7	50.4
Emerging and developing Asia	25.9	30.1	51.3
Emerging and developing Europe	35.4	38.0	43.5
Sub-Saharan Africa	18.7	22.9	48.5

Source: IMF World Economic Outlook Database, October 2018

1.2 South African Economic Overview

The country emerged from a technical recession and reported positive growth in the 3rd quarter of 2018 of 2.2 percent supported by the manufacturing sector and broadly the tertiary sector that experienced improved growth rates. The largest positive contributors to growth in GDP in the third quarter were the manufacturing, finance, transport and trade industries. National Treasury estimates that growth in 2019 will be 1.5 percent, followed by a slow improvement in 2020 to 1.7 percent and 2.1 percent in 2021.

Figure 2: GDP Constant 2010 prices, seasonally adjusted % change Q-on-Q, annualised

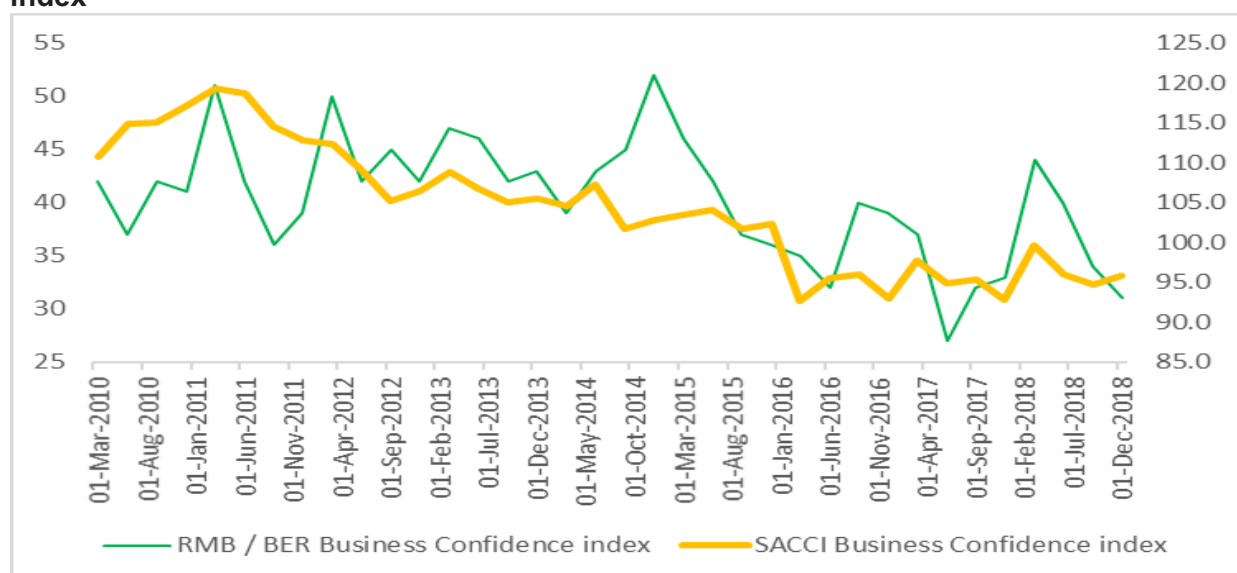


Source: STATSSA GDP 2018Q3

1.2.1 Business Confidence

RMB / BER Business Confidence index was reported to be 27 points in the second quarter of 2017, but improved to 44 points in the first half of 2018. It is rather concerning to observe a decline in the last quarter of 2018 to 31 points. SACCI Business Confidence index does not deviate from the RMB / BER Business Confidence index trends, however it recorded improved business confidence of 95.8 points in the fourth quarter of 2018 from 94.7 points in the third quarter. Investor sentiments are indifferent determined largely by the eminent national elections-national policy direction, international trade developments and movements in the financial markets.

Figure 3: RMB / BER Business Confidence index and SACCI Business Confidence index

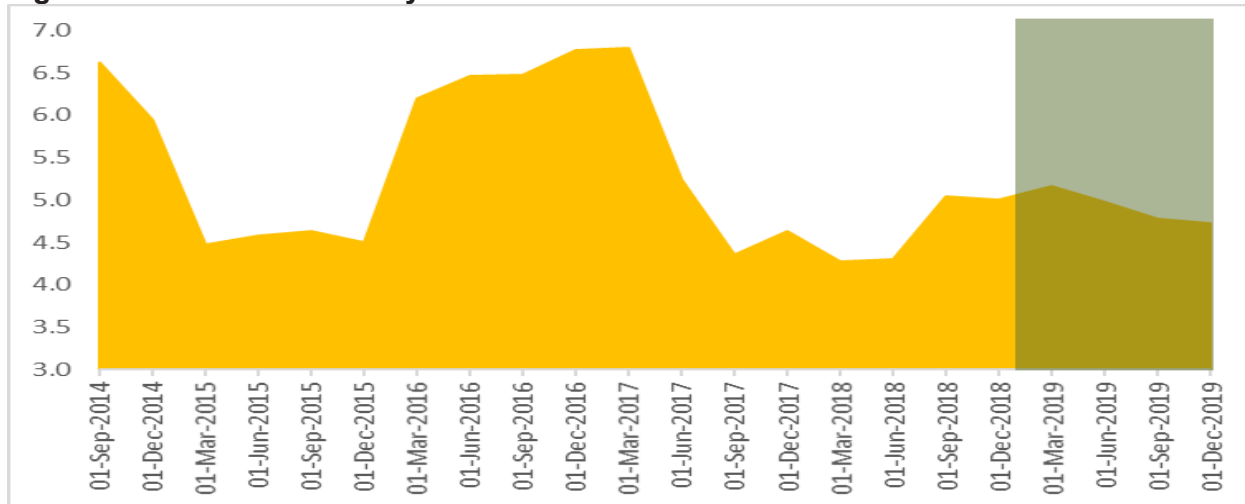


Source: Econostat 2019

1.2.2 Consumer Price Index (CPI)

By fourth quarter of 2018, headline CPI was recorded at 5.0. It is anticipated that it might rise to 5.2 in the first quarter of 2019 but moderate through the rest of the year, provided that the USA does not increase its interest rate, which is not likely, and crude oil prices remain stationary. It is therefore expected that wage increases will be moderate unlike in 2014 and 2016 period where headline inflation was around 6.5 percent.

Figure 4: CPI for total country: All items



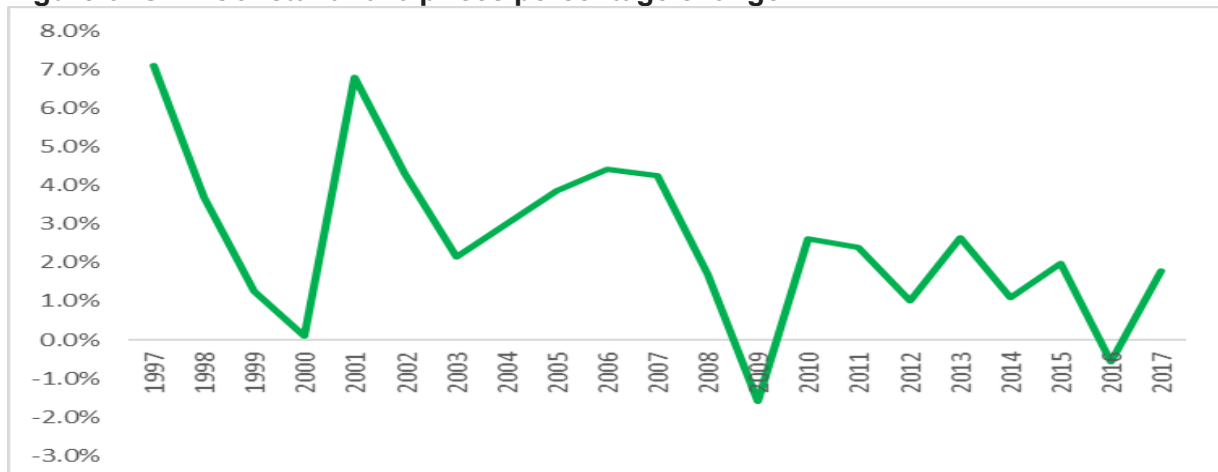
Source: Econostat 2019 (Forecasts Own calculation)

1.3 Limpopo Economic Overview

1.3.1 Limpopo Economic Growth

The provincial economy has been underperforming or experiencing a negative growth trajectory since 1997. In 2017, the province recorded growth of 1.8 percent, an improvement from -0.6 percent in 2016. The 2017 growth was supported by Waterberg and Sekhukhune districts recording growth of 3.3 percent and 3.1 percent respectively. The subdued provincial growth can be associated with unfavourable commodity prices, increasing operating expenses for mines and the El Nino climate phenomenon that farmers are still recovering from.

Figure 5: GDP Constant 2010 prices percentage change

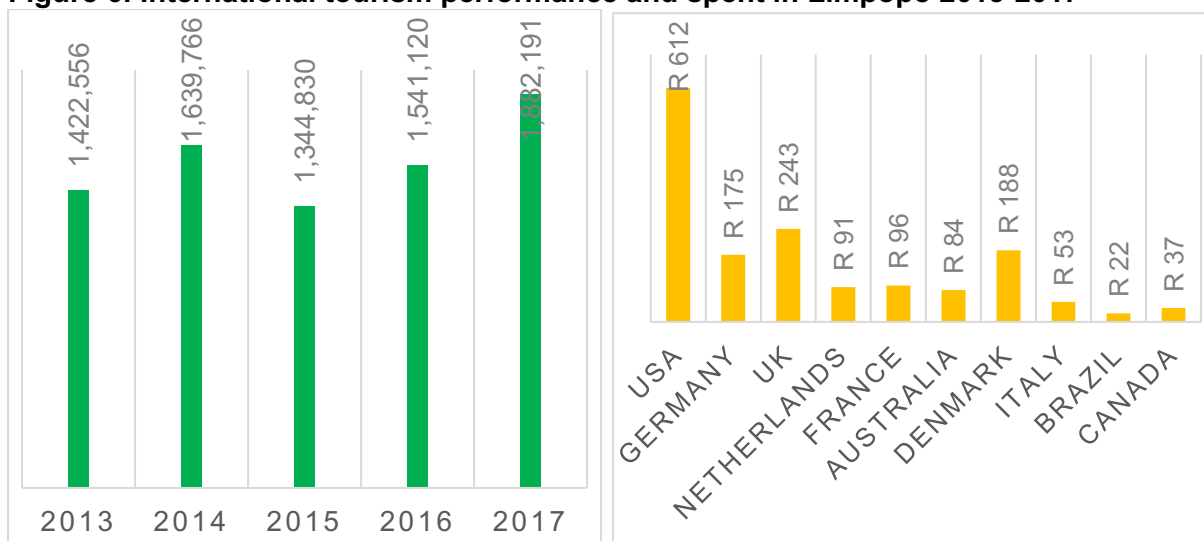


Source: IHS Markit Regional Explorer 2019

1.3.2 Tourism Performance in Limpopo

Limpopo recorded the second most visits per province by international tourists, with more than 1.8 million international arrivals in 2017. This reflects a 22 percent increase from 2016 and is a clear indication that Limpopo remains a competitive tourist destination in the international market. The current economic recession in South Africa and the favourable exchange rate of the Rand, also makes it more affordable for international tourists to visit South Africa. The main long-haul international markets of the province are USA, Germany, UK, Netherlands, France, Australia, Denmark, Italy, Brazil, and Canada.

Figure 6: International tourism performance and spent in Limpopo 2013-2017



Source: South African Tourism

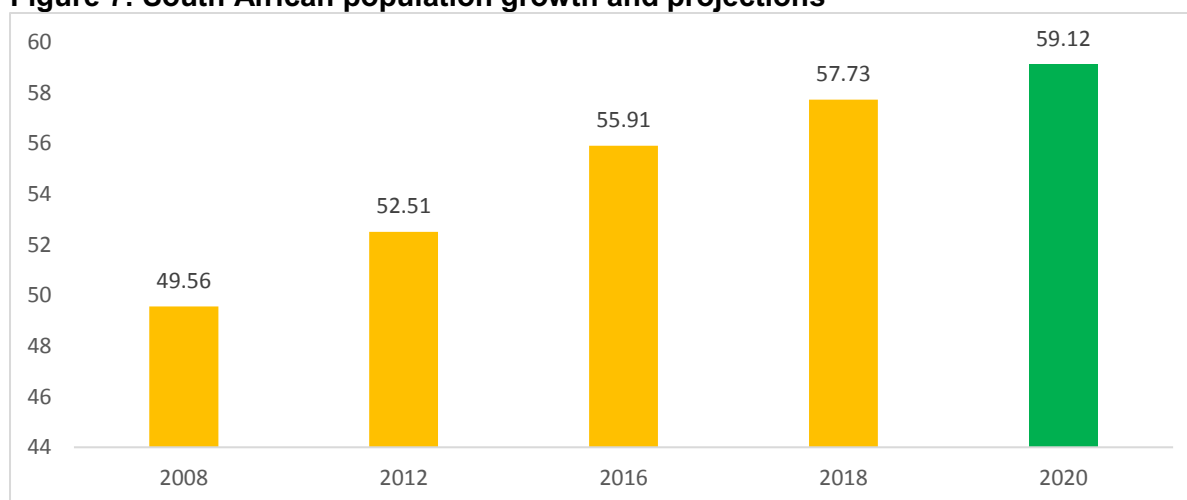
The number of local tourism arrivals increased from just more than 1.4 million visitors during 2013 to more than 1.8 million during 2017. From the Figure above it is clear that the biggest tourism spend in Limpopo still comes from the traditional international markets of the United States of America, Germany, United Kingdom and the rest of Europe.

1.4 Demographic profile

1.4.1 South African population estimates

South African population is increasing by an average of 3 percent every four years. This implies that service delivery and the economy should grow at a higher rate than 3 percent, in real terms, in order to curb the rise in service delivery backlogs and mitigate the risk of stagflation. In 2018, total population was 57.7 million and is projected to be 59.1 million in 2020.

Figure 7: South African population growth and projections

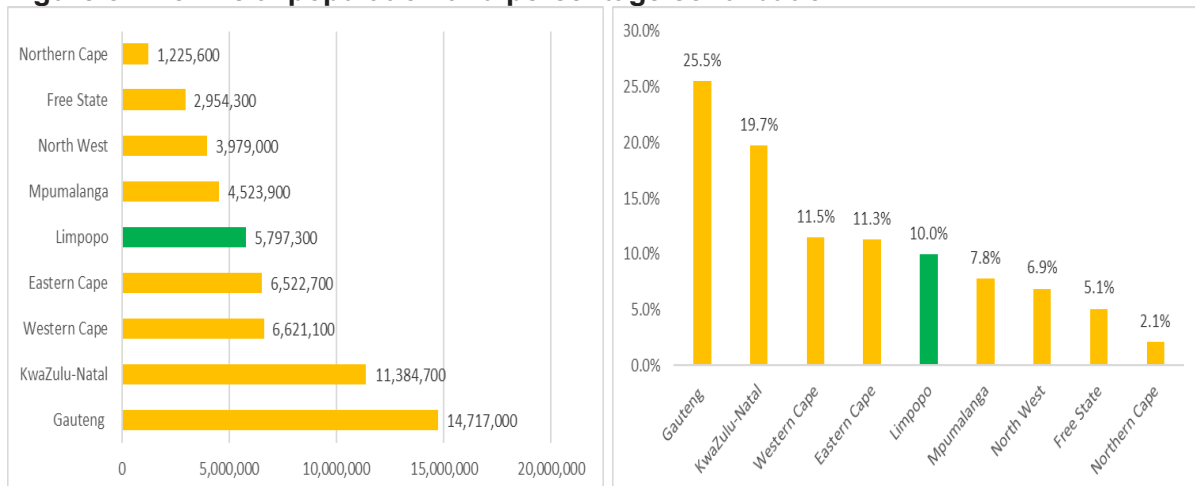


Source: StatsSA Mid-Year population estimates 2018

1.4.2 Provincial population estimates

Limpopo has a population of approximately 5.8 million which represents 10 percent of the national population. Limpopo has the fifth largest population in the country after Gauteng with 14.7 million (25.5 percent), KwaZulu Natal with 11.4 million (19.7 percent), Western Cape with 6.6 million (11.5 percent) and Eastern Cape at 5.5 million (11.3 percent). The province with the least number in terms of population is Northern Cape at 1.2 million (2.1 percent).

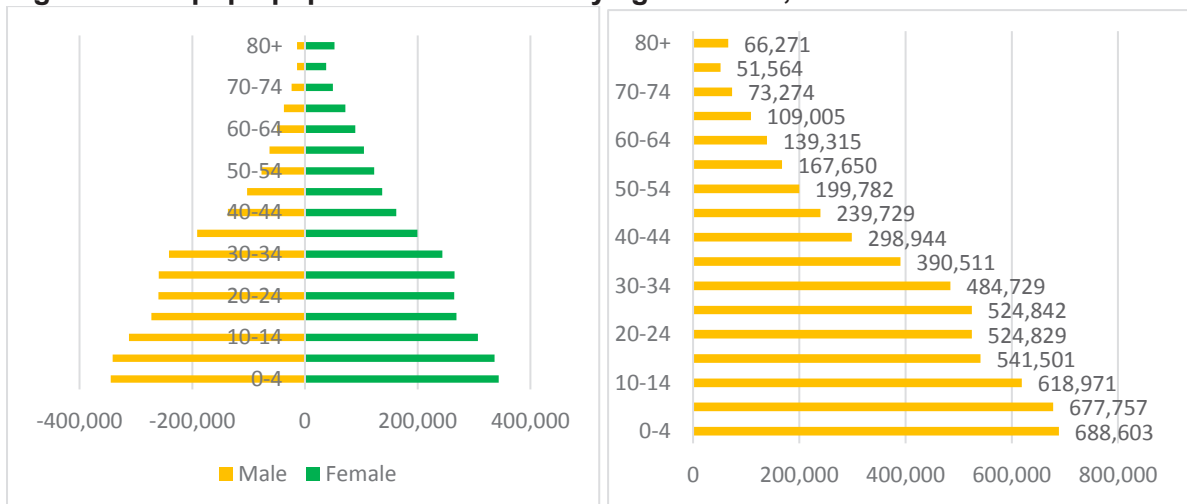
Figure 8: Provincial population and percentage contribution



Source: StatsSA Mid-Year population estimates 2018

Limpopo population structure is dominated by youth as it is more imbalanced towards the youth population, these are people who are 35 years and below. The highest population concentration is on the years below 14 years, for both males and females. The total population contribution of the below 14 years' age group is about 2 million people. This indicates that the composition of the population is growing especially among infants, teenagers and youth.

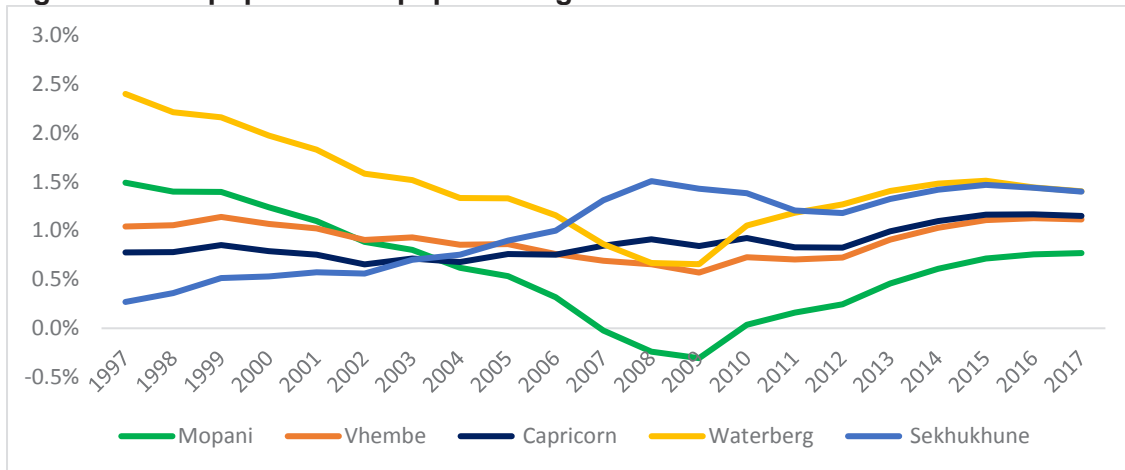
Figure 9: Limpopo population estimates by age and sex, 2018



Source: StatsSA 2018

Sekhukhune and Waterberg district population growth rate are at high in the province as they were recorded at an average of around 1.4 percent and 1.5 percent respectively. Mopani is the slowest growing district in terms of population growth at an average of 0.7 percent in 2018.

Figure 10: Limpopo District population growth rate

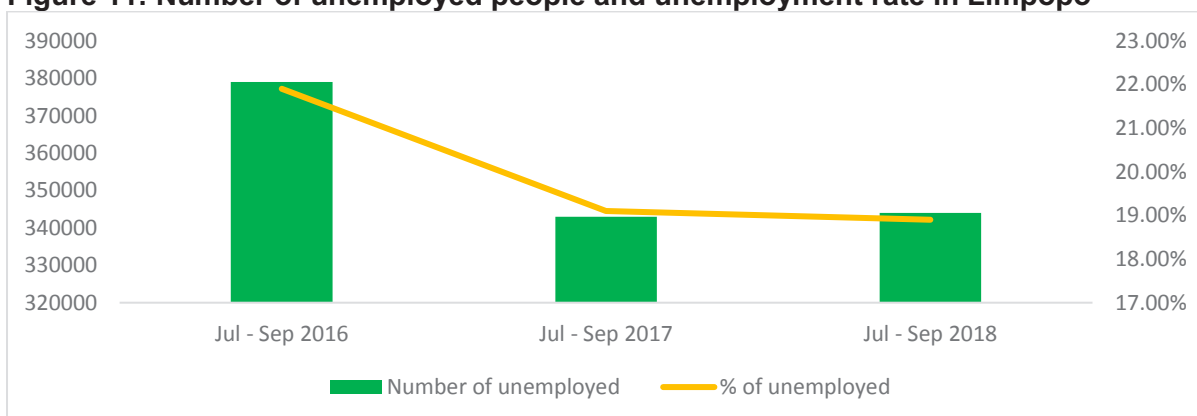


Source: IHS Markit Regional eXplorer 2018

1.5 Labour Market Outlook

The unemployment rate in Limpopo decreased from 19.1 percent in quarter 3 in 2017 to 18.7 percent in the same quarter in 2018. This slight decrease in the unemployment rate is seen in the decrease in the actual number of unemployed people from 373 thousand in the third quarter of 2017 to 344 thousand in the corresponding quarter in 2018.

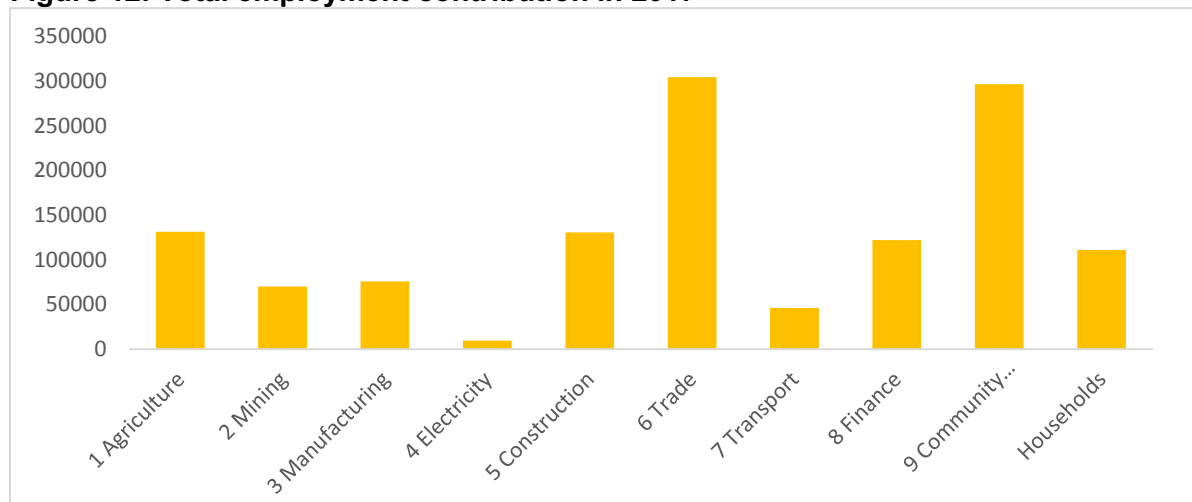
Figure 11: Number of unemployed people and unemployment rate in Limpopo



Source: StatsSA QLFS

The three largest contributors to employment is the trade, community services and agricultural sector. The 10 percent contribution of agriculture is fairly significant in view of the fact that the sector contributes approximately 3 percent to the local economy. Mining only contributes 5 percent of the jobs despite its share of the provincial economy of nearly 28 percent.

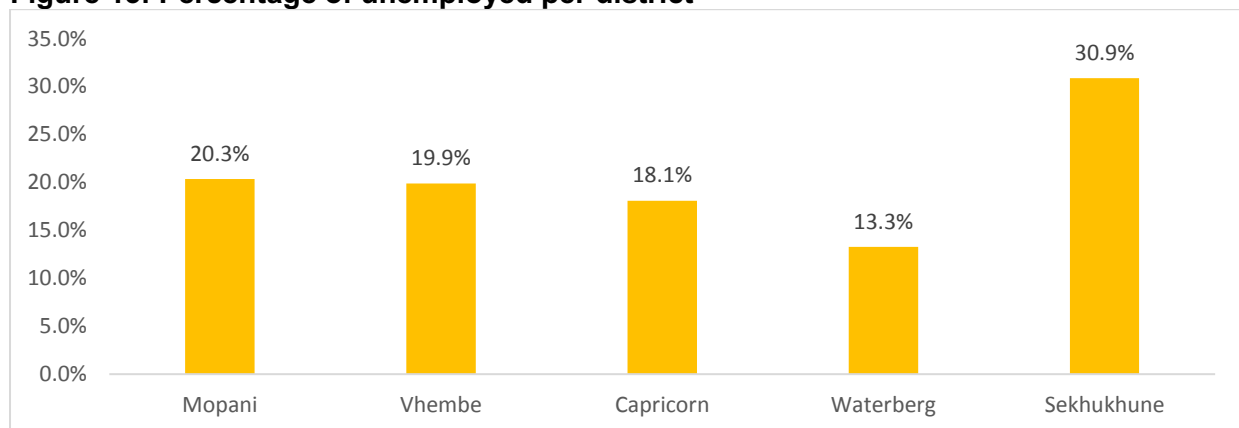
Figure 12: Total employment contribution in 2017



Source: IHS Markit Regional Explorer 2018

The highest percentage of unemployed is from the Sekhukhune district at 30.9 percent, followed by Mopani and Vhembe at 20.3 and 19.9 percent respectively. The Waterberg district stood at 13.3 percent unemployment. It should however be noted that the Waterberg is also the smallest district in terms of population, hosting only 12.8 percent of the provincial population.

Figure 13: Percentage of unemployed per district



Source IHS Markit Regional Explorer 2018

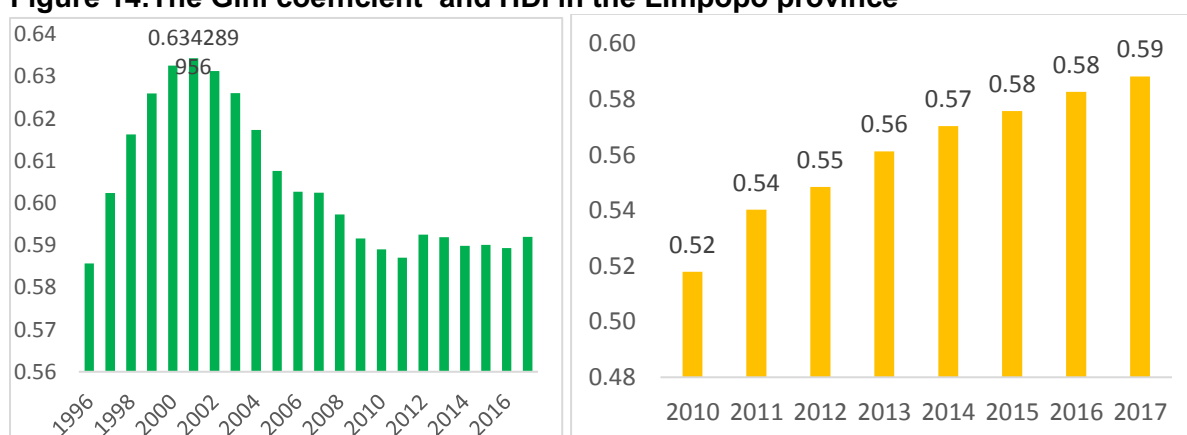
1.6 Development indicators

1.6.1 Income Inequality and Human Development Index (HDI)

The persistence of the income gap in the country is perpetuated by the structure of the economy; dual economy. Due to well known historical reasons, general household incomes of majority of the country's population (africans) was very low as compared to other races. This is evidenced by the the spike in the Gini Coefficient of the province in the late 90s and earlty 2000s. However, government deliberate policies that sought to open business and job opportunities to the previously marginalised and extending the social security net has narrowed the income gap in the province from 0.63 in 2001 to 0.59 in 2017. Unemployment and low economic growth still perpertuate income inequality.

Human Development Index of the province has improved from 0.52 in 2010 to 0.59 in 2017. This is evidence that government's efforts in providing educational and health care services is yielding fruit. The higher the index moves towards 1 the higher the living standards of people will be in the province.

Figure 14: The Gini coefficient and HDI in the Limpopo province



Source: IHS Markit Regional Explorer 2018

The Gini Coefficient of the districts have not changed since 2014 except for Waterberg and Sekhukhune which recorded a growth in their Gini Coefficient from 0.60 in 2016 to 0.61 in 2017 and 0.56 in 2016 to 0.57 respectively. This is an indication that income inequality in these districts is actually widening.

Table 2: Inequality on district level

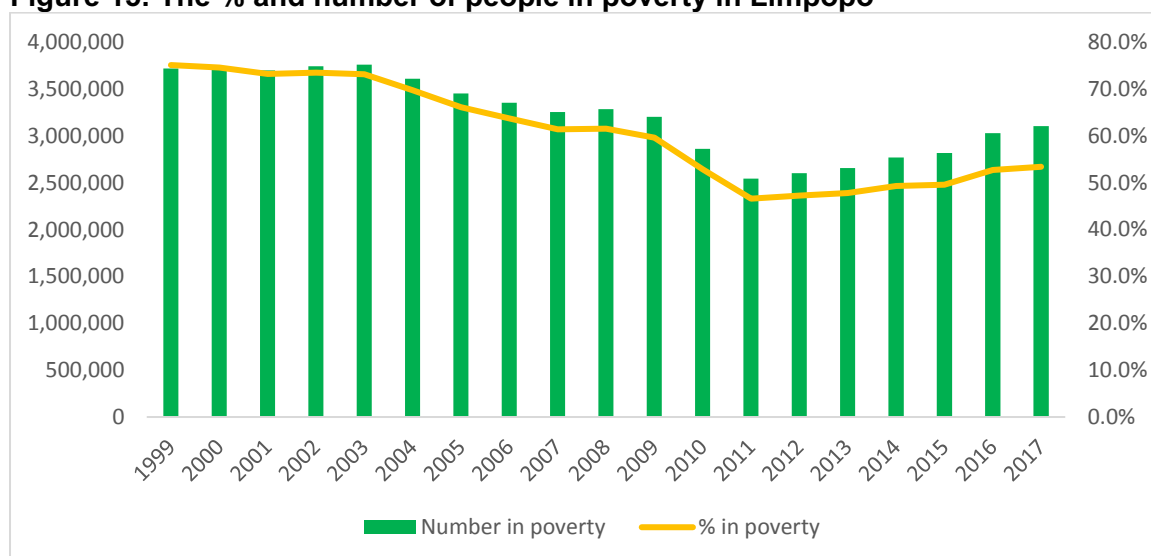
	2014	2015	2016	2017
Mopani	0.59	0.59	0.59	0.59
Vhembe	0.57	0.57	0.57	0.57
Capricorn	0.61	0.60	0.60	0.60
Waterberg	0.60	0.60	0.60	0.61
Sekhukhune	0.56	0.56	0.56	0.57

Source IHS Markit Regional Explorer 2018

1.6.2 Poverty

In 2017 the number of people below the Lower Poverty Line in South Africa was 24.2 million persons or 42.1 percent of the population, while in Limpopo the comparable numbers were 3,1 million persons or 52.7 percent. This is a significant improvement from the 75.1 percent of persons in poverty in 1999.

Figure 15: The % and number of people in poverty in Limpopo



Source: IHS Markit Regional Explorer 2018

According to the below table Sekhukhune has the highest number of people in poverty and also the highest percentage of people in poverty. There is no significant difference in the poverty gap rate between the Limpopo districts.

Table 3: The poverty levels in the districts

	No below the poverty line	% below the poverty line	Poverty gap rate
Mopani	629 920	54.7%	31.2%
Vhembe	777 447	56.2%	31.2%
Capricorn	667 087	49.2%	31.2%
Waterberg	342 933	46.0%	31.1%
Sekhukhune	684 125	58.0%	31.2%

Source: IHS Markit Regional Explorer 2018

1.6.3 Crime Outlook

The top 3 reported crimes in the province relate to civilians and domestic cases; there are 19 580 cases of drug related crimes, 14 328 Burglary at residential premises, and 11 998 Assault with the intent to inflict grievous bodily harm. While Burglary at business premises has the 7th most reported cases. It's given that every effective crime fighting and prevention effort must seek to deal with the causes of the crime.

Table 4: The number of cases per category

Type of crime reported	No. of cases
Drug-related crime	19 580
Burglary at residential premises	14 328
Assault with the intent to inflict grievous bodily harm	11 998
Common assault	7 514
Robbery with aggravating circumstances	7 037
Malicious damage to property	6 808
Burglary at business premises	6 713
Driving under the influence of alcohol or drugs	5 674
Common robbery	2 836

Source IHS Markit Regional Explorer 2018



1.7 Health

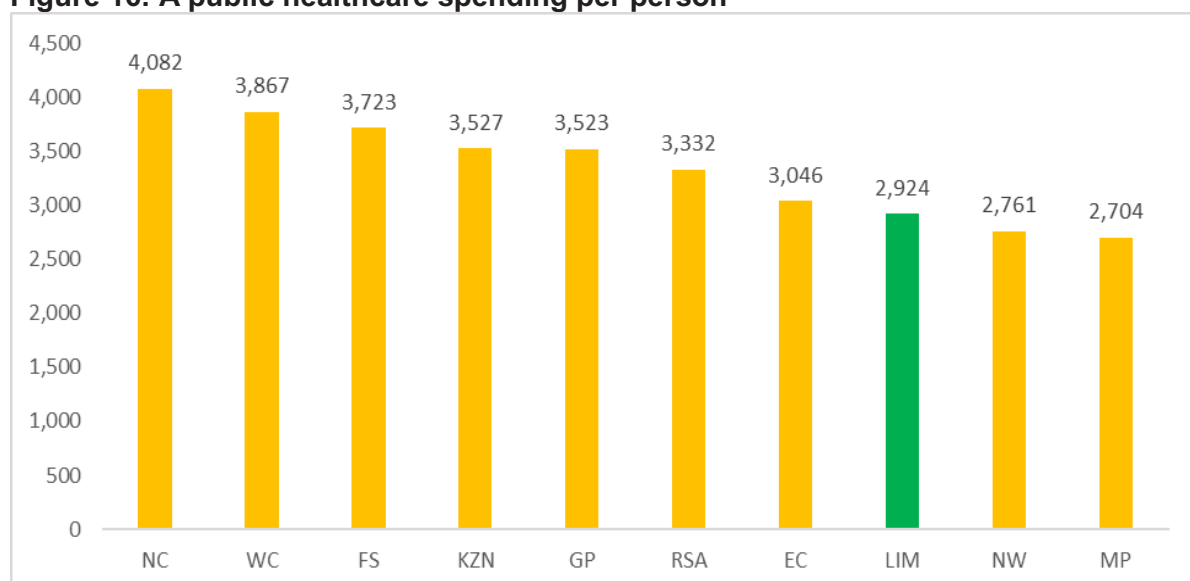
According to StatsSA General Household Survey 2017, seven in every ten households go to a public clinic or public hospital as their first point of access if a household member becomes ill, while only a quarter of households opted to go to a private institution.

1.7.1 Public healthcare expenditure per person

Public Healthcare continues to be of high priority for public sector spending as government continues to increase its public health spending in recent years. For every Rand that the South African government spent, 11 cents went to healthcare. Information in Stats SA's latest financial statistics of provincial government sets the healthcare bill for provincial government at R150 billion. This translates to an average of R3 332 spent per person for the 45 million people who do not have medical cover.

The below graph indicates that the Northern Cape government is the biggest spender in terms of public healthcare spending R4 082 per person, followed by Western Cape at R3 867, Limpopo, North West and Mpumalanga are the lowest spenders in public healthcare spending at R2 924, R2 761 and R2 704 respectively.

Figure 16: A public healthcare spending per person

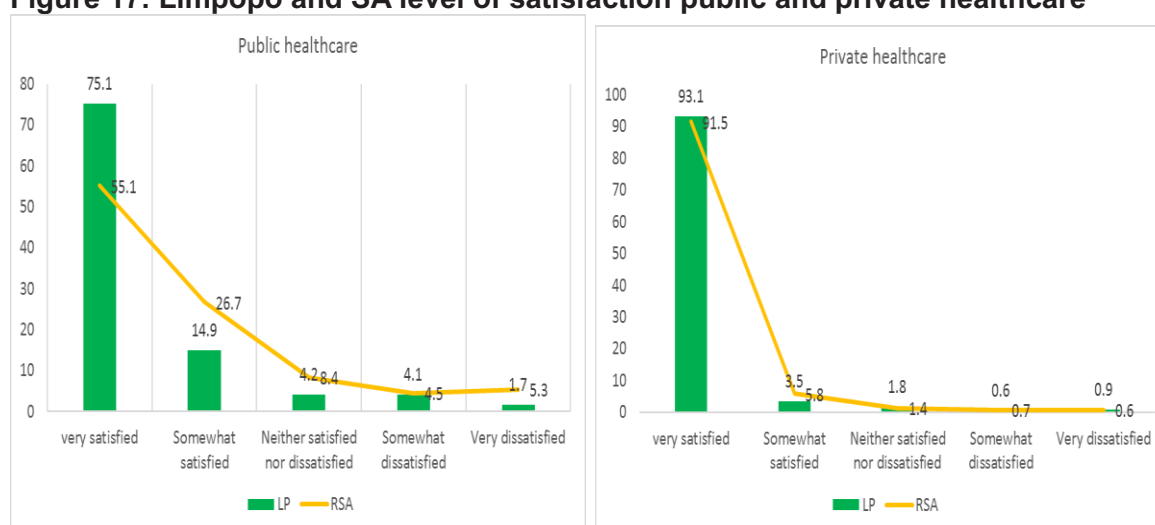


Source: StatsSA General Household Survey 2017

1.7.2 Level of satisfaction of public and private healthcare

Contrary to many views, survey conducted by StatsSA has revealed that 75.1 percent of the respondents are actually very satisfied with the public healthcare in the province. The level of satisfaction is much higher for respondents using private health care services where 93.1 percent of respondents very satisfied. Only 5.3 percent of respondents were very dissatisfied with public healthcare in the province, while only 1.5 percent were very dissatisfied nationally.

Figure 17: Limpopo and SA level of satisfaction public and private healthcare

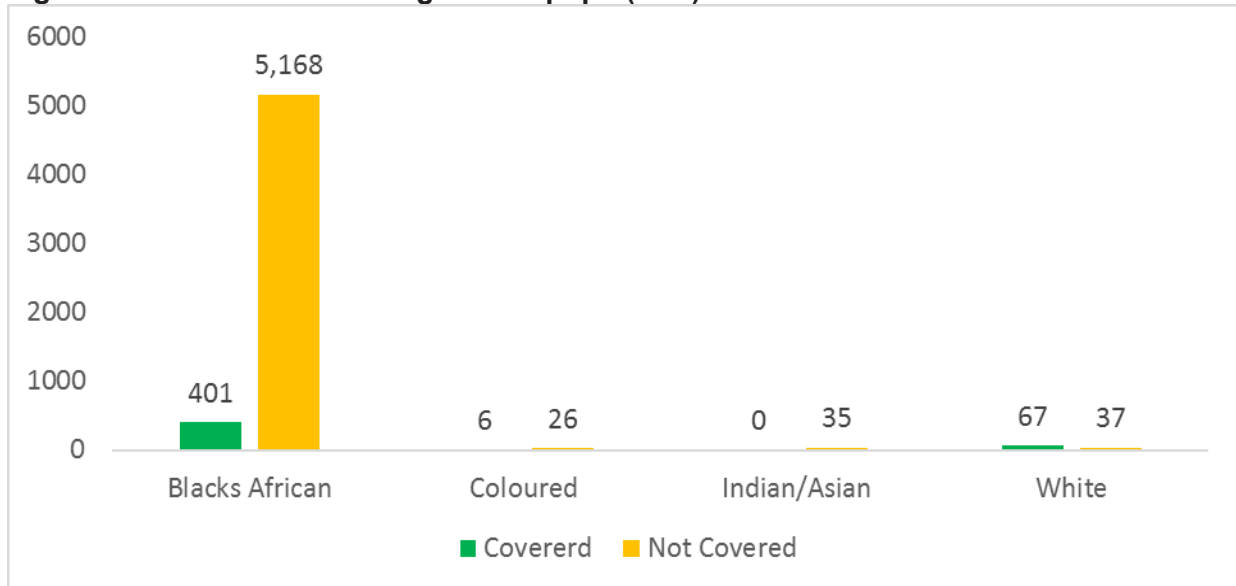


Source: StatsSA General Household Survey 2017

1.7.3 Medical aid coverage in Limpopo

401 thousand Black Africans in the province are covered by medical aid, followed by 67 and 6 thousand Whites and Coloureds respectively. In terms of those not covered, about 5.168 million of the black population are not covered by medical aid, followed by 37, 35 and 26 thousand Whites, Indians and Coloureds respectively. Those not covered by medical aid in Limpopo will rely on public health facilities for assistance with medical issues.

Figure 18: Medical aid coverage in Limpopo ('000)

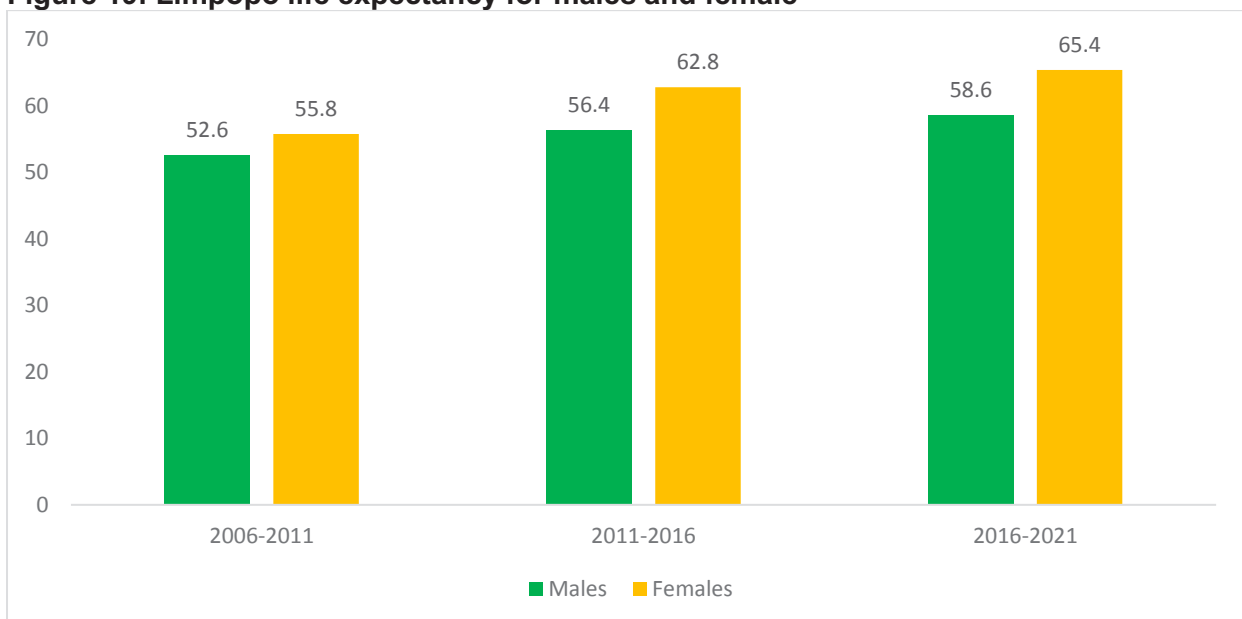


Source: Stats SA General Household Survey 2017

1.7.4 Limpopo life expectancy for males and female

The below graph indicates that from 2006-2011 life expectancy for males and females was 52.6 and 55.8 years, from 2011-2016 life expectancy increased to 56.4 years for males, 62.8 years for females and from 2016-2021 life expectancy is expected to increase to 58.6 years and 65.4 years for males and females respectively.

Figure 19: Limpopo life expectancy for males and female

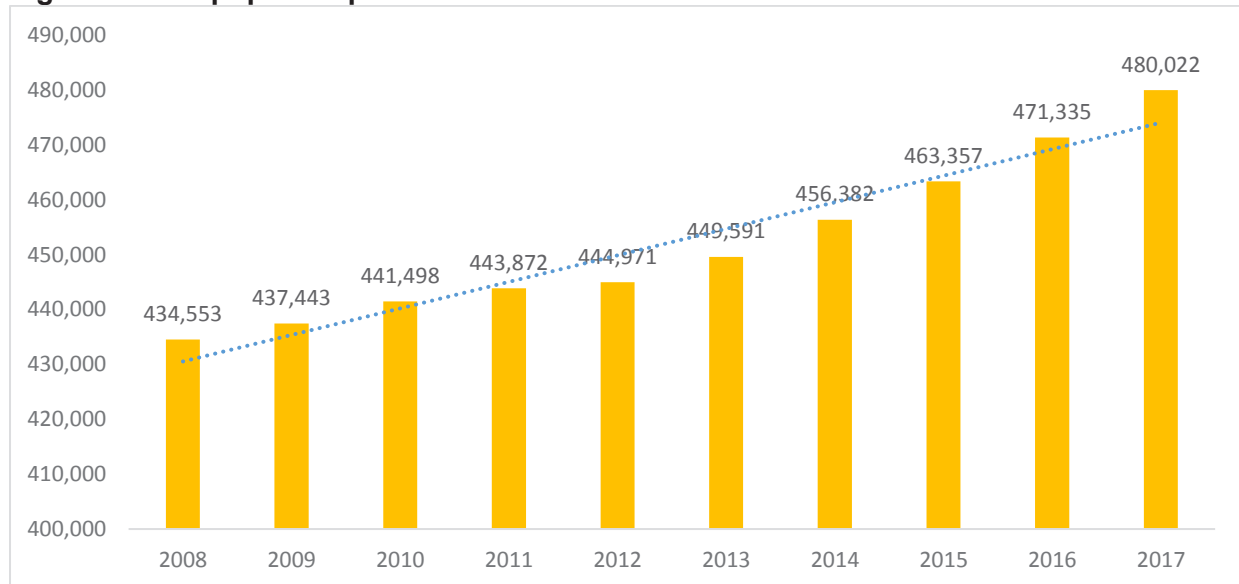


Source: StatsSA Mid-Year Population Estimates 2018

1.7.5 Limpopo HIV positive estimates

The estimated number of people who are HIV positive was 434 thousand in 2008. The number has been increasing from 2008 and was 480 thousand in 2017.

Figure 20: Limpopo HIV positive estimates



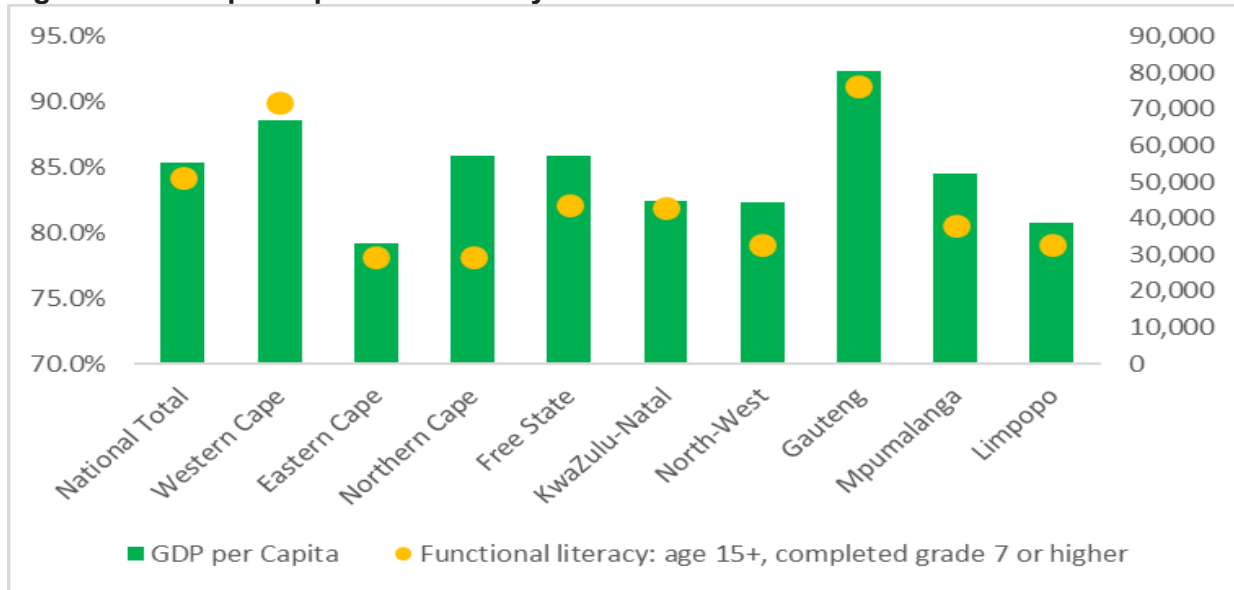
Source: IHS Regional Explorer 2018

1.8 Education

1.8.1 GDP per capita and Literacy rate

There is a positive correlation between GDP per capita and literacy rate. Provinces such as Western Cape and Gauteng reported the largest GDP per Capita of R66 738 and R80 410 respectively have witnessed the highest levels of literacy rates in 2017. Rural provinces such as Eastern Cape, Kwazulu Natal, North West and Limpopo reported the lowest GDP per capita of R33 150, R44 715, R44 385 and R38 543 respectively witnessed by low literacy rates.

Figure 21: GDP per capita and Literacy rate

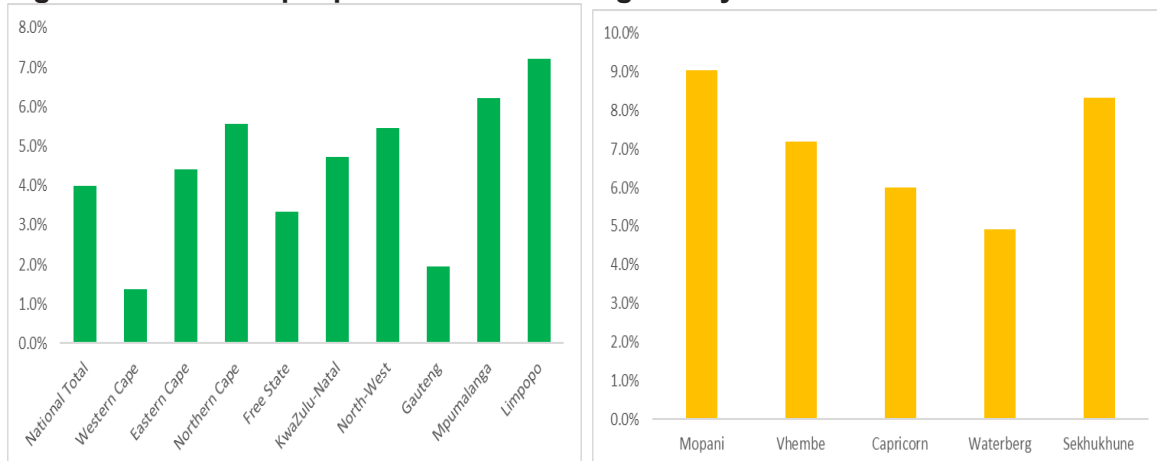


Source: IHS Markit Regional Explorer 2018

1.8.2 No schooling

Industrial economies such as Western Cape and Gauteng have a low share of its population without schooling. The converse can be said for less industrialized provinces or alternatively described - rural provinces. There is a relatively high share of citizens who have not been to school in rural provinces - Limpopo recording the highest. The worse affected districts are Mopani, Sekhukhune and Vhembe which recorded a share of 9 percent (103 643 people), 8.3 percent (98 230 people) and 7.2 percent (99 525 people) respectively.

Figure 22: Share of people with no schooling and by district

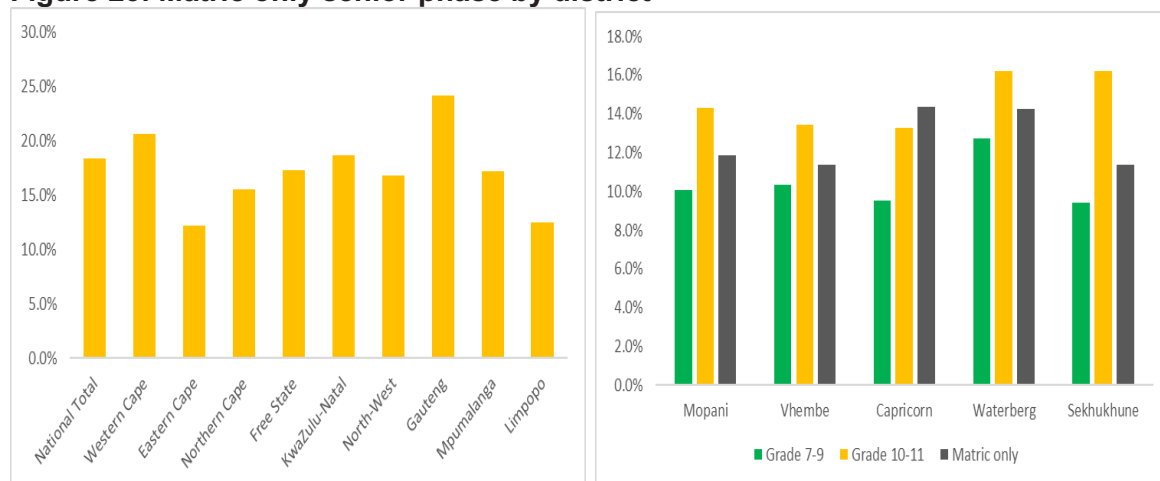


Source: IHS Markit Regional Explorer 2018

1.8.3 Post Matric Qualification

Almost 40 percent of the citizens of Limpopo fall in the cohort of people possessing either Grade 7 – 9, Grade 10 – 11 and Grade 12. People who possess Grade 7 to Grade 11 have lower probabilities of securing a job or further acquiring a post matric qualification. This is representative of the demographic structure of the province where the majority of the people living in the province are youth. In essence the province has a relatively large pool of youth that is not streamlined into special skills to contribute meaningfully in the provincial economy.

Figure 23: Matric only senior phase by district

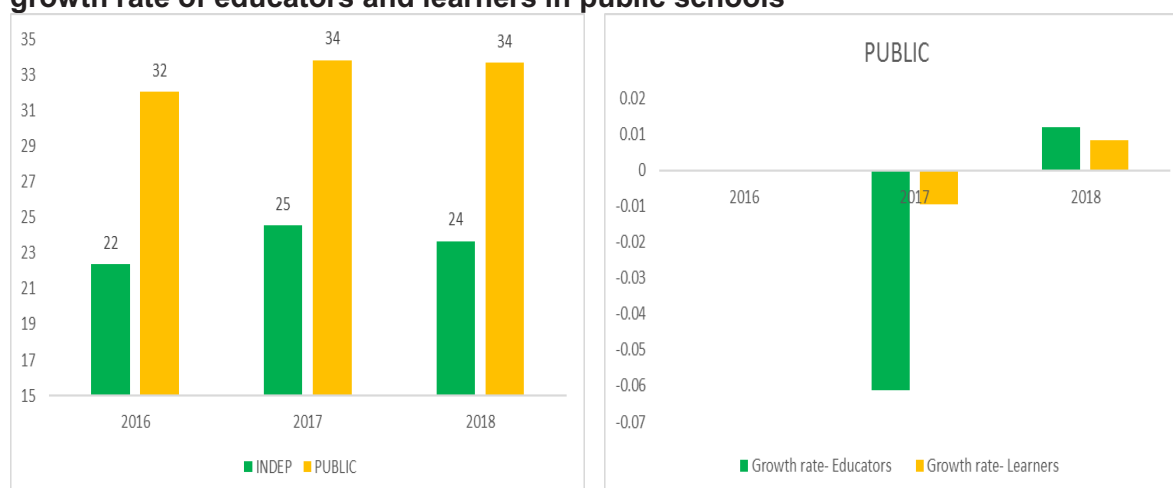


Source: IHS Markit Regional Explorer 2018

1.8.4 Learner/ Teacher Ratio

There is a notable increase in the learner teacher ratio in public schools from 1:32 in 2016 to 1:34 in 2018. Public schools are experiencing a great leakage of educators in the system, in 2017 the public sector educators contracted by 6.1 percent when learner population declined by 0.9 percent. Independent schools' learner teacher ratio has averaged 1:24 over the past 3 years which helps to explain the quality of education in such institutions.

Figure 24: Learner teacher ratio for Limpopo for private and public schools and growth rate of educators and learners in public schools



Source: IHS Markit Regional Explorer 2018

1.9 Basic services

1.9.1 Housing

The share of households occupying formal dwellings increased from 86.7 percent in 2007 to 90.2 percent in 2017. The most noticeable backlog of housing among the districts is Vhembe, where 55.7 thousand households do not live in formal dwellings.

Table 5: Share of households occupying formal dwellings and formal dwellings backlog

















	Share of household occupying formal dwellings				Formal dwelling backlog			
	2007	2012	2017		2007	2012	2017	
Limpopo	86.7%	90.5%	90.2%		172,314	133,759	154,960	
Mopani	88.6%	91.1%	91.8%		32,255	26,427	26,466	
Vhembe	81.2%	89.2%	84.9%		56,816	35,894	55,795	
Capricorn	91.2%	92.8%	94.7%		27,398	24,447	20,106	
Waterberg	86.0%	87.9%	88.9%		24,735	22,105	22,997	
Sekhukhune	86.2%	90.4%	90.0%		31,111	24,886	29,595	
National Average	75.4%	77.9%	78.8%		3,236,573	3,186,967	3,405,757	

Source: IHS Markit Regional Explorer 2018

1.9.2 Sanitation

The share of households with hygienic toilets increased from 34.2 percent in 2007 to 53.2 percent in 2017 in Limpopo province, however, more still needs to be done as 736 thousand households are without hygienic sanitation. The problem is worse in Mopani, Vhembe, and Capricorn districts.

Table 6: Share of households with hygiene toilets and sanitation backlogs

















	Share of households with Hygienic toilets (%)				Sanitation backlog			
	2007	2012	2017		2007	2012	2017	
Limpopo	34.2%	45.5%	53.2%		854,174	769,386	736,441	
Mopani	33.3%	47.2%	60.0%		189,015	157,119	129,579	
Vhembe	33.1%	42.1%	56.2%		201,778	191,972	161,505	
Capricorn	36.5%	48.9%	53.6%		196,766	173,104	175,342	
Waterberg	53.0%	61.4%	68.6%		82,806	70,673	65,081	
Sekhukhune	18.7%	32.2%	30.7%		183,808	176,519	204,934	
National Average	68.0%	76.1%	80.1%		4,206,841	3,457,086	3,203,865	

Source: IHS Markit Regional Explorer 2018

1.9.3 Water Services

Only 67.9 percent of households in Limpopo have access to piped water. About 419 thousand households do not have access to piped water. Mopane, Vhembe and Sekhukhune districts recorded 109 thousand, 134 thousand and 100 thousand households without access to piped water respectively in 2017.

Table 7: Share of households with piped water and water backlogs

	Share of households with piped water at or above RDP-level (%)				Water backlog			
	2007	2012	2017		2007	2012	2017	
Limpopo	67.9%	68.6%	73.3%		415,793	442,749	419,636	
Mopani	63.0%	67.6%	66.4%		104,786	96,409	109,049	
Vhembe	62.0%	67.4%	63.6%		114,655	108,141	134,282	
Capricorn	76.7%	75.2%	86.5%		72,244	83,908	51,102	
Waterberg	81.6%	78.8%	88.0%		32,442	38,786	24,751	
Sekhukhune	59.5%	55.7%	66.0%		91,666	115,505	100,453	
National Average	81.9%	84.1%	86.6%		2,377,960	2,298,867	2,152,886	

Source: IHS Markit Regional Explorer 2018

1.9.4 Access to electricity

About 94 percent of the households in the province have access to Electricity. Only about 94 thousand households do not have electricity connections. Among the basic services, government has outperformed itself in ensuring that most people are connected to electricity. However, 42 thousand households in Waterberg and Sekhukhune districts do not have electricity.

Table 8: Share of households with electricity and electricity backlog

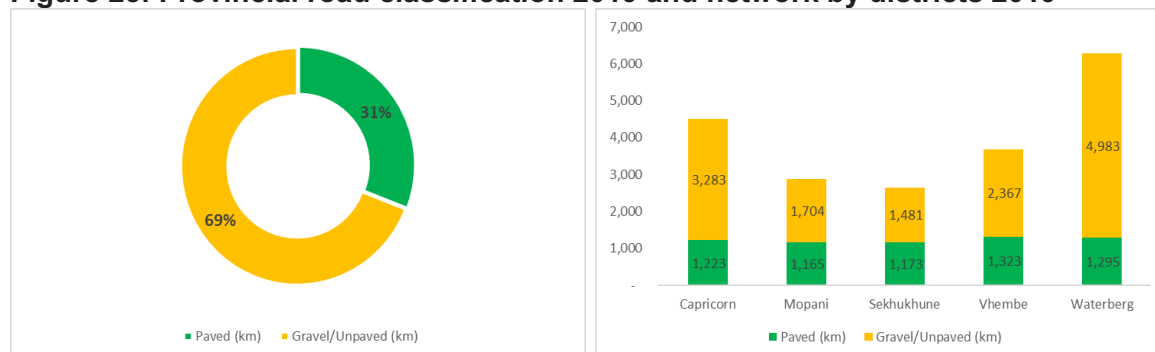
	Share of households with electrical connections (%)				Number of households with no electrical connection			
	2007	2012	2017		2007	2012	2017	
Limpopo	80.0%	89.7%	94.0%		260,081	145,457	94,363	
Mopani	82.7%	90.8%	95.6%		48,961	27,417	14,148	
Vhembe	82.2%	89.2%	95.2%		53,548	35,829	17,842	
Capricorn	79.2%	89.8%	95.0%		64,592	34,584	18,769	
Waterberg	75.5%	90.6%	89.6%		43,093	17,239	21,623	
Sekhukhune	77.9%	88.3%	92.6%		49,887	30,389	21,982	
National Average	80.8%	86.6%	90.5%		2,528,674	1,933,252	1,519,187	

Source: IHS Markit Regional Explorer 2018

1.9.5 Provincial Roads Infrastructure

A sizable portion (69 percent) of provincial roads are unpaved and such roads are concentrated mainly in the rural areas. Unpaved roads deteriorate over time due to the combined effects of traffic and environment, maintenance is essential to ensure the desired level of service of unpaved roads.

Figure 25: Provincial road classification 2019 and network by districts 2019



Source: Limpopo Department of Public Works 2019

The Waterberg district has the least population and the least number of households, however it has the longest road network in the province. This is explained by the vastness of the district, dispersed human settlement and fragmented economic activities. The least or shortest provincial road network is in Mopani and Sekhukhune districts.

1.2 Conclusion

The provincial government has made strides in enhancing general living conditions of people in the province. This is evidenced by the gross capital stock of hospitals, clinics, schools, growing number of people receiving social grants and Small, Medium and Micro-Sized Enterprises (SMME) / cooperative support by government departments. Nevertheless, the local economy has not performed to expectation, according to the LDP, sustainable development would be achieved when the province's economic growth averages 3 percent. It must also be appreciated that the economy is not the sole determination of government but of corporate sector whose investment decisions are autonomous. However, the provincial economy should continue supporting SMME in all the economic sectors of the province as they have a potent role in local economic development and local job creation.

In order for government to maximise the social or economic benefits with its limited resources, it should continue to find more efficient and cost effective models of service delivery so as to achieve more with less resources. National fiscus is constrained (as it is pressured to reduce the national debt to GDP ratio) and is expected to be constrained for the next few years, therefore provincial government and local municipalities should be fiscally disciplined without compromising service delivery



CHAPTER 2: BUDGET STRATEGY AND AGGREGATES

2.1. Introduction

The Provincial government relies mainly from revenue generated from the national sphere, however the South African economic outlook continues to be sluggish. In preparing the 2018/19 budget, growth was forecast to average at 1.5 percent over the MTEF however during the 2018 Medium Term Budget Policy Statement (MTBPS), growth was revised downwards to 0.7 percent. In his budget speech, the Minister of Finance has indicated that the GDP real growth is expected to rise to 1.5 percent in 2019 and strengthen moderately to 2.1 percent in 2021.

Despite the unexpected technical recession characterized with slow economic growth and less tax revenue collection, National Treasury has made efforts to protect the provincial equitable share baselines which grows by an average 6.9 percent in the country. The Limpopo Equitable Share allocation grows by 6.9 percent in 2019/20 and 6.4 percent over the MTEF which represent 11.7 percent of the national allocation, a reduction of 0.1 percent over the MTEF.

The reduction in the Provincial Equitable Share allocation is mainly influenced by data cleansing exercise in the Education component of the Equitable share allocation. In 2019 MTEF budget allocation, the LURITS system is fully implemented to determine the two sub-components, which are School enrolment and Age cohort of 5-17 years, of the Education component. The impact thereof is being phase-in over a three-year period. The continued outward migration in the population remain a challenge and negatively affect the provincial equitable share allocation. In overall the provincial equitable share allocation is reduced by R1.882 billion over the MTEF i.e. R308.5 million in 2019/20; R591.6 million in 2020/21; and R982.1 million in 2021/22.

A further reduction amounting to R15.4 million over the MTEF (R4.9 million in 2019/20; R5.2 million in 2020/21 and R5.3 million 2021/22) was implemented in line with the salary freeze on provincial office bearers as announced by the Minister of Finance. These reductions are in line with fiscal consolidation efforts to improve the

sustainability of the fiscus. Additional R6.6 million and R7.1 million is made available in 2020/21 and 2021/22 respectively in the Department of Social Development for the Food Relief function shift from the National Department of Social Development.

Furthermore, in the Department of Social Development, the Social Work Employment Grant is converted from being a grant to equitable share allocation and included in the baseline as follows; R54.7 million, R58.4 million and R61.6 million in 2019/20, 2020/21 and 2021/22 respectively.

In Provincial Treasury a further equitable share allocation of R5.0 million is provided with effect from 2019/20 and over the MTEF for Infrastructure capacity development and an additional amount of R9.6 million, R9.9 million and R10.3 million is provided in 2019/20; 2020/21 and 2021/22 respectively to strengthen Municipal Intervention support. In the Department of Health an additional budget of R115.4 million has been made available in 2021/22 for Cuban Doctor Programme. Furthermore, a once-off allocation is made to the Department of Education in 2019/20 of R21.0 million for the Sanitary Dignity Project. The final provincial equitable share allocation is as per the table below:

Table 9: National Allocation to Limpopo Province

National Allocation	2018/19	2019/20	2020/21	2021/22
Equitable Share Baseline	55 385 632	59 187 820	63 503 149	67 566 842
Adjustment to baseline": New data updates	(61 836)	(308 506)	(591 636)	(982 070)
Revised allocation	55 323 796	58 879 314	62 911 513	66 584 772
Less: Fiscal Framework Reduction	(168 608)	(4 913)	(5 205)	(5 279)
Adjustments to Baseline	23 587	90 357	79 905	199 363
Plus: Social Development Food Relief function shift	-	-	6 635	7 072
Plus: Social Development Social Work grant conversion	-	54 715	58 381	61 592
Plus: Treasury: Infrastructure Development	-	5 000	5 000	5 000
Plus: Education: Sanitary Dignity Project	-	21 000	-	-
Plus: Health: Cuban Doctors	-	-	-	115 366
Plus: Social : Violence against Woman and Children	23 587	-	-	-
Plus: Treasury: Municipal Interventions	-	9 642	9 889	10 333
Total Preliminary Provincial Equitable Share	55 178 775	58 964 758	62 986 213	66 778 856
<i>Equitable Share year-on-year growth</i>		6,9%	6,8%	6,0%



The provincial equitable share allocation is revised to R58.965 billion, R62.986 billion and R66.779 billion in 2019/20, 2020/21 and 2021/22 financial years respectively. The equitable share allocation growth was revised to 6.9 percent in 2019/20, 6.8 percent in 2020/21 and 6.0 percent in 2021/22 financial year.

The reduction in the provincial equitable share allocation did not negatively affect allocations to provincial institutions as directed by the Executive Council to promote fiscal sustainability and protect service delivery in the province. The allocations were cautioned through sourcing funds from the provincial reserves.

2.2. Aligning Provincial Budget to achieve Governments Prescribed Outcomes

Globally, planning forms an integral part of resource allocation across all spheres of government. The South African government planning cycle provided a perfect opportunity for alignment of government priorities and budget. The government's intentions are expressed in the National Development Plan (NDP) and in the National Medium Term Strategic Framework (MTSF) priorities, the period which is lapsing this 2019. The government's fourteen outcome approach provided an opportunity for monitoring of public institutions in executing their legislative mandates, to ensure that government resources are used for purpose voted for by the Legislature. It further allows government to assess the impact of the services it renders to the society.

Limpopo Development Plan (LDP) continues to be the provincial master plan which is used to align provincial priorities to the national objectives especially the alignment of the NDP and the fourteen government outcomes. The provincial budget allocations are informed by the mandates of each provincial department together with Annual Performance Plans. These allocations are a means to ensuring that the province attain the LDP targets which the provincial performance measured against. The following are the key strategies expressed in the LDP of which the 2019/20 budget seeks to address:

2.1.1 Quality Basic Education

In 2019/20 financial year, the Department of Education will focus on delivery of quality education by ensuring functionality of schools and the reduction of under-performing schools in the province. The budget of the department will be utilised to improve capacity of the department to provide education to all qualifying learners and to improve the overall management of the education system in the province. The department will focus on the following:

- Improvement of the quality of teaching and learning;
- Delivery and maintenance of school infrastructure;
- Expansion and equipping of Early Childhood Development (ECD) programme;
- Improve inclusive education programmes;
- Provision of scholar transport to needy learners;
- Improve delivery of Learner-Teacher Support Material (LTSM) to schools;
- Improvement of the quality of school nutrition;
- Improvement of grade twelve results through learner attainment programmes;
- Appoint qualified educators and provision of training.

2.1.2 A long quality life for all

The provincial government continues to promote health and long quality of life for all living in the province through the expansion of the health care infrastructure, provision of primary health care services, and increased access to health services. The department of Health will implement programmes dedicated to improve health conditions of the entire citizenry in the province. The Department will continue to improve access to quality health care services by prioritizing the following:

- Conducting of self-assessments by hospitals on the National Core Standards;
- Accelerating implementation of the Ideal Clinic realisation status;
- Prevention and control of Communicable and Non-Communicable Diseases (NCDs) by reducing malaria incidence and case fatality rate to 0.9 percent;
- Provision and monitoring medicine availability in all facilities;
- Management of health infrastructure; and
- Prevention and reduction of burden of disease and health promotion through:



- ✓ Increase clients remaining on ART from 329 044 in 2017/18 to 371 304 in 2019/20;
- ✓ Improve TB MDR treatment success rate from 80.9 in 2017/18 percent to 83.0 percent in 2019/20;
- ✓ Improve antenatal client initiated on ART rate from 95.4 percent in 2017/18 to 98.0 percent 2019/20;
- ✓ Improve immunization coverage under 1 year from 70.6 percent in 2017/18 to 80.0 percent in 2019/20;
- ✓ Improvement of Cervical cancer and screening coverage from 56.1 percent in 2017/18 to 62.0 percent in 2019/20.

2.1.3 All people in South Africa are safe

The Department of Community Safety in Limpopo will during the 2019/20 continue to conduct oversight on SAPS. The high prevalence of undocumented foreign nationals in the province as well as ownership and leasing of businesses by such also put additional responsibility to the South African Police Service. A closer collaboration between the Department, SAPS, Department of Labour, LEDET and Home Affairs in particular, is critical in this regard. The JCPS cluster has already prioritised this area and the department will closely monitor implementation thereof by relevant members. In the 2019/2020 financial year the Department will continue to monitor 103 police stations and conduct customer satisfaction surveys to 103 police stations precincts, 8 specialised units, 13 Cluster commanders, 7 SAPS garages and 12 Head Office components. Through the continued audit on Domestic Violence Act (DVA) gender-based violence and violence against other vulnerable groups such as children, women, the elderly, youth, people with disabilities, as well as members of the Lesbian, Gay, Bisexual Transgender, Queer and Intersex (LGBTQI) will be addressed.

2.1.4 Decent employment through inclusive economic growth

During 2019/20 financial year, The Department of Economic Development, Environment and Tourism will increase its momentum to promote and facilitate the growth of the provincial economy, create decent job opportunities, protect and manage

the environmental assets and natural resources as well as promoting tourism growth through collaboration and prioritisation given the reality of limited resources at national level.

Clear departmental priorities have been set for implementation during the course of the financial year in its approved APP. These priorities include the following: Promoting enterprise development, provincial economic planning and research, trade and investment facilitation; consumer protection; climate change management, natural resource management, upgrading of reserves, infrastructure waste management, infrastructure development and improvement, tourism policy development, planning and regulation, tourism destination development, growth and transformation, and tourism capacity building.

Growing the provincial economy and creating job opportunities requires the facilitation and promotion of trade and investment opportunities with both local and international investors. It further requires continuous support of the SMMEs cooperatives through capacity building and training interventions. The Department will ensure that SMMEs and cooperatives are financially and non-financially supported to ensure their development and sustainability in line with Limpopo SMMEs & Cooperatives Strategy.

During 2019/20 financial year, the Department has planned to develop 2 economic development strategies for the prioritized sectors in the province in line with the Limpopo Development Plan and other government policies. The Department will again provide LED support to all municipalities in the province to ensure that provincial priorities are cascaded and implemented at the local level in the province.

2.1.5 A skilled and capable work force to support inclusive growth path

Development of skills helps to improve labour force participation in an economy, as it assists in reducing turnaround times during production of goods and provision of services. The Office of the Premier in Limpopo will continue to advance and advocate for investment in capacity building, training and development of the current government workforce and those who are outside the employment of the provincial



government. The Office will further coordinate and monitor filling of funded vacant posts as well as compliance to HR MPAT standards within the Provincial Departments and monitor implementation of Workplace Skills Plan within the Provincial Departments. The Office of the Premier will continuously implement and monitor the Limpopo Development Plan, the Provincial HRD Strategy, Integrated Planning Framework, the Provincial Policy Framework and monitor and evaluate the implementation of HR policies and practices.

2.1.6 An efficient, competitive and responsive economic infrastructure network

The Department of Public Works, Roads & Infrastructure is mandated to be the main Implementing Agent for the delivery of provincial infrastructure as per the approved Infrastructure Delivery Management System (IDMS) and the following are major plans for 2019/20 financial year:

- The Department will implement projects as per submitted 2019/20 User Asset Management Plans (U- AMPs);
- The Infrastructure Programme Management Plans from client departments detailing the 2019/20 projects;
- Development of designs for the 2019/20 financial year to enable implementation to start in 2021/22 financial year;
- Implement the Provincial EPWP Business Plan for Infrastructure projects;
- Build and maintain a sound and safe provincial roads infrastructure in partnership with the National Department of Transport and utilise the Roads Agency Limpopo (RAL) as leverage for speedy response in the management of the provincial road network;
- Conduct Condition Assessment on all infrastructure programmes and projects;
- Continue with the implementation of the Artisan Development Programme and the Contractor development programme; and
- Fully implement and enhance capability of the Infrastructure Strategic Planning Hub in Provincial Infrastructure planning, delivery and management.

2.1.7 Vibrant, equitable, sustainable rural communities contributing to food security for all.

In line with the four strategic goals and nine strategic objectives set by the Limpopo Department of Agriculture and Rural Development (LDARD), the department will continue to contribute towards the realisation of the agriculture and rural development goals and strategic objectives. The Department plan to implement 77 agricultural infrastructure projects, equip 215 hectares with infield irrigation, manage 19 disaster risk reduction services, assist 600 farmers through disaster relief schemes and develop 4 GIS products in 2019/20 financial year.

The agricultural production will be improved through rehabilitation of 16 000 hectares, implementation of 5 200 natural resource management interventions in the sector and 5 500 jobs will be created through agro-processing, irrigation expansion and EPWP. A total of 1 200 and 29 300 small holder producers and farmers will be trained and provided with advise respectively. The department will continue with the construction of the Dzanani Service Center in the Vhmbe District to support extension service.

Through the two Agricultural Colleges the Department will provide training programmes in appropriate fields to 100 agricultural Higher Education and Training learners registered. As regards agricultural skills development, the Department will conduct training to 200 participants. The implementation of the Limpopo Integrated Rural Development Strategy (LIRDS) shall continue through the monitoring of 5 initiatives conducted on the implementation of Outcome 7 in Limpopo. College infrastructure will be improved at Madzivhandila College by construction of academic lecture rooms.

2.1.8 Sustainable human settlements and improved quality of household life

Guided by the reviewed Multi Year Human Settlements Development Plan for 2014-2019, the provincial government, through the Limpopo Department of Co-operative Governance Human Settlements and Traditional Affairs (COGHSTA) will implement the following programmes in 2019/20 financial year:

- Completion of 8 896 new housing units;
- Acquisition of 40 hectares of land in provincial growth points;
- Construction of 250 rental units through its CRU programme; and
- The construction 120 units through the Finance Linked Subsidy Scheme (FLISP).

2.1.9 A responsive, accountable, effective and efficient local government system

The Department of Co-operative Governance, Human Settlements and Traditional Affairs (COGHSTA) through its Cooperative Governance and Traditional Affairs branch plans to continue monitor and provide support to 27 municipalities on compliance with relevant legislation, improved financial performance and service delivery initiatives inclusive of MIG, implementation of SPLUMA.

The Provincial Treasury will continue to improve its strategies in supporting and monitoring Municipalities to improve compliance to the MFMA and other policies and legislation thereby contributing towards improved audit outcomes. Municipalities will be supported and assessment reports will be issued on a quarterly basis on the implementation of recommendations.

2.1.10 Protect and enhance environmental assets and natural resources

The Department of Economic Development, Environment and Tourism (LEDET) will intensify efforts in ensuring sustainable environmental management, utilisation and regulation of natural resources in the environmental space. The Department will be implementing a number of infrastructure projects in 15 nature reserves across the province.

The Department will ensure it intensify its efforts in ensuring community compliance with the environmental laws and regulations. To that effect, capacity building and training programmes as well as awareness campaigns on environmental laws will be conducted with communities and all stakeholders. The fighting of rhino/lion poaching and exploitation of fauna and flora remains top of priorities for the Department in the 2019/20 year and beyond. The Department will continue to intensify its compliance and enforcement programmes in partnership with other law enforcement agencies such as the Department of Arts and Culture, the Phalaborwa Tourism Association and the Kruger National Park, SAPS and SANDF.

2.1.11 Create a better South Africa, a better Africa and better world

The Office of the Premier will continue to champion and to promote sound intergovernmental and international relations in the provincial government, by ensuring alignment between different levels of government for better coordination and delivery of services in the Province. In 2019/20 financial year, the Office of the Premier will coordinate the International missions undertaken by Departments and the implementation of signed MOUs, as well as coordinating and monitoring of the implementation of donor funded projects/programmes in the Province.

2.1.12 An efficient, effective and development oriented public service

Office of the Premier will continue to play a major role in the provincial government in terms of recruitment, skilling and development, retention and well-motivated personnel in Departments, Public Entities and Municipalities to ensure an efficient and effective



public service. The Office of the Premier is a key role player in ensuring that policies and procedures are developed and implemented in the province towards achieving a well-developed public service. During the 2019/20 financial year, the Office of the Premier will improve institutional efficiency and effectiveness and enhance monitoring and evaluation capacity of the provincial administration as it will strive to:

- Coordinate the implementation of 5 objectives of the clean audit strategy in partnership with Provincial Treasury;
- Coordinate implementation of the Anti-Fraud and Corruption Strategy within the Office of the Premier and the provincial line departments with a view of expanding to other areas;
- Coordinate and monitor filling of funded vacant posts as well as compliance to human resource prescripts and MPAT standards;
- Manage and monitor Legal and labour relations service within the province;
- Facilitate and monitor the mainstreaming of 5 targeted groups; and
- Facilitate the development of Provincial Evaluation plan, and monitor implementation thereof.

2.1.13 Social Protection

Poverty is a key development challenge in social, economic and political terms, not only in South Africa but throughout the developing world. The Department of Social Development's key goal is the transformation of the society by building conscious and capable citizens and this remains a key challenge for government and the Department. These key main services were identified for implementation during the 2019/20 financial year include:

- Provision of skills and empowerment programmes to 650 youths;
- Increasing the number of children from conception until the year before formal schooling accessing registered ECD programmes to 320 000;
- To increase number of people receiving psycho-social services due to impact of HIV and AIDS to 494 500 by 2019/20;
- Provision of temporary relief to 25 000 people in distress; and
- Provision of integrated programmes and services to support, care and empower 16 500 victims of crime and violence in particular women and children.

2.1.14 Nation building and Social cohesion

The Department of Sport, Arts and Culture as the custodian of social cohesion and national identity champion in the province will continue to host two significant days (Freedom & Heritage day) in the cultural calendar as well as three social cohesion events, i.e. Mapungubwe Arts Festival, Africa Day and the Ku luma vukanyi.

The Department will continue to support statutory and non-statutory bodies in 2019/20 through the Limpopo Arts and Culture Council, Limpopo Moral Regeneration Committee, Limpopo Heritage Resource Authority, Limpopo Geographical Names Committee, Limpopo Language Committee, the Limpopo Library Board, Limpopo Sport Academy, Limpopo Sport Confederation and Limpopo Archives Council.

The Indigenous games programmes will be staged in all 5 districts of the Province and best performing athletes will represent the province at a national level. In School Sport, learners will participate in the District, Provincial and National School Sport competitions in 19 sporting codes such as Athletics, Chess, Basketball, Hockey, Football, Gymnastics, Cricket, Softball, Volleyball, Tennis, Table – Tennis, Rugby, Netball, Khokho, Jukskei, Morabaraba and Kgati.

2.2. Summary of Budget Aggregates

The provincial spending is funded via two main sources, i.e. transfer receipts from national (comprised of the Provincial Equitable Share and Conditional Grants) and provincial own receipts (made up of tax receipts, fines and sale of capital assets).

Transfer receipts from National Government increased nominally by R4.1 billion or 6.9 percent from the 2018/19 budget of R63.9 billion to R68.0 billion in 2019/20 estimated to grow to R72.5 billion in 2020/21 and R77.1 billion in 2021/22. The province will collect provincial own receipts of R1.3 billion in 2019/20, R1.4 billion in 2020/21 and R1.5 billion in 2021/22.

The total receipts available for the 2019/20 financial year amounts to R69.342 billion and an amount of R159.0 million is made available from the provincial reserves to



support fiscal stabilisation in dealing with the deterioration of the economic environment and its related impact. The overall amount of R69.3 billion is available for spending by province during the 2019/20 financial year. The table below refers:

Table 10: Provincial Budget Summary

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
Provincial receipts									
Transfer receipts from national	53 213 827	56 600 397	59 893 092	63 723 044	63 944 085	63 944 085	68 025 751	72 516 550	77 097 730
Equitable share	45 866 202	48 708 568	51 960 337	55 178 775	55 178 775	55 178 775	58 964 758	62 986 213	66 778 856
Conditional grants	7 347 625	7 891 829	7 932 755	8 544 269	8 765 310	8 765 310	9 060 993	9 530 337	10 318 874
Provincial own source receipts	1 260 141	1 468 966	1 325 648	1 247 168	1 247 169	1 247 169	1 316 599	1 390 327	1 465 406
Total provincial receipts	54 473 968	58 069 363	61 218 740	64 970 213	65 191 254	65 191 254	69 342 350	73 906 877	78 563 136
Provincial payments									
Current payments	44 776 572	48 460 867	51 762 152	55 460 764	55 885 421	57 308 613	59 300 122	62 596 796	66 538 938
Transfers and subsidies	6 061 628	7 408 763	7 948 068	7 827 310	8 456 956	8 457 273	8 185 421	8 164 057	8 554 304
Payments for capital assets	2 097 641	1 865 905	2 278 617	2 085 421	2 061 397	2 069 695	2 015 367	2 088 962	2 828 469
Payments for financial assets	36 154	167 819	36 854	-	90 913	90 999	-	-	-
<i>Of which: Unallocated contingency reserve</i>	-	-	-	-	-	-	-	1 057 062	641 426
Total payments	52 971 995	57 903 354	62 025 691	65 373 495	66 494 687	67 926 580	69 500 912	73 906 877	78 563 136
Surplus/(deficit) before financing	1 501 973	166 009	(806 951)	(403 281)	(1 303 433)	(2 735 327)	(158 562)	-	-
Unallocated amounts									
Financing	-	1 116 848	1 427 544	403 281	1 303 433	1 303 433	158 562	-	-
Surplus/(deficit) after financing	1 501 973	1 282 857	620 593	-	-	(1 431 894)	-	-	-

2.3. Financing

The provincial government has through the years accumulated surpluses from underspending of voted funds by departments and in 2019/20 financial year, an amount of R158.6 million is made available to augment the provincial budget. Furthermore, an amount of R1.0 billion and R641.4 million in 2020/21 and 2021/22 respectively is reserved for contingencies and for provincial priority projects which are still on planning phase.

CHAPTER 3: BUDGET PROCESS AND THE MEDIUM TERM EXPENDITURE FRAMEWORK

3.1 The relationship between Strategic planning and budget

Strategic Planning is the key element in ensuring that government priorities are planned for and implemented. The strategic planning and prioritisation is the starting point for the preparation of the departmental budget submission. Departments compile their five-year strategic plans which is then supported by Annual Performance Plans indicating what the department intends to achieve in the coming financial year and the following two MTEF years. All departmental priorities and targets as indicated on the Strategic Plans. Annual Performance Plans are then costed and budgeted for in MTEF budget and reviewed on annual basis. This process ensures that the executive authority is accountable for service delivery against the allocated budget.

3.2 The Budget Allocation Strategies

Limpopo Treasury remains committed to reprioritising the limited resources between competing priorities of provincial departments through extensive consultation with departments and public entities. The Executive Budget Committee continues to play a fundamental role in ensuring better alignment of the budget allocations to policy priorities within the expenditure control framework.

Departmental priorities are discussed during the Medium Term Expenditure Committee Hearings (MTEC's) which is held between the Provincial Treasury and departments/ public entities within the context of applicable baseline allocations. These consultative and collaborative budget hearings (MTEC's) are held to provide support to the Executive Council Budget Committee. These hearings provide a strong basis in ensuring that jointly agreed allocations achieve key policy priorities while maintaining fiscal discipline. These interactions capacitate Provincial Treasury to understand the departmental needs in order to provide a comprehensive motivation



for allocation of limited resources to the Executive Council Budget Committee for considerations and approval by the Executive Council.

The Provincial Government is implementing the fiscal consolidation package as part of the fiscal strategy with the aim of stabilising the economy and limiting government spending. Implementation of cost containment measures still remain a key priority for the Province. This aims to reduce departmental spending on non-essential items and direct the funds to core service delivery. The province is also focusing on revenue enhance initiatives which aims to boost the provincial revenue.

The implementation of PERSAL block as set out in the Provincial Personnel Management Framework and the Instruction Note 7 of 2016, continues to bear fruits in reducing the provincial high wage bill. Provincial departments are prioritizing personnel budgets to provide for critical posts only and the budget for compensation of employees is ring-fenced. The implementation of the cost containment measures linked to procurement reforms has also been successfully applied to reduce and contain expenditure on non-essential goods and services.

3.3 Provincial Budget Process

The provincial budget process is a continuous cycle that runs from April to March every year. The provincial budget process is aligned to the National Treasury budget process schedule which is issued every year together with MTEF Technical guidelines. The following outline illustrates the timetable for one year's budget process:

- National Treasury issues MTEF guidelines to provincial Treasuries in June detailing how the MTEF 1st draft budget should be prepared and submitted. These guidelines are customised by the Provincial Treasury and issued to provincial departments and public entities in July;
- Provincial Treasury conducts MTEC hearings in September;
- National Treasury issues preliminary allocation letters to the Provincial Treasury in November,

- Department submit the 2nd draft MTEF budget documents to Provincial Treasury in November. Budget documents are analysed, consolidated and submitted to National Treasury for further analysis;
- Provincial Treasury attends the Benchmark exercise at National Treasury in December, where the allocation is analysed in terms of growth rates and alignment to National outcomes;
- National and Provincial Treasury meet departments and discuss budget growth rates and issues raised in the Benchmark and
- Provincial Treasury provide responses to issues raised during the Benchmark;
- The Provincial Executive Council Budget Committee convenes in February to consider the departmental allocations and recommendations made by National Treasury;
- In February, National Treasury issues the final allocation letters to Provincial Treasury to prepare the final budget for approval by the Executive Council for the coming MTEF period and tabling to the Provincial Legislature.

3.4 The role of Provincial Treasury

The Provincial Treasury drives the budget reform process and ensures the efficient use of the scarce resources through realisation of public sector objectives such as poverty reduction and support towards national growth and prosperity. In its efforts to promote good governance, Limpopo Provincial Treasury attaches great focus in the management and utilisation of public resources. Section 18 sub-section 1 (a) and (b) of the Public Finance Management Act (PFMA) of 1999 (Act No.1 of 1999), mandates the Provincial Treasuries to manage the provincial financial affairs within their jurisdictional areas, through the preparation of a provincial budget and exercise control over the implementation thereof by provincial departments and public entities.

Limpopo Provincial Treasury played a significant role of ensuring that the budget preparation process for 2019 MTEF was seamless. As one of its responsibilities, Provincial Treasury lays down the budget submission instructions and ensures that the required budget documents are submitted on time and in the correct format. The following activities were performed by Provincial Treasury during the 2019 budget process:



- Customised and issued the Provincial Budget Process Schedule to departments and entities.
- Issued customised provincial MTEF guidelines and formats to departments;
- Conducted workshops with all departments and public entities on guidelines, formats, database completion and key assumptions on budget preparations;
- Conducted MTEC Hearings;
- Issued preliminary and final allocation letters;
- Analysed each departments and public entities budget document submissions for alignment and corrections;
- Prepared presentations to the Executive Council recommending the budget allocation per department for approval;
- Briefed the Portfolio committee on Finance on the provincial fiscal policy framework.

3.5 The role of Departments

Departments play a vital role in the budget process, both in terms of planning and alignment of priorities within the available funding. Departments and public entities ensure that their activities and mandates are prioritised and adequately funded. This include assessing the credibility of the plans and alignment of the sectoral programmes with the budget. The primary responsibilities of the departments and public entities in the budget process include:

- Consultation with relevant stakeholders;
- Alignment of strategic plans, Annual Performance Plans (APPs) with the budget;
- Submission of budget bidding in line with the departmental mandates for consideration;
- Submission of budget documents as per the MTEF guidelines issued by Provincial Treasury;
- Participation during the MTEC hearing; and
- Ensuring that allocated funds are spent prudently.

CHAPTER 4: RECEIPTS

4.1 Overall Position

The province derives its receipts from equitable share, conditional grants, provincial own revenue and reserves. The equitable share allocation of the province is R58.9 billion in 2019/20 and grows to R66.8 billion in 2021/22. The conditional grant allocation for 2019/20 financial year is R9.1 billion and grows to R10.3 billion in 2021/22. The provincial own revenue for 2019/20 is R1.3 billion in 2019/20 and increases to R1.5 billion in 2021/22 supported by the provincial revenue enhancement strategies. The provincial own revenue grows by 5.6 percent in 2019/20 and 5.4 percent in 2021/22 financial years.

These estimates are derived at after rigorous discussions with departments. In 2019/20 financial year, the Provincial Treasury will be implementing the revenue retention strategy to further motivate provincial institutions to increase their revenue baselines. The province also allocated an amount R158.6 million from the provincial revenue fund reserves to make available total of R69.5 billion in 2019/20 financial year.

Table 11: Summary of Provincial Receipts

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
Transfer receipts from national									
Equitable share	45 866 202	48 708 568	51 960 337	55 178 775	55 178 775	55 178 775	58 964 758	62 986 213	66 778 856
Conditional grants	7 347 625	7 891 829	7 932 755	8 544 269	8 765 310	8 765 310	9 060 993	9 530 337	10 318 874
Total Transfer receipts from national	53 213 827	56 600 397	59 893 092	63 723 044	63 944 085	63 944 085	68 025 751	72 516 550	77 097 730
Tax receipts	409 938	458 530	501 514	518 925	545 330	545 330	604 232	663 796	736 232
Casino taxes	56 600	58 749	59 604	73 774	58 436	58 436	59 897	60 496	62 311
Horse racing taxes	18 001	26 130	30 860	32 001	42 601	42 601	46 972	46 504	50 574
Liquor licences	3 300	3 424	3 369	3 800	3 663	3 663	3 857	4 069	4 293
Motor vehicle licences	332 037	370 227	407 681	409 350	440 630	440 630	493 506	552 727	619 054
Sales of goods and services other than capital assets	240 563	260 792	278 537	287 932	286 373	286 372	305 312	322 123	339 156
Transfers received	149	204	20	-	5 413	5 413	5 700	6 013	6 344
Fines, penalties and forfeits	59 797	71 833	62 127	78 763	52 064	52 064	54 823	57 734	60 910
Interest, dividends and rent on land	319 258	406 419	348 962	303 287	289 719	289 719	281 727	266 580	244 140
Sales of capital assets	14 993	18 322	41 356	11 748	20 329	20 329	12 791	13 437	14 061
Transactions in financial assets and liabilities	215 443	252 866	93 132	46 513	47 942	47 942	52 014	60 643	64 563
Total Provincial own receipts	1 260 141	1 468 966	1 325 648	1 247 168	1 247 169	1 247 169	1 316 599	1 390 327	1 465 406
Total Provincial receipts	54 473 968	58 069 363	61 218 740	64 970 212	65 191 254	65 191 254	69 342 350	73 906 877	78 563 136

4.2 Equitable Share

Section 214 of the Constitution requires that an Act of Parliament provides for the equitable division of revenue raised nationally among the spheres of government and for the determination of each province's equitable share of the that revenue. Each province's equitable share is determined through the equitable share formula which is reviewed and updated annually using new data and taking into account recommendations from the Financial and Fiscal Commission (FFC).

The province received R58.9 billion in 2019/20, R62.9 billion in 2020/21; and R66.8 billion in 2021/22 financial year. Included in these allocations are function shift in the Department of Social Development on food relieve and translation of social worker grant to equitable share. New allocations in the equitable share include, Provincial Treasury allocation on Municipal Interventions and Infrastructure Capacitation, Health Cuban Doctor Programme and Education a once-off allocation of Sanitary Dignity project. Details on these allocations are included in Chapter 2, Table 9.

4.3 Conditional Grants

Conditional grants are the allocation that provinces receive from the national share designed to achieve specific objectives with conditions that each recipient department must adhere to. The purpose of conditional grants is to address inter-governmental policy matters in all provinces. The province is allocated R9.1 billion in 2019/20, R9.5 billion in 2020/21 and R10.3 billion in 2021/22 financial years. The province receives 3.4 percent increase in 2019/20 and 5.6 percent increase over the MTEF.

Due to the stimulus package introduced by the President of the Republic during the MTBPS, which implies that reprioritisation and fiscal consolidation, grants such as Comprehensive HIV/AIDS grant, Comprehensive Agriculture Support Programmes (CASP), Education Infrastructure grant were reprioritised and new grants such as Human Resource Capacitation grant is introduced in the Department of Health. The table below refers:

Table 12: Summary of National Conditional Grant transfers by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
Vote 3	1 919 982	2 088 243	2 019 768	2 349 648	2 385 382	2 385 382	2 460 517	2 646 847	2 818 629
National School Nutrition Programme	991 122	1 087 090	1 113 968	1 229 299	1 255 019	1 255 019	1 292 011	1 363 072	1 438 041
HIV/AIDS (Life Skills Education)	24 238	23 486	22 886	27 116	28 964	28 964	29 124	31 137	32 849
Education Infrastructure Grant	863 797	938 072	838 734	1 011 680	1 011 680	1 011 680	1 050 160	1 175 467	1 266 336
EPWP Incentive Allocation	2 672	1 876	2 211	2 134	2 134	2 134	2 385	-	-
Social Sector (EPWP) Grant	2 482	3 175	2 379	14 355	14 355	14 355	14 196	-	-
Learners with profound intellectual Disabilities Grant	-	-	4 666	21 700	23 688	23 688	26 839	28 932	30 523
Maths, Science and Technology Grant	35 671	34 544	34 924	43 364	49 542	49 542	45 802	48 239	50 880
Vote 4	329 331	332 349	321 918	345 387	395 303	395 303	342 345	361 568	389 230
Land Care Programme	9 903	10 429	13 672	12 603	47 803	47 803	12 863	13 570	14 316
Comprehensive Agriculture Support Programme	263 806	253 570	237 159	256 521	271 237	271 237	246 542	268 605	290 679
EPWP Incentive Allocation	5 285	4 475	3 731	5 000	5 000	5 000	7 686	-	-
ILima/Letsema Projects	50 337	63 875	67 356	71 263	71 263	71 263	75 254	79 393	84 235
Vote 06	2 481	3 443	2 567	3 376	3 376	3 376	3 563	-	-
EPWP Incentive Allocation	2 481	3 443	2 567	3 376	3 376	3 376	3 563	-	-
Vote 7	1 879 185	2 066 168	2 311 781	2 720 840	2 811 194	2 811 194	3 073 250	3 321 449	3 754 177
Health Professions Training and Development	117 554	124 779	131 684	139 366	139 366	139 366	147 168	155 262	163 801
Health Facility Revitalisation	357 322	378 900	416 805	536 898	625 405	625 405	457 951	484 830	522 832
Comprehensive HIV and AIDS	1 065 528	1 170 424	1 366 911	1 600 516	1 602 363	1 602 363	1 947 302	2 167 956	2 525 491
<i>of which</i>									
Community Outreach Services Component	-	-	-	-	-	-	258 929	273 429	445 789
Comprehensive HIV AIDS Grant Component	-	-	-	-	-	-	1 598 159	1 776 843	1 962 848
Malaria Control	-	-	-	-	-	-	45 366	70 370	66 937
Tuberculosis Component	-	-	-	-	-	-	44 848	47 314	49 917
National Tertiary Services	312 393	362 361	366 283	387 560	387 560	387 560	409 263	436 684	460 702
Human Papillomavirus Vaccine Grant	-	-	-	27 471	27 471	27 471	29 009	30 604	32 287
EPWP Integrated Grant	1 079	-	-	2 000	2 000	2 000	2 000	-	-
EPWP Social Sector Incentive Grant	17 826	21 975	30 098	27 029	27 029	27 029	37 299	-	-
Human Resource Capacity Grant	-	-	-	-	-	-	43 258	46 113	49 064
National Health Insurance	7 483	7 729	-	-	-	-	-	-	-
Vote 8	298 298	326 129	345 640	356 809	356 809	356 809	376 790	402 035	424 147
Public Transport Operations	298 298	326 129	345 640	356 809	356 809	356 809	376 790	402 035	424 147
Vote 9	976 853	997 357	1 136 431	1 131 500	1 168 618	1 168 618	1 164 021	1 164 114	1 253 439
Provincial Roads Maintenance Grant	969 733	992 531	1 130 534	1 124 146	1 161 264	1 161 264	1 158 253	1 164 114	1 253 439
EPWP Integrated Grant	7 120	4 826	5 897	7 354	7 354	7 354	5 768	-	-
Vote 10	2 078	-	2 000	2 000	2 000	2 000	2 000	-	-
EPWP Integrated Allocation	2 078	-	2 000	2 000	2 000	2 000	2 000	-	-
Vote 11	1 129 138	1 518 880	1 255 778	1 312 187	1 312 187	1 312 187	1 339 523	1 333 757	1 361 631
EPWP Incentive Allocation	829	636	2 000	2 000	2 000	2 000	2 026	-	-
Human Settlement Development	1 128 309	1 518 244	1 253 778	1 285 681	1 285 681	1 285 681	1 301 677	1 098 807	1 079 035
<i>of which</i>									
Human Settlement Development (flood repair)	5 701	34 182	-	29 678	29 678	29 678	-	-	-
Earmarked additions for the ff mining towns	17 540	66 330	-	66 330	66 330	66 330	-	-	-
Thabazimbi	7 171	27 100	-	27 100	27 100	27 100	-	-	-
Greater Tubatse	1 684	6 430	-	6 430	6 430	6 430	-	-	-
Elias Motsoaledi	3 255	12 300	-	12 300	12 300	12 300	-	-	-
Lephalale	4 720	17 800	-	17 800	17 800	17 800	-	-	-
Fetakgomo(LIM 476)	710	2 700	-	2 700	2 700	2 700	-	-	-
Mogalakwena	-	-	-	-	-	-	-	-	-
Housing Disaster Management	-	-	-	24 506	24 506	24 506	-	-	-
Informal Settlements upgrading Partnership Grant	-	-	-	-	-	-	-	197 160	282 596
Title DeedsRestoration Grant	-	-	-	-	-	-	35 820	37 790	-
Vote 12	3 188	11 197	91 450	127 200	130 439	130 439	81 181	73 616	77 665
EPWP Incentive Allocation	3 188	11 197	8 973	8 008	8 008	8 008	2 000	-	-
EPWP Social Sector	-	-	-	-	-	-	10 189	-	-
Early Childhood Development	-	-	35 693	68 561	71 800	71 800	68 992	73 616	77 665
Social work employment grant	-	-	46 784	50 631	50 631	50 631	-	-	-
Vote 13	183 762	192 774	186 146	195 322	200 002	200 002	217 803	226 951	239 956
Mass Participation and Sport Development Grant	63 417	66 391	67 407	67 679	68 558	68 558	71 489	75 451	79 651
Community Library Services	118 404	124 544	116 743	125 643	129 444	129 444	144 314	151 500	160 305
EPWP Incentive Allocation	1 941	1 839	1 996	2 000	2 000	2 000	2 000	-	-
Total conditional grants	6 724 296	7 536 540	7 673 479	8 544 269	8 765 310	8 765 310	9 060 993	9 530 337	10 318 874

Specific grants within the various departments are outlined below.

Vote 3: Department of Education

The department will receive conditional grants amounting to R2.5 billion in 2019/20, R2.6 billion in 2020/21 and R2.8 billion in 2021/22 financial year. The conditional grants will be used for HIV/AIDS (Life Skills), Learners with Profound Intellectual Disabilities, National School Nutrition Programme, Education Infrastructure, Math, Science and Technology, Social Sector Extended Public Works Programme (EPWP), Extended Public Works Programme and Integrated. The conditional grants increase throughout the outer years of the MTEF except the Social Sector EPWP and EPWP Intergrated grants as these allocations are based on performance.

Vote 4: Department of Agriculture

The department will receive conditional grants amounting to R342.3 million in 2019/20, R361.6 million in 2020/21 and R389.2 million is 2021/22 financial year. The conditional grants will be used mainly for Land Care, Comprehensive Agriculture Support Programmes and Ilima / Letsema projects and EPWP Integrated.

Vote 6: Department of Economic Development, Environment and Tourism

The department has been allocated R3.6 million for EPWP Integrated grant for the year 2019/20 financial year.

Vote 7: Department of Health

An amount of R3.1 billion has been allocated to the department as a conditional grant for the year 2019/20, R3.3 billion in 2020/21 and R3.8 billion in 2021/22 financial year. Over the 2019 MTEF the department will have the following conditional grants; - Comprehensive HIV/AIDS, Health Professional Training and Development Grant, Health Facility Revitalisation, Human Papillomavirus Vaccine, Human Resources Capacitation, National Tertiary Services, EPWP Integrated and EPWP Social Sector.

The Human Resources Capacitation Grant is new grant allocated for employment of Health Professionals in the Province.

Vote 8: Department of Transport

The department will receive Public Transport Operations Grants of R376.8 million in 2019/20 financial year, it increases to R402.0 million in 2020/21 and R424.2 million in 2021/22 financial year.

Vote 9: Department of Public Works, Roads and Infrastructure

The department will receive conditional grants amounting R1.2 billion in 2019/20 and 2020/21 financial year and increase to R1.3 billion in 2021/22 financial year. The conditional grants will be used mainly for Provincial Road Maintenance, Provincial Road Maintenance (Flood Repairs) and EPWP Intergrated.

Vote 10: Community Safety

The department has been allocated R2.0 million for EPWP Incentive grant for the year 2019/20 financial year.

Vote 11: Department Cooperative Governance, Human Settlements & Traditional Affairs

The department will receive grant amounting to R1.3 billion in 2019/20 and 2020/21 financial year. The grant will increase to R1.4 billion in 2021/22 financial year. The conditional grant is mainly for Integrated Housing and Human Settlements Development, Information Settlement Upgrading Partnership, Title Deed Restoration and implementation of EPWP Integrated programme.

Vote 12: Department of Social Development

The department has been allocated conditional grant of R81.2 million for 2019/20 financial year. The grant funding will decline to R73.6 million in 2020/21 and increase



to R77.7 million in 2021/22 financial year. The grants funding will be used for Early Childhood Development, EPWP Integrated and EPWP Social Sector.

Vote 13: Department of Sports Arts and Culture

The department has been allocated conditional grant amounting to R217.8 million in 2019/20, R227.0 million in 2020/21 and R240.0 million in 2021/22 financial year. The grant will be used mainly for Mass Participation and Sport Development, Community Library Services and EPWP Intergrated.

4.4 Provincial Own Receipts (Own Revenue)

The South African economy is currently recovering from a technical recession after two consecutive quarters of negative growth in 2018. The economic growth realized in recent times is much lower than the targets as set in the Limpopo Development Plan and the National Development Plan. The repressed economic growth will lead to under collection in the amount of national taxes revenue and given that the total debt levels are rising, South Africa and the Limpopo Province is facing a fiscal constraint. As a result, the Provincial Share of Revenue perpetually reduces despite the increasing population and developmental needs of citizens.

Section 227 of the Constitution of the Republic of South Africa mandate all Provinces to raise own revenue for the purpose of augmenting the Provincial Share of Revenue. The aforementioned revenue is not deductible from the share of revenue raised nationally or from other allocations made to Provinces out of national government revenue. Thus the own revenue generated will aid Provinces to address the provincial spending priorities. In Limpopo, own revenue is generated from twelve (12) Departments and three (3) Schedule 3C public entities. Own revenue generated by Limpopo Legislature and two (2) Schedule 3D public entities are retained by such institutions in terms of the requirement of the Public Finance Management Act and as per the guidelines by the Department of Public Service and Administration “The Machinery of Government”.

In 2019/20 financial year, the Limpopo own revenue collection is projected at R1.316 billion or 1.8 percent of the total provincial receipts. Department of Transport remains the largest provincial own revenue contributor at 44.1 percent mainly on motor vehicle licenses taxes. Initiatives are in place to improve access to public services through the extension of multipurpose centres and the introduction of K53 Testing Ground's project which will ultimately enhance revenue collection.

Provincial Treasury is the second largest in revenue collection at 21.3 percent from interest earned on bank balances. Interest earned on provincial bank balances is not sustainable since it depends much on the spending behaviour of the departments, - the more departments spend, the lower the accumulation of Provincial cash balances, and thus the lower the interest earned. To this end, departments are supported through the quarterly revenue enhancement bilateral meetings to identify and implement revenue enhancement projects.

The Department of Health is the third revenue contributor at 14.7 percent mainly from the collection of patient fees. The implementation of the Electronic Data Interchange and Patient Verification System through Revenue Enhancement Allocation is yielding positive results not only for revenue maximisation but also contribute to patient billing efficiencies. Following the Department of Health is the Department of Economic Development, Environment and Tourism at 12.1 percent primarily from casino and horse racing taxes. In 2019/20 financial year, the Province invest R32.0 million in infrastructure development of resorts for Limpopo Economic Development, Environment and Tourism to support the implementation of provincial own revenue enhancement projects.

Other Departments contribute 7.8 percent mainly through Department of Agriculture and Public Works, Road and Infrastructure with potential to generate more revenue on property rentals; and boarding services and tuition fees respectively. The increasing expenditure trend over the MTEF period and year on year reduction of equitable share, necessitate the province to continuously exert more efforts towards maximisation of own revenue generation and ensuring efficient and effective revenue management. The implementation of the Provincial Revenue Retention Strategy which considers the 2018/19 revenue collection outcomes, shall encourage



Departments and Public Entities to manage revenue collection effectively through the retention of revenue surpluses.

Table 13: Provincial Own Revenue per vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
Vote 1: Office of the Premier	1 834	1 186	752	567	617	617	583	608	652
Vote 2: Provincial Legislature	316	186	630	234	744	744	246	260	274
Vote 3: Education	63 781	67 488	63 106	41 264	40 981	40 981	43 826	46 597	49 160
Vote 4: Agriculture and Rural Development	13 222	13 101	14 709	12 579	12 579	12 579	11 722	12 003	12 689
Vote 5: Provincial Treasury	302 970	407 906	346 307	300 000	287 997	287 997	280 874	265 636	243 149
Vote 6: Economic Development, Environment and Tourism	124 557	123 473	135 550	160 918	150 941	150 941	158 941	167 683	176 905
Vote 7: Health	135 609	169 761	181 367	168 177	177 700	177 700	193 610	204 259	215 493
Vote 8: Transport	419 630	472 466	502 978	524 149	528 806	528 806	584 740	649 140	720 705
Vote 9: Public Works, Roads and Infrastructure	156 871	187 679	70 166	28 355	34 877	34 877	30 438	31 962	33 566
Vote 10: Community Safety	253	168	264	232	122	122	94	105	111
Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs	35 987	8 715	4 845	4 784	5 773	5 773	5 119	5 415	5 730
Vote 12: Social Development	3 424	14 752	2 763	3 969	3 969	3 969	4 182	4 292	4 528
Vote 13: Sport, Arts and Culture	1 687	2 085	2 211	1 940	2 063	2 063	2 224	2 368	2 444
Total Provincial own receipts	1 260 141	1 468 966	1 325 648	1 247 168	1 247 169	1 247 169	1 316 599	1 390 327	1 465 406

The table above portrays the history of own receipts per vote from the 2015/16 financial year to 2017/18 financial year, and the collection estimates over 2019 MTEF period. The Provincial own revenue estimates increase from the original estimates of R1.247 billion in 2018/19 to R1.316 billion in 2019/20 financial year which represent an increase of 5.6 percent.

Vote 1: Office of the Premier

Main sources of revenue of the Office are Commission on Insurance and Parking fees. The revenue target of the Office grows by negative 5.5 percent and 4.8 percent over the MTEF. The negative growth in 2019/20 is influenced by once off sale of capital assets and growth over the MTEF is inflationary related.

Vote 2: Provincial Legislature

The main source of revenue in the Legislature is Commission on Insurance. The revenue target of the institution is growing by negative 66.9 in 2019/20 and 5.4 percent over the MTEF. The negative growth in 2019/20 is due to once off sale of capital assets and growth over the MTEF is inflationary related.

Vote 3: Education

The main source of revenue is Commission on Insurance. The revenue target of the department is growing by 6.9 in 2019/20 and 6.0 percent over the MTEF period. The growth is mainly influenced by anticipated increase collection on commission on insurance.

Vote 4: Agriculture

The main sources of revenue are Commission on insurance and Agricultural produce. The departmental revenue target is growing by negative 6.8 in 2019/20 and minimal growth of 0.3 percent over the MTEF. Negative growth is mainly influenced by anticipated reduction of sale of animal feeds which will be offered for free to farmers.

Vote 5: Provincial Treasury

The main source of revenue in Provincial Treasury is interest received from favourable bank balances. The revenue target of the department is growing at a negative growth 6.4 percent in 2019/20 and negative 6.8 percent over the MTEF. The negative growth is due to volatile nature of interests earned on favourable provincial bank balance.

Vote 6: Economic Development, Environment and Tourism

The main sources of revenue in this department are casino, horse racing taxes, hunting permits and tourism revenue (Accommodation, entrance fee etc.). The revenue target of the department grows by 5.3 per cent and 3.2 percent over the MTEF due to inflationary related factors.

Vote 7: Health

The main source of revenue for the department is health patient fees and rentals. The revenue target of the department is growing by 9.0 and 8.6 percent over the MTEF. The growth is influenced by improved collection of patient fees due to implementation of Electronic Data Interchange (EDI) and Patient Verification System for efficient billing.



Vote 8: Transport

Motor vehicle licences is the primary source of revenue by the Department of Transport. The revenue target of the department is growing by 10.6 and 11.2 percent over the MTEF. Abnormal growth in 2019/20 and over the MTEF is due to anticipated increase of motor vehicle license fee tariffs over the MTEF and improved recovery of Municipality debts.

Vote 9: Public Works, Roads & Infrastructure

Department of Public Works, Roads and Infrastructure is the custodian of state properties in the Province. The largest source of revenue is thus rental of properties. The revenue target of the department is growing by negative 12.7 percent in 2019/20 and 5.8 percent over the MTEF. Negative growth in 2019/20 is due to once off sale of capital assets during 2018/19 financial year and growth over the MTEF is inflationary related.

Vote 10: Community Safety

Department of Community Safety contribute revenue mainly from Commission on Insurance and parking fees. The revenue target of the department is growing by negative 23.0 percent and negative 21.8 percent over the MTEF. Negative growth is mainly due to once off sale of capital assets and recovery of previous years' debts items.

Vote 11: Co-operative Governance, Human Settlement and Traditional Affairs

Main source of revenue is Commission on Insurance and Parking fees. The revenue target of the department is growing by negative 11.3 percent and growth of 6.2 percent over the MTEF. Negative growth is due to unpredictable interest earned from implementing Agents for funds transferred for projects, and growth over the MTEF is inflationary related.

Vote 12: Social Development

Department of Social Development contributes own revenue primarily from Commission on Insurance. The revenue target of the department is growing by 5.4 percent and 4.5 percent over the MTEF due to inflation related factors.

Vote 13: Sport, Arts and Culture

The largest source of revenue for the Department is Entrance fees from hosting Mapungubwe Arts Festival. The revenue target of the department is growing by 7.8 in 2019/20 and 8.0 percent over the MTEF. The growth over the MTEF is because of anticipated improvement in the collection of Entrance fee from Mapungubwe Arts Festival.

4.5 Donor Funding

Table 14: Summary of provincial donor funding

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
Vote 06 : Economic Development, Environment and Tourism	5,198	671	92	1,266	1,266	1,266	-	-	-
Vote 07 : Health	-	-	1,961	3,412	3,412	3,412	-	-	-
Vote 09 : Public Works, Roads and Infrastructure	-	849	12	-	-	-	-	-	-
Vote 12 : Social Development	15,296	12,000	4,005	14,220	14,220	14,220	7,800		
Vote 13 : Sport, Arts and Culture	1,300	-	2,929	2,539	2,539	2,539	-	-	-
	21,794	13,520	8,999	21,437	21,437	21,437	7,800	-	-

An amount of R7.8 million will be received by Department of Social Development from HWSETA (donor) for training and development of interns during 2019/20 financial year. Department of Economic Development; Health; Public Works and Sport, Arts and Culture are no longer receiving financial assistance from donors.



CHAPTER 5: PAYMENTS

5.1 Overall Position

The provincial expenditure grows from R66.5 billion in 2018/19 to R69.5 billion in 2019/20 and further grows to R72.8 billion in 2020/21 and to R77.9 billion in 2021/22 financial years. The expenditure growth is 4.5 percent in 2019/20 and 7.3 percent in 2021/22. The 2019 MTEF budget is presented in times of economic distress which includes reductions to both the provincial equitable share and conditional grants.

Table 15: Summary of provincial payments and Estimates per vote

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
Vote 1: Office of the Premier	340 674	371 031	401 714	420 680	420 680	420 680	443 476	467 867	493 132
Vote 2: Provincial Legislature	297 960	321 008	340 987	360 927	417 309	417 309	375 755	396 400	418 012
Vote 3: Education	25 118 175	26 826 203	29 020 420	30 607 772	30 834 506	30 834 506	32 291 008	34 095 860	36 265 889
Vote 4: Agriculture and Rural Development	1 620 258	1 689 801	1 708 212	1 917 354	1 967 270	1 967 270	2 000 770	2 111 206	2 233 347
Vote 5: Provincial Treasury	363 722	441 152	427 560	472 850	472 850	472 309	506 841	534 159	562 644
Vote 6: Economic Development, Environment and Tourism	1 153 443	1 312 225	1 681 908	1 665 374	1 665 374	1 665 374	1 722 710	1 805 669	1 903 175
Vote 7: Health	15 432 089	17 217 613	18 387 177	19 511 420	19 701 774	21 092 334	20 777 068	21 997 146	23 853 727
Vote 8: Transport	1 727 714	1 871 614	1 960 378	2 106 228	2 106 228	2 106 228	2 227 547	2 374 961	2 502 369
Vote 9: Public Works, Roads and Infrastructure	2 685 343	2 988 778	3 292 600	3 118 176	3 555 294	3 553 970	3 616 964	3 375 334	3 684 066
Vote 10: Community Safety	82 656	92 552	103 915	109 714	111 714	111 714	117 638	121 998	128 586
Vote 11: Co-operative Governance, Human Settlements and Traditional	2 185 684	2 679 638	2 428 857	2 624 006	2 714 006	2 714 006	2 720 467	2 737 903	2 841 601
Vote 12: Social Development	1 585 497	1 662 209	1 816 889	1 986 729	2 039 968	2 083 168	2 181 129	2 296 582	2 470 808
Vote 13: Sport, Arts and Culture	378 780	429 531	455 074	472 264	487 714	487 714	519 537	534 730	564 355
Total	52 971 995	57 903 354	62 025 691	65 373 494	66 494 686	67 926 581	69 500 910	72 849 815	77 921 711

5.2 Payments by Vote

Vote 1: Office of the Premier

The Office of the Premier is allocated a budget allocation of R443.5 million in 2019/20, R467.9 million in 2020/21 and further increases to R493.1 million during 2021/22. The allocation increases by 5.4 percent over the MTEF. The funding includes allocation of R6.2 million for SMS Capacity Building, Provincial Evaluation Plan and Disaster Recovery Site.

Vote 2: Provincial Legislature

The Provincial Legislature is allocated a budget of R375.8 million for 2019/20 financial year. Their budget increases to R396.4 million in 2020/21 and R418.0 million for the 2021/22 financial year.

Vote 3: Education

The Department of Education receives an allocation of R32.3 billion in 2019/20, R34.1 billion in 2020/21 and R36.3 billion in 2021/22 financial year. The 2019/20 allocation includes R2.5 billion for Conditional Grants and R594.2 million from own revenue. The allocation increase by 4.7 percent in 2019/20 and 6.4 percent in 2021/22.

Vote 4: Agriculture

The Department of Agriculture and Rural Development is allocated a budget of R2.0 billion in 2019/20 financial year to deliver its mandate of which R342.3 million is for Conditional Grants. The budget increases by 1.7 percent in 2019/20 and 5.8 percent in 2021/22 financial year.

Vote 5: Provincial Treasury

The Provincial Treasury receives a budget allocation of R506.8 million in 2019/20, R534.2 million in 2020/21 and R562.5 million during 2021/22 financial year. The budget allocation is increasing by 7.2 percent in 2019/20 and 5.3 percent in 2021/22. The allocation includes an amount of R23.9 million for Provincial Infrastructure Support Programmes and R9.6 million for Municipalities Interventions.

Vote 6: Economic Development, Environment and Tourism

The Department of Economic Development is allocated a budget of R1.7 billion in 2019/20, of which R3.6 million is for a Conditional Grant and R757.0 million is for transfers to Public Entities. The allocation increases by 3.4 percent in 2019/20 and 4.6 percent over the MTEF period.



Vote 7: Health

Health receives an allocation of R20.8 billion in 2019/20, R22.0 billion in 2020/21 and R23.8 in 2021/22 financial year. Included in the 2019/20 allocation is R3.1 billion for Conditional Grants and R520.2 million from own revenue. The allocation increases by 5.5 percent in 2019/20 and 8.4 percent in 2021/22 financial year.

Vote 8: Transport

The department is allocated R2.2 billion in 2019/20 financial year of which R376.8 million is for a conditional grant and R53.2 million is for transfer payments to the entity Gateway Airport Authority Limited (GAAL). The allocation is increasing by 5.8 percent in 2019/20 and 5.4 percent in 2021/22 financial year.

Vote 9: Public Works, Roads and Infrastructure

The Department receives a budget allocation of R3.6 billion in 2019/20, R3.4 billion in 2020/21 and R3.7 billion in 2021/22 financial years. The allocation includes R1.2 billion for conditional grants and R1.4 billion to be transferred to Roads Agency Limpopo (RAL) for operational costs and roads maintenance and upgrading.

Vote 10: Community Safety

The Department of Community Safety receives a budget allocation of R117.6 million in 2019/20, R122.0 million in 2020/21 and R128.6 million in 2021/22 financial year. The allocation includes R2.0 million is for EPWP Incentives Grant. The budget allocation increases by 5.3 percent in 2019/20 and 5.4 percent in 2021/22.

Vote 11: Co-Operative Governance, Human Settlements and Traditional Affairs

The Department is allocated budget of R2.7 billion in 2019/20 and in 2020/21 and R2.8 billion in 2021/22 financial year. The allocation makes provision for the delivery of quality housing through the Human Settlement Development Grant which is allocated

an amount of R1.3 billion in 2019/20 financial year. The budget allocation increases by 0.2 percent in 2019/20 and 3.8 percent in 2021/22.

Vote 12: Social Development

The Department is allocated a budget of R2.2 billion in 2019/20, R2.3 billion in 2020/21 and R2.5 billion in 2021/22 financial year. The allocation increases by 6.9 percent in 2019/20 and 7.6 percent in 2021/22 financial year. The allocation includes conditional grant allocations of R81.2 million in 2018/19 financial year.

Vote 13: Sport, Arts and Culture

The total allocation of the department amounts to R519.5 million in 2019/20, R534.7 million in 2020/21 and R564.4 million in 2021/22 financial years. The allocation increases by 6.5 percent in 2019/20 and 5.5 percent in 2021/22 financial year. An amount of R217.8 million is allocated for conditional grants in 2019/20 financial year.

5.3 Payments by Economic Classification

The provincial budget is allocated to departments which in turn distributes to various items in line with the economic classification as prescribed by the Standard Chart of Account (SCOA) which are: Compensation of Employees, Goods and Services, Transfers and subsidies and Payments for Capital Assets.



Table 16: Payments by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
Current payments	44 776 572	48 460 867	51 762 152	55 460 764	55 885 321	57 308 613	59 300 122	62 596 796	66 538 938
Compensation of employees	37 753 155	40 107 796	42 582 425	45 956 168	45 868 686	46 248 721	49 191 590	51 881 913	54 808 661
Goods and services	7 022 932	8 352 723	9 179 117	9 503 677	10 015 716	11 058 973	10 107 562	10 713 860	11 729 199
Interest and rent on land	485	349	610	920	920	920	970	1 023	1 078
Transfers and subsidies	6 061 628	7 408 763	7 948 068	7 827 310	8 456 954	8 457 273	8 185 421	8 164 057	8 554 304
Provinces and municipalities	96 538	116 799	101 386	95 014	86 495	86 495	74 459	78 863	83 191
Departmental agencies and accounts	1 405 801	1 768 912	2 266 714	1 909 011	2 288 224	2 288 224	2 311 966	2 054 563	2 165 419
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	651 890	692 213	696 506	736 834	736 834	736 834	742 361	814 951	858 976
Non-profit institutions	2 090 004	2 547 400	2 868 740	3 124 858	3 089 995	3 089 995	3 005 241	3 118 879	3 256 997
Households	1 817 395	2 283 439	2 014 722	1 961 592	2 255 407	2 255 725	2 051 394	2 096 801	2 189 721
Payments for capital assets	2 097 641	1 865 905	2 278 617	2 085 421	2 061 497	2 069 695	2 015 367	2 088 962	2 828 469
Buildings and other fixed structures	1 635 532	1 348 134	1 815 856	1 680 356	1 605 162	1 613 362	1 507 404	1 570 943	1 981 272
Machinery and equipment	461 759	515 929	459 284	401 285	451 726	451 724	502 819	513 826	844 884
Heritage assets	-	-	793	-	180	180	-	-	-
Specialised military assets	-	-	-	-	-	-	35	40	42
Biological assets	-	772	1 650	2 167	2 167	2 167	4 509	3 533	1 617
Land and sub-soil assets	-	-	66	-	-	-	-	-	-
Software and other intangible assets	350	1 070	968	1 612	2 262	2 262	600	620	654
Payments for financial assets	36 154	167 819	36 854	-	90 913	90 999	-	-	-
Total economic classification	52 971 995	57 903 354	62 025 691	65 373 495	66 494 686	67 926 580	69 500 910	72 849 815	77 921 710

5.3.1. Current Payments

The province has allocated R59.3 billion in 2019/20, R62.6 billion and R66.5 billion in 2020/21 and 2021/22 respectively for current payments. The allocation reflects a positive growth of 5.8 percent over the MTEF. Included in the current payments allocation for 2019/20 financial year is R49.2 billion or 70.8 percent for Compensation of Employees which represents 6.8 percent growth in 2019/20 and 5.4 percent over the MTEF. The province's allocation of compensation of employees is ring-fenced to curb the ever increasing budget.

A total amount of R10.1 billion, R10.7 billion and R11.7 billion is allocated to goods and services for 2019/20, 2020/21 and 2021/22 respectively. Goods and Services budget grows by 0.9 percent in 2019/20 and 7.6 percent over the MTEF. The increase is mainly influenced by savings realised from compensation of employees and additional funding made available from provincial own revenue and cash reserves for the promotion of programmes and projects that enhance economic growth within the province.

5.3.2. Transfers and subsidies

The provincial allocation on transfers and subsidies is mainly for transfers to Non-Profit Institutions and Organisations, households, departmental agencies and accounts and transfers to Public Entities and Municipalities. Total transfers and subsidies is decreasing by 3.2 percent from R8.4 billion in 2018/19 to R8.1 billion in 2019/20 and to R8.5 billion in 2021/22 financial year.

5.3.3. Payment for Capital Assets

The allocation for Payments for Capital Assets has reduced from R2.1 billion in 2018/19 to R2.0 billion in 2019/20. This classification includes allocation for construction of new infrastructure, purchase of office furniture, transport equipment and other machinery and equipment.

5.4 Payments by Policy Area

The table below shows the allocation in terms functional areas. The clustering of these departments is in line with the services they provide within the province as per the mandates in line with the plans.

Table 17: Payments by policy area

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
General public services	4 639 360	5 164 489	5 503 129	5 552 236	6 133 336	6 131 471	6 186 673	6 029 490	6 481 348
Public order and safety	82 656	92 552	103 915	109 714	111 714	111 714	117 638	121 998	128 586
Economic affairs	4 315 162	4 756 349	5 218 009	5 551 166	5 607 982	5 607 982	5 821 414	6 154 663	6 494 310
Environmental protection	186 253	117 291	132 489	137 789	130 889	130 889	129 613	137 173	144 581
Housing and community amenities	1 234 023	1 637 118	1 388 589	1 444 403	1 446 803	1 446 803	1 476 830	1 482 173	1 518 107
Health	15 432 089	17 217 613	18 387 177	19 511 420	19 701 774	21 092 334	20 777 068	21 997 146	23 853 727
Recreation, culture and religion	378 780	429 531	455 074	472 264	487 714	487 714	519 537	534 730	564 355
Education	25 118 175	26 826 203	29 020 420	30 607 772	30 834 506	30 834 506	32 291 008	34 095 860	36 265 889
Social protection	1 585 497	1 662 209	1 816 889	1 986 729	2 039 968	2 083 168	2 181 129	2 296 582	2 470 808
Total provincial payments and estimates by functional area	52 971 995	57 903 354	62 025 691	65 373 494	66 494 686	67 926 581	69 500 910	72 849 815	77 921 711

Office of the Premier, Legislature and Provincial Treasury provides support to departments in terms of general public services and ensure that required legislations and policies are available to departments for implementation. Furthermore, the three departments provide support and training to other departments in order to effectively implement the plans as adopted by Legislature. These departments are allocated a total budget of R6.2 billion, R6.0 billion and R6.5 billion in 2019/20, 2020/21 and 2021/22 respectively.

The department of Community Safety is responsible for public order and safety and is allocated R117.6 million in 2019/20 financial year while economic affairs and environmental protection remains the responsibility of the Department of Economic Development, Environment and Tourism, Agriculture and Transport. These departments are allocated R6.0 billion in 2019/20 financial year.

Housing development is the competency of the department of Cooperative Governance, Human Settlement and Traditional Affairs which is allocated R1.5 billion, and R1.6 billion in 2019/20, 2020/21 and 2021/22 respectively. The Department of Sport, Arts and Culture oversees recreation, culture and religion programmes in the province. The department is allocated R519.5 million in 2019/20 financial year.

In line with the country's fiscal consolidation to provide basic and social services, the Department of Health, Education and Social development were tasked with that responsibility of ensuring that such services are provided to the public and 79.5 percent or R55.2 billion of the provincial budget is allocated to the three departments. The other functional area's payments are allocated in line with the services to be rendered and the mandates for the policy area.

5.5 INFRASTRUCTURE MANAGEMENT

Infrastructure investments facilitate economic activities and enable the Province to grow to its full potential. Government infrastructure budgets have come under significant pressure over the past two years due to lower economic growth and other competing priorities such as funding for higher education and compensation of employees. As a result, government has had to reduce infrastructure transfers at provincial and local government and at present, the Limpopo Provincial Government is not well placed to meet the growing infrastructure demands. Therefore, infrastructure which provides improvements or efficiencies in services, production or export capabilities, and which is delivered and maintained in a manner that minimises waste, time and effort in order to generate the maximum possible amount of value should be provided.

The delivery of infrastructure is the combination of planning, technical, administrative and managerial actions associated with construction, supply, refurbishment, rehabilitation, alteration, maintenance, operation or disposal through. In order to achieve this value chain, a provincial infrastructure comprehensive delivery strategy which is the Limpopo Infrastructure Delivery Management System (IDMS) is in place. The gradual improvements in the implementation of the IDMS are realised, but it should also be noted that many public infrastructure projects have been marred by weak project preparation, planning and execution caused by lack of technical expertise and institutional capacity. These institutional weaknesses often translate into lengthy delays, over or underspending, and quality concerns. These have been observed in the departments of Education and Health through the performance based incentive assessment feedback provided by National Treasury.

The other departments are doing well but this can be translated to the support through Government Technical Advisory Centre (GTAC) support and integration of the infrastructure strategic planning hub built environment professional into the infrastructure units of supported departments. However, there are concerns around the sustainability in the long-term. The critical concern is around the high vacancy rate in the infrastructure units in all departments except the department of Education and Agriculture. While the programme is working to build capacity in the Limpopo Public



Works Roads and Infrastructure (LDPWR&I) Infrastructure Hub, it is indicated that the contracts for some or most of the hub officials are coming to an end.

The initiative through the Office of the Premier to look at Organizational Development challenges related to infrastructure units of departments is highly welcome and it can be enhanced with Change Management. The integration and alignment of the Organizational Development and Change Management work that GTAC has done in the province is important. The work of GTAC and the initiative by Office of the Premier will form part of the strategy to transition into the infrastructure strategic planning hub. Case Study of the work done by GTAC team are in place and will be shared to create awareness of the successes and associated risks relating to the departments that received the support.

The rapid diagnosis process (RDP) has been finalised in Public Works Roads and Infrastructure and the report with findings, the analysis as well as the recommendations for further action is in place. The report identified required support on technical assistance services related to Organisational Development (OD) and Change Management (CM); the Development of a credible Immovable Asset Register (IAR); Technical advice on Transition Management of integrated project management information system; and Operationalisation of the Infrastructure HUB including Supply Chain Management (SCM) and the Standard for Infrastructure Procurement and Delivery Management (SIPDM). There is not yet a plan of action to implement the recommendations of the rapid diagnostic process undertaken as discussed above.

LDPWR&I acknowledge the challenges relating to capacity and has willingness to work with the LPT to build internal capacity. The critical concern is around the high vacancy rate in the infrastructure units in all departments in the province. While there is capacity in the LDPWR&I Infrastructure Hub, it is also important to note the contracts for some/most of the hub officials at various stages.

An engagement of the LDPWR&I Rapid Diagnostic to the MECs and HODs will be conducted to provide a way forward on the implementation of the recommendations. LDPWR&I is critical and strategic to the sustainability of infrastructure delivery and management in the province. The implementation of the rapid diagnostic

recommendations report can be used to manage the risks and ensure that there is capacity building in LDPWR&I and the province at large.

Infrastructure is continually required by the state and state-owned entities to deliver services to the citizens regardless of the capacity and institutional challenges that are eminent. In an effort to continue service provision for the citizens, the Limpopo Provincial Government has allocated R16.9 billion for the delivery of infrastructure over the 2019 Medium Term Expenditure Framework (MTEF) period. This allocation will fund infrastructure projects of various categories in line with the overall strategic objectives of the province and the project details are captured in the project list.

Table 18: Summary of provincial infrastructure payments and estimates by vote

Rand thousand	Outcome			Main appropriati	Adjusted appropriati	Revised baseline	Medium term estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Vote 03: Education	1 064 384	829 216	1 301 995	1 013 426	1 013 426	1 013 426	1 051 986	1 177 394	1 369 032
Vote 04: Agriculture and Rural Development	155 521	169 245	144 165	160 455	201 723	201 723	223 426	185 567	187 732
Vote 06: Economic Development, Environment and Tourism	51 230	34 167	63 364	54 481	57 806	64 678	45 267	53 741	76 023
Vote 07: Health	602 206	678 526	652 027	729 277	797 784	797 784	656 200	695 176	749 053
Vote 08: Transport	4 857	26 000	19 779	27 915	27 915	27 915	43 021	27 874	29 382
Vote 09: Public Works, Roads and Infrastructure	2 059 075	687 849	2 595 041	1 958 938	2 308 438	2 308 438	2 187 684	1 881 370	1 944 199
Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs	1 128 309	1 518 244	1 254 461	1 287 681	1 287 681	1 287 681	1 337 497	1 333 757	1 361 631
Vote 12: Social Development	23 170	23 545	30 138	37 705	45 205	45 205	47 846	56 548	59 590
Vote 13: Sport, Arts and Culture	29 434	35 666	35 526	40 031	44 404	44 404	47 128	46 192	48 686
Total Infrastructure (including non infrastructure items)	5 118 186	4 002 458	6 096 496	5 309 909	5 784 382	5 791 254	5 640 055	5 457 619	5 825 328

The Department of Public Works Roads & Infrastructure is allocated a budget of R2.2 billion or 38.8 percent, followed CoGHSTA with an allocation of R1.3 billion or 23.7 percent, the department of Education with R1.1 billion or 18.7 percent and the department of Health with R656.2 million or 11.6 percent. Limpopo Provincial Government infrastructure is mainly funded through conditional grants and Provincial Equitable Share.



Table 19: Summary of provincial infrastructure payments and estimates by category

Rand thousand	Outcome			Main appropriation	Adjusted appropriation	Revised baseline	Medium term estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
Existing infrastructure assets	3 521 964	1 910 161	4 291 570	3 214 066	3 517 550	3 547 056	3 716 495	3 490 407	3 836 900
Maintenance and repairs	1 588 913	333 845	1 028 473	1 254 899	1 281 629	1 286 256	2 047 055	1 963 804	2 169 812
Upgrades and additions	1 603 023	1 028 977	2 171 050	1 279 938	1 616 896	1 647 375	1 099 897	974 765	1 276 669
Rehabilitation and refurbishment	330 028	547 339	1 092 047	679 229	619 025	613 425	569 543	551 838	390 419
New infrastructure assets	328 720	450 300	410 679	415 372	544 911	522 277	387 816	447 505	374 662
Infrastructure transfers	1 267 502	1 641 997	1 353 779	1 394 468	1 437 048	1 437 048	1 447 550	1 434 194	1 507 292
Infrastructure transfers - Current	-	-	11 429	5 000	12 687	12 687	3 750	6 000	6 000
Infrastructure transfers - Capital	1 267 502	1 641 997	1 342 350	1 389 468	1 424 361	1 424 361	1 443 800	1 428 194	1 501 292
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non Infrastructure	-	-	40 468	286 003	284 873	284 873	88 194	85 513	106 474
Total Infrastructure (including non infrastrucl	5 118 186	4 002 458	6 096 496	5 309 909	5 784 382	5 791 254	5 640 055	5 457 619	5 825 328

Over the 2019 MTEF, R16.9 billion is allocated across various investment categories. A budget of R1.2 billion or 7.1 percent is allocated towards new infrastructure mainly for construction of new clinics, libraries, schools, upgrades of gravel roads to tar, centres for place of safety and houses. The estimated budget allocation for rehabilitation and refurbishment is R1.5 billion or 8.9 percent, upgrading and additions of existing facilities is R3.3 or 19.8 percent billion and R 6.2 billion or 36.5 percent is allocated for maintenance.

The allocation is earmarked for infrastructure planning, equipping new facilities/assets, upgrading, rehabilitation/refurbishment and maintenance of Community Clinics, Health Centres, Nursing Campuses, EMS stations, Forensic Mortuaries, Provincial, Specialised and Tertiary Hospitals in the Department of Health. The department of Education prioritizes the allocations towards eradication of inappropriate school infrastructure, provision of sanitation facilities, and provision of water and maintenance of existing infrastructure.

The Department of Public Works Roads and Infrastructure is implementing major road constructions, rehabilitation and maintenance projects through the Roads Agency Limpopo (RAL), while households' projects are done internally. The Human Settlement payments are largely RDP houses as well as informal settlement development initiatives and housing developments; also amongst others basic services to households and units through Community Residential Units (CRU) programme.

In line with the National Development Plan (NDP), and working with all relevant stakeholders, the Provincial Treasury has taken a range of steps to reform SCM system focusing on infrastructure delivery. The Province developed and approved a Model SCM Policy Guideline for Infrastructure Procurement and Delivery Management. This generic policy guideline is applicable to all provincial departments and their entities in line with the Standard for Infrastructure Procurement and Delivery Management (SIPDM). Thus improving processes, rules and infrastructure to make it easier for the public sector and its private sector suppliers to transact.

6. Transfers

6.1. Transfers to Public Entities

The provincial Public Entities are allocated an amount of R2.2 billion in 2019/20 and R2.1 billion in 2021/22. Significant growth of 41.6 percent is realized at Roads Agency Limpopo due to allocation for committed roads projects. The budget allocation for LTA is growing at negative 9.2 percent due to reduction of rental allocation in 2019/20 financial year.

Table 20: Transfers to Public Entities

R thousands	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
Vote 06 : Economic Development, Environment and Tourism	466 083	506 151	799 324	2 331 562	2 331 353	746 571	757 057	790 664	833 359
Vote 08 : Transport	45 300	59 838	47 573	77 524	90 519	53 380	56 476	59 582	62 859
Vote 09 : Public Works, Roads and Infrastructure	836 594	1 054 935	1 212 151	988 918	1 388 918	988 918	1 400 308	1 100 690	1 160 127
Total	1 347 977	1 620 924	2 059 048	3 398 004	3 810 790	1 788 869	2 213 841	1 950 936	2 056 345

6.2. Transfers to Local Government

An amount of R4.7 million is allocated by different departments to pay for the rates and taxes, motor vehicles licenses and water and electricity in 2019/20 financial year.

Table 21: Provincial Transfer to Local Government

	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 thousand									
Category A	-	-	-	-	-	-	-	-	-
Category B	1 505	1 235	1 820	3 150	3 150	3 150	3 030	3 198	3 372
Category C	17 856	25 118	26 428	17 362	17 362	17 362	1 692	1 786	1 884
Unallocated	647	679	713	-	-	-	-	-	-
Total transfers to municipalities	20 008	27 032	28 961	20 512	20 512	20 512	4 722	4 984	5 256

7. Personnel Numbers and Costs**Table 22: Summary of provincial personnel numbers and costs by vote**

R thousands	Outcome						Main appropriation						Adjusted appropriation						Revised estimate						Medium-term estimates					
	2015/16		2016/17		2017/18		2018/19		2018/19		2018/19		2018/19		2019/20		2020/21		2021/22		2019/20		2020/21		2021/22					
	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost	Personnel Numbers	Cost				
Vote 1: Office of the Premier	483	241 984	470	265 738	476	280 808	476	300 576	476	300 576	476	300 576	476	300 576	476	318 611	476	337 728	476	357 992	476	357 992	476	357 992	476	357 992				
Vote 2: Provincial Legislature	205	152 588	216	164 798	209	177 002	236	206 387	236	206 387	236	206 387	236	206 387	236	203 913	236	215 742	236	227 609	236	227 609	236	227 609	236	227 609				
Vote 3: Education	68 671	20 721 593	68 687	21 743 507	68 511	23 182 961	68 511	24 641 874	68 511	24 641 874	68 511	24 641 874	68 511	24 641 874	68 511	25 957 635	68 511	27 370 036	68 511	28 845 636	68 511	28 845 636	68 511	28 845 636	68 511	28 845 636				
Vote 4: Agriculture	3 117	1 009 333	3 091	1 105 054	3 089	1 134 570	3 127	1 137 871	3 127	1 137 871	3 127	1 137 871	3 127	1 137 871	3 130	1 205 830	3 130	1 284 087	3 108	1 351 851	3 108	1 351 851	3 108	1 351 851	3 108	1 351 851				
Vote 5: Provincial Treasury	524	235 895	575	269 219	558	280 145	513	92 920	513	92 920	513	92 920	513	92 920	524	112 432	527	119 064	527	125 494	527	125 494	527	125 494	527	125 494				
Vote 6: Economic Development, Environment and Tourism	1 488	452 220	1 463	511 975	1 406	520 756	1 389	580 982	1 389	580 982	1 389	580 982	1 389	580 982	1 414	598 142	1 439	631 042	1 446	665 123	1 446	665 123	1 446	665 123	1 446	665 123				
Vote 7: Health	36 742	11 352 270	35 025	12 216 485	34 474	12 978 967	34 266	14 642 517	34 266	14 642 517	34 266	14 642 517	34 266	14 642 517	44 014	15 808 869	43 023	16 697 596	43 023	17 667 301	43 023	17 667 301	43 023	17 667 301	43 023	17 667 301				
Vote 8: Transport	2 666	786 835	2 713	852 458	2 738	921 852	2 764	944 777	2 764	944 777	2 764	944 777	2 764	944 777	2 919	1 029 939	3 079	1 086 585	3 079	1 146 351	3 079	1 146 351	3 079	1 146 351	3 079	1 146 351				
Vote 9: Public Works, Roads and Infrastructure	3 641	928 105	4 656	965 940	3 063	1 023 253	3 198	1 101 046	3 198	1 101 046	3 198	1 101 046	3 198	1 101 046	3 198	1 165 707	3 198	1 175 671	3 198	1 240 333	3 198	1 240 333	3 198	1 240 333	3 198	1 240 333				
Vote 10: Community Safety	129	57 826	129	63 714	134	72 056	130	78 603	130	78 603	130	78 603	130	78 603	133	84 811	133	87 638	140	92 878	140	92 878	140	92 878	140	92 878				
Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs	3 908	834 920	3 715	948 148	3 820	981 399	3 787	1 039 111	3 787	1 039 111	3 787	1 039 111	3 787	1 039 111	3 803	1 094 897	3 803	1 155 165	3 803	1 228 238	3 803	1 228 238	3 803	1 228 238	3 803	1 228 238				
Vote 12: Social Development	3 440	834 679	3 028	904 612	3 191	995 415	3 274	1 084 112	3 274	1 084 112	3 274	1 084 112	3 274	1 084 112	3 274	1 182 105	3 317	1 266 122	3 317	1 377 153	3 317	1 377 153	3 317	1 377 153	3 317	1 377 153				
Vote 13: Sport, Arts and Culture	407	153 536	465	173 868	508	185 073	508	199 338	508	199 338	508	199 338	508	199 338	546	220 471	545	234 348	542	247 002	542	247 002	542	247 002	542	247 002				
Total	125 121	37 781 784	124 130	40 177 516	121 816	42 734 258	121 867	46 050 115	121 867	46 050 115	121 867	46 050 115	121 867	46 050 115	131 855	46 993 362	131 091	51 660 884	131 074	54 572 981	131 074	54 572 981	131 074	54 572 981	131 074	54 572 981				

The increase in the provincial personnel numbers is mainly in the Department of Health due to the stimulus package introduced by the President during the MTBPS. The increase will result in personnel numbers being at 131 855 in 2019/20 however continue to reduce in 2021/22. An amount of R49.0 billion has been allocated to service the current staff within government and filling of key and critical posts.

The province's percentage share of compensation of employees against the total budget is 70.0 percent which is a decrease as compared to 71.6 percent in 2016/17

financial year. The measures which have been put in place to monitor the provincial personnel numbers are bearing fruit and should be strengthened. Provincial Treasury together with Office of the Premier will strengthen monitoring of personnel matters in the province.

8. Payments on Training

Table 23: Summary of provincial payments on training

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18				2018/19	2019/20	2020/21
Vote 1: Office of the Premier	2 724	3 316	6 641	4 982	4 982	4 982	6 152	3 081	3 250
Vote 2: Provincial Legislature	1 279	1 020	758	1 241	1 241	1 241	1 310	1 382	1 458
Vote 3: Education	64 550	67 971	71 370	75 509	75 509	75 509	79 738	84 123	88 750
Vote 4: Agriculture	10 259	11 535	11 791	12 601	12 601	12 601	13 381	14 118	14 895
Vote 5: Provincial Treasury	2 367	2 844	3 128	3 275	3 275	3 275	3 496	3 517	3 710
Vote 6: Economic Development, Environment and Tourism	9 924	10 423	7 626	11 586	11 586	11 586	12 745	14 019	14 790
Vote 7: Health	489 622	622 924	561 397	678 598	676 432	673 088	638 704	690 893	731 612
Vote 8: Transport	2 822	4 829	3 976	6 030	6 030	6 030	6 600	6 600	6 963
Vote 9: Public Works, Roads and Infrastructure	1 542	10 159	10 710	11 130	11 130	11 130	11 757	11 757	12 404
Vote 10: Community Safety	1 165	1 416	1 054	1 027	1 027	1 027	1 027	1 061	1 120
Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs	5 945	8 778	8 870	9 464	9 464	9 464	9 859	11 369	11 929
Vote 12: Social Development	9 362	9 858	5 936	4 571	4 571	4 571	4 669	4 926	5 197
Vote 13: Sport, Arts and Culture	966	1 363	1 460	1 540	1 540	1 540	1 630	1 640	1 650
Total	602 527	756 435	694 717	821 554	819 388	816 044	791 068	848 486	897 728

Each department provided for training within their allocation in line with training development and also taking into consideration the requirement per Skills Levy Act. The province plan and budget for training that will close the gaps that are there and assist in delivery of services. The table above provides a summary of the amounts spent by departments on training and the MTEF budget include an amount of R791.0 million in 2019/20, R848.5 million in 2020/21 and R897.7 million in 2021/22 financial year respectively.

ANNEXURES

Table 24A.1: Details of information on provincial own receipts

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	409 938	458 530	501 514	518 925	545 330	545 330	604 232	663 796	736 232
Casino taxes	56 600	58 749	59 604	73 774	58 436	58 436	59 897	60 496	62 311
Horse racing taxes	18 001	26 130	30 860	32 001	42 601	42 601	46 972	46 504	50 574
Liquor licences	3 300	3 424	3 369	3 800	3 663	3 663	3 857	4 069	4 293
Motor vehicle licences	332 037	370 227	407 681	409 350	440 630	440 630	493 506	552 727	619 054
Sales of goods and services other than capital assets	240 563	260 792	278 537	287 932	286 373	286 372	305 312	322 123	339 156
Sales of goods and services produced by department (excl. capital assets)	238 839	259 205	272 764	285 825	284 098	283 949	303 450	320 355	337 305
Sales by market establishments	36 056	33 508	31 587	27 044	27 841	27 841	29 060	30 516	32 045
Administrative fees	29 441	32 266	35 463	39 979	42 782	42 782	45 945	48 467	51 133
Other sales	173 342	193 431	205 714	218 802	213 475	213 326	228 445	241 372	254 127
Of which									
Patient Fees	105 336	121 493	126 359	139 243	122 824	122 824	137 818	141 877	148 738
Sales of scrap, waste, arms and other used current goods (excl. capital assets)	1 724	1 587	5 773	2 107	2 274	2 423	1 862	1 768	1 851
Transfers received from:	149	204	20	-	5 413	5 413	5 700	6 013	6 344
Other governmental units (Excl. Equitable share and conditional grants)	-	80	-	-	5 413	5 413	5 700	6 013	6 344
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	149	124	20	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	59 797	71 833	62 127	78 763	52 064	52 064	54 823	57 734	60 910
Interest, dividends and rent on land	319 258	406 419	348 962	303 287	289 719	289 719	281 727	266 580	244 140
Interest	318 465	405 762	348 606	302 716	289 148	289 148	281 123	265 941	243 473
Dividends	-	223	-	-	-	-	-	-	-
Rent on land	793	434	356	571	571	571	604	639	667
Sales of capital assets	14 993	18 322	41 356	11 748	20 329	20 329	12 791	13 437	14 061
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Other capital assets	14 993	18 322	41 356	11 748	20 329	20 329	12 791	13 437	14 061
Financial transactions in assets and liabilities	215 443	252 866	93 132	46 513	47 942	47 942	52 014	60 643	64 563
Total provincial own receipts	1 260 141	1 468 966	1 325 648	1 247 168	1 247 169	1 247 169	1 316 599	1 390 327	1 465 406

Table 25A.2: Details on information on Conditional Grants

R thousand	Main appropriation	Adjusted appropriation	Actual Audited	Main appropriation	Adjusted appropriation		Main appropriation	Adjusted appropriation		Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16			2016/17			2017/18			2018/19			2019/20	2020/21	2021/22
Vote 3	1 988 026	2 146 143	1 919 982	2 200 304	2 200 304	2 088 243	2 115 390	2 114 670	2 019 768	2 349 648	2 385 382	2 385 382	2 460 517	2 646 847	2 818 629
National School Nutrition Programme	1 030 799	991 153	991 122	1 111 311	1 111 311	1 087 090	1 176 754	1 176 754	1 113 968	1 229 299	1 255 019	1 255 019	1 292 011	1 363 072	1 438 041
HIV/AIDS (Life Skills Education)	25 875	31 085	24 238	33 310	33 310	23 486	35 339	34 619	22 886	27 116	28 964	28 964	29 124	31 137	32 849
Education Infrastructure Grant	885 128	1 108 625	863 797	1 007 630	1 007 630	938 072	844 109	844 109	838 734	1 011 680	1 011 680	1 011 680	1 050 160	1 175 467	1 266 336
EPWP Incentive Allocation	2 150	2 000	2 672	2 000	2 000	1 876	2 000	2 000	2 211	2 134	2 134	2 134	2 385	-	-
Social Sector (EPWP) Grant	3 095	13 280	2 482	3 500	3 500	3 175	2 888	2 888	2 379	14 355	14 355	14 355	14 196	-	-
Learners with profound intellectual Disabilities Grant	-	-	-	-	-	-	9 853	9 853	4 666	21 700	23 688	23 688	26 839	28 932	30 523
Maths, Science and Technology Grant	40 979	-	35 671	42 553	42 553	34 544	44 447	44 447	34 924	43 364	49 542	49 542	45 802	48 239	50 880
Vote 4	330 190	294 890	329 331	339 670	339 670	332 349	326 730	326 730	321 918	345 387	395 303	395 303	342 345	361 568	389 230
Land Care Programme	10 001	10 178	9 903	10 438	10 438	10 429	13 672	13 672	13 672	12 603	47 803	47 803	12 863	13 570	14 316
Comprehensive Agriculture Support Programme	264 567	225 873	263 806	260 880	260 880	253 570	241 971	241 971	237 159	256 521	271 237	271 237	246 542	268 605	290 679
EPWP Incentive Allocation	5 285	12 777	5 285	4 476	4 476	4 475	3 731	3 731	3 731	5 000	5 000	5 000	7 686	-	-
ILimalLetsema Projects	50 337	46 062	50 337	63 876	63 876	63 875	67 356	67 356	67 356	71 263	71 263	71 263	75 254	79 393	84 235
Vote 06	2 482	2 482	2 481	3 443	3 443	3 443	2 567	2 567	2 567	3 376	3 376	3 376	3 563	-	-
EPWP Incentive Allocation	2 482	2 482	2 481	3 443	3 443	3 443	2 567	2 567	2 567	3 376	3 376	3 376	3 563	-	-
Vote 7	1 928 235	1 918 763	1 879 185	2 086 849	2 086 849	2 066 168	2 422 567	2 410 764	2 311 781	2 720 840	2 811 194	2 811 194	3 073 250	3 321 449	3 754 177
Health Professions Training and Development	118 855	116 206	117 554	124 787	124 787	124 779	131 726	131 725	131 684	139 366	139 366	139 366	147 168	155 262	163 801
Health Facility Revitalisation	364 255	468 672	357 322	379 089	379 089	378 900	508 144	508 144	416 805	536 898	625 405	625 405	457 951	484 830	522 832
Comprehensive HIV and AIDS	1 084 340	998 502	1 065 528	1 190 823	1 190 823	1 170 424	1 374 468	1 374 468	1 366 911	1 600 516	1 602 363	1 602 363	1 947 302	2 167 956	2 525 491
of which															
Community Outreach Services Component	-	-	-	-	-	-	-	-	-	-	-	-	258 929	273 429	445 789
Comprehensive HIV AIDS Grant Component	-	-	-	-	-	-	-	-	-	-	-	-	1 598 159	1 776 843	1 962 848
Malaria Control	-	-	-	-	-	-	11 802	-	-	-	-	-	45 366	70 370	66 937
Tuberculosis Component	-	-	-	-	-	-	-	-	-	-	-	-	44 848	47 314	49 917
National Tertiary Services	330 462	330 714	312 393	362 361	362 361	362 361	366 314	366 314	366 283	387 560	387 560	387 560	409 263	436 684	460 702
Human Papillomavirus Vaccine Grant	-	-	-	-	-	-	-	-	-	27 471	27 471	27 471	29 009	30 604	32 287
EPWP Integrated Grant	2 000	2 089	1 079	-	-	-	-	-	-	2 000	2 000	2 000	2 000	-	-
EPWP Social Sector Incentive Grant	20 650	2 580	17 826	22 060	22 060	21 975	30 113	30 113	30 098	27 029	27 029	27 029	37 299	-	-
Human Resource Capacity Grant	-	-	-	-	-	-	-	-	-	-	-	-	43 258	46 113	49 064
National Health Insurance	7 673	-	7 483	7 729	7 729	7 729	-	-	-	-	-	-	-	-	-
Vote 8	298 298	291 852	298 298	326 129	326 129	326 129	345 610	345 610	345 640	356 809	356 809	356 809	376 790	402 035	424 147
Public Transport Operations	298 298	291 852	298 298	326 129	326 129	326 129	345 610	345 610	345 640	356 809	356 809	356 809	376 790	402 035	424 147
Vote 9	1 001 882	1 167 163	976 853	1 124 964	1 124 964	997 357	1 173 549	1 124 964	1 136 431	1 131 500	1 168 618	1 168 618	1 164 021	1 164 114	1 253 439
Provincial Roads Maintenance Grant	994 762	1 164 911	969 733	1 020 138	1 020 138	992 531	1 037 652	1 020 138	1 130 534	994 146	1 031 264	1 031 264	1 018 253	1 164 114	1 253 439
Transport Disaster Management	-	-	-	100 000	100 000	-	130 000	100 000	-	130 000	130 000	130 000	140 000	-	-
EPWP Integrated Grant	7 120	2 252	7 120	4 826	4 826	4 826	5 897	4 826	5 897	7 354	7 354	7 354	5 768	-	-
Vote 10	2 078	-	2 078	-	-	-	2 000	-	2 000	2 000	2 000	2 000	2 000	-	-
EPWP Integrated Allocation	2 078	-	2 078	-	-	-	2 000	-	2 000	2 000	2 000	2 000	2 000	-	-
Vote 11	1 593 889	1 384 543	1 129 138	1 605 212	1 605 212	1 518 880	1 406 461	1 256 461	1 255 778	1 312 187	1 312 187	1 312 187	1 339 523	1 333 757	1 361 631
EPWP Incentive Allocation	2 000	-	829	2 000	2 000	636	2 000	2 000	2 000	2 000	2 000	2 000	2 026	-	-
Human Settlement Development	1 591 889	1 384 543	1 128 309	1 603 212	1 603 212	1 518 244	1 404 461	1 254 461	1 253 778	1 285 681	1 285 681	1 285 681	1 301 677	1 098 807	1 079 035
of which															
Human Settlement Development (flood repair)	5 701	5 701	5 701	29 678	26 678	34 182	29 678	26 678	-	29 678	29 678	29 678	-	-	-
Earmarked additions for the 11 mining towns	17 540	17 540	17 540	66 330	66 330	66 330	66 330	66 330	-	66 330	66 330	66 330	-	-	-
Thabazimbi	7 171	7 171	7 171	27 100	27 100	27 100	27 100	27 100	-	27 100	27 100	27 100	-	-	-
Greater Tlokoeng	1 684	1 684	1 684	6 430	6 430	6 430	6 430	6 430	-	6 430	6 430	6 430	-	-	-
Elias Mofokeng	3 255	3 255	3 255	12 300	12 300	12 300	12 300	12 300	-	12 300	12 300	12 300	-	-	-
Lephalele	4 720	4 720	4 720	17 800	17 800	17 800	17 800	17 800	-	17 800	17 800	17 800	-	-	-
Fetakgomo (LIM 476)	710	710	710	2 700	2 700	2 700	2 700	2 700	-	2 700	2 700	2 700	-	-	-
Mogalakwena	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Disaster Management	-	-	-	-	-	-	-	-	-	24 506	24 506	24 506	-	-	-
Informal Settlements upgrading Partnership Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	197 160	282 596
Title Deeds Restriction Grant	-	-	-	-	-	-	-	-	-	-	-	-	35 820	37 790	-
Vote 12	3 190	-	3 188	11 242	11 242	11 197	96 847	96 847	91 450	127 200	130 439	130 439	81 181	73 616	77 665
EPWP Incentive Allocation	3 190	-	3 188	11 242	11 242	11 197	9 978	9 978	8 973	8 008	8 008	8 008	2 000	-	-
EPWP Social Sector	-	-	-	-	-	-	-	-	-	-	-	-	10 189	-	-
Early Childhood Development	-	-	-	-	-	-	41 085	41 085	35 693	68 561	71 800	71 800	68 992	73 616	77 665
Social work employment grant	-	-	-	-	-	-	46 784	46 784	46 784	50 631	50 631	50 631	-	-	-
Vote 13	199 356	-	183 762	194 016	194 016	192 774	191 034	229 980	186 146	195 322	200 002	200 002	217 803	226 951	239 956
Mass Participation and Sport Development Grant	63 459	-	63 417	67 033	67 033	66 391	67 850	78 240	67 407	67 679	68 558	68 558	71 489	75 451	79 651
Community Library Services	133 897	-	118 404	124 983	124 983	124 544	121 184	134 951	116 743	125 643	129 444	129 444	144 314	151 500	160 305
EPWP Incentive Allocation	2 000	-	1 941	2 000	2 000	1 839	2 000	16 789	1 996	2 000	2 000	2 000	2 000	-	-
Total conditional grants	7 347 626	7 205 836	6 724 296	7 891 829	7 891 829	7 536 540	8 082 755	7 908 593	7 673 479	8 544 269	8 765 310	8 765 310	9 060 993	9 530 337	10 318 874

Table 26 A.3: Details of provincial payments and estimates

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
Current payments	44 776 572	48 460 867	51 762 362	55 460 764	55 885 321	57 308 613	59 300 122	62 596 796	66 538 938
Compensation of employees	37 753 155	40 107 796	42 584 119	45 956 168	45 868 686	46 248 721	49 191 590	51 881 913	54 808 661
Salaries and wages	32 866 615	34 948 736	37 056 598	40 034 252	39 952 665	40 229 171	43 098 183	45 422 933	47 968 544
Social contributions	4 886 540	5 159 060	5 527 521	5 921 916	5 916 020	6 019 549	6 093 407	6 458 980	6 840 117
Goods and services	7 022 932	8 352 723	9 177 633	9 503 677	10 015 716	11 058 973	10 107 562	10 713 860	11 729 199
<i>of which</i>									
Administrative fees	9 069	11 888	6 640	10 171	10 895	10 429	11 515	11 653	11 893
Advertising	44 006	34 225	35 417	41 849	37 501	37 408	46 213	43 707	45 322
Assets less than the capitalisation threshold	52 216	40 667	37 413	51 543	56 509	51 032	69 735	67 814	71 042
Audit cost: External	77 934	75 559	91 885	90 639	89 463	84 319	96 888	101 536	107 596
Bursaries: Employees	21 347	27 309	28 673	26 765	26 839	26 839	39 430	42 089	44 402
Catering: Departmental activities	51 677	64 830	72 471	69 449	79 302	80 322	81 003	86 827	91 900
Communication (G&S)	169 724	181 931	187 675	190 538	196 302	202 191	217 468	224 700	237 164
Computer services	253 442	302 300	324 171	275 250	283 243	406 721	289 908	296 999	314 852
Consultants and professional services: Business and advisory services	97 623	201 364	178 815	179 853	196 740	185 302	190 323	193 879	196 912
Consultants and professional services: Infrastructure and planning	23 609	64 057	16 213	34 397	30 736	30 736	39 729	40 215	41 426
Consultants and professional services: Laboratory services	332 595	388 165	478 265	425 875	476 448	535 483	457 248	482 163	538 490
Consultants and professional services: Scientific and technological services	-	-	-	55	145	145	-	-	-
Consultants and professional services: Legal costs	19 355	49 704	13 846	14 226	14 463	17 441	17 722	16 267	17 474
Contractors	509 149	468 782	382 964	805 040	989 167	939 796	800 902	857 847	908 870
Agency and support / outsourced services	1 135 681	1 254 911	1 111 384	1 122 889	1 172 428	1 166 691	1 229 228	1 307 237	1 401 795
Entertainment	3 550	7 266	10 263	8 661	8 523	8 522	9 383	9 880	10 423
Fleet services (including government motor transport)	315 914	372 473	385 552	327 345	347 219	365 664	347 258	355 600	375 154
Housing	-	2	-	-	-	-	100	105	111
Inventory: Clothing material and accessories	19 238	19 747	29 159	21 769	28 307	27 851	19 236	21 182	22 383
Inventory: Farming supplies	85 198	74 705	73 888	44 452	67 414	67 414	57 278	60 703	65 541
Inventory: Food and food supplies	47 003	67 134	119 337	135 529	123 861	144 044	126 409	141 712	148 594
Inventory: Fuel, oil and gas	44 758	53 724	22 915	68 738	29 803	30 433	32 515	33 596	35 444
Inventory: Learner and teacher support material	367 124	573 108	594 103	667 047	626 582	626 582	646 457	687 643	728 511
Inventory: Materials and supplies	49 680	60 673	48 256	62 320	59 456	57 189	62 073	63 887	67 341
Inventory: Medical supplies	218 037	311 032	408 863	332 666	383 563	463 264	323 942	368 104	478 919
Inventory: Medicine	825 020	1 098 322	1 360 889	1 621 307	1 698 740	2 030 678	1 696 929	1 739 817	2 064 321
Medicas inventory interface	47	73	24	-	-	-	135	137	145
Inventory: Other supplies	9 019	40 598	74 270	57 493	64 769	66 566	78 908	80 576	84 587
Consumable supplies	200 703	217 521	163 819	243 848	215 606	220 140	233 914	267 273	281 812
Consumable: Stationery, printing and office supplies	131 767	154 823	152 794	201 339	218 658	234 520	218 827	238 575	267 468
Operating leases	251 713	267 890	273 027	294 191	306 813	301 721	323 039	359 540	377 982
Property payments	822 477	958 797	1 448 657	1 041 013	1 108 991	1 562 839	1 221 065	1 300 591	1 407 859
Transport provided: Departmental activity	177 600	318 347	295 143	340 923	340 113	340 026	356 507	376 430	397 187
Travel and subsistence	488 464	425 176	520 575	398 006	459 881	473 779	479 281	512 740	537 269
Training and development	51 235	56 432	78 641	79 652	75 013	71 085	91 690	102 352	116 414
Operating payments	58 044	40 398	72 636	121 468	83 945	83 200	83 613	104 043	108 509
Venues and facilities	39 058	42 732	48 028	54 952	64 929	65 139	63 419	71 323	76 520
Rental and hiring	19 856	26 057	30 961	42 419	43 349	43 462	48 272	45 118	47 567
Interest and rent on land	485	349	610	920	920	920	970	1 023	1 078
Interest	98	-	-	-	-	-	-	-	-
Rent on land	387	349	610	920	920	920	970	1 023	1 078
Transfers and subsidies to¹:	6 061 628	7 408 763	7 948 068	7 827 310	8 456 954	8 457 283	8 185 421	8 164 057	8 554 304
Provinces and municipalities	96 538	116 799	101 386	95 014	86 495	86 495	74 459	78 863	83 191
Provinces ²	433	806	953	947	1 253	1 253	1 191	1 474	1 555
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	433	806	953	947	1 253	1 253	1 191	1 474	1 555
Municipalities ³	96 105	115 993	100 433	94 067	85 242	85 242	73 268	77 389	81 636
Municipalities	74 557	98 799	90 950	79 827	81 002	81 002	68 833	72 714	76 705
Municipal agencies and funds	21 548	17 194	9 483	14 240	4 240	4 240	4 435	4 675	4 931
Departmental agencies and accounts	1 405 801	1 768 912	2 266 714	1 909 011	2 288 224	2 288 224	2 311 966	2 054 563	2 165 419
Social security funds	1 211	1 886	2 116	4 738	4 738	4 738	4 948	5 319	5 415
Provide list of entities receiving transfers ⁴	1 404 590	1 767 026	2 264 598	1 904 273	2 283 486	2 283 486	2 307 018	2 049 244	2 160 004
Public corporations and private enterprises ⁵	651 890	692 213	696 506	736 834	736 834	736 834	742 361	814 951	858 976
Public corporations	651 755	692 154	696 506	736 834	736 834	736 834	742 361	814 951	858 976
Subsidies on production	353 457	366 025	350 896	380 025	380 025	380 025	365 571	412 916	434 829
Other transfers	298 298	326 129	345 610	356 809	356 809	356 809	376 790	402 035	424 147
Private enterprises	135	59	-	-	-	-	-	-	-
Other transfers	135	59	-	-	-	-	-	-	-
Non-profit institutions	2 090 004	2 547 400	2 868 740	3 124 858	3 089 995	3 089 995	3 005 241	3 118 879	3 256 997
Households	1 817 395	2 283 439	2 014 722	1 961 592	2 255 407	2 255 735	2 051 394	2 096 801	2 189 721
Social benefits	340 811	332 394	386 191	254 978	309 465	309 714	278 187	318 134	335 982
Other transfers to households	1 476 584	1 951 045	1 628 531	1 706 614	1 945 942	1 946 021	1 773 207	1 778 667	1 853 739
Payments for capital assets	2 097 641	1 865 905	2 278 617	2 085 421	2 061 497	2 069 695	2 015 367	2 088 961	2 828 469
Buildings and other fixed structures	1 635 532	1 348 134	1 815 856	1 680 356	1 605 162	1 613 362	1 507 404	1 570 943	1 981 272
Buildings	1 133 392	884 011	1 460 927	1 160 323	1 165 195	1 165 195	1 237 582	1 266 462	1 557 191
Other fixed structures	502 140	464 123	354 929	520 033	439 967	448 167	269 822	304 481	424 081
Machinery and equipment	461 759	515 929	459 284	401 285	451 726	451 724	502 819	513 825	844 884
Transport equipment	180 997	133 467	112 595	81 193	104 696	104 696	115 044	111 178	193 311
Other machinery and equipment	280 762	382 462	346 689	320 092	347 030	347 029	387 775	402 647	651 573
Specialised military assets	-	-	793	-	180	180	35	40	42
Biological assets	-	772	1 650	2 167	2 167	2 167	4 509	3 533	1 617
Land and subsoil assets	-	-	66	-	-	-	-	-	-
Software and other intangible assets	350	1 070	968	1 612	2 262	2 262	600	620	654
Payments for financial assets	36 154	16 781 9	36 854	0	909 13	909 99	0	0	0
Total economic classification	52 971 995	57 903 354	62 025 901	65 373 495	66 494 686	67 926 590	69 500 911	72 849 814	77 921 710
Less: Unauthorised expenditure	-	49 376	-	196 564	196 564	196 564	92 440	-	-
Baseline available for spending	52 971 995	57 853 978	62 025 901	65 176 931	66 298 122	67 730 026	69 408 471	72 849 814	77 921 710

Table 27A.4 (a): Details of payments by functional area

Function	Category	Department	Programme
General public services	Legislative	Premier	Administration Institutional Support Policy & Governance
		Provincial Legislature	Administration Facilities for Members and Political Parties Parliamentary Services
	Financial and fiscal affairs	Provincial Treasury	Administration Sustainable Resource Management Assets, Liabilities and Supply Chain Management Financial Governance
Public order and safety	Police services	Safety, Security and Liaison	Administration Civilian Oversight
Economic Affairs	General economic affairs	Economic Development, Environment and Tourism	Administration Economic and Development Tourism
	Agriculture	Agriculture	Administration Sustainable Resource Management Farmer Support and Development Veterinary Services Technology research and Development Agricultural Economics Structured Agricultural Training Rural Development Coordination
	Transport	Transport	Administration Transport operations Transport Regulations
Environmental Protection	Environmental protection	Economic Development, Environment and Tourism	Environmental Affairs
Housing and community amenities	Housing development	Cooperative Governance, Human Settlement and Traditional Affairs	Administration Human Settlements Cooperative Governance Traditional Institutional Development
Health	Outpatient service	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
	R&D health (CS) Hospital services		
Recreation, culture and religion	Recreational and sporting services Cultural services	Sport, recreation, arts and culture	Administration Cultural Affairs Library and Archives Sport and Recreation
Education	Pre-primary and primary Secondary education Subsidiary service to education Education not definable by level	Education	Administration Public Ordinary Schools Independent Schools Subsidies Public Special School Early Childhood Development Infrastructure Development Auxiliary and Associated Services
Social protection	Social security services	Social Development	Administration Social welfare services Children and Families Restorative Services Development and Research



Table 28A.4 (b): Details of Provincial payments and estimates by function area

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2015/16	2016/17	2017/18	2018/19			2019/20	2020/21	2021/22
R thousand									
General Public Services									
Executive and Legislature									
Office of the Premier	340 674	371 031	401 714	420 680	420 680	420 680	443 476	467 867	493 132
Provincial Legislature	297 960	321 008	340 987	360 927	417 309	417 309	375 755	396 400	418 012
Financial and Fiscal Services									
Provincial Treasury	363 722	441 152	427 560	472 850	472 850	472 309	506 841	534 159	562 644
General Services (Public Works, Local Government)	3 637 004	4 031 298	4 332 868	4 297 779	4 822 497	4 821 173	4 860 601	4 631 064	5 007 560
Total: General Public Services	4 639 360	5 164 489	5 503 129	5 552 236	6 133 336	6 131 471	6 186 673	6 029 490	6 481 348
Public Order and Safety									
Police Services	82 656	92 552	103 915	109 714	111 714	111 714	117 638	121 998	128 586
Safety and Liaison	82 656	92 552	103 915	109 714	111 714	111 714	117 638	121 998	128 586
Total: Public Order and Safety	82 656	92 552	103 915	109 714	111 714	111 714	117 638	121 998	128 586
Economic Affairs									
General Economic Affairs									
Dept of Economic Affairs	967 190	1 194 934	1 549 419	1 527 585	1 534 485	1 534 485	1 593 097	1 668 496	1 758 594
Agriculture and Rural Development									
Dept of Agriculture Affairs	1 620 258	1 689 801	1 708 212	1 917 354	1 967 270	1 967 270	2 000 770	2 111 206	2 233 347
Transport									
Department of Transport	1 727 714	1 871 614	1 960 378	2 106 228	2 106 228	2 106 228	2 227 547	2 374 961	2 502 369
Total: Economic Affairs	4 315 162	4 756 349	5 218 009	5 551 166	5 607 982	5 607 982	5 821 414	6 154 663	6 494 310
Environmental Protection									
Environmental Protection	186 253	117 291	132 489	137 789	130 889	130 889	129 613	137 173	144 581
Total: Environmental Protection	186 253	117 291	132 489	137 789	130 889	130 889	129 613	137 173	144 581
Housing and Community Amenities									
Department of Housing	1 234 023	1 637 118	1 388 589	1 444 403	1 446 803	1 446 803	1 476 830	1 482 173	1 518 107
Total: Housing and Community Amenities	1 234 023	1 637 118	1 388 589	1 444 403	1 446 803	1 446 803	1 476 830	1 482 173	1 518 107
Health									
Outpatient services	1 352 322	1 544 609	1 409 171	1 709 635	1 710 242	1 712 931	1 616 260	1 721 220	1 831 639
R and D Health (CS)	12 505 257	13 902 066	15 126 775	15 822 044	16 007 791	17 355 135	17 044 653	18 017 112	19 392 201
Hospital Services	1 574 510	1 770 938	1 851 231	1 979 741	1 983 741	2 024 268	2 116 155	2 258 814	2 629 887
Total: Health	15 432 089	17 217 613	18 387 177	19 511 420	19 701 774	21 092 334	20 777 068	21 997 146	23 853 727
Recreation, Culture and Religion									
Sporting and Recreational Affairs									
Sport, Arts and Culture	378 780	429 531	455 074	472 264	487 714	487 714	519 537	534 730	564 355
Total: Recreation, Culture and Religion	378 780	429 531	455 074	472 264	487 714	487 714	519 537	534 730	564 355
Education									
Education not defined by level	25 118 175	26 826 203	29 020 420	30 607 772	30 834 506	30 834 506	32 291 008	34 095 860	36 265 889
Total: Education	25 118 175	26 826 203	29 020 420	30 607 772	30 834 506	30 834 506	32 291 008	34 095 860	36 265 889
Social protection									
Social Security Services	279 747	305 581	345 229	412 124	386 475	395 275	424 407	442 392	475 023
Social Services and Population Development	1 305 750	1 356 628	1 471 660	1 574 605	1 653 493	1 687 893	1 756 722	1 854 190	1 995 785
Total: Social protection	1 585 497	1 662 209	1 816 889	1 986 729	2 039 968	2 083 168	2 181 129	2 296 582	2 470 808
Total provincial payments and estimates by policy :	52 971 995	57 903 354	62 025 691	65 373 494	66 494 686	67 926 581	69 500 910	72 849 815	77 921 711



