



**LIMPOPO**

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

# ESTIMATE OF PROVINCIAL REVENUE AND EXPENDITURE

## 2011/2012

ESTIMATE OF PROVINCIAL EXPENDITURE 2011/2012



LIMPOPO  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

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## **FOREWORD 2011/12 BUDGET STATEMENT**

The preparation of a credible and legitimate budget is indeed an arduous task requiring several trade-offs that has to be made and necessitated by hard choices in resource allocation. This budget defines the implementation of our provincial/departmental strategies and policies, the key action programmes of government in pursuing the objective of service delivery for the people of Limpopo Province.

In keeping with the National and Provincial Priorities of government, the Limpopo Employment Growth and Development Plan (LEGDP), the Medium Term Strategic Framework, the preparation of the 2011/12 budget can be summarized into a single statement i.e.: "Budgeting for Outcomes" with the focus on, amongst others:

- a) Job creation through inclusive economic growth
- b) An efficient, competitive, and responsive economic infrastructure network
- c) Skilled and capable workforce to support inclusive growth path
- d) Enhancing the quality of basic education and education infrastructure
- e) Improving the quality of health care and health infrastructure
- f) An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship

The Equitable Share grows by 6.7% year-on year and declines to 4.7% in the outer year of the MTEF. There is a substantial increase to the Conditional Grant allocation in 2011/12 at 17.9% growth year-on year in the first year of the MTEF and declining to 7.5% in the outer year. Several new conditional grants have been introduced in 2011/12. Total Provincial Revenue grows by 8.5% year-on year and declines to 5.1% in the outer year of the MTEF.

In preparing this budget in view of the declining Provincial Equitable share; more especially so in the outer year of the MTEF; the province has made significant allocations to the Social Services and Infrastructure through the departments of Education, Health, Social Development and Roads and Transport. The Social Services sector is allocated R33, 6 billion of the R43, 9 billion or 77% of the 2011/12 provincial allocation. The total provincial infrastructure budget is R5 billion and is projected to increase to R6 billion in 2013/14.

The largest budgetary pressure is as a result of salary adjustments for the public service. Provision is made for the Improved Conditions of Service (ICS) and the Occupations Specific Dispensation (OSD), both are personnel related costs. The impact of this is the largest on the departments of Education and Health who are required to absorb this expenditure from within their baselines. It is within these economic and fiscal challenges that the 2011/12 MTEF is prepared.

The Budget documentation contains two primary sections namely, the Budget Overview and Estimates of Provincial Expenditure:

- a) The Budget Overview gives an overview of the budget strategy, including the overall provincial fiscal framework and aggregates of revenue and expenditure. It also provides a broad overview of the socio-economic profile of the province.
- b) The Estimates of Provincial Expenditure provides a more detailed account, per department, on budgetary allocations, outputs, measurable objectives and service delivery targets.

Integral in the preparation of this budget, is the focus on forward planning by provincial departments, in ensuring that 2011/12 budget is expended effectively and efficiently thus ensuring transparency, accountability and good corporate governance in achieving service delivery that benefits the citizens of Limpopo.

I thank you.



**N RAMDHARIE**

**Head of Department: Provincial Treasury**

**Date: 08 March 2011**

**ESTIMATES OF  
PROVINCIAL REVENUE  
AND EXPENDITURE 2011/12**

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## Abbreviations

ABET	Adult Basic Education and Training
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
APRM	African Peer Review Mechanism
ARDC	Agriculture and Rural Development Cooperation
BRICS	Brazil Russia India China South Africa
CASP	Comprehensive Agricultural Support Programme
EMIS	Education Management Information System
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
FET	Further Education and Training
HIV	Human Immunodeficiency Virus
HOD	Head of Department
HR	Human Resources
HRD	Human Resources Development
ICT	Information and Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDP	Integrated Development Plan
IGP	Infrastructure Grant to Provinces
LED	Local Economic Development
IT	Information Technology
IRM	Infrastructure Reporting Model
LEGDP	Limpopo Employment, Growth and Development Plan
LTSM	Learner/Teacher Support Materials
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MTEC	Medium-Term Expenditure Committee
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NCS	National Curriculum Statement
NGO	Non-governmental Organisation
NHI	National Health Insurance
NPA	National Prosecuting Authority

NPR	National Population Records
OSD	Occupational Specific Dispensation
PFMA	Public Finance Management Act
PGITO	Provincial Government Information Technology
PIGF	Provincial Intergovernmental Forum
PPP	Public Private Partnerships
PSDF	Provincial Spatial Development Framework
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defence Force
SAPS	South African Police Service
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprise
STI	Sexually Transmissible Infection
TB	Tuberculosis
U-AMP	User Asset Management Plan
WAN	Wide Area Network
RAL	Road Agency Of Limpopo
GAAL	Gateway Airport Authority Limited



# **OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE**

# 1. Budget Strategy and Aggregates

## 1.1. Introduction

In 2010, there were reassuring signals that the global economy was emerging from the global economic downturn. Global growth was estimated at 5.0 per cent for the year, driven primarily by vigorous expansions in emerging Asian economies.

Despite concerns that sovereign debt problems in the Eurozone 'periphery' would destabilise the global financial system, policy responses in those countries appear to have contained the risks.

Additional stimulus packages in the United States, as well as stronger demand conditions in Germany, have improved the outlook for advanced economies. World output is expected to grow by 4.4 per cent in 2011, spurred by healthy growth in Asian and African economies.

In South Africa, the economic recovery appears to be underway. A strong rebound in the first quarter of 2010 was further supported by the positive effects of the FIFA World Cup in the second and third quarters. However, widespread strike action in the third quarter of the year weighed down on secondary and tertiary sectors, while the stronger rand restrained exports. Strong performances by the mining, manufacturing and agriculture sectors in the fourth quarter once again brought quarter-on-quarter growth to above four per cent, resulting in year-on-year growth of 2.8 per cent for 2010, according to preliminary estimates by Statistics South Africa.

The favourable interest rate environment and rising disposable income allowed for acceleration in household consumption expenditure. Growth in South Africa is expected to strengthen by up to 3.9 per cent in 2011.

While estimates of Limpopo economic growth in 2010 have not yet been released, growth is reasonably expected to have returned to the province, after the economy contracted by about 1.8 per cent in 2009. Growth is likely to have been driven by the mining sector, as well as tertiary sector industries. Growth in the province is expected to have reached up to 4.0 per cent in 2010, and 4.2 per cent in 2011.

The electoral mandate that the Limpopo provincial government needs to enforce focuses on: the creation of decent work and sustainable livelihoods; the provision of quality education and healthcare; rural development, food security and land reform; and the fight against crime and corruption.

This mandate has been translated into a set of core national outcomes that are to be targeted at the national, provincial and local spheres of government, namely:

- The provision of quality basic education
- A long and healthy life for all South Africans

- All people in South Africa are, and feel, safe
- The development of a skilled and capable workforce to support an inclusive growth path
- Sustainable human settlements and improved quality of household lives
- An efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship

#### 1.1.1.The allocation Criteria

When allocating the Limpopo budget the equitable share formula was used .The formula favours the social services sector. The Limpopo Economic Growth and Development Plan, Medium Term Strategic Framework, Outcomes that were developed nationally and other policy documents were considered.

- The following factors were taken into consideration:
- Once off payments.
- Unforeseen circumstances during budget.
- Fixed costs
- Expenditure trends
- Personnel adjustments
- Challenges
- The following challenges were experienced when drawing the budget:
- Reduction in equitable share.
- Municipal debt

The Province's departments are split into five clusters: governance and administration cluster; social cluster; justice, crime prevention and security cluster; infrastructure development cluster; and economic cluster. Specific priorities have been identified within the Province's clusters as follows:

##### **1.1.1.1 Governance and Administration Cluster:**

Develop a scarce skills base for the province; meet the basic needs of communities; reduce the number of informal settlements; improve oversight of and support to Local Government; enhance planning and service delivery mechanisms; generate improved and sustainable international and regional relations; enhance intergovernmental relations; implement the APRM; improve the quality of and access to service delivery; provide improved integrated planning; strengthen the performance monitoring and evaluation system; strengthen the supply

chain management system; improve public participation; implement Operation Clean Audit; and improve the governance of ICTs.

#### **1.1.1.2 Social Cluster:**

Reduce child mortality; decrease maternal mortality ratio; increase life expectancy; increase access to comprehensive HIV/AIDS and STI care, treatment, management and support; provide comprehensive quality healthcare; improve human resources within healthcare; rollout a fully operational movement control system; improve matric exam performance; implement a learnership programme; increase accountability in the education system; provide households with basic services; improve the provision of social assistance; and promote a national identity.

#### **1.1.1.3 Justice, Crime Prevention and Security Cluster:**

Improve safety in Limpopo.

#### **1.1.1.4 Economic Cluster:**

Investment on intensive farm production infrastructure as part of the CASP; eradicate extreme hunger and poverty amongst poor and vulnerable households in rural areas; broaden access to mechanised traction power for agricultural entrepreneurs; support with production inputs for farmers; promote SMMEs and cooperatives; develop provincial growth points; establish a provincial broadband open-access WAN infrastructure; develop an inclusive provincial information society strategy and action plan; establish a provincial growth and development fund; establishment the Polokwane Fresh Produce Market; establish a mining input supply park in Steelpoort; restore degraded land to improve its ecological sustainability; and attain coordinated EPWP phase 2 targets.

#### **1.1.1.5 Infrastructure Cluster:**

Develop an Integrated Provincial Freight Transport Implementation system; improve public transport; improve rural access, infrastructure and mobility.

In achieving these outcomes, the LEGDP identifies key pillars of strategic intervention. The attainment of a quality basic education is targeted through an Education and Skills Development Programme, which aims to: increase matric exam performance; increase the number of learners starting in grade R rather than grade 1; and improve school literacy levels.

In developing a skilled and capable workforce to support an inclusive growth path, the LEGDP Education and Skills Development Programme aims to: increase the intake at FET Centres; increase the number of learnership programmes that are implemented; increase the adult

literacy rate; create increased accountability in the education system; improve the participation of schools in sports, arts and culture programmes; increase enrolment at ABET centres; and create work opportunities through the EPWP.

To sustain the outcome of a long and healthy life for all South Africans, a Healthcare Development Programme is identified by the LEGDP with the aim of: increased life expectancy; reduced child mortality; reduced maternal mortality ratio; increased access to comprehensive treatment, management and support for HIV/AIDS and STIs; reduced morbidity and mortality due to TB; access to comprehensive quality health care services; and improved healthcare sector human resources.

In order to ensure that all people in South Africa are, and feel, safe, a provincial Crime Prevention Strategy has been implemented, along with the roll-out of a fully operational movement control system, and the clean-up of the NPR.

The provision of sustainable human settlements with improved quality of household life is dependent on the LEGDP pillars of Water Resource Development and Demand Management, which aim to provide households with water, sanitation and electricity. Furthermore, the improvement of social assistance in the form of grants and food parcels will aid in achieving this outcome.

The promotion of national identity will serve to create an efficient, effective and development-oriented public service and an empowered, fair and inclusive citizenship. This will be achieved through increased and improved registration of births, and higher numbers of ID documents issued to people above 16 years of age.

This document details the relevant and applicable policies governing Limpopo's budgetary process, and applies these to the budget estimates over the MTEF, thereby enabling analysis of the province's fiscal performance and fiscal challenges. This is accompanied by an overview of the province's budget and budget process, including medium-term budget trends. Furthermore, an overview of the province's socio-economic and demographic profile is linked to the various Provincial Growth and Development Strategies.

## **1.2. Summary of budget aggregates**

An overview of the Provincial budget is provided in Table 1 below. The size of the total provincial budget for 2011/12 is R43.8 billion.

Table 1.1. Provincial Budget Summary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
<b>Provincial receipts</b>									
Transfer receipts from national	25,072,639	29,813,383	35,242,709	39,099,253	39,689,470	39,689,470	43,260,668	45,501,617	47,837,441
Equitable share	22,548,035	26,545,173	31,002,989	33,237,814	33,812,758	33,812,758	36,348,545	38,104,133	39,884,915
Conditional grants	2,524,604	3,268,210	4,239,720	5,861,439	5,876,712	5,876,712	6,912,123	7,397,484	7,952,526
Provincial own receipts	444,122	539,803	554,438	553,438	561,198	561,198	583,530	615,346	643,053
<b>Total provincial receipts</b>	<b>25,516,761</b>	<b>30,353,186</b>	<b>35,797,147</b>	<b>39,652,691</b>	<b>40,250,668</b>	<b>40,250,668</b>	<b>43,844,198</b>	<b>46,116,963</b>	<b>48,480,494</b>
<b>Provincial payments</b>									
Current payments	19,843,392	24,367,048	28,877,524	31,984,957	32,991,192	34,094,958	35,692,481	37,727,970	39,643,142
Transfers and subsidies	3,445,549	4,091,283	4,401,797	4,965,781	5,234,246	5,314,821	4,947,712	5,140,784	5,384,553
Payments for capital assets	1,396,667	2,090,819	2,240,012	2,701,953	2,834,741	2,725,946	3,292,005	3,248,209	3,452,799
Payments for financial assets	1,560	11,983	4,502	-	-	189	-	-	-
<b>Total provincial payments</b>	<b>24,687,168</b>	<b>30,561,133</b>	<b>35,523,835</b>	<b>39,652,691</b>	<b>41,060,179</b>	<b>42,135,914</b>	<b>43,932,198</b>	<b>46,116,963</b>	<b>48,480,494</b>
<b>Financing</b>									
Surrenders	97,364	196,606	164,819	-	911,268	911,268	88,000	-	-
<b>Surplus/(deficit) after financing</b>	<b>926,957</b>	<b>(11,341)</b>	<b>438,131</b>	<b>-</b>	<b>101,757</b>	<b>(973,978)</b>	<b>-</b>	<b>-</b>	<b>-</b>

Total receipts are expected to grow by 9 per cent in 2011/12, down from the 12.4 per cent growth in the revised 2010/11 estimate. This decline in revenue growth is largely due to a significant drop in the growth in conditional grants from 38.2 per cent in 2010/11 to 18 per cent in 2011/12.

In line with the fall in expected receipts, total provincial payments in 2011/12 will be 4.3 per cent higher than in 2010/11, a growth rate that fell from 18.6 per cent of the revised 2010/11 estimate. After growing by 20.6 per cent (revised) in 2010/11, transfers and subsidies are expected to *fall* by 6.7 per cent in 2011/12.

### 1.3. Financing

The Province has unauthorised expenditure totalling R1.6 billion. Provincial departments budgeted only R54 million for unauthorised expenditures which will have very little impact on the total unauthorised expenditure actually realised.

#### Funding Mechanism

- The Province must engage belt-tightening mechanisms by cutting expenditure on non-core functions and reducing the administration budget to fund unauthorised expenditures.
- The roll-over from 2010/11 must be allocated as provincial equitable share targeted to reduce the debt.
- Interest generated from investments, the corporation for public deposits and the daily Paymaster General account balance is not to be appropriated but set aside to fund the debt.
- Provincial Departments are directed to spend within appropriated funding and any over-spending or overdrafts are to be taken as first charges to the next departmental budget.

## **2. Budget process and the medium-term expenditure framework**

The broad objectives of the provincial budget process are protected by a legal framework encompassing *inter alia* the PFMA, MFMA, Intergovernmental Fiscal Relations Act, and Chapter 13 of the South African Constitution. The Limpopo budget is the provincial government's key policy instrument and enables the deepening of political oversight – it is guided by Medium Term Strategic Framework, Provincial Priorities, Limpopo Economic Growth and Development Plan and other provincial and National policies and priorities, priorities. The Limpopo government aims to enhance its accountability and transparency, as well as enable improved co-operative governance. Limpopo province has indicated a number of areas wherein in broad reform aims are envisaged. The broad key stages of the Limpopo budgetary process begin with a political review of the Provincial and National priorities, with a focus on policy reviews.

The process ensures that Provincial Departments make inputs into National policy reviews and National Priorities identification through a number of committees and forums. The forums include National Ministers and Director Generals, Provincial MECs and Heads of Departments, Provincial Treasuries. At Provincial level there are committees that deal with Provincial Priorities and policies. The Provincial Departments are arranged into clusters. The clusters were involved in identifying Provincial priorities and making inputs into strategies and policies. This involves a ministerial consultation which culminates in a Budget Council and Cabinet-Lekgotla in July where the first draft of MTEF budget was presented. This is followed by a departmental policy analysis and Treasury consultation which leads to a Medium Term Expenditure Committee (MTEC). The MTEC was held in September 2011. Key MTEC inputs include: strategic performance plans, with potential amendments; the previous year's annual report and financial statements; the first quarter's expenditure report; a ministerial indication of policy priorities; the accounting officer's budget submission; and an analytical review of spending pressures and policy options. An intergovernmental review then precedes a division of revenue (DOR) workshop, which is accompanied by other interdepartmental programmes. Finally, a process of costing and budgeting, including technical adjustments, takes place. Limpopo has during 2009 introduced results based planning and management. This approach is meant to ensure that budgeting is made according to plans and monitoring takes place.

There is co-ordination between the planning, budgeting, policy development and implementation stages of the budgetary process. This is collectively agreed upon in Cabinet and Executive Committee (EXCO) meetings. The preliminary allocations were discussed in EXCO budget Lekgotla that was held in November 2010. The process involves consultation between the province and local government through the Budget Council, Budget Forum and Extended Cabinet (Premiers and SALGA). The Joint Budget Committee, finance portfolio and standing committees play a vital role in this process.



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

Based on national and provincial core policy outcomes and the LEGDP priorities mentioned in Section 1.1 above, ten key MTSF priorities have been identified:

- Speed up economic growth and transform the economy to create decent work and sustainable livelihoods
- Strengthen the skills and human resource base
- Improve the health profile of the nation
- A comprehensive rural development strategy linked to land and agrarian reform, and food security
- Intensify the fight against crime and corruption
- Massive programme to build social and economic infrastructure
- Build cohesive, caring and sustainable communities
- Sustainable resource management and use
- Pursue regional development, African advancement and enhanced international cooperation
- Build a developmental state, including improving public services and strengthening democratic institutions

These MTSF priorities are targeted in Limpopo Province's policy actions and plans on a cluster basis. Details of successful implementation in the 2010/11 budget period are provided below.



## **2.1.1. Economic Cluster**

### *2.1.1.1. Department of Agriculture*

In order to achieve MTSF priority 4 (a comprehensive rural development strategy linked to land and agrarian reform and food security), investment in intensive farm production infrastructure has been earmarked. Projects include: the support of land reform; investment in irrigation (21 projects in 2010); assisting with the purchase of agricultural machinery (50 farmers have been assisted); stimulating poultry production (8 poultry houses for 300 000 chickens were developed in 2010); an input support subsidy for 450 community-based projects; improved agriculture information systems (train 215 farmers in ICT skills, 250 laptops provided to extension officers); and improving the technical skills of agricultural scientists through bursaries and skills extension programmes.

Further to the above: 9050 EPWP jobs were created; 2 000ha of land were cleared of invasive plants; 50 000 ha of land were rehabilitated for conservation uses.

All of the successful interventions highlighted above will serve to achieve the LEGDP outcome of creating vibrant, equitable and sustainable rural communities contributing towards food security for all.

### *2.1.1.2. Department of Roads and Transport*

To achieve MTSF priorities 6 (build social and economic infrastructure) and 1 (speed up economic growth and transform the economy to create decent work and sustainable livelihoods), the broad National and LEGDP objective of creating decent employment through inclusive growth is targeted.

Strategies here include: empower SMMEs to maintain state vehicles (331 SMMEs were assisted in 2010/11 at a cost of R4.8 billion); improve the rail freight transport infrastructure; improve public passenger transport; develop an integrated public transport network in Sekhukhune; improve and expand services at Polokwane International Airport; and finalise the Rural Transport Strategy to improve rural access, infrastructure and mobility.

### *2.1.1.3. Department of Economic Development, Environmental Affairs*

#### *and Tourism*

So as to target the LEGDP outcome of the creation of decent employment through inclusive growth, MTSF priority 1 (speed up economic growth and transform the economy to create decent work and sustainable livelihoods) is implemented through a number of projects, including: facilitate the planning and implementation of industrial clusters in order to achieve above-average economic growth rates (4 per cent) – this will aid in the establishment of a Provincial Growth and Development Fund to enhance performance of key economic sectors and value addition; the development of a steel manufacturing plant in Mokopane; the establishment of a fresh produce market in Polokwane; encourage the development of technology innovation hubs; support SMMEs and cooperatives (260 have been supported financially,

19 682 have been supported non-financially); establish a third casino in the Province; and foster increased tourism through joint SADC marketing packages and the upgrading of 14 provincial nature reserves.

To protect and enhance environmental assets and natural resources, thereby achieving MTSF priority 9 (sustainable resource management and use), the following targets have been set: enforce environmental law; develop an Environmental Management Framework for the Waterberg District Municipality; 300 environmental authorisations have been issued, generating revenue of R5.3 billion; 223 illegal infrastructural development authorisations were legalised; and 13 000 wildlife-use permits were issued, generating revenue of R1.4 million.

#### *2.1.1.4. Department of Local Government and Housing*

The Department has developed provincial growth points through Spatial Development Framework resources, and has monitored and evaluated 79 LED projects (R99 million out of an allocated R151 million has been spent).

### **2.1.2. Justice, Crime Prevention and Security Cluster**

So as to achieve the National objective that all people in South Africa are, and feel, safe, MTSF priority 5 aims to intensify the fight against crime and corruption. The following programmes and projects have been targeted:

#### *2.1.2.1 Community mobilisation*

21 community mobilisation campaigns and 9 focussed interventions, along with 595 door-to-door policing campaigns at 93 police stations have been conducted. 15 Community Safety Forums have been established, 93 Community Police Forums have been revitalised, the service delivery of 67 police stations has been monitored, and contact crimes have fallen by 4.7 per cent over the previous year.

#### *2.1.2.2 Provide all crime victims with adequate support and care*

784 Domestic Violence Act campaigns were conducted at 21 stations to raise awareness of the Act. In addition, 64 victim support facilities were established.

#### *Provide enhanced and effective criminal justice system*

40 probation practitioners including social workers, supervisors, the SAPS and the NPA participated in training on the Probation Practice Guidelines, Child Justice Act and regulations thereof.

#### *2.1.2.3 Safeguard and secure ports of entry and borderlines*

112 joint operations were conducted, including roadblocks. Furthermore, 290 SANDF members have been deployed to secure the borderlines, while 30 engineers have been deployed to perform minor maintenance on the border fences. In addition to this, the Province is in the process of procuring a Cargo scanner for Beitbridge border post, and fully-fledged human trafficking desks

have been established at nine ports of entry, and 27 officials have been trained in the operation of these desks.

#### *2.1.2.4 Improve safety and security in schools*

During 2010/11, 1768 schools were searched for substances and dangerous weapons, 1000 of which have been linked to police stations. 252 scholar patrol inspections were conducted, and 36 new scholar patrol points established, whilst 42 inspections were conducted at hazardous locations. Traffic authorities were deployed to school crossings before and after school at 51 affected schools. 1590 road safety awareness activities including radio talks, exhibitions, mobile promotions, roadside promotions and education programmes were conducted.

#### *2.1.2.5 Improve road safety on public roads*

456 321 vehicles were checked in 225 multi-disciplinary roadblocks, and a computerised learners' license system has been rolled out in five driving centres.

### **3. Socio-economic outlook**

#### **3.1. Demographic profile**

An understanding of the provincial population is an important aspect of development planning, as it provides preliminary insights into the labour, entrepreneurial and demand potential of the region. Information relating to the population of particular regions is also imperative in considering social needs and effectively guiding resource allocation.

Over the decade between 2000 and 2010, the South African population grew by approximately 5.6 million to 50 million, an average growth rate of 1.2 per cent per annum. In 2000, there were 44.4 million people in the country, 4.9 million of whom resided in Limpopo province. Over the decade, the Limpopo population increased to 5.4 million, and currently constitutes 10.9 per cent of the national population. The province is the fourth most populous province, following Gauteng (22.4 per cent), KwaZulu-Natal (21.3 per cent) and the Eastern Cape (13.5 per cent).

Based on Census 2001 data, the ratio of the Limpopo population to the national population was 11.8 per cent. This would indicate that the basic equitable share to Limpopo, formulated as the provincial share of the national population (and bearing a weight of 14 per cent of total equitable share) would decrease.

Between 2000 and 2010, the total population grew at an average annual rate of 1.2 per cent. Limpopo experienced a 1.0 per cent growth rate over this period, whilst Gauteng and the Western Cape showed considerably higher growth rates than the national average.

**Table 1.2: Population by province and gender**

Region	Population (millions)		Average annual growth rate	Share of national population (2010)	Gender ratio (2010)	
	2000	2010			Male	Female
Western Cape	4.3	5.2	2.00%	10.40%	48.10%	51.90%
Eastern Cape	6.4	6.7	0.50%	13.50%	48.10%	51.90%
Northern Cape	1.1	1.1	0.40%	2.20%	49.20%	50.80%
Free State	2.8	2.8	0.30%	5.70%	48.20%	51.80%
KwaZulu-Natal	9.5	10.6	1.10%	21.30%	48.20%	51.80%
North West	2.9	3.2	0.90%	6.40%	48.90%	51.10%
Gauteng	9.2	11.2	2.00%	22.40%	50.00%	50.00%
Mpumalanga	3.3	3.6	0.90%	7.20%	48.80%	51.20%
Limpopo	4.9	5.4	1.00%	10.90%	48.00%	52.00%
South Africa	44.4	50	1.20%	100.00%	48.70%	51.30%

Source: Quantec Research

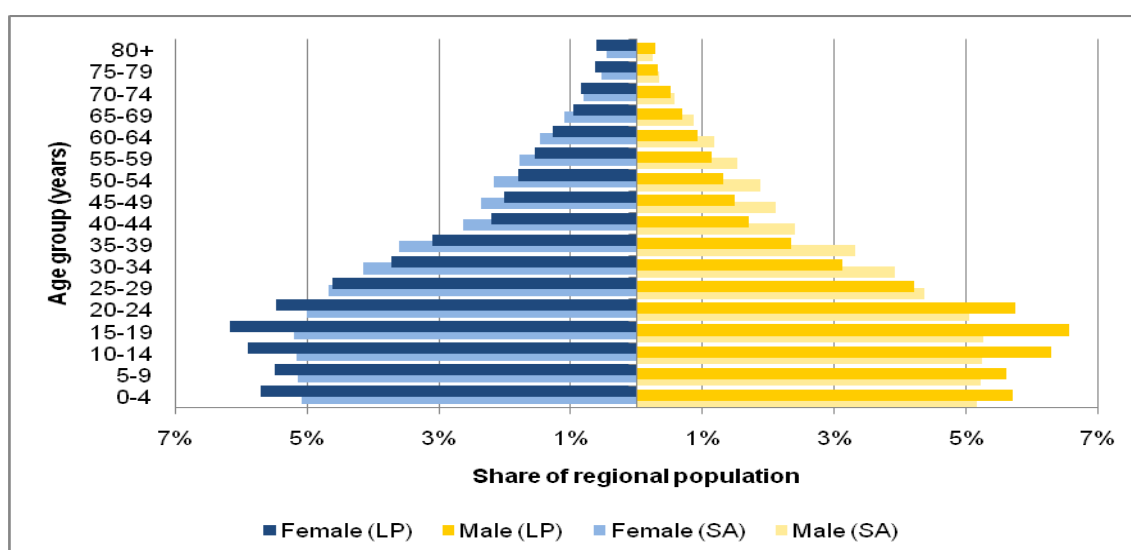
Table 1.2 shows that, in 2000, there were 44.4 million people in the country, 4.9 million of whom resided in Limpopo province. Over the decade, these figures grew to 50 million and 5.4 million, respectively. Limpopo province contributes 10.9 per cent to the national population, compared to provinces such as Gauteng (22.4 per cent) and KwaZulu-Natal (21.3 per cent).

While the population growth rate in Limpopo remains modest, service delivery areas such as water, housing, energy, education and health face continued pressure, considering backlogs and the spatial profile of Limpopo.

Figure 1 shows the population pyramid of Limpopo for the year 2010. The population pyramid of South Africa is also represented. It is noted that, in 2010, the proportions of males and females between the ages of 0 and 24 in Limpopo are greater than those found for the country. The same trend is found for the population older than 75 years. This is a likely result of outward migration by the working age population to provinces such as Gauteng, in search of employment opportunities. Consequently, Limpopo will reflect relatively higher dependency ratios.

Limpopo has a relatively youthful population. Approximately 48 per cent of the Limpopo population are under 20 years of age, a large proportion of which are dependent on government grants and similar welfare programmes. To the extent that 36 per cent of the provincial population are between 5 and 19 years of age, the need to provide for education and health for these cohorts is highlighted.

Figure 1 Population pyramids of Limpopo and South Africa, 2010



Source: Quantec Research

The spatial distribution of the provincial population is fairly evenly spread, with the exception of Waterberg, and the population shares have remained stable over time, as shown in Figure 2. Vhembe and Capricorn are the most populous district municipalities, constituting for 23.7 per cent and 23.5 per cent of the provincial population, respectively, in 2010. Waterberg accounts for the smallest share of the provincial population, at 11.6 per cent in 2010.

Between 1995 and 2010, the districts with the highest average population growth rates were Sekhukhune, at 1.4 per cent per annum, and Vhembe and Capricorn (both at 1.2 per cent per annum). Mopani district experiences the slowest average population growth rate among Limpopo districts, at 1.0 per cent per annum.

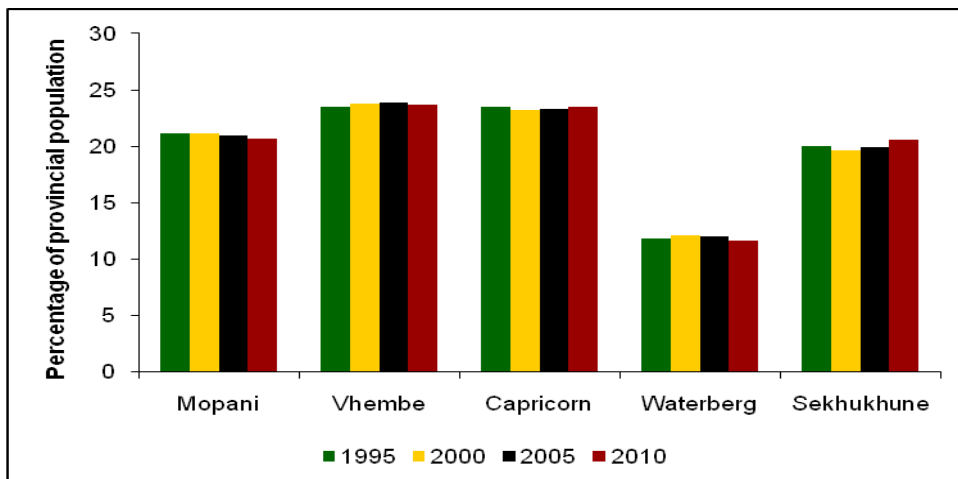
Table 1.3: Provincial population and land distributions, 2010

Region	Share of national population	Share of national land area	Population density (persons/km <sup>2</sup> )
Western Cape	10.40%	10.60%	40
Eastern Cape	13.50%	13.80%	40
Northern Cape	2.20%	30.60%	3
Free State	5.70%	10.60%	22
KwaZulu-Natal	21.30%	7.70%	114
North West	6.40%	8.70%	30
Gauteng	22.40%	1.40%	677
Mpumalanga	7.20%	6.30%	47
Limpopo	10.90%	10.30%	43
South Africa	100.00%	100.00%	41

Source: Quantec Research

At 125990.36 km<sup>2</sup>, Limpopo is the fifth largest province. With a population of 5.4 million in 2010, this implied a population density of 43 people per square kilometre.

Figure 2 Spatial distribution of Limpopo population

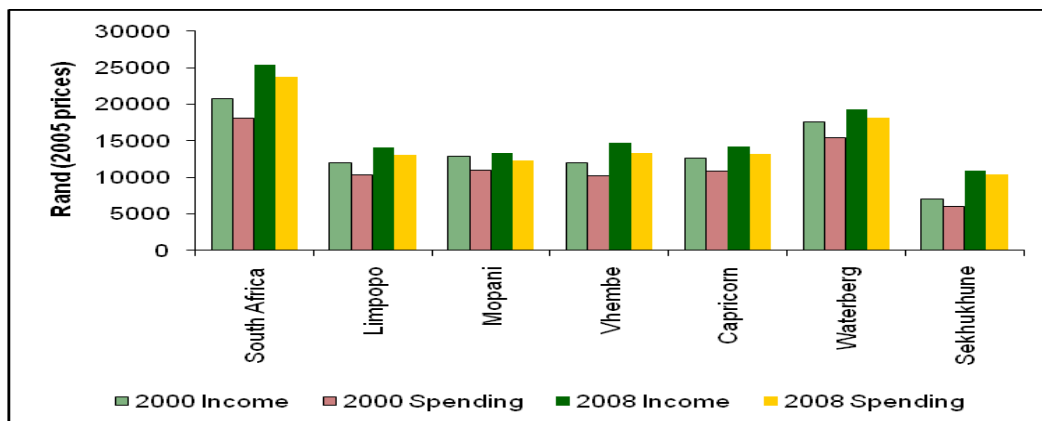


Source: Quantec Research, 2010

### 3.2. Socio-economic indicators

Despite an increase in real per capita income and expenditure between 2000 and 2008, Figure 3 indicates that Limpopo and its districts had lower per capita income and spending levels than the national aggregate over the corresponding periods.

Figure 3 Average annual real per capita income and expenditure

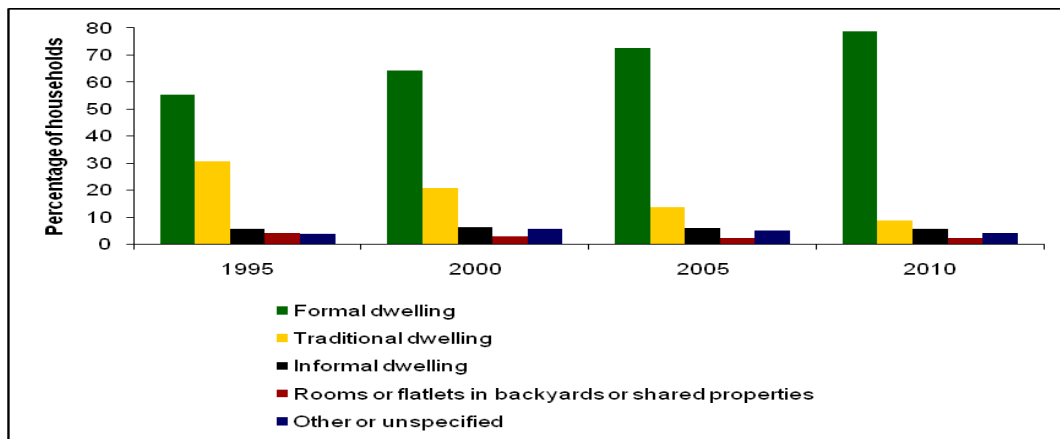


Source: Quantec Research

Access to decent housing is a fundamental component of government's human settlement policies. In Limpopo, 78.7 per cent of households lived in formal structures in 2010, reflecting an increase of about 12.7 per cent since 1995.

Figure 4, which shows the distribution of Limpopo households by the type of dwelling, reveals a rising trend of formal dwellings associated with a relative decline in traditional dwellings. It also shows that the relative prevalence of informal dwellings in Limpopo has been stable.

**Figure 4 Type of dwelling occupied by Limpopo households, 1995-2010**

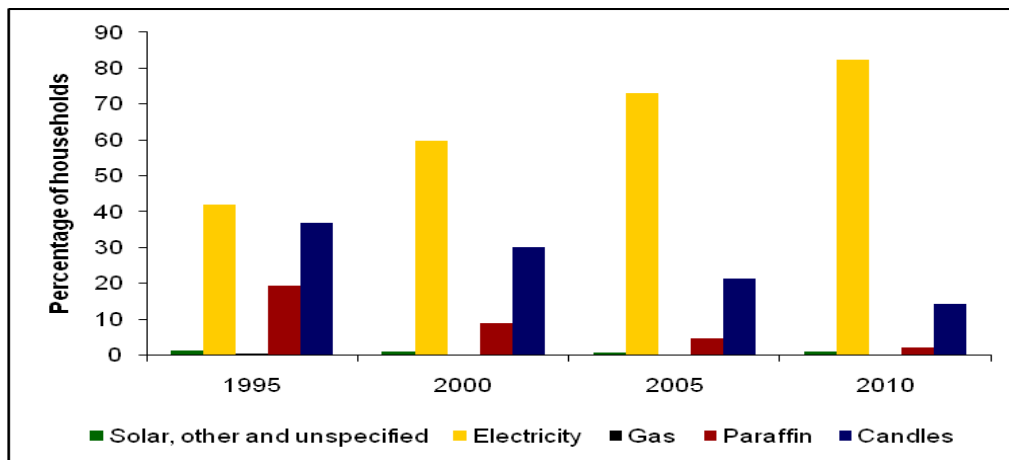


Source: Quantec Research

Remarkable progress has been made in terms of household electrification in Limpopo. Figure 5 describes Limpopo households by their main source of energy for lighting, and clearly shows an increase in access to electricity from 41.9 per cent of households in 1995 to 82.4 per cent in 2010. This has significantly dented the prevalence of households using candles and paraffin as principal energy sources, and reflects electrification programmes undertaken by government, as well as free basic electricity programmes which have provided some relief to poor households in using electricity.

**Figure 5 Main source of energy for lighting used by Limpopo households, 1995-2010**

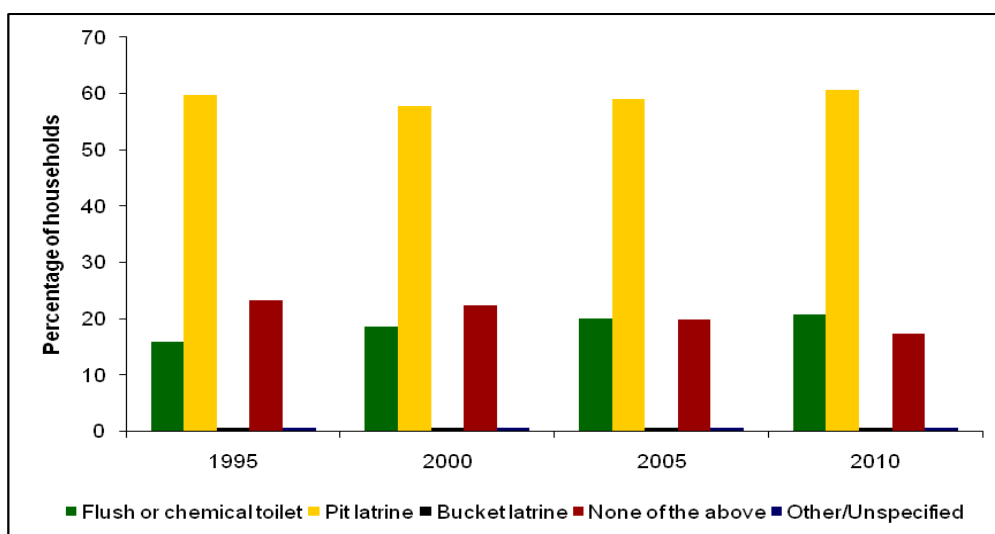
Figure 5



Source: Quantec Research

Encouragingly, the proportion of Limpopo households without access to on-site toilet facilities has declined from 23.3 per cent in 1995 to 17.3 per cent in 2010. Simultaneously, access to flush or chemical toilets have increased, from 15.9 per cent in 1995 to 20.8 per cent of Limpopo households in 2010, reflecting increased connections to sewerage networks in Limpopo towns and rising urbanisation. While these increases appear modest for a 15 year timeframe, it is important to remember that extending access to sanitation networks is costly and complicated because of the infrastructure and planning required. It is for this reason that the majority of Limpopo households use pit latrines.

**Figure 6 Main type of toilet facility used by Limpopo households, 1995-2010**



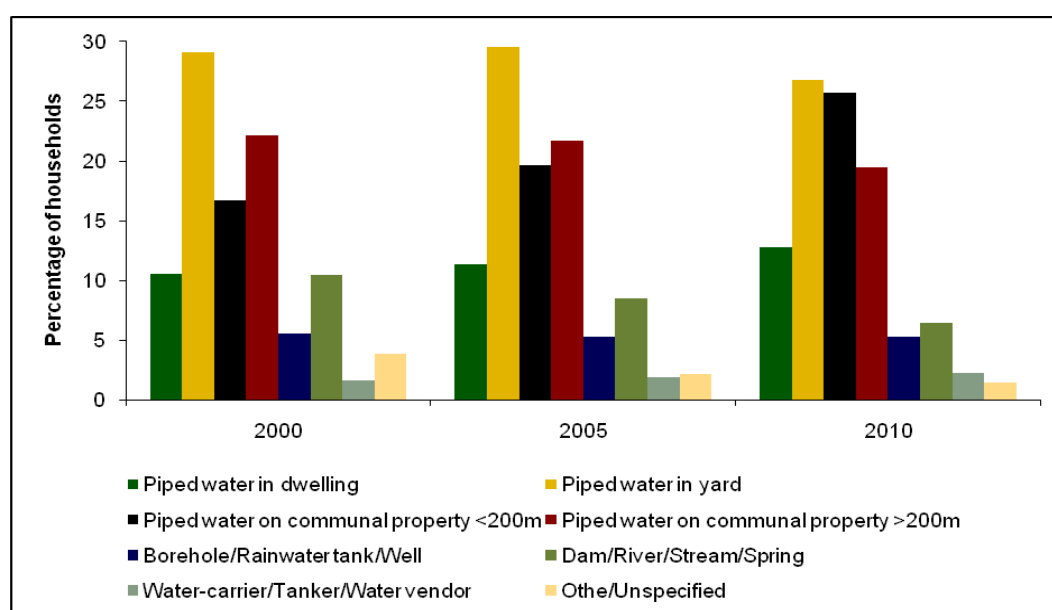
Source: Quantec Research



In 1995, households who accessed piped water from a communal property were more likely to have travelled more than 200 metres (22.2 per cent, see Figure 7). In 2010, this fell to 19.4 per cent of households, as the development of more communal water sources meant that households would not need to travel vast distances to obtain water. The proportion of households accessing piped water on communal properties less than 200 metres grew from 16.7 per cent of households in 2005 to 25.7 per cent in 2010.

There has been a marked reduction in the percentage of households who access water from dams, rivers and streams. In 1995, this was the main water source for 10.4 per cent of Limpopo households; by 2010, this had dropped to 6.4 per cent of households. This has positive health effects, as the risks of contracting water-borne diseases such as bilharzia and typhoid are reduced.

**Figure 7 Household access to water in Limpopo, 1995-2010**



Source: Quantec Research

**Table 1.4: Dependency ratios in Limpopo, 2000-2010**

	2000	2005	2010
Total dependency ratio	89.1	76.9	65.4
Youth dependency ratio	80.8	68.6	57.4
Elderly dependency ratio	8.3	8.3	8.1

Source: Quantec Research 2010

Table 1.4 above shows the dependency ratio of Limpopo. The total dependency ratio is at 65.4 .One person who is employed takes care of an average of six people in one household

### 3.3. Economic indicators

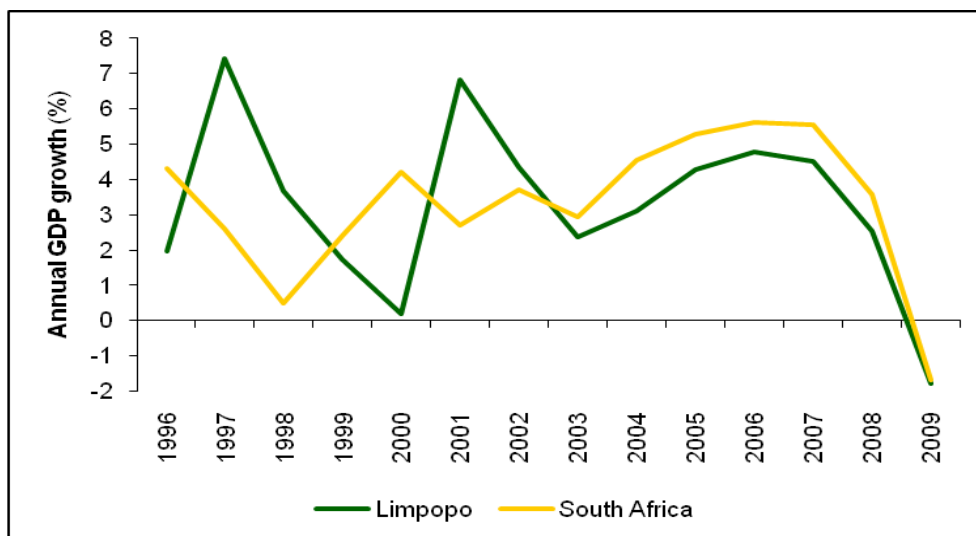
Since 2003, provincial and national growth rates have generally followed the same trajectory. Despite reaching lower growth rates than the national figure, growth in Limpopo accelerated from 2.3 per cent in 2003 to 4.8 per cent in 2006. These trends are exhibited in Figure 8.

Domestic pressures, such as rising inflation and troubled electricity supply, and the effects of the global recession started weighing down the national and provincial economies in 2008. At a seasonally adjusted and annualised level, the South African economy contracted in the fourth quarter of 2008.

National growth slowed to 3.6 per cent that year, from a peak of 5.6 per cent in 2007. Growth in Limpopo slowed to 2.5 per cent in 2008.

The South African economy entered a technical recession in the first quarter of 2009. Despite having lasted only two quarters, the recovery was slow and weak. In 2009, the national economy contracted by 1.68 per cent, while Limpopo GDP fell 1.79 per cent.

**Figure 8 GDP growth rate, Limpopo and South Africa, 1995-2009**



Source: Statistics South Africa

Healthy but slowing growth in the agriculture, forestry and fishing sector was experienced between 2005 and 2008, growing by an annual average of 3.2 per cent. This has moderated from annual averages of 8.6 per cent between 1995 and 1999, and 4.2 per cent between 2000 and 2004. To the extent that mining and quarrying activity in Limpopo makes up about 17 per cent of provincial output, overall growth was significantly affected by the 5.1 per cent decline in output of that sector.

Between 2005 and 2008, the strongest growth was experienced by the relatively small construction sector in Limpopo, as a result of important investment projects in mining, electricity, road, sporting and other infrastructure. Average annual growth was 9.4 per cent over the period. In 2009, growth in the sector moderated to 3.0 per cent. Manufacturing, also a very small component of overall output in Limpopo, has shown accelerating growth – between 1995 and 1999, it grew by an annual average of 1.2 per cent, accelerating to 2.1 per cent between 2000 and 2004. Between 2005 and 2008, average annual growth in the industry was 4.1 per cent. However, the onset of recession in 2009 resulted in a 5.6 per cent annual decline in that year.

Growth in the tertiary sector has been strong between 1995 and 2009, and less erratic and less concentrated in one or two industries than the primary and secondary sectors. Growth in the transport and communication sector has been particularly robust over the period, expanding by an annual average of 8.4 per cent between 1995 and 2008. In 2009, output in the industry stagnated as a result of the recession. As a result, its contribution to Limpopo output has grown from 4.9 per cent in 1995 to 8.9 per cent in 2009. The wholesale, retail, motor trade and accommodation industry has also exhibited impressive growth over the past 15 years. Over the period, the industry expanded at an annual average rate of 3.9 per cent. However, as consumer confidence, income and demand moderated, amidst a depressed global and domestic economy, output in the industry contracted by 3.2 per cent.

The labour force profile of Limpopo, summarised in Table 2, indicates that the unemployment rate of the province has dropped from 25.5 per cent in the third quarter of 2009. This is in contrast with the national figure, which had increased from 24.4 per cent to 25.3 per cent over the same period. This continues a downward trend in the Limpopo unemployment rate and, for the first time, the provincial unemployment rate is lower in relation to that of South Africa. This can be explained, though, by a sharper decline in the number of unemployed than that of the provincial labour force.

However, the labour force – which comprises working people and people actively looking for work – has contracted by 3.8 per cent. Simultaneously, the number of discouraged work-seekers grew by 39 per cent in the third quarter of 2010. Motivating discouraged work seekers to re-enter the labour force adds to the labour market challenges faced by the province, and should supplement initiatives to increase job availability and employment.

	2010Q3	Change on 2009Q3
Working age population	3 296 000	2.2%
Labour force	1 208 000	-3.8%
Employed	905 000	-3.3%
Unemployed	303 000	-5.3%
Not economically active	2 088 000	6.0%
Discouraged work seekers	321 000	39.0%
Unemployment rate	25.1%	-40 basis points
Labour absorption rate	27.5%	-150 basis points
Labour force participation rate	36.7%	-220 basis points

Table 1.5. Labour market indicators, 2010Q3, Limpopo

Source: Statistics South Africa

Table 1.6: District labour indicators, 2009

Districts	Unemployment rate	Labour force participation rate
Mopani	30.80%	35.00%
Vhembe	29.60%	36.20%
Capricorn	29.80%	35.60%
Waterberg	19.60%	46.80%
Greater Sekhukhune	36.90%	31.80%

Source: Quantec Research 2010

District unemployment and labour participation rates are presented in Table 1.6. The highest unemployment is noted for Greater Sekhukhune, at 36.9 per cent in 2009. This is exacerbated by a relatively low labour force participation rate of 31.8 per cent, which suggests that only one in five individuals of working age is employed in the district.

Employment figures in Waterberg indicate an unemployment rate of 19.6 per cent, the lowest among the province's district municipalities.

## 4. Receipts

### 4.1 . Overall position

Provincial revenue comprises three components: equitable share (transfers from national government); conditional grants (specific allocations); and own revenue. Total provincial receipts for 2011/12 reflect an 8.5 per cent increase over 2010/11. This growth is expected to decline to 5.2 per cent and 5.1 per cent in 2012/13 and 2013/14 respectively. The growth in revenue in 2011/12 of R3.4 billion is largely attributed to growth in the equitable share of R2.3 billion, along with an increase in conditional grants and own revenue of R1.1 billion and R30 million respectively.

Table1.7: Summary of provincial receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
<b>Transfer receipts from national</b>									
Equitable share	22,548,035	26,545,173	31,002,989	33,237,814	33,812,758	33,812,758	36,348,545	38,104,133	39,884,915
Conditional grants	2,524,604	3,268,210	4,239,720	5,861,439	5,876,712	5,876,712	6,912,123	7,397,484	7,952,526
<b>Total transfer receipts from national</b>	<b>25,072,639</b>	<b>29,813,383</b>	<b>35,242,709</b>	<b>39,099,253</b>	<b>39,689,470</b>	<b>39,689,470</b>	<b>43,260,668</b>	<b>45,501,617</b>	<b>47,837,441</b>
<b>Provincial own receipts</b>									
<b>Tax receipts</b>	<b>164,251</b>	<b>187,831</b>	<b>214,946</b>	<b>227,015</b>	<b>227,015</b>	<b>227,015</b>	<b>239,401</b>	<b>251,926</b>	<b>265,100</b>
<b>Non-tax receipts</b>	<b>227,039</b>	<b>311,654</b>	<b>299,047</b>	<b>295,539</b>	<b>293,267</b>	<b>293,267</b>	<b>313,050</b>	<b>330,512</b>	<b>344,332</b>
Sale of goods and services other than capital assets	125,183	160,286	151,983	169,228	164,758	164,758	179,673	190,173	197,728
Fines, penalties and forfeits	16,741	27,315	26,544	27,989	30,177	30,177	30,762	32,277	33,917
Interest, dividends and rent on land	85,115	124,053	120,520	98,322	98,332	98,332	102,615	108,062	112,687
Transfers received	20,000	-	-	-	-	-	88,000	-	-
Sale of capital assets	16,505	16,664	17,130	13,270	11,543	11,543	10,373	10,724	10,662
Financial transactions	16,327	23,654	23,315	17,614	29,373	29,373	20,706	22,184	22,959
<b>Total provincial own receipts</b>	<b>444,122</b>	<b>539,803</b>	<b>554,438</b>	<b>553,438</b>	<b>561,198</b>	<b>561,198</b>	<b>671,530</b>	<b>615,346</b>	<b>643,053</b>
<b>Total provincial receipts</b>	<b>25,516,761</b>	<b>30,353,186</b>	<b>35,797,147</b>	<b>39,652,691</b>	<b>40,250,668</b>	<b>40,250,668</b>	<b>43,932,198</b>	<b>46,116,963</b>	<b>48,480,494</b>

### 4.2. Equitable share

Equitable share is an unconditional transfer to the provincial government to fund the gap that provinces encounter due to their limited fiscal capacity and the significant expenditure assigned to them.

The equitable share is determined through a consultative process and the formula used prioritises the provision of social services such as education, social development and health. The formula is redistributive and biased towards poorer provinces. It is important to note here that the Equitable Share Formula was revised, and the impact thereof for Limpopo Province is a decrease in the provincial percentage proportionate share of national revenue. The full impact of this will be phased in over the 2011 MTEF. The reason for this decline can be mainly attributed to the fall in the population of the province and inaccurate social data.

Equitable share is set to increase by R2.5 billion (7.5 per cent) in 2011/12, R1.8 billion (4.8 per cent) in 2012/13 and R1.8 billion (4.7 per cent) in 2013/14.

### 4.3. Conditional grants

As can be seen from Table 4, conditional grants in the province over the MTEF total R22.3billion. The total grant allocation in 2011/12 of R6.9 billion represents growth of R1.1 billion, or 17.9 per cent, over 2010/11.

Specific grants within the various departments are depicted in table 1.8 below.

Table 1.8: Summary of conditional grants by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates			
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13	2013/14
<b>Vote 1</b>	-	-	-	-	-	-	-	1,071	-	-
EPWP Incentive Allocation	-	-	-	-	-	-	-	1,071	-	-
<b>Vote 3</b>	<b>626,901</b>	<b>831,246</b>	<b>1,046,366</b>	<b>1,795,326</b>	<b>1,806,599</b>	<b>1,806,599</b>	<b>2,258,710</b>	<b>2,358,624</b>	<b>2,518,200</b>	
National School Nutrition Prog.	192,694	307,856	465,992	659,233	659,233	659,233	829,669	892,964	942,077	
Dinaledi Schools Grant	-	-	-	-	-	-	7,140	10,200	10,761	
HIV/AIDS	31,236	24,495	33,263	28,322	28,322	28,322	28,088	30,012	31,663	
Technical Secondary Schools Recapitalisation Grant	-	-	-	8,479	8,479	8,479	27,450	28,822	30,407	
Provincial Infrastructure	332,598	387,249	547,111	663,438	668,438	668,438	874,897	865,485	913,086	
EPWP Incentive Allocation	-	-	-	-	-	-	1,071	-	-	
Further Education & Training College SPG	70,373	111,646	-	435,654	442,127	442,127	490,395	531,141	590,206	
<b>Vote 4</b>	<b>173,723</b>	<b>221,832</b>	<b>131,196</b>	<b>172,743</b>	<b>172,743</b>	<b>172,743</b>	<b>203,601</b>	<b>234,599</b>	<b>261,098</b>	
Disaster Management (Drought relief)	45,000	50,000	10,000	-	-	-	-	-	-	
Land Care	8,722	10,359	7,713	8,176	8,176	8,176	8,667	20,356	19,562	
Provincial Infrastructure	57,080	65,641	-	-	-	-	-	-	-	
Comprehensive Agriculture Support Programme	62,921	95,832	108,483	144,567	144,567	144,567	154,398	172,243	197,226	
EPWP Incentive Allocation	-	-	-	-	-	-	536	-	-	
Lima/Letsema Project	-	-	5,000	20,000	20,000	20,000	40,000	42,000	44,310	
<b>Vote 05</b>	-	-	-	<b>10,000</b>	<b>2,000</b>	<b>2,000</b>	-	-	-	
Provincial Infrastructure	-	-	-	10,000	2,000	2,000	-	-	-	
<b>Vote 06</b>	-	-	<b>11,802</b>	-	-	-	<b>1,071</b>	-	-	
EPWP Incentive Allocation	-	-	10,000	-	-	-	1,071	-	-	
Theta Abet Grant	-	-	1,802	-	-	-	-	-	-	
<b>Vote 7</b>	<b>653,805</b>	<b>904,708</b>	<b>1,136,956</b>	<b>1,422,099</b>	<b>1,434,780</b>	<b>1,434,780</b>	<b>1,702,755</b>	<b>1,775,488</b>	<b>1,932,862</b>	
Health Professional Training & Development	76,032	82,896	88,759	94,085	94,085	94,085	99,730	103,913	109,628	
Hospital Rehabilitation	148,172	252,479	212,360	323,425	323,425	323,425	371,672	392,410	369,152	
HIV/AIDS	200,578	234,410	402,133	514,896	515,896	515,896	624,909	733,963	884,146	
National Tertiary Services	79,649	152,239	176,871	257,314	257,314	257,314	267,314	277,314	287,314	
Provincial Infrastructure	106,631	134,366	167,255	192,466	197,466	197,466	270,802	267,888	282,622	
Forensic Pathology Service Grant	42,743	48,318	35,233	39,913	39,913	39,913	42,308	-	-	
Medico-Legal	-	-	50,000	-	-	-	-	-	-	
EPWP Incentive Allocation	-	-	-	-	6,681	6,681	1,071	-	-	
Social Sector (EPWP) Grant	-	-	-	-	-	-	24,949	-	-	
2010 World Cup Health Preparatory Strategy Grant	-	-	4,345	-	-	-	-	-	-	
<b>Vote 8</b>	<b>440,461</b>	<b>490,439</b>	<b>875,798</b>	<b>1,084,990</b>	<b>1,084,990</b>	<b>1,084,990</b>	<b>1,184,952</b>	<b>1,373,039</b>	<b>1,488,978</b>	
Provincial Infrastructure	440,461	486,041	696,256	870,518	870,518	870,518	934,208	1,098,478	1,185,468	
Overload Control Grant	-	4,398	5,035	-	-	-	-	-	-	
EPWP Incentive Allocation	-	-	-	-	-	-	1,246	-	-	
Public Transport Operation	-	-	174,507	214,472	214,472	214,472	249,498	274,561	303,510	
<b>Vote 9</b>	-	<b>15,294</b>	<b>26,717</b>	<b>35,194</b>	<b>31,057</b>	<b>31,057</b>	<b>35,752</b>	<b>69,755</b>	<b>78,523</b>	
Devolution of Property Rate Funds Grant	-	12,294	19,217	15,154	15,154	15,154	34,054	35,757	37,725	
Provincial Infrastructure	-	3,000	7,000	7,000	10,000	10,000	-	-	-	
EPWP Incentive Allocation	-	-	500	2,903	2,903	2,903	-	-	-	
Extended Public Works Programme Infrastructure	-	-	-	-	-	-	1,698	-	-	
Extended Public Works Programme Social Sector	-	-	-	10,137	3,000	3,000	-	33,998	40,798	
<b>Vote 11</b>	<b>651,705</b>	<b>824,806</b>	<b>996,667</b>	<b>1,234,750</b>	<b>1,234,750</b>	<b>1,234,750</b>	<b>1,400,160</b>	<b>1,459,839</b>	<b>1,539,788</b>	
Human Settlement Development Grant	651,705	824,806	996,667	1,234,750	1,234,750	1,234,750	1,398,914	1,459,839	1,539,788	
EPWP Incentive Allocation	-	-	-	-	-	-	1,246	-	-	
<b>Vote 12</b>	-	-	-	-	<b>3,456</b>	<b>3,456</b>	<b>3,382</b>	-	-	
Social Sector (EPWP) Grant	-	-	-	-	3,456	3,456	3,382	-	-	
<b>Vote 13</b>	<b>49,539</b>	<b>79,019</b>	<b>112,383</b>	<b>106,337</b>	<b>106,337</b>	<b>106,337</b>	<b>120,669</b>	<b>126,140</b>	<b>133,077</b>	
Mass Sport & Recreation Participation Prog.	26,679	30,615	51,023	43,604	43,604	43,604	53,636	56,318	59,415	
Library Services	22,860	48,404	61,360	62,733	62,733	62,733	66,497	69,822	73,662	
EPWP Incentive Allocation	-	-	-	-	-	-	536	-	-	
<b>Total conditional grants</b>	<b>2,596,134</b>	<b>3,367,344</b>	<b>4,337,885</b>	<b>5,861,439</b>	<b>5,876,712</b>	<b>5,876,712</b>	<b>6,912,123</b>	<b>7,397,484</b>	<b>7,952,526</b>	

#### 4.4. Total provincial own receipts (own revenue)

Provincial own receipts for Limpopo in 2011/12 are expected to total R583.5 million – a growth of 4.5 per cent over 2010/11's figures. This growth is anticipated to expand to 5.5 per cent in 2012/13, before declining marginally to 4.5 per cent in 2013/14, when own receipts will total R643 million. Details of own receipts by Vote are shown in Table 1.9, followed by a discussion thereof.

Table 1.9: Summary of provincial own receipts by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
Office of the Premier	468	963	6,320	619	619	619	629	640	654
Provincial Legislature	300	300	250	108	221	221	308	290	127
Education	20,651	30,273	30,390	33,023	37,592	37,592	37,375	39,168	39,189
Agriculture	10,770	11,697	11,615	13,321	13,321	13,321	10,859	11,351	11,758
Provincial Treasury	85,594	125,590	120,395	98,320	98,320	98,320	103,531	109,017	113,716
Economic Development, Environmental Affairs and Tourism	30,300	41,315	38,528	41,663	41,663	41,663	39,399	42,007	44,817
Health	72,584	87,175	93,009	98,799	98,796	98,796	107,077	113,898	119,593
Roads and Transport	170,860	209,632	233,309	245,201	247,213	247,213	262,056	275,131	288,888
Public Works	23,693	27,321	16,907	18,730	18,730	18,730	17,511	18,830	18,898
Safety, Security and Liaison	273	161	166	78	100	100	86	95	112
Social Development	3,684	579	930	1,042	2,035	2,035	2,137	2,244	2,356
Local government & housing	4,500	2,950	2,015	1,863	1,917	1,917	1,797	1,849	2,070
Sport, Arts & Culture	20,445	1,847	605	671	671	671	765	826	875
<b>Total provincial own receipts</b>	<b>444,122</b>	<b>539,803</b>	<b>554,439</b>	<b>553,438</b>	<b>561,198</b>	<b>561,198</b>	<b>583,530</b>	<b>615,346</b>	<b>643,053</b>

##### 4.4.1. Office of the Premier

The department contributed R0.5 million, R1.0 million and R6.3 million in 2007/08, 2008/09 and 2009/10 respectively. The fluctuations in revenue collection are due to once off recovery of previous year debts. The main sources of own revenue for the Department are commission on insurance and parking fees. The Department indicates a minimal growth of 1.6 per cent and 1.9 per cent over the years 2010/11 and 2011/12 to 2013/14 respectively. The minimal increase is due to anticipated parking fee growth.

##### 4.4.2. Provincial Legislature

The institution contributed R0.3 million, R0.3 million and R0.3 million in 2007/08, 2008/09 and 2009/10 respectively. The Provincial Legislature, in contrast with other provincial Departments, retains its own departmental receipts. This is in keeping with Section 22(1) of the PFMA, which states that provincial legislatures are permitted to retain any moneys collected. Provincial Legislature collects its revenue mainly in the form of the sale of tender documents, commission on insurance and recovery of outstanding debts. The Department expects growth of 39.4 per cent in 2010/11 to 2011/12 – as a result of anticipated collection on the sale of capital assets. The negative growth of 16.9 per cent over the MTEF period is due to zero projections of capital assets.

#### **4.4.3. Department of Education**

The department contributed R20.7 million, R30.2 million and R30.3 million in 2007/08, 2008/09 and 2009/10 respectively. The fluctuation over the years was due to once off recovery of debts and unpredictable accumulation of stale cheques. The major source of own revenue for the Department of Education falls under the sales of goods and services other than capital assets. This category consists mainly of other sales, which include commission earned on payroll deductions such as insurance and garnishees, examination fees and remarking fees, as well as fees for the viewing of scripts, and parking fees.

The Department anticipates negative own revenue growth of 0.6 per cent in 2010/11 to 2011/12 – due to the once-off recovery of debts from the previous year – and thereafter minimal positive growth of 1.4 per cent over the MTEF period, due to anticipated increases in staff establishment (commission on insurance).

#### **4.4.4. Department of Agriculture**

The department contributed R10.8 million, R11.7 million and R11.6 million in 2007/08, 2008/09 and 2009/10 respectively. Own revenue in this Department is derived mainly from the sale of capital assets and from the sale of goods and services, which include the sales of agricultural produce and veterinary services. The negative growth between 2010/11 and 2011/12 is mainly due to the transfer of farms to the National Department of Rural Development and Land Reforms. The Department is therefore no longer collecting revenue on farm rentals.

#### **4.4.5. Provincial Treasury**

The department contributed R85.6 million, R125.6 million and R120.4 million in 2007/08, 2008/09, and 2009/10 respectively. Interest earned on the Intergovernmental Cash Coordination account and the Paymaster General account makes up the bulk of the Department's own revenue. Further revenue is generated through commission on insurance, sale of tender documents and parking fees. The budget is expected to increase over the 2011/12 MTEF due to inflation-related factors.

#### **4.4.6. Department of Economic Development, Environmental Affairs and Tourism**

The department contributed R30.3 million, R41.3 million and R38.5 million in 2007/08, 2008/09 and 2009/10 respectively. The main source of own revenue for this Vote is derived from tax receipts comprising of casino, horse racing and liquor licenses. Negative growth of 5.4 per cent between 2010/11 and 2011/12 is expected, largely due to a reduction in the collection of hunting and trading licenses caused by a lack of staff in the form of liquor license inspectors and rangers.



#### **4.4.7. Department of Health**

The department contributed R72.6 million, R87.2 million and R93.0 million in 2007/08, 2008/09 and 2009/10 respectively. Key sources of own revenue for this Department are patient fees, rentals and commission earned on payroll deductions such as insurance and garnishees. Meaningful revenue collected is mainly in the form of patient fees and the recovery of outstanding patient costs from the Road Accident Fund. The Department expects own revenue growth of 8.4 per cent and 6.6 per cent in 2011/12 and over the MTEF respectively, largely due to anticipated increases in the collection of patient fee debts and the implementation of parking fees.

#### **4.4.8. Department of Roads and Transport**

The department contributed R170.9 million, R209.6 million and R233.3 million in 2007/08, 2008/09 and 2009/10 respectively. The majority of the departmental own revenue is derived from tax receipts collected in terms of the Road Traffic Act. This revenue consists of motor vehicle licensing, registration, and the sale of personalised and specific number plates. Other revenue collected consists of non-tax receipts such as traffic fines resulting from infringements, operating and abnormal loads fees. The Department anticipates growth of 6 per cent in 2011/12 and 5.3 per cent over the MTEF period due to the effects of inflation.

#### **4.4.9. Department of Public Works**

The department contributed R23.7 million, R27.3 million and R16.9 million in 2007/08, 2008/09 and 2009/10 respectively. The Department of Public Works is the custodian of immovable provincial government property. Rental of this property makes up the bulk of own revenue generated by the Department. Other revenue sources include, *inter alia*, commission on insurance, sale of tender documents and parking fees. The reduction in revenue generation over the years is due to disposal of some government properties that took place in 2008/09.

#### **4.4.10. Department of Safety, Security and Liaison**

The department contributed R0.3 million, R0.2 million and R0.2 million in 2007/08, 2008/09 and 2009/10 respectively. The main sources of own revenue for this Department are commission on insurance and parking fees. Negative growth of 14 per cent in 2010/11 is due to the once-off recovery of debts, and minimal growth of 3.8 per cent over the MTEF period is due to inflation-related factors.

#### **4.4.11. Department of Local Government and Housing**

The department contributed R4.5 million, R3.0 million and R2.0 million in 2007/08, 2008/09 and 2009/10 respectively. Own revenue is largely derived from commission on insurance and parking fees. Negative growth in own revenue of 6.3 per cent in 2011/12 will accrue due to the once-off collection of capital assets in 2010, and sluggish growth of 2.6 per cent over the MTEF period is anticipated because of non-collection of rent on land due to transfer of land to Department of Public Works.

#### **4.4.12. Department of Social Development**

The department contributed R3.7 million, R0.6 million and R1.0 million in 2007/08, 2008/09 and 2009/10 respectively. Own revenue collected by the Department mainly comprises commission on insurance and parking fees, which are expected to grow by 5 per cent over the MTEF horizon due to inflationary effects.

#### **4.4.13. Department of Sport, Arts and Culture**

The department contributed R20.4 million, R1.8 million and R0.6 million in 2007/08, 2008/09 and 2009/10 respectively. The Department derives its own revenue mainly through entrance fees of the Maphungubwe Arts Festival. Estimates of revenue growth of 14 per cent in 2011/12 and 9.3 per cent in 2013/14 reflect the anticipated attraction of more people to this event in future years, thereby improving on the collection of entrance fees.

#### 4.5. Donor funding

Details of foreign donations to the Limpopo Provincial Government are presented in Table 1.9.1 below.

Table 1 .9.1. Donors over the MTEF

DONOR	RECEIVING DEPT.	PROJECT NAME	TYPE OF SUPPORT	PURPOSE	TIME FRAME	AMOUNT COMMITTED	AMOUNT RECEIVED	AMOUNT SPENT
1. Flanders International Cooperation Agency(FICA)	Health and Social Development.	Voluntary Counselling and Testing (VCT)	Grant and Technical Assistance	To strengthen the existing Lay Counsellors Programme.	2007-October 2009, Programme continues in 2010	R84,744,469.00	R3,647,381.31	
	Agriculture	Agribusiness Development Academy	Grant and Technical Assistance	To provide leverage to small scale of commercial farmers and Agribusiness entrepreneurs in the Province.	2006-2011	R60,000,000.00	R7,608,150.00	
2. European Union(EU)	Health and Social Development.	Partnership for the delivery of Primary Health Care including HIV/AIDS services	Grant	To provide more accessible, affordable quality Primary Health Care for the poorest communities	2002-2008 Extended to 2011.	R53,000,000.00		
	Local Government and Housing	Local Economic Development programme	Grant and Technical Assistance	To reduce poverty through pro poor economic growth	2002-2008 extended to 2010	Audit being conducted	R85,249,680.20	R74,323,902.00
3. Development cooperation of Ireland (DCI)	Health and Social Development.	Gender Based Violence	Grant	To intensify efforts to mainstream gender in the department and to eliminate gender based violence in the Mopani and Vhembe districts.	2008-2010	R13,000,000.00		
	Education	Education Support Programme	Grant	Support for the strengthening of the the organization at Provincial level	2008-2012	R131,000,000.00		

DONOR	RECEIVING DEPT.	PROJECT NAME	TYPE OF SUPPORT	PURPOSE	TIME FRAME	AMOUNT COMMITTED	AMOUNT RECEIVED	AMOUNT SPENT
	Office of the Premier	The Public Service Reform Programme	Technical Assistance	Strengthening the centre of Government, human resources development and management, anti-corruption and improving service delivery	2009-2011	R0		
	Water Affairs and Forestry	Masibambane Water and Sanitation Programme	Grant	To support School sanitation programme and sanitation job creation	2008-2012		R7,000,000.00	
	Health and Social Development.	Preventing and responding to Gender-based violence	Grant		2008-2012	R5,000,000.00		
	Health and Social Development.	HIV/AIDS programme	Grant	Contributing towards the reduction of the incidence of poverty and HIV/AIDS		R1,400,000.00		
<i>Sub-total</i>								
<b>4. Finland</b>	Office of the Premier	Inspire programme		To enhance the delivery and implementation of the Provincial Growth and Development Plan for poverty alleviation in the Province.		R7,531,951.00	R7,759,930.00	
<b>5. United Nations(UN)</b>	Health and Social Development.	Victim Empowerment	Grant and technical assistance	Capacity development of Victim Empowerment, implementing of VEP policy guidelines for VEP organisations and to provide funding.	2008-2010	R14,000,000.00		
<b>Total</b>						<b>R552,376,420.00</b>		

## 5. Provincial Payments

### 5.1. Overall position

Total provincial payments are expected to grow by 4.3 per cent in 2011/12, following on from 2010/11's robust 18.6 per cent growth. This is budgeted to expand moderately to 5 per cent in 2012/13 and 5.1 per cent in 2013/14.

*Total payments to expand by 4.3 per cent to 43.9 billion in 2011/12*

### 5.2. Payments by vote

Allocations to all of the Province's departments have been reduced over the MTEF. These reductions should be effected on administrative and overhead costs such that spending on frontline services is unaffected and essentially protected. Against this back-drop, all new money allocated over the 2011 MTEF must be directed toward the funding of frontline activities.

Table 1.10. Summary of provincial payments and estimates by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
Vote 01: Office of the Premier	217,912	291,269	296,729	299,509	314,451	333,051	324,641	338,998	351,376
Vote 15: Provincial Legislature	113,381	144,947	157,018	182,824	202,199	202,199	221,090	223,395	234,284
Vote 03: Education	11,814,587	14,696,556	17,864,636	18,814,610	19,440,679	20,546,973	20,859,319	21,810,256	22,829,284
Vote 04: Agriculture	1,003,822	1,099,274	1,190,535	1,375,925	1,394,552	1,394,552	1,494,504	1,585,314	1,667,150
Vote 05: Provincial Treasury	265,801	371,453	356,408	396,609	388,609	382,819	308,884	329,258	343,891
Vote 06: Economic Development, Environmental Affairs and Tourism	615,548	698,157	680,251	897,643	871,535	872,593	957,943	909,624	947,296
Vote 07: Health	6,131,640	7,960,489	9,020,020	10,534,963	10,704,084	10,584,084	11,587,901	12,184,286	12,932,303
Vote 08: Transport	2,263,171	2,396,334	2,638,386	3,237,350	3,440,314	3,440,314	3,630,334	3,963,595	4,180,437
Vote 09: Public Works	557,184	634,464	699,566	750,701	780,783	806,916	837,064	907,813	950,771
Vote 10: Safety, Security and Liaison	35,041	43,878	51,642	53,172	55,712	56,226	62,474	65,649	70,940
Vote 11: Local government & housing	1,111,266	1,327,568	1,557,018	2,058,008	2,089,508	2,070,908	2,209,093	2,304,282	2,421,652
Vote 12: Social Development	416,492	701,789	773,272	805,705	1,105,216	1,172,742	1,159,184	1,201,195	1,242,280
Vote 13: Sport, Arts & Culture	141,323	194,955	238,354	245,672	272,537	272,537	279,767	293,298	308,830
<b>Total provincial payments by vote</b>	<b>24,687,168</b>	<b>30,561,133</b>	<b>35,523,835</b>	<b>39,652,691</b>	<b>41,060,179</b>	<b>42,135,914</b>	<b>43,932,198</b>	<b>46,116,963</b>	<b>48,480,494</b>
Less: Unauthorised expenditure	-	-	-	3,075	230,840	231,404	54,755	165,323	1,256
<b>Baseline Available for Spending</b>	<b>24,687,168</b>	<b>30,561,133</b>	<b>35,523,835</b>	<b>39,649,616</b>	<b>40,829,339</b>	<b>41,904,510</b>	<b>43,877,443</b>	<b>45,951,640</b>	<b>48,479,238</b>

It has been decided that, as of 1 April 2011, Audit and SITA fees will be decentralised from Provincial Treasury and will become the responsibility of the individual Provincial Departments. Traditional leaders' fees will be removed from the Office of the Premier and included in the Department of Local Government and Housing's budget, and internal audit costs will become the Provincial Treasury's responsibility. Projects and programmes (PGITO) will no longer be effected by the Office of the Premier, but will be included in the Department of Economic Development, Environmental Affairs and Tourism's budget. Furthermore, each department has been requested to reduce spending on non-core items by 0.75 per cent of the total departmental budget. The effects of these adjustments, along with other payment details for each department are detailed below.

*Each provincial department is to reduce spending on non-core items by 0.75 per cent of the total departmental budget*

#### 5.2.1. Office of the Premier

The Office of the Premier's is expected to grow by 3.2 per cent and 3.8 per cent over the MTEF. In monetary terms the budget increased from R314 million in 2010/11 to R325 million in 2011/12.

The 2011/12 budget for the Department is lower than the previous year's budget due to once-off payments related to the 2010 FIFA Soccer World Cup, especially the building of a Cultural village and several function shifts. Internal Audit has been shifted to Provincial Treasury, Strategic Programme and Projects (ICT) shifted to Economic Development, Environment and Tourism, and Traditional Affairs to Local Government and Housing.

Included in the appropriated amount are: funds to finance policy priorities such as coordinated and integrated planning, monitoring and evaluation; improved quality service delivery; HR administration and accountability management; implementation of government strategy; and building a developmental state, including improving public services and strengthening democratic institutions.

Add Audit and SITA fees, and remove traditional leaders' fees, internal audit fees and projects and programmes (PGITO) costs with net *decreases* in the departmental budget to the value of (R379.5 million) in 2011/12, (R399.3 million) in 2012/13 and (R423.1 million) in 2013/14. Reduce spending on non-core items to the value of R2.4 million.

### **5.2.2. Provincial Legislature**

The Legislature's budget has grown by 8.1 per cent as a result of additional funds totalling R20 million for constituency allowances and support for political parties. Until the present, the Institution has utilised donations from Palama for capacity building, which will be discontinued in 2011/12. R860 000 has been provided for training in HR, IT, labour-related matters, political support staff and capacity building for members.

The Legislature has included provision for the following priorities: strengthening capacity in law-making and oversight; deepening and entrenching a people-centred democracy; building an efficient and effective Legislature, and political support.

The Institution will replace its old vehicle fleet to the value of R6 million, comprising vehicles for the Honourable Speaker, Honourable Deputy Speaker, double-cabs for oversight visits in mountainous areas.

Add Audit and SITA fees of R2.9 million in 2011/12, R3 million in 2012/13 and R3.2 million in 2013/14. Reduce spending on non-core items to the value of R1.7 million.

### **5.2.3. Department of Education**

Educational infrastructure is vital for the improvement of the learning environment. Therefore 18 schools have been earmarked for revitalisation, and the project is 70 per cent complete.

Education receives the largest share of the total provincial budget – R20.9 billion in 2011/12. Based on revised estimates, the overall departmental budget will grow marginally by 1.5 per cent and 3.6 per cent over the MTEF. Education's allocation has grown from R20.5 billion in 2010/11 to R20.9 billion in 2011/12, of which the majority (R18.1 billion, representing growth of 4.2 per cent) is allocated to Programme 2: Public Ordinary School Education.

The Department manages seven conditional grants, to the value of R2.3 billion. The largest shares of this are for infrastructure development and the School Nutrition Programme, valued at R875 million and R830 million respectively. Other conditional grants catered for in the budget allocation are FET colleges, HIV/AIDS, technical secondary school recapitalisation, Dinaledi School grant and EPWP.

The Department has planned to deliver on 16 policy priorities of which 12 are national and 4 are provincial. The national policy priorities include: public ordinary school funding (no-fee schools); LTSM; NCS Grade 8 to 12 (learner attainment strategy); Quality Development and Upliftment Programme; Expansion of EMIS; HRD systems and capacity development; teacher development; and systemic evaluation. Included in provincial policy priorities are: school furniture; scholar transport; expansion of Grade R; and school safety.

Add Audit and SITA fees to Education's budget of R12.6million in 2011/12, R13million in 2012/13 and R13.5 million in 2013/14. Reduce spending on non-core items to the value of R154.6 million.

#### **5.2.4. Department of Agriculture**

The overall departmental budget grew by 7 per cent and 6 per cent over the MTEF, largely attributable to additional funding being allocated to conditions grants from National Government including: Comprehensive Agricultural Support Programme with an amount of R154 million in 2011/12, R172 million in 2012/13 and R197 million in 2013/14 is provided over the medium term to build capacity so that newly settled and emerging farmers can receive quality extension services; Land Care Programme Grant with an amount of R8.7 million in 2011/12, R20 million in 2012/13 and R19.6 million in 2013/14 is provided to cater for fencing projects.

After an increase of 17 per cent over 2009/10, the Department of Agriculture will receive 3.4 per cent of the 2011/12 budget.

Key projects include: the provision of subsidies to farmers for the purpose of purchasing tractors and agricultural implements – during 2010/11 53 farmers were assisted in this manner; a contribution to food security can also be made by supporting the farming community with subsidies on production subsidies – 671 such projects were supported in 2010/11; land rehabilitation and prevention measures ensure that land is available for farming, and 48565 ha of the targeted 50 000 ha were improved with land conservation measures in 2010/11; post settlement support; public infrastructure programme; enterprise development; and the Green economy.

Add Audit and SITA fees to Agriculture's budget of R9.3 million in 2011, R9.6 million in 2012 and R10mn in 2013. Reduce spending on non-core items to the value of R11.2 million.

### **5.2.5. Provincial Treasury**

The budget shows *negative* growth of 19.3 per cent and 3.5 per cent over the MTEF period, due to the transfer of functions (Audit fees and SITA costs) to other provincial Departments. Treasury has however inherited the Internal Audit Unit from the Office of the Premier.

Some of the Provincial priorities catered for in the budget allocations are provincial budget reforms, Municipal Financial Management and Financial Governance.

Remove Audit and SITA fees and add internal audit fees resulting in net *decreases* in the budget of R(65.9million) in 2011/12, R(67.9million) in 2012/13 and R(69.5 million) in 2013/14. Reduce spending on non-core items to the value of R2.3 million.

### **5.2.6. Department of Economic Development, Environmental Affairs and Tourism**

The Department's budget will grow by 9.8 per cent in 2011/12 and 2.8 per cent over the MTEF due to an R88 million once-off allocation for the Provincial Growth Fund to cater for catalytic economic development projects in the LEGDP.

Included in the Department's 2011/12 budget is funding for the following priorities: Fresh Produce Market as part of a Polokwane Logistics Hub; Mining Input Supply Park; Industrial Development Zone in Lephalale; roll-out of broadband; Limpopo Business Regulation Act (LIBRA); liquor regulation; Integrated Cooperative Strategy and review of the SMME strategy; development of properties and funding of economic projects; funding of houses in rural areas (LimDev.); mining development; BRICS and SADC targeted investment strategy; development of a Vhembe and Sekhukhune Environmental Management Framework; Makhado waste-facilities project; optimisation of the commercial tourism opportunities on three Nature Reserves; as well as a revised provincial marketing plan developed and implemented to enhance Limpopo's position within the targeted tourism market place.

The promotion of SMMEs and cooperatives will contribute towards increases in employment and economic growth. Therefore 191 SMMEs and 69 cooperatives were supported financially in 2010/11, while 19 523 SMMEs and 159 cooperatives were supported non-financially. A third and final casino license for the Province was awarded during the 2010 financial year – this will boost tourism in the Sekhukhune District and will contribute towards employment in the Province, both during the construction phase and the operations phase. Limpopo is on track with the establishment of a growth fund for the purpose of delivering efficient, competitive and responsive economic infrastructure, and as the fund needs specialised skills due to its complex nature, transaction advisors will be appointed before the end of 2011.

Tourism is one of the key growth-enhancing sectors in the Province. During the 2010 financial year 14 tourism infrastructure products within Limpopo wildlife resorts were upgraded and maintained.



Add Audit, SITA and PGITO fees to the Department's budget of R32.7million in 2011/12, R34.4million in 2012/13 and R36.2million in 2013/14. Reduce spending on non-core items to the value of R 7.2 million.

### **5.2.7. Department of Health**

The Department's budget has grown by 9.5 per cent and 6.9 per cent over the MTEF period respectively. This growth includes the provision made for the OSD for health professionals amounting to R174 million. An amount of R1.7 billion has been allocated for conditional grants and a total of R9.7 billion allocated for national and provincial priorities.

Some of the national priorities to be addressed with the current MTEF budget are Emergency Medical Services, TB, comprehensive HIV/AIDS and hospital revitalization. With Emergency Medical Services, the construction of ambulance bases has been completed in various areas in order to improve the response time of ambulances in rural communities. The fight against TB remains crucial to the department and an amount of R153 million has been allocated for 2011/12.

Health infrastructure is most important for the improvement of the health status of Limpopo's citizens. To this end, clinics and hospitals in Groblersdal, Tswaing, Eensaam, Dilokong and Goedgedaght have been constructed, while a clinic at Thohoyandou is 50 per cent complete and Nkhensani Hospital is 97 per cent complete. In order for hospitals to conduct their work effectively and efficiently, they require forensic pathology services. A forensic pathology facility at Groblersdal clinic has been completed; while another facility is due to begin construction in Mankweng.

Malaria is a serious challenge that the Province's Department of Health faces. Hence, a malaria facility at Hlakeni is 95 per cent complete and one at Thomo is 65 per cent complete. Another challenge faced is insufficient access to pollution-free water at clinics. In combatting this problem, ten clinics in the Province developed their own water sources in 2010/11 and 15 have pollution-free sanitation facilities.

Add Audit and SITA fees to Health's budget of R28.8million in 2011/12, R29.5million in 2012/13 and R30.3million in 2013/14. Reduce spending on non-core items to the value of R88.6 million.

### **5.2.8. Department of Roads and Transport**

An efficient, competitive and responsive economic infrastructure network is vital for economic development and for the unlocking of economic potential in Limpopo, and is targeted through the development of international gateways. An aviation strategy for the Province has been developed, focusing on existing routes and potential new routes. In addition to this, a rural transport strategy is in the process of being developed, which will create vital access for rural areas, and which involves the upgrading of roads and public transport services. The strategy will be piloted in the Sekhukhune and Capricorn Districts.

The overall departmental budget shows a positive growth rate of 5.5 per cent year-on-year and 6.7 per cent over the MTEF based on revised estimates. The major contributing Programme to this increase is Transport Infrastructure for the funding of priority projects such as traffic stations, intermodal facilities, weighbridges, bridges, roads and roads maintenance through EPWP.

In terms of road infrastructure, the upgrading of the R33, R37 and N11 is progressing according to plan. P84/1 (R33) is a very important link between Lephalale and the N11 (Marble Hall). There are major developments in Lephalale, e.g. Medupi Power Station (ESKOM) and Project Mafutha (SASOL) which will be relying on this road. The R37 from Polokwane to Burgersfort serves the area of Burgersfort where there are also significant developments in terms of mining. These roads need major rehabilitation as well as widening to cope with increased traffic volumes that are currently on this road. The Province has resealed 29km of an earmarked 34km stretch of road at Driekop, and is in the process of rehabilitating another 29 km of the section of road between the Olifants River and Driekop (5km more than was targeted). Seven new bridges have been identified for construction, of which the Thapane and Lutanandwana bridges are complete, while the Marken, Maredi and Khalavha bridges will be complete before the end of 2011/12.

The department has two public entities, viz. Polokwane International Airport and Road Agency Limpopo (RAL) with a total budget of R823.9 million for 2011/12 financial year.

Add Audit and SITA fees to the Department's budget of R8.4 million in 2011/12, R8.6 million in 2012/13 and R8.9 million in 2013/14. Reduce spending on non-core items to the value of R27.3 million.

#### **5.2.9. Department of Public Works**

The EPWP is a vehicle introduced by national government to speed up service delivery and increase job creation. This programme created 34 280 work opportunities in the Province by the end of the third quarter of the 2010/11 financial year.

The overall budget shows growth of 3.7 per cent and 5.6 per cent over the MTEF based on revised estimates. EPWP recorded the highest positive growth of 9.7 per cent and 50.9 per cent over the MTEF to cater for job creation.

Payments for capital assets reflected significant growth of 24.3 per cent and 19.5 per cent over the MTEF respectively, with the main contributor being buildings and other fixed structures. The Department is the custodian of all government immovable assets (government land and buildings). The core function of the Department is construction, maintenance and refurbishment of government buildings, including leases and rentals.

Another key responsibility of the Department is to consolidate and upscale the implementation of EPWP. Although some client departments budget for their properties, e.g. Departments of Education and Health; implementation thereof is the sole responsibility of the Department of Public Works.

Some funds are earmarked to finance key priorities such as devolved rates and taxes, compliance with the Government Immovable Asset Management Act, and the relocation of the Provincial Legislature and Greening Limpopo.

Add Audit and SITA fees to the Department's budget of R7.4 million in 2011/12, R7.6 million in 2012/13 and R7.9 million in 2013/14. Reduce spending on non-core items to the value of R154.6 million.

#### **5.2.10 Department of Safety, Security and Liaison**

The budget for the Department amounted to R53.1 million during the 2010/11 financial year and was adjusted to R55.7 million during the adjustment budget. The budget will grow by 11.1 per cent and 8.1 per cent over the MTEF respectively. An increase in budget allocation of 11 per cent in 2011/12 is provided to cater for an anticipated shortfall in personnel costs, the filling of four level-2 posts and the provision of unauthorised expenditure.

The provision of 8.1 per cent over the 2011 MTEF is for provincial priorities such as the implementation of a crime prevention strategy and oversight on South African Police Services (SAPS).

Add Audit and SITA fees of R2.7 million in 2011/12, R2.8 million in 2012/13 and R3 million in 2013/14. Reduce spending on non-core items to the value of R0.5 million.

#### **5.2.11. Department of Local Government and Housing:**

The Department's budget is expected to grow by 16.3 per cent and 8.4 per cent over the MTEF period. These increases are as a result of additional funding of R318 million to Lephalale Municipality for water and sanitation, and the function shift of Traditional Affairs from the Office of the Premier. In 2010/11, the Department was allocated R90 million for water and sanitation to Mopani Municipality.

The major priority of the Department is the Integrated Housing and Human Settlement Development Grant, which grew by 13.3 per cent and 7.6 per cent respectively over the MTEF. This grant aims at accelerating the delivery of houses to needy and deserving communities i.e. build 41 439 houses in the province and upgrade informal settlements by providing access to basic services and secure tenure.

Some of the provincial priorities catered for in the budget allocation are the demarcation of sites, development of the Land Use Management Scheme, Operation Clean Audit and Municipal Financial Systems.

In 2009/10 a total of 19 978 housing units were built, with a view to build an additional 15 489 housing units in 2010/11, of which 9 588 were completed by the end of the third quarter.

Add Audit, SITA and traditional leaders' fees to the Department's budget of R212 million in 2011/12, R217.7 million in 2012/13 and R228.4 million in 2013/14. Reduce spending on non-core items to the value of R15 million.

### 5.2.12. Department of Social Development

Presently, Social Development shares an MEC, Head of Department, Chief Financial Officer, buildings, facilities and some personnel with the Department of Health. However, in the coming financial year the Department will become separate only sharing the same MEC with the Department of Health.

The overall budget shows negative growth of 1.2 per cent and minimal positive growth of 1.9 per cent over the MTEF, due to once-off payments of R248.5 million comprising R140 million for unauthorized expenditure, R100 million to finance 2010/11 budget pressures on NGOs and R8.5 million for capital projects roll-overs.

The majority of the budget is allocated to NGOs, of which 2 306 are currently funded and 2 883 are planned to be funded by the end of the 2013/14 financial year.

Some of the key priorities catered for in the Department's budget are: support to Early Childhood Development centres; prevention programmes on non-institutional HIV/AIDS; home community-based care; support to drop-in centres; support to older persons and persons with disabilities; community-based services; victim empowerment; sustainable livelihoods; and substance abuse programmes.

Add Audit and SITA fees of R4.8million in 2011/12, R5million in 2012/13 and R5.2million in 2013/14.

### 5.2.13. Department of Sport, Arts and Culture

This Department's Budget amounts to R245.5 million for the 2010/11 financial year, adjusted to R272.5 million. Allocations to this Vote are expected to increase by 2.7 per cent in 2011/12 and by 4.3 per cent over the MTEF, due to once-off payments of R9 million and R6 million respectively for the Mapungubwe Arts Festival, and due to personnel pressures.

Sport, Arts and Culture also receives conditional grants equivalent to 43 per cent of the Department's total budget. Positive growth over the MTEF is so as to finance the following provincial and national priorities: investment in cultural programmes; provision of library infrastructure; social cohesion; mass sport participation; provincial archives building; athletics tartan tracks; and significant days' celebrations.

### 5.3. Payments by economic classification

Table 9 below provides information on Provincial payments by economic classification. The highest proportion (81.3 per cent in 2011/12) of Limpopo's budget is spent on current expenses, largely due to compensation of employees (65 per cent of the budget). Transfers and subsidies account for 11.3 per cent of the budget, and payments for capital assets 7.5 per cent.

After significant growth in 2010/11 of 18 per cent, current expenses are budgeted to grow by 4.7 per cent, 5.7 per cent and 5.1 per cent over the MTEF period respectively. Similarly, compensation of employees grew by 16

*Highest proportion of the budget in current expenditure (81.3 per cent), largely due to compensation of employees (65 per cent of the budget)*

per cent in 2010/11, and is expected to temper to 6.6 per cent, 5.2 per cent and 5.6 per cent respectively over the MTEF. Payments on goods and services grew significantly by 27 per cent in 2010/11, however will fall by 2 per cent in 2011/12, before picking up by 7.9 per cent and 3.2 per cent in 2012/13 and 2013/14 respectively.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Current payments</b>	<b>19,843,392</b>	<b>24,367,048</b>	<b>28,877,524</b>	<b>31,984,957</b>	<b>32,991,192</b>	<b>34,094,958</b>	<b>35,692,481</b>	<b>37,727,970</b>	<b>39,643,142</b>
Compensation of employees	16,123,164	19,420,310	23,123,606	24,963,219	25,797,368	26,784,420	28,512,410	29,982,946	31,652,866
Goods and services	3,720,215	4,946,725	5,753,898	7,021,722	7,193,808	7,310,522	7,180,071	7,745,024	7,990,276
Interest and rent on land	13	13	20	16	16	16	-	-	-
<b>Transfers and subsidies to:</b>	<b>3,445,549</b>	<b>4,091,283</b>	<b>4,401,797</b>	<b>4,965,781</b>	<b>5,234,246</b>	<b>5,314,821</b>	<b>4,947,712</b>	<b>5,140,784</b>	<b>5,384,553</b>
Provinces and municipalities	80,089	99,894	55,066	165,151	164,078	184,732	108,399	108,501	114,109
Departmental agencies and accounts	1,410,322	1,291,937	1,226,388	1,159,088	1,209,150	1,209,150	1,198,060	1,212,806	1,346,136
Universities and technikons	-	-	202	100	-	-	-	-	-
Public corporations and private enterprises	221,216	261,043	509,086	485,272	485,272	485,272	512,897	551,393	594,738
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	976,098	1,321,989	1,332,834	1,496,669	1,717,687	1,767,563	1,288,871	1,331,144	1,289,397
Households	757,824	1,116,420	1,278,221	1,659,501	1,658,059	1,668,104	1,839,485	1,936,940	2,040,173
<b>Payments for capital assets</b>	<b>1,396,667</b>	<b>2,090,819</b>	<b>2,240,012</b>	<b>2,701,953</b>	<b>2,834,741</b>	<b>2,725,946</b>	<b>3,292,005</b>	<b>3,248,209</b>	<b>3,452,799</b>
Buildings and other fixed structures	1,042,774	1,526,977	1,805,328	2,263,571	2,344,225	2,238,822	2,767,527	2,653,951	2,828,687
Machinery and equipment	313,486	540,334	427,156	430,032	481,960	478,568	512,026	583,179	612,366
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	33,383	158	-	-	-	-	-	-	-
Software and other intangible assets	6,823	23,350	4,435	8,350	8,556	8,556	12,452	11,079	11,726
Land and subsoil assets	201	-	3,093	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>1,560</b>	<b>11,983</b>	<b>4,502</b>	<b>-</b>	<b>-</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>24,687,168</b>	<b>30,561,133</b>	<b>35,323,835</b>	<b>39,652,691</b>	<b>41,060,179</b>	<b>42,135,914</b>	<b>43,932,198</b>	<b>46,116,963</b>	<b>48,480,494</b>
<b>Less: Unauthorised expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,075</b>	<b>230,840</b>	<b>231,404</b>	<b>54,755</b>	<b>165,323</b>	<b>1,256</b>
<b>Baseline Available for Spending</b>	<b>24,687,168</b>	<b>30,561,133</b>	<b>35,323,835</b>	<b>39,649,616</b>	<b>40,829,339</b>	<b>41,904,510</b>	<b>43,877,443</b>	<b>45,951,640</b>	<b>48,479,238</b>

Transfers and subsidies followed robust growth in 2010/11 of 20.6 per cent with a fall in 2011/12 of 6.7 per cent. Transfers to provinces and municipalities will fall significantly by 43 per cent in 2011/12, stabilising to growth of 0.9 per cent and 5.3 per cent in 2012/13 and 2013/14 respectively.

Universities and technikons will receive no transfers or subsidies from 2011/12 onwards, as they will receive all further transfers from the National Department of Higher Education and Training. Transfers to non-profit institutions will fall by 27 per cent in 2011/12, then will grow by 3.3 per cent in 2012/13, before dropping again in 2013/14 by 3.1 per cent.

Payments for capital assets will follow robust growth in 2010/11 (21.7 per cent) and 2011/12 (20.7 per cent) with a fall of 1.3 per cent in 2012/13, only to recover again to growth of 6.2 per cent in 2013/14. This erratic growth path is largely due to similar trends in payments for buildings and other fixed structures, which follows growth of 24 per cent and 23.6 per cent in 2010/11 and 2011/12 respectively with a fall of 4 per cent in 2012/13, before recovering to 6.6 per cent in 2013/14 .

#### 5.4. Payments by policy area

Payments by the Province can be classified into nine policy areas, namely general public services, public order and safety, economic affairs, environmental protection, housing and community services, health, recreation, culture and religion, education and social protection.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation 2010/11	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2011/12	2012/13	2013/14
General public services	1,576,577	1,884,009	2,006,896	2,380,624	2,450,105	2,470,448	2,416,938	2,550,902	2,665,602
Public order and safety	35,041	43,878	51,642	53,172	55,712	56,226	62,474	65,649	70,940
Economic affairs	3,837,093	4,111,856	4,420,915	5,417,205	5,611,000	5,611,369	5,974,451	6,356,320	6,687,049
Environmental protection	45,448	81,909	88,257	93,713	95,401	96,090	108,330	102,213	107,834
Housing and community amenities	688,967	885,692	1,059,843	1,307,027	1,325,445	1,325,445	1,483,834	1,552,844	1,636,372
Health	6,131,640	7,960,489	9,020,020	10,534,963	10,704,084	10,584,084	11,587,901	12,184,286	12,932,303
Recreation, culture and religion	141,323	194,955	238,354	245,672	272,537	272,537	279,767	293,298	308,830
Education	11,814,587	14,696,556	17,864,636	18,814,610	19,440,679	20,546,973	20,859,319	21,810,256	22,829,284
Social protection	416,492	701,789	773,272	805,705	1,105,216	1,172,742	1,159,184	1,201,195	1,242,280
<b>Total provincial payments and estimates by policy area</b>	<b>24,687,168</b>	<b>30,561,133</b>	<b>35,523,835</b>	<b>39,652,691</b>	<b>41,060,179</b>	<b>42,135,914</b>	<b>43,932,198</b>	<b>46,116,963</b>	<b>48,480,494</b>

The largest policy area of payment (47.5 per cent of total payments in 2011/12) is education. After growth of 15 per cent in this area in 2010/11, growth over the MTEF slows considerably to 1.5 per cent, 4.6 per cent and 4.7 per cent respectively.

26.4 per cent of total payments in 2011/12 are allocated to health. After robust growth of 17.3 per cent in 2010/11, this growth is expected to temper over the MTEF to 9.5 per cent, 5.1 per cent and 6.1 per cent respectively.

General public services account for 5.5 per cent of the Province's payments, and growth in this policy area equalled a strong 22.2 per cent in 2010/11. However, this will be followed by a drop in payments of 1.4 per cent in 2011/12 due to a reduction in personnel and administrative costs, recovering to 5.5 per cent and 4.3 per cent in 2012/13 and 2013/14 respectively. This is largely due to a drop in the provincial Treasury's budget because of the decentralisation of Audit and SITA fees, and due to the shifting of Traditional

*Largest policy area of payment is education (47.5 per cent), followed by health (26.4 per cent). Smallest area is public order and safety (0.1 per cent)*

Affairs and PGITO from the Office of the Premier to the Departments of Local Government and Housing and Economic Development respectively.

The smallest proportion (0.1 per cent in 2011/12) of Limpopo's payments accrues to public order and safety, and this is expected to increase over the MTEF by 11.1 per cent, 5.1 per cent and 8.1 per cent respectively.

Payments for economic affairs constitute 13.6 per cent of the Province's budget, after healthy growth of 27 per cent in 2010/11. This is budgeted to temper to 6.6 per cent, 6.2 per cent and 5.2 per cent over the MTEF respectively.

A minor share (0.2 per cent) of total payments is allocated for environmental protection in 2011/12, expected to grow by 2.3 per cent, 3.9 per cent and 5.5 per cent over the MTEF respectively.

Housing and community services account for 3.4 per cent of provincial payments in 2011/12 after strong growth of 25 per cent. This growth will stabilise to 5.4 per cent by the end of the MTEF.

Recreation, culture and religion receive a small share of provincial payments (0.6 per cent in 2011/12), with average growth of 2.7 per cent, 4.8 per cent and 5.3 per cent over the MTEF respectively.

2.6 per cent of the Province's 2011/12 budget is allocated to social protection, following a fall of 1.2 per cent due to a reduction in personnel and administrative costs, compared with 2010/11's robust growth of 51.7 per cent. Growth is expected to recover to 3.6 per cent and 3.4 per cent in 2012/13 and 2013/14 respectively.

## **5.5. Infrastructure payments**

### **5.5.1. Provincial infrastructure payments**

Limpopo acknowledges that infrastructure supports the regeneration and development process of local economies, and hence investment in infrastructure will provide a better life for all people, reducing poverty by enabling faster economic growth and the creation of job opportunities.

The PSDF has as its main objective development co-ordination in the Province, and thus guides all forms of decision-making with respect to: bulk infrastructure; land-use planning; housing provision programmes; community-based public works programmes; and school and health facility building programmes. Municipalities' IDPs and Spatial Development Frameworks are the instruments used to prioritise project identification and implementation on a local level.

The LEGDP identifies public infrastructure investment as one of government's key actions for accelerating growth and development. The acceleration of sustainable socio-economic development will be achieved through, *inter alia*, the roll-out of mass scale physical, social and economic infrastructure, the core aspects of which include:

- Bulk infrastructure (sewerage, water and sanitation, electricity and communication);
- Social infrastructure (housing, schools and hospitals); and
- Economic infrastructure (freight and logistics).

Prediction of demand patterns and investment allocation, which are the key factors determining infrastructure development planning, must be based on long-term economic trends, population migration trends and land-use planning, which foresee the Province's temporal and spatial demographics and economic structure.

Firstly, the demand for infrastructure in South Africa and Limpopo in particular is high. This emanates from the poor and racially biased development planning of the past. These backlogs occur in most sectors including roads, energy, water, transport systems and in social infrastructure such as schools, clinics and libraries. These structural deficiencies in infrastructure constitute a very serious handicap to economic growth and poverty reduction.

A second dimension of the challenge concerns the tremendous levels of funding needed for infrastructure investments in the Province in future decades. Amounts of R6.2 billion, R6.5 billion and R6.9 billion in the 2011/12, 2012/13 and 2013/14 financial years respectively have been allocated for infrastructure development.

Table 1.13(a) provides a summary of infrastructure payments and estimates of each department for the period 2007/08 to 2013/14 and Table 1.13(b) presents a summary of infrastructure by categories.

Table 1.13(a) Summary - Payments and estimates of provincial infrastructure by vote

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
R thousand									
<b>Vote 3: Education</b>	397,881	675,506	916,420	1,022,718	1,030,597	1,030,597	1,229,023	1,211,349	1,372,343
<b>Vote 4: Agriculture</b>	174,401	254,183	108,774	256,636	202,432	202,434	235,046	240,298	253,514
<b>Vote 6: Economic Development</b>	24,689	26,021	279	3,403	3,403	-	-	-	-
<b>Vote 7: Health</b>	429,463	683,671	651,230	894,799	931,961	811,961	1,014,023	959,988	1,005,401
<b>Vote 8: Roads &amp; Transport</b>	1,430,585	1,821,598	1,411,869	1,998,663	2,045,773	2,045,773	2,146,742	2,423,154	2,554,803
<b>Vote 9: Public Works</b>	52,304	61,547	68,860	57,500	39,000	39,000	51,047	66,317	72,415
<b>Vote 11: Local Government</b>	633,167	824,806	996,667	1,234,750	1,246,150	1,246,150	1,398,914	1,459,839	1,539,788
<b>Vote 12: Social Development</b>	41,353	75,394	68,132	75,224	119,746	96,945	80,423	81,207	95,673
<b>Vote 13: Sport, Arts &amp; Culture</b>	14,987	17,516	32,545	34,600	52,384	52,384	42,000	39,000	40,000
<b>Total provincial infrastructure payments and estimates</b>	<b>3,198,830</b>	<b>4,440,242</b>	<b>4,254,776</b>	<b>5,578,293</b>	<b>5,671,446</b>	<b>5,525,244</b>	<b>6,197,218</b>	<b>6,481,152</b>	<b>6,933,937</b>



**Table 1.13(b) Summary - Payments and estimates of provincial infrastructure by category**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
<b>New and replacement assets</b>	1,003,932	1,219,198	309,194	713,761	683,710	694,559	937,308	886,822	877,942
<b>Existing infrastructure assets</b>	1,480,143	2,360,712	2,890,461	3,438,378	3,558,270	3,401,219	3,680,023	3,938,872	4,309,828
Upgrades and additions	874,499	1,481,646	2,251,113	1,969,700	2,354,192	2,197,140	1,983,546	1,996,851	2,214,963
Rehabilitation, renovations and refurbishments	195,211	303,790	135,314	515,011	318,608	318,608	699,903	688,451	775,955
Maintenance and repairs	410,433	575,276	504,034	953,667	885,470	885,471	996,574	1,253,570	1,318,910
<b>Infrastructure transfers</b>	714,755	860,332	1,055,121	1,426,154	1,429,466	1,429,466	1,579,887	1,655,458	1,746,167
Current	19,588	23,526	6,500	4,200	4,200	4,200	3,500	7,500	7,913
Capital	695,167	836,806	1,048,621	1,421,954	1,425,266	1,425,266	1,576,387	1,647,958	1,738,254
<i>Current infrastructure</i>	430,021	598,802	510,534	957,867	889,670	889,671	1,000,074	1,261,070	1,326,823
<i>Capital infrastructure</i>	2,768,809	3,841,440	3,744,242	4,620,426	4,781,776	4,635,573	5,197,144	5,220,082	5,607,114
<b>Total provincial infrastructure payments and estimates</b>	3,198,830	4,440,242	4,254,776	5,578,293	5,671,446	5,525,244	6,197,218	6,481,152	6,933,937

Limpopo supports the IDIP, currently in phase III. Since its implementation, the Province has experienced the following:

- Improved planning,
- Improved expenditure patterns, and
- Alternative methods/ models for accelerated delivery.

Infrastructure development will aid communities in gaining access to facilities such as schools, hospitals, roads, water and housing. In this way it will help meet the challenge of basic needs. It will also create employment, develop skills and create SMME development opportunities, as the policy and practice of the EPWP is implemented.

To emphasise, infrastructure delivery underpins the strength of a country's competitive performance and contributes to welfare and the goal of continuous improvement in quality of life.

### 5.5.1.1 Maintenance of provincial infrastructure

Infrastructure maintenance is a strategic tool, as it offers outstanding opportunities for economic stimulation and job creation. Expansion of capital expenditure and sustainable delivery is achieved, while community aspirations can be met. Maintenance will be treated as a Provincial priority.

The stock of infrastructure that is owned by government and agencies is large and is increasing at a rapid rate. However the maintenance of this stock varies greatly from sector to sector and sometimes from institution to institution. Infrastructure assets should be planned over their useful lives. Unless maintenance is improved in certain sectors, funds to address the cost of repairs and unplanned replacements will have to be sourced from capital budgets. This will severely limit the programme of addressing backlogs and expanding service delivery.

Planning and budgeting for infrastructure assets throughout their life-cycles will ensure that assets operate efficiently and are effectively maintained. The existence of an asset management system, updated regularly, and

assessments on existing facilities will guide proper planning and budgeting for maintenance. (Refer to the Annexures per department for their maintenance projects).

### 5.5.1.2 Provincial infrastructure transfers

In Limpopo the Department of Roads and Transport transfers an allocation to Roads Agency Limpopo for the construction, upgrading, rehabilitation and refurbishment of provincial roads. Refer to the Annexures per department for their infrastructure transfers per department.

### 5.5.2. Provincial public-private partnership (PPP) projects

Table 1.14. below provides the departmental Public-Private Partnership projects.

Table 1.14: Summary of provincial Public-Private Partnership (PPP) projects: Education, Health and Social Development

Project description	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
<b>R thousand</b>									
<b>Project under implementation</b>	16,482	20,800	17,302	24,536	27,186	27,186	31,116	34,263	36,799
PPP unitary charge	16,482	20,800	16,880	24,092	26,742	26,742	30,650	33,769	36,276
Penalties (if applicable)	-	-	-	-	-	-	-	-	-
Advisory fees	-	-	338	355	355	355	373	395	419
Project monitoring cost	-	-	84	89	89	89	93	99	104
Revenue generated (if applicable)	-	-	-	-	-	-	-	-	-
Contingent liabilities (information)	-	-	-	-	-	-	-	-	-
<b>Proposed Projects</b>	9,182	15,591	15,702	14,230	14,230	14,230	14,441	15,359	15,359
Advisory fees/PPP unitary charge	-	1,780	2,100	-	-	-	-	-	-
Project team cost	-	-	-	-	-	-	-	-	-
Site acquisition cost	-	-	-	(900)	(900)	(900)	(900)	(900)	(900)
Other project cost	9,182	13,811	13,602	15,130	15,130	15,130	15,341	16,259	16,259
<b>Total</b>	<b>25,664</b>	<b>36,391</b>	<b>33,004</b>	<b>38,766</b>	<b>41,416</b>	<b>41,416</b>	<b>45,557</b>	<b>49,622</b>	<b>52,158</b>

### 5.5.2.1 RENAL DIALYSIS PPP- Department of Health and Social Development

The project was mainly procured as a PPP because of the need by the Department to provide a world-class dialysis unit commensurate with modern standards. The Department procured the service with a view to ensure risk transfer, value for money and affordability. Feasibility studies revealed that the most affordable way of procuring the services was through a PPP. During the inception of the project, a budget was set by the Department. The assumption was made that the budget will grow in line with 5 per cent inflation for the duration of the agreement period. The Department has budgeted R19.1 billion, R20.3 billion and R21.4 billion in the 2011/12, 2012/13 and 2013/14 financial years respectively.

### **5.5.2.2 PHALABORWA PPP PROJECT - Department of Health and Social Development**

The Phalaborwa PPP Project Hospital was downgraded to a health centre whilst primary healthcare is being provided at the existing Phalaborwa Health Centre. The Department decided to investigate the possibility of having the facility in Phalaborwa leased to a private party. The intention of the project is to keep infrastructure at hand in a good condition given the potential long-term need for beds, and to generate income for the Department because the facility is not in the Department's Hospital revitalization plan. The Department is projecting an amount of R45 000 in 2011/12, R45 000 in 2012/13 and R45 000 in 2013/14 for project monitoring costs.

### **5.5.2.3 Academic Hospital PPP project**

The proposed new Academic Hospital was identified as the highest development priority for the Province. The facility will address the needs of both consolidating tertiary level beds in the Province and providing the academic centre for health services training and research that is urgently required to address the skills shortage within Limpopo.

Currently, tertiary-level healthcare services are provided both at Pietersburg Hospital in the centre of Polokwane as well as from Mankweng Hospital some 30km east on the Turfloop Campus of the University of Limpopo. The proposed new facility on the outskirts of Polokwane will also serve as the central academic hospital for University of Limpopo Turfloop Campus as well as provide the site for the proposed consolidation of the Health Sciences School into a fully-fledged Medical School.

The Departments of Health and Social Development will be required to pay the service of the transaction advisor under the PPP division budget. The assumption was made that the budget will decrease during the duration of the agreement period. The Departments of Health and Social Development budgeted R10 million for 2010/11, R7 million for 2011/12 and R4 million for 2012/13.

### **5.5.2.4 Nursing colleges PPP project**

There is one college of nursing with three college campuses that are functional, namely Giyani, Sovenga and Thohoyandou. The Department is planning to establish two additional college campuses in the Sekhukhune and Waterberg districts.

After completion of the two additional campuses, each health district shall have a college campus and this will increase the envisaged human resources for the province. Each college campus will offer basic and post-basic programmes that are approved by the South African Nursing Council as well as college certificate programmes. There are 25 satellite campuses (nursing schools) that also offer basic and post basic programmes.

## 5.6. Transfers

### 5.6.1. Transfers to public entities

Transfers to public entities in the Province are budgeted to grow by 5.7 per cent, 0.3 per cent and 5.5 per cent over the MTEF respectively. The Departments responsible for conducting transfers in the Province are the Departments of Agriculture, Economic Development, Environmental Affairs and Tourism, and Transport. The Department of Agriculture's transfer allocation will increase by 6.3 per cent in 2011/12, whilst the Department of Transport's transfers will increase by 6.7 per cent, compared to the Department of Economic Development, Environmental Affairs and Tourism's transfer growth of 3 per cent.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
Vote 04: Agriculture	76,347	60,645	74,415	122,342	122,342	122,342	106,000	114,480	120,318
Vote 06: Economic Development, Environmental Affairs and	190,275	243,153	244,153	315,566	315,566	315,566	318,969	329,764	348,028
Vote 08: Transport	940,295	1,181,111	974,859	838,184	838,184	838,184	823,873	824,452	936,857
<b>Total</b>	<b>1,206,917</b>	<b>1,484,909</b>	<b>1,293,427</b>	<b>1,276,092</b>	<b>1,276,092</b>	<b>1,276,092</b>	<b>1,248,842</b>	<b>1,268,696</b>	<b>1,405,203</b>

All transfers made by the Department of Agriculture are allocated to the ARDC, with the aim of achieving a better life for all citizens through rural development.

The recipients of transfers from the Department of Economic Development, Environmental Affairs and Tourism include the Limpopo Development Corporation, Limpopo Business Support Agency, Trade Investment Limpopo, Limpopo Tourism and Parks Board and Limpopo Casino and Gambling Board. The aim of these transfers is to: develop a healthy and fair trade environment in which SMMEs can flourish; position Limpopo as a preferred eco-tourism destination within SADC; and to sustain development through sound environmental management.

The majority (95 per cent) of transfers from the Department of Transport are allocated to the Roads Agency Limpopo, and the remainder is allocated to Polokwane International Airport. The aim of the transfers is to improve provincial infrastructure.

### 5.6.2. Transfers to development corporations

Limpopo province allocates transfers to only one development corporation – the ARDC, which is responsible for pursuing economic and rural development in the province, whilst providing business development finance and implementing the provincial development strategy. For these causes, the Province transferred an amount of R81.7 million in 2010/11, which is expected to grow by 6 per cent to R86.9 million in 2011/12, and thereafter by 5.3 per cent to R91.5 million and by 4.3 per cent to R95.4 million in 2012/13 and 2013/14 respectively.

Table 1.16: Transfers to development corporations

Entity	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
ARDC	76,347	60,645	74,415	122,342	122,342	122,342	106,000	114,480	120,318
<b>Total provincial transfers to development corporations</b>	<b>76,347</b>	<b>60,645</b>	<b>74,415</b>	<b>122,342</b>	<b>122,342</b>	<b>122,342</b>	<b>106,000</b>	<b>114,480</b>	<b>120,318</b>

### 5.6.3. Transfers to local government

Provincial transfers to local government accrue to either Category A (metropolitan), Category B (district) or Category C (local) municipalities – however, there is no Category A municipality in Limpopo. The district municipalities of Vhembe, Capricorn, Waterberg, Mopani and Sekhukhune received 6 per cent of the total 2011/12 local government transfers budget (R2.8 million), whilst local municipalities received the remaining 94 per cent (R43.2 million).

The 2010/11 appropriation to municipalities incorporates a once-off payment by the Department of Local Government and Housing so as to fast-track municipal infrastructure development such as housing, water and sanitation.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
Category B	20,011	8,200	2,503	2,567	2,567	2,567	2,764	77	77
Category C	29,911	49,772	1,482	1,593	1,593	1,593	-	-	-
<b>Total provincial transfers to local government</b>	<b>49,922</b>	<b>57,972</b>	<b>3,985</b>	<b>4,160</b>	<b>4,160</b>	<b>4,160</b>	<b>2,764</b>	<b>77</b>	<b>77</b>

### 5.8. Personnel numbers and costs

Table 1.18 below provides a summary of the Province's personnel costs. Limpopo's total wage bill for 123 816 employees in 2010/11 is R25 billion, with a unit cost of R202 000 per employee. These figures are expected to expand to a total wage bill of R28.5 billion, workforce of 131 045 and a unit cost of R218 000 in 2011/12.

The Province's largest employer in 2011/12 will be the Department of Education with 69 613 employees, followed by the Department of Health with 39 379 employees. In comparison, the Department of Safety, Security and Liaison will have only 111 employees.

Table 1.18: Summary of personnel numbers and costs by vote

Personnel numbers	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014
Vote 01: Office of the Premier	412	412	412	554	678	672
Vote 02: Legislature	188	213	192	188	198	198
Vote 03: Education	66,341	68,865	64,487	61,842	61,842	61,842
Vote 04: Agriculture	5,561	5,481	4,549	4,608	4,683	4,682
Vote 05: Provincial Treasury	430	430	455	474	439	439
Vote 06: Economic Development, Environmental Affairs and Tourism	1,739	1,553	1,613	1,740	2,071	2,339
Vote 07: Health	26,553	26,929	28,404	35,331	39,379	44,082
Vote 08: Transport	4,688	4,739	4,695	4,566	3,974	3,582
Vote 09: Public Works	3,642	3,896	3,865	3,865	3,865	3,865
Vote 10: Safety, Security and Liaison	84	97	102	106	111	110
Vote 11: Local government & housing	1,561	1,527	2,133	2,198	2,511	2,521
Vote 12: Social Development	1,182	1,528	1,769	2,150	2,623	3,059
Vote 13: Sport, Arts & Culture	317	317	440	846	910	920
<b>Total provincial personnel numbers</b>	<b>112,698</b>	<b>115,987</b>	<b>113,116</b>	<b>118,468</b>	<b>123,284</b>	<b>128,311</b>
Total provincial personnel cost (R thousand)	16,123,164	19,420,310	23,123,606	24,963,219	28,512,410	29,982,946
Unit cost (R thousand)	143	167	204	211	231	234

Provincial departments have once again been requested to ensure that they make provision for salary increases of 5.5, 5.0 and 5.5 per cent in 2011/12, 2012/13 and 2013/14 respectively. Sufficient provision should also be made for carry-through costs emanating from 2009/10 and 2010/11 wage agreements, which include notch and pay progressions, housing allowances, increased employment and OSD. Furthermore, each department has been requested to reduce personnel expenditure by 2 per cent of the total departmental budget, which amounts to:

- R29 million for the Department of Agriculture;
- R19.2 million for the Department of Economic Development, Environmental Affairs and Tourism;
- R417.2 million for the Department of Education;
- R231.8 million for the Department of Health;
- R4.4 million for the Provincial Legislature;
- R44.2 million for the Department of Local Government and Housing;
- R6.5 million for the Office of the Premier;
- R6.2 million for the Provincial Treasury;
- R16.7 million for the Department of Public Works;
- R72.6 million for the Department of Roads and Transport; and
- R1.2 million for the Department of Safety, Security and Liaison.
- R23.2million for the Department of Social Development
- R5.6 million for the Department of Sport, Arts and Culture

*Each provincial department is to reduce personnel expenditures by 2 per cent of the total departmental budget*

Table 1.19 below breaks down the Province's personnel costs further in terms of human resources vs. finance components, and in terms of full-time vs. part-time and contract workers.

3 850 workers representing 3 per cent of the Province's total workforce are in human resources, at a total cost of R355.6 million (1.3 per cent of the Province's total wage bill). There are 3 760 workers in finance (3 per cent of the Province's total workforce), costing R358.1 million, or 1.3 per cent of the total wage bill.

42.8 per cent of Limpopo government's workforce (56 084 people) are full-time workers, whilst 0.8 per cent are part-time workers (1 007 people) and 3 per cent are contractors (3 895 people).

**Table 1.19: Summary of provincial human resources and finance components personnel numbers and costs**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
<b>Total for province</b>									
Personnel numbers( head count )	112,698	115,987	113,972	115,748	116,119	118,097	122,838	127,865	132,939
Personnel costs ( R' 000 )	16,132,123	19,421,960	23,123,606	24,949,316	25,728,777	26,723,340	28,490,240	29,959,762	31,628,376
<b>Human resources component</b>									
Personnel numbers ( head count )	2,501	2,764	2,685	2,840	3,045	3,060	3,382	3,534	3,447
Personnel costs ( R' 000 )	279,068	355,960	403,993	491,256	484,878	488,226	525,473	547,577	527,027
Head count as % of total province	2.22%	2.38%	2.36%	2.45%	2.62%	2.59%	2.75%	2.76%	2.59%
Personnel cost as % of total province	1.73%	1.83%	1.75%	1.97%	1.88%	1.83%	1.84%	1.83%	1.67%
<b>Finance component</b>									
Personnel numbers ( head count )	2,326	2,437	2,450	2,846	3,012	3,035	3,395	3,566	3,569
Personnel costs ( R' 000 )	424,059	523,335	468,424	585,482	575,797	580,469	624,261	649,496	598,217
Head count as % of total province	2.06%	2.10%	2.15%	2.46%	2.59%	2.57%	2.76%	2.79%	2.68%
Personnel cost as % of total province	2.63%	2.69%	2.03%	2.35%	2.24%	2.17%	2.19%	2.17%	1.89%
<b>Full time workers</b>									
Personnel numbers (head count)	105,805	108,508	104,153	108,933	109,285	111,263	115,642	120,749	125,726
Personnel cost (R'000)	15,650,076	18,821,033	22,434,629	24,488,832	25,212,632	26,200,946	27,940,855	29,388,569	31,032,047
Head count as % of total province	93.88%	93.55%	91.38%	94.11%	94.11%	94.21%	94.14%	94.43%	94.57%
Personnel cost as % of total province	97.01%	96.91%	97.02%	98.15%	97.99%	98.05%	98.07%	98.09%	98.11%
<b>Part-time workers</b>									
Personnel numbers (head count)	527	542	557	936	949	949	1,030	1,060	1,088
Personnel cost (R'000)	24,240	27,194	30,455	49,502	51,960	52,901	53,993	56,057	57,383
Head count as % of total province	0.47%	0.47%	0.49%	0.81%	0.82%	0.80%	0.84%	0.83%	0.82%
Personnel cost as % of total province	0.15%	0.14%	0.13%	0.20%	0.20%	0.20%	0.19%	0.19%	0.18%
<b>Contract workers</b>									
Personnel numbers (head count)	6,366	6,937	9,262	5,879	5,885	5,885	6,166	6,056	6,125
Personnel cost (R'000)	457,807	573,733	658,522	410,982	464,185	469,493	495,392	515,136	538,946
Head count as % of total province	5.65%	5.98%	8.13%	5.08%	5.07%	4.98%	5.02%	4.74%	4.61%
Personnel cost as % of total province	2.84%	2.95%	2.85%	1.65%	1.80%	1.76%	1.74%	1.72%	1.70%

## 5.9. Payments on training

One of the key characteristics of a developmental state is the establishment of an educated and skilled civil service. Table 1.20 below illustrates the Province's payments on training over the MTEF.

Table 1.20: Summary of provincial payments on training by Vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
Vote 01: Office of the Premier	1,630	1,905	2,184	2,220	672	2,220	672	672	672
Vote 02: Legislature	1,164	-	310	275	275	275	470	678	678
Vote 03: Education	31,040	32,915	31,915	32,915	32,915	32,915	35,109	37,040	37,040
Vote 04: Agriculture	13,105	8,303	13,590	18,018	18,018	18,018	19,099	20,245	21,114
Vote 05: Provincial Treasury	3,814	14,084	14,782	8,305	8,305	8,305	7,308	7,674	8,059
Vote 06: Economic Development, Environmental Affairs and Tourism	3,522	4,307	8,655	9,525	9,525	9,525	10,471	11,523	11,523
Vote 07: Health	200,966	200,966	200,966	221,853	221,853	221,853	224,293	237,751	252,016
Vote 08: Transport	5,911	4,635	6,131	5,998	4,435	4,435	3,685	6,627	6,988
Vote 09: Public Works	19,881	23,876	22,077	23,402	23,402	23,402	23,402	24,712	25,947
Vote 10: Safety, Security and Liaison	184	583	490	540	540	540	1,027	1,027	1,027
Vote 11: Local government & housing	2,726	2,889	2,169	3,714	3,714	3,714	3,952	4,150	4,357
Vote 12: Social Development	3,500	-	3,879	4,431	4,934	5,072	5,520	5,746	6,007
Vote 21: Sport, Arts & Culture	398	640	640	743	640	640	770	770	813
<b>Total provincial expenditure on training</b>	<b>287,841</b>	<b>295,103</b>	<b>307,788</b>	<b>331,939</b>	<b>329,228</b>	<b>330,914</b>	<b>335,778</b>	<b>358,615</b>	<b>376,241</b>

Training costs are expected to rise by 1.5 per cent in 2011/12 to R335.8 million, and thereafter robustly grow by 6.8 per cent and 4.9 per cent to R358.6 million and R376.2 million in 2012/13 and 2013/14 respectively.

These increases are largely due to the growth in training costs within the Provincial Legislature (71 per cent in 2011/12) and the Department of Transport (80 per cent in 2012/13). The Provincial Legislature was not able to train new members in 2009/10 due to a lack of funds, hence the increase in the present budget for this purpose. Skills that will be targeted include IT, labour-related training, training for political support staff, and capacity building for Members.

The Department of Health makes up the largest proportion of the Province's training costs (67 per cent in 2011/12), largely due to the training of health professionals in nursing and in new programmes such as voluntary counselling. Furthermore, provision will be made for internal and external bursaries..



**Annexure to the  
Overview of Provincial Revenue  
& Expenditure**

Table 1.21: Details of provincial own receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
<b>Tax receipts</b>	<b>164,251</b>	<b>187,831</b>	<b>214,946</b>	<b>227,015</b>	<b>227,015</b>	<b>227,015</b>	<b>239,401</b>	<b>251,926</b>	<b>265,100</b>
Casino taxes	16,323	17,947	19,787	20,930	20,930	20,930	22,442	23,657	24,926
Horse racing taxes	-	-	-	-	-	-	-	-	-
Liquor licences	5,607	6,667	7,100	8,660	8,660	8,660	7,705	8,467	9,290
Motor vehicle licences	142,321	163,217	188,059	197,425	197,425	197,425	209,254	219,802	230,884
<b>Non-tax receipts</b>	<b>227,039</b>	<b>311,654</b>	<b>299,047</b>	<b>295,539</b>	<b>293,267</b>	<b>293,267</b>	<b>313,050</b>	<b>330,512</b>	<b>344,332</b>
Sale of goods and services other than capital assets	<b>125,183</b>	<b>160,286</b>	<b>151,983</b>	<b>169,228</b>	<b>164,758</b>	<b>164,758</b>	<b>179,673</b>	<b>190,173</b>	<b>197,728</b>
Sales of goods and services produced by department	123,384	158,759	150,303	166,556	163,730	163,730	177,559	187,725	195,237
Sales by market establishments	-	-	-	-	-	-	136	146	156
Administrative fees	10,963	25,036	14,584	15,440	21,147	21,147	30,238	31,761	33,431
Other sales	112,421	133,723	135,719	151,116	142,583	142,583	147,185	155,818	161,650
Of which									
Commission on Insurance									
Tender Documents									
Parking fees									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1,799	1,527	1,680	2,672	1,028	1,028	2,114	2,448	2,491
<b>Fines, penalties and forfeits</b>	<b>16,741</b>	<b>27,315</b>	<b>26,544</b>	<b>27,989</b>	<b>30,177</b>	<b>30,177</b>	<b>30,762</b>	<b>32,277</b>	<b>33,917</b>
<b>Interest, dividends and rent on land</b>	<b>85,115</b>	<b>124,053</b>	<b>120,520</b>	<b>98,322</b>	<b>98,332</b>	<b>98,332</b>	<b>102,615</b>	<b>108,062</b>	<b>112,687</b>
Interest	83,700	122,031	119,382	97,160	97,162	97,162	102,320	107,742	112,342
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	1,415	2,022	1,138	1,162	1,170	1,170	295	320	345
<b>Transfers received from:</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other governmental units	20,000	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Sales of capital assets</b>	<b>16,505</b>	<b>16,664</b>	<b>17,130</b>	<b>13,270</b>	<b>11,543</b>	<b>11,543</b>	<b>10,373</b>	<b>10,724</b>	<b>10,662</b>
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	16,505	16,664	17,130	13,270	11,543	11,543	10,373	10,724	10,662
<b>Financial transactions</b>	<b>16,327</b>	<b>23,654</b>	<b>23,315</b>	<b>17,614</b>	<b>29,373</b>	<b>29,373</b>	<b>20,706</b>	<b>22,184</b>	<b>22,959</b>
<b>Total departmental receipts</b>	<b>444,122</b>	<b>539,803</b>	<b>554,438</b>	<b>553,438</b>	<b>561,198</b>	<b>561,198</b>	<b>583,530</b>	<b>613,346</b>	<b>643,053</b>

Table 1.22: Details of Information relating to section 4.3: Conditional grants

Vote and Grant	Adjusted appro-	Actual	Audited expen-	Adjusted	Actual transfer	Audited expen-	Adjusted appro-	Actual transfer	Audited expen-	Adjusted appro-	Revised transfer	Revised expen-	Medium-term estimates		
	propriation	transfer	di- ture	appropriation		di- ture	propriation		di- ture	propriation	estimate	di- ture estimate	2011/12	2012/13	2013/14
R thousand	2007/08			2008/09			2009/10			2010/11					
<b>Vote 1</b>	-	-	-	-	-	-	-	-	-	-	-	-	1,071	-	-
EPWP Incentive Allocation													1,071		
<b>Vote 3</b>	626,901	626,901	626,901	831,246	825,123	749,691	1,046,366	1,046,366	1,042,936	1,806,599	1,806,599	1,806,599	2,238,710	2,338,624	2,518,200
National School Nutrition Prog.	192,694	192,694	192,694	307,856	307,856	240,040	465,992	465,992	469,249	659,233	659,233	659,233	829,669	892,964	942,077
Directed Schools Grant													7,140	10,200	10,761
HIV/AIDS	31,236	31,236	31,236	24,495	18,372	17,939	33,263	33,263	25,901	28,322	28,322	28,322	28,088	30,012	31,663
Technical Secondary Schools Recapitalisation Grant										8,479	8,479	8,479	27,450	28,822	30,407
Provincial Infrastructure	332,598	332,598	332,598	387,249	387,249	380,066	547,111	547,111	547,706	668,438	668,438	668,438	874,897	865,495	913,086
EPWP Incentive Allocation													1,071		
Further Education & Training College SPG	70,373	70,373	70,373	111,646	111,646	111,646	-	-	-	442,127	442,127	442,127	490,395	531,141	590,206
<b>Vote 4</b>	173,723	173,723	88,287	221,832	221,832	212,948	131,196	131,196	124,273	172,743	172,743	172,743	203,601	234,598	261,098
Disaster Management (Drought relief)	45,000	45,000	-	50,000	50,000	41,894	10,000	10,000	9,986	-	-	-	-	-	-
Land Care	8,722	8,722	6,687	10,359	10,359	10,216	7,713	7,713	7,656	8,176	8,176	8,176	8,667	20,356	19,562
Provincial Infrastructure	57,080	57,080	35,490	65,641	65,641	65,523	-	-	-	-	-	-	-	-	-
Comprehensive Agriculture Support Programme	62,921	62,921	46,120	95,832	95,832	95,313	108,483	108,483	102,597	144,567	144,567	144,567	154,398	172,243	197,226
EPWP Incentive Allocation													536		
Ilimalatsema Project	-	-	-	-	-	-	5,000	5,000	4,034	20,000	20,000	20,000	40,000	42,000	44,310
<b>Vote 5</b>	-	-	-	-	-	-	-	-	-	2,000	2,000	2,000	-	-	-
Provincial Infrastructure										2,000	2,000	2,000			
<b>Vote 6</b>	-	-	-	-	-	-	1,802	1,802	1,802	-	-	-	1,071	-	-
EPWP Incentive Allocation													1,071		
Thela Abel Grant							1,802	1,802	1,802						
<b>Vote 7</b>	653,805	653,805	633,630	904,708	904,258	889,340	1,136,956	1,136,956	1,038,018	1,434,780	1,434,780	1,434,780	1,702,755	1,775,488	1,932,862
Health Professional Training & Development	76,032	76,032	72,881	82,896	82,896	81,871	88,759	88,759	81,831	94,085	94,085	94,085	99,730	103,913	109,628
Hospital Revitalisation Grant	148,172	148,172	143,441	252,479	252,029	246,374	212,360	212,360	172,065	323,425	323,425	323,425	371,672	392,410	399,152
HIV/AIDS	200,578	200,578	200,550	234,410	234,410	234,364	402,133	402,133	402,107	515,896	515,896	515,896	624,909	733,963	884,146
National Tertiary Services	79,649	79,649	77,065	152,239	152,239	143,555	176,871	176,871	174,844	257,314	257,314	257,314	267,314	277,314	287,314
Provincial Infrastructure	106,631	106,631	105,529	134,366	134,366	134,342	167,255	167,255	157,863	197,466	197,466	197,466	270,802	267,888	282,622
Forensic Pathology Service Grant	42,743	42,743	34,164	48,318	48,318	48,834	35,233	35,233	34,656	39,913	39,913	39,913	42,308		
Health Disaster Response (Cholera)	-	-	-	-	-	-	50,000	50,000	10,287	-	-	-	-	-	-
EPWP Incentive Allocation										6,681	6,681	6,681	1,071		
Social Sector (EPWP) Grant													24,949		
2010 World Cup Health Preparatory Strategy Grant							4,345	4,345	4,345	-	-	-	-	-	-
<b>Vote 8</b>	440,461	440,461	440,461	490,439	490,439	478,311	875,798	875,798	693,074	1,084,990	1,084,990	1,084,990	1,184,952	1,373,039	1,488,878
Provincial Infrastructure	440,461	440,461	440,461	486,041	486,041	478,311	696,256	696,256	513,546	870,518	870,518	870,518	934,208	1,098,478	1,185,468
Overload Control Grant				4,398	4,398		5,035	5,035	5,035	-	-	-	-	-	-
EPWP Incentive Allocation													1,246		
Public Transport Operation							174,507	174,507	174,493	214,472	214,472	214,472	249,498	274,561	303,510
<b>Vote 9</b>	-	-	-	15,294	15,294	6,853	26,717	26,217	12,294	31,057	31,057	31,057	35,752	69,755	78,523
Devolution of Property Rate Fund Grant				12,294	12,294	6,853	19,217	19,217	12,294	15,154	15,154	15,154	34,054	35,757	37,725
Provincial Infrastructure				3,000	3,000		7,000	7,000		10,000	10,000	10,000	-	-	-
Expanded Public Works Programme (EPWP)							500			2,903	2,903	2,903	-	-	-
EPWP Incentive Allocation													1,698		
Social Sector (EPWP) Grant										3,000	3,000	3,000	33,998	40,798	
<b>Vote 12</b>	-	-	-	-	-	-	-	-	-	3,456	3,456	3,456	3,382	-	-
Social Sector (EPWP) Grant										3,456	3,456	3,456	3,382		
<b>Vote 11</b>	651,705	651,705	663,167	824,806	824,806	824,806	996,667	996,667	996,667	1,234,750	1,234,750	1,234,750	1,400,160	1,459,839	1,539,788
Human Settlement Development	651,705	651,705	663,167	824,806	824,806	824,806	996,667	996,667	996,667	1,234,750	1,234,750	1,234,750	1,398,914	1,459,839	1,539,788
EPWP Incentive Allocation													1,246		
<b>Vote 13</b>	49,539	43,824	35,765	79,019	79,019	63,111	112,383	112,653	99,352	106,337	106,337	106,337	120,669	126,140	133,077
Mass Sport and Recreation Participation Programme	26,679	26,679	24,118	30,615	30,615	23,066	51,023	51,023	45,907	43,604	43,604	43,604	53,636	56,318	59,415
Library Services	22,860	17,145	11,667	48,404	48,404	40,045	61,360	61,630	53,445	62,733	62,733	62,733	66,497	69,822	73,662
EPWP Incentive Allocation													536		
<b>Total conditional grants</b>	<b>2,596,134</b>	<b>2,590,419</b>	<b>2,488,231</b>	<b>3,367,344</b>	<b>3,360,771</b>	<b>3,225,060</b>	<b>4,327,885</b>	<b>4,327,655</b>	<b>4,008,416</b>	<b>5,876,712</b>	<b>5,876,712</b>	<b>5,876,712</b>	<b>6,912,123</b>	<b>7,397,484</b>	<b>7,952,526</b>

**Table 1.23: Information relating to section 5.3: Details of provincial payments and estimates by economic classification**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10	2010/11			2011/12	2012/13	2013/14
<b>Current payments</b>	<b>19,843,392</b>	<b>24,367,048</b>	<b>28,877,524</b>	<b>31,984,957</b>	<b>32,991,192</b>	<b>34,094,958</b>	<b>35,692,481</b>	<b>37,727,970</b>	<b>39,643,142</b>
Compensation of employees	16,123,164	19,420,310	23,123,606	24,963,219	25,797,368	26,784,420	28,512,410	29,982,946	31,652,866
Salaries and wages	14,119,526	16,902,338	20,225,497	21,599,556	21,339,382	22,175,268	25,020,653	26,398,236	27,838,134
Social contributions	2,003,638	2,517,972	2,898,109	3,363,663	4,457,986	4,609,152	3,491,757	3,584,710	3,814,732
Goods and services	3,720,215	4,946,725	5,753,898	7,021,722	7,193,808	7,310,522	7,180,071	7,745,024	7,990,276
<i>of which</i>									
Communication									
Transport									
Rental Buildings									
Operational Leases									
Interest and rent on land	13	13	20	16	16	16	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	13	13	20	16	16	16	-	-	-
<b>Transfers and subsidies to<sup>1</sup>:</b>	<b>3,445,549</b>	<b>4,091,283</b>	<b>4,401,797</b>	<b>4,965,781</b>	<b>5,234,246</b>	<b>5,314,821</b>	<b>4,947,712</b>	<b>5,140,784</b>	<b>5,384,554</b>
Provinces and municipalities	80,089	99,894	55,066	165,151	164,078	184,732	108,399	108,501	114,109
Provinces <sup>2</sup>	49	28,820	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	49	28,820	-	-	-	-	-	-	-
Municipalities <sup>3</sup>	80,040	71,074	55,066	165,151	164,078	184,732	108,399	108,501	114,109
Municipalities	59,912	49,099	31,221	135,013	125,340	125,340	60,544	57,563	60,369
Municipal agencies and funds	20,128	21,975	23,845	30,138	38,738	59,392	47,855	50,938	53,740
Departmental agencies and accounts	1,410,322	1,340,031	1,226,590	1,159,188	1,209,150	1,209,150	1,198,060	1,212,806	1,346,136
Social security funds	1,117	2,096	2,452	3,001	7,001	7,001	3,162	3,202	905
Provide list of entities receiving transfers <sup>4</sup>	1,409,205	1,337,935	1,224,138	1,156,187	1,202,149	1,202,149	1,194,898	1,209,604	1,345,231
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises <sup>5</sup>	221,216	261,043	509,086	485,272	485,272	485,272	512,897	551,393	594,738
Public corporations	221,216	260,806	508,970	485,272	485,272	485,272	512,897	551,393	594,738
Subsidies on production	-	25	-	-	-	-	-	-	-
Other transfers	221,216	260,781	508,970	485,272	485,272	485,272	512,897	551,393	594,738
Private enterprises	-	237	116	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	237	116	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	976,098	1,273,895	1,332,834	1,496,669	1,717,687	1,767,563	1,288,871	1,331,144	1,289,397
Households	757,824	1,116,420	1,278,221	1,659,501	1,658,059	1,668,104	1,839,485	1,936,940	2,040,174
Social benefits	92,022	251,150	249,963	234,273	250,934	249,812	252,648	269,963	146,924
Other transfers to households	665,802	865,270	1,028,258	1,425,228	1,407,125	1,418,292	1,586,837	1,666,977	1,893,250
<b>Payments for capital assets</b>	<b>1,396,667</b>	<b>2,090,819</b>	<b>2,240,012</b>	<b>2,701,953</b>	<b>2,834,741</b>	<b>2,725,946</b>	<b>3,292,005</b>	<b>3,248,209</b>	<b>3,452,798</b>
Buildings and other fixed structures	1,042,774	1,526,977	1,805,328	2,263,571	2,344,225	2,238,822	2,767,527	2,653,951	2,828,686
Buildings	868,977	1,280,549	1,615,543	1,983,907	1,983,456	1,860,053	2,234,681	2,169,811	2,377,880
Other fixed structures	173,797	246,428	189,785	279,664	360,769	378,769	532,846	484,140	450,806
Machinery and equipment	313,486	540,334	427,156	430,032	481,960	478,568	512,026	583,179	612,386
Transport equipment	20,368	31,548	39,454	147,107	42,650	42,347	147,590	145,227	152,827
Other machinery and equipment	293,118	508,786	387,702	282,925	439,310	436,221	364,436	437,952	459,559
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	33,383	158	-	-	-	-	-	-	-
Software and other intangible assets	6,823	23,350	4,435	8,350	8,556	8,556	12,452	11,079	11,726
Land and subsoil assets	201	-	3,093	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>1,560</b>	<b>11,983</b>	<b>4,502</b>	<b>-</b>	<b>-</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>24,687,168</b>	<b>30,561,133</b>	<b>35,523,835</b>	<b>39,652,691</b>	<b>41,060,179</b>	<b>42,135,914</b>	<b>43,932,198</b>	<b>46,116,963</b>	<b>48,480,494</b>

Table 1.24: Details of provincial payments and estimates by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2007/08	2008/09	2009/10				2010/11	2011/12	2012/13
<b>General Public Services</b>									
Executive and Legislature									
Office of the Premier	217,912	291,269	296,729	299,509	314,451	333,051	324,641	338,998	351,376
RDP									
Provincial Legislature	113,381	144,947	157,018	182,824	202,199	202,199	221,090	223,395	234,284
Financial and Fiscal Services									
Provincial Treasury									
	265,801	371,453	356,408	396,609	388,609	382,819	308,884	329,258	343,891
General Services (Public Works, Local Governmen	979,483	1,076,340	1,196,741	1,501,682	1,544,846	1,552,379	1,562,323	1,659,251	1,736,051
<b>Total: General Public Services</b>	<b>1,576,577</b>	<b>1,884,009</b>	<b>2,006,896</b>	<b>2,380,624</b>	<b>2,450,105</b>	<b>2,470,448</b>	<b>2,416,938</b>	<b>2,550,902</b>	<b>2,665,602</b>
<b>Public Order and Safety</b>									
Police Services									
	35,041	43,878	51,642	53,172	55,712	56,226	62,474	65,649	70,940
Safety and Liaison	35,041	43,878	51,642	53,172	55,712	56,226	62,474	65,649	70,940
<b>Total: Public Order and Safety</b>	<b>35,041</b>	<b>43,878</b>	<b>51,642</b>	<b>53,172</b>	<b>55,712</b>	<b>56,226</b>	<b>62,474</b>	<b>65,649</b>	<b>70,940</b>
<b>Economic Affairs</b>									
General Economic Affairs									
Dept of Economic Affairs									
	570,100	616,248	591,994	803,930	776,134	776,503	849,613	807,411	839,462
Agriculture									
Dept of Agriculture Affairs									
	1,003,822	1,099,274	1,190,535	1,375,925	1,394,552	1,394,552	1,494,504	1,585,314	1,667,150
Transport									
Department of Transport									
	2,263,171	2,396,334	2,638,386	3,237,350	3,440,314	3,440,314	3,630,334	3,963,595	4,180,437
<b>Total: Economic Affairs</b>	<b>3,837,093</b>	<b>4,111,856</b>	<b>4,420,915</b>	<b>5,417,205</b>	<b>5,611,000</b>	<b>5,611,369</b>	<b>5,974,451</b>	<b>6,356,320</b>	<b>6,687,049</b>
<b>Environmental Protection</b>									
Environmental Protection									
	45,448	81,909	88,257	93,713	95,401	96,090	108,330	102,213	107,834
<b>Total: Environmental Protection</b>	<b>45,448</b>	<b>81,909</b>	<b>88,257</b>	<b>93,713</b>	<b>95,401</b>	<b>96,090</b>	<b>108,330</b>	<b>102,213</b>	<b>107,834</b>
<b>Housing and Community Amenities</b>									
Housing Development									
Department of Housing									
	688,967	885,692	1,059,843	1,307,027	1,325,445	1,325,445	1,483,834	1,552,844	1,636,372
<b>Total: Housing and Community Amenities</b>	<b>688,967</b>	<b>885,692</b>	<b>1,059,843</b>	<b>1,307,027</b>	<b>1,325,445</b>	<b>1,325,445</b>	<b>1,483,834</b>	<b>1,552,844</b>	<b>1,636,372</b>
<b>Health</b>									
Outpatient services									
	795,056	1,201,785	1,214,334	1,633,204	1,573,087	1,453,087	1,766,324	1,781,387	1,904,187
R and D Health (CS)	4,385,643	5,422,194	6,357,201	7,157,422	7,378,443	7,378,443	7,960,885	8,384,570	8,975,201
Hospital Services	950,941	1,336,510	1,448,485	1,744,337	1,752,554	1,752,554	1,850,692	2,018,329	2,052,915
<b>Total: Health</b>	<b>6,131,640</b>	<b>7,960,489</b>	<b>9,020,020</b>	<b>10,534,963</b>	<b>10,704,084</b>	<b>10,584,084</b>	<b>11,587,901</b>	<b>12,184,286</b>	<b>12,932,303</b>
<b>Recreation, Culture and Religion</b>									
Sporting and Recreational Affairs									
Sport, Arts and Culture									
	141,323	194,955	238,354	245,672	272,537	272,537	279,767	293,298	308,830
<b>Total: Recreation, Culture and Religion</b>	<b>141,323</b>	<b>194,955</b>	<b>238,354</b>	<b>245,672</b>	<b>272,537</b>	<b>272,537</b>	<b>279,767</b>	<b>293,298</b>	<b>308,830</b>
<b>Education</b>									
Pre-primary & Primary Phases									
Secondary Education Phase									
Subsidised Services to Education									
Education not defined by level	11,814,587	14,696,556	17,864,636	18,814,610	19,440,679	20,546,973	20,859,319	21,810,256	22,829,284
<b>Total: Education</b>	<b>11,814,587</b>	<b>14,696,556</b>	<b>17,864,636</b>	<b>18,814,610</b>	<b>19,440,679</b>	<b>20,546,973</b>	<b>20,859,319</b>	<b>21,810,256</b>	<b>22,829,284</b>
<b>Social protection</b>									
Social Security Services									
	214,947	342,908	425,271	439,789	640,694	690,220	680,572	703,861	732,474
Social Services and Population Development	201,545	358,881	348,001	365,916	464,522	482,522	478,612	497,334	509,806
<b>Total: Social protection</b>	<b>416,492</b>	<b>701,789</b>	<b>773,272</b>	<b>805,705</b>	<b>1,105,216</b>	<b>1,172,742</b>	<b>1,159,184</b>	<b>1,201,195</b>	<b>1,242,280</b>
<b>Total provincial payments and estimates by policy</b>	<b>24,687,168</b>	<b>30,561,133</b>	<b>35,523,835</b>	<b>39,652,691</b>	<b>41,060,179</b>	<b>42,135,914</b>	<b>43,932,198</b>	<b>46,116,963</b>	<b>48,480,494</b>

**ESTIMATED OF  
PROVINCIAL REVENUE AND  
EXPENDITURE**