



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## OVERVIEW OF PROVINCIAL REVENUE AND EXPENDITURE

**2012/13**

## FOREWORD

The preparation of a budget in times of a world-wide economic downturn is a daunting task. It will take a few years for the effects of the 2008 economic slowdown to abate and for economies to grow at pre 2008 rates. The recovery remains slow and continues to put pressure on governments to work smartly with the limited resources at their disposal. South Africa is no different.

National Government has committed itself to

- Continue to insulate the poor against the impact of economic slowdown through its counter cyclical fiscal policy stance;
- Take steps to grow the economy, create jobs, and reduce poverty and inequality;
- Step up infrastructure delivery;
- Institute measures that ensure 'value for money' and reduce wastage;
- End programmes that are not in line with the country's developmental agenda; and
- Step up efforts that increase the efficacy of frontline services in health, education and social development.

This 2012 Provincial Medium-term Expenditure Framework reflects national governments commitment and strategic developmental agenda to meet the challenges of poverty, inequality and access to quality services in education, health, social development, human settlements, agriculture and growing the provincial economy:

- The provincial equitable share to the province is budgeted to grow by 6.8 per cent to R38.7 billion in 2012/13 and at 5.6 per cent per year to R43.2 billion by 2014/15;
- Conditional transfers, which funds priority national programmes in education, health, human settlements and agriculture, will grow by 9.3 percent to R7.6 billion in 2012/13 and will reach R8.5 billion by 2014/15;
- The province budgets for a surplus of R3.4 billion over the next three years to address its accruals and accumulated unauthorized expenditure. This surplus also include funding that has been set aside to deal with data cleansing and to address inefficiencies particular in the departments of Education, Health and Cooperative Governance Human Settlements and Traditional Affairs. This will ensure that the province returns to financial sustainability. This surplus is achieved without cutting back on spending in education, health, social development and other key pro-poor functions;

The 2012 MTEF is also tabled at the time when the province is recovering from a cash crisis in which peaked by November 2011. At the time the province had an overdraft of R757.262 million at the Corporation of Cash Deposits (at the South African Reserve Bank) and a cash shortfall of R1.3 billion to meet its commitments. Cash management measures were put in place since December 2011 to reduce the overdraft and cash shortfall. As at 31 January 2012, the province had a positive cash balance of R1.4 billion and is expected to meet its commitments fully until the end of the financial year.

Steps are taken to ensure sound financial management practices are embedded in the provincial administration so that the reach of limited resources can be extended. These measures include:

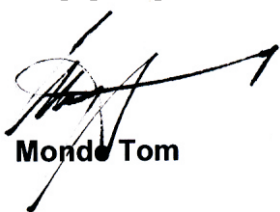
- Rebuilding the treasury function to ensure that it can meet the obligations entrusted upon it by the Constitution and the Public Finance Management Act;
- The establishment of credible budget preparation process that seeks to ensure optimal resource allocation;
- Adherence to supply chain management (SCM) regulations. This include steps to revoke circulars and guidelines that are contradicting existing SCM regulations; and
- Enabling the provincial treasury, through the provincial Accountant-General, to provide support to finance components of all provincial departments.

In summary, the 2012/13 budget strategy is underpinned by four elements, namely:

- A stable fiscal framework which seeks to ensure that the province has adequate resources to deliver quality services that meets the aspirations of the people of Limpopo and at the same time achieve the developmental goals of national government;
- Reprioritisation of the current budget and the implementation of Fiscal austerity;
- The implementation of sound financial management practices that seeks to root out corruption and wastage with the aim of extending the reach of available scarce resources; and
- Sound cash-flow management and increasing provincial own revenue. With this strategy in place,

The Limpopo Government, with the continued support from national government, is confident that this budget ushers in an era of financial stability over the next three years.

To address the cash crisis, outstanding accruals and accumulated unauthorized expenditure and at the same time prepare a budget that meets the strategic objectives of national government and the aspirations of the citizens of Limpopo required decisive leadership from national and provincial government.



**Monde Tom**  
**Administrator: Provincial Treasury,**  
**Limpopo Government Section 100(1) (b) Constitution,**  
**Intervention**

*29/2/2012*

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## **List of Abbreviations**

**CASP**- Curriculum Assessment Policy Statement

**ECD** -Early Childhood Development

**ECICC**- Executive Council Infrastructure Coordinating Committee

**EPWP**- Expanded Public Works Programme

**EXCO** – Executive Committee

**GAAL** – Gateway Airport Authority

**GITO** –Government Information Technology Office

**IRC**- Infrastructure Report Card

**LEGDP** – Limpopo Employment, Growth and Development Plan

**MDG** – Millennium Development Goals

**MTEC** – Medium Term Expenditure Committee

**MTEF** – Medium Term Expenditure Framework

**MTSF** – Medium Term Strategic Framework

**PICC**- Presidential Infrastructure Coordinating Commission

**PPP**- Public Private Partnerships

**RAL** – Roads Agency Limpopo

**SAICE** - South African Institution of Civil Engineering

**SASA**- South African Schools Act

**SISP** -Strategic Information Systems Plan

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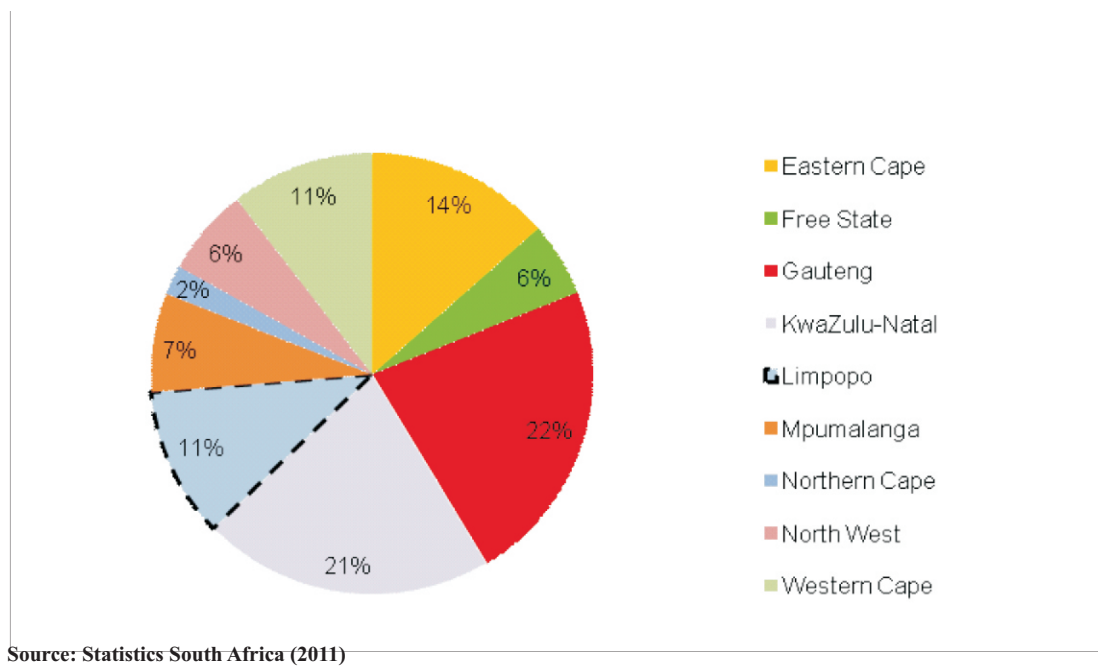
## 1. Socio-Economic Outlook

The Limpopo Provincial Government through its growth and development strategy seeks to address challenges of unemployment, poverty, and disease. In response to these challenges it is critical to understand both the size and nature of the provincial population; in particular the rate of growth of the population, age and gender distribution, spatial distribution, education levels, access to housing, water and health, and employment conditions within the province.

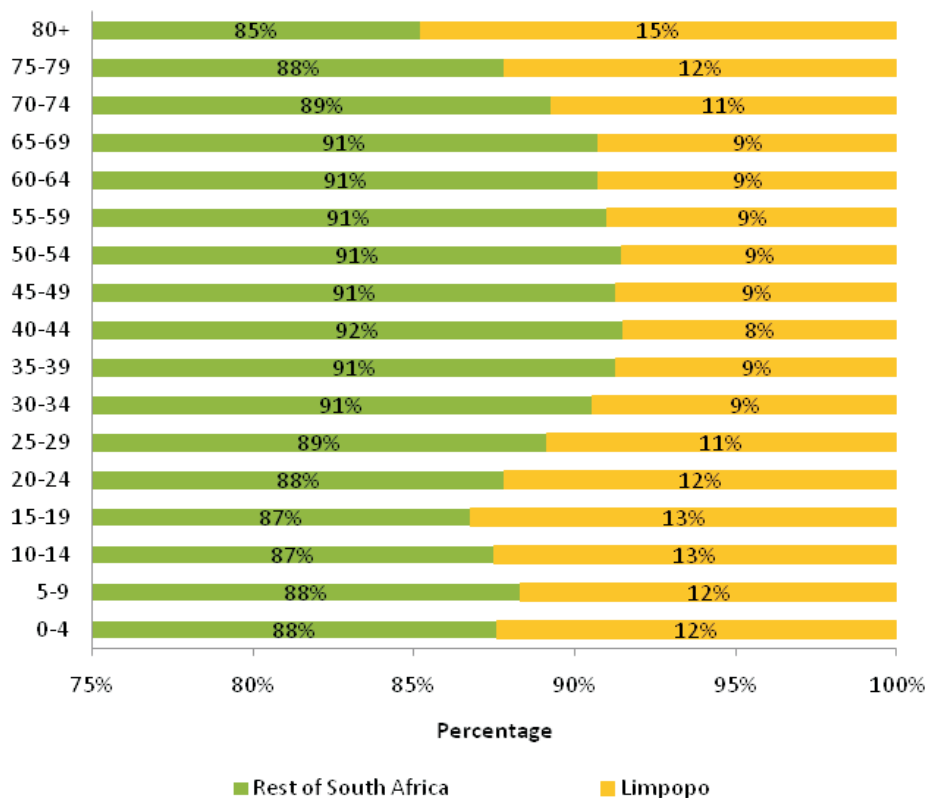
### 1.1. Demographic Profile

Since the year 2000 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 line with the national growth rate the population of Limpopo province grew to 5.4 million in 2011 from 4.9 million in 2000. This currently constitutes 11 per cent of the national population (see Figure 1 below). The province is the fourth most populous province, following Gauteng (22 per cent), KwaZulu-Natal (21 per cent) and the Eastern Cape (14 per cent).

**Figure 1 : Mid Year Population Estimates by Province**



**Figure 2 : Limpopo Age Distribution as Proportion of Total Population**

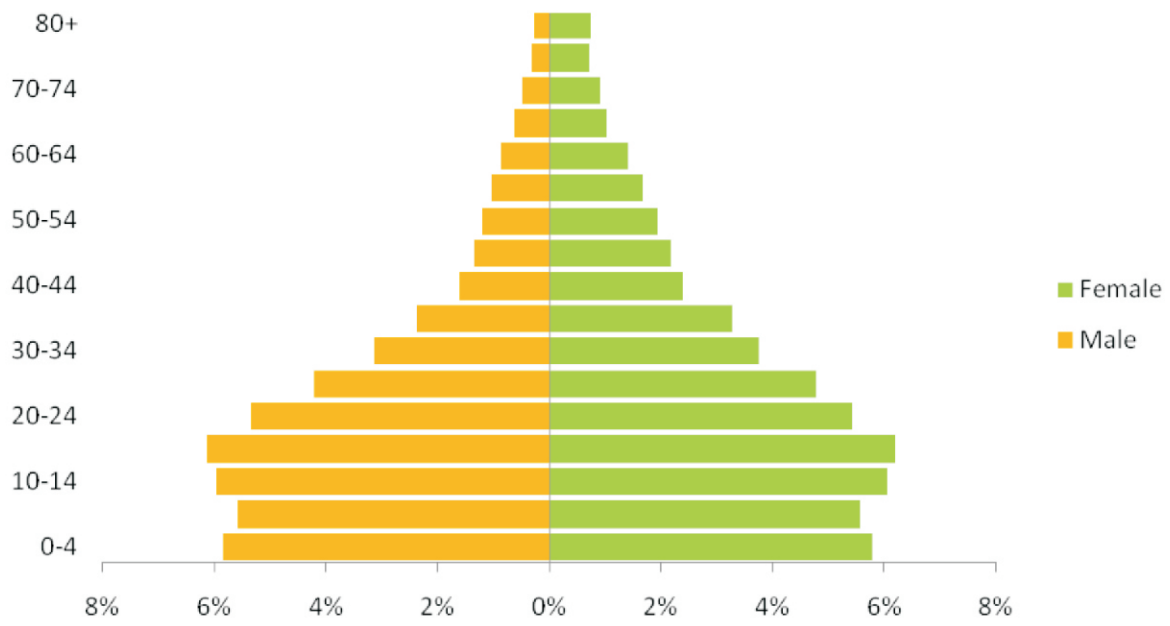


Source: Statistics South Africa (2011)

As mentioned above Limpopo accounted for 11 per cent of the national population in 2011. Figure 2 highlights that between the ages of 0 – 29 years the provincial population accounts for more than the stated 11 per cent indicating that Limpopo has a relatively youthful population. Approximately 48 per cent of the Limpopo population is under 20 years of age. This has implications for the provision of services such as education and sports which are target mainly at this population group.

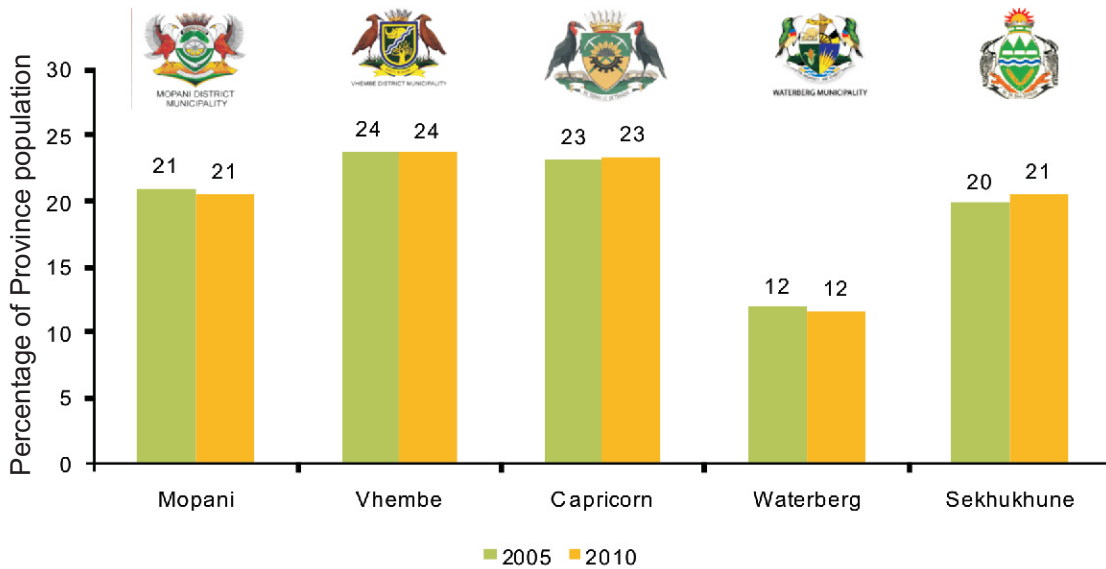
Limpopo also has an even split between males and females across the different population age ranges (see Figure 3 below). The lower population age ranges are slightly skewed towards males, and the higher population ranges age are skewed toward females.

**Figure 3 : Limpopo province population by gender**



Source: Statistics South Africa (2011)

**Figure 4 : Limpopo province population by district municipality**



Source: Quantec Research (2011)

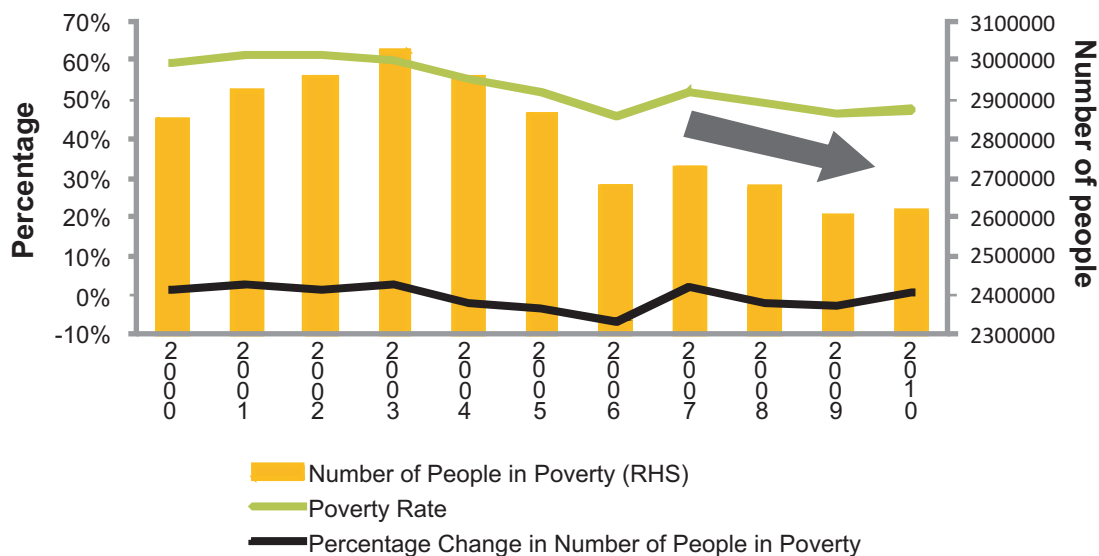
The spatial distribution of the provincial population is fairly evenly spread; with the exception of Waterberg which accounts for 12 per cent (which is on average half of the other municipalities in the province). Vhembe accounts for the highest proportion of the provincial population with 24 per cent followed closely by Capricorn in 2010. Mopani and Sekhukhune both accounted for 21 per cent during the same period. The population shares have remained stable over time in all the municipalities meaning that there was minimal migration between the district municipalities between 2005 and 2010.

## **1.2. Socio-Economic Indicators**

### **1.2.1. Poverty**

The number of individuals living in poverty declined steadily since 2003; and between 2003 and 2010 this number declined by approximately 11.7 per cent (2.6 million people in 2010). Despite this improvement 47 per cent of the population remained in poverty in 2010 (although an improvement when compared to 2000 which was 58per cent ) which poses a significant challenge to provincial government moving forward. Poverty eradication is intricately linked to the education level of the provincial education. Education facilitates access to income generating activities.

**Figure 5 : Poverty in Limpopo\***

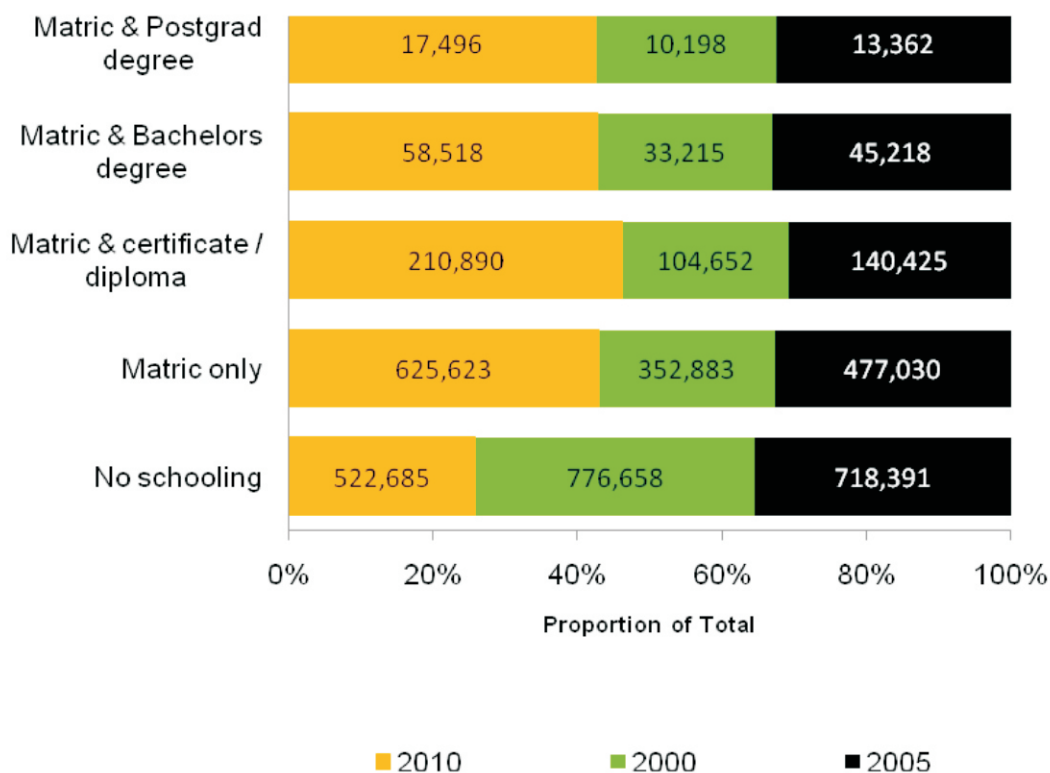


**Source: Global Insight (2010).** Note\* Poverty refers to the number of people living in a household that have less than the poverty income. The poverty income is defined as the minimum monthly income that is needed to sustain a household and varies according to the size of that household.

### 1.2.2. Education

In combination with decline in poverty rates since 2000 the province has seen significant gains in the number of people with some degree of schooling over the same period. The number of people in the province that have no schooling declined from 776 658 in 2000 to 522 685 in 2010 (a decline of 32.7per cent ), and those with a matric certificate only increased from 352 883 in 2000 to 625 623 in 2010 (an increase of 77.2per cent ). The increase in matric certificate only represents the biggest gain of all the qualification categories. Figure 6 below illustrates.

**Figure 6 : Limpopo Province highest Level of Education age 15 +**



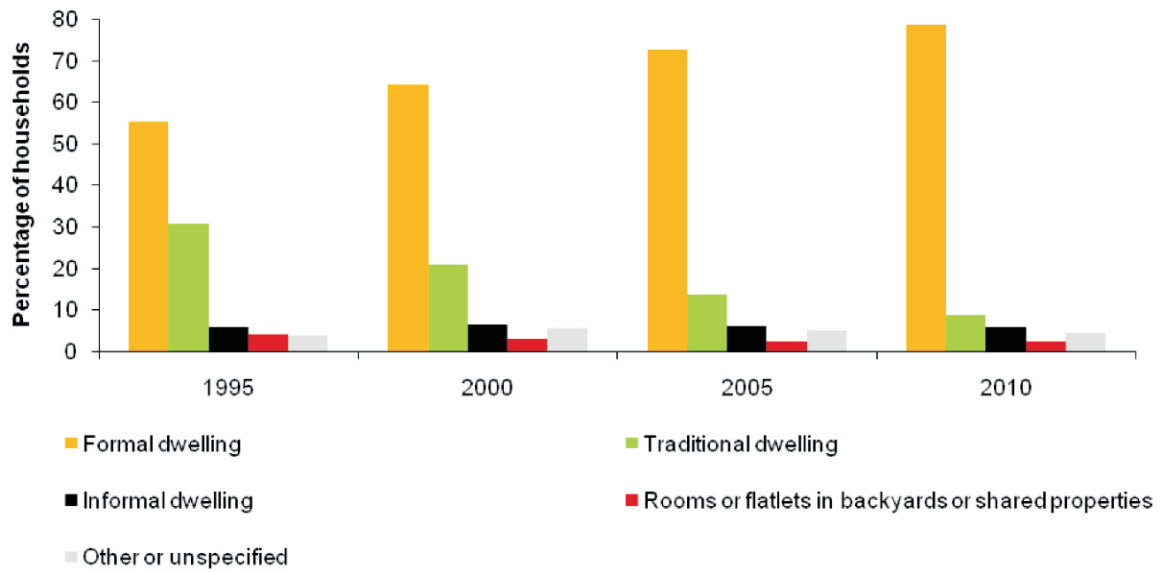
Source: Global Insight (2010)

### 1.2.3. Access to Housing

Access to decent housing is a fundamental component of provincial 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 7, 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.

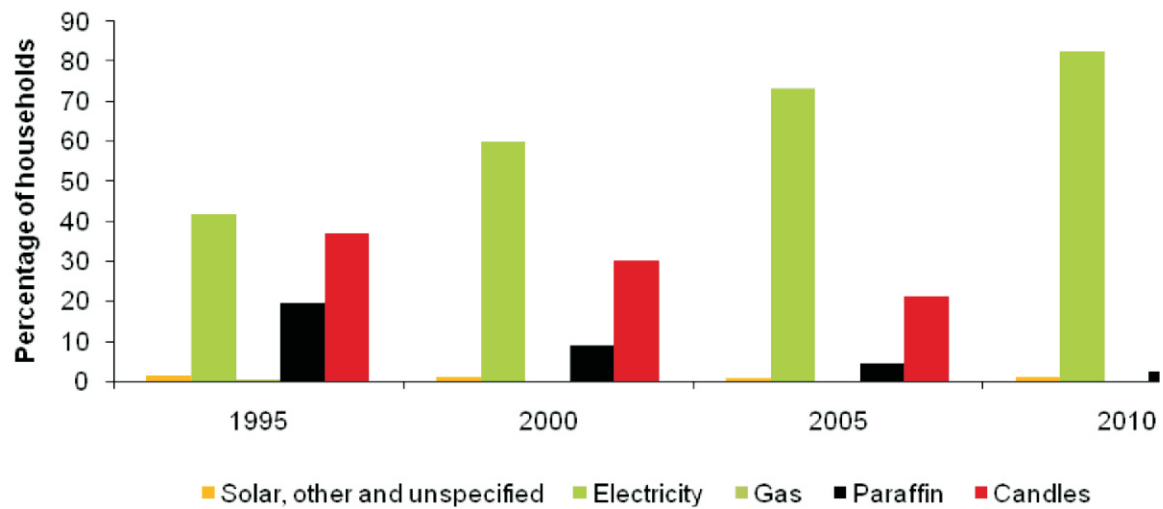
**Figure 7: Type of dwelling occupied by Limpopo households**



Source: Quantec Research (2010)

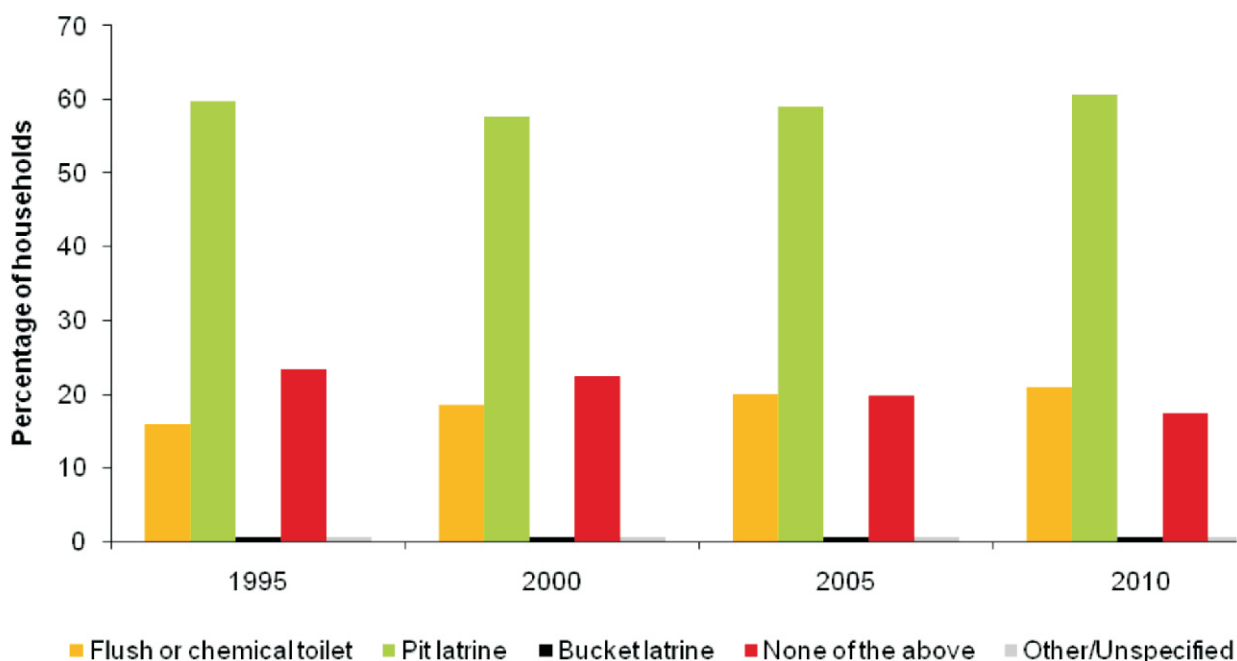
#### 1.2.4. Access to services

**Figure 8 : Main source of energy for lighting used by Limpopo households**



Source: Quantec Research (2010)

**Figure 9 : Main type of toilet facility used by Limpopo households**

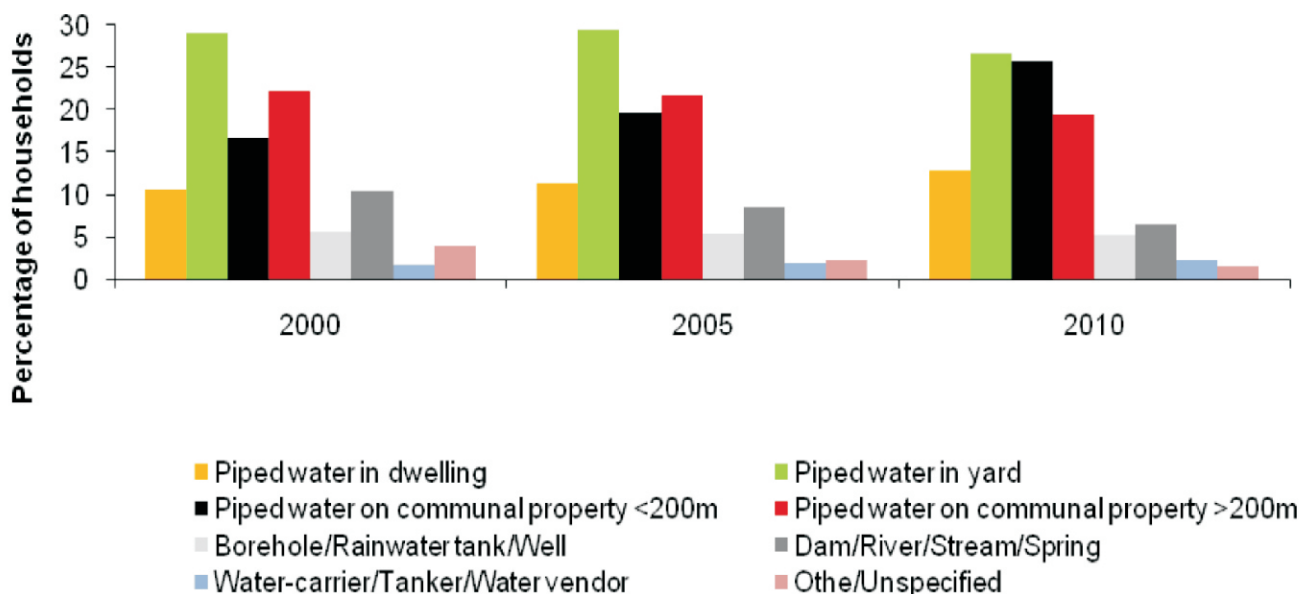


Source: Quantec Research (2011)

Remarkable progress has been made in terms of household electrification in Limpopo as Figure 8 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 10 : Household access to water in Limpopo**



Source: Quantec Research (2011)

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 urbanization (see Figure 9). 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.

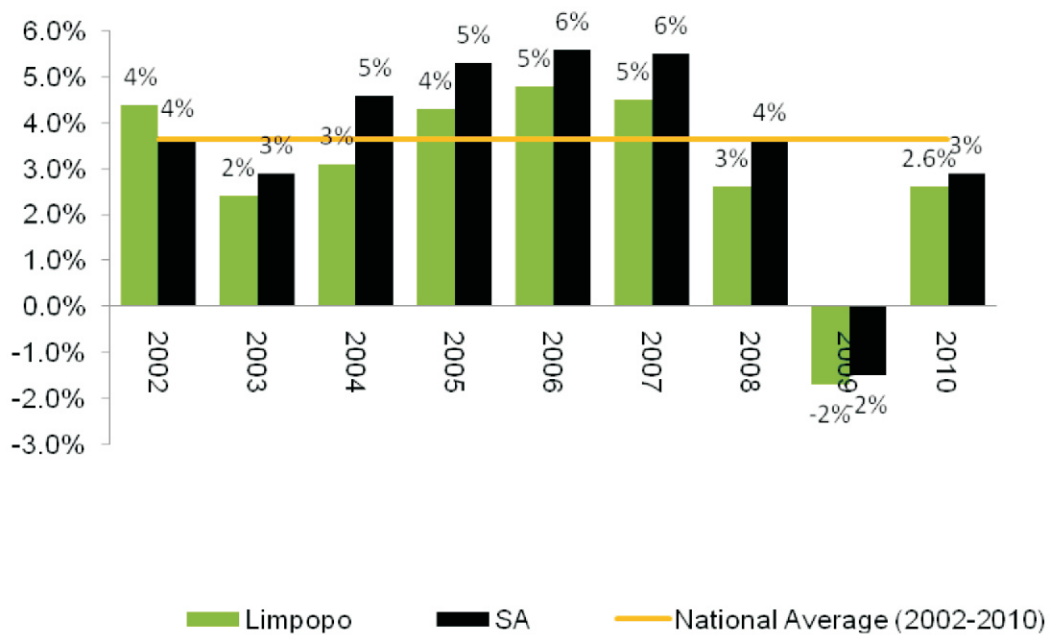
There has been a marked reduction in the percentage of households who access water from dams, rivers and streams (Figure 10). In 1995, this was the main water source for 10.4 per cent of Limpopo households; by 2010, this had dropped to 6.4 per cent of households. This has positive health effects, as the risks of contracting water-borne diseases such as bilharzia and typhoid are reduced.

### 1.3. Economic Indicators

#### 1.3.1. GDP growth

Since 2002, the provincial and national growth rates have generally followed the same trajectory. Post the financial crisis of 2008 growth nationally and provincial has been subdued and this is expected to persist moving into 2012. Real GDP growth in 2010 was slightly (0.4 percentage points) below the national growth rate. These trends are exhibited in Figure 9.

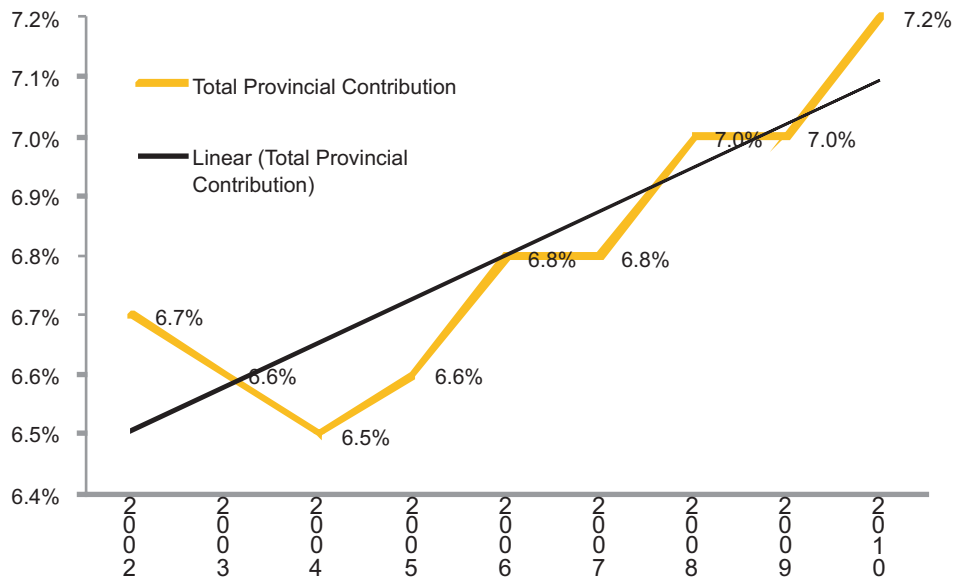
**Figure 11 : Limpopo province yearly real GDP growth**



Source: Statistics South Africa (2011)

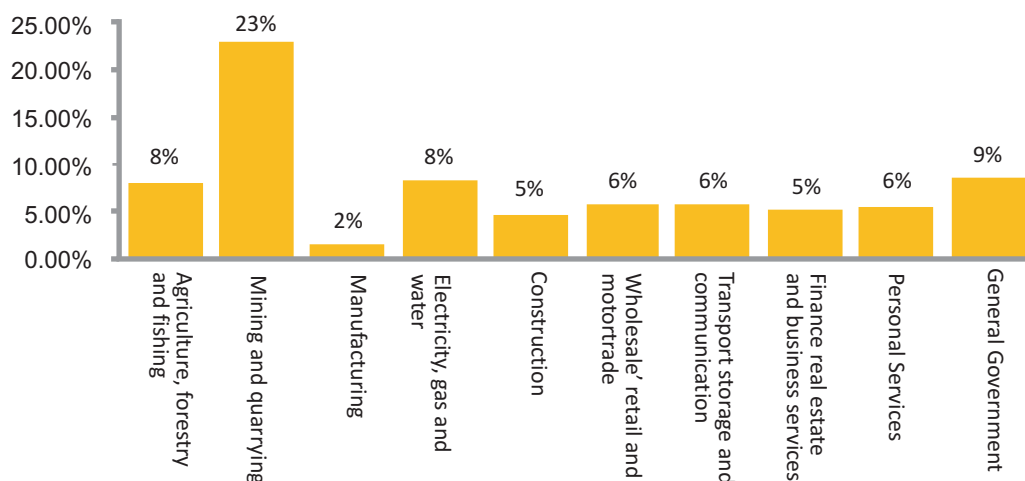
The total contribution of the provincial economy to the national gross domestic product for 2010 was 7.2 per cent (measured in current prices). As shown in Figure 12 below, provincial contribution to national GDP on average increased between 2002 and 2008. This contribution has not declined since 2004. Therefore in recent years the Limpopo provincial economy increasingly became an important source of economic activity in South Africa.

Figure 12 : Total provincial percentage contribution to national GDP



Source: Statistics South Africa (2011)

**Figure 13 : Limpopo province percentage contribution to National GDP (2010)**



Source: Statistics South Africa (2011)

At a sectoral level Mining and Quarrying made most significant contribution (23 per cent to national mining and quarrying), followed by General Government Services and Electricity, gas and water which contributed 9 per cent and 8 per cent to the national gross domestic product respectively. Agriculture, forestry and fishing remain an important source of income and employment for the province contributing 8 per cent to the national gross domestic product in 2010.

### 1.3.2. Employment

Employment creation is a key pillar of the provincial government's growth and development strategy as it is essential for poverty eradication. Taking into account difficult national and international economic conditions the provincial government remains committed to employment creation.

Employment in the province increased by 9.6 per cent between the second quarter of 2011 and the third quarter of 2011, and by 13.4 per cent between the third quarter of 2010 and the third quarter of 2011. This brought the total number of employed persons in the province to 1.27 million (see Table 1 below).

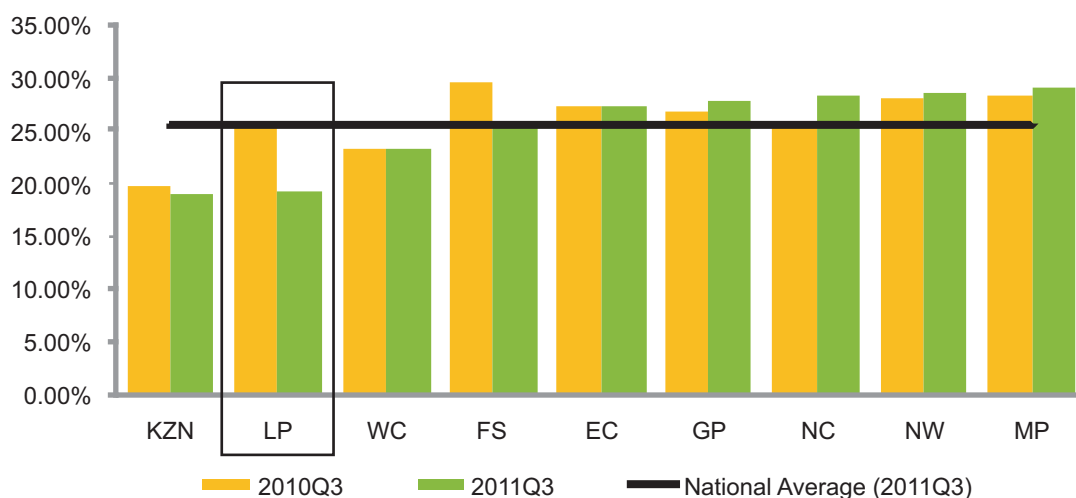
**Table 1 : Limpopo employment situation 2011 (third quarter)**

	2011Q2	2011Q3	Change on 2011Q2	Change on 2010Q3
<b>Working age population</b>	3 345 000	3 362 000	0.5%	2%
<b>Labour force</b>	1 186 000	1 271 000	7.2%	5.2%
Employed	936 000	1 026 000	9.6%	13.4%
Unemployed	251 000	246 000	-2.0%	-18.8%
<b>Not economically active</b>	2 159 000	2 090 000	-2.0%	0.1%
Discouraged work seekers	413 000	410 000	-0.7%	27.7%
Other	1 746 000	1 681 000	-3.7%	-4.9%
<b>Unemployment rate</b>	21.1%	19.3%	-9%	-23%
<b>Labour absorption rate</b>	28%	30.5%	9%	13%
<b>Labour force participation rate</b>	35.5%	36.7%	3%	2%

Source: Statistics South Africa (2011)

This results in an unemployment rate of 19.3 per cent in the third quarter of 2011, which is a decline in unemployment of 23 per cent between the third quarter of 2010 and the third quarter of 2011

**Figure 14 : Provincial comparison of unemployment rates**



Source: Statistics South Africa (2011)

The level of unemployment in the province when compared with other provinces was only second to KwaZulu Natal (19.7per cent ) and was followed by Western Cape (23.1per cent ). KwaZulu Natal, Western Cape and Limpopo were the only provinces with unemployment rate that was below the national average of 25.3 per cent (in the third quarter). Generally unemployment declined or remained constant in provinces between the third quarter of 2010 and the third quarter of 2011, with the exception of Mpumalanga (increase of 2.4per cent ), Northern Cape (increase of 9.3per cent ), and Gauteng (increase of 4.1per cent ). See Figure 14 above.

**Table 2 : Limpopo province employment by industry**

<b>Industry</b>	<b>Employment by industry (2010Q3)</b>	<b>Proportion of total employed (2010Q3)</b>	<b>Employment by industry (2011Q3)</b>	<b>Proportion of total employed (2011Q3)</b>	<b>Change from 2010Q3 to 2011Q3</b>
Agriculture	59000	7%	88000	9%	49%
Mining	46000	5%	58000	6%	26%
Manufacturing	66000	7%	67000	7%	2%
Utilities	7000	1%	5000	0%	-29%
Construction	94000	10%	111000	11%	18%
Trade	233000	26%	252000	25%	8%
Transport	42000	5%	35000	3%	-17%
Finance	64000	7%	69000	7%	8%
Community and Social Services	198000	22%	257000	25%	30%
Private Households	96000	11%	84000	8%	-13%
<b>Total Employed</b>	<b>905000</b>	<b>100%</b>	<b>1026000</b>	<b>100%</b>	

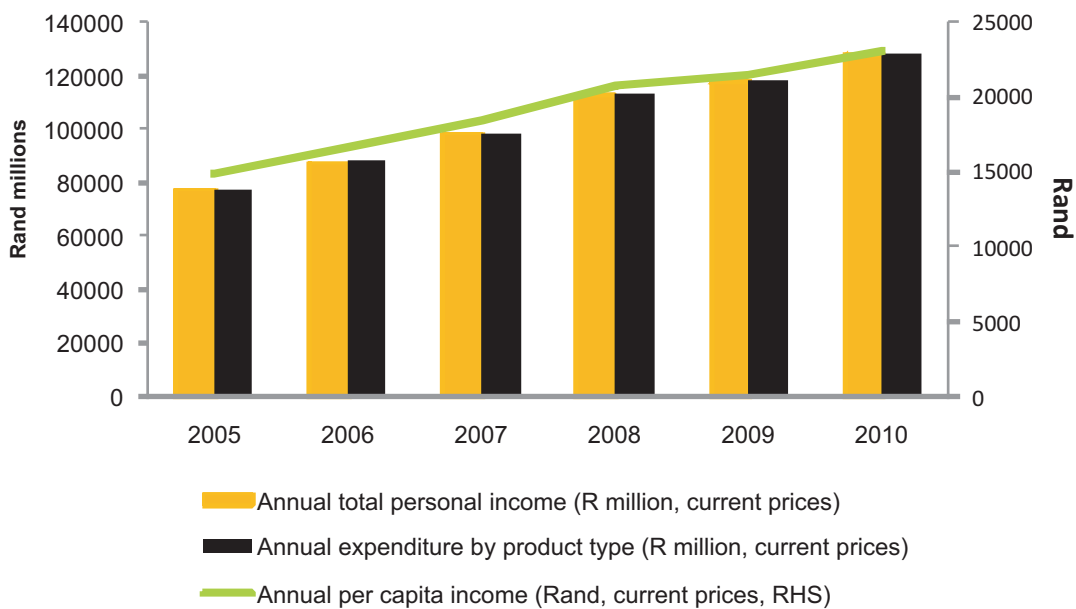
Source: Statistics South Africa (2011)

Table 2 reveals that in the third quarter of 2011 the Trade (252000 or 25per cent ), Community and Social Services (257000 or 25 per cent ), Construction (111000 or 11per cent ), and Agriculture (88000 or 9per cent ) sectors remained the main contributors to employment in the province. Cumulatively these sectors constituted 60 per cent of provincial employment. The remainder was mainly driven by Private households (84000 or 8per cent ), Finance (69000 or 7per cent ), Manufacturing (67000 or 7per cent ), and Mining (58000 or 6per cent ) sectors. In general sectors increased their employment with the exception of the Utilities, Transport, and Private Households sectors.

### 1.3.3. Income and Expenditure

Commensurate with the increases in employment levels in recent years Limpopo province saw significant increases in both income and expenditure levels (in per capita and aggregate terms, see Figure 15). The province's per capita income in nominal terms increased by 55.2 per cent between 2005 and 2010 (R23 103 in 2010). Aggregate income and expenditure increase by 65.3 per cent and 65.8 per cent respectively over the same period. This suggests that the provincial economy produced sustainable employment opportunities which were underpinned by increases in education levels in the province between 2000 and 2010, and as demonstrated above resulted in a consistent decline in poverty levels in the province since 2004.

**Figure 15 : Limpopo income and expenditure (2005-2010)**



Source: Global Insight (2011)



## **2. Budget Strategy and Aggregates**

### **2.1. Introduction**

The preparation of a budget in times of a world-wide economic downturn is a daunting task. The global economic slowdown has resulted in less revenue for national government in general thereby resulting in revenue reductions for other sub-national spending agencies. The 2012/13 MTEF budget was prepared within this constraint. Compounding the difficulty for Limpopo has since the 2009/10 and 2010/11 budget overruns, largely as a result of the Department of Education's budget pressures.

For the most part of 2011/12, the Provincial Revenue Fund was in overdraft as a result of the 2010/11 over-expenditure and the continued high spending in 2011/12. Without the positive cash balances in the revenue fund together with the effects of the world wide economic downturn, Provincial Treasury had to revise the interest income normally earned on positive cash balances downwards. This downward revision of an already allocated amount has introduced a structural problem in the fiscal framework.

In submitting their 2012/13 MTEF budget proposals provincial departments were requested by Provincial Treasury to indicate how they reprioritised within programmes to provide for budget pressures. For their part, all departments undertook a comprehensive review of their 2012/13 MTEF expenditure proposals, to ensure that the bulk of expenditure is directed to the areas of highest economic potential and greatest need, in line with the LEGDP. The 2012/13 budget strategy responds directly to national and provincial policy imperatives. It gives effect to the objectives of eradicating poverty through agricultural investments and strengthening education and health while, at the same time, ensuring that economic infrastructure investments.

### **2.1.1. The allocation criteria**

The Medium-Term Expenditure Committee (MTEC) met with all departments in September/October 2011. The MTEC for this 2012/13 MTEF cycle took a slightly different form to previous years, in that it was not used to discuss the departments' requests for additional funding, but simply to review and reprioritize budgets. This was largely brought about by the fact that the province had to identify savings within departmental budgets to fund the provincial bank overdraft. As a result of this, as well as the requirement to fund national priorities and the carry-through costs from the 2011/12 Adjustments Estimate, there were no further funds available to fund any new provincial priorities

In November 2011, the Executive Committee (EXCO) Legotla considered the 2012/13 provincial fiscal framework.

While additional funding was provided to the province, it was clearly “ring fenced” for distribution to nationally identified priorities affecting mainly Health and Education. The provincial fiscal framework was further impacted on by a reduction in the projected own revenue collection, largely brought about by the adverse global economic situation which has had a negative impact on the projected interest income to be collected by the province. This implied that the interest income allocated across the 2012 MTEF should be deducted from the baseline.

Faced with this challenge, EXCO agreed that the province should:

- Fund compensation of employees, fixed costs and statutory obligations before considering other areas;
- Fund the carry-through of the higher than anticipated 2011 wage agreement (for which insufficient funding was provided by the National Treasury during the 2011/12 Adjustments Estimate), thereby requiring substantial co-funding from within the province's existing fiscus);
- Provide funding for the nationally determined sector priorities;
- Make baseline adjustments across all departments to provide for the redemption of the bank overdraft;

- Put in place a strategy to bring the province's wage bill in line with the national average;
- Implement further austerity measures on non-core spending;
- Take into account the decrease in interest income and adjust revenue to accommodate this change;
- Provide funding for increases in the remuneration of Traditional Leaders; and
- Budget for a surplus over the 2012 MTEF to provide funding for the accumulated unauthorized expenditure (bank overdraft).

Subsequent to this, baselines were revised downwards. Departmental contributions were calculated as follows:

- Interest contribution - based on each department's proportionate revenue share
- Austerity measures – 2 per cent of equitable share baseline (2012 MTEF)
- Equitable share reductions – 0.3 per cent of equitable share baseline (2012 MTEF)

With the impetus mounting to address the increasing provincial debt EXCO resolved in February 2012 that further reductions in baseline allocations were necessary. It was concluded that infrastructure projects should be deferred where possible. The three departments with substantial infrastructure allocations were targeted viz. Education, Health and Roads and Transport.

The expenditure envelope for 2012 MTEF period is budgeted to grow by 6.8 per cent to R38.7 billion in 2012/13 and at 5.6 per cent per year to R43.2 billion by 2014/15. The allocation for the MTEF was based on a consumer price inflation of 5.3 per cent for 2012/13, 5.5 per cent 2013/14 and 5.0 for 2014/15.

### **2.1.2. Focus of 2012/13 Budget**

The 2012 Limpopo Budget focuses on efficient, economic use of resources and effectiveness in service delivery through sound planning, budgeting and programming with inclusion of the emerging policy framework in line with government's 5 priorities.

The primary focus underpinning the entire 2012/13 MTEF budget is job creation and funding for service delivery. The outcomes approach budgeting principle was also applied whereby the

related chain of inputs-activities-outputs are monitored with an aim of assisting government to focus on the end product of service delivery. The other focus area is on cost containment that will be achieved through the drive to curtail the level of expenditure in certain areas. This approach will assist in moving from cost containment to job creation. Resources were channeled to service delivery projects and placing an emphasis on the efficient allocation of funds. This was done through cutting costs, particularly with regard to administrative overheads. One of the major objectives of these cost cutting measures will be to address the Bank Overdraft.

- Thorough reprioritization of departmental budgets, ensuring alignment of the budget with high-priority service delivery areas, and taking into account the curtailing of administrative costs as mentioned above;
- Aligning the budget with the strategies for poverty eradication strategies in pursuit of the fight against poverty;
- Reviewing departmental budgets and service delivery information in spatial terms, with the focus on the New Growth Path and LEGDP;
- The proposal of initiatives that contribute towards job creation and alignment to the objectives of the LEGDP.

The overriding principle of 2012/13 budget is to deal with the bank overdraft and clearing of unauthorized expenditure over the 2012/13 Medium Term Expenditure Framework. This will entail stringent fiscal discipline and ensuring that each department is spending within its planned budget and only incurring expenditure based on the departmental Annual Performance plan.

## **2.2. Aligning Provincial Budgets to Achieve Government's Prescribed Outcomes**

The outcomes of the MTSF are grossly derived from the electoral mandate and are important to guide planning and resource allocation across all spheres of government. In addition, the MTSF outcomes are important to contribute towards achieving the development targets set to be achieved by 2014 known as United Nations Millennium Development Goals. For the current MTSF twelve outcomes are developed. This section will discuss the outcomes and the departments that are responsible for them.

### **2.2.1. Improve the quality of basic education**

The Department of Education is tasked to implement programmes that are meant to ensure that the outcome is achieved. Progress has already been made in terms of improvement in access to education through introducing “No fee” paying schools. The province is rural as such in some areas it becomes difficult to access education. The transport subsidy, school nutrition that the department offers makes a difference for learner from poor communities.

There is skills shortage of Mathematics and Science in the province. In an effort to close the gap the province is participating in Dinaledi project that is aimed at improving the skills in these areas . In 2011/12 financial year the Department of Education has supported 51 Dinaledi Schools and 122 Dinaletsana Schools were supported .The 2012/13 budget will assist in improving the quality of education and learning .Some of the programmes that the department will engage in will include in service training for teachers, enrollment of teachers in professional development centre for Maths ,science and commerce and having 92 750 learners enrolled in Grade R.

### **2.2.2. Create decent employment through inclusive economic growth**

All the departments must contribute to economic growth. There are those whose contribution is noticeable than others and are core contributors. The core contributors are Economic development ,Environment and Tourism, Agriculture, Roads and transport , Coghsta , Public Works .There are different projects that are implemented in these departments that contribute to economic growth and increase employment .To name a few ,some of the projects include Integrated Provincial Freight Transport Implementation system, upgrade of provincial roads and bridges , Development of International Gateways, improvement of Agriculture infrastructure, support to Small Medium and Micro-Enterprises and Cooperatives, building of houses.

### **2.2.3. Develop a skilled and capable workforce**

The responsibility to build a skilled and capable workforce lies with all Government Departments. The Province has developed Skills Development Strategy and mandated the Department of Education to monitor the implementation of the strategy.

### **2.2.4. Improve healthcare and life expectancy among all South Africans**

The department of Health is given the responsibility of ensuring that programmes that will improve life expectancy .Life expectancy in Limpopo has an average of 61 per cent . There are different factors that contribute .The Department of Health has programs in place that are aimed at reducing communicable diseases, improving the Health infrastructure in the Province and have skilled personnel to render the services.

### **2.2.5. Build a safer country**

Limpopo government always strive to ensure that province becomes a safe place to live and work at .The Department of Safety, Security and Liaison co-ordinates projects that will lead to community safety. The Department coordinates Crime Prevention, Community Relations Programme, social and economic crime prevention interventions that will create safer communities. It is the priority of Limpopo Government to create an environment of Safety .This will be done though programmes that are meant to reduced road fatalities, provision of services to victims of crime.

## **2.2.6. Support an efficient, competitive and responsive economic infrastructure network**

Economic Infrastructure is very vital in creating an environment for economic growth. In the past years Limpopo and South African government have embarked on robust infrastructure investment and it has provided some underpin to growth. The robust investment on infrastructure has a potential to contribute in the economic growth and employment since the multiplier effect of this investment to construction sector will spill over to other sectors of economy. Department that contribute a bigger share to economic infrastructure development are Roads and Transport, Agriculture, Economic Development, Public Works and Cogesta

## **2.2.7. Develop vibrant, equitable and sustainable rural communities that contribute to adequate food supply**

The majority of people in Limpopo province live in rural areas; this deems Limpopo province as a rural province. Rural areas are diverse and varied in terms of the basic resources and development patterns. It is for this reason that Limpopo provincial government aspire for vibrant, equitable, sustainable rural communities contributing towards food security for all. This will be done through amongst others sustainable agrarian reform that will create platform for thriving small and large farming sector. The major players in this regard is Department of Agriculture and Department of Social Development.

## **2.2.8. Protect our environment and natural resources**

The Department of Economic development Environment and Tourism has been tasked to develop programmes that are seek to protect the Limpopo environment. This will be done by amongst others provision of environment empowerment services. On this the Department works with District Municipalities to create awareness and consciousness amongst communities on the importance of protection of the environment.

### **2.2.9. Create sustainable human settlements and improved quality of household life**

The creation of Human settlements is an important aspect in the communities. The Department of Coghsta has been tasked to champion the creation of Human settlements and not just building housing units. There is an involvement of other departments that offer social and economic services in the creation of Human settlements.

### **2.2.10. Build a responsive, accountable, effective and efficient local government system**

The creation efficient local Government is not responsibility of one department but a collective. However Cogta and Provincial Treasury play a much bigger role in ensuring that the outcome is realized. Coghsta is playing a role in supporting municipalities in planning, budgeting and implementation of projects. The department also monitors progress made by different municipalities and offer support when there is a need .Provincial Treasury a role in giving support to municipalities mainly on budgeting and expenditure monitoring and reporting.

### **2.2.11. Create a better South Africa, a better Africa and a better world**

Limpopo does exist in isolation but collaborate with other countries both in Africa and the other parts of the world .Office of The Premier co-ordinate and monitor agreements that Limpopo enter into with other countries .



### **2.2.12. Generate an efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship.**

The implementation of projects that are funded through the 2012 budget will be done by public servants. It becomes important for the public servants to understand the priorities of government and the outcomes to be achieved. Office of The Premier co-ordinate planning by all provincial Departments and monitor implementation.

### **2.3. Summary of Budget Aggregates**

An overview of the Provincial budget is provided in Table 1.6 below. The size of the total provincial budget for 2012/13 is R46.8 billion. That a nominal growth of 6.5 per cent from the from the 2011/12 total provincial budget. The equitable share has a nominal growth rate of 6.3 per cent, transfers from national 9.3. per cent and own source receipts -12.6 per cent. The total provincial budget is now expected to grow by an average nominal growth rate of 5.6 per cent between 2012/13 and 2014/ 15. A total of R268 million will be used for funding of unauthorized expenditure. The 2011/12 adjusted budget has a deficit of R 271.8 million.

**Table 1.6: Provincial budget summary**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
<b>Provincial receipts</b>									
Transfer receipts from national	29,813,383	35,242,709	39,689,470	43,348,668	43,891,521	43,891,521	46,305,982	48,988,172	51,645,320
Equitable share	26,452,612	30,916,856	33,706,324	36,436,545	36,793,208	36,793,208	38,721,016	40,969,082	43,170,325
Conditional grants	3,360,771	4,325,853	5,983,146	6,912,123	7,098,313	7,098,313	7,584,966	8,019,090	8,474,995
Provincial own receipts	539,803	554,438	561,198	583,530	512,006	512,006	509,925	535,921	566,951
<b>Total provincial receipts</b>	<b>30,353,186</b>	<b>35,797,147</b>	<b>40,250,668</b>	<b>43,932,198</b>	<b>44,403,527</b>	<b>44,403,527</b>	<b>46,815,907</b>	<b>49,524,093</b>	<b>52,212,271</b>
<b>Provincial payments</b>									
Current payments	24,369,453	28,877,584	33,476,516	35,692,948	35,969,072	36,588,738	38,111,583	40,332,967	43,037,240
Transfers and subsidies	4,091,285	4,401,794	5,172,413	4,947,712	5,194,999	5,264,167	5,449,041	5,528,552	5,630,062
Payments for capital assets	2,088,410	2,239,955	2,670,965	3,291,538	3,154,024	3,059,481	2,376,829	2,298,061	2,354,283
Payments for financial assets	11,983	4,502	3,845	-	2,701	2,701	-	-	-
<b>Total provincial payments</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,323,740</b>	<b>43,932,198</b>	<b>44,320,796</b>	<b>44,915,087</b>	<b>45,937,453</b>	<b>48,159,580</b>	<b>51,021,585</b>
Less: Unauthorised expenditure	-	-	57,179	55,056	55,056	55,056	268,060	4,000	3,141
<b>Baseline Available for Spending</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,266,561</b>	<b>43,877,142</b>	<b>44,265,740</b>	<b>44,860,031</b>	<b>45,669,393</b>	<b>48,155,580</b>	<b>51,018,444</b>
<b>Financing</b>									
Surrenders	196,606	164,819	911,268		134,101	134,101	29,483		
<b>Surplus/(deficit) after financing</b>	<b>(11,339)</b>	<b>438,131</b>	<b>(161,804)</b>	<b>-</b>	<b>216,832</b>	<b>(377,459)</b>	<b>907,937</b>	<b>1,364,513</b>	<b>1,190,686</b>

## 2.4. Financing

Provincial cash resources refer to surplus funds in the provincial revenue fund, after taking into account all commitments and subsequent roll-overs. This includes unspent appropriated funds in departments that were not rolled over to the ensuing financial year, as well as the surplus provincial own revenue that was collected in prior financial years.

This source of financing also relates to any internal provincial reprioritisation that is undertaken to finance provincial commitments. The province has budgeted for a surplus of R3.3 billion over the MTEF. The total bank overdraft and unauthorized expenditure amounting to R2,742 billion will be settled over the 2012 MTEF.

### **3. Budget process and the Medium Term Expenditure Framework**

#### **3.1. The relationship between Strategic planning and budget**

Planning and budgeting in South Africa is informed by a number of policy initiatives. The policy initiatives are Regional, National and Provincial. At the beginning of any electoral cycle, policy priorities are set, and thereafter plans are made with the purpose of achieving these priorities. Priorities are based on achievements that have already been made, together with gaps that still exist. Provincial priorities are set in line with National Priorities. The provincial policy priorities are derived from the provincial strategic priorities emanating from the Medium Term Strategic Framework, which takes into consideration the targets and priorities of the Millennium Development Goals (MDG). Furthermore, provincial priorities as set out in the Limpopo Economic Growth and Development Plan (LEGDP) also have to be considered.

It is imperative for Strategic Plans and budget to be interrelated as it will improve effectiveness of government operations. It is important for budget plans to link to strategic plans to ensure that key objectives and priorities are budgeted for and achieved. It does help to have well crafted plans without well planned budget that will make sure that the plans are realized. Annual Budget focus on the fiscal envelope for the next financial year and Medium Term Expenditure Framework period (MTEF), whereas Strategic Plans focus on the next five years while Annual Performance Plans focus on the next financial year and the MTEF period. There may be a need for a change in budget structure whenever the plans change. An example can be given using a department that did not have transfer to Non Governmental Organizations .When the department identifies a priority that can best be implemented by Non Governmental Organization the structure of the budget will then have to change to make implementation of the priority possible.

Provincial departments are required to develop Strategic Plans with a planning horizon of at least five years and Annual Performance Plans covering the MTEF period. Annual Performance Plans should be guided by the Strategic Plans, which reflect MTSF and subsequently political priorities. At the beginning of the strategic planning session, the executive authority sets out clearly priorities that guide the development of the Annual Performance Plan and also ensures that priorities are in line with the Strategic Plan. The departments are also expected to develop activity based costing. The activity based costing takes into consideration the performance level of the project. If in year one the project is still at the feasibility study level or planning level less budget will be allocated than in year two when the project will be implemented.

### **3.2. The role of Provincial Treasury**

Provincial Treasury is required to submit First Draft Strategic Plans and Annual Performance Plans of provincial departments to National Treasury before the end of July and October every year for the following year plans that will guide the budget for that year. In order to ensure that quality documents are submitted to National Treasury, Provincial Treasury, inter alia, analyses documents, provides feedbacks and holds bilateral with departments before their submission. Provincial departments are required to submit such documents to Provincial Treasury before the end of June and end of September every year to allow the aforementioned process to take place.

Submission due dates to National Treasury for 2012/13 First and Second Draft Strategic Plans and Annual Performance Plans were extended from the end of July and October 2011 to the end of August and 1 December 2011 respectively. Consequent to the foregoing, submission due dates from departments to Provincial Treasury for 2012/13 First and Second Draft Strategic Plans and Annual Performance Plans were extended from the end of June and September 2011 to the end of July and October 2011 respectively. Departments that have public entities and cooperatives are required to submit the strategic plans of these entities together with their business plans. The strategic plans of the entities and business plans will form the basis on which the budgets of the entities are made and transfers budgeted for by the concerned departments.

All departments in the Province held strategic planning sessions involving Executive Authority, Accounting Officer, and Head Official responsible for Planning, Chief Financial Officer, other management staff and stakeholders. Departments that have public entities involved them during their Strategic planning sessions. Some departments requested Provincial Treasury to provide guidance during their planning sessions.

Documents were received on time, analysed and findings communicated to departments by National as well as Provincial Treasury. Departments have improved the quality of documents based on feedbacks made.

### **3.3. Budget Process**

#### **3.3.1. What is entailed in the budget process**

In addition to observing normal practices related to planning, budgeting and reporting, this chapter provides the features the 2012 budget process for the Province have and the linkage to the national budget process. This section describes the key stages in the budget process from a provincial perspective to ensure transparency.

A comprehensive legislative process supports the Budget and include amongst others: legislative bills adopted by National Parliament (the Division of Revenue Act, Appropriation Act and the Revenue Laws Amendment Act); and the Provincial Legislature (Limpopo Appropriation Act). Once the Provincial Legislature has appropriated budget amounts to each of the main divisions within a vote, the Provincial Executive is tasked with the implementation of the budget. The Provincial Executive relies on its administration (departments) to implement the programmes funded through the budget. Provincial Legislature in turn, exercises its oversight role, by ensuring that the administration implements the programmes approved through the budget. It can do so by assessing the performance of departments through monthly or quarterly in-year reports and annual reports which track financial and non-financial information.

The MTEF details 3-year rolling expenditure and revenue plans for provincial departments. The MTEF is designed to match the overall resource envelope with the estimation of the current and medium-term cost of existing departmental plans and expenditure programmes.

### 3.3.2. Matching policy priorities and resources

Deciding and agreeing on the best allocation of scarce resources to fund Government's many social, economic and administrative goals is the main purpose of the budget process. This includes re-assessing and reprioritising existing departmental baseline allocations, to ensure that the MTEF budgets are aligned to Government's priorities. Figure 16 below provides an outline of the budget process.

**Figure 16 : Outline of budget process**



Source: Limpopo Treasury (2012)

### **3.3.3. Budget programme structure**

The budget is drawn according to the budget programme structure. Budget programme structure is an essential requirement for departmental budgeting that aligns the organizational structure to the departmental budget annually. Currently Budget Programme structures that were set in place in 2010 have eleven departments (Education, Agriculture, Provincial Treasury, Economic Development, Health, Roads and Transport, Public Works, Local Government, Social Development and Sport, Arts and Culture) with the approval by specific sectors except Office of the Premier and Provincial Legislatures.

### **3.3.4. Outcome Budgeting Approach**

The outcomes approach to budgeting encompasses a new approach to planning, budgeting and monitoring of service delivery in line departments. Through the identification of outcomes and the monitoring of the related chain of inputs-activities-outputs, government will focus on the end product of service delivery. The focal point of this new approach will be on sectors and achievement of their outcomes and the intergovernmental implications, as opposed to on individual department's activities. An outcome-orientated government is able to coordinate different plans, activities and budgets across spheres and departments to ensure that all these areas are aligned. In this regard substantial changes have been made to the structure of the MTEF database to reflect the new budgeting approach.

Over the medium term there are 12 targeted outcomes, which have been detailed in the Presidency's *Measurable Performance and Accountable Delivery* document. The Government also identified five priorities. The 2012 provincial budget was informed by these frameworks and priorities.

## 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 2012/13 reflect a nominal increase of 6.5 per cent from 2011/12. The growth in revenue in 2012/13 of R2.8 billion is largely attributed to growth in the equitable share of R2.2 billion, along with an increase in conditional grants of R643 million.

**Table 1.7: Summary of provincial Receipts**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
<b>Transfer receipts from national</b>									
Equitable share	26,452,612	30,916,856	33,706,324	36,436,545	36,793,208	36,793,208	38,721,016	40,969,082	43,170,325
Conditional grants	3,360,771	4,325,853	5,983,146	6,912,123	7,098,313	7,098,313	7,584,966	8,019,090	8,474,995
<b>Total transfer receipts from national</b>	<b>29,813,383</b>	<b>35,242,709</b>	<b>39,689,470</b>	<b>43,348,668</b>	<b>43,891,521</b>	<b>43,891,521</b>	<b>46,305,982</b>	<b>48,988,172</b>	<b>51,645,320</b>
<b>Provincial own receipts</b>									
<b>Tax receipts</b>	<b>187,831</b>	<b>214,946</b>	<b>227,015</b>	<b>239,401</b>	<b>239,619</b>	<b>239,619</b>	<b>251,926</b>	<b>265,100</b>	<b>278,355</b>
<b>Non-tax receipts</b>	<b>311,654</b>	<b>299,047</b>	<b>293,267</b>	<b>313,050</b>	<b>232,725</b>	<b>232,725</b>	<b>220,840</b>	<b>233,334</b>	<b>247,547</b>
Sale of goods and services other than capital assets	160,286	151,983	164,758	179,673	170,377	170,377	188,170	198,998	211,489
Fines, penalties and forfeits	27,315	26,544	30,177	30,762	37,013	37,013	32,274	33,915	35,611
Interest, dividends and rent on land	124,053	120,520	98,332	102,615	25,335	25,335	396	421	448
Transfers received	-	2,851	-	-	-	-	-	-	-
Sale of capital assets	16,664	17,130	11,543	10,373	14,308	14,308	10,724	10,662	11,295
Financial transactions	23,654	20,464	29,373	20,706	25,354	25,354	26,435	26,825	29,754
<b>Total provincial own receipts</b>	<b>539,803</b>	<b>554,438</b>	<b>561,198</b>	<b>583,530</b>	<b>512,006</b>	<b>512,006</b>	<b>509,925</b>	<b>535,921</b>	<b>566,951</b>
<b>Total provincial receipts</b>	<b>30,353,186</b>	<b>35,797,147</b>	<b>40,250,668</b>	<b>43,932,198</b>	<b>44,403,527</b>	<b>44,403,527</b>	<b>46,815,907</b>	<b>49,524,093</b>	<b>52,212,271</b>

### 4.2. Equitable Share

Equitable share is an unconditional transfer from National Treasury to provincial governments to fund the gap that provinces encounter due to their limited fiscal capacity and the significant expenditure assigned to them. The bulk of national transfers come in the form of an equitable share allocation, and the balance comes from conditional grants. Unlike the division of revenue between the spheres of government (vertical split) which is based on value judgment, the provincial equitable share allocation of the nationally raised revenue is formula driven. The formula used to divide the equitable share between provinces is objective-based and redistributive by design. The formula is reviewed and updated annually, based on the latest available data.



### **4.3. Conditional Grants**

Conditional grants to provinces are classified into three types, namely Schedule 4, 5 and Schedule 8 grants, which have different governance arrangements. Schedule 4 grants are more general grants that supplement various programmes also funded by provinces, and include the Infrastructure Grant to Provinces which aims to address backlogs in provincial infrastructure. Transfer and spending accountability arrangements differ in each case. More than one national or provincial department may be responsible for different outputs expected from the grant, so accountability is broader and more comprehensive, and related to entire programmes rather than specific projects.

Schedule 5 grants are specific purpose conditional grants, with specific responsibilities for both the transferring and receiving accounting officers. Some changes were made to the conditional grant framework for the 2012/13 MTEF.

Schedule 8 grants are primarily to cater for disasters in-year. The objective of this grant is to make funding available at the time of the disaster occurring as compared to previously where provinces had to wait for these funds to be appropriated either during the adjustment estimate or beginning of the next financial year depending on when the disaster took place

s in-year. The objective of this grant is to make funding available at the time of the disaster occurring as compared to previously where provinces had to wait for these funds to be appropriated either during the adjustment estimate or beginning of the next financial year depending on when the disaster took place

**Table 1.8: Summary of National conditional grant transfer by grant**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2011/12	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2012/13	2013/14	2014/15
<b>Vote 1</b>	-	-	-	1,071	-	-	-	-	-
EPWP Incentive Allocation	-	-	-	1,071	-	-	-	-	-
<b>Vote 3</b>	<b>825,123</b>	<b>1,046,366</b>	<b>1,801,088</b>	<b>2,258,710</b>	<b>2,297,515</b>	<b>2,297,515</b>	<b>2,444,489</b>	<b>2,595,766</b>	<b>2,620,819</b>
National School Nutrition Prog.	307,856	465,992	659,233	829,669	832,952	832,952	879,338	937,023	994,466
Dinaledi Schools Grant	-	-	-	7,140	7,140	7,140	10,169	10,727	11,341
HIV/AIDS	18,372	33,263	28,322	28,088	34,646	34,646	29,942	31,586	33,412
Technical Secondary Schools Recapitalisation	-	-	2,968	27,450	27,918	27,918	26,700	28,169	29,802
Eduaction Infrastructure Grant	387,249	547,111	668,438	874,897	897,937	897,937	942,091	988,433	918,075
EPWP Incentive Allocation	-	-	-	1,071	1,071	1,071	1,080	-	-
Social Sector (EPWP) Grant	-	-	-	-	-	-	18,557	-	-
Further Education and Training Colleges	111,646	-	442,127	490,395	495,851	495,851	536,612	599,828	633,723
<b>Vote 4</b>	<b>221,832</b>	<b>131,196</b>	<b>172,743</b>	<b>203,601</b>	<b>212,076</b>	<b>212,076</b>	<b>264,062</b>	<b>269,004</b>	<b>271,801</b>
Disaster Management (Drought relief)	50,000	10,000	-	-	8,475	8,475	-	-	-
Land Care	10,359	7,713	8,176	8,667	8,667	8,667	20,356	19,562	10,178
Provincial Infrastructure	65,641	-	-	-	-	-	-	-	-
Comprehensive Agriculture Support Programme	95,832	108,483	144,567	154,398	154,398	154,398	192,243	205,597	215,561
EPWP Incentive Allocation	-	-	-	536	536	536	9,463	-	-
Ilima/Letsema Projects	-	5,000	20,000	40,000	40,000	40,000	42,000	43,845	46,062
<b>Vote 05</b>	-	-	<b>2,000</b>	-	-	-	-	-	-
Provincial Infrastructure	-	-	2,000	-	-	-	-	-	-
<b>Vote 06</b>	-	-	-	<b>1,071</b>	-	-	<b>1,000</b>	-	-
EPWP Incentive Allocation	-	-	-	1,071	-	-	1,000	-	-
<b>Vote 7</b>	<b>904,258</b>	<b>1,136,956</b>	<b>1,425,524</b>	<b>1,702,755</b>	<b>1,707,118</b>	<b>1,707,118</b>	<b>1,728,950</b>	<b>1,916,488</b>	<b>2,199,184</b>
Health Professions Training and Development	82,896	88,759	94,085	99,730	101,426	101,426	103,913	109,628	116,206
Hospital Revitalisation Grant	252,029	212,360	274,256	371,672	371,672	371,672	301,193	310,211	399,266
Comprehensive HIV and AIDS	234,410	402,133	515,896	624,909	624,909	624,909	713,432	861,143	1,000,811
National Tertiary Services	152,239	176,871	257,314	267,314	269,010	269,010	288,427	305,732	323,158
Health Infrastructure	134,366	167,255	197,466	270,802	270,802	270,802	267,888	283,961	294,837
Forensic Pathology Service Grant	48,318	35,233	39,913	42,308	43,279	43,279	-	-	-
Health Disasster Response (Cholera)	-	50,000	39,913	-	-	-	-	-	-
EPWP Incentive Allocation	-	-	6,681	1,071	1,071	1,071	1,000	-	-
Social Sector (EPWP) Grant	-	-	-	24,949	24,949	24,949	29,197	-	-
2010 World Cup Health Preparatory Strategy Grant	-	4,345	-	-	-	-	-	-	-
National Health Insurance	-	-	-	-	-	-	11,500	26,833	38,334
Nursing Colleges	-	-	-	-	-	-	12,400	18,980	26,572
<b>Vote 8</b>	<b>490,439</b>	<b>875,798</b>	<b>1,084,990</b>	<b>1,184,952</b>	<b>1,186,023</b>	<b>1,186,023</b>	<b>1,495,852</b>	<b>1,480,273</b>	<b>1,551,887</b>
Provincial Infrastructure	486,041	696,256	870,518	934,208	934,208	934,208	1,198,077	1,205,341	1,263,047
Overload Control Grant	4,398	5,035	-	-	-	-	-	-	-
Transport Disaster Management	-	-	-	-	-	-	-	-	-
EPWP Incentive Allocation	-	-	-	1,246	2,317	2,317	37,050	-	-
Public Transport Operation	-	174,507	214,472	249,498	249,498	249,498	260,725	274,932	288,840
<b>Vote 9</b>	<b>15,294</b>	<b>26,217</b>	<b>31,943</b>	<b>35,752</b>	<b>36,521</b>	<b>36,521</b>	<b>42,273</b>	<b>37,024</b>	<b>39,113</b>
Devolution of Property Rate Fund Grant	12,294	19,217	15,154	34,054	34,478	34,478	35,399	37,024	39,113
Provincial Infrastructure	3,000	7,000	10,000	-	-	-	-	-	-
Expanded Public Works Programme (EPWP)	-	-	6,789	-	-	-	-	-	-
EPWP Incentive Allocation	-	-	-	1,698	1,698	1,698	6,874	-	-
Social Sector (EPWP) Grant	-	-	-	-	345	345	-	-	-
<b>Vote 11</b>	<b>824,806</b>	<b>996,667</b>	<b>1,364,750</b>	<b>1,400,160</b>	<b>1,532,914</b>	<b>1,532,914</b>	<b>1,471,617</b>	<b>1,588,823</b>	<b>1,657,732</b>
Human Settlement Development	824,806	996,667	1,364,750	1,398,914	1,510,494	1,510,494	1,471,617	1,588,823	1,657,732
Housing Disaster Management	-	-	-	-	21,174	21,174	-	-	-
EPWP Incentive Allocation	-	-	-	1,246	1,246	1,246	-	-	-
<b>Vote 12</b>	-	-	<b>3,456</b>	<b>3,382</b>	<b>3,382</b>	<b>3,382</b>	<b>11,168</b>	-	-
Social Sector (EPWP) Grant	-	-	3,456	3,382	3,382	3,382	11,168	-	-
<b>Vote 13</b>	<b>79,019</b>	<b>112,653</b>	<b>96,652</b>	<b>120,669</b>	<b>122,764</b>	<b>122,764</b>	<b>125,555</b>	<b>131,712</b>	<b>134,459</b>
Mass Sport and Recreation Participation Programme	30,615	51,023	43,604	53,636	55,731	55,731	55,733	59,050	62,378
Library Services	48,404	61,630	53,048	66,497	66,497	66,497	68,822	72,662	72,081
EPWP Incentive Allocation	-	-	-	536	536	536	1,000	-	-
<b>Total conditional grants</b>	<b>3,360,771</b>	<b>4,325,853</b>	<b>5,983,146</b>	<b>6,912,123</b>	<b>7,098,313</b>	<b>7,098,313</b>	<b>7,584,966</b>	<b>8,019,090</b>	<b>8,474,995</b>

As can be seen from Table 1.8 conditional grants in the province over the MTEF are expected to total R24.1 billion. The total conditional grants allocation in 2012/13 of R7.6 billion.

#### **4.4. Specific grants within the various departments**

##### **4.4.1. Vote 3: Department of Education**

The department will receive conditional grants amounting to R2.4 billion in 2012/13, R2.6 billion in 2013/14 and R2.6 billion in 2014/15. The conditional grants will be used for Further education and training, Dinaledi Schools, School Nutrition Programme, Technical Secondary Schools Recapitalization, HIV/AIDS. The department will also receive Infrastructure Grants to provinces. The conditional grants have a steady growth throughout the MTEF. The grant that contributes more is Infrastructure grant at R942.1 million, school nutrition at R879.3 and Further Education and Training at R536.6.

##### **4.4.2. Vote 4: Department of Agriculture**

The department will receive conditional grants amounting to R264.6 million in 2012/13, R269 million in 2013/14 and R271.8 million in 2014/15. The conditional grants will be used mainly for Land care, Comprehensive Agriculture Support (CASAP) and Letsema. An amount of R192.2 million is allocated for CASAP and R42.0 million for Letsema.

##### **4.4.3. Vote: Department of Health**

For the 2012/13 MTEF the department has been allocated five national conditional grants, namely Hospital Infrastructure Grant, National Tertiary Services, HIV/AIDS, Hospital Rehabilitation and Health professional Training and Development Grant. All the allocated conditional grants show a steady increase over the MTEF period under review. The total conditional grant for the department is R1.7 billion in 2012; R1.9 billion in 2013/14 and R2.2 billion in 2014/15. The major contributors are R713.4 million for HIV/AIDS, R301.2 million for Hospital Revitalization and R288.4 for National Tertiary Services. The growth of 17.5 per cent and 20.5 per cent on HIV/AIDS conditional grant in 2012/13 and 2013/14 respectively will enable the department to cover most of the increased demands of HIV services.

#### **4.4.4. Vote 8: Department of Transport**

The department will receive conditional grant amounting to R1.5 billion in 2012/13, R1.5 billion in 2013/14 and increase to R1.6 billion in 2014/15. The conditional grants will mainly be used for Infrastructure and Public transport operation. An amount of R1.2 billion allocated to the department will be used for provincial infrastructure grant while R 260.7 will be for public transport.

#### **4.4.5. Vote 9: Public Works**

The department will receive conditional grants amounting to R42.3 million in 2012/13, it will decline to R37.7 in 2013/14 and grow to R39.1 in 2014/15. The conditional grant will be used mainly for devolution of Property Rates to provinces. An amount of R35.4 million is allocated for devolution of property rates. The Extended Public Works Programme is provided for in 2012/13 only.

#### **4.4.6. Vote 11: Cooperative Governance, Human Settlements & Traditional Affairs**

In 2012/13 the Department will receive conditional Grants amounting to R1.5 billion, R1.6 billion in 2013/14 and R1.7 billion in 2014/15. The conditional grant is mainly for Integrated Housing and Human Settlements Development. An amount of R1.5 billion is allocated for human settlement. The grant is meant to meet the high demand for housing within the province. The conditional grants will be used meet priorities in 2012/13 to transfer 500 units through Enhanced Extended Discount Benefit Scheme, transfer 2 500 units to beneficiaries and built 250 rental units.

#### **4.4.7. Vote 13: Department of Sports Arts and Culture**

The department will receive conditional grant amounting to R125.6 million in 2012/13, it will increase to R131.7million in 2013/14 and R134.5 million in 2014/15. The conditional grants will mainly be used for mass sports participation that is allocated R55.7 million and Library Services that has an allocation of R68.8.

#### **4.5. Total Provincial Own Receipts (Own Revenue)**

The Provincial own receipts for Limpopo in 2012/13 is expected to total R509.9 million - Negative growth of 0.4 per cent in 2012/13 due to expected decline in interest collection. The growth is anticipated to normalize to 5.1 per cent in 2013/14 and further increase to 5.8 per cent in 2014/15 when own receipts will total R566.9 million. Details of own receipts by vote are shown in the table.

**Table 1.9: Provincial receipts by vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Office of the Premier	963	6,320	619	629	2,514	2,514	640	654	658
Provincial Legislature	300	250	221	308	308	308	290	127	142
Education	30,273	30,390	37,592	37,375	30,390	30,390	41,363	44,612	50,704
Agriculture	11,697	11,615	13,321	10,859	10,859	10,859	11,351	11,758	12,346
Provincial Treasury	125,590	120,395	98,320	103,531	25,531	25,531	1,298	1,366	1,441
Economic Development, Environmental Affairs and Tourism	41,315	38,527	41,663	39,399	39,399	39,399	42,007	44,817	47,058
Health	87,175	93,009	98,796	107,077	107,077	107,077	113,898	119,593	125,573
Roads and Transport	209,632	233,309	247,213	262,056	271,445	271,445	275,131	288,888	303,332
Public Works	27,321	16,907	18,730	17,511	17,511	17,511	18,685	18,814	20,151
Safety, Security and Liaison	161	166	100	86	166	166	60	66	70
Social Development	579	930	2,035	2,137	2,314	2,314	2,244	2,356	2,474
Cooperative Governance, Human Settlements and Traditional Affairs	2,950	2,015	1,917	<b>1,797</b>	3,887	3,887	2,153	2,020	2,106
Sport, Arts & Culture	1,847	605	671	765	605	605	805	850	896
<b>Total provincial own receipts</b>	<b>539,803</b>	<b>554,438</b>	<b>561,198</b>	<b>583,530</b>	<b>512,006</b>	<b>512,006</b>	<b>509,925</b>	<b>535,921</b>	<b>566,951</b>

**4.5.1. Vote 1: Office of the Premier**

The main sources of revenue for the department are commission on insurance and parking fee. The department contributed R0.9 million, R6.3 million and R0.6 million in 2008/09, 2009/10 and 2010/11 respectively. The fluctuations in revenue collection are due to once off recovery of previous year debts. There is a negative growth of 4.6 per cent in 2011/12 and negative 74.1 per cent over the MTEF. The negative growth is due to once off sale of capital assets in 2011/12.

**4.5.2. Vote 2: Provincial Legislature**

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. The institution collects its revenue mainly on sale of tender documents, commission on insurance and recovery of outstanding debts. The institution generated R0.3 million, R0.3 million and R0.2 million in 2008/09, 2009/10 and 2010/11 respectively. The department reflects growth of 19.8 per cent in 2011/12 and negative growth of 39.5 per cent over the MTEF period. The positive growth in 2011/12 and the negative growth over the MTEF are due to once off sale of capital assets.

#### **4.5.3. Vote 3: Education**

The major source of own revenue is commission on insurance, examination and remarking fees. The department contributed R30.3 million, R30.4 million and R37.6 million in 2008/09, 2009/10 and 2010/11 respectively. The negative growth and positive growth in 2010/11 and 2011/12 are due to once off recovery of debts and accumulation of stale cheques.

#### **4.5.4. Vote 4: Agriculture**

The revenue collection for this department is mainly on sale of capital assets, agricultural produce and veterinary services. The department contributed R11.7 million, R11.6 million and R13.3 million in 2008/09, 2009/10 and 2010/11 respectively.

The department indicates negative growth of 11.1 per cent in 2011/12 and a growth of 8.8 per cent over the MTEF period. The negative growth in 2011/12 and positive growth over the MTEF are due to once off transfer of farms to National Department of Rural Development and Land Reforms.

#### **4.5.5. Vote 5: Provincial Treasury**

Interest earned on bank balances made the bulk of the department's own revenue. The department contributed R125.6 million, R120.4 million and 98.3 million in 2008/09, 2009/10, and 2010/11 respectively. Other sources of revenue are commission on insurance, sale of tender documents and parking fees.

The department shows a negative growth of 76.5 per cent in 2011/12 and a growth of 8.1 per cent over the MTEF period. The negative growth in 2011/12 and positive growth over the MTEF are due to low interest earned during 2011/12

#### **4.5.6. Vote 6: Economic Development**

The main source of revenue is derived from tax receipts comprising of casino, horse racing and liquor licenses. The department contributed R41.3 million, R38.5 million and R41.7 million in 2008/09, 2009/10 and 2010/11 respectively. The department indicates a negative growth of 2.7 per cent in 2011/12 and a growth of 13.3 per cent over the MTEF period. The negative growth in 2011/12 and positive growth over the MTEF is a result of less collection on hunting and trading licenses.

#### **4.5.7. Vote 7: Health**

The significant revenue collected by the department is mainly on patient fees which include the recovery of outstanding patient fee debts from Road Accident Fund. Other sources of revenue are rentals, parking fees and sale of capital assets.

The department contributed R87.2 million, R93.0 and R98.8 million in 2008/09, 2009/10 and 2010/11 respectively. The budget estimates shows a growth of 14.3 per cent in 2011/12 and 11.8 per cent over the MTEF. The huge increase in 2011/12 and over the MTEF is due to improved recovery of patient fee debts.

#### **4.5.8. Vote 8: Roads and Transport**

Significant departmental revenue is derived from motor vehicle licenses collected in terms of Road Traffic Act. Other sources of revenue are traffic fines, operating licenses and abnormal loads fees.

The department contributed R209.6 million, R233.3 million and R247.2 million in 2008/09, 2009/10 and 2010/11 respectively. The department reflects a positive growth of 17.9 per cent 2011/12 and 6.5 per cent over the MTEF period. The huge increase in 2011/12 is due to increase in motor vehicle rates and tariffs as well as collection of outstanding traffic fines.



#### **4.5.9. Vote 9: Public Works**

Public Works is the custodian of immovable provincial government properties. Rental of properties makes up the bulk of revenue generated by the department. Other revenue sources are commission on insurance, sale of tender documents and parking fees. The department contributed R27.3 million, R16.9 million and R18.7 million in 2008/09, 2009/10 and 2010/11 respectively. The department reflects a negative growth of 16.6 per cent 2011/12 and 9.7 per cent over the MTEF period. The fluctuation in revenue collection is due to once off disposal of some government properties that took place in 2008/09.

#### **4.5.10. Vote 10: Safety, Security and Liaison**

The main sources of revenue for the department are commission on insurance and parking fees. The department contributed R0.2 million, R0.2 million and R0.1 million in 2008/09, 2009/10 and 2010/11 respectively. The department reflects a growth of 16.6 per cent in 2011/12 and negative growth of 60.6 per cent over the MTEF period. The growth in 2011/12 and negative growth over the MTEF period is due to once off sale of capital assets.

#### **4.5.11. Vote 11: Cooperative Governance, Human Settlement and Traditional Affairs**

The main revenue sources are derived from commission on insurance and parking fees. The department contributed R3.0 million, R2.0 million and R1.9 million in 2008/09, 2009/10 and 2010/11 respectively. There is abnormal growth of 64.6 per cent in 2011/12 and negative growth of 53.8 per cent over the MTEF period. The abnormal growth and negative growth are due to collection of rental not budgeted for because it should be transferred to Public Works.

#### **4.5.12. Vote 12: Social Development**

The revenue collected by the department mainly comprises of commission on insurance and parking fees. The department contributed R0.6 million, R0.9 million and R2.0 million in 2008/09, 2009/10 and 2010/11 respectively. The department reflects a growth of 95.9 per cent in 2011/12 and minimal growth of 1.9 million over the MTEF period. Abnormal growth and minimal growth are due to improved recovery of debts.

#### 4.5.13. Vote 13: Sports, Arts and Culture

The department derives its own revenue mainly on entrance fees from hosting Mapungubwe Arts Festival. The department contributed R1.8 million, R0.6 million and R0.7 million in 2008/09, 2009/10 and 2010/11 respectively. The revenue budget estimates indicates negative growth of 41.8 per cent in 2011/12 and 40.5 per cent over the MTEF. Negative growth and positive growth over the MTEF is influenced by more collection of entrance fee in 2008/09.

#### 4.5. Donor Funding

Table 6 below outlines the donor funding received by the provincial government over the 2011/2012 financial year.

**Table 3: Donor funding**

<b>Donor</b>	<b>Amount</b>	<b>Date Received</b>	<b>Receiving Dept</b>	<b>Purpose</b>	<b>Date Transferred To Dept</b>
Irish Republic	3. 972. 000	24/06/2011	Education	Assisting with goals and objectives in the Strategic plan 2008 - 2012	24/06/2011
Interest	400. 000.	24/06/2011	Education	Interest on donation	18/07/2011
Interest	411. 552.61	29/08/2011	Education	Interest on donation	07/09/2011
Irish Republic	401. 431.4	31/08/2011	Health	HIV/Aids Programme	14/09/2011
Irish Republic	1. 669. 500	10/11/2011	Health	HIV/Aids Programme	10/11/2011
Irish Republic	2. 604. 000	21/11/2011	Education	Assisting with goals and objectives in the Strategic plan 2008-2012	23/11/2011
<b>TOTAL</b>	<b>9. 458. 484.05</b>				

## 5. Payments

### 5.1. Overall position

Total provincial payments are expected to grow by annual average of 4.1 per cent over the MTEF

### 5.2. Payments by vote

**Table 1.10: Summary of provincial payments and estimates by Vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
Vote 01: Office of the Premier	291,269	296,729	288,898	324,641	302,588	302,588	329,288	341,270	360,536
Vote 15: Provincial Legislature	144,947	157,018	191,251	221,090	231,508	231,508	217,664	228,272	241,189
Vote 03: Education	14,696,556	17,864,636	20,202,227	20,859,319	21,068,160	21,422,652	22,126,035	23,255,197	24,548,546
Vote 04: Agriculture	1,099,274	1,190,535	1,361,547	1,494,504	1,492,979	1,498,867	1,580,374	1,639,257	1,718,968
Vote 05: Provincial Treasury	371,453	356,408	359,372	308,884	292,684	292,684	315,521	329,771	356,195
Vote 06: Economic Development, Environmental Affairs and Tourism	698,156	680,251	861,071	957,943	899,943	899,943	888,338	924,124	973,908
Vote 07: Health	7,960,489	9,020,020	10,505,963	11,587,901	11,671,685	11,921,917	11,947,985	12,636,988	13,751,770
Vote 08: Transport	2,396,334	2,638,386	3,402,262	3,630,334	3,671,576	3,671,576	3,776,872	3,733,198	3,741,100
Vote 09: Public Works	634,464	699,566	774,264	837,064	837,833	819,690	859,288	887,362	936,524
Vote 10: Safety, Security and Liaison	43,878	51,642	56,845	62,474	62,794	62,916	67,301	72,474	76,399
Vote 11: Cooperative Governance, Human Settlements and Traditional Affairs	1,327,567	1,557,018	2,070,731	2,209,093	2,330,623	2,330,623	2,374,417	2,528,098	2,645,825
Vote 12: Social Development	701,789	773,272	1,003,859	1,159,184	1,163,339	1,163,339	1,165,929	1,280,595	1,355,257
Vote 13: Sport, Arts & Culture	194,955	238,354	245,450	279,767	295,084	296,784	288,441	302,975	315,369
<b>Total provincial payments by vote</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,323,740</b>	<b>43,932,198</b>	<b>44,320,796</b>	<b>44,915,087</b>	<b>45,937,453</b>	<b>48,159,580</b>	<b>51,021,585</b>
<b>Less: Unauthorised expenditure</b>	<b>-</b>	<b>-</b>	<b>57,179</b>	<b>55,056</b>	<b>55,056</b>	<b>55,056</b>	<b>268,060</b>	<b>4,000</b>	<b>3,141</b>
<b>Baseline Available for Spending</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,266,561</b>	<b>43,877,142</b>	<b>44,265,740</b>	<b>44,860,031</b>	<b>45,669,393</b>	<b>48,155,580</b>	<b>51,018,444</b>

### **5.2.1. Office of the Premier**

The MTEF allocation will be R329.3 million for 2012/13, R341.3 million for 2013/14 and R360.5 million for 2014/15 financial years. Overall growth rate of budget of the Office of the Premier is 8.8 per cent year on year and 4.6 per cent over the MTEF. Growth rate for programmes : Programme 1: 5 per cent year on year and 4,3 per cent over the MTEF, Programme 2: 10. 9 per cent year on year and 6. 8 per cent over the MTEF and Programme 3: 11. 6 per cent year on year and 7. 4 per cent over the MTEF.

Compensation of employees has a growth rate of 16. 3 per cent year on year and 8.9 per cent over the MTEF. The increase is to cater for critical posts that the Office intends to fill during the 2012/13 financial year.

### **5.2.2. Provincial Legislature**

The budget for the institution has a minimal overall growth of -6.0 per cent year on year and 5.3 per cent over the MTEF. The budget of the institution will decline from the adjusted R 231.5 million in 2011/12 to that of R 217.7 million during 2012/13 with an increase of R 228.3 million in 2013/14 and R241.2 million in 2014/15. Expenditure trends for this programme remain constant in real terms for the period 2011/12 to 2013/14; however, compensation of employees increases the MTEF baseline figures. The Legislature has included provision for the following priorities: strengthening capacity in law-making and oversight; deepening and entrenching a people-centered democracy; building an efficient and effective Legislature, and political support.

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

The budget for the department shows a minimal overall growth of 3.3 per cent year on year and 5.3 per cent over the MTEF. A total of R69.9 billion has been allocated over the 2012 MTEF. The department's budget grew from R21.4 billion in 2011/12 to R22.1 billion in 2012/13. R23.3 billion in 2013/14 and R24.5 billion in 2014/15.

The budget will be used for the provision for the overall management of, and support to, the education system in accordance with the National Education Policy Act, the Public Finance Management Act and other relevant policies. The department will also focus on providing public ordinary education from Grades R-12 in accordance with the South African Schools Act (SASA), 1996, as amended. This programme is the one that is allocated the larger part of the departmental budget. Support will also be given to independent schools in accordance with the South African Schools Act. Over the next three years an average of 20 per cent of the budget has been allocated to new schools, replacement schools and new district and circuit offices. Public Ordinary Schools Education reflects a significant growth over the seven-year period, largely influenced by the various wage agreements and OSD agreements, additional funds being allocated for textbooks for Grades 10 to 12, learner transport, boarding schools, support to learners repeating Grade 12, training of educators, as well as the increases in the Infrastructure Grant to Provinces.

#### 5.2.4. Department of Agriculture

The budget for the department has a minimal overall growth of -8.1 per cent y-o-y and 0.6 per cent over the MTEF. The MTEF allocation will be R1.6 billion for 2012/13, R1.6 billion for 2013/14 and R1.7 billion for 2014/15 financial years. Administration programme will have a growth rate of 0.2 per cent year on year and 3.5 per cent over the MTEF. This increase is mainly on Contractual Obligation (i.e. Lease of Buildings and Equipments used at Head Office and Payments for Security Services for Head office). Sustainable Resource has a positive growth of 10.3 per cent year on year and 4.7 per cent over the MTEF. This is due to Landcare Conditional Grant which has increased from R8.7 million in the current year to R20.4 million in the 2012-13 financial year. The programme has a net decrease considering that there has been a shift function from Programme 5 to this programme. Farmer support programme will experience a growth rate of 6.7 per cent year on year and 5.6 per cent over the MTEF due to CASP which has increased by R37.8 million from R154.4 million in the current year to R192.2 million in the 2012-13 financial year. Letsema has also increased by R2 million from R40 million to R42 million. Funds were also shifted from non-core to core items to fully fund Lease Payments, Security Services, Municipal Services and other contractual obligations for the all five districts and 25 municipalities. Compensation of Employees has also increased to cater for the approved organizational structure.

Veterinary Services has negative growth of 7.9 per cent year on year and a positive growth of 0.7 per cent over the MTEF. This is due to the need to reprioritize certain services in order to fund contractual obligations and honour the budget reduction.

There has been a function shift from programme 5 to programme 2 after the introduction of the new sub-programme: Disaster Risk Management. This is also due to the need to reprioritize certain services in order to fund contractual obligations and honour the budget. This has resulted in the negative growth of 25.2 per cent year on year and 6.1 per cent over the MTEF.

Agricultural Economics registered a growth of 19.5 per cent year on year and 8.5 per cent over the MTEF due to funds which were initially budgeted for MERACAS in the current financial year could not be used due to changes in the policy. The funds were reprioritized during the adjustment budget but will be required in the next financial year since the policy has been reviewed. Funds to LADC to implement some departmental projects are also located on this programme.

Structured Agricultural Training has a negative growth of 1.3 per cent year on year and appositve growth of 1.3 over the MTEF due to the need to reprioritize and unfund certain services in order to fund contractual obligations and honour the budget reduction.

Compensation of Employees registered a growth rate of 5.9 per cent year on year and 5.4 per cent over the MTEF to cater for the implementation of the approved organizational structure and the Improvement on Condition of Service (ICS) as per treasury guidelines. The actual budget required to fund the total organizational structure is R963 million which include the unfunded mandate of OSD for Agricultural Engineers and related fields. This amount is however

more than the 56 per cent as required; only R889 million which is 56 per cent is provided for in the 2012/13 baseline budget. The department was requested to go and adjust its submission so that the growth rate for personnel expenditure can be 6.5 per cent

Goods and Services have registered a negative growth rate of 9.0 per cent year on year and 0.2 per cent over the MTEF. The reduction was on non-core items after funding the Compensation of Employees and contractual obligations. This baseline reduction has put a strain on the budget in this item. It means that there will be even less funds to support the infrastructural projects with the necessary requirements as certain critical services may be compromised.

Transfers and Subsidies registered 17.6 per cent year on year and 7.4 per cent over the MTEF due an increase on CASP. This will enable the Department to continue with the support that it has been providing to farmers for their infrastructural development and included in this amount is an amount of R20 million to address the flood damaged agricultural related projects.

Payments for Capital Assets have a positive growth rate of 21.1 per cent and 9.2 per cent due to funds required for renovation of hostels and Tompi Seleka College and building of Makhado Agricultural Offices. A provision has also been made for furniture and Equipments for those new offices. There is a once off expense in this item which is renovations of Agri-villages at head office amounting to R7 million, this amount will be channeled towards hostel renovations at Tompi Seleka College in the outer years.

The increase in conditional grant will be used mainly for programs such as (Comprehensive Agricultural Support Programme and Letsema) to enable the Department to maintain infrastructural farmer support programmes and to assist farmers with production inputs.

### **5.2.5. Provincial Treasury**

The department's budget is expected to grow by an annual average of 6.3 per cent over the MTEF period and 7.8 per cent year on year. In monetary terms that is an increase of R61 million on the 2011/12 adjusted allocation of R303 million. The department has budgeted R315.5 million in 2012/13, R329.8 million in 2013/14 and R356.2 to provide for the overall management of and support in accordance with the Policy Act, Public Finance Management Act and other relevant policies.

The compensation of employees and goods and services has increased by 6.0 per cent respectively and this will cater for salary increases and other contractual obligations for the department. There is a Strategic Information Systems Plan (SISP) project under GITO which might need some major funding but estimates of the costs will be determined by the hardware needed for the department. The bigger share of the budget (37.0 per cent) has been allocated to Administration which is responsible for paying lease of office buildings and other Administrative costs followed by Assets, Liabilities and SCM at 25.0 per cent, Financial Governance at 23.0 per cent, and lastly Sustainable Resource Management at 15.0 per cent.

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

The budget for the department will show an improvement from the revised R899 million in 2011/12. There will be year on year growth of -1.3 per cent and 4.7 per cent over the MTEF. Allocations over the 2012 MTEF are as follows, R888.3 million in 2012/12, R924.1 million in 2013/14 and R973.9 million in 2014/15. The R888.3 million allocated in 2012/13 is Equitable Share. The Department's budget will grow by an average of 7.5 per cent over the MTEF. The year on year growth will be -1.3 per cent.

The decline in the Tourism budget from R 112.3 million in 2011 to R 84.7 million in 2012 is due to the shift of the CED unit to programme 3, Environmental Affairs in terms of the programme structure as regulated for Provincial Environmental Affairs departments. The Infrastructure budget from will be used mainly for the erection of Market Stalls through Public Works department. The total transfers to Public Entities was reduced by R 17.5 million across the 2012 MTEF. The transfers to Public Entities in 2012 will be R 237.8 million, the amount will increase to R 251.7 million in 2013 to that of R 264.5 in 2014.

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

The department has been allocated a budget of R11.9 billion for 2012/13, R12.6 billion in 2013/14 and R13.8 billion in 2014/15. There will be growth of 0.2 per cent year on year and 7.3 per cent over the MTEF. For the 2012/13 MTEF the department has been allocated five national conditional grants, namely Hospital Infrastructure Grant, National Tertiary Services, HIV/AIDS, Hospital Rehabilitation and Health professional Training and Development Grant. All the allocated conditional grants show a steady increase over the MTEF period under review. The growth of 17.5 per cent and 20.5 per cent on HIV/AIDS conditional grant in 2012/13 and 2013/14 respectively will enable the department to cover most of the increased demands of HIV services

The budget will be used for strengthening district health and hospital services; improving quality of health care; implementation of comprehensive care and management of HIV and AIDS, TB, STIs and other communicable and non communicable diseases; accelerated disease prevention and control. Provision of occupational health services and reduction of mortality and morbidity are some of the priorities of the department. The department also seek to strengthen district health and hospital services and improve quality of health care. For this purpose secondary hospital services will be expanded, quality will be improved in provincial hospitals and sustainable outreach programme will be implemented.

The compensation of employees has increased significantly in the 2013/14 financial year due to the provision of appointment of Health professionals and decentralization of management. During the re-examination of the baseline the department reprioritized R240 million from program 7 to program 2 in order to fund the shortfall in compensation of employees. Infrastructure payments will be used specifically for health technology, quality improvement and organizational development. 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.

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

The department has been allocated a budget of R3.7 billion for 2012/13, R3.7 billion in 2013/14 and R3.7 billion in 2014/15. There will be an overall growth of 2.1 per cent year on year and -0.1 per cent over the MTEF. The contributing factors towards the growth are as follows:



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

The budget for the department will increase by an average of 4.4 per cent over the MTEF. The department has an overall growth of 4.8 per cent between 2011/12 and 2012/13. In monetary terms the budget allocation for the 2012/13 MTEF amounts to R 859.3 million, R887.4 million in 2013/14 and R 936 million in 2013/14. Some funds are earmarked to finance key priorities such as devolved rates and taxes, compliance with the Government Immovable Asset Management Act, the relocation of the Provincial Legislature and Greening Limpopo.

Devolution of Property Rate Funds Grant and the EPWP Grant- social sector which will in turn be surrendered to the social sector for the 2012/13 and 2013/14 financial year. The budget allocation on this item grew significantly by 36.6 per cent between 2010/11 and 2011/12 and 22.8 per cent over the MTEF. The 2012 MTEF budget will be used in the rehabilitation, renovation and refurbishment of buildings in the Province. Another 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.

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

The budget for the Department will amount to R67.3 million during the 2012/13; it will grow to R72.4 million in 2013/14 and R76.4 million in 2014/15. The budget increases by 7.0 per cent year on year and an average of 6.5 per cent over the MTEF period. The budget allocation will coordinate the implementation of the provincial crime prevention strategy, strengthening the community police forums and re-established them where they may have collapsed.

### **5.2.11. Cooperative Governance, Human Settlements and Traditional Affairs**

The department's budget is expected to grow by an annual average of 5.6 per cent over the MTEF period and 1.9 per cent year on year. In monetary terms that is an increase of R323 million on the 2011/12 adjusted allocation of R2.2 billion, R2.4 billion in 2012/13 to R 2.5 billion in 2013/14 and R 2.6 billion in 2014. Furthermore, increases based on the projected CPI are expected for the demarcation of sites which continues to be critical to the objective of Sustainable and Integrated Human settlement. Breaking new grounds, the clearing of housing backlogs and formalization of informal settlements as well as land acquisition will be financed by the grant.

### **5.2.12. Department of Social Development**

The budget for the department will have an average growth of 7.8 per cent over the MTEF and 0.2 per cent year on year. The department's is allocated R1.2 billion in 2012/13, R1.3 billion in 2013/14 and R1.4 billion in 2014/15

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

The department has been allocated R288.4 million in 2012/13, R302.9 million in 2013/14 and R315.4 million in 2014/15. The department will have nominal growth amounting to -2.8 per cent from year on year. The nominal growth over the 2011 MTEF will be 4.6. per cent .In monetary terms the budget for the department will be R288.4million during the 2012/13, R302million for 2013/14 and R315 million for 2014/15.

### 5.3. Payment by economic classification

Payment by economic classification is arranged according Economic Reporting Format as prescribed and updated by National Treasury as conditions dictates the need for revision.

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>24,369,453</b>	<b>28,877,584</b>	<b>33,476,516</b>	<b>35,692,948</b>	<b>35,969,072</b>	<b>36,588,738</b>	<b>38,111,583</b>	<b>40,332,967</b>	<b>43,037,240</b>
Compensation of employees	19,420,313	23,123,608	26,509,443	28,511,669	28,879,350	29,540,350	31,376,954	32,944,162	34,817,624
Goods and services	4,949,128	5,753,956	6,966,683	7,181,263	7,089,338	7,048,004	6,734,245	7,388,422	8,219,211
Interest and rent on land	12	20	390	16	384	384	384	384	405
<b>Transfers and subsidies to:</b>	<b>4,091,285</b>	<b>4,401,794</b>	<b>5,172,413</b>	<b>4,947,712</b>	<b>5,194,999</b>	<b>5,264,167</b>	<b>5,449,041</b>	<b>5,528,552</b>	<b>5,630,062</b>
Provinces and municipalities	102,322	57,704	159,933	110,393	97,941	95,536	95,775	106,198	112,616
Departmental agencies and accounts	1,339,056	1,226,388	1,211,824	1,196,060	1,248,483	1,245,097	1,210,586	1,020,375	937,397
Universities and technikons	-	202	-	-	-	-	-	-	-
Public corporations and private enterprises	260,869	509,184	480,808	512,897	517,897	517,808	598,569	601,721	632,629
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	1,270,480	1,333,019	1,625,953	1,288,871	1,377,122	1,446,380	1,642,606	1,753,624	1,803,277
Households	1,118,558	1,275,297	1,693,895	1,839,491	1,953,556	1,959,346	1,901,505	2,046,634	2,144,142
<b>Payments for capital assets</b>	<b>2,088,410</b>	<b>2,239,955</b>	<b>2,670,965</b>	<b>3,291,538</b>	<b>3,154,024</b>	<b>3,059,481</b>	<b>2,376,829</b>	<b>2,298,061</b>	<b>2,354,283</b>
Buildings and other fixed structures	1,659,315	1,805,269	2,257,828	2,767,033	2,652,596	2,634,453	2,121,824	2,019,021	1,976,178
Machinery and equipment	405,740	427,159	400,894	512,003	497,228	420,838	250,455	274,061	372,891
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	50	52	54
Land and subsoil assets	158	134	-	-	-	-	-	-	-
Software and other intangible assets	23,197	7,393	12,243	12,502	4,200	4,190	4,500	4,927	5,160
<b>Payments for financial assets</b>	<b>11,983</b>	<b>4,502</b>	<b>3,845</b>	<b>-</b>	<b>2,701</b>	<b>2,701</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,323,740</b>	<b>43,932,198</b>	<b>44,320,796</b>	<b>44,915,087</b>	<b>45,937,453</b>	<b>48,159,580</b>	<b>51,021,585</b>
<b>Less: Unauthorised expenditure</b>	<b>-</b>	<b>-</b>	<b>57,179</b>	<b>55,056</b>	<b>55,056</b>	<b>55,056</b>	<b>268,060</b>	<b>4,000</b>	<b>3,141</b>
<b>Baseline Available for Spending</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,266,561</b>	<b>43,877,142</b>	<b>44,265,740</b>	<b>44,860,031</b>	<b>45,669,393</b>	<b>48,155,580</b>	<b>51,018,444</b>

### **5.3.1. Current Payment**

Current payment will decline to 5.3 per cent in 2012/13 from 7.3 per cent in 2011. It will grow by 5.7 per cent during the MTEF. The major contributor is salaries and wages at 7.1 per cent in 2012/13 and 5.9 per cent during the MTEF. Current expenditures are expenditures related to exercising of functions by state institutions. Included in this field is, Compensation of employees, including filled and funded posts by level, funded vacancies by level, provision for improvements in conditions of service and approved increases or decreases in the establishment; and Goods and services.

### **5.3.2. Transfers and subsidies**

Transfer Payments will grow by 3.5 per cent in 2012/13 from negative growth of 4.0 per cent in 2011. It will grow by 5.0 per cent during the MTEF. The major contributor is social security at 67.4 per cent in 2012/13 and 14.4 per cent during the MTEF. Transfer payments must include accompanying cost calculations. Included in this category is Transfers to public entities, Municipalities and any other state institution.

### **5.3.3. Payment for Capital assets**

Payment for capital assets will experience a negative growth 18.7 per cent in 2012/13 from compared to positive growth of 17.1 per cent in 2011/12. The major contributor to the decline in 2012/13 is buildings and transport equipment at negative 30 per cent each. Both items will experience negative growth over the MTEF. Capital expenditures are expenditures related to creation, restoration or acquisition of fixed capital. Capital payments will include projected expenditure schedules for multi-year projects.

### **5.3.4. Payment for financial assets**

Payment for financial assets will experience 100 per cent decline during the 2012/14 and over the MTEF. Included in this category is acquisition of financial assets and expenditures related to transactions.

#### 5.4. Payments by policy area

In addition to payment by economic classification that was outlined in paragraph 5.3, classification is made in terms of policy areas. Services are delivered according to different policy areas or different purposes. The classification according different purposes makes possible for the government to assess progress already made in different areas. 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	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
General public services	1,884,008	2,006,896	2,343,055	2,416,938	2,374,769	2,356,626	2,533,734	2,631,096	2,782,293
Public order and safety	43,878	51,642	56,845	62,474	62,794	62,916	67,301	72,474	76,399
Economic affairs	4,111,900	4,420,916	5,527,569	5,974,451	5,951,677	5,959,198	6,161,407	6,210,595	6,343,263
Environmental protection	81,864	88,256	97,311	108,330	112,821	111,188	84,177	85,984	90,713
Housing and community amenities	885,692	1,059,843	1,341,461	1,483,834	1,620,467	1,620,467	1,562,444	1,683,676	1,757,975
Health	7,960,489	9,020,020	10,505,963	11,587,901	11,671,685	11,921,917	11,947,985	12,636,988	13,751,770
Recreation, culture and religion	194,955	238,354	245,450	279,767	295,084	296,784	288,441	302,975	315,369
Education	14,696,556	17,864,636	20,202,227	20,859,319	21,068,160	21,422,652	22,126,035	23,255,197	24,548,546
Social protection	701,789	773,272	1,003,859	1,159,184	1,163,339	1,163,339	1,165,929	1,280,595	1,355,257
<b>Total provincial payments and estimates by policy area</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,323,740</b>	<b>43,932,198</b>	<b>44,320,796</b>	<b>44,915,087</b>	<b>45,937,453</b>	<b>48,159,580</b>	<b>51,021,585</b>

Throughout the MTEF policy area that receives more payment is Education, Health and Economic Affairs.

## 5.5. Infrastructure payments

President Jacob Zuma in his State of the Nation Address on the 9<sup>th</sup> of February 2012 invited the nation to join government in a massive infrastructure development drive for the year 2012 and beyond. The national infrastructure plan will be driven and overseen by the Presidential Infrastructure Coordinating Commission, (“PICC”), which was established in September 2011, bringing together Ministers, Premiers and Metro Mayors under the leadership of the President and the Deputy President. The PICC has identified and developed projects and infrastructure initiatives from state-owned enterprises as well as national, provincial and local government departments. Presidential focus areas in Limpopo include the development and integration of rail, road and water infrastructure, centered around: the Waterberg in the Western part of the province and Steelpoort in the eastern part. These efforts are intended to unlock the enormous mineral belt of coal, platinum, palladium, chrome and other minerals, in order to facilitate increased mining as well as stepped-up beneficiation of minerals in the province.

The president also announced that he would convene a presidential infrastructure summit to discuss the implementation of the government's plan with potential investors and social partners. As a follow up to the state of the nation address, Premier Cassel Mathale in his State of the Province Address on the 16<sup>th</sup> of February 2012 indicated that the province has identified infrastructure expansion as one of the key pillars that must be used to improve the living conditions of communities, whilst creating job opportunities. In line with the PICC the office of the Premier has established the Executive Council Infrastructure Coordinating Committee (“ECICC”) to monitor and evaluate the implementation of infrastructure projects in the province.

In Limpopo there is an emphasis on infrastructure delivery as it is seen as a means to deliver services to the people. This emphasis is demonstrated by the biweekly meetings that are held by the ECICC which are convened by the Premier. The ECICC's monitoring efforts by provincial leaders are also assisted by other delivery improvement mechanisms including Improved Delivery Improvement Programme (“IDIP”) which is currently being institutionalised in the province by the Provincial Treasury, Health, Education, Public Works and more recently Roads and Transport departments.

The Public Infrastructure Investment Programme of the Limpopo Employment, Growth and Development Plan (“LEGDP”) addresses the government's pressing need to accelerate sustainable socio-economic development by rolling out physical, social and economic infrastructure on a mass scale. The core aspects of the required infrastructure include bulk infrastructure (sewerage, water and sanitation, electricity and communication), social infrastructure (housing, schools and hospitals) and economic infrastructure (freight and logistics).

The LEGDP identifies four key strategic challenges to the delivery of infrastructure, namely, lack of budgets to implement programmes, lack of coordination amongst various government departments, absence of asset registers and shortage of technical skills and capacity in government. The purpose of IDIP is also to address the key

challenges identified by the LEGDP. Key strategic interventions that were identified in the LEGDP and the interventions resulted in the introduction of high impact initiatives that informed projects and programs aimed at addressing the identified infrastructure needs.

The province drives all the infrastructure initiatives through the different cluster committees to ensure that there is a coordinated approach to the delivery of infrastructure and to also ensure that departments are not acting in silos but are rather tackling infrastructure from a provincial point of view versus a departmental mandate.

Table 1.13 (a) provides a summary of infrastructure payments and estimates of each department for the period 2008/9 to 2014/15 and Table 1.13 (b) presents a summary of infrastructure spending by category.

**Table 1.13 (a): Summary – Payments and estimates of provincial infrastructure by vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Vote 3: Education	675,506	916,420	1,054,559	1,230,799	1,230,799	1,098,212	959,831	1,007,758	937,400
Vote 4: Agriculture	254,183	108,774	91,182	235,046	183,253	235,046	173,742	226,694	241,635
Vote 7: Health	683,671	651,230	830,057	1,014,023	1,014,023	1,014,023	641,086	1,040,418	1,165,451
Vote 8: Roads & Transport	1,821,598	1,411,869	2,432,613	2,574,490	2,617,871	2,617,871	2,244,176	2,126,768	2,092,065
Vote 9: Public Works	61,547	68,860	37,353	51,047	51,147	22,686	57,895	59,415	62,980
Vote 11: CoGHSTA	824,806	996,667	1,264,570	1,400,160	1,533,214	1,533,214	1,471,617	1,588,823	1,657,732
Vote 12: Social Development	75,394	68,132	75,224	80,423	80,423	80,423	65,266	82,639	87,021
Vote 13: Sports, Arts & Culture	17,516	32,545	26,774	42,000	45,996	42,000	42,250	46,500	39,600
<b>Total provincial infrastructure payments and estimates</b>	<b>4,414,221</b>	<b>4,254,497</b>	<b>5,812,332</b>	<b>6,627,988</b>	<b>6,756,726</b>	<b>6,643,475</b>	<b>5,655,863</b>	<b>6,179,015</b>	<b>6,283,884</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		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>New and replacement assets</b>	<b>2,043,509</b>	<b>1,299,582</b>	<b>1,758,526</b>	<b>2,173,256</b>	<b>2,305,870</b>	<b>2,306,310</b>	<b>1,888,888</b>	<b>2,059,203</b>	<b>2,126,223</b>
<b>Existing infrastructure assets</b>	<b>2,360,712</b>	<b>2,890,461</b>	<b>3,867,019</b>	<b>4,195,159</b>	<b>4,247,266</b>	<b>4,092,531</b>	<b>3,643,945</b>	<b>3,971,135</b>	<b>3,995,039</b>
Upgrades and additions	1,481,646	2,251,113	2,733,003	2,475,164	2,649,392	2,623,944	1,990,341	2,133,078	2,227,246
Rehabilitation, renovations and refurbishments	303,790	135,314	299,511	659,556	655,756	526,969	182,796	201,735	195,998
Maintenance and repairs	575,276	504,034	834,505	1,060,439	942,118	941,618	1,470,808	1,636,322	1,571,795
<b>Infrastructure transfers</b>	<b>10,000</b>	<b>64,454</b>	<b>186,787</b>	<b>259,573</b>	<b>203,590</b>	<b>244,634</b>	<b>123,030</b>	<b>148,677</b>	<b>162,622</b>
Current	-	6,500	5,891	3,500	3,600	2,801	7,500	7,913	8,388
Capital	10,000	57,954	180,896	256,073	199,990	241,833	115,530	140,764	154,234
<i>Current infrastructure</i>	<i>575,276</i>	<i>510,534</i>	<i>840,396</i>	<i>1,063,939</i>	<i>945,718</i>	<i>944,419</i>	<i>1,478,308</i>	<i>1,644,235</i>	<i>1,580,183</i>
<i>Capital infrastructure</i>	<i>3,838,945</i>	<i>3,743,963</i>	<i>4,971,936</i>	<i>5,564,049</i>	<i>5,811,008</i>	<i>5,699,056</i>	<i>4,177,555</i>	<i>4,534,780</i>	<i>4,703,701</i>
<b>Total provincial infrastructure payments and estimates</b>	<b>4,414,221</b>	<b>4,254,497</b>	<b>5,812,332</b>	<b>6,627,988</b>	<b>6,756,726</b>	<b>6,643,475</b>	<b>5,655,863</b>	<b>6,179,015</b>	<b>6,283,884</b>

<b>Maintenance to Total Budget</b>	<b>13%</b>	<b>12%</b>	<b>14%</b>	<b>16%</b>	<b>14%</b>	<b>14%</b>	<b>26%</b>	<b>27%</b>	<b>25%</b>
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In the past 4 years the Limpopo province has invested a total of R21.1 billion in infrastructure and a total of R6.64 billion in 2011/12. In 2011/12 alone over R2 billion was spent on the delivery of both education and health infrastructure, R1.5 billion was utilized to deliver housing and R2.6 billion was used to upgrade and maintain roads and transport infrastructure. Resources were also allocated to the building of libraries in rural communities and the establishment of social development and agricultural infrastructure to ensure that services are delivered and the people's lives are impacted positively by government's programmes.

Infrastructure spending will continue to be a priority for the Limpopo Province in the next three years in line with the country's national priorities. The provision of infrastructure is seen as an enabler for service delivery and it contributes to the competitiveness of the province which would ultimately spin off jobs during the building of infrastructure and beyond as communities become more economically active. Infrastructure spending will decrease slightly in the 2012/13 to R5.6 billion and will increase to R6.2 billion and R6.3 billion in the 2013/14 and 2014/15 financial years. As the province delivers infrastructure on an ongoing basis the development of expertise will ensure that there are savings and that projects are delivered in time, on budget and with the right quality, therefore minimising additional costs and delays during implementation.



### **5.5.1. Maintenance of provincial infrastructure**

The South African Institution of Civil Engineering (SAICE), Infrastructure Report Card (IRC) on the state of engineering infrastructure in South Africa in 2011 highlights skills shortages, lack of maintenance, the absence of holistic systems and sustainability as the main challenges that must be addressed by all stakeholders to ensure that South Africa has world class infrastructure. Infrastructure, once created, is unrelenting in its demand for maintenance and this demand will increase the longer it is ignored. Bold leadership and effective management are irreplaceable ingredients for successful and sustainable infrastructure provision. In this regard both the national and provincial governments are taking bold steps to ensure that infrastructure delivery and the maintenance of new and existing infrastructure in the Limpopo Province and in the country as a whole are given priority.

As demonstrated in Table 1.13 (b) spending on maintenance of infrastructure across the province is steadily rising as the stock of infrastructure in the province is increasing. The province has taken an approach where routine and preventative maintenance on existing infrastructure is being prioritized to ensure that the funding that is spent on major rehabilitation and emergency repairs is reduced. Preventative maintenance is also seen as a strategic tool to increase the life and efficiencies of the infrastructure that is delivered by the province. This approach ensures that the gains achieved through investment in infrastructure are not lost when there is a focus on new projects.

### **5.5.2. Provincial infrastructure transfers**

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

## **5.6. Provincial Public-Private Partnership (PPP) projects**

The Limpopo Province has made a commitment to utilize public private partnerships as an alternative procurement model for infrastructure projects. PPP's ensure that services get delivered to our communities with the added benefits of ensuring that risk remains with the party that is most suitable to provide mitigation and also to leverage the private partner's technical, financial and operational expertise.

There are currently six PPP projects registered in the department of health in the Limpopo Province. The Renal Dialysis Project and the Phalaborwa Hospital are at contract management phase; the Limpopo Academic Hospital and the Nursing Colleges are currently at the feasibility study phase and the Laundry and Pharmaceutical PPP projects have concluded the evaluation and are currently awaiting the appointment of the Transaction Advisor.

There are six projects in the municipalities that are registered as PPP and engagements are continuing with the Limpopo Provincial Treasury to ensure that assistance is provided to the municipalities.

**Table 1.14: Health Public-Private partnership projects**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Projects under implementation</b>	<b>16,060</b>	<b>17,302</b>	<b>17,286</b>	<b>18,216</b>	<b>17,286</b>	<b>17,286</b>	<b>19,363</b>	<b>20,579</b>	<b>21,823</b>
PPP unitary charge	16,060	16,880	17,742	18,650	17,742	17,742	19,769	20,956	22,213
Penalties (if applicable)									
Advisory fees		338	355	373	355	355	395	419	444
Project monitoring costs		84	89	93	89	89	99	104	110
Revenue generated (if applicable)			(900)	(900)	(900)	(900)	(900)	(900)	(945)
Contingent liabilities									
<b>Proposed projects</b>	<b>1,780</b>	<b>2,100</b>	<b>45</b>	<b>39,045</b>	<b>39,045</b>	<b>39,045</b>	<b>34,045</b>	<b>20,045</b>	<b>48</b>
Advisory fees	1,780	2,100	-	39,000	39,000	39,000	34,000	20,000	-
Project team costs			45	45	45	45	45	45	48
Site acquisition costs									
Other project costs	-	-	-	-	-	-	-	-	-
<b>Total infrastructure payments and estimates</b>	<b>17,840</b>	<b>19,402</b>	<b>17,331</b>	<b>57,261</b>	<b>56,331</b>	<b>56,331</b>	<b>53,408</b>	<b>40,624</b>	<b>21,871</b>

### 5.6.1. Phalaborwa PPP project – Department of Health

The Phalaborwa PPP Project hospital is currently at construction phase and occupation is expected to take place from 15 April 2012. Once the hospital is complete it will have amongst other features: 74 beds, 12 of which will be in maternity, a 24 hour emergency unit, radiology, pathology, adult and neo-natal ICU's.

### 5.6.2. Nursing Colleges PPP project

The Department of Health in Limpopo province has three nursing 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 advanced programmes that are approved by the South African Nursing Council as well as college certificate programmes. The project is currently at the option analysis stage and the feasibility study is ongoing. Public Private Partnerships remain a strategic tool for the province to deliver infrastructure and the province is committed to educate municipalities and departments to procure infrastructure using the PPP model.

## 5.7. Transfers

### 5.7.1. Transfers to public entities

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
Vote 04: Agriculture	60,645	74,415	122,342	106,000	106,000	106,000	114,480	120,318	120,318
Vote 06: Economic Development, Environmental Affairs and Tourism	243,152	244,153	315,738	318,969	318,969	318,969	310,000	316,500	331,907
Vote 08: Transport	1,039,200	953,181	823,184	823,184	823,184	823,184	889,065	854,812	650,000
<b>Total</b>	<b>1,342,997</b>	<b>1,271,749</b>	<b>1,261,264</b>	<b>1,248,153</b>	<b>1,248,153</b>	<b>1,248,153</b>	<b>1,313,545</b>	<b>1,291,630</b>	<b>1,102,225</b>

#### 5.7.1.(a) Transfers from Department of Economic Development Tourism and Environment

The Department will transfer funds to public entities on condition that the entities submit their annual performance plans and on quarterly basis submit quarterly report and on annual basis submit annual report. Transfer will be made to Limpopo Gambling Board, Limpopo Tourism and Parks Board, Limpopo Development Corporation and Trade and Investment Limpopo. The transfer will decline from R 245.9 million to R236.0 million in 2012/13 ,increase to R241.0 million in 2013/14 to that of R253.3 million in 2014/15

The decline is contributed mainly by Limpopo Gambling Board (LGB) and Limpopo Tourism and Parks Board. The transfer to LGB will be used for regulatory control and monitoring of gambling actions in the Province .The transfer to Limpopo Tourism and Parks will be used for stimulating tourism development with special emphasis on tourism product development in provincial nature reserves.

As compared to the above mentioned transfers that declined the transfer to Trade and Investment Limpopo and Limpopo Development Corporation will increase. The transfer to TIL will be used for Generic Marketing of Limpopo Province as an investment destination and marketing of specific trade and investment opportunities and that of LIMDEV will be used for business development finance .

#### 5.7.1.(b) Transfers from Department of Transport

The transfers from the Department of transport will be made to Roads Agency Limpopo (RAL) and Gateway Airport Authority Limited (GAAL).Transfers from the Department will increase from an adjusted R823.9 million that was allocated in 2011/12 to R 854.8 million in 2012/13. The transfer will decline in 2013/14 to R 650.0 million and R 543.7 in 2014/15 .Transfer to GAAL will be utilized for revitalizing old Airport Infrastructure and build new Airport Infrastructure .The transfer to RAL will be used to upgrade and construct roads infrastructure in the province by upgrading and rehabilitating provincial and access roads.

## 5.7.2. Transfers to development corporations

**Table 1.16: Transfers to development corporations**

Entity	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
Limpopo Agribusiness Development Corporation (LADC)	60,645	74,415	122,342	106,000	106,000	106,000	114,480	120,318	120,318
<b>Total provincial transfers to development corporations</b>	<b>60,645</b>	<b>74,415</b>	<b>122,342</b>	<b>106,000</b>	<b>106,000</b>	<b>106,000</b>	<b>114,480</b>	<b>120,318</b>	<b>120,318</b>

### 5.7.2.(a) Department of Agriculture

The department has one development corporation, Limpopo Agribusiness .The transfers from the department to the development corporation will decline from R106million in 2011/12 to that of R103 million in 2012/13.The decline is mainly due to budget cut in 2012/13.The transfer will increase again in 2013/14 to R106 million and R111.6 in 2014/16.The transfer will be used to Facilitate and Promote the establishment of Agribusiness in rural areas which will integrate the enterprise along the value chain .This will include amongst others assistance of farmers with production finance, expansion of hatcheries, abattoirs and the revitalization of tea estates

## 5.7.3. Transfers to Local government

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
Category B	6,911	1,300	2,503	2,567	2,567	2,567	2,764	77	77
Category C	49,754	1,608	600	900	1,248	1,066	1,258	1,319	1,382
<b>Total provincial transfers to local government</b>	<b>56,665</b>	<b>2,908</b>	<b>3,103</b>	<b>3,467</b>	<b>3,815</b>	<b>3,633</b>	<b>4,022</b>	<b>1,396</b>	<b>1,459</b>

## 5.8. Personnel numbers and costs

Table 1.18 below provides a summary of personnel numbers by vote as well as the total personnel costs for the province.

**Table 1.18: Personnel numbers and costs**

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	As at 31 March 2015
Vote 01: Office of the Premier	412	412	554	672	605	605	605
Vote 02: Legislature	213	192	194	200	208	208	208
Vote 03: Education	68,865	64,487	61,842	65,803	66,212	66,346	66,346
Vote 04: Agriculture	5,524	4,611	4,649	4,719	4,727	4,731	4,731
Vote 05: Provincial Treasury	430	455	474	439	439	439	439
Vote 06: Economic Development, Environmental Affairs and Tourism	1,553	1,613	1,546	1,653	1,859	2,249	2,639
Vote 07: Health	26,921	28,397	35,395	36,290	38,376	42,341	46,229
Vote 08: Transport	4,739	4,695	4,536	4,511	4,197	3,289	3,280
Vote 09: Public Works	3,687	3,762	3,762	3,773	3,764	3,764	3,764
Vote 10: Safety, Security and Liaison	97	102	106	111	110	110	110
Vote 11: Cooperative Governance, Human Settlements and Traditional Affairs	1,527	2,133	2,377	3,898	3,905	3,915	3,925
Vote 12: Social Development	1,528	1,769	2,313	2,623	3,059	3,392	3,562
Vote 13: Sport, Arts & Culture	317	440	846	910	920	914	914
<b>Total provincial personnel numbers</b>	<b>115,813</b>	<b>113,068</b>	<b>118,594</b>	<b>125,602</b>	<b>128,381</b>	<b>132,303</b>	<b>136,752</b>
Total provincial personnel cost (R thousand)	19,420,313	23,123,608	26,509,443	28,511,669	31,376,954	32,944,162	34,817,624
Unit cost (R thousand)	168	205	224	227	244	249	255

Table 1.18 above indicates that the provincial personnel numbers are increasing tremendously from 2009/10 to 2015/16 financial year. In 2009/10, 2010/11 and 2011/12 financial year, the province had 115.007; 112.158, and 117.404 personnel respectively.

The provincial personnel numbers grows by 2.0 per cent in 2012/13 and 3.1 per cent over the MTEF period. For 2012/13 financial year, the province allocated R 28.5 billion for compensation of employees with personnel of 122.880 which give a unit cost of R0267.

Limpopo province is the fourth largest province with the highest number of personnel. The largest numbers of employees in the province are at Department of Education and Health; the lowest is in Department of Safety, Security and Liaison.

Provincial Department were requested to ensure that the compensation of employees are fully funded, making provision for salary increase and performance bonus; filling of critical posts.

**Table 1.19: Summary of provincial personnel numbers and costs**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
<b>Total for province</b>									
Personnel numbers( head count )	115,813	113,068	118,365	125,156	125,272	124,654	128,035	131,823	138,387
Personnel costs ( R' 000 )	19,420,313	23,123,607	26,439,616	28,482,560	28,799,774	29,461,799	31,272,895	32,839,849	34,690,825
<b>Human resources component</b>									
Personnel numbers ( head count )	2,771	2,669	2,416	3,128	3,350	3,345	3,673	3,937	4,008
Personnel costs ( R' 000 )	416,713	386,561	434,490	536,293	535,278	534,535	566,116	591,158	572,002
Head count as % of total province	2.39%	2.36%	2.04%	2.50%	2.67%	2.68%	2.87%	2.99%	2.90%
Personnel cost as % of total province	2.15%	1.67%	1.64%	1.88%	1.86%	1.81%	1.81%	1.80%	1.65%
<b>Finance component</b>									
Personnel numbers ( head count )	2,375	2,844	2,834	3,179	3,344	3,383	3,610	3,852	3,665
Personnel costs ( R' 000 )	592,662	438,705	500,888	523,985	542,641	589,403	626,985	656,325	645,101
Head count as % of total province	2.05%	2.52%	2.39%	2.54%	2.67%	2.71%	2.82%	2.92%	2.65%
Personnel cost as % of total province	3.05%	1.90%	1.89%	1.84%	1.88%	2.00%	2.00%	2.00%	1.86%
<b>Full time workers</b>									
Personnel numbers (head count)	109,216	105,300	111,216	113,964	114,075	113,457	116,842	120,690	127,154
Personnel cost (R'000)	18,743,814	22,357,670	25,577,291	27,568,510	27,878,387	28,537,677	30,346,435	31,873,813	33,682,524
Head count as % of total province	94.30%	93.13%	93.96%	91.06%	91.06%	91.02%	91.26%	91.55%	91.88%
Personnel cost as % of total province	96.52%	96.69%	96.74%	96.79%	96.80%	96.86%	97.04%	97.06%	97.09%
<b>Part-time workers</b>									
Personnel numbers (head count)	532	538	553	645	649	649	716	738	760
Personnel cost (R'000)	35,335	36,042	39,090	39,627	40,006	40,006	41,946	42,978	44,065
Head count as % of total province	0.46%	0.48%	0.47%	0.52%	0.52%	0.52%	0.56%	0.56%	0.55%
Personnel cost as % of total province	0.18%	0.16%	0.15%	0.14%	0.14%	0.14%	0.13%	0.13%	0.13%
<b>Contract workers</b>									
Personnel numbers (head count)	6,065	7,230	6,596	10,547	10,548	10,548	10,477	10,395	10,473
Personnel cost (R'000)	641,164	729,895	823,235	874,423	881,381	884,116	884,514	923,058	964,236
Head count as % of total province	5.24%	6.39%	5.57%	8.43%	8.42%	8.46%	8.18%	7.89%	7.57%
Personnel cost as % of total province	3.30%	3.16%	3.11%	3.07%	3.06%	3.00%	2.83%	2.81%	2.78%

Table 1.19 above shows that personnel cost constitutes 68.1 per cent of the total budget for Limpopo Province. Only 32 per cent of the budget will be available for service delivery. Personnel budget grew from 64 per cent in 2008 to 68.1 per cent in 2012. The finance component is an important aspect that will contribute to the better budgeting and financial management and reporting. Of great concern is that the finance component constitutes only 2.82 per cent of the total personnel of the Province.

## 5.9. Payments on training

Table 1.20 below provides a summary of the amounts spent by departments on training. Payments and estimates on training have increased substantially from R589.2 million in 2008/09 to R482.9 million 2014/15, reflecting healthy growth. The main contributors are the Departments of Health, Education and Agriculture.

**Table 1.20: Summary of provincial payments on training by Vote**

R thousand	Outcome			Main appropriatio	Adjusted appropriatio	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	"	2011/12	"	2012/13	2013/14	2014/15
Vote 01: Office of the Premier	1,905	2,184	2,220	672	3,374	2,449	2,544	2,661	2,794
Vote 02: Legislature	39	423	321	860	860	808	901	951	1,003
Vote 03: Education	345,715	115,479	127,809	120,344	140,162	139,703	126,577	134,673	142,605
Vote 04: Agriculture	8,303	13,590	18,018	19,099	19,099	19,099	20,245	21,114	22,170
Vote 05: Provincial Treasury	9,050	9,279	5,864	4,717	4,565	4,565	5,132	5,367	9,605
Vote 06: Economic Development, Environmental Affairs and Tourism	2,884	5,769	10,104	9,525	7,750	9,525	8,665	9,131	9,590
Vote 07: Health	200,949	200,949	221,853	208,500	218,942	224,294	237,751	252,016	267,137
Vote 08: Transport	4,635	6,131	6,131	5,998	4,435	4,435	3,685	6,627	6,988
Vote 09: Public Works	11,894	12,908	13,683	2,440	2,440	3,340	2,912	3,133	3,360
Vote 10: Safety, Security and Liaison	583	490	540	1,027	1,027	1,027	1,117	1,117	1,117
Vote 11: Cooperative Governance, Human Settlements and Traditional Affairs	2,889	2,169	3,714	3,952	3,952	3,952	5,661	5,896	6,231
Vote 12: Social Development	-	7,700	3,868	8,120	8,120	8,120	8,546	9,107	9,562
Vote 21: Sport, Arts & Culture	388	640	640	743	743	743	770	770	770
<b>Total provincial expenditure on training</b>	<b>589,234</b>	<b>377,711</b>	<b>414,765</b>	<b>385,997</b>	<b>415,469</b>	<b>422,060</b>	<b>424,506</b>	<b>452,563</b>	<b>482,932</b>

Department of Health budget relates to providing training to interns, nurses, Emergency Medical Services (EMS) and ambulance personnel on various training programmes. These include training at Nursing colleges, EMS colleges and training programme for health professionals. The department is offering learnership programme and awarding internal and external bursaries.

Department of Education payments have been steadily from 2009/10 onwards, the budget will train the educators on Curriculum Assessment Policy Statement (CAPS); Early Childhood Development (ECD) at the Grade R level and Adult Basic Education and Training. Furthermore, the department is providing training on skills development for Educators and support staff on development interventions relevant to the occupation.

Department of Agriculture is planning to improve training and education in line with the Agricultural Education and Training Strategy to all participants in the agricultural sector in order to establish a knowledgeable, developing and competitive sector. The department has set aside funds to improve infrastructure in the laboratories of the colleges. There are two agricultural training colleges in the Province namely, Madzivhandila and Tompi Seleka.



# **ANNEXURES**

## Annexure

**Table.1.22: Details of Total provincial own receipts**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Tax receipts</b>	<b>187,831</b>	<b>214,946</b>	<b>227,015</b>	<b>239,401</b>	<b>239,619</b>	<b>239,619</b>	<b>251,926</b>	<b>265,100</b>	<b>278,355</b>
Gambling taxes	17,947	19,787	20,930	22,442	22,475	22,475	23,657	24,926	26,172
Betting taxes	6,667	7,100	8,660	7,705	7,740	7,740	8,467	9,290	9,755
Liquor licences	2,400	2,610	2,704	2,850	3,000	3,000	3,078	3,324	3,490
Motor vehicle licences	160,817	185,449	194,721	206,404	206,404	206,404	216,724	227,560	238,938
<b>Non-tax receipts</b>	<b>311,654</b>	<b>299,047</b>	<b>293,267</b>	<b>313,050</b>	<b>232,985</b>	<b>232,985</b>	<b>220,840</b>	<b>233,334</b>	<b>247,547</b>
Sale of goods and services other than capital assets	160,286	151,983	164,758	179,673	170,707	170,707	188,170	198,998	211,489
Sales of goods and services produced by department	158,759	150,303	163,730	177,559	169,479	169,479	187,174	197,968	210,350
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	25,036	14,584	21,147	30,238	23,698	23,698	23,772	25,042	26,295
Other sales	133,723	135,719	142,583	147,321	145,781	145,781	163,402	172,926	184,055
<i>Of which</i>									
<i>Commission on Insurance</i>									
<i>Tender Documents</i>									
<i>Parking fees</i>									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1,527	1,680	1,028	2,114	1,228	1,228	996	1,030	1,139
<b>Fines, penalties and forfeits</b>	<b>27,315</b>	<b>26,544</b>	<b>30,177</b>	<b>30,762</b>	<b>37,013</b>	<b>37,013</b>	<b>32,274</b>	<b>33,915</b>	<b>35,611</b>
<b>Interest, dividends and rent on land</b>	<b>124,053</b>	<b>120,520</b>	<b>98,332</b>	<b>102,615</b>	<b>25,265</b>	<b>25,265</b>	<b>396</b>	<b>421</b>	<b>448</b>
Interest	122,030	119,381	97,161	102,319	24,947	24,947	25	20	24
Dividends	1	1	1	1	2	2	1	1	1
Rent on land	2,022	1,138	1,170	295	316	316	370	400	423
<b>Transfers received from:</b>	<b>-</b>	<b>2,851</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other governmental units	-	2,851	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Sales of capital assets</b>	<b>16,664</b>	<b>17,130</b>	<b>11,543</b>	<b>10,373</b>	<b>14,308</b>	<b>14,308</b>	<b>10,724</b>	<b>10,662</b>	<b>11,295</b>
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	16,664	17,130	11,543	10,373	14,308	14,308	10,724	10,662	11,295
<b>Financial transactions</b>	<b>23,654</b>	<b>20,464</b>	<b>29,373</b>	<b>20,706</b>	<b>25,094</b>	<b>25,094</b>	<b>26,435</b>	<b>26,825</b>	<b>29,754</b>
<b>Total departmental receipts</b>	<b>539,803</b>	<b>554,438</b>	<b>561,198</b>	<b>583,530</b>	<b>512,006</b>	<b>512,006</b>	<b>509,925</b>	<b>535,921</b>	<b>566,951</b>

**Table 1.23: Details of provincial payments and estimates by economic classification**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11	2011/12			2012/13	2013/14	2014/15
<b>Current payments</b>	<b>24,369,453</b>	<b>28,877,584</b>	<b>33,476,516</b>	<b>35,692,948</b>	<b>35,969,072</b>	<b>36,588,738</b>	<b>38,111,583</b>	<b>40,332,967</b>	<b>43,037,240</b>
Compensation of employees	19,420,313	23,123,608	26,509,443	28,511,669	28,879,350	29,540,350	31,376,954	32,944,162	34,817,624
Salaries and wages	16,892,256	20,177,233	23,210,934	25,059,008	25,292,766	25,915,642	27,507,563	28,933,316	30,570,516
Social contributions	2,528,057	2,946,375	3,298,509	3,452,661	3,586,584	3,624,708	3,869,392	4,010,845	4,247,108
Goods and services	4,949,128	5,753,956	6,966,683	7,181,263	7,089,338	7,048,004	6,734,245	7,388,422	8,219,211
<i>of which</i>									
Communication									
Transport									
Rental Buildings									
Operational Leases									
Interest and rent on land	12	20	390	16	384	384	384	384	405
Interest	-	-	-	-	-	-	-	-	-
Rent on land	12	20	390	16	384	384	384	384	405
<b>Transfers and subsidies to<sup>1</sup>:</b>	<b>4,091,285</b>	<b>4,401,794</b>	<b>5,172,413</b>	<b>4,947,712</b>	<b>5,194,999</b>	<b>5,264,167</b>	<b>5,449,041</b>	<b>5,528,552</b>	<b>5,630,063</b>
Provinces and municipalities	102,322	57,704	159,933	110,393	97,941	95,536	95,775	106,198	112,616
Provinces <sup>2</sup>	60,381	38,334	39,619	55,646	41,628	41,628	41,099	44,025	46,761
Provincial Revenue Funds	46,672	28,431	29,535	43,161	32,565	32,565	33,877	35,617	37,875
Provincial agencies and funds	13,709	9,903	10,084	12,485	9,063	9,063	7,222	8,408	8,886
Municipalities <sup>3</sup>	41,941	19,370	120,314	54,747	56,313	53,908	54,676	62,173	65,855
Municipalities	40,438	19,101	119,944	54,747	55,935	53,560	52,451	59,747	63,315
Municipal agencies and funds	1,503	269	370	-	378	348	2,225	2,426	2,540
Departmental agencies and accounts	1,339,056	1,226,590	1,211,824	1,196,060	1,248,483	1,245,097	1,210,586	1,020,375	937,397
Social security funds	48,094	-	-	53,600	46,480	46,480	50,000	50,000	50,000
Provide list of entities receiving transfers <sup>4</sup>	1,290,962	1,226,590	1,211,824	1,142,460	1,202,003	1,198,617	1,160,586	970,375	887,397
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises <sup>5</sup>	260,869	509,184	480,808	512,897	517,897	517,808	598,569	601,721	632,629
Public corporations	260,781	509,068	480,808	249,498	254,498	254,498	260,725	274,932	288,840
Subsidies on production	260,767	509,047	480,808	-	5,000	5,000	-	-	-
Other transfers	14	21	-	249,498	249,498	249,498	260,725	274,932	288,840
Private enterprises	88	116	-	263,399	263,399	263,310	337,844	326,789	343,789
Subsidies on production	-	-	-	263,399	263,399	263,310	337,844	326,789	343,789
Other transfers	88	116	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Non-profit institutions	1,270,480	1,333,019	1,625,953	1,288,871	1,377,122	1,446,380	1,642,606	1,753,624	1,803,277
Households	1,118,558	1,275,297	1,693,895	1,839,491	1,953,556	1,959,346	1,901,505	2,046,634	2,144,143
Social benefits	132,164	157,212	156,662	128,970	124,584	131,492	116,569	135,791	145,467
Other transfers to households	986,394	1,118,085	1,537,233	1,710,521	1,828,972	1,827,854	1,784,936	1,910,843	1,998,676
<b>Payments for capital assets</b>	<b>2,088,410</b>	<b>2,239,955</b>	<b>2,670,965</b>	<b>3,291,538</b>	<b>3,154,024</b>	<b>3,059,481</b>	<b>2,376,829</b>	<b>2,298,061</b>	<b>2,354,282</b>
Buildings and other fixed structures	1,659,315	1,805,269	2,257,828	2,767,033	2,652,596	2,634,453	2,121,824	2,019,021	1,976,177
Buildings	1,346,719	1,563,603	1,862,297	2,187,134	2,209,062	2,209,062	1,614,266	1,596,760	1,627,071
Other fixed structures	312,596	241,666	395,531	579,899	443,534	425,391	507,558	422,261	349,106
Machinery and equipment	405,740	427,159	400,894	512,003	497,228	420,838	250,455	274,061	372,891
Transport equipment	59,713	133,477	131,155	147,757	166,246	164,246	67,869	44,535	93,974
Other machinery and equipment	346,027	293,682	269,739	364,246	330,982	256,592	182,586	229,526	278,917
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	50	52	54
Software and other intangible assets	158	134	-	-	-	-	-	-	-
Land and subsoil assets	23,197	7,393	12,243	12,502	4,200	4,190	4,500	4,927	5,160
<b>Payments for financial assets</b>	<b>11,983</b>	<b>4,502</b>	<b>3,845</b>	<b>-</b>	<b>2,701</b>	<b>2,701</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,323,740</b>	<b>43,932,198</b>	<b>44,320,796</b>	<b>44,915,087</b>	<b>45,937,453</b>	<b>48,159,580</b>	<b>51,021,585</b>

**Table 1.24: Details of Information relating to Conditional grants**

Vote and Grant	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Actual transfer	Audited expenditure	Adjusted appropriation	Revised transfer estimate	Revised expenditure estimate	Medium-term estimates			
	2008/09	2009/10	2009/10	2009/10	2009/10	2009/10	2010/11	2010/11	2010/11	2011/12	2011/12	2011/12	2012/13	2013/14	2014/15	
<b>R thousand</b>																
<b>Vote 1</b>																
EPWP Incentive Allocation																
<b>Vote 3</b>	831,246	825,123	756,874	1,046,366	1,046,366	1,042,261	1,806,599	1,801,088	1,788,759	2,297,515	2,297,515	2,297,515	2,444,489	2,595,766	2,620,819	
National School Nutrition Prog.	307,856	307,856	240,040	465,992	465,992	469,249	659,233	659,233	654,394	832,952	832,952	832,952	879,338	937,023	994,466	
Dineledi Schools Grant										7,140	7,140	7,140	10,169	10,727	11,341	
HIV/AIDS	24,495	18,372	17,939	33,263	33,263	25,901	28,322	28,322	19,595	34,646	34,646	34,646	29,942	31,586	33,412	
Technical Secondary Schools Recapitalisation							8,479	2,968	2,500	27,918	27,918	27,918	26,700	28,169	29,802	
Education Infrastructure Grant	387,249	387,249	387,249	547,111	547,111	547,111	668,438	668,438	670,438	897,937	897,937	897,937	942,091	988,433	918,075	
EPWP Incentive Allocation										1,071	1,071	1,071	1,080			
Social Sector (EPWP) Grant													18,557			
Further Education and Training Colleges	111,646	111,646	111,646				442,127	442,127	441,842	495,851	495,851	495,851	536,612	599,828	633,723	
<b>Vote 4</b>	221,832	221,832	212,948	131,196	131,196	124,273	172,743	172,743	172,723	212,076	212,076	212,076	264,062	269,004	271,801	
Disaster Management (Drought relief)	50,000	50,000	41,894	10,000	10,000	9,986				8,475	8,475	8,475				
Land Care	10,359	10,359	10,218	7,713	7,713	7,656	8,176	8,176	8,176	8,667	8,667	8,667	20,356	19,562	10,178	
Provincial Infrastructure	65,641	65,641	65,523													
Comprehensive Agriculture Support Programme	95,832	95,832	95,313	108,483	108,483	102,597	144,567	144,567	144,547	154,398	154,398	154,398	192,243	205,597	215,561	
EPWP Incentive Allocation										536	536	536	9,463			
Ilimalatsama Projects				5,000	5,000	4,034	20,000	20,000	20,000	40,000	40,000	40,000	42,000	43,845	46,062	
<b>Vote 5</b>							2,000	2,000	2,000							
Provincial Infrastructure							2,000	2,000	2,000							
<b>Vote 6</b>													1,000			
EPWP Incentive Allocation													1,000			
<b>Vote 7</b>	904,708	904,258	889,340	1,136,956	1,136,956	1,038,018	1,469,693	1,425,524	1,381,452	1,707,118	1,707,118	1,707,118	1,728,950	1,916,488	2,199,184	
Health Professions Training and Development	82,896	82,896	81,871	88,759	88,759	81,831	94,085	94,085	93,180	101,426	101,426	101,426	103,913	109,628	116,206	
Hospital Revitalisation Grant	252,479	252,029	246,374	212,360	212,360	172,085	323,425	274,266	234,309	371,672	371,672	371,672	301,193	310,211	399,266	
Comprehensive HIV and AIDS	234,410	234,410	234,364	402,133	402,133	402,107	515,896	515,896	515,594	624,909	624,909	624,909	713,432	861,143	1,000,811	
National Tertiary Services	152,239	152,239	143,555	176,871	176,871	174,844	257,314	257,314	255,595	269,010	269,010	269,010	288,427	305,732	323,158	
Health Infrastructure	134,366	134,366	134,342	167,255	167,255	157,863	192,466	192,466	197,466	270,802	270,802	270,802	267,888	283,961	294,837	
Forensic Pathology Service Grant	48,318	48,318	48,834	35,233	35,233	34,656	39,913	39,913	38,744	43,279	43,279	43,279				
Health Disaster Response (Cholera)				50,000	50,000	10,287	39,913	39,913	39,913							
EPWP Incentive Allocation							6,681	6,681	6,681	1,071	1,071	1,071	1,000			
Social Sector (EPWP) Grant										24,949	24,949	24,949	29,197			
2010 World Cup Health Preparatory Strategy Grant				4,345	4,345	4,345										
National Health Insurance													11,500	26,833	38,334	
Nursing Colleges													12,400	18,980	26,572	
<b>Vote 8</b>	490,439	490,439	478,311	675,798	675,798	693,074	1,084,990	1,084,990	1,084,990	1,226,194	1,226,194	1,226,194	1,495,852	1,480,273	1,551,887	
Provincial Infrastructure	486,041	486,041	478,311	696,256	696,256	513,540	870,518	870,518	870,518	934,208	934,208	934,208	1,198,077	1,205,341	1,263,047	
Overload Control Grant	4,398	4,398		5,035	5,035	5,035										
Transport Disaster Management										40,171	40,171	40,171				
EPWP Incentive Allocation										2,317	2,317	2,317	37,050			
Public Transport Operation				174,507	174,507	174,493	214,472	214,472	214,472	249,498	249,498	249,498	260,725	274,932	288,840	
<b>Vote 9</b>	15,294	15,294	6,853	26,717	26,217	12,294	29,326	31,943	28,303	36,521	36,521	36,521	42,273	37,024	39,113	
Devolution of Property Rate Fund Grant	12,294	12,294	6,853	19,217	19,217	12,294	15,154	15,154	14,730	34,478	34,478	34,478	35,399	37,024	39,113	
Provincial Infrastructure	3,000	3,000		7,000	7,000		10,000	10,000	10,000							
Expanded Public Works Programme (EPWP)				500			4,172	6,789	3,573							
EPWP Incentive Allocation										1,698	1,698	1,698	6,874			
Social Sector (EPWP) Grant										345	345	345				
<b>Vote 12</b>							3,456	3,456	3,456	3,382	3,382	3,382	11,168			
Social Sector (EPWP) Grant							3,456	3,456	3,456	3,382	3,382	3,382	11,168			
<b>Vote 11</b>	824,806	824,806	824,806	996,667	996,667	996,667	1,364,750	1,364,750	1,264,570	1,532,914	1,532,914	1,532,914	1,471,617	1,588,823	1,657,732	
Human Settlement Development	824,806	824,806	824,806	996,667	996,667	996,667	1,364,750	1,364,750	1,264,570	1,510,494	1,510,494	1,510,494	1,471,617	1,588,823	1,657,732	
Housing Disaster Management										21,174	21,174	21,174				
EPWP Incentive Allocation										1,246	1,246	1,246				
<b>Vote 13</b>	79,019	79,019	63,111	112,383	112,653	99,352	106,337	96,652	96,619	122,764	122,764	122,764	125,555	131,712	134,459	
Mass Sport and Recreation Participation Programme	30,615	30,615	23,066	51,023	51,023	45,907	43,604	43,604	44,550	55,731	55,731	55,731	55,733	59,050	62,378	
Library Services	48,404	48,404	40,045	61,360	61,630	53,445	62,733	53,048	52,069	66,497	66,497	66,497	68,822	72,662	72,081	
EPWP Incentive Allocation										536	536	536	1,000			
<b>Total conditional grants</b>	3,367,344	3,360,771	3,232,243	4,326,083	4,325,853	4,005,939	6,039,894	5,983,146	5,822,872	7,138,484	7,138,484	7,138,484	7,584,966	8,019,090	8,474,995	

**Table1.25: Details of provincial payments and estimates by functional area**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2008/09	2009/10	2010/11				2011/12	2012/13	2013/14
<b>General Public Services</b>									
Executive and Legislature									
Office of the Premier	291,269	296,729	288,898	324,641	302,588	302,588	329,288	341,270	360,536
RDP									
Provincial Legislature	144,947	157,018	191,251	221,090	231,508	231,508	217,664	228,272	241,189
Financial and Fiscal Services									
Provincial Treasury	371,453	356,408	359,372	308,884	292,684	292,684	315,521	329,771	356,195
General Services (Public Works, Local Government)	1,076,339	1,196,741	1,503,534	1,562,323	1,547,989	1,529,846	1,671,261	1,731,784	1,824,374
<b>Total: General Public Services</b>	<b>1,884,008</b>	<b>2,006,896</b>	<b>2,343,055</b>	<b>2,416,938</b>	<b>2,374,769</b>	<b>2,356,626</b>	<b>2,533,734</b>	<b>2,631,096</b>	<b>2,782,293</b>
<b>Public Order and Safety</b>									
Police Services	43,878	51,642	56,845	62,474	62,794	62,916	67,301	72,474	76,399
Safety and Liaison	43,878	51,642	56,845	62,474	62,794	62,916	67,301	72,474	76,399
<b>Total: Public Order and Safety</b>	<b>43,878</b>	<b>51,642</b>	<b>56,845</b>	<b>62,474</b>	<b>62,794</b>	<b>62,916</b>	<b>67,301</b>	<b>72,474</b>	<b>76,399</b>
<b>Economic Affairs</b>									
General Economic Affairs									
Dept of Economic Affairs	616,292	591,995	763,760	849,613	787,122	788,755	804,161	838,140	883,195
Agriculture									
Dept of Agriculture Affairs	1,099,274	1,190,535	1,361,547	1,494,504	1,492,979	1,498,867	1,580,374	1,639,257	1,718,968
Transport									
Department of Transport	2,396,334	2,638,386	3,402,262	3,630,334	3,671,576	3,671,576	3,776,872	3,733,198	3,741,100
<b>Total: Economic Affairs</b>	<b>4,111,900</b>	<b>4,420,916</b>	<b>5,527,569</b>	<b>5,974,451</b>	<b>5,951,677</b>	<b>5,959,198</b>	<b>6,161,407</b>	<b>6,210,595</b>	<b>6,343,263</b>
<b>Environmental Protection</b>									
Environmental Protection	81,864	88,256	97,311	108,330	112,821	111,188	84,177	85,984	90,713
<b>Total: Environmental Protection</b>	<b>81,864</b>	<b>88,256</b>	<b>97,311</b>	<b>108,330</b>	<b>112,821</b>	<b>111,188</b>	<b>84,177</b>	<b>85,984</b>	<b>90,713</b>
<b>Housing and Community Amenities</b>									
Housing Development									
Department of Housing	885,692	1,059,843	1,341,461	1,483,834	1,620,467	1,620,467	1,562,444	1,683,676	1,757,975
<b>Total: Housing and Community Amenities</b>	<b>885,692</b>	<b>1,059,843</b>	<b>1,341,461</b>	<b>1,483,834</b>	<b>1,620,467</b>	<b>1,620,467</b>	<b>1,562,444</b>	<b>1,683,676</b>	<b>1,757,975</b>
<b>Health</b>									
Outpatient services	1,201,785	1,214,334	1,446,677	1,786,324	1,761,762	1,750,962	1,424,322	1,834,610	1,978,709
R and D Health (CS)	5,422,194	6,357,201	7,463,810	7,950,885	8,310,529	8,624,061	8,828,237	9,026,045	9,888,365
Hospital Services	1,336,510	1,448,485	1,595,476	1,850,692	1,599,394	1,546,894	1,695,426	1,776,333	1,884,695
<b>Total: Health</b>	<b>7,960,489</b>	<b>9,020,020</b>	<b>10,505,963</b>	<b>11,587,901</b>	<b>11,671,685</b>	<b>11,921,917</b>	<b>11,947,985</b>	<b>12,636,988</b>	<b>13,751,770</b>
<b>Recreation, Culture and Religion</b>									
Sporting and Recreational Affairs									
Sport, Arts and Culture	194,955	238,354	245,450	279,767	295,084	296,784	288,441	302,975	315,369
<b>Total: Recreation, Culture and Religion</b>	<b>194,955</b>	<b>238,354</b>	<b>245,450</b>	<b>279,767</b>	<b>295,084</b>	<b>296,784</b>	<b>288,441</b>	<b>302,975</b>	<b>315,369</b>
<b>Education</b>									
Pre-primary & Primary Phases									
Secondary Education Phase									
Subsidised Services to Education									
Education not defined by level	14,696,556	17,864,636	20,202,227	20,859,319	21,068,160	21,422,652	22,126,035	23,255,197	24,548,546
<b>Total: Education</b>	<b>14,696,556</b>	<b>17,864,636</b>	<b>20,202,227</b>	<b>20,859,319</b>	<b>21,068,160</b>	<b>21,422,652</b>	<b>22,126,035</b>	<b>23,255,197</b>	<b>24,548,546</b>
<b>Social protection</b>									
Social Security Services	342,908	425,271	539,434	680,572	686,721	686,721	730,597	810,762	844,349
Social Services and Population Development	358,881	348,001	464,425	478,612	476,618	476,618	435,332	469,833	510,908
<b>Total: Social protection</b>	<b>701,789</b>	<b>773,272</b>	<b>1,003,859</b>	<b>1,159,184</b>	<b>1,163,339</b>	<b>1,163,339</b>	<b>1,165,929</b>	<b>1,280,595</b>	<b>1,355,257</b>
<b>Total provincial payments and estimates by policy area</b>	<b>30,561,131</b>	<b>35,523,835</b>	<b>41,323,740</b>	<b>43,932,198</b>	<b>44,320,796</b>	<b>44,915,087</b>	<b>45,937,453</b>	<b>48,159,580</b>	<b>51,021,585</b>



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**PR: 48/2012**

**ISBN: 978-0-621-40716-7**