

2021/22



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

**OVERVIEW OF
PROVINCIAL REVENUE
& EXPENDITURE**

2021/22

The heartland of southern Africa - development is about people

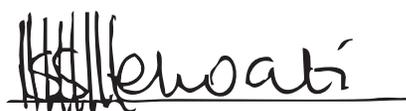
Foreword

The Provincial Budget is presented during unprecedented difficult economic times with the national economy expected to have declined by 7.8 percent in 2020. The South African economy was already performing relatively poorly before the COVID-19 crisis, with the national economy experiencing negative growth in three of the preceding four quarters in 2019. Our countries downgrades by credit rating agencies did not help to improve the situation.

The COVID-19 crisis also impacted negatively on the provincial economy leading to lower revenue and a need to reprioritize the budget towards COVID-19 related expenditure to the tune of R3 billion. In the 2021/22 budget presented by the Minister of Finance, R19.3 billion were allocated to COVID-19 related expenditure. National Treasury expects that the South African economy will increase by 3.5 percent during 2021 and by 2.2 percent in 2022.

The provincial administration continues to provide proper fiscal discipline in terms of expenditure on the provincial budget. During the 2019/2020 the audit outcome of the provincial department improved on an overall basis with four of the departments receiving clean audits. The local municipalities in the province are also actively being supported to improved their audit outcomes.

In terms of expenditure priorities, except for the expenses to curb COVID-19, the focus is on the promotion of economic growth and to address the triple challenge of unemployment, inequality and poverty. In this regard a key focus area is preferential procurement from the local SMMEs. The Musina- Mokhado SEZ is a key focus area in terms of the drive to increase the level of industrialization in the Province.

A handwritten signature in black ink, appearing to read 'Sekoati', written over a horizontal line.

Hon. S Sekoati (MPL)

MEC for Finance

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ABBREVIATIONS

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

UK	-	United Kingdom
UN	-	United Nations
UNESCO	-	United Nations Educational Scientific and Cultural organization
US	-	United States
USA	-	United States of America
WHO	-	World Health Organization's
WIDE	-	World Inequality Database on Education
WTO	-	World Trade Organization

Chapter1: Socio-Economic Overview

Although global economic activity is gaining momentum again, it is not likely to return to business as usual for the medium term when compared to the levels of economic output before the crisis. The pandemic has had acute adverse impacts on women, youth, the poor, the informally employed, and those who work in contact-intensive sectors. It has further impeded future prospects for poverty reduction by adversely affecting longer-term productivity growth. The deterioration in confidence has dampened investment, and the loss in learning-adjusted school years and prolonged spells of unemployment have eroded earlier gains in human capital development.

1.1. World economic overview

Global activity will remain well below the pre-COVID-19 crisis levels in the foreseeable future. The 2020 economic contraction of -3.5 percent was due to significantly subdued economic activity and restricted international trade which were mainly as a result of regulatory measures to reduce the accelerated infection rates by closing down the economies in most of the countries in the World. The global growth for 2021 is estimated at 5.5 percent, 0.3 percentage point higher than the 2020 projection by the International Monetary Fund (IMF). The emergent recovery was initially supported by a partial easing of stringent lockdowns, leading to trade in the goods sector improving. However due to an incoherent approach to COVID-19, in terms of containment strategies from country to country, there has not been an effective arrest of the spread of the virus across the globe.

Table 1: World GDP Constant prices, % change

	Year over Year					
	Estimate		Projections		Difference from October 2020 WEO Projections	
	2019	2020	2021	2022	2021	2022
World Output	2,8	-3,5	5,5	4,2	0,3	0,0
Advanced Economies	1,6	-4,9	4,3	3,1	0,4	0,2
Euro Area	1,3	-7,2	4,2	3,6	-1,0	0,5
Emerging Market and Developing Economies	3,6	-2,4	6,3	5,0	0,3	-0,1
China	6,0	2,3	8,1	5,6	-0,1	-0,2
India	4,2	-8,0	11,5	6,8	2,7	-1,2
Sub-Saharan Africa	3,2	-2,6	3,2	3,9	0,1	-0,1
South Africa	0,2	-7,5	2,8	1,4	-0,2	-0,1

Source: IMF January 2021

The pandemic has created a disruption in all sectors of the economy bringing in to question current methods of doing things which is prompting a new approach to policy analysis and crafting. An appreciation of new world order dominated by sophisticated research and development (R&D), in the pharmaceuticals, and Information Technology (IT), has been created in the process.

1.2. South African Economic Overview

South Africa, after Nigeria and Egypt, is the third largest economy in Africa. Some of South Africa strengths are the political stability, developed financial markets, resilient and stable fiscal and monetary policies and excellent conditions for trade and investment, supported by a well-established infrastructure roll out. However, the country has had a number of constraints that limited it from growing at full potential. Among others are traits of corruption, energy and water constraints, sporadic droughts and other socio-economic challenges. The country suffered episodes of recessions prior the advent of COVID-19. Another challenge is the ratings downgrade just before the COVID-19 outbreak. Economic and financial shocks, such as the global financial crisis, has hindered the country from reaching full potential. These shocks have been intensified by COVID-19, which has slowed the process of faster economic development even longer.

Most sectors experienced a significant rebound in the third quarter of 2021, which was supported by the easing of the lockdown regulations. The largest positive contributors to growth in GDP in the third quarter were the manufacturing, mining and trade industries. The manufacturing industry increased at a rate of 210.2 percent. The mining and quarrying industry increased at a rate of 288.3 percent. It should be noted that these significant recoveries took place from a very low base. Most commodity prices recovered from their mid- 2020 lows as strict lockdowns were gradually lifted and demand firmed, especially from China. The trade, catering and accommodation industry increased at a rate of 137.0 percent. The IMF expects that the South African economy declined by 7.5 percent during 2020 and that it will recover by 2.8 percent during 2021. Concern should be raised about the expected forecast of only 1.4 percent in 2022, continuing the relative poor growth performance experienced in South Africa pre-COVID-19 for the few preceding years.

Table 2: SA GDP Constant 2010 prices, seasonally adjusted % change quarter-on-quarter

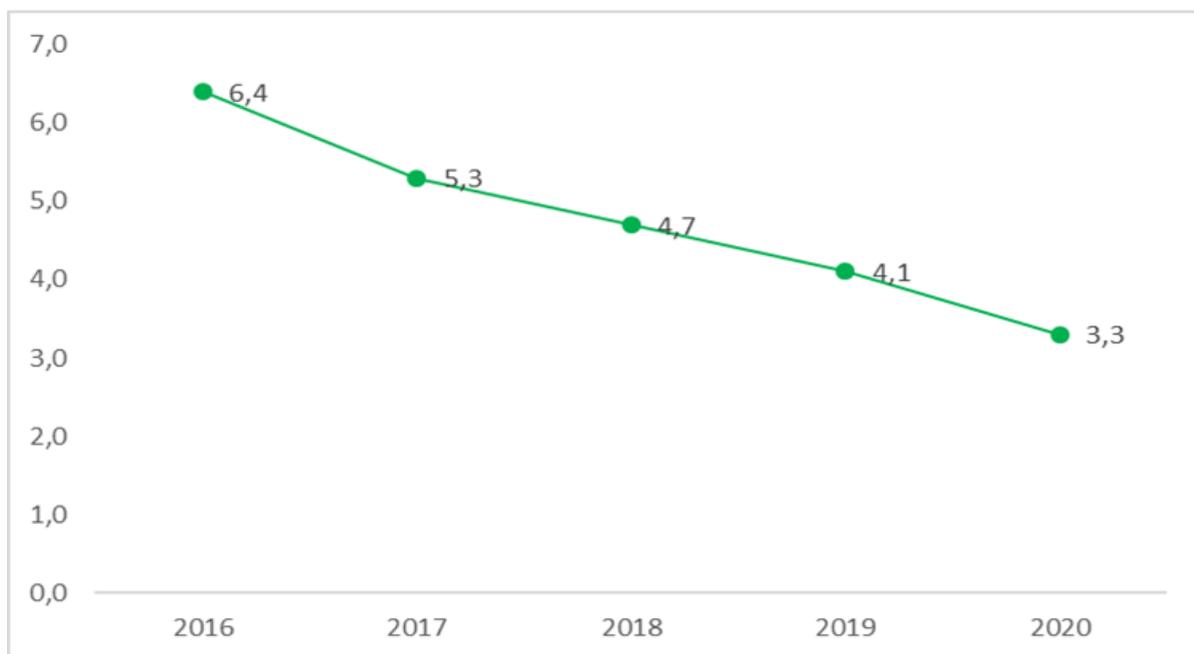
Constant 2010 prices, seasonally adjusted	2019 - Q3	2019 - Q4	2020 - Q1	2020 - Q2	2020 - Q3
% change quarter-on-quarter, annualised	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Agriculture, forestry and fishing	-4,5	-7,6	35,9	19,6	18,5
Mining and quarrying	-6,1	1,8	-21,5	-72,0	288,3
Manufacturing	-4,4	-1,8	-8,5	-74,9	210,2
Electricity, gas and water	-4,9	-4,0	-5,6	-36,4	58,0
Construction	-6,9	-5,9	-4,7	-76,5	71,1
Trade, catering and accommodation	2,6	-3,8	-0,7	-67,6	137,0
Transport, storage and communication	-5,4	-7,2	0,5	-69,4	79,3
Finance, real estate and business services	1,6	2,7	3,7	-34,2	16,5
General government services	2,4	-0,4	1,2	-1,0	0,9
Personal services	0,4	0,7	0,5	-32,7	38,6
GDP at market prices	-0,8	-1,4	-1,7	-51,7	66,1

Source: StatsSA 2020 Q3

1.2.1. Consumer Price Index (CPI)

The average price increase of goods and services in the country has been on the decline, reducing risks of increase in the cost of capital due to increases in the repo rate by the South African Reserve Bank. Annual consumer price inflation was 4.1 percent in 2019, down from 4.7 percent in 2018. The consumer price index further decreased to an average of 3.3 percent in 2020. This is in line with the state policy of the central bank to target the midpoint of the inflation target band.

Figure 1: CPI headline year-on-year rates

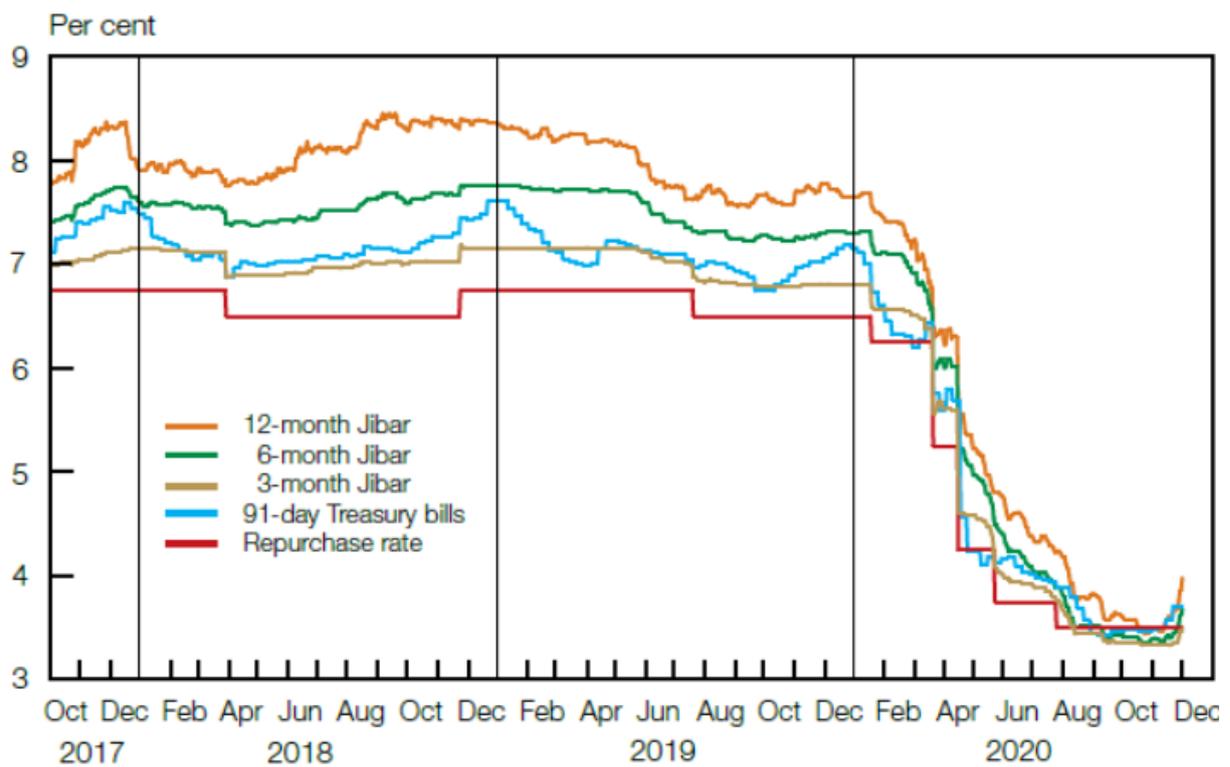


Source: StatsSA CPI

1.2.2. Repo rate

At its first meeting of the year in January 2020, the Monetary Policy Committee (MPC) of the South African Reserve Bank (SARB) left the repurchase rate unchanged at its record low of 3.5 percent. The Bank's decision to hold came amid a muted short-term growth outlook and subdued inflationary pressures. The unprecedented decrease in the prime lending rate during 2020 was an effort of the South African Reserve Bank to support growth in the local economy, and to support the fiscal stimulus provided by Government.

Figure 2: Market rates

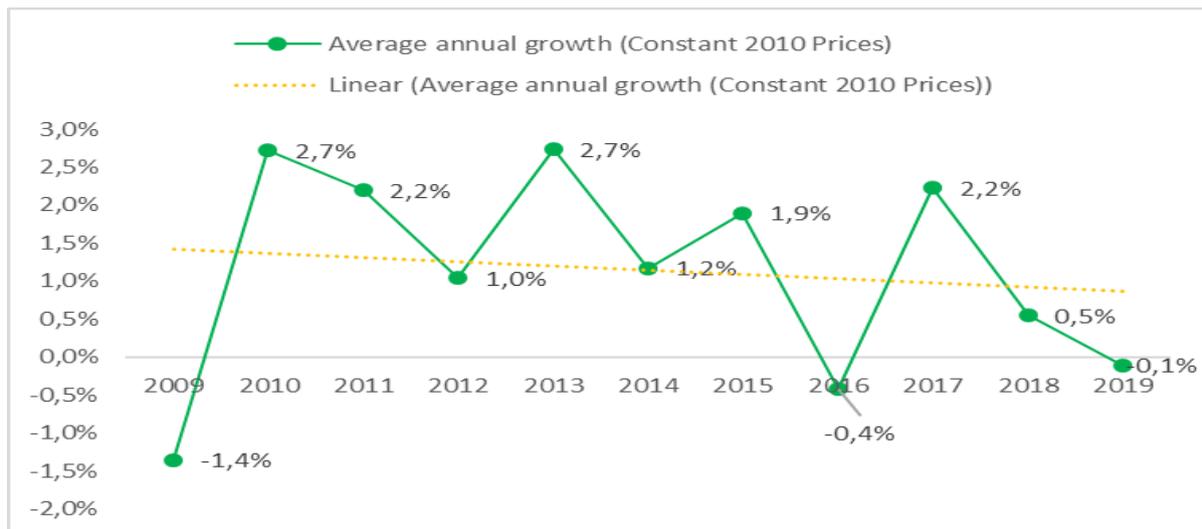


Source: SARB

1.3. Limpopo Economic Overview

The Limpopo provincial economic growth rate is in a downward sloping trajectory since 2011. The 2010 World cup fiscal expenditure could not sustain investor- and consumer confidence for a protracted period as the province experienced the AI Nino effect, commodity price slumps, surge in crude oil prices which weighed down on the local economy. The provincial economy has recorded two consecutive contractions from 2.2 percent in 2017 to 0.5 percent in 2018 and further declined to a marginal -0.1 percent in 2019.

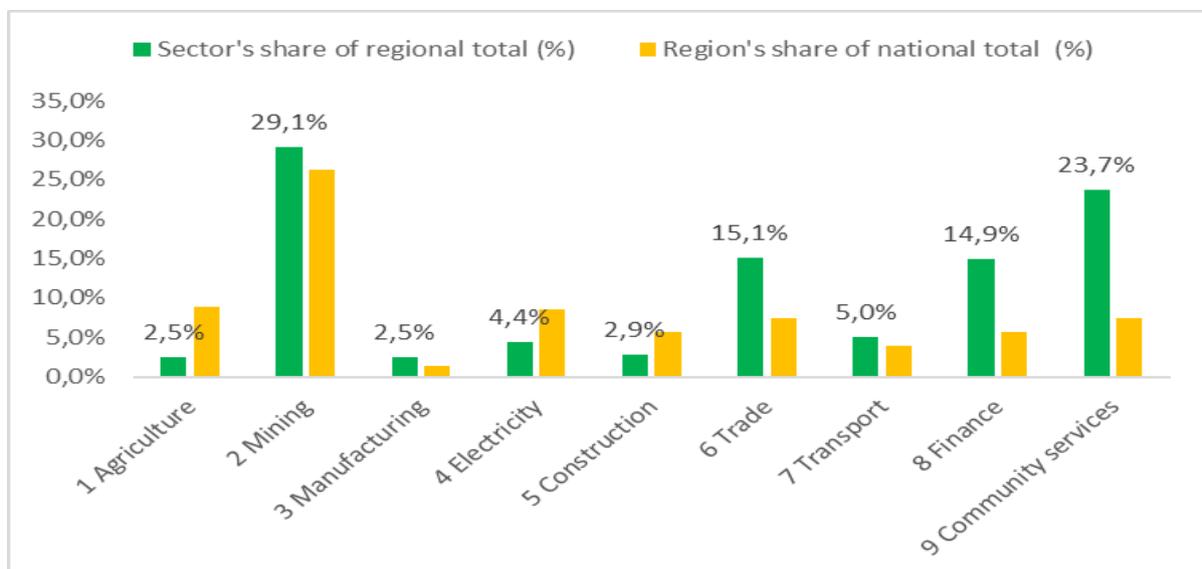
Figure 3: GDP Average annual growth (Constant 2010 Prices)



Source: IHS Regional Explorer

The composition of the provincial economy is such that the primary sector and the tertiary sector are the largest sectors driving the provincial economy. Mining (29.1 percent) and Community Services (23.7 percent) contribute a total 52.8 percent to the local economy. The provincial mining sector still contributes a significantly noticeable share of 26.3 percent of the national mining output, while Community services contributes 7.4 percent to the output for the sector on national level.

Figure 4: Sector's share of regional total (%) and Region's share of national total (%)



Source: IHS Regional Explorer

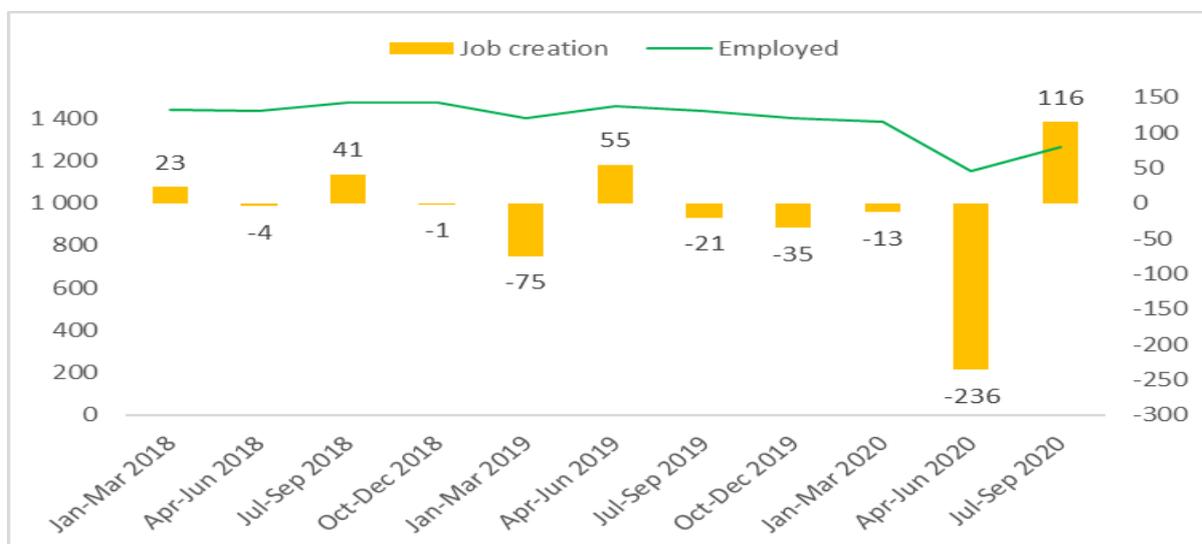
1.4. Labour Market

The COVID-19 pandemic created a labour market shock, impacting not only supply (production of goods and services) but also demand (consumption and investment). Most businesses, regardless of size, are facing serious challenges, especially those in the aviation, tourism and hospitality industries, with a real threat of significant declines in revenue, insolvencies and job losses in these sectors.

1.4.1. Employment

The number of employed people in the province increased from 1 15 million in the second quarter of 2020 to 1 26 million in the third quarter of 2020. The rebound is attributed to the relaxation of the lockdown regulations where most sectors of the economy were allowed to open, however observing COVID-19 regulations. Most notably is that the province has been shedding jobs since the third quarter of 2019 to second quarter of 2020 equating to 305 thousand jobs. Most of the jobs are not likely to be regained as they are high contact jobs and require traveling which due to ongoing lockdowns is not possible to implement. Although 116 thousand jobs were created in the third quarter of 2020, these are previously lost jobs and not necessarily new jobs.

Figure 5: Number of people employed and jobs created

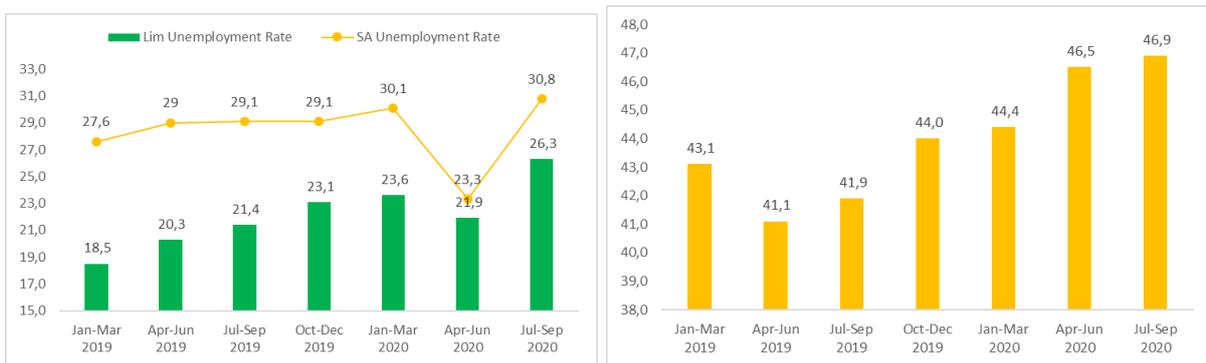


Source: StatsSA QLFS 2020 Q3

1.4.2. Unemployment

Official unemployment rate in the province has been rising even prior COVID-19. Provincial unemployment rate rose from 18.5 in the first quarter of 2019 to 26.3 percent in the third quarter of 2020, while national rate rose from 27.6 in the first quarter of 2019 to 30.8 percent in the third quarter of 2020. The importance of reflecting on the expanded definition of unemployment became very clear during the lockdown period. Expanded unemployment in the province rose from 41.1 percent in the second quarter of 2019 to 46.9 percent in 2020. The majority of the unemployed are is youth.

Figure 6: Official unemployment rate and expanded unemployment rate



Source: StatsSA QLFS 2020 Q3

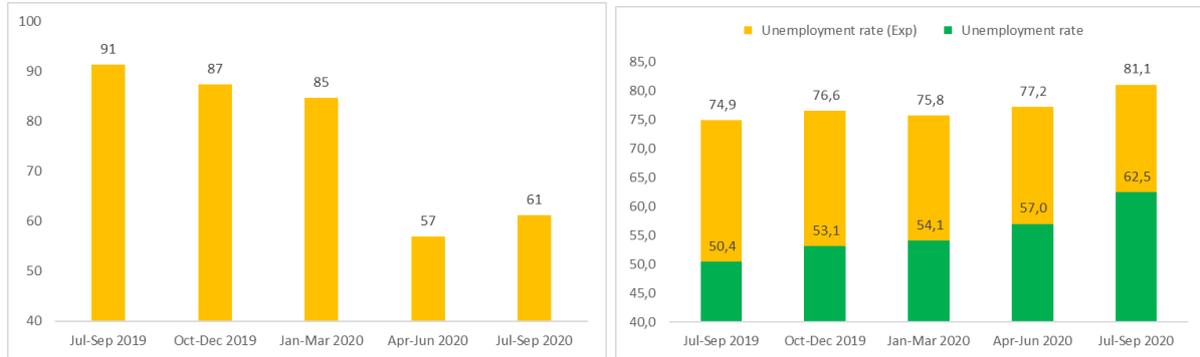
Unemployment in the Limpopo province is perpetuated by the general low skills base in the province where the unemployed people poses lower than the prerequisite skills or different skills base than what the market requires. The skills deficit was created by migration of young students and skilled labour force who moved to neighbouring provinces that are perceived to possess better work opportunities- creating a perennial brain drainage.

1.4.3. Youth Unemployment

The number of youth employed in the province reduced from 91 thousand in the third quarter of 2019 to 61 thousand in the third quarter of 2020, recording a youth job loss of 30 thousand. The official youth unemployment rate is at 62.5 percent, while the expanded youth unemployment rate is 81.1 percent. This is an indication that school leavers and graduates will struggle to obtain employment. Research indicated that

youth with work experience, who became unemployed, managed much easier to gain employment again.

Figure 7: Number of employed youth (Thousands) and Youth unemployment rate (%)



Source: StatsSA QLFS 2020 Q3

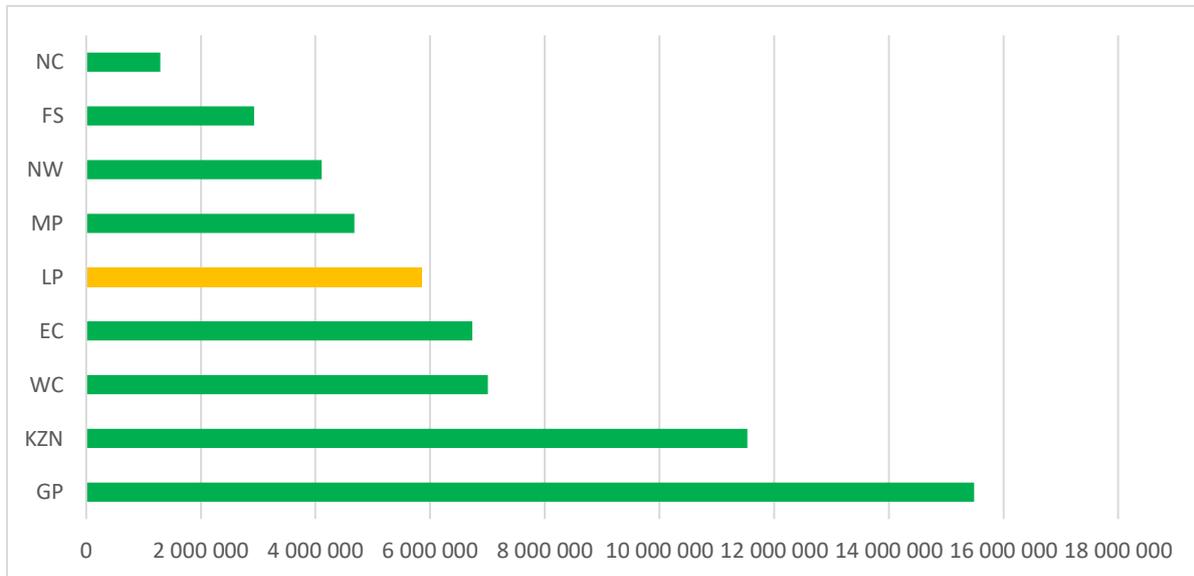
A number of researchers who did research on the relationship between unemployment and poverty, found that there is 'bi-directional causal' relationship between the two due to the fact that unemployment is the cause of poverty and also poverty contributes to unemployment and its persistence. Where the household's movement into and out of poverty was found to be significantly caused by the labour market activities. Poverty causes the poor to move to the rural areas where they lose contact with the world of work and lessens their opportunities to find work. The research highlighted the fact that job creation is still the best remedy to address the high levels of unemployment in South Africa and in Limpopo in particular.

1.5. Demographic Profile

During this time of COVID-19 disease, studying the population dynamics of a country or a region continue to be a crucial element of planning as health care practitioners will rely comprehensively on the population parameters as they juggle around in finding the best possible ways to deal with the pandemic. Population dynamics entails the breakdown and interpretation of these numbers, so that an understanding and meaning can be created for policy makers. Population growth and migration patterns in the population, in a particular region, need to be accompanied by the necessary structural transformation for it to be translated into equitable human development and

improved livelihoods for the people. Changes in population size, structure and distribution, and the associated demographic factors of births, deaths and migration, affects all facets of human life.

Figure 8: Provincial population SA



Source: StatsSA Mid-year population estimates 2020

Gauteng continue to comprises the largest share of the South African population, with approximately 15.5 million people living in this province. KwaZulu-Natal is the province with the second largest population, with an estimated 11.5 million people living in this province. Limpopo with a population of approximately 5.9 million is at number five, contributing 9.8 percent to the total South African population. With a population of approximately 1.3 million people, Northern Cape remains the province with the smallest share of the South African population.

1.5.1. Provincial migration

Studying the migration patterns of a country can be of crucial importance as the net migration rate can be volatile, impacted significantly by economic and policy changes, as encountered in the recent outbreak of COVID-19 in March 2020. Due to the international travel ban, travel was brought to an abrupt halt in the country, even between provinces (except for certain special cases such as burials for which permission had to be sought from the relevant authority).

Table 3: Estimated provincial migration streams 2016–2021

	Out_migrants	In_migrants	Net migration
EC	514 888	191 931	-322 957
FS	164 185	134 256	-29 929
GP	572 765	1 553 162	980 398
KZN	375 583	287 420	-88 163
LP	467 693	278 581	-189 112
MP	220 302	281 336	61 034
NC	76 954	88 507	11554
NW	205 723	318 604	112881
WC	178 013	468 568	209 555
Outside SA (Net migration)			

Source: StatsSA Mid-year population estimates 2020

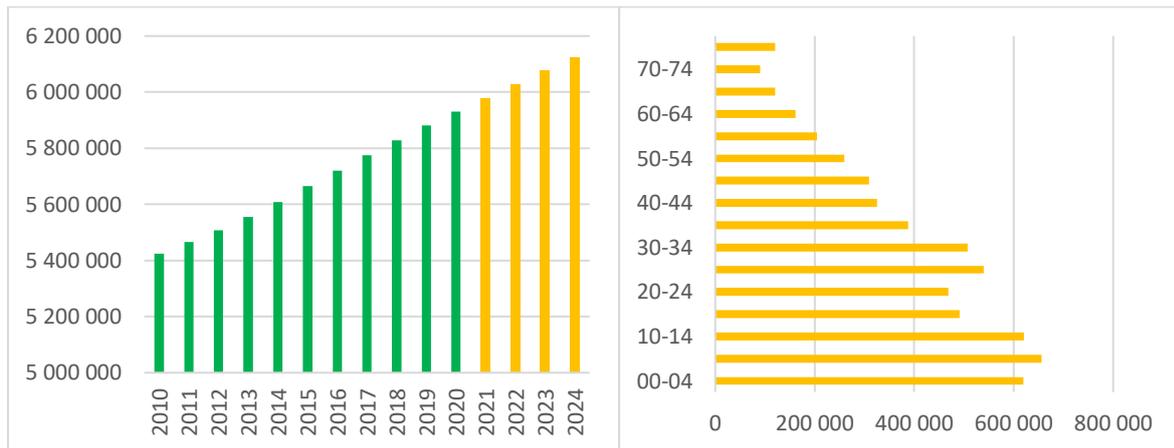
In terms of migration patterns, during 2020, Limpopo lost around 467 thousand of its population to other provinces in the country, while the province only received around 278 thousand, leaving the province with a negative 189 thousand of net out migration. The biggest receiver of Limpopo's population is Gauteng receiving around 353 thousand people annually from the province, followed by North West (32 thousand) and Western Cape (11 thousand).

1.5.2. Limpopo population growth

Limpopo population has been on a rise during the period from 2010 to 2020. The Limpopo population increased from 5.4 million in 2010 to around 5.9 million in 2020. The population in the province is projected to increase to 6.1 million in 2024.

In terms of the age structure, the provincial population structure is dominated people of 35 years and younger at around 3.8 million (65 percent). The total population contribution of the below 14 years' age group is at around 1.9 million people. The youthful nature of the provincial population will continue to exert pressure to the budget in the province, as the provincial government will need to ensure that the young population have accesses to basic human needs such as quality health care, basic education and quality sporting facilities.

Figure 9: Limpopo population growth, projections and age structure

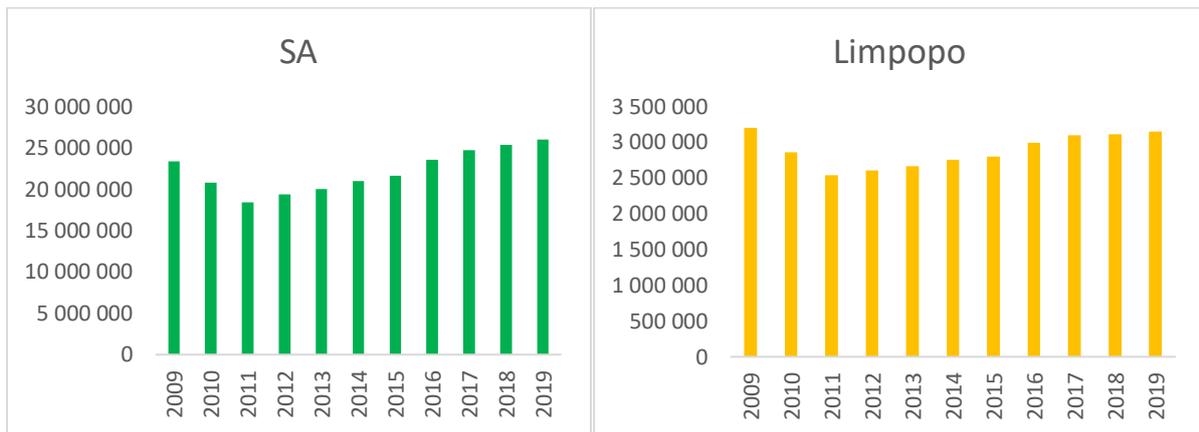


Source: IHS Markit Regional eXplorer 2020

1.6. Poverty

Poverty continue to remain as one of the difficult challenge in South Africa and globally, as many people live without enough food, access to clean water, or proper sanitation, even without safe shelter, health care and education. Poverty can further be defined by means of stating that it is a lack of access to opportunities. According to the estimations in 2017 the global population of 9.2 percent still lived below the international poverty line of \$1.90. Currently with the great pandemic of COVID-19, many people are pushed into extreme poverty, resulting from jobs losses, businesses that shut down, and lack of opportunities due to lockdown restrictions.

Figure 10: People below the lower poverty line in South Africa (Stats SA defined) and Limpopo People below the lower poverty line (Stats SA defined)



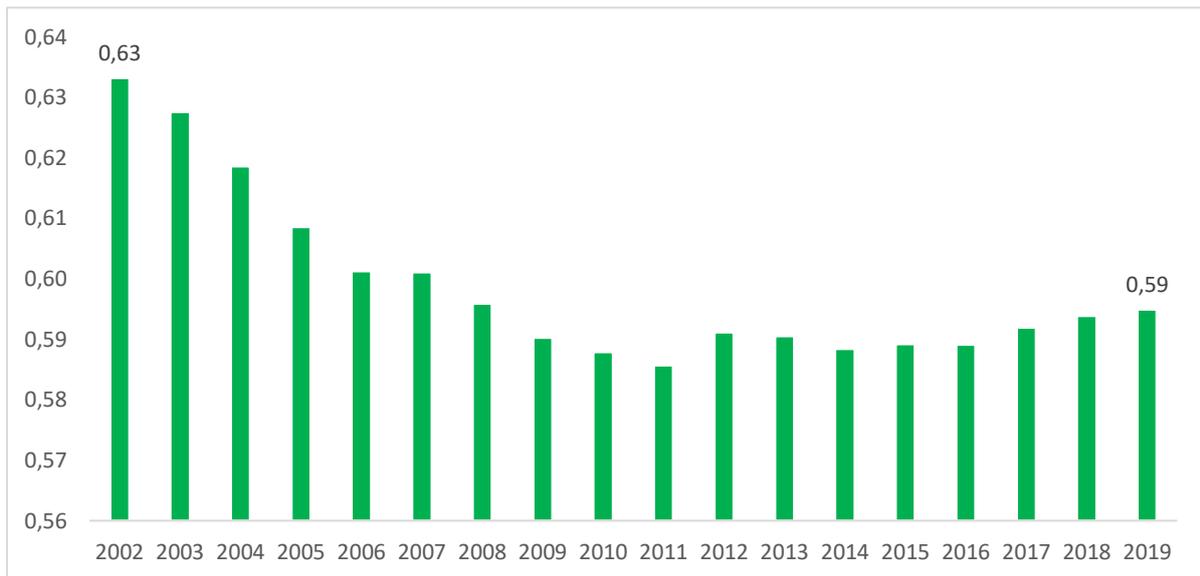
Source: IHS Markit Regional Explorer 2020

The number of people who live below the lower poverty line in South Africa deteriorated in 2011 to a record low of 18.4 million, provincially the situation is the same as Limpopo province recorded a low of 2.5 million in the same period. The South African number of people living below the lower poverty line was recorded at 26 million in 2019 from 25 million in 2018, whereas Limpopo province recorded 3.1 million number of people living below the lower poverty line in 2019.

1.7. Gini Coefficient

The Gini Coefficient measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution. The range of measurement is between 0 and 100 percent where 0 percent represents perfect equality and 100 percent perfect inequality. Limpopo Gini Coefficient decreased from 0.63 percent in 2002 to 0.59 in 2019. The inequality in the province still remain significantly high and continue to be a challenge that the South African government is trying to address. Skewed income distribution, unequal access to opportunities and regional disparities contribute to inequality. Comparable countries have Gini coefficients closer to 0.40.

Figure 11: Gini Coefficient in Limpopo province



Source: IHS Markit Regional Explorer 2020

Although the government is putting much effort to reduce inequality, the progress has been very sluggish. Key policy frameworks such as Reconstruction and Development Programme (RDP), Growth, Employment and Redistribution (Gear), Accelerated and Shared Growth Initiative for South Africa (Asgisa) and the National Development Plan (NDP) has been implemented to reduce inequality. The RDP policy played a massive role in meeting basic needs of people including housing, land, water, sanitation, health care, and related basic service.

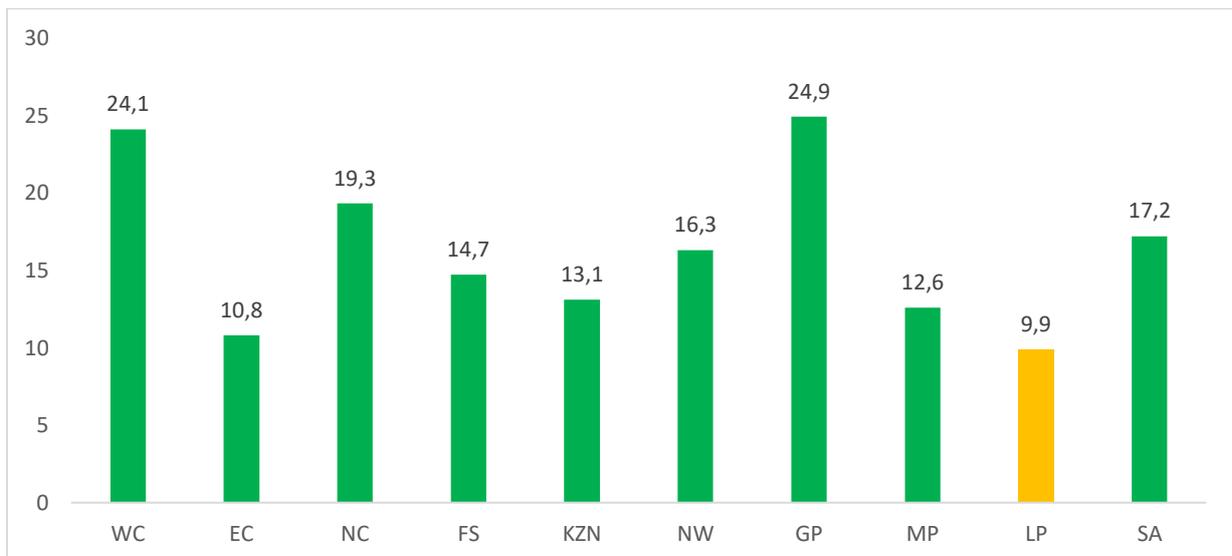
1.8. Health

The importance of health care provisioning in the country and the province can never be over emphasised, especially in these times when the world and the country is facing the deadly COVID-19 outbreak, which is potentially affecting every individual in the planet. The health care centres, both private and public, were called to task as they were expected to provide intensive care services at an emergency, with limited time to prepare. COVID-19 exposed flaws in provision of good quality health care in the country in terms of the people that can afford private health care and those that depends on government. Together with this health care challenge the extreme situation in terms of poverty has been highlighted. Both of these issues needs serious attention.

1.8.1. Medical aid coverage

The COVID-19 pandemic highlighted the issue of the affordability of private medical services for different sections of the population very pertinently. About 17,2 percent of South African individuals in 2019 were covered by medical aid scheme. Gauteng and Western Cape were the highest provinces with individuals covered by medical aid in the country at 24,9 and 24,1 percent respectively. During this period, the number of individuals who were covered by a medical aid scheme in Limpopo Province were recorded at 9,9 percent, the lowest in the country.

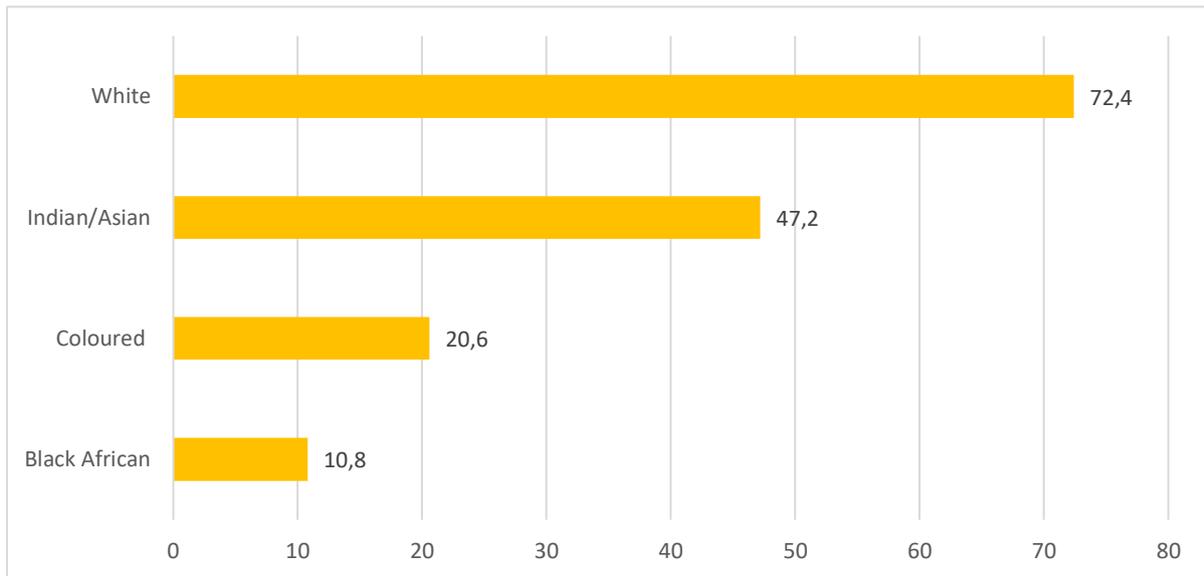
Figure 12: Percentage of individuals who are members of medical aid schemes per province, 2019



StatsSA: General Household Survey, 2019

About 72,4 percent of white individuals in South Africa were members of a medical aid scheme compared to about one-half or 47,2 percent of Indian/Asian individuals. By comparison, only 10,8 percent of black Africans were covered by a medical aid scheme. This explains the low level of medical aid coverage in the Limpopo province.

Figure 13: Percentage of individuals who are members of medical aid schemes by population group, 2019



StatsSA: General Household Survey, 2019

1.8.2. Provincial Corona Virus

At least a third of the people who are infected with the virus remain asymptomatic and do not develop noticeable symptoms at any point in time, but they can spread the disease. Some patients continue to experience a range of effects known as long COVID-19 for months after recovery, and damage to organs has been observed.

The preventive measures for the virus include physical or social distancing, quarantining, ventilation of indoor spaces, covering coughs and sneezes, hand washing, and keeping unwashed hands away from the face. The use of face masks or coverings has been recommended in public settings to minimise the risk of transmissions. Several vaccines have been developed and various countries have initiated mass vaccination campaigns. Although work is underway to develop drugs that inhibit the virus, the primary treatment is currently symptomatic. Management involves the treatment of symptoms, supportive care, isolation, and experimental measures.

The Limpopo province was fortunate enough not to be one of the COVID-19 hotspots in the country during the first wave of outbreaks. During the second outbreak the Capricorn district has been identified as a hotspot.

Table 4: Provincial corona virus as at 31 January 2021

Province	Cases	Deaths	Recoveries	Active Cases
	Total	Total	Total	Total
Gauteng	388 620	8 198	366 964	13 458
KwaZulu Natal	315 033	8 578	260 195	46 260
Western Cape	269 633	10 247	243 019	16 367
Eastern Cape	191 997	10 654	178 325	3 018
Free State	76 279	2 716	64 499	9 064
Mpumalanga	65 054	988	59 511	4 555
Limpopo	57 981	1 269	53 217	3 495
North West	57 154	933	46 440	9 781
Northern Cape	32 010	581	27 450	3 979
Total	1 453 761	44 164	1 299 620	109 977

Source: South African COVID-19 pandemic [dashboard](#) 2021

In terms of the provincial infections, Gauteng (388 thousand), KwaZulu Natal (315 thousand) Western Cape (269 thousand) are the three most infected provinces, with Limpopo (57 thousand), North West (57 Thousand) and Northern Cape (32 thousand) being the least infected.

1.9. Crime

The table below presents a summary of the number of victims of various types of crime together with the percentage of the population that the number represents. About 891 thousand households in South Africa experienced housebreaking in the reference period. Approximately 139 thousand households experienced home robbery, 82 thousand experienced theft of a motor vehicle, 42 thousand experienced assault, 52

thousand experienced deliberate damage to their properties, 13 thousand had sexual offence encounter and about 15 households experienced murder.

Table 5: Number and percentage of households that experienced a specific type of crime in the 12 months preceding the survey, 2018/19–2019/20

Indicator	Number in thousands	2018/19	2019/20
House breaking/burglary	Number	970	891
	Percent	5,8	5,3
Home robbery	Number	184	139
	Percent	1,1	0,8
Theft of motor vehicles	Number	68	82
	Percent	0,4	0,5
Assault	Number	103	42
	Percent	0,6	0,3
Deliberate damaging to property	Number	54	52
	Percent	0,3	0,3
Sexual offence	Number	15	13
	Percent	0,1	0,1
Murder	Number	12	15
	Percent	0,1	0,1

Source: Statistics SA

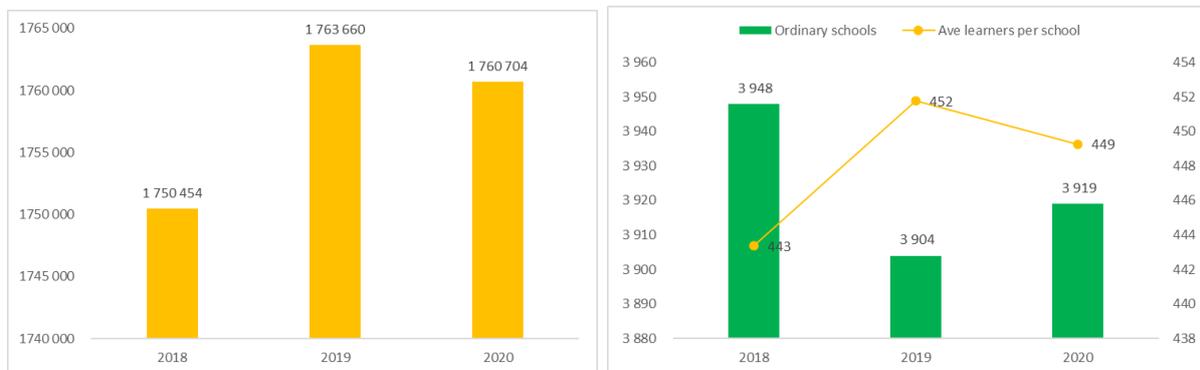
1.10. Education

While countries are at different points in their COVID-19 infection rates, most governments around the world have temporarily closed educational institutions in an attempt to contain the spread of the COVID-19 pandemic. Several other countries have implemented localized closures, impacting millions of additional learners. With this sudden shift away from the classroom in many parts of the globe, some are wondering whether the adoption of online learning will continue to persist post-pandemic, and how such a shift would impact the worldwide education market. While some believe that the unplanned and rapid move to online learning, with no training, insufficient bandwidth, and little preparation, will result in a poor user experience that is un conducive to sustained growth, others believe that a new hybrid model of education will emerge, with significant benefits.

1.10.1. Learner Enrolment and number of ordinary schools

As the provincial population grows, the learner enrolment increased also over the years. The learner population in the province rose from 1 750 million in 2018 to 1 763 million in 2019 (an increase of 13 206) and moderated to 1 760 million in 2020. This increase in the school going population is the reason why education infrastructure spending, either through new infrastructure or maintenance of existing infrastructure, continues to be a priority. The number of ordinary schools decreased from 3 948 in 2018 to 3 919 in 2020, with the learner to school ratio at 449 in 2020. The more schools are available, the lower the learner to school ratio which also contributes positively to the learner to teacher ratio over time. A lower learner to teacher ratio will in turn lead to better educational outcomes.

Figure 14: Learner Enrolment and number of ordinary schools - Learner School ratio



Limpopo Department of Education 2020

1.10.2. Levels of education

Limpopo is characterized by a low skills base with 93.4 percent (46.8 percent at primary level and 46.5 percent at secondary level) of the population have matric or lower as their highest level of education. This is a fundamental impediment for development in many aspects. Government has made strides in reducing the number of people who have never been to school in the past ten years, however the number is still high at 621 711 people in 2019. The risk of a low literate society is the lack of comprehension and adaptation to new technology and the digital economy. The fourth

industrial revolution is based on advanced skills and knowledge of highly qualified employees and will put low skilled jobs at risk.

Table 6: Education Level in Limpopo

Level of Education	2009	2019	% of Population (2019)	
98: No schooling	842 056	621 711	11,9%	46,8%
00: Grade 0	88 597	241 098	4,6%	
01: Grade 1/Sub A	233 131	199 487	3,8%	
02: Grade 2/Sub B	172 037	193 770	3,7%	
03: Grade 3/Standard 1	212 029	210 827	4,0%	
04: Grade 4/Standard 2	229 876	223 088	4,3%	
05: Grade 5/Standard 3	232 179	230 967	4,4%	
06: Grade 6/Standard 4	245 774	238 081	4,6%	
07: Grade 7/Standard 5	311 089	289 857	5,5%	46,5%
08: Grade 8/Standard 6/Form 1	351 606	369 669	7,1%	
09: Grade 9/Standard 7/Form 2	316 287	342 910	6,6%	
10: Grade 10/Standard 8/Form 3/NTC1	372 400	453 625	8,7%	
11: Grade 11/Standard 9/Form 4/NTC11	362 039	482 113	9,2%	
12: Grade 12/Standard 10/Form 5/Matric/NTC111	557 076	782 890	15,0%	6,6%
13: Less than matric & certif/dip	15 222	13 803	0,3%	
15: Certificate with Grade 12	58 460	90 148	1,7%	
16: Diploma with Grade 12	110 782	145 158	2,8%	
17: Bachelor's Degree	32 859	47 239	0,9%	
18: Bachelor's Degree and Diploma	15 266	16 210	0,3%	
19: Honours degree	13 648	23 599	0,5%	
20: Higher Degree (Master's, Doctorate)	7 406	11 454	0,2%	

Source: Quantec 2020

The new technological development is set to drive growth in future for industries. The Mining industry, Finance services industry and Transportation industry are expected to adapt these technological systems quicker than other sectors in the economy. This development will create a need for new skills for the employees to adapt to the new technological enhanced environment.

1.11. Basic Services

1.11.1. Access to dwelling

The number of households that live in a house or brick structure on a separate stand or yard improved from 62.0 percent in 1999 to 86.0 percent in 2019. This is indicative of the Human Settlement Department's efforts in building the indigent population decent houses and improve average disposable income of households who have the ability to build themselves decent homes. There are only 5 percent (70 287 households) that still live in Traditional dwelling/hut/structures made of traditional materials. The COVID-19 pandemic created less infections in rural areas than in the cities due to the low population density of settlements. The risk is, however, that a high number of people are often sharing one house, limiting the options for social distancing and increasing the chances of COVID-19 infection.

Table 7: Number of households with access to dwelling

Dwelling	1999	2009	2019	1999	2009	2019
	Number			Percent		
Total - Type of dwelling	1 203 771	1 355 777	1 549 950	100%	100%	100%
House or brick structure on a separate stand or yard	752 276	999 484	1 333 032	62%	74%	86%
Traditional dwelling/hut/structure made of traditional materials	255 349	169 137	70 387	21%	12%	5%
Flat in a block of flats	8 632	9 907	11 141	1%	1%	1%
Town/cluster/semi-detached house (simplex, duplex or triplex)	7 710	8 894	10 010	1%	1%	1%
House/flat/room, in backyard	26 648	21 223	18 132	2%	2%	1%
Informal dwelling/shack, in backyard	21 304	27 264	35 977	2%	2%	2%
Informal dwelling/shack, NOT in backyard, e.g. in an informal/squatter settlement	54 610	54 039	46 358	5%	4%	3%
Room/flatlet not in backyard but on a shared property	11 265	12 870	16 801	1%	1%	1%
Other/unspecified/NA	65 977	52 959	8 113	5%	4%	1%

Source: Quantec

1.11.2. Access to electricity

The province has majority of households electrified which 87 percent of households use electricity for lights. Only 11 percent use candles and 1 percent still use paraffin. There is a very insignificant number of households that use solar for lighting. According to the United Nations (UN) the Sustainable Development Goal (SDG) seven, that aspires affordable and clean energy, further requires that there needs to be improved

access to clean and safe cooking fuels and technologies to support the fight against global warming and its adverse consequences.

Table 8: Number of households with access to electricity

Electricity	1999	2009	2019	1999	2009	2019
	Number			Percent		
Total - Energy for lighting	1 203 771	1 355 777	1 549 950	100%	100%	100%
Other/unspecified	9 304	3 884	0	1%	0%	0%
Electricity	699 379	1 001 584	1 351 753	58%	74%	87%
Gas	3 446	2 588	2 299	0%	0%	0%
Paraffin	127 830	61 197	13 394	11%	5%	1%
Candles	361 239	279 845	170 382	30%	21%	11%
Solar	2 573	5 013	7 737	0%	0%	0%
None	0	1 665	4 385	0%	0%	0%

Source: Quantec

1.11.3. Access to refuse removal

Only 21.0 percent of the provincial households have access to formal refuse removal in 2019. This is an improvement from the past two decades which stood at 15.0 percent. The concern is that 66 percent of the households dispose their own refuse, which remains a concern due to lack of proper management over refuse removal. The waste is often dumped polluting the air, soil, and water which, results in damaging the environment in the worst way possible.

Table 9: Number of households with access to refuse removal

Refuse removal	1999	2009	2019	1999	2009	2019
	Number			Percent		
Total - Refuse removal	1 203 771	1 355 777	1 549 950	100%	100%	100%
Unspecified / other	5 167	4 802	12 321	0%	0%	1%
Removed by local authority at least once a week	185 676	248 785	324 301	15%	18%	21%
Removed by local authority less often	11 701	11 715	10 692	1%	1%	1%
Communal refuse dump	21 008	17 765	21 422	2%	1%	1%
Own refuse dump	792 538	895 682	1 024 265	66%	66%	66%
No rubbish disposal	187 681	177 028	156 949	16%	13%	10%

Source: Quantec

1.11.4. Access to sanitation

There is a relatively low number of households with flushing toilets in the province at 23.0 percent, while 68.0 percent of households have access to Pit latrine sanitation. The topographic and scattered nature of rural settlements has posed a significant challenge to roll out sanitation reticulation in the province, prompting solutions suited for rural settlements.

Table 10: Number of households with access to sanitation

Sanitation	1999	2009	2019	1999	2009	2019
	Number			Percent		
Total - Toilet facility	1 203 762	1 355 762	1 549 950	100%	100%	100%
Flush or chemical toilet	234 960	293 006	349 010	20%	22%	23%
Pit latrine	698 227	834 226	1 056 566	58%	62%	68%
Bucket latrine	7 608	8 875	9 720	1%	1%	1%
None of the above	262 968	219 655	134 654	22%	16%	9%

Source: Quantec

1.11.5. Access to water

Only 18 percent of households have access to piped water inside the dwelling, while 34.0 percent piped water inside yard, 20.0 percent piped water on community stand: distance less than 200m. from dwelling, and 13.0 percent Piped water on community stand: distance greater than 200m. from dwelling. There is 3.0 percent (49 590 households) accessing water from dams, rivers, streams, and springs.

Table 11: Number of households with access to water

Water	1999	2009	2019	1999	2009	2019
	Number			Percent		
Total - Access to water	1 203 771	1 355 777	1 549 950	100%	100%	100%
Piped water inside dwelling	151 082	192 363	280 678	13%	14%	18%
Piped water inside yard	338 159	435 623	527 174	28%	32%	34%
Piped water on community stand: distance less than 200m. from dwelling	244 264	238 065	317 706	20%	18%	20%
Piped water on community stand: distance greater than 200m. from dwell	207 197	246 274	205 714	17%	18%	13%
Borehole/rain-water tank/well	74 841	55 460	39 841	6%	4%	3%
Dam/river/stream/spring	124 119	107 863	80 740	10%	8%	5%
Water-carrier/tanker/Water vendor	20 728	32 813	49 590	2%	2%	3%
Other/Unspecified/Dummy	43 382	47 316	48 508	4%	3%	3%

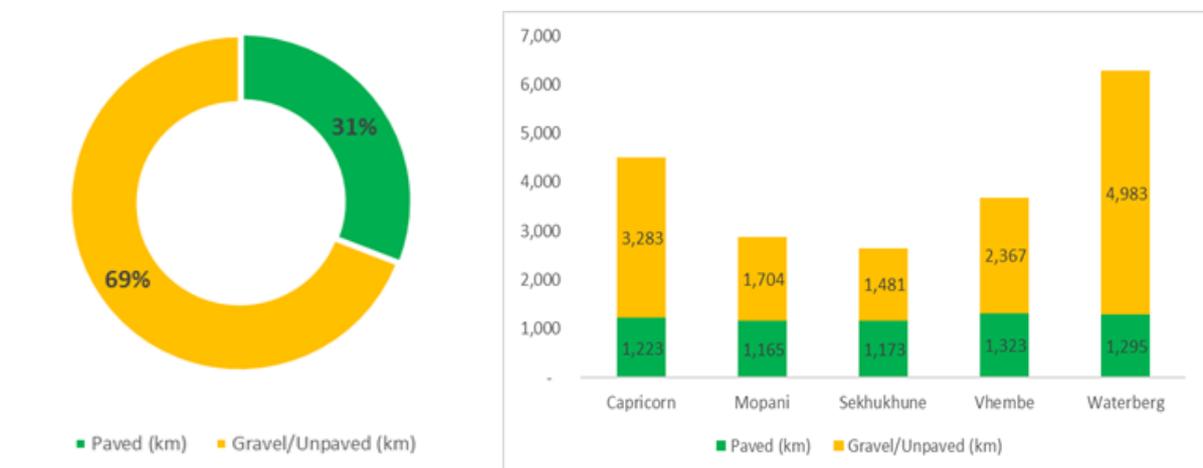
Source: Quantec

1.11.6. Roads infrastructure

Limpopo is largely rural and about 79.3 percent of the province is characterised as rural areas. This generally presents a unique situation and presents a unique policy response towards rural development and regional development. Rural areas can thrive economically with conducive and targeted infrastructure development. As it stands, Limpopo’s paved roads constitute 31 percent of the total road network, implying that the majority of the population in rural areas contend with unpaved roads and not reaping the maximum dividends of good road infrastructure. Rural communities’ economic sustenance is in Agriculture, Mining and Tourism. Furthermore, some rural economies thrive due to the presence of Community services sector (mainly government services and NGO operations). This therefore requires government to have a targeted infrastructure development plan to maximise on the existing economic activities, by boosting their productivity.

All the provincial districts have a low percentage paved roads in its road network, with Waterberg and Capricorn have the largest backlog. However, the decision to develop infrastructure in the districts must be weighed against the economic and social benefit. Waterberg has the lowest aggregate population, however, there is a lucrative game farming business and tourism attracting sites that will have to be considered in the process. The Waterberg is also the energy hub for the country.

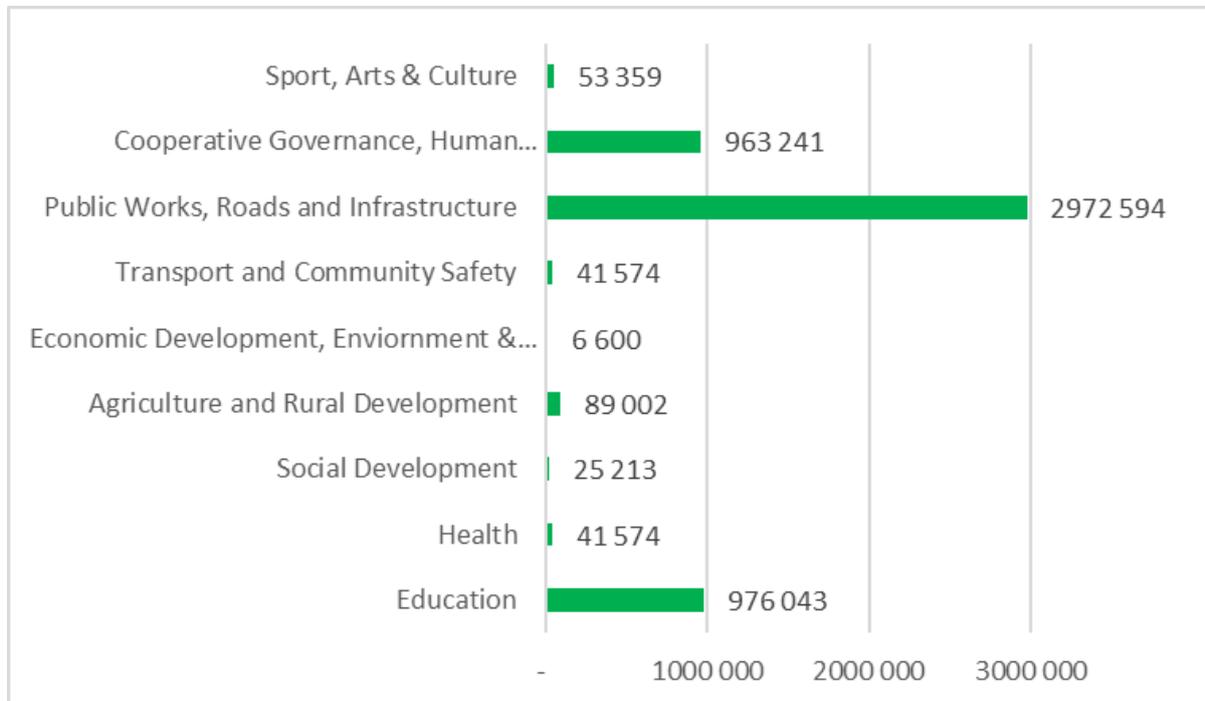
Figure 15: Status of the provincial road network



Source: Limpopo Provincial Treasury

The three departments with the largest infrastructure spending in the province are Public Works, Roads and Infrastructure, Education and Cooperative Governance, Human Settlement & Traditional Affairs. The departments that have low infrastructure spending are Economic Development, Environment & Tourism, Transport and Community Safety,

Figure 16: Infrastructure spent by departments



Source: Limpopo Provincial Treasury

1.12. Conclusion

In the final instance the economic recovery will depend on the outcome of the COVID-19 pandemic that in turn depends on the rollout of the vaccines. In order to accelerate human capital to support industrialisation in the province, there needs to be a deliberate policy directive to align academic programmes in the province (private and public institutions) to the market requirements.

The Province and the Department of Health need to channel more resources in improving the state of provincial hospitals, as it has been identified that the public hospitals and clinics play a major role as the first point of entry for individuals who felt

ill. This will assist in curbing the scourge of COVID-19 and other perennial disease the province is battling with.

New technologies are required in the provision of basic services (houses, water infrastructure and roads) that are resilient to natural disasters. A province such as Limpopo, given the infrastructure backlog, requires sustainable durable infrastructure stock rather than large quantity inferior stock that will require periodic overhaul- which is both expensive and counterproductive in the long run.

Furthermore, a coordinated infrastructure approach will aid the province in achieving optimal social and economic outcomes inspired by the growth point model. The Centre Periphery Model (Growth Points model) is the most ideal framework for the province given the vast nature of the province and human settlement is unequally spread. With the limited fiscal resources, government must be seen to have an impactful fiscal policy that generates sprouts of development.

CHAPTER 2: BUDGET STRATEGY AND AGGREGATES

2.1 Introduction

The 2021 MTEF budget is tabled at a time when the country is working towards recovery from major economic downturn. The country suffered episodes of recessions and technical recessions prior the advent of COVID-19. Another challenge is the ratings downgrade just before the COVID-19 outbreak. Economic and financial shock such as the global financial crisis has hindered the country from reaching full potential and COVID-19 has slowed the process of faster economic development. Global economic growth is expected to rebound to 5.5 percent in 2021 before moderating slightly to 4.2 percent in 2022, spurred on by the expected rollout of COVID-19 vaccines and other additional policy initiatives. China is expected to grow at 8.1 percent in 2021, while India will achieve a growth rate of 11.5 percent in 2021. The National Treasury estimates national economic growth to grow by only 3.3 percent in 2021 following a 7.2 percent contraction in 2020, and average 1.9 percent in the two outer years. Revenue collection is projected to be low over the short to medium term due to the effect of COVID-19 and slow economic growth.

The 2021 Medium Term Expenditure Framework (MTEF) reflect reductions made to the Provincial Equitable Share including a combination of the freezing of salary increases announced in the 2020 Budget and additional reductions to support fiscal consolidation.

The Limpopo Equitable Share allocation decreases from R63.329 billion in 2020/21 to R60.027 billion or negative 3.7 percent in 2021/22. The allocation further decrease to R59.621 billion or negative 0.7 percent in 2022/23 and R59.305 billion or negative 0.5 percent in 2023/24 financial year. The provincial equitable share continues to contract due to data updates (mainly outward movement in population numbers) and fiscal framework reductions.

The equitable share baseline is adjusted downwards by R465.564 million in 2021/22 and a further R2.133 billion over outer two years of the MTEF due to the impact of new data update (census). The equitable share is also reduced by R5.942 billion in

2021/22, R8.519 billion in 2022/23 and by R5.485 billion in 2023/24 on Compensation of Employees due to freezing of salary increases announced by the Minister of Finance. Furthermore, another downward movement on Non-Compensation of Employees items is effected of R737.729 million, R970.801 million and R1.747 billion in 2021/22, 2022/23 and 2023/24 financial years respectively.

Due to increased revenue tax collection at National, an amount of R916.500 million has been allocated to Department of Health for COVID-19 response programme in 2021/22 financial year.

The following allocations are maintained in the baseline and earmarked for specific purposes:

- **R7.072 million, R7.404 million and R7.731 million** have been made available in 2021/22, 2022/23 and 2023/24 to Department of Social Development for Food Relief Function Shift.
- Additional **R61.592 million** in 2021/22, **R64.487 million** in 2022/23 and **R67.329 million** in 2023/24 have been provided to Social Development for Social Worker Grant conversion for Employment of Social Workers.
- Department of Social Development has been allocated additional budget for Employment of Social Workers to deal with gender based violence, substance abuse and issues affecting children as follows: - **R13.940 million in 2021/22, R14.610 million in 2022/23 and R15.254 million in 2023/24** financial year.
- **R14.965 million, R15.680 million and R16.731 million** have been made available in 2021/22, 2022/23 and 2023/24 respectively for Department of Social Development to address the social and structural drivers on HIV, TB, STI's and gender based violence.
- Department of Education has been allocated **R34.042 million in 2021/22, R35.345 million in 2022/23 and R36.903 million in 2023/24** for the Sanitary Dignity Project.
- Provincial Treasury has been allocated additional funding of R10.333 million in 2021/22, R10.819 million in 2022/23 and R11.295 million in 2023/24 for Municipal Intervention.

- Additional **R5.000** in 2021/22, **R5.235** million in 2022/23 and **R5.466** million in 2023/2 has been allocated to Provincial Treasury for Infrastructure Development support.

The final provincial equitable share allocation is as per the table below:

Table 12: National Allocation to Limpopo Province

National Allocation	2020/21	2021/22	2022/23	2023/24
Equitable Share Baseline	62 986 213	66 255 935	69 935 348	67 845 593
Adjustment to baseline": New data updates	(152 769)	(465 564)	(824 833)	(1 308 283)
Revised allocation	62 833 444	65 790 371	69 110 515	66 537 310
Less: Fiscal Framework Reduction	(561 327)	(5 762 858)	(9 489 564)	(7 231 644)
Compensation of Employees 2020 (MTEF)	(289 611)	(4 199 785)	(5 131 559)	-
Compensation of Employees 2021 (MTEF)	-	(1 741 844)	(3 387 204)	(5 484 531)
Non-Compensation of Employees Fiscal Consolidation 2021	(271 716)	(737 729)	(970 801)	(1 747 113)
Plus: COVID-19 Support (Health Sector	-	916 500	-	-
Earmarked allocations: Included in the Equitable Share Baseline	56 814	146 944	153 580	160 709
Plus: Social Development Food Relief function shi	6 635	7 072	7 404	7 731
Plus: Social Development Social Work grant conv	58 381	61 592	64 487	67 329
Plus: Social Worker Addition	11 260	13 940	14 610	15 254
Plus: Social: Gender Based Violence and STI	12 805	14 965	15 680	16 731
Plus: Education: Sanitary Dignity Project	32 749	34 042	35 345	36 903
Plus: Treasury: Municipal Interventions	9 889	10 333	10 819	11 295
Plus: Treasury: Infrastructure Development	5 000	5 000	5 235	5 466
Total Preliminary Provincial Equitable Share	62 328 931	60 027 513	59 620 951	59 305 666
<i>Equitable Share year-on-year growth</i>		-3,7%	-0,7%	-0,5%

In total, the province is allocated R60.027 billion, R59.621 billion and R59.306 billion equitable share in 2021/22, 2022/23 and 2023/24 financial years respectively.

2.2 Aligning Provincial Budget to achieve Governments Prescribed Outcomes

During 2021/22 financial year, the National Government will continue to implement its plans and intentions as expressed in the National Development Plan (NDP) and in the National Medium Term Strategic Framework 2019 - 2024 (MTSF) priorities. The government's outcome approach will continue to afford an opportunity for monitoring of public institutions in executing their legislative mandates, which will in turn ensure that government resources are used for purpose voted for by the Legislature.

For the National and Provincial government to achieve radically improved results, measurement of impact need to be ensured, not inputs. A critical distinction must therefore be drawn between “input” (activities or “what-we-are-busy-with”) on the one hand, and “output” or “impact” on the other. This transition in emphasis is of critical necessity as it will ensure shifting the focus to deliverables that will yield impact as a better pathway to success.

Another critical area is that the NDP underlines the principle of government, across the spheres, working together reinforcing a collaborative, integrated and cooperative manner. In practise, however, evidence of a silo-approach that must be guarded against is very prevalent. This calls for a speedy implementation of the district-based development framework, as launched by the President. The District Development Model (DDM) is a new integrated district-based approach to addressing service delivery challenges through, among others, localised procurement and job creation that promotes and supports local businesses, and involves local communities. It calls for One District, One Plan, and One Budget. It aims to accelerate, align and integrate service delivery under a single development plan per district or metro that is developed jointly by national, provincial, and local government, as well as business, labour, and community in each district. It further ensures that national priorities, such as economic growth and employment; improvements to living conditions; the fight against crime and corruption, and better education outcomes are attended to in the locality concerned. This development approach ensures that planning and spending across the three spheres of government are integrated and aligned and that each district or metro plan is developed with the interests and input of communities taken into account upfront.

The 2021/22 Limpopo Provincial Government’s budget allocation is in alignment with the Limpopo Development Plan (LDP), which is aligned to the NDP, the Economic Recovery Plan which is aimed at stimulating the country’s economy and deal with the effect of the impact of the COVID-19, as well as summary of the nine-point plan developed to accelerate the implementation of the NDP action plans, the economic stimulus package announced by President Ramaphosa in 2018 and the 2019 specific and detailed reforms for Economic transformation, inclusive growth, and competitiveness from the National Treasury as announced by the Minister of Finance.

The Provincial Government will continue to implement its plans as outlined in the LDP as the provincial guiding document used to align provincial priorities to the national objectives especially the alignment of the NDP and the fourteen national outcomes. Provincial departments will continue to implement their plans as outlined in their Departmental Strategic Plans and Annual Performance Plans and these plans guided the 2021/22 provincial budget allocations. The departments plans help in guiding the provincial government to realize the LDP targets as set. Below are the key strategies as expressed in MTSF 2019-2024 that the 2021/22 budget will be aiming to achieve:

2.2.1 Priority 1: Building a capable, ethical and developmental state

According to the MTSF, this priority underpins the implementation of the other 6 Priorities. It defines a capable state as follows: “A capable state has the required human capabilities, institutional capacity, service processes and technological platforms to deliver on the NDP through a social contract with the people”. A developmental state aims “to meet people’s needs through interventionist, developmental, participatory public administration. Building an autonomous developmental state driven by the public interest and not individual or sectional interests; embedded in South African society leading an active citizenry through partnerships with all sectors of society.”

It is the duty of the Office of the Premier to ensure efficient and effective public service in the Provincial Departments, Public Entities and Municipalities. This will be achieved through continuous playing of major role in terms of creating employment, skilling and development, retention and ensuring a well-motivated staff compliment in the province. The premise for the planning for the 2021/22 financial year is on the following outlook:

- Coordinate implementation of the Anti-Fraud and Corruption Strategy within the Office of the Premier and the Provincial Departments with a view of expanding to other areas.
- Coordinate and monitor implementation of Workplace Skills Plan within the Provincial Departments

- Manage and monitor Legal Service within the provincial line departments.
- Analyse the trends of resolving reported labour related cases in all Provincial Departments within the standard time.
- Facilitate and monitor the mainstreaming of five (5) targeted groups in all Provincial Departments.
- Coordinate and monitor the implementation of the Corporate Governance Information Communication Technology (CGICT) Policy Framework.
- Facilitate the resolving of Premier and Presidential Hotlines cases.
- Monitor and evaluate the implementation of HR policies and practices.

2.2.2 Priority 2: Economic Transformation and Job creation

According to the MTSF the biggest challenge facing South Africa is the absence of faster, sustained and inclusive growth. The aim in the short term is to improve the productive capacity of the economy and to build human capital and the capacity of the state. The medium priorities are needed to try and achieve the growth target of 5.6 percent per annum set in the NDP and the LDP target of 2 percent. Both the NDP and the LDP also have job creation and addressing inequality as key priority areas.

COVID-19, declared a global pandemic by the World Health Organisation, has crippled economies around the world because most countries trade openly and extensively in the global economy. South Africa as an open economy was also expectedly affected, and achieved an all-time record of 51 percent decline of economic production in the second quarter of 2020. The COVID-19 pandemic has had several diverse implications and impacts on service delivery due to budget cuts across all the three spheres of government. Many of the programmes were put on hold simply because of reprioritised budgets.

Limpopo Province developed a Socio-economic recovery plan because of the impact of COVID-19 pandemic. The aim of the plan is to develop and implement measures to mitigate the impact of COVID-19 in the short term as well as to identify and implement measures to resuscitate the economy in the medium to long-term periods. The plan represents the sum total of the government and its partners' commitment to implement

economic and social relief measures in mitigating against the impact of the COVID-19 pandemic on the economy and the social fabric.

The provincial government will have to use its own resources and that from cooperating partners to mitigate against the impact of COVID-19 in the short-term and the resuscitation of the economy in the long-term in line with the Limpopo Industrialization Master Plan (2020-2030) and sectoral plans. The province allocated 80 percent (R400 million) of the short-term relief budget towards the prioritization of unfinished roads in the Province. The remaining 20 percent (R100 million) was shared between Enterprise Development, Environment, Green Economy, Tourism and Agriculture Programmes. The Department of Economic Development Environment and Tourism will administer the following programmes:

SMME and co-operative Relief Fund (LEDA)

The province through Limpopo Economic Development Agency (LEDA) provided financial relief to Limpopo based SMMEs and cop-operatives on LEDA's existing loan book to the value of R10m. The advert is out and SMMEs meeting the identified criteria are encouraged to apply.

National Empowerment Fund (NEF) funded by Limpopo Government

The province through NEF provided financial relief for Limpopo based SMME's and Co-operatives on NEF's existing loan book to the value of R10m. The two parties (LEDET and NEF) have signed an agreement in this regard.

Waste Management and Tourism Support

The Department of of Economic Development Environment and Tourism was also provided COVID-19 relief funds of R7.8 million and R10 million to support Limpopo based Waste Management institutions and Tourism institutions respectively.

During the 2021/22 financial year, the Department of Economic Development Environment and Tourism priorities have set out for priorities for implementation and

these include economic transformation, job creation, Special Economic Zone Program implementation, and SMMEs & Cooperative support.

The department also intends to continue to build the Tourism industry in the Province. This includes the facilitation of the tourism sector transformation and capacity building programme; and to market Limpopo as a unique and diverse tourism destination.

The 2020/2021 financial year will be remembered for the severe negative socio and economic impact as a result of the COVID-19 pandemic and associated lockdown period. The tourism industry was one of the worst affected industries. The prolonged international travel restrictions had a devastating impact on tourism business survival, especially SMME's in the tourism space. All targets for 2020/2021 were therefore reviewed to focus on a Limpopo Tourism Recovery plan, which is being implemented as an intervention to support tourism businesses in distress and to refocus on implementing recovery strategies and programmes. Attention was mainly on assisting businesses with support through providing opportunities for industry players to apply for national and provincial Tourism Relief funds. The province made R10 million available for this purpose.

Agriculture, Land reform and rural development has also been identified in the MTSF as key sector to drive inclusive growth in rural economies with significant job creation opportunities. Its targets include creation of 1 million jobs, 600 000 jobs in communal areas and 300 000 jobs through commercial agriculture.

The Limpopo Department of Agriculture and Rural Development (LDARD) aims to lead and support sustainable agriculture and promote rural development in the Province through governance, knowledge development and transfer, regulatory function, and financial support to agriculture. In line with the four goals and nine strategic objectives LDARD will continue to contribute to the realisation of the agriculture and rural development goals and strategic objectives. This will happen in a continued strained environment as regards to reduced financial resources.

LDARD plans to establish 78 agricultural infrastructure projects and equip 84 hectares with infield irrigation. A total of 18 efficient water use systems will be developed and

11 environmentally controlled production structures constructed. To promote the adoption of climate smart agriculture technologies 1 350 hectares will be rehabilitated, 600 hectares cultivated under Conservation Agriculture practises and 1 500 hectares cleared of alien invasive plants. Creation of green jobs through upstream and downstream agricultural activities with the target of 3 550 jobs created through agro - processing, irrigation expansion and Expanded Public Works Programme (EPWP) is planned for. 1000 farmers will be assisted through disaster relief schemes and 4 surveys on the uptake of early warning information conducted.

LDARD will increase participation of producers in the integrated value chain through support to 23 371 producers across different commodity groups. Production stock of 25 344 will be provided to farmers. Producers (2 688) will be capacitated through demonstrations and facilitation of (840) farmers' days. Empowerment initiatives will be intensified, reaching 120 designated producers. In order to ensure strong support and sustainability of Farmer Production Support Units, 10 farmer mobilisation and support projects will be provided. Food security will be promoted through support to 5 500 small holder producers and 5 000 subsistence producers.

To strengthen the output of biosecurity policies and strategies strengthened LDARD will visit 15 200 epidemiological units for veterinary interventions, conduct 148 Foot and Mouth Disease vaccinations and 4,500 dipping sessions on communal cattle. To reduce the level of risks associated with food, 480 inspections on facilities producing meat will be conducted and 47 000 laboratory tests performed according to approved standards. To address and promote the welfare of animals, animal identification and advisory services 8 Performing Animals Protection Act (PAP) registration licenses will be issued. To enhance research and development 20 research projects will be implemented to improve agricultural production and technology transfer services will consist of 53 interventions. The Department will periodically provide strategic sector performance analysis of different economic indicators and commodities and support 3 agro-processing initiatives.

2.2.3 Priority 3: Education, skills and health

A: Education

The MTSF highlights the importance of access to Early Childhood Development (ECD). Access to Grade R is almost universal. Since 2009, more than 90 percent of learners in Grade 1 have previously attended Grade R. In terms of primary and secondary education a key focus is to get more dedicated teachers in class. The LDP also sets a target for the Grade 12 (Matric) pass rate at 80 percent.

In support of achieving the goals set in the MTSF, the Department of Education will continue with its mandate to deliver quality education in an innovative, effective and efficient way by giving maximum monitoring and support to districts, circuits and schools, continuous development of educators and officials, maximizing accountability, fostering community participation and governance in education, ensuring equitable, efficient allocation and utilization of resources, and striving for a competent and motivated workforce.

During the 2021/22 financial year, the Department of Education will direct its budget to putting more emphasis on areas that will contribute directly to the Department's core mandate. The department will channel its efforts on the following:

- **Improvement of the Quality of Teaching and Learning:** During the 2021/22 financial year the department will continue with its plans to improve learning outcomes from Grade R to Grade 12 so that learners exit the education system with the firm foundation for further studies and engagement with other responsibilities.
- **Teacher Development and Support:** The department will continue to invest in continuous professional development of teachers as well as ensuring proper and efficient functioning of districts and circuit office as part of improving

teaching and learning. This will help the department to improved learner performance across the province.

- **Infrastructure Development:** The infrastructure needs of educational institutions will be taken care of, which is to nurture and create conducive teaching and learning environment. The department will have to explore ways to ensure that there is improvement on the supply of other infrastructure resources required in this programme even though there is a decline in the allocation.
- **Early Childhood Development:** This programme remains a priority of the national and provincial departments and the department will continue to work very hard to ensure that ECD practitioners are appropriately qualified. The department will also ensure that there is improvement in the supply of other infrastructure resources required for this programme.
- **Special Education (Inclusive Education):** This programme is a priority for the department and is the reason why it is also prioritized in the 2021/22 budget.

B: Skills

A further key driver that was identified in the MTSF is to improve Post Education and Training, with an emphasis on skills development. The aim is to reduce the number of youth that is not in education, employment or training (NEET'S)

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

Through LEDET, the province in partnership with Coca Cola will be training 250 SMMEs on Business Management in 2021/22 financial year. The department will continue to support municipalities through capacity building of councillors and LED officials on LED. In the 2021/2022 financial year, 40 councillors and LED officials will be trained. LEDET will facilitate the development of skills for the Economy through the implementation of the following programmes: Energy Management Systems training and the Industrial Symbiosis programme to enhance the implementation of the Limpopo Green Economy Plan; Tool, Jig and Die-making initiative through the Manufacturing Support Centre and the Fabrication Laboratory to improve the province's manufacturing competitiveness.

The Office of the Premier (OTP) will further coordinate and monitor filling of funded vacant posts as well as compliance to human resource standards within the Provincial Departments and monitor implementation of Workplace Skills Plans within the Provincial Departments. OTP will continue to implement and monitor the Limpopo Development Plan, the Provincial HRD Strategy, Integrated Planning Framework, the Provincial Policy Framework and monitor and evaluate the implementation of human resource policies and practices in the province.

C: Health

Despite the challenges that HIV presented in the period leading up to 2005 in terms of reducing the life expectancy of South Africa Citizens, the MSTF indicates that the life expectancy has since improved dramatically. Other health indicators like child and the Mother Maternity (MMR) also improved over time. The key challenge is to provide Universal health coverage to 84 percent of the population that depends on the government health system for health care services

During the 2021/22 financial year the Department of Health, in support of the MTSF priorities, will continue to provide quality health care services that is accessible, comprehensive, integrated, sustainable and affordable. The department will focus on the health impact and outcomes as outlined in the Medium Term Strategic Framework 2019-2024 and the Limpopo Developmental Plan 2020-2025. In addition, the department will remain focused on increasing Life Expectancy; implementing the

National Health Insurance (NHI) imperatives to ensure Universal Health Coverage by 2030; Decreasing Maternal and Child mortality; Combating HIV and decreasing the burden of diseases from Tuberculosis (TB); and Strengthening Health System Effectiveness. Further attention will be on strengthening Primary Health Care and implementing the district health systems model.

In 2021/22 and over the Medium Term Expenditure Framework (MTEF), the department will continue to improve access to quality health care services by prioritizing the following:

- Accelerate implementation of the Ideal Clinic realisation status.
- Prevention and reduction of the burden of disease and health promotion: increase ART adults and child remain in care rate at 12 months to 90 percent; increase ART adults and child – viral load suppressed rate at 12 months to 90 percent; improve the drug sensitive TB client treatment success rate from 78.5 percent in 2019/20 to 82 percent in 2021/22; improve delivery 10 to 19 years in facility rate from 14.1 percent in 2019/20 to 12 percent 2021/22; improve immunization coverage under 1 year from 73.8 percent in 2019/20 to 85 percent in 2021/22; improve infant 1st PCR test positive around 10 weeks' rate from 0.71 percent in 2019/20 to 0.5 percent in 2021/22.
- Prevent and control Communicable and Non-Communicable Diseases (NCDs) by reducing malaria case fatality rate to <0.5 percent.
- Provide and monitor essential medicine availability in all facilities.
- Continue to carry out infrastructure projects in the facilities, monitor and support the implementation of the Central Academic Hospital and academic complex.

The Department will also continue to fight against the COVID-19 pandemic in 2021/22 financial year. This requires plans to be in place to continue to keep the virus under control. The department will continue to rollout the vaccination campaigns and other preventative measures in terms of the protocols, as determined from time to time. The lessons learnt from the previous and current COVID-19 wave are being implemented on a continuous basis. The Department has been allocated funds to assist in fighting the pandemic. As this is a learning in progress project, amendments to both the surge

plan or/and implementation plan and related budget will be done continuously to improve efficiency and effectiveness.

2.2.4 Priority 4: Consolidating the social wage through reliable and quality basic services

According to the MTSF South Africa, and Limpopo, needs a comprehensive, inclusive and responsive social protection system that ensures the resilience of citizens

During the 2021/22 financial year, the Department of Social Development will continue to lead in terms of the main mandate of the development of the society by building a knowledgeable and capable society, through transformation of the society. The transformation of the society will be implemented by building conscious and capable citizens through the provision of integrated social development services. The premise for the planning of 2021/22 financial year is based on the following outlook:

- Provision of skills and empowerment programmes to 500 youths.
- Increasing the number of children from conception until the year before formal schooling accessing registered ECD programmes to 320 000
- To increase number of people receiving psycho-social services due to impact of HIV and AIDS to 494 500 by 2021/22.
- The provision of temporary relief to 25 000 people in distress is planned to expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus groups.
- Further provision of integrated programmes and services to support, care and empower 16 500 victims of crime and violence in particular women and children is planned

2.2.5 Priority 5: Spatial integration, human settlements and local government

A key focus area in the MTSF is to address the spatial legacy of apartheid which still causes people to stay far from their places of work and tends to support the poverty trends in the country

A: Human Settlements

According to the MTSF South Africa has one of the biggest housing development initiatives with various redistributive advantages. A concern is the fact that the location of these new settlements does not support the drive towards a new spatial layout for the country.

During the 2021/22 financial year the Limpopo Department of Co-operative Governance Human Settlement and Traditional Affairs (COGHSTA), through the 2020-2025 Departmental Strategic Plan, will strive to achieve the Departmental mission as being an effective agent of change that delivers quality services to the Limpopo citizens. To give effect to this mission, the Department will continue to promote developmental local governance, promote municipalities and Traditional Leadership Institutions and deliver integrated and sustainable human settlements. The following delivery outputs are planned per each human settlements programme for the 2021/22 financial year.

- **Rural Housing programme:** COGHSTA plans to reduce the housing backlog by completing 8 140 new housing units.
- **Number of hectares acquired Human Settlements purpose:** COGHSTA plans to acquire 30 hectares of land in an effort to increase the delivery of housing in the Province.
- **Rental units constructed:** COGHSTA planned to construct 148 rental units during 2021/22 financial year.

- **Site Services:** COGHSTA intends to service 1687 sites.
- **Social Housing units:** COGHSTA plans to construct 161 social housing units during the 2021/22 financial year.

The MTSF also highlights the importance of the environmental management and climate change. The responsibility for this function resorts under the Limpopo Department of Economic Development, Environment and Tourism (LEDET)

With the imminent budget cuts and the impact of the national state of disaster, the environment sector's contribution to the GDP is unlikely to improve in the short term. One of the most affected sub sectors is the wildlife and hunting industry. Whilst certain hunting activities commenced, the loss incurred in the financial year 2020/21 is significant, thus negatively impacting on the contribution by this industry to economic growth in the province. Hunting activities are seasonal and the industry has not been able to market and sell their products internationally.

In the 2021/22 financial year LEDET will ensure the strengthening of its efforts that the public comply with the environmental laws and regulations, through capacity building and training programmes, as well as awareness campaigns on environmental laws would be conducted with communities and all stakeholders. The prevention of rhino/lion poaching and exploitation of fauna and flora remains top of priorities for the Department in the 2021/22 year.

Waste management, particularly in rural communities of the province, remain a challenge. Illegal dumping of waste has increased with the uncontrolled and unmanaged disposal of facemasks highly evident. The department and the local municipalities in the province continue to implement joint efforts in promoting sustainable waste management practices.

B: Local government

During the 2021/22 financial year the Department of Co-operative Governance, Human Settlement and Traditional Affairs (COGHSTA) will continue to provide technical support to municipalities under trying times due to COVID-19. The department through its Cooperative Governance and Traditional Affairs will continue with monitoring and providing support to 27 municipalities with implementation of infrastructure service delivery programs. The Department will further provide support to 3 municipalities with the implementation of programmes within the Special Economic Zones. 27 municipalities will be supported to implement their Spatial Development Framework in terms of the guidelines. The Department will continue to provide support with regard to Implementation of the District Development Model.

The Department will further facilitate 2 sittings by the Provincial House of Traditional Leaders, 10 sittings by Local House of Traditional Leaders, prepare 4 reports on Traditional Leadership disputes referred to the House of Traditional Leaders and prepare 4 reports on initiation schools.

The Provincial Treasury will continue to carry on its mandate to ensure achievement of departmental outcomes as outlined in the 2020 - 2025 Strategic Plan of developing its strategies and objective to support municipalities. A main objective will be to continue with the monitoring of municipalities to improve compliance to the MFMA and other policies and legislation thus positively contributing towards improved audit outcomes. Continuous support to Municipalities will be given and assessment reports will be distributed on a quarterly basis.

2.2.6 Priority 6: Social Cohesion and Safe communities

A. Social Cohesion

Due to the past in South Africa the MTSF indicates that, without an effort to improve social cohesion, it is difficult to envisage South Africa overcoming the significant obstacles that stand in the way of prosperity and equity. One focus area is the

fostering of the constitutional values with the aim to build a new over-arching national identity through a common citizenship and equal rights. The promotion of active citizenry and leadership is also a priority.

The Department of Sports Arts and Culture will continue to play its leading role during the 2021/22 financial year in terms of promoting social cohesion and as the national identity defender in the province. The department plans to achieve the outcomes as set at national government level including the set out objectives of implementation of the National Action Plan to combat Racism, Racial Discrimination, Xenophobia and Related Intolerance, popularizing the national symbols, celebration of national days on an intercultural basis, producing films honouring stalwarts and completing the liberation routes.

The Department aims to provide equal opportunities, inclusion and redress by increasing support to the creative industry through the Mzansi Golden Economy project. Support will be provided to the production films and documentation, telling the stories of Limpopo, including the history of liberation. Through the outcome on the promotion of social cohesion through increased interaction across space and class the department will promote the celebration of national days on an intercultural basis, fully inclusive for all the people of Limpopo in partnership through Moral Regeneration Movement.

The transformation vision for sports in 2030 is that the participation in each sporting code begins to approximate the demographics of the country. The department is responsible for the provisioning of library and archive services. In this regard the department has identified an outcome of an improved culture of reading and learning.

B. Safe communities

The MTSF indicates that a safe society links directly to socio-economic development. According the MTSF a safe and secure country encourages economic growth and transformation and is therefore key to help to address the triple challenge of poverty,

inequality and unemployment. This priority of safety links to the NDP which envisions a South Africa where people feel safe and enjoy a community life free of crime

During the 2021/22 financial year the Department of Transport and Community Safety will continue with its responsibility of intensifying the fight against crime and corruption in the Province in collaboration with other stakeholders. Most importantly, to oversee, facilitate and coordinate implementation of the Provincial Crime Prevention Strategy (PCPS) and to contribute to the achievement of the National Development Plan (Vision 2030) and Limpopo Development Plan (LDP) crime reduction objectives. The concept of community policing remains the objective of the Government of the day and to this extent the Department is also tasked with the responsibility of mobilizing communities in the fight against crime. The Department will increase the involvement of women, youth and people with disability in community safety programmes to be at satisfactory level.

The Limpopo Provincial Crime Prevention Strategy will continue to direct for more concerted efforts in combating crime and violence against women and children. The JCPS cluster is in place in support of the multi-sectoral approach in the fight against crime, however, not all programmes are fully integrated. The involvement of women, youth and people with disability in community safety programmes is still not at a satisfactory level and will be increased during 2021/22 financial year.

The Province has 03 types of growth points (17 provincial growth points, 16 District growth points and 36 Municipal growth points) that calls for more police visibility. Currently there are 28 Community Safety Forums (CSFs) and 117 Community Police Forums (CPFs) assisting with the fight against crime. Meaningful participation and implementation of safety programmes by some Municipalities is still a challenge. With regard to Youth involvement in the fight against crime, the Department has registered and capacitated 468 Young Civilians on Patrol (YCOP) to patrol at their respective communities under supervision of SAPS.

2.2.7 Priority 7: A better Africa and world

The MTSF highlight the promotion of more regional integration and trade with the rest of Africa. It is further important to promote intra Africa trade. The MTSF further highlights the fact that the nature of agreements, both political and economic, are complex and require countries to clearly articulate their foreign policy objectives and identify and forge relationships that will have positive geo-political impacts. The same holds true for the agreements signed by the Limpopo province

The Office of the Premier will continue to play a leading role in the Limpopo Provincial Government in promoting sound intergovernmental and international relations in the provincial government, by ensuring alignment between different levels of government for better coordination and delivery of services in the Province. During the 2021/22 financial year, the Office of the Premier will coordinate the International missions undertaken by Departments and the implementation of signed MOUs, as well as coordinating and monitoring the implementation of donor funded projects/programmes in the Province.

2.3 Summary of Budget Aggregates

National transfers which include the Provincial Equitable Share and Conditional Grants are the primary revenue source for the provincial expenditure. The provincial own revenue collection and financing through the provincial reserves augment national transfers.

Transfer receipts from National Government have reduced from R72.219 billion in 2020/21 to R70.551 billion in 2021/22, R69.805 billion in 2022/23 and R69.677 billion in 2023/24 financial year. In order to augment the reducing national receipt, the province will allocate the provincial own receipts of R1.458 billion in 2021/22, R1.535 billion in 2022/23 and R1.603 billion in 2023/24 financial year. The total receipts available for the 2021/22 financial year amounts to R72.009 billion in 2021/22, R71.340 billion in 2022/23 and R71.280 billion in 2023/24 financial year. The table below refers:

Table 13: Provincial Budget Summary

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Provincial receipts									
Transfers from national	59 893 092	63 814 085	68 250 247	72 219 110	70 085 159	70 085 159	70 550 690	69 805 493	69 676 669
Equitable share	51 960 337	55 178 775	58 964 758	62 328 931	60 298 989	60 298 989	60 027 513	59 620 951	59 305 666
Conditional grants	7 932 755	8 635 310	9 285 489	9 890 179	9 786 170	9 786 170	10 523 177	10 184 542	10 371 003
Provincial own receipts	1 325 226	1 333 613	1 447 718	1 388 054	1 268 443	1 268 443	1 458 055	1 534 854	1 603 230
Total provincial receipts	61 218 318	65 147 698	69 697 965	73 607 164	71 353 602	71 353 602	72 008 745	71 340 347	71 279 899
Provincial payments									
Current payments	51 762 263	55 579 067	59 334 946	62 176 743	60 606 191	61 078 570	58 305 113	58 843 432	61 097 003
Transfers and subsidies	7 948 558	8 348 239	8 289 603	8 067 033	8 820 900	8 882 964	7 584 854	8 286 402	8 575 586
Payments for capital assets	2 278 127	1 842 039	1 596 465	2 552 548	1 905 273	1 928 740	2 880 480	2 477 886	2 643 762
Payments for financial assets	36 854	95 126	5 341	-	-	-	-	-	-
Unallocated Reserve	-	-	-	810 841	21 238	21 238	3 238 298	1 732 627	-
Total provincial payments	62 025 802	65 864 471	69 226 355	73 607 164	71 353 602	71 911 512	72 008 745	71 340 347	72 316 352
Surplus/(deficit) before financir	(807 484)	(716 773)	471 610	-	-	(557 910)	-	-	(1 036 453)
Financing									
Provincial Reserve	-	1 116 848	688 735	-	-	-	-	-	-
Surplus/(deficit) after financing	(807 484)	400 075	1 160 345	-	-	(557 910)	-	-	(1 036 453)

Source: Provincial treasury database, 2021

2.4 Financing

The provincial budget is financed mainly from equitable share, conditional grants and provincial own revenue. Over the 2021 MTEF period, no amount has been drawn from the provincial reserves to fund the allocated budget.

CHAPTER 3: BUDGET PROCESS AND THE MEDIUM TERM EXPENDITURE FRAMEWORK

3.1 The relationship between Strategic planning and budget

Planning and budgeting are two complementary and interdependent concepts that are relevant to any administration, both in public or business sector environments. The Provincial Government adopted the Limpopo Development Plan (LDP) which provides a strategic framework to grow the economy for the development and improvement of quality of life of all people living in the province. The plan forms the basis of what the provincial government intends to achieve over the MTSF period.

Resource allocation on the other hand requires robust consultation with all affected parties to ensure that everyone knows and understands how the organisations intend to acquire and use available resources. In addition, given the scarce nature of resources, setting priorities is inevitable in ensuring that the most urgent issues are addressed first. The strategic planning and prioritisation is the starting point for the preparation of the departmental budget submission.

3.2 The Budget Allocation Strategies

Section 18 sub-section 1 (a) and (b) of the Public Finance Management Act (PFMA) of 1999 (Act No.1 of 1999), mandates the provincial treasuries to manage the provincial financial affairs within their jurisdictional areas through preparation of provincial budget and exercising control over the implementation thereof by provincial departments and public entities. This is an oversight mandate that the Provincial Treasury has over provincial departments and public entities in ensuring that the available limited resources are used sparingly.

In ensuring compliance to the above stipulations, the Provincial Treasury embarks into consultation processes with provincial institutions through the Medium Term Expenditure Committee Hearings (MTEC's) where provincial institutions present the alignment of their MTEF budget and provincial priorities. The MTEC Hearings are held

to provide support to the Executive Council Budget Committee which recommends the budget allocations to the Executive Council. These hearings provide a strong basis in ensuring that jointly agreed allocations achieve key policy priorities while maintaining fiscal discipline. These interactions capacitate Provincial Treasury to understand the departmental needs in order to provide a comprehensive motivation for allocation of limited resources to the Executive Council Budget Committee for consideration and approval by the Executive Council.

The Provincial Government is implementing the fiscal consolidation package as part of the fiscal strategy with the aim of stabilising the economy and limiting government spending. This fiscal strategy includes budget spending reductions to make funds available for unforeseen and unavoidable costs that may arise due to the COVID-19 pandemic. As part of the allocation strategies, the provincial government considers allocation of funds to provincial priorities – meaning projects and programmes that will contribute towards job creation, development and economic growth in the province. Other measures include reduction of spending on non-essential items, performing cost-benefit analysis before decisions are made and identification of other revenue sources to augment provincial equitable share.

The Limpopo Provincial Treasury continues to ensure personnel budget sustainability by implementing the PERSAL block approach and approval is given if the request complies with the conditions set in the Provincial Personnel Management Framework and the Instruction Note 7 of 2016.

3.3 Provincial Budget Process

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

- National Treasury issues MTEF budget guidelines to Provincial Treasuries in June detailing how the MTEF 1st draft budget should be prepared and

submitted. These guidelines are customised by the Provincial Treasury and issued to provincial departments and public entities in July;

- Provincial Treasury then conducts a workshop on MTEF budget guidelines and database to departments and public entities in July;
- Provincial Treasury subsequently conducts MTEC hearings in September;
- National Treasury issues preliminary allocation letters to the Provincial Treasury in October,
- Departments submit their 2nd draft MTEF budget documents to Provincial Treasury in November. Budget documents are analysed, consolidated and submitted by Provincial Treasury to National Treasury for further analysis;
- Provincial Treasury attends the Benchmark exercise at National Treasury in December, where the allocation is analysed in terms of growth rates and alignment to National outcomes;
- After the benchmark meetings National and Provincial Treasury meet departments and discuss budget growth rates and issues raised in the Benchmark;
- Provincial Treasury then provides responses to issues raised during the Benchmark;
- In February, National Treasury issues the final allocation letters to Provincial Treasury and the Province then convenes the Provincial Executive Council Budget Committee to consider the final departmental allocations and recommendations made by National Treasury;
- Lastly, Provincial Treasury prepares the final MTEF budget for approval by the Executive Council and tabling to the Provincial Legislature.

3.4 The role of Provincial Treasury

The Provincial Treasury drives the budget reform process and ensures the efficient use of the scarce resources through realisation of public sector objectives such as poverty reduction and support towards national growth and prosperity. In its efforts to promote good governance, Limpopo Provincial Treasury attaches great focus in the management and utilisation of public resources. The Public Finance Management Act (PFMA) of 1999 (Act No.1 of 1999), mandates the Provincial Treasuries to manage

the provincial financial affairs within their jurisdictional areas, through the preparation of a provincial budget and exercising control over the implementation thereof by provincial departments and public entities.

Limpopo Provincial Treasury played a significant role of ensuring that the budget preparation process for 2021 MTEF was seamless. As one of its responsibilities, Provincial Treasury prescribed the budget submission instructions and ensured that the required budget documents were submitted on time and in the correct format. The following activities were performed by Provincial Treasury during the 2021 budget process:

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

3.5 The role of Departments

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

- Consultation with relevant stakeholders;

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

CHAPTER 4: RECEIPTS

4.1 Overall Position

The province derives its receipts from equitable share, conditional grants, provincial own revenue and reserves. The equitable share allocation of the province is R60.027 billion in 2021/22, R59.620 billion in 2022/23 and grows to R59.306 billion in 2023/24. The conditional grant allocation for 2021/22 financial year is R10.523 billion, R10.184 billion in 2022/23 and R10.371 billion in 2023/24 financial year. Despite the impact of COVID-19 on revenue generation in the province, the provincial own revenue for 2021/22 is projected to increase from R1.458 billion to R1.534 billion in 2022/23 and to R1.603 billion in 2023/24 supported by the provincial revenue enhancement strategies.

Table 14: Summary of Provincial Receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Transfers receipts from national									
Equitable share	51 960 337	55 178 775	58 964 758	62 328 931	60 298 989	60 298 989	60 027 513	59 620 951	59 305 666
Conditional grants	7 932 755	8 635 310	9 285 489	9 890 179	9 786 170	9 786 170	10 523 177	10 184 542	10 371 003
Total receipts: Treasury funding	59 893 092	63 814 085	68 250 247	72 219 110	70 085 159	70 085 159	70 550 690	69 805 493	69 676 669
Provincial own receipts									
Tax receipts	501 514	569 124	659 762	660 665	623 948	623 948	694 650	728 919	760 991
Casino taxes	59 604	60 928	79 253	67 411	40 548	40 548	71 119	75 031	78 332
Horse racing taxes	30 860	46 181	40 386	45 335	35 650	35 650	47 829	50 460	52 680
Liquor licences	3 369	3 561	3 643	4 069	3 900	3 900	4 293	4 528	4 727
Motor vehicle licences	407 681	458 454	536 480	543 850	543 850	543 850	571 409	598 900	625 252
Sales of goods and services other	278 292	320 740	309 141	324 527	282 275	282 275	339 026	358 474	374 270
Transfers received	620	5 412	21 891	9 179	14 179	14 179	9 683	10 216	10 666
Fines, penalties and forfeits	62 132	70 370	78 772	72 041	77 114	77 114	75 657	79 308	82 797
Interest, dividends and rent on land	348 441	291 745	268 143	249 167	206 712	206 712	261 620	274 185	287 065
Sales of capital assets	41 106	14 868	14 404	17 055	14 667	14 667	17 715	19 108	19 953
Transactions in financial assets anc	92 491	56 417	89 461	55 419	49 547	49 547	59 705	64 644	67 489
Total provincial own receipts	1 324 596	1 328 676	1 441 574	1 388 055	1 268 441	1 268 441	1 458 055	1 534 854	1 603 231
Total provincial receipts	61 217 688	65 142 761	69 691 821	73 607 165	71 353 600	71 353 600	72 008 745	71 340 347	71 279 900

4.2 Equitable Share

The Provincial Equitable Share accounts for approximately 83.4 percent of the provincial available resources. The province is allocated R60.027 billion in 2021/22, R59.620 billion in 2022/23 and R59.306 billion in 2023/24. Included in these allocations is an amount of R916.500 million in 2021/22 financial year for the COVID-19 response programme allocated to the Department of Health in the province. The province has set aside additional R3.0 billion as part of its equitable share allocation to support a probable third COVID-19 surge and vaccination rollout plan.

4.3 Conditional Grants

Conditional grants allocations give effect to national priorities and are designed to achieve specific objectives with conditions that each recipient department must adhere to. The purpose of conditional grants are to address inter-governmental policy matters in all provinces and the spending is governed by the Division of Revenue Act. Provincial conditional grants allocation amount to R31.078 billion over the MTEF with R10.523 billion allocated in 2021/22, R10.184 billion in 2022/23 and R10.371 billion in 2023/24. The conditional grant allocations increased by 6.4 percent in 2021/22 and decrease by 1.4 percent over the MTEF.

New grants include components in the Comprehensive HIV & AIDS grant for Mental Health and Oncology Services in the Department of Health and the Informal Settlement Upgrading Partnership Grant in the Department of Co-operative Governance Human Settlements and Traditional Affairs. The table below refers:

Table 15: Summary of National Conditional Grant transfers by vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
Vote 3	2 019 768	2 273 815	1 994 828	2 756 180	2 662 275	2 662 275	2 922 144	2 929 585	3 052 018
National School Nutrition Programme	1 113 968	1 218 191	1 287 931	1 369 485	1 378 434	1 378 434	1 456 918	1 505 439	1 568 178
HIV/AIDS (Life Skills Education)	22 886	19 938	23 667	28 137	22 715	22 715	26 552	26 358	27 036
Education Infrastructure Grant	838 734	953 326	635 936	1 256 364	1 131 400	1 131 400	1 334 570	1 314 711	1 371 984
EPWP Integrated Grant	2 211	1 759	2 365	2 069	2 069	2 069	2 080	-	-
Social Sector (EPWP) Grant	2 379	12 782	13 690	20 833	20 833	20 833	21 215	-	-
Learners with profound intellectual Disabilities Grant	4 666	20 934	25 669	32 432	32 597	32 597	32 666	33 436	34 228
Maths, Science and Technology Grant	34 924	46 885	5 569	46 860	74 227	74 227	48 143	49 641	50 592
Vote 4	321 918	395 264	311 963	323 618	262 551	262 551	327 249	326 452	331 772
Land Care Programme	13 672	47 768	12 862	12 970	12 816	12 816	13 016	13 303	13 480
Comprehensive Agriculture Support Programme	237 159	271 236	237 996	233 558	172 254	172 254	233 511	237 816	241 700
EPWP Integrated Grant	3 731	4 999	7 686	6 610	6 610	6 610	7 013	-	-
Ilima/Letsema Projects	67 356	71 261	53 419	70 480	52 231	52 231	73 709	75 333	76 592
Provincial Disaster Drought Relief Grant	-	-	-	-	18 640	18 640	-	-	-
Vote 06	2 567	3 376	3 562	2 994	2 994	2 994	2 198	-	-
EPWP Incentive Allocation	2 567	3 376	3 562	2 994	2 994	2 994	2 198	-	-
Vote 7	2 310 719	2 766 606	3 295 556	3 659 216	3 966 781	3 966 781	4 005 568	3 767 093	3 690 591
Health Professions Training and Development	131 684	139 315	221 705	232 171	254 690	254 690	230 320	230 279	230 325
Training and Development Component	131 684	139 315	147 158	157 624	180 143	180 143	149 330	146 434	142 941
Statutory Human Resources	-	-	74 547	74 547	74 547	74 547	80 990	83 845	87 384
Health Facility Revitalisation	416 805	625 319	585 958	742 473	747 726	747 726	755 533	544 205	562 659
Comprehensive HIV and AIDS Grant	1 365 849	1 601 169	1 992 085	2 179 020	2 416 364	2 416 364	2 495 590	2 505 174	2 411 860
Community Outreach Services Component	-	-	-	337 473	365 924	365 924	351 093	366 282	367 690
Comprehensive HIV and AIDS Component	1 354 055	1 573 698	1 927 923	1 693 259	1 542 463	1 542 463	1 814 106	1 870 610	1 876 193
Tuberculosis Component	-	-	-	47 314	46 925	46 925	46 771	48 473	48 601
Malaria Control Component	11 794	-	42 572	70 370	71 987	71 987	62 719	65 002	65 173
Human Papillomavirus Vaccine Component	-	27 471	21 590	30 604	30 604	30 604	30 253	30 897	30 978
COVID-19 Component	-	-	-	-	358 461	358 461	167 866	100 720	-
Mental Health Services Component	-	-	-	-	-	-	12 782	13 190	13 225
Oncology Services Component	-	-	-	-	-	-	10 000	10 000	10 000
National Tertiary Services	366 283	371 857	424 443	445 200	445 200	445 200	453 296	454 661	452 963
EPWP Integrated Grant	-	2 000	2 000	-	-	-	1 986	-	-
Social Sector (EPWP) Grant	30 098	26 946	37 295	28 286	28 286	28 286	36 891	-	-
National Health Insurance	-	-	32 070	32 066	32 066	32 066	31 952	32 774	32 784
Emergency Disaster Fund (COVID-19)	-	-	-	-	42 449	42 449	-	-	-
Vote 8	347 610	358 809	361 599	404 035	404 035	404 035	426 184	422 338	440 952
Public Transport Operations	345 610	356 809	359 599	402 035	402 035	402 035	424 147	422 338	440 952
EPWP Integrated Grant	2 000	2 000	2 000	2 000	2 000	2 000	2 037	-	-
Vote 9	1 136 431	1 112 660	888 898	1 300 462	1 174 943	1 174 943	1 345 236	1 203 929	1 264 125
Provincial Roads Maintenance Grant	1 130 534	975 319	873 136	1 164 756	1 039 237	1 039 237	1 333 213	1 203 929	1 264 125
Transport Disaster Management Grant	-	130 000	9 995	130 000	130 000	130 000	-	-	-
EPWP Integrated Grant	5 897	7 341	5 767	5 706	5 706	5 706	12 023	-	-
Vote 10	186 145	181 216	177 830	203 584	149 307	149 307	205 791	212 496	211 709
Mass Participation and Sport Development Grant	66 932	64 311	71 861	58 363	31 777	31 777	63 148	61 650	58 112
Community Library Services	117 217	115 123	104 203	143 221	115 530	115 530	140 606	150 846	153 597
EPWP Incentive Allocation	1 996	1 782	1 766	2 000	2 000	2 000	2 037	-	-
Vote 11	1 255 778	1 235 123	1 373 593	1 100 412	964 517	964 517	1 133 445	1 176 418	1 227 401
EPWP Incentive Allocation	2 000	-	750	2 000	3 276	3 276	2 037	-	-
Human Settlement Development	1 253 778	1 223 419	1 362 599	1 060 622	948 161	948 161	877 072	906 953	946 060
of which									
Human Settlement Development (flood repair)	-	29 678	-	-	-	-	-	-	-
Earmarked additions for the mining towns	-	66 300	-	-	-	-	-	-	-
Thabazimbi	-	27 100	-	-	-	-	-	-	-
Greater Tubatse	-	6 430	-	-	-	-	-	-	-
Elias Motsoaledi	-	12 300	-	-	-	-	-	-	-
Lephalale	-	17 800	-	-	-	-	-	-	-
Fetakgomo (LIM 476)	-	2 700	-	-	-	-	-	-	-
Mogalakwena	-	-	-	-	-	-	-	-	-
Informal Settlement Upgrading Partnership Grant	-	-	-	-	-	-	254 336	269 465	281 341
Housing Disaster Management	-	-	-	-	-	-	-	-	-
Title Deeds Restoration Grant	-	11 704	10 244	37 790	13 080	13 080	-	-	-
Vote 12	91 450	140 489	79 195	139 678	198 767	198 767	155 362	146 231	152 435
EPWP Integrated Grant	8 973	7 452	8 250	9 954	9 954	9 954	9 581	-	-
EPWP Incentive Allocation	-	-	2 385	2 000	2 000	2 000	2 338	-	-
Early Childhood Development	35 693	67 248	68 560	127 724	186 813	186 813	143 443	146 231	152 435
Maintenance Component	-	-	-	-	-	-	16 803	3 859	4 023
Subsidy Component	-	-	-	-	-	-	126 640	142 372	148 412
Social work employment grant	46 784	65 789	-	-	-	-	-	-	-
Total conditional grants	7 672 386	8 467 358	8 487 024	9 890 179	9 786 170	9 786 170	10 523 177	10 184 542	10 371 003

Specific grants within the various departments are outlined below.

Vote 3: Department of Education

Other than the equitable share allocation which the Department of Education received, additional funds in the form of conditional grants is allocated to address specific issues for teaching and learning to be effective. The department will receive conditional grants amounting to R2.922 billion in 2021/22, R2.930 billion in 2022/23 and increase to R3.052 billion in 2023/24 financial year. The conditional grants will be used for HIV/AIDS (Life Skills), Learners with Profound Intellectual Disabilities, National School Nutrition Programme, Education Infrastructure, Math, Science and Technology, Social Sector Extended Public Works Programme (EPWP), and Integrated Extended Public Works Programme. The conditional grants increase throughout the outer years of the MTEF except the Social Sector EPWP and Integrated EPWP grants as these allocations are based on performance.

Department is expected to deliver on each grant in line with the grant framework for the specific grant. In the year 2020/21 financial year, some of the grants frameworks were changed in order to address the fight against the COVID-19 virus and maintain the learning and teaching within schools.

Vote 4: Department of Agriculture and Rural Development

Department of Agriculture and Rural Development plays a significant role in supporting the farmers in order to produce quality products through training of subsistence farmers and provision of land care. The Department played a significant role in producing locally required fresh produce during the fight against COVID-19 especially at level five lockdown wherein the ports were closed and it was difficult to export or import goods.

The department will receive conditional grants amounting to R327.2 million in 2021/22, R326.5 million in 2022/23 and R331.8 million in 2023/24 financial year. The conditional grants will be used mainly for Land Care, Comprehensive Agriculture Support

Programmes, Ilima / Letsema projects and Integrated Extended Public Works Programme (EPWP) which is performance based and is not allocated over the MTEF.

Vote 6: Department of Economic Development, Environment and Tourism

The Department of Economic Development, Environment and Tourism will receive an allocation of R2.2 million for Integrated EPWP grant for the 2021/22 financial year. The grant plays a significant support in creating general employment to the public which improves the life of the people

Vote 7: Department of Health

The Department of Health is the second highest receiver of the total provincial budget however the highest receiver of conditional grants to deliver quality health services and prevent all transmittable diseases. The department is allocated an amount of R4.005 billion for conditional grants in 2021/22, R3.767 billion in 2022/23 and R3.690 billion in 2023/24 financial year. Over the 2021 MTEF the department will have the following conditional grants; - Comprehensive HIV/AIDS Grant, Health Facility Revitalisation Grant, National Health Insurance Grant, National Tertiary Services Grant, Human Resources Capacitation Grant, EPWP Social Sector Grant. An addition to the Comprehensive HIV/AIDS grant are Mental Health Services and Oncology Services components to address specific health and allied services in those units. The department's grants frameworks were also amended in order to cater the fight against the pandemic and is allocated R167.9 million, as part of the HIV/AIDSs grant, in 2021/22 to roll out the COVID-19 vaccine programme.

Vote 8: Department of Transport and Community Safety

The Department of Transport and Community Safety will receive conditional grants amounting to R426.2 million in 2021/22, R422.3 million in 2022/23 and R440.9 million in 2023/24. The allocation will be used for Public Transport Operations and Integrated Extended Public Works Programme (EPWP) Grant. The grant framework of Public Transport Operations was amended to include activities to be performed in preventing the spread of COVID-19 amongst the commuters and drivers.

Vote 9: Department of Public Works, Roads and Infrastructure

The Department of Public Works, Roads and Infrastructure will receive conditional grants amounting R1.345 billion in 2021/22, R1.204 billion in 2022/23 and R1.264 billion in 2023/24 financial year. The conditional grants will be used for Provincial Roads Maintenance and Integrated Extended Public Works Programme (EPWP) projects. The department will maintain the provincial roads utilising the funds allocated to the grant. The Integrated EPWP grant is a performance based allocation and is only be allocated in 2021/22 financial year.

Vote 10: Department of Sport, Arts and Culture

The Department of Sport, Arts and Culture is allocated conditional grants amounting to R205.8 million in 2021/22, R212.5 million in 2022/23 and R211.7 million in 2023/24 financial year. The grant will be used mainly for Mass Participation and Sport Development, Community Library Services and Integrated Extended Public Works Programme (EPWP) Incentive grant. The Community Library Services grant allocation will also address the fight against COVID-19 in line with the changes effected on the grant framework. All government libraries are expected to be a COVID-19 free environment through the amendment on Community Library grant framework.

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

The Department Cooperative Governance, Human Settlements & Traditional Affairs will receive grants amounting to R1.133 billion in 2021/22 and R1.176 billion in 2022/23 financial year. The grant will increase to R1.227 billion in 2023/24 financial year. The conditional grant is mainly for Human Settlement Development, Integrated Extended Public Works Programme (EPWP) allocation and Informal Settlement Upgrading Partnership grant which is a new grant aimed at fast tracking the improvement of informal settlements.

Vote 12: Department of Social Development

The Department of Social Development is allocated conditional grant of R155.4 million for 2021/22, R146.2 million in 2022/23 and R152.4 million in 2023/24 financial year. The grants funding will be used for Early Childhood Development, Integrated Extended Public Works Programme (EPWP) and Social Sector EPWP. Early Childhood Development grant has two components one component for Maintenance of the ECD centres and the other component for Subsidies. Furthermore, the framework on Early Childhood Development was amended to fund the fight against COVID-19.

4.4 Provincial Own Receipts (Own Revenue)

The South African economy has been negatively impacted by the existence of COVID-19 which restricted economic activities and resulted in reduced collection of National and Provincial revenue. The rising national debt also has negatively affected the allocation of resources to Provinces in the form of equitable share and necessitates that Provinces should enhance the collection of revenue in order to complement the reduced allocation of equitable share. The suppressed economic growth will lead to under collection of national revenue and given that the national debt levels are rising, South Africa and the Limpopo Province needs to implement strategies that will stimulate the economy while raising Provincial revenue. The Provincial Share of Revenue continually reduces despite the increasing service delivery needs for citizens.

The Provincial government is mandated by the Constitution of the Republic of South Africa to generate revenue that would be spent for the purpose of augmenting the Provincial Share of National Revenue allocated to Departments to address provincial spending priorities. In 2021/22 financial year, the Limpopo own revenue collection is projected at R1.458 billion or 2.1 percent of the total provincial receipts. The own revenue generated will aid the Province to address the provincial spending priorities. The Provincial own revenue is generated from twelve (12) Departments and three (3) Schedule 3C public entities. Own revenue generated by Limpopo Legislature and two (2) Schedule 3D public entities are retained by these institutions in terms of the requirement of the Public Finance Management Act.

In 2021/22 financial year, the Limpopo own revenue collection is projected at R1.458 billion or 2 percent of the total provincial receipts. Department of Transport is the largest provincial own revenue contributor at 46.9 percent mainly on motor vehicle licenses taxes. The Department is currently implementing revenue enhancement initiatives to improve access to public services through the extension of multipurpose centres and the introduction of K53 Testing Ground's project over the MTEF which will ultimately enhance revenue collection.

Provincial Treasury is the second largest revenue collector at 17.8 percent from interest earned on bank balances. Interest earned on provincial bank balances is not a sustainable source of revenue since it depends much on the spending behaviour of the departments the more departments spend, the lower the accumulation of Provincial cash balances, and thus the lower the interest earned. Departments are continually encouraged to enhance revenue collection and research on new sources in order to enhance revenue collection.

The Department of Health is the third largest revenue contributor at 15.3 percent mainly from the collection of patient fees. The implementation of the Electronic Data Interchange and Patient Verification System is yielding positive results not only for revenue maximisation but also contributes to patient billing efficiencies. Following the Department of Health is the Department of Economic Development, Environment and Tourism at 12.1 percent with revenue being generated primarily from casino and horse racing taxes. In 2020/21 financial year, the Province allocated funds to the Department Economic Development, Environment and Tourism for the procurement of consumables in order to finalise operationalisation of resorts and ensure the resorts are ready to operate and improve revenue generation for the department.

Other Departments contribute 7.9 percent of the provincial own revenue, mainly through Department of Agriculture and Public Works, Road and Infrastructure with potential to generate more revenue on property rentals; boarding services and tuition fees respectively. The reduction of equitable share over the MTEF period necessitate the province to continuously apply more efforts towards maximisation of own revenue generation and ensuring efficient and effective revenue management. The

implementation of the Provincial Revenue Retention Strategy which incentivises Departments and Entities collecting above the set targets shall encourage Departments and Public Entities to manage revenue collection effectively through the retention of revenue surpluses.

Table 16: Provincial Own Revenue per vote

Table 13: Provincial Own Revenue per vote

	Audited outcome			Main appropriation	Adjusted Appropriation	Revised estimates	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21	2020/21	2020/21	2021/22	2022/23	2023/24
Summary of provincial own receipts by Vote									
Vote 01: Office of the Premier	752	1 205	1 240	608	436	436	641	674	703
Vote 03: Education	63 106	45 563	78 882	51 034	51 034	51 034	53 234	60 906	63 586
Vote 04: Agriculture and Rural Development	14 709	12 005	15 804	12 320	11 190	11 190	12 936	13 557	14 181
Vote 05: Provincial Treasury	346 307	289 311	244 718	247 781	201 713	201 713	260 170	272 658	285 473
Vote 06: Economic Development, Environment & Touris	135 550	150 559	179 727	167 683	124 027	124 027	176 905	186 635	194 846
Vote 07: Health	181 367	219 697	207 846	212 297	180 100	180 100	222 913	234 154	244 456
Vote 08: Transport and Community Safety	503 242	561 100	646 872	651 293	651 293	651 293	684 189	717 094	748 645
Vote 09: Public Works, Roads & Infrastructure	70 166	35 424	35 372	34 962	37 833	37 833	36 563	38 242	39 925
Vote 10: Sport, Arts & Culture	2 211	1 740	2 659	2 253	612	612	2 384	2 515	2 625
Vote 11: Co-Operative Governance, Human Settlements	4 423	8 213	25 287	5 323	7 703	7 703	5 552	5 791	6 046
Vote 12: Social Development	2 763	3 860	3 167	2 500	2 500	2 500	2 568	2 630	2 745
Total provincial own receipts by Vote	1 324 596	1 328 679	1 441 575	1 388 054	1 268 443	1 268 443	1 458 055	1 534 854	1 603 230

The Provincial Own Revenue table above depicts the history of own receipts per vote from the 2017/18 financial year to 2019/20 financial year, and the collection estimates over 2021 MTEF period. The Provincial own revenue estimates increase from the original estimates of R1.388 billion in 2020/21 to R1.458 billion in 2021/22 financial year which represent an overall increase of 5.0 percent.

Vote 1: Office of the Premier

Revenue collected by the Office of the Premier is mainly from commission on insurance and parking fees. The revenue target of the Office is expected to grow by 5.4 percent and 5.1 and 4.3 percent over the MTEF. The positive growth over the MTEF is inflationary related.

Vote 3: Education

The Department of Education generates its revenue mainly from commission on insurance. The revenue target of the department reflects a positive growth of 4.3 percent in 2021/22 ,14.4 percent in 2022/23 and 4.4 percent in 2023/24. The positive growth is mainly influenced by additional revenue expected on an annual basis for services rendered to Department of Basic Education.

Vote 4: Agriculture and Rural Development

Commission on insurance, agricultural produce and academic services are the primary items of revenue collection for the Department of Agriculture and Rural Development. The departmental revenue target is growing by 5.0 in 2021/22 and 4.8 percent over the MTEF. The positive growth is inflation related.

Vote 5: Provincial Treasury

Provincial Treasury derives its revenue from interest received from favourable bank balances. The revenue target of the department is projected to grow by 5.0 percent in 2021/22,4.8 percent in 2022/23 and 4.7 percent in the outer year. The positive growth over the MTEF period its inflationary related.

Vote 6: Economic Development, Environment and Tourism

The revenue collected by the Department of Economic Development, Environment and Tourism is mainly from casino, horse racing taxes, hunting permits and tourism revenue (Accommodation, entrance fees etc.). The revenue target of the department grows by 5.5 per cent and 4.4 percent over the MTEF due to inflationary related factors.

Vote 7: Health

The bulk of revenue collected by the Department of Health is from patient fees and rentals on staff accommodation. The revenue target of the department is expected to grow by 5.0 in 2021/22, 5.0 in 2022/23 and 4.4 percent in 2023/24. The growth is influenced by improved collection of patient fees due to implementation of Electronic Data Interchange (EDI) and Patient Verification System for efficient billing.

Vote 8: Transport and Community Safety

Motor vehicle licences is the primary source of revenue by the Department of Transport and Community Safety. The revenue target of the department reflects a positive growth of 5.1 percent in 2021/22, 4.8 percent during 2022/23 and 4.4 percent in the outer year. Positive growth over the MTEF is due to anticipated increase of motor vehicle license fee tariffs over the MTEF.

Vote 9: Public Works, Roads & Infrastructure

Department of Public Works, Roads and Infrastructure is the custodian of state properties in the Province and its largest source of revenue is property rentals. The revenue target of the department is growing by 4.6 percent in 2021/22 and 2022/23 and 4.4 percent in 2023/24. The projected growth over the MTEF is inflationary related.

Vote 10: Co-operative Governance, Human Settlement and Traditional Affairs

The revenue target of the Co-operative Governance, Human Settlement and Traditional Affairs is growing by 4.3 percent over the MTEF period. The growth is over the MTEF is inflationary related. Main source of revenue is Commission on Insurance and Parking fees

Vote 11: Sport, Arts and Culture

The largest source of revenue for the Department Sport, Arts and Culture is entrance fees from hosting Mapungubwe Arts Festival. The revenue target of the department is

growing by 5.8 percent in 2021/22 and 5.5 percent in 2022/23 and 4.4 percent in 2023/24. The growth over the MTEF is because of anticipated improvement in the collection of Entrance fee from Mapungubwe Arts Festival.

Vote 12: Social Development

Department of Social Development generates own revenue primarily from Commission on Insurance. The revenue target of the department is growing by 2.7 percent in 2021/22 ,2.4 percent in 2022/23 and 4.4 percent in the outer year due to the fact that the Department relies mainly on commission on insurance as its revenue source which increase by around 2.5 per year.

4.5 Donor Funding

Table 17: Summary of provincial donor funding

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
3. Education	42 706	114 625	138 901	151 703	151 703	151 703	122 744	103 535	56 730
6. Economic Development, Environment and Tourism	92	662	174	307	307	307	-	-	-
7. Health	1 961	2 486	733	193	193	193	-	-	-
9. Public Works, Roads and Infrastructure	-	2 539	4 187	5 387	5 387	5 387	-	-	-
10. Sport, Arts And Culture	121	-	-	-	-	-	-	-	-
12. Social Development	4 005	14 220	7 860	6 076	6 076	6 076	4 000	-	-
Total donor funds	48 885	134 532	151 855	163 666	163 666	163 666	126 744	103 535	56 730

It is estimated that a total amount of R126.7 million will be received from donors during 2021/22 financial year. An amount of R122.7 million will be received by the Department of Education as donor funding to assist schools with infrastructure delivery, including building of sport centres, boreholes, school furniture, etc. The Department of Social Development expect an amount of R4.0 million from HWSETA for training and development of internships.

CHAPTER 5: PAYMENTS

5.1 Overall Position

The provincial expenditure declines from R71.332 billion in 2020/21 to R68.770 billion in 2021/22 and further grows to R69.608 billion in 2022/23 and to R72.316 billion in 2023/24 financial years. The expenditure decline by 3.6 percent in 2021/22 and grows by 2.6 percent over the MTEF.

Table 18: Summary of provincial payments and Estimates per vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23
1. Office Of The Premier	401 714	418 399	426 506	450 205	394 285	394 285	405 049	424 711	464 876
2. Provincial Legislature	340 987	390 363	422 972	385 137	354 665	354 665	395 479	427 731	437 808
3. Education	29 020 420	30 679 064	31 953 760	33 893 648	33 754 627	33 828 935	32 586 347	32 721 755	33 513 005
4. Agriculture And Rural Development	1 708 212	1 935 608	1 875 624	2 031 311	1 698 463	1 709 463	1 547 780	1 991 934	2 025 316
5. Provincial Treasury	427 697	449 128	471 279	521 312	439 002	439 002	364 910	451 259	500 112
6. Economic Development, Environment And Tourism	1 681 908	1 692 544	1 938 125	1 706 008	1 390 791	1 407 464	1 395 602	1 596 870	1 662 867
7. Health	18 387 177	19 720 188	21 011 275	22 142 941	22 597 717	23 056 447	21 972 934	21 037 087	22 128 706
8. Transport And Community Safety	2 064 267	2 085 664	2 251 555	2 454 549	2 218 725	2 218 713	2 089 781	2 376 835	2 435 650
9. Public Works, Roads And Infrastructure	3 292 600	3 409 651	3 466 960	3 859 787	3 530 120	3 543 332	3 211 927	3 370 080	3 665 575
10. Sport, Arts And Culture	455 074	451 681	470 341	524 882	428 479	428 479	473 381	519 618	513 587
11. Cooperative Governance, Human Settlements And Traditional Affairs	2 428 857	2 597 038	2 779 131	2 466 516	2 243 302	2 243 302	2 310 764	2 447 587	2 552 826
12. Social Development	1 816 889	2 035 143	2 142 865	2 360 027	2 282 188	2 282 188	2 016 493	2 242 253	2 416 023
Total payments and estimates	62 025 802	65 864 471	69 210 393	72 796 323	71 332 364	71 906 275	68 770 447	69 607 720	72 316 352

5.2 Payments by Vote

Vote 1: Office of the Premier

The Office of the Premier is allocated R405.0 million in 2021/22, R424.7 million in 2022/23 and R464.8 in 2023/24 financial years. Included in the allocation is R58.1 million earmarked funding to implement ICT related projects in the province. The allocation increases on average by 5.6 percent over the MTEF.

Vote 2: Provincial Legislature

The Provincial Legislature receives an allocated budget of R395.5 million in 2021/22, R427.7 million in 2022/23 and R437.8 million in 2023/24 financial year. The budget has increased by 11.5 percent in 2021/22 or 3.4 percent over the MTEF period due to increase in the baseline allocation for political party funding.

Vote 3: Education

The province continues to prioritise social sector, hence the Department of Education will receive 47.4 percent of the provincial budget. The department is allocated R32.586 billion in 2021/22, R32.722 billion in 2022/23 and R33.513 billion in 2023/24 financial years respectively. The 2021/22 allocation includes R2.922 billion for Conditional Grants and R660.7 million from own revenue. The allocation decrease by 3.5 percent in 2021/22 and increases on average by 0.9 percent over the MTEF mainly due to budget cuts from salary increase freeze.

Included in the equitable share allocation, as part of the provincial priority, the department is allocated an amount of R100.0 million to kick-start the implementation of E-Education project in the province.

Vote 4: Agriculture and Rural Development

Agriculture and Rural Development is allocated a budget of R1.548 billion in 2021/22, R1.991 billion in 2022/23 and R2.025 billion in 2023/24 financial years respectively to

deliver its mandate of which R327.2 million in 2021/22 financial year is for Conditional Grants. The budget increases on average by 6 percent over the MTEF.

Included in the departmental allocation, is an amount of R20.5 million ring-fenced towards projects that are geared towards the Revitalisation of Agriculture and Agro-processing Value Chain in the province.

Vote 5: Provincial Treasury

The Provincial Treasury receives a budget allocation of R364.9 million in 2021/22, R451.3 million in 2022/23 and R500.1 million during 2023/24 financial year. The budget allocation is increasing on average by 4.4 percent over the MTEF.

Included in the departmental allocation over the MTEF is an amount of R10.3 million for Municipal support and R5 million for infrastructure development improvement programmes.

Vote 6: Economic Development, Environment and Tourism

The Department of Economic Development Environment and Tourism is allocated a budget of R1.395 billion in 2021/22, of which R2.2 million is for a EPWP Conditional Grant and R663.9 million is for transfers to Public Entities. The allocation increases by 6.1 percent over the MTEF.

The department is responsible for economic development in the province and the allocation also includes an amount of R265.0 million for Musina-Makhado and Fetakgomo-Tubatse Special Economic Zones, R40 million for the turnaround of Great North Transport and R15 million for Tourism Marketing.

Vote 7: Health

The department of Health is the second highest in allocations at 32 percent of the total provincial budget. The total allocation of the department is R21.972 billion in 2021/22, R21.037 billion in 2022/23 and R22.128 billion in 2023/24 financial year. Included in the 2021/22 allocation is R4.005 billion for Conditional Grants and R578.5 million from own revenue. The allocation decreases by 2.8 percent in 2021/22 and decreases by an average of 0.7 percent over the MTEF period.

Included in the equitable share allocation, the department will receive an amount of R1.916 billion ring-fenced for COVID-19 support and vaccine rollout programs.

Vote 8: Transport and Community Safety

The Department of Transport and Community Safety is allocated R2.090 billion in 2021/22, R2.376 billion in 2022/23 and R2.436 billion in 2023/24 financial years respectively. The 2021/22 allocation includes R426.2 million for a conditional grants and R39.3 million for transfer to Gateway Airport Authority Limited (GAAL). The departmental allocation is increasing by 3.5 percent over the MTEF.

Vote 9: Public Works, Roads and Infrastructure

The department receives a budget allocation of R3.212 billion in 2021/22, R3.370 billion in 2022/23 and R3.665 billion in 2023/24 financial years. The allocation has a negative growth of 9.0 percent in 2021/12 due to a once-off allocation in 2020/21 financial year. The allocation further includes R1.345 billion for conditional grants. The Department will transfer R1.109 billion to Roads Agency Limpopo (RAL) for operational costs and roads maintenance and upgrading.

The allocation includes an amount of R80 million earmarked for procurement of a building for office accommodation, R43.4 million for programmes geared towards improvement of infrastructure delivery in the province and an amount of R42.5 million for new of roads in province.

Vote 10: Sport, Arts and Culture

The Department of Sport, Arts and Culture receive an allocation of R473.4 million in 2021/22, R519.6 million in 2022/23 and R513.6 million in 2023/24 financial year. The allocation for 2021/22 includes conditional grants allocations amounting to R205.8 million. The allocation increases by 10.5 percent in 2021/22 and increases on average by 6.2 percent over the MTEF period.

Included in the departmental allocation is an amount of R38.5 million for the Provincial Theater and refurbishment and improvement of the Schoemansdal Museum.

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

The Department Co-Operative Governance, Human Settlements and Traditional Affairs is allocated budget of R2.310 billion in 2021/22, R2.447 billion in 2022/23 and R2.552 billion during 2023/24 financial year. The allocation makes provision for the delivery of quality housing through the Human Settlement Development Grant and a newly introduced Informal Settlement Upgrading Partnership Grant amounting to R1.133 billion in 2021/22 financial year.

Included in the allocation for 2021/22 is an amount of R62.0 million for Construction, maintenance and Furnishing of Traditional Council Offices and a further R15.0 million for the Kingship Project.

Vote 12: Social Development

The Department of Social Development will receive R2.016 billion in 2021/22, R2.242 billion in 2022/23 and R2.416 billion during 2023/24 financial year. The allocation decrease by 11.6 percent in 2021/22 and increase on average by 1.9 percent over the MTEF. The allocation includes conditional grant allocations of R155.4 million in 2021/22 financial year.

Included in the budget allocation for 2021/22 and over the MTEF is funds made available by the National Government for employment of Social Workers, food relief function shift and Gender Based Violence.

5.3 Payments by Economic Classification

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

Table 19: Payments by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20		2020/21		2021/22	2022/23	2023/24
Current payments	51 762 263	55 579 067	59 333 598	62 176 743	60 606 191	61 108 170	58 305 113	58 843 432	61 097 003
Compensation of employees	42 582 562	45 744 394	48 468 477	50 818 159	49 132 410	49 126 478	46 863 677	46 380 366	46 493 770
Goods and services	9 179 091	9 832 833	10 862 278	11 357 638	11 471 620	11 979 530	11 440 457	12 462 039	14 602 064
Interest and rent on land	610	1 840	2 843	946	2 161	2 161	980	1 027	1 170
Transfers and subsidies to:	7 948 558	8 348 239	8 281 415	8 067 033	8 820 900	8 878 712	7 584 854	8 286 402	8 575 586
Provinces and municipalities	101 386	83 800	105 732	74 909	174 276	174 296	54 334	113 978	158 199
Departmental agencies and accounts	2 266 714	2 323 760	2 562 891	2 424 129	2 151 610	2 208 339	1 915 226	1 911 864	1 870 894
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	696 506	696 705	703 809	800 695	700 593	700 593	649 822	883 034	933 703
Non-profit institutions	2 868 740	3 011 563	2 842 955	3 001 386	4 263 983	4 263 233	3 313 795	3 587 804	3 749 261
Households	2 015 212	2 232 411	2 066 028	1 765 915	1 530 438	1 532 251	1 651 678	1 789 722	1 863 529
Payments for capital assets	2 278 127	1 842 039	1 590 039	2 552 548	1 905 273	1 919 393	2 880 480	2 477 886	2 643 762
Buildings and other fixed structures	1 815 856	1 528 950	1 226 702	1 958 146	1 338 393	1 349 391	2 389 821	2 048 345	2 035 369
Machinery and equipment	458 794	309 354	359 338	582 932	564 760	567 882	488 864	426 408	602 787
Heritage Assets	793	-	181	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	1 650	1 607	3 709	2 470	2 120	2 120	795	2 133	4 606
Land and sub-soil assets	66	-	-	-	-	-	-	-	-
Software and other intangible assets	968	2 128	109	9 000	-	-	1 000	1 000	1 000
Payments for financial assets	36 854	95 126	5 341	-	-	-	-	-	-
Total economic classification	62 025 802	65 864 471	69 210 393	72 796 323	71 332 364	71 906 275	68 770 447	69 607 720	72 316 352

5.3.1 Current Payments

Current payments include payments for Compensation of Employees and Goods and Services. An amount of R58.305 billion is allocated for current payment in 2021/22 financial year representing 84.8 percent of total provincial allocation. Included in the current payments allocation for 2021/22 financial year is R46.864 billion or 80.3 percent for Compensation of Employees (COE). The allocation is reduced by R5.942 billion in 2021/22, R8.519 billion in 2022/23 and R5.485 billion in 2023/24 due to freezing of salary increases which represents decrease of 4.6 percent in 2021/22 and 0.4 percent over the MTEF. For the 2021/22 financial year, Compensation of employees represent 68.1 percent of the total budget.

A total amount of R11.440 billion, R12.462 billion and R14.602 billion is allocated to goods and services for 2021/22, 2022/23 and 2023/24 respectively. Goods and Services budget grows by 8.4 percent over the MTEF. The increase is mainly influenced by savings realised from compensation of employees and additional funding made available for provincial priority projects that enhance economic growth within the province.

5.3.2 Transfers and subsidies

Total transfers and subsidies decrease from R8.8 billion in 2020/21 to R7.6 billion in 2021/22 and is set to increase from R8.286 billion to R8.576 billion over the MTEF period. The increase of transfers and subsidies budget is as a result of budget increases in transfer payments to other entities, NPOs and departmental agencies by provincial departments. Included in the allocation is the amounts that are transferred to the local government sphere for services rendered and the funds allocated to Human Settlements for the housing development in the province and transfers to the various public entities.

5.3.3 Payment for Capital Assets

The allocation for Payments for Capital Assets has increased from R1.905 billion in 2020/21 to R2.880 billion in 2021/22 financial year. The allocation increases by 51.2 percent in 2021/22 and increases on average by 11.5 percent over the MTEF due to once-off allocations for building and other fixed structures.

5.4 Payments by Policy Area

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

Table 20: Payments by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
General Public Services	5 503 266	5 894 868	6 027 450	6 451 207	5 879 535	5 892 747	5 448 842	5 829 502	6 270 628
Public Order and Safety	55 718	59 556	60 502	64 658	60 553	60 553	61 437	59 988	71 053
Economic Affairs	5 000 090	5 250 068	5 629 756	5 717 791	4 911 706	4 933 844	4 653 956	5 461 734	5 512 560
Environmental Protection	398 579	404 192	375 046	409 419	335 720	341 243	317 770	443 916	540 220
Housing and Community Amenities	1 388 589	1 369 711	1 539 398	1 231 750	1 081 839	1 081 839	1 239 287	1 291 866	1 350 569
Health	18 387 177	19 720 188	21 011 275	22 142 941	22 597 717	23 056 447	21 972 934	21 037 087	22 128 706
Recreation, Culture and Religion	455 074	451 681	470 341	524 882	428 479	428 479	473 381	519 618	513 587
Education	29 020 420	30 679 064	31 953 760	33 893 648	33 754 627	33 828 935	32 586 347	32 721 755	33 513 005
Social protection	1 816 889	2 035 143	2 142 865	2 360 027	2 282 188	2 282 188	2 016 493	2 242 253	2 416 023
Total provincial payments and estimates by policy	62 025 802	65 864 471	69 210 393	72 796 323	71 332 364	71 906 275	68 770 447	69 607 720	72 316 352

Office of the Premier, Legislature, Provincial Treasury and Public Works provides support to departments in terms of general public services and ensure that required legislations and policies are available and implemented by departments. Furthermore, these departments provide support and training to other departments in order to effectively implement the plans as adopted by Legislature. These departments are allocated a total budget of R5.449 billion, R5.830 billion and R6.271 billion in 2021/22, 2022/23 and 2023/24 respectively.

Provincial Secretariat of Police Services Programmes under department of Transport and Community Safety is responsible for public order and safety in the Province. The programme is allocated R61.4 million in 2021/22 financial year. Economic affairs and environmental protection remains the responsibility of the Department of Economic Development, Environment and Tourism, Agriculture and Transport. These departments are allocated R4.654 billion in 2021/22, R5.462 billion in 2022/23 and R5.513 billion in 2023/24 financial years respectively.

Housing development is the competency of the department of Cooperative Governance, Human Settlement and Traditional Affairs which is allocated R1.239 billion, R1.292 billion and R1.351 billion in 2021/22, 2022/23 and 2023/24 respectively.

The Department of Sport, Arts and Culture oversees recreation, culture and religion programmes in the province. The department is allocated R473.4 million in 2021/22 financial year.

In terms of the Constitution of Republic of South Africa, Department of Health, Education and Social development are tasked with that responsibility of provision of health care, basic education and social services to the public respectively. An amount of R56.576 billion or 82.3 percent of the provincial budget is allocated to the three departments.

The other functional area's payments are allocated in line with the services to be rendered and the mandates for the policy area.

5.5 Infrastructure Management

The long-term infrastructure planning by Limpopo Provincial Government that outlines the immovable assets activities and resources required, to provide a defined level of service, in the most cost-effective way is eminent over the 2021 MTEF. It is for this reason that during fourth quarter of 2020/21 financial year the Province engaged in a planning workshop for its infrastructure over a multi-year horizon. This engagement became a turning point on how the planning spectrum of infrastructure delivery would

unfold going forward. It is at this workshop where the infrastructure community of Limpopo resolved on how plans will be improved and stabilised in line with the Infrastructure Delivery Management System (IDMS) requirements over the MTEF.

Immediately after the provincial infrastructure plan for 2020/21 was finalised and endorsed for implementation, the President of the republic pronounced a national lockdown as a result of the COVID-19 pandemic. The COVID-19 pandemic had an impact on the medium to long term plan which the province had set out and resolved to implement, also to catch up to the infrastructure alignment model encouraged by National Treasury for provinces to comply with. The construction industry took a three months break because of a national lockdown which was announced by the presidency and as a result halted the plans which were agreed to by all provincial departments.

Easing of the lockdown from one level to another provided guidance for resuming of activity at infrastructure sites in compliant with the COVID-19 protocols to avoid a spread. Through the Limpopo Department of Public Works, Roads and Infrastructure (LPWR&I), an instruction was issued for construction sites to become active again from mid-June 2020, therefore making it necessary for the infrastructure plans of departments to be revised.

There have been huge budgets cut on both equitable share and conditional grants for infrastructure over the MTEF which has had an impact on both the 2020/21 and 2021/22 financial years respectively. The 2020/21 financial year infrastructure plans have already been aligned to the budget cuts and implementation started towards the end of second quarter of 2020/21.

Under normal circumstances the planning for 2021/22 should have started in June 2020 and completed in October 2020, but due to COVID-19 the process was affected and could not be undertaken as planned. Huge budget cuts were eminent over the 2021/22 MTEF making it very difficult to plan and confirm projects going forward, this

implied that as a province we had to meet as often as we can and adjust or update infrastructure plans accordingly. It is for this reason, that the infrastructure planning & readiness for 2021/22 financial year were only aligned late in the budget process.

Even under these difficult circumstances as a province we continue to respond with plans that are water tight, ensuring that our infrastructure planning and readiness for 2021/22 MTEF is concluded. The provincial infrastructure planning and readiness report for 2021/22 financial year has been finalised and endorsed by the provincial Infrastructure Development Cluster Committee and has been used as inputs into the Provincial Budget Planning process to align the plans with the Budget Cycle for 2021 MTEF.

The departmental infrastructure plans for Limpopo Provincial Government will be implemented through the total allocated infrastructure budget of R20.696 billion for the delivery of infrastructure over the 2021 Medium Term Expenditure Framework (MTEF) period. This allocation will fund infrastructure projects of various categories in line with the overall strategic objectives of the province and the project details are captured in the project list (Table B5) of each department.

Table 21: Summary of provincial infrastructure payments and estimates by vote

Rand thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
	Outcome			Main appropriation	Adjusted appropriation	Revised baseline	Medium term estimates		
Vote 03: Education	1 301 995	955 051	636 873	1 258 291	1 133 327	1 133 327	1 336 570	1 316 711	1 373 984
Vote 04: Agriculture and Rural Development	144 165	201 723	137 147	220 214	89 002	89 002	162 140	267 931	240 375
Vote 06: Economic Development, Environment and Tourism	63 364	64 678	-	20 000	11 360	11 360	25 200	20 500	19 100
Vote 07: Health	652 027	651 784	821 173	952 819	1 029 029	1 029 029	1 360 754	781 283	823 525
Vote 08: Transport	19 779	5 691	15 709	51 574	41 574	41 574	53 242	49 688	49 688
Vote 09: Public Works, Roads and Infrastructure	2 887 294	3 739 021	3 010 294	3 380 658	3 037 384	3 050 596	3 002 122	2 878 205	3 104 288
Vote 10: Sport, Arts and Culture	35 526	35 405	51 150	79 759	53 359	53 359	81 060	69 400	62 500
Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs	1 255 778	1 235 123	1 373 594	1 100 412	964 517	964 517	1 133 445	1 176 418	1 227 401
Vote 12: Social Development	30 138	37 705	36 796	71 794	25 213	25 213	38 308	20 717	21 629
Total Infrastructure (including non infrastructure items)	6 390 066	6 926 181	6 082 736	7 135 521	6 384 765	6 397 977	7 192 841	6 580 853	6 922 490

Table 21 above summarises the budget allocation by vote over 2021 MTEF. The Department of Public Works Roads & Infrastructure is allocated a budget of R3.002 billion or 42 percent, CoGHSTA with an allocation of R1.133 billion or 16 percent, the Department of Education with R1.336 billion or 18 percent and the Department of Health with R1.360 billion or 19 percent. Limpopo Provincial Government infrastructure is mainly funded through conditional grants and some Provincial Equitable Share.

Table 22: Summary of provincial infrastructure payments and estimates by category

Rand thousand	2017/18	2018/19	2019/20	2020/21			2021/22	2022/23	2023/24
	Outcome			Main appropriation	Adjusted appropriation	Revised baseline	Medium term estimates		
Existing infrastructure assets	2 131 586	1 842 237	1 593 414	2 097 745	2 098 093	2 098 093	3 287 663	2 837 038	3 050 245
Maintenance and repairs	435 328	709 586	892 668	817 698	1 510 093	1 510 093	1 839 797	1 220 804	1 455 887
Upgrades and additions	1 480 929	940 067	563 765	797 665	252 119	252 119	1 303 974	1 426 920	1 416 179
Rehabilitation and refurbishment	215 329	192 584	136 981	482 382	335 881	335 881	143 892	189 314	178 179
New infrastructure assets	1 565 775	1 497 666	1 785 673	1 833 633	1 607 167	1 607 167	1 940 934	1 649 635	1 679 590
Infrastructure transfers	1 413 769	1 538 285	1 358 100	1 598 953	1 368 187	1 368 187	1 121 198	1 235 723	1 282 153
Infrastructure transfers - Current	11 429	12 687	2 149	-	-	-	10 000	9 000	10 000
Infrastructure transfers - Capital	1 402 340	1 525 598	1 355 951	1 598 953	1 368 187	1 368 187	1 111 198	1 226 723	1 272 153
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	41 623	-	47 226	51 776	44 776	44 776	44 743	48 246	49 369
Non Infrastructure	1 237 313	2 047 993	1 298 323	1 553 414	1 266 542	1 279 754	798 303	810 211	861 133
Total Infrastructure (including non infrastructure items)	6 390 066	6 926 181	6 082 736	7 135 521	6 384 765	6 397 977	7 192 841	6 580 853	6 922 490

Over the 2021 MTEF, R20.696 billion is allocated across various investment categories. A budget of R5.270 billion or 25 percent is allocated towards new infrastructure mainly for construction of new clinics, libraries, schools, upgrades of gravel roads to tar, centres for place of safety, nature reserves and houses.

The estimated budget allocation for rehabilitation and refurbishment is R511.3 million or 2.5 percent, upgrading and additions of existing facilities is R4.147 billion or 20 percent and R 4. 516 billion or 22 percent is allocated for maintenance.

The implementation of the 2021 MTEF provincial infrastructure budget has been enhanced through the three-year Infrastructure Programme Management Plans (IPMP) prepared by a sector departments and specifying how the infrastructure programmes will be executed, monitored and controlled over the current MTEF period; whilst the Infrastructure Procurement Strategy (IPS) of implementing agents have

been developed to combine the delivery management strategy, contracting and procurement arrangements. The procurement strategies have been developed to cover for a single project, a programme of projects or a portfolio of projects identifying the best way of achieving objectives and value for money; whilst taking into account risks and constraints.

Limpopo Provincial Treasury and Public Works Roads & Infrastructure will conduct the monthly Infrastructure Technical Management Committee (ITMC) to constantly assist the departments to undertake the necessary decisions relating to the delivery management strategy and the contracting and procurement arrangements that have been agreed to in the construction procurement strategy.

The Provincial Treasury (PT) has also liaised with all departments and familiarised them on the new requirements pertaining 2021 MTEF project list or Table B5 capturing in the web based Infrastructure Reporting Model (IRM). A provincial stakeholder list with officials that are assigned capturing, submission, reviewing and approval rights was coordinated and submitted to National Treasury.

The reporting for 2021 financial year has been strengthened by making sure that all departments capture the project information on the web based IRM, for these projects to be reported on a monthly basis to Provincial Treasury. The Provincial Treasury has reviewed the information and has found it to be satisfactory.

This budget has been objectively planned by identifying key projects in the sector departments so that we unlock challenges and therefore attract investments, drive economic growth, create jobs and ensure development impact and job creation. Formal engagements will happen on a monthly basis through the approved provincial infrastructure governance structures so that implementation happens at an acceptable rate, expenditure is realised and there is value for money.

5.6 Transfers

5.6.1 Transfers to Public Entities

The provincial Public Entities are allocated an amount of R1.813 billion in 2021/22, R1.805 billion in 2022/23 and R1.764 billion during 2023/24 financial year. Significant reductions are implemented in Limpopo Economic Development Agency (LEDA) and Gateway Airport Authority Limpopo (GAAL) due to phasing-out of 3D Entities from being allocated Provincial Equitable Share. Roads Agency Limpopo (RAL) allocation decrease by 18.8 percent in 2021/22 due to the reduction of the once-off allocation in previous financial year.

Table 23: Transfers to Public Entities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
6. Economic Development, Environment And Tourism	799 324	774 462	1 044 807	762 910	615 194	615 194	663 983	553 369	475 854
Limpopo Economic Development Agency	628 697	604 067	881 474	588 396	487 400	487 400	536 634	396 013	330 728
Limpopo Gambling Board	67 502	68 086	72 117	78 321	61 381	61 381	60 652	69 254	63 250
Limpopo Tourism and Parks Board	103 125	102 309	91 216	96 193	66 413	66 413	66 697	88 102	81 876
8. Transport And Community Safety	52 773	67 380	53 151	54 953	54 953	54 953	39 331	24 459	15 715
Gateway Airport Authority Limited	52 773	67 380	53 151	54 953	54 953	54 953	39 331	24 459	15 715
9. Public Works, Roads And Infrastructure	1 314 451	1 388 918	1 293 589	1 478 676	1 366 034	1 366 034	1 109 398	1 226 723	1 272 153
Limpopo Roads Agency	1 314 451	1 388 918	1 293 589	1 478 676	1 366 034	1 366 034	1 109 398	1 226 723	1 272 153
Total provincial transfers	2 166 548	2 230 760	2 391 547	2 296 539	2 036 181	2 036 181	1 812 712	1 804 551	1 763 722

5.6.2 Transfers to Local Government

An amount of R7.6 million is allocated by different departments to pay for the rates and taxes and motor vehicles licenses in 2021/22 financial year. The allocation is increased to R9.2 million in 2022/23 and R9.8 million in 2023/24 financial year respectively.

Table 24: Provincial Transfer to Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Category A	-	-	-	-	-	-	-	-	-
Category B	6 477	7 775	6 212	4 946	5 352	5 352	4 514	5 962	6 398
Category C	32 486	17 572	1 986	2 294	2 154	2 154	2 257	2 366	2 471
Unallocated	1 068	395	432	739	510	578	851	892	930
Total provincial transfers	40 031	25 742	8 630	7 979	8 016	8 084	7 622	9 220	9 799

5.6.3 Personnel Numbers and Costs

Table 25: Summary of provincial personnel numbers and costs by vote

R thousands	Actual						Revised estimate			Medium-term expenditure estimate					
	2017/18		2018/19		2019/20		2020/21			2021/22		2022/23		2023/24	
	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Filled posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs
Vote															
1. Office Of The Premier	476	280 808	474	301 263	464	312 615	439	439	307 791	439	289 533	439	289 533	439	289 533
2. Provincial Legislature	209	177 002	212	201 128	243	221 148	243	243	236 322	243	209 206	259	209 206	259	209 206
3. Education	68 511	23 182 961	68 511	24 725 638	68 511	26 230 009	56 832	56 832	26 322 350	56 832	24 915 419	56 832	24 860 032	56 832	24 862 035
4. Agriculture And Rural Development	3 090	1 072 904	3 128	1 109 876	3 132	1 135 357	3 115	3 115	1 106 369	3 115	1 001 187	3 104	1 001 187	3 097	1 001 187
5. Provincial Treasury	558	279 777	513	292 740	407	306 105	496	496	303 898	496	283 299	473	283 299	471	283 299
6. Economic Development, Environment	1 406	513 931	1 373	575 496	1 248	581 796	1 343	1 343	565 828	1 343	532 744	1 195	532 744	1 195	532 744
7. Health	32 377	12 978 967	33 651	14 199 044	42 072	15 048 215	42 882	42 882	15 658 648	42 882	15 289 877	44 738	14 862 090	44 738	14 847 003
8. Transport And Community Safety	2 872	970 645	2 894	959 984	3 052	1 087 159	3 212	3 212	1 097 141	3 212	1 035 817	3 219	1 035 817	3 219	1 035 817
9. Public Works, Roads And Infrastructure	3 063	983 084	3 198	1 047 782	3 198	1 069 792	2 710	2 710	1 021 399	2 710	958 424	2 710	958 424	2 710	958 424
10. Sport, Arts And Culture	494	185 073	484	190 376	551	197 706	551	551	207 413	551	207 728	551	208 628	551	211 369
11. Cooperative Governance, Human	3 820	964 802	3 787	1 012 557	3 671	1 079 897	3 831	3 831	1 051 959	3 831	969 571	3 651	967 534	3 583	967 534
12. Social Development	3 191	992 608	3 274	1 128 510	3 274	1 194 090	3 317	3 317	1 260 999	3 317	1 170 872	3 317	1 170 872	3 317	1 295 619
Total	120 067	42 582 563	121 499	45 744 396	129 823	48 463 890	118 971	118 971	49 140 716	118 971	46 863 677	120 488	46 380 366	120 411	46 493 770

The personnel numbers are projected to remain stagnant at 118 971 from 2020/21 to 2021/22 financial year due to reduction in budget for compensation of employees. Personnel numbers will however increase to 120 488 in 2022/23 financial year. An amount of R46.863 billion has been allocated to service the current staff within the provincial government.

5.7 Payments on Training

Training and development is allocated R786.9 million in 2021/22, R835.6 million in 2022/23 and R857.9 million in 2023/24 financial year respectively mainly in the department of Health for training and development of health professional including Cuban Doctor Programme. Training and development of personnel contributes significantly towards developmental state.

Table 26: Summary of provincial payments on training

R thousand	Outcome			Main	Adjusted	Revised	Medium-term estimates		
	2017/18	2018/19	2019/20	appropriatio	appropriatio	estimate	2021/22	2022/23	2023/24
				2020/21					
1. Office Of The Premier	6 641	6 582	6 152	3 855	345	345	320	4 322	5 808
2. Provincial Legislature	758	1 241	1 217	1 615	1 615	1 615	1 640	1 720	1 796
3. Education	71 370	75 509	79 738	84 123	84 123	84 123	88 750	93 010	97 102
4. Agriculture And Rural Development	4 890	5 780	9 690	9 690	4 530	9 690	5 000	5 000	10 000
5. Provincial Treasury	3 128	3 275	3 496	3 517	3 517	1 030	2 839	4 916	7 634
6. Economic Development, Environment And Tourism	7 626	7 139	12 745	9 662	9 662	9 662	4 818	11 326	11 824
7. Health	561 397	550 311	599 130	647 688	620 515	619 394	669 003	684 802	691 994
8. Transport And Community Safety	3 976	6 030	6 600	6 800	6 800	6 800	6 950	7 150	7 464
9. Public Works, Roads And Infrastructure	10 710	11 130	11 757	11 737	2 125	3 689	884	12 384	12 929
10. Sport, Arts And Culture	1 460	1 540	1 630	1 712	1 712	1 712	1 516	1 516	1 516
11. Cooperative Governance, Human Settlements And Traditional Affairs	8 870	9 464	9 601	12 087	-	-	-	3 981	4 156
12. Social Development	5 936	4 571	4 669	4 926	4 926	4 926	5 197	5 446	5 686
Total payments on training	686 762	682 573	746 425	797 412	739 870	742 986	786 917	835 573	857 909

ANNEXURES

Table 27: A1: Details of information on provincial own receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Tax receipts	501 514	569 124	659 762	660 665	623 948	623 948	694 650	728 919	760 991
Casino taxes	59 604	60 928	79 253	67 411	40 548	40 548	71 119	75 031	78 332
Horse racing taxes	30 860	46 181	40 386	45 335	35 650	35 650	47 829	50 460	52 680
Liquor licences	3 369	3 561	3 643	4 069	3 900	3 900	4 293	4 528	4 727
Motor vehicle licences	407 681	458 454	536 480	543 850	543 850	543 850	571 409	598 900	625 252
Sales of goods and services other than capital assets	278 292	320 740	309 141	324 527	282 275	282 275	339 026	358 474	374 270
Sale of goods and services produced by department (excluding capital assets)	272 641	318 291	308 167	322 540	280 039	280 039	336 939	356 513	372 221
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	35 463	41 999	44 932	45 273	38 431	38 431	47 580	48 864	51 014
Other sales	237 178	276 292	263 235	277 267	241 608	241 608	289 359	307 649	321 207
Of which									
Health patient fees	126 264	154 496	154 255	154 596	125 166	125 166	157 544	165 040	172 305
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	5 651	2 449	974	1 987	2 235	2 235	2 086	1 961	2 048
Transfers received from:	620	5 412	21 891	9 179	14 179	14 179	9 683	10 216	10 666
Other governmental units	600	5 412	21 891	9 179	14 179	14 179	9 683	10 216	10 666
Public corporations and private enterprises	20	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	62 132	70 370	78 772	72 041	77 114	77 114	75 657	79 308	82 797
Interest, dividends and rent on land	348 441	291 745	268 143	249 167	206 712	206 712	261 620	274 185	287 065
Interest	348 055	291 328	267 985	248 518	206 332	206 332	260 937	273 467	286 315
Rent on land	386	417	158	649	380	380	683	718	750
Sales of capital assets	41 106	14 868	14 404	17 055	14 667	14 667	17 715	19 108	19 953
Other capital assets	41 106	14 868	14 404	17 055	14 667	14 667	17 715	19 108	19 953
Transactions in financial assets and liabilities	92 491	56 417	89 461	55 419	49 547	49 547	59 705	64 644	67 489
Total provincial receipts	1 324 596	1 328 676	1 441 574	1 388 055	1 268 441	1 268 441	1 458 055	1 534 854	1 603 231

Table 28: A.2 Details on information on Conditional Grants

Vote and Grant	Main Appropriation			Adjusted appropriation			Audited expenditure			Main Appropriation			Adjusted appropriation			Audited expenditure			Revised expenditure estimate			Medium-term estimates		
	2017/18			2018/19			2019/20			2020/21			2021/22			2022/23			2023/24					
	R thousand																							
Vote 3	2 064 788	2 115 390	2 019 768	2 349 648	2 395 382	2 273 815	2 460 517	2 376 423	1 994 828	2 756 180	2 662 275	2 662 275	2 922 144	2 929 595	3 052 918									
National School Nutrition Programme	1 161 389	1 176 754	1 113 968	1 229 299	1 255 019	1 218 191	1 292 011	1 306 917	1 287 931	1 369 485	1 378 434	1 378 434	1 456 918	1 505 439	1 568 178									
HIV/AIDS (Life Skills Education)	35 339	35 339	22 886	27 116	28 964	19 938	29 124	31 703	23 667	28 137	22 715	22 715	26 552	26 358	27 036									
Education Infrastructure Grant	810 523	844 109	838 734	1 011 680	1 011 680	953 326	1 050 160	948 149	636 936	1 256 364	1 131 400	1 131 400	1 334 570	1 314 711	1 371 984									
EPWP Integrated Grant	2 000	2 000	2 211	2 134	2 134	1 759	2 385	2 466	2 365	2 069	2 069	2 069	2 080	-	-									
Social Sector (EPWP) Grant	2 888	2 888	2 379	14 355	14 355	12 782	14 196	14 304	13 690	20 833	20 833	20 833	21 215	-	-									
Learners with profound intellectual Disabilities Grant	9 853	9 853	4 666	21 700	23 688	20 934	26 839	27 082	25 669	32 432	32 597	32 597	32 666	33 436	34 228									
Maths, Science and Technology Grant	42 796	44 447	34 924	43 364	49 542	46 885	45 802	45 802	5 559	46 860	74 227	74 227	48 143	49 641	50 592									
Vote 4	323 750	328 730	321 918	345 387	395 303	395 264	342 345	336 194	311 963	323 618	262 551	262 551	327 249	326 452	331 772									
Land Care	13 672	13 672	13 672	12 603	47 803	47 768	12 863	12 863	12 862	12 970	12 816	12 816	13 016	13 303	13 480									
Comprehensive Agriculture Support Programme	238 991	241 971	237 159	266 521	271 237	271 236	246 542	246 542	237 996	233 558	172 254	172 254	233 511	237 816	241 700									
EPWP Integrated Grant	3 731	3 731	3 731	5 000	5 000	4 999	7 686	7 686	7 686	6 610	6 610	6 610	7 013	-	-									
ILima/Letsama Projects	67 356	67 356	67 356	71 263	71 263	71 261	75 254	69 103	53 419	70 480	52 231	52 231	73 709	75 333	76 592									
Provincial Disaster Drought Relief Grant	-	-	-	-	-	-	-	-	-	-	18 640	18 640	-	-	-									
Vote 6	2 567	2 567	2 567	3 376	3 376	3 376	3 563	3 563	3 562	2 994	2 994	2 994	2 198	-	-									
EPWP Incentive Allocation	2 567	2 567	2 567	3 376	3 376	3 376	3 563	3 563	3 562	2 994	2 994	2 994	2 198	-	-									
Vote 7	2 390 605	2 422 567	2 310 719	2 720 840	2 811 194	2 766 606	3 073 250	3 304 966	3 295 556	3 659 216	3 966 781	3 966 781	4 005 568	3 767 093	3 690 591									
Health Professions Training and Development	131 726	131 726	131 684	139 366	139 366	139 315	190 426	222 715	221 705	232 171	254 690	254 690	230 320	230 279	230 325									
Training and Development Component	131 726	131 726	131 684	139 366	139 366	139 315	147 168	147 168	147 158	157 624	180 143	180 143	149 300	146 434	142 941									
Statutory Human Resources	-	-	-	-	-	-	43 258	75 547	74 547	74 547	74 547	74 547	80 990	83 845	87 384									
Health Facility Revitalisation	508 144	508 144	416 805	536 898	625 405	625 319	457 951	591 251	588 968	742 473	747 726	747 726	755 333	544 205	562 659									
Comprehensive HIV and AIDS	1 354 308	1 382 270	1 365 849	1 627 987	1 629 834	1 601 169	1 976 311	1 995 102	1 992 085	2 179 020	2 416 364	2 416 364	2 495 590	2 505 174	2 411 860									
Community Outreach Services Component	-	-	-	-	-	-	-	-	-	337 473	365 924	365 924	351 093	366 282	367 690									
Comprehensive HIV and AIDS Component	1 354 308	1 374 468	1 354 055	1 600 516	1 602 363	1 573 698	1 901 936	1 928 144	1 927 923	1 683 259	1 542 463	1 542 463	1 814 106	1 870 610	1 876 193									
Tuberculosis Component	-	-	-	-	-	-	-	-	-	47 314	46 925	46 925	46 771	48 473	49 601									
Malaria Control Component	-	11 802	11 794	-	-	-	45 366	45 366	42 572	70 370	71 987	71 987	62 719	65 002	65 173									
Human Papillomavirus Vaccine Component	-	-	-	27 471	27 471	27 471	29 009	21 592	21 590	30 604	30 604	30 604	30 253	30 897	30 978									
COVID-19 Component	-	-	-	-	-	-	-	-	-	-	358 461	358 461	167 866	100 720	-									
Mental Health Services Component	-	-	-	-	-	-	-	-	-	-	-	-	12 782	13 190	13 225									
Oncology Services Component	-	-	-	-	-	-	-	-	-	-	-	-	10 000	10 000	10 000									
National Tertiary Services	366 314	366 314	366 283	387 560	387 560	371 857	409 263	424 494	424 443	445 200	445 200	445 200	453 296	454 661	452 963									
EPWP Integrated Grant	-	-	-	2 000	2 000	2 000	2 000	2 000	2 000	-	-	-	1 986	-	-									
Social Sector (EPWP) Grant	30 113	30 113	30 098	27 029	27 029	26 946	37 299	37 299	37 295	28 286	28 286	28 286	36 891	-	-									
National Health Insurance	-	-	-	-	-	-	-	32 115	32 070	32 066	32 066	32 066	31 952	32 774	32 784									
Emergency Disaster Fund (COVID-19)	-	-	-	-	-	-	-	-	-	-	42 449	42 449	-	-	-									
Vote 8	347 610	347 610	347 610	358 809	358 809	358 809	378 790	378 790	361 599	404 035	404 035	404 035	426 184	422 338	440 952									
EPWP Integrated Grant	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 000	2 037	-	-									
Public Transport Operations Grant	345 610	345 610	345 610	356 809	356 809	356 809	376 790	376 790	359 599	402 035	402 035	402 035	424 147	422 338	440 952									
Vote 9	1 146 284	1 173 549	1 136 431	1 131 500	1 168 618	1 112 660	1 164 021	1 164 021	888 888	1 300 462	1 174 943	1 174 943	1 345 236	1 203 929	1 264 125									
Provincial Roads Maintenance Grant	1 140 387	1 167 652	1 130 534	994 146	1 031 264	975 319	1 018 253	1 018 253	873 136	1 164 756	1 039 237	1 039 237	1 333 213	1 203 929	1 264 125									
Transport Disaster Management	-	-	-	130 000	130 000	130 000	140 000	140 000	9 995	130 000	130 000	130 000	-	-	-									
Road Infrastructure (Disaster Management Grant)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
EPWP Integrated Grant	5 897	5 897	5 897	7 354	7 354	7 341	5 768	5 768	5 767	5 706	5 706	5 706	12 023	-	-									
Vote 10	191 034	191 034	186 145	195 322	200 802	181 216	217 803	228 774	177 830	203 384	149 307	149 307	205 791	212 496	211 709									
Mass Participation and Sport Development Grant	67 850	67 850	66 932	67 679	68 558	64 311	71 489	74 854	71 861	58 363	31 777	31 777	63 148	61 650	58 112									
Community Library Services	121 184	121 184	117 217	125 643	129 444	115 123	144 314	151 920	104 203	143 221	115 530	115 530	140 606	150 846	153 597									
EPWP Integrated Grant	2 000	2 000	1 996	2 000	2 000	1 782	2 000	2 000	1 766	2 000	2 000	2 000	2 037	-	-									
Vote 11	1 321 493	1 256 461	1 255 778	1 312 187	1 312 187	1 235 123	1 339 523	1 411 584	1 373 583	1 100 412	964 517	964 517	1 133 445	1 176 418	1 227 401									
Human Settlement Development of which	1 319 493	1 254 461	1 253 778	1 265 681	1 265 681	1 223 419	1 301 677	1 362 947	1 362 599	1 060 622	948 161	948 161	877 072	906 953	946 060									
Human Settlement Development (flood repair)	29 678	29 678																						

Table 29: A.3 Details of provincial payments and estimates

R thousand	Outcome			Main appropriation	Adjusted appropriation 2020/21	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24
Current payments	51 762 263	55 579 067	59 333 598	62 176 743	60 606 191	61 108 170	58 305 113	58 843 432	61 097 003
Compensation of employees	42 582 562	45 744 394	48 468 477	50 818 159	49 132 410	49 126 478	46 863 677	46 380 366	46 493 770
Salaries and wages	37 048 127	39 821 166	42 163 985	44 463 492	42 771 575	42 581 280	40 551 193	40 015 832	39 982 559
Social contributions	5 534 435	5 923 228	6 304 492	6 354 667	6 360 835	6 545 198	6 312 484	6 364 533	6 511 210
Goods and services	9 179 091	9 832 833	10 862 278	11 357 638	11 471 620	11 979 530	11 440 457	12 462 039	14 602 064
Administrative fees	6 640	10 248	7 615	10 023	6 424	6 435	5 556	5 242	9 790
Advertising	35 417	27 720	30 800	48 868	26 344	29 136	20 259	33 631	39 511
Minor assets	37 615	54 390	28 507	75 708	57 982	48 499	34 639	46 901	59 264
Audit cost: External	91 683	91 204	100 657	107 289	104 103	106 026	95 548	120 182	129 596
Bursaries: Employees	28 673	31 109	42 999	42 553	35 872	36 066	37 031	41 430	42 440
Catering: Provincial activities	72 477	86 642	86 143	80 798	63 228	63 589	62 924	81 292	84 441
Communication (G&S)	188 498	201 505	211 991	225 415	235 599	226 731	208 508	255 075	274 186
Computer services	322 930	343 219	380 752	438 614	471 614	442 550	408 795	506 871	538 240
Consultants and professional services: Business and advisory services	180 148	120 702	134 968	140 684	161 909	180 044	195 766	204 089	225 088
Infrastructure and planning	16 213	4 981	13 953	75 304	60 655	59 135	46 258	26 004	31 159
Laboratory services	478 265	467 268	599 397	518 890	618 963	715 235	319 246	653 948	854 061
Scientific and technological services	-	90	-	-	-	-	-	-	-
Legal services	13 846	19 885	30 508	16 277	9 281	8 791	4 299	16 286	23 723
Contractors	383 001	655 859	737 144	800 692	641 138	615 497	844 390	653 737	791 063
Agency and support / outsourced services	1 121 061	1 175 850	1 334 900	1 366 846	1 337 396	1 351 374	1 350 377	1 427 539	1 502 142
Entertainment	549	725	739	1 219	830	536	385	1 338	1 332
Fleet services (including government motor transport)	387 033	401 466	364 838	373 237	244 510	295 752	277 127	404 318	426 262
Housing	-	-	6	-	-	-	-	-	-
Inventory: Clothing material and accessories	29 159	24 684	31 054	24 723	18 474	23 509	30 442	26 414	26 417
Inventory: Farming supplies	74 030	79 019	90 859	59 198	69 365	74 219	88 120	192 930	176 046
Inventory: Food and food supplies	119 445	128 797	148 484	143 852	169 010	147 777	142 695	150 225	154 399
Inventory: Chemicals, fuel, oil, gas, wood and coal	22 665	36 217	34 466	43 009	38 065	39 239	42 527	39 804	41 069
Inventory: Learner and teacher support material	594 103	559 219	577 685	693 980	582 113	582 113	760 457	794 298	828 324
Inventory: Materials and supplies	48 523	43 960	56 850	112 586	68 851	68 880	67 705	68 719	84 238
Inventory: Medical supplies	408 598	367 405	557 467	508 848	1 263 155	1 393 809	1 019 211	619 895	842 748
Inventory: Medicine	1 360 911	1 652 629	1 594 350	1 622 096	1 487 005	1 621 360	1 512 949	1 681 779	1 989 767
Medias inventory interface	-	-	5	-	-	-	-	-	-
Inventory: Other supplies	74 270	61 771	34 959	120 334	162 611	186 053	320 612	380 572	911 032
Consumable supplies	164 311	169 096	172 181	260 311	453 692	446 783	278 535	361 575	390 553
Consumable: Stationery, printing and office supplies	153 247	175 770	200 923	238 695	182 817	180 591	176 785	233 769	239 640
Operating leases	272 056	298 460	314 178	340 798	315 097	324 679	281 873	339 851	370 393
Property payments	1 469 670	1 458 103	1 752 153	1 673 019	1 849 486	1 901 267	1 842 129	1 912 643	2 279 186
Transport provided: Provincial activity	274 130	308 026	322 526	338 000	321 356	320 563	343 601	362 975	364 141
Travel and subsistence	523 039	586 673	649 578	508 253	218 945	265 898	288 026	499 591	537 702
Training and development	75 884	52 573	54 932	108 949	32 982	30 170	83 683	134 098	136 384
Operating payments	72 310	52 080	49 615	89 991	63 328	84 661	121 469	67 370	72 639
Venues and facilities	47 732	52 221	63 653	74 187	26 533	30 092	35 727	56 563	60 541
Rental and hiring	30 958	33 267	50 443	74 392	72 886	72 471	92 800	61 084	62 547
Interest and rent on land	610	1 840	2 843	946	2 161	2 161	980	1 027	1 170
Interest	-	7	1 892	-	1 099	1 099	-	-	-
Rent on land	610	1 833	951	946	1 062	1 062	980	1 027	1 170
Transfers and subsidies	7 948 558	8 348 239	8 281 415	8 067 033	8 820 900	8 878 712	7 584 854	8 286 402	8 575 586
Provinces and municipalities	101 386	83 800	105 732	74 909	174 276	174 296	54 334	113 978	158 199
Provinces	1 279	1 196	2 118	2 047	2 207	2 299	1 798	1 638	1 733
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Departmental agencies and funds	1 279	1 196	2 118	2 047	2 207	2 299	1 798	1 638	1 733
Municipalities	100 107	82 604	103 614	72 862	172 069	171 997	52 536	112 340	156 466
Municipalities	90 951	79 384	100 017	68 536	167 730	167 781	47 975	105 650	149 492
Municipal agencies and funds	9 156	3 220	3 597	4 326	4 339	4 216	4 561	6 690	6 974
Departmental agencies and accounts	2 266 714	2 323 760	2 562 891	2 424 129	2 151 610	2 208 339	1 915 226	1 911 864	1 870 894
Social security funds	2 116	4 462	4 739	5 572	14 178	14 178	6 564	8 510	8 731
Provide list of entities receiving transfers	2 264 598	2 319 298	2 558 152	2 418 557	2 137 432	2 194 161	1 908 662	1 903 354	1 862 163
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	696 506	696 705	703 809	800 695	700 593	700 593	649 822	883 034	933 703
Public corporations	696 506	696 705	703 782	800 695	700 593	700 593	649 822	883 034	933 703
Subsidies on production	350 896	339 896	343 997	398 660	318 660	318 660	225 675	460 696	492 751
Other transfers	345 610	356 809	359 785	402 035	381 933	381 933	424 147	422 338	440 952
Private enterprises	-	-	27	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	27	-	-	-	-	-	-
Non-profit institutions	2 868 740	3 011 563	2 842 955	3 001 386	4 263 983	4 263 233	3 313 795	3 587 804	3 749 261
Households	2 015 212	2 232 411	2 066 028	1 765 915	1 530 438	1 532 251	1 651 678	1 789 722	1 863 529
Social benefits	386 962	404 782	440 516	308 858	431 349	439 046	305 224	369 685	379 089
Other transfers to households	1 628 250	1 827 629	1 625 512	1 457 057	1 099 089	1 093 205	1 346 454	1 420 037	1 484 440
Payments for capital assets	2 278 127	1 842 039	1 590 039	2 552 548	1 905 273	1 919 393	2 880 480	2 477 886	2 643 762
Buildings and other fixed structures	1 815 856	1 528 950	1 226 702	1 958 146	1 338 393	1 349 391	2 389 821	2 048 345	2 035 369
Buildings	1 742 372	1 467 118	1 078 189	1 874 178	1 239 750	1 250 740	2 306 934	1 958 319	1 965 048
Other fixed structures	73 484	61 832	148 513	83 968	98 643	98 651	82 887	90 026	70 321
Machinery and equipment	458 794	309 354	358 338	582 932	564 760	567 882	488 864	426 408	602 787
Transport equipment	112 595	95 074	61 306	94 758	104 856	105 839	74 770	86 710	94 692
Other machinery and equipment	346 199	214 280	298 032	488 174	459 904	462 043	414 094	339 698	508 095
Heritage Assets	793	-	181	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	1 650	1 607	3 709	2 470	2 120	2 120	795	2 133	4 606
Land and sub-soil assets	66	-	-	-	-	-	-	-	-
Software and other intangible assets	968	2 128	109	9 000	-	-	1 000	1 000	1 000
Payments for financial assets	36 854	95 126	5 341	-	-	-	-	-	-
Total economic classification	62 025 802	65 864 471	69 210 393	72 796 323	71 332 364	71 906 275	68 770 447	69 607 720	72 316 352

Table 30: A.4 (a) Details of payments by functional area

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

Table 31: A.4 (b) Details of Provincial payments and estimates by function area

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20				2020/21	2021/22	2022/23
R thousand									
General Public Services									
Executive and Legislature									
Office of the Premier	401 714	418 399	426 506	450 205	394 285	394 285	405 049	424 711	464 876
Provincial Legislature	340 987	390 363	422 972	385 137	354 665	354 665	395 479	427 731	437 808
Financial and Fiscal Services									
Provincial Treasury	427 697	449 128	471 279	521 312	439 002	439 002	364 910	451 259	500 112
General Services (Public Works, Local Government)	4 332 868	4 636 978	4 706 693	5 094 553	4 691 583	4 704 795	4 283 404	4 525 801	4 867 832
Total: General Public Services	5 503 266	5 894 868	6 027 450	6 451 207	5 879 535	5 892 747	5 448 842	5 829 502	6 270 628
Public Order and Safety									
Police Services	55 718	59 556	60 502	64 658	60 553	60 553	61 437	59 988	71 053
Safety and Liaison	55 718	59 556	60 502	64 658	60 553	60 553	61 437	59 988	71 053
Total: Public Order and Safety	55 718	59 556	60 502	64 658	60 553	60 553	61 437	59 988	71 053
Economic Affairs									
General Economic Affairs									
Dept of Economic Affairs	1 150 840	1 155 973	1 443 917	1 169 901	959 278	972 591	990 777	1 024 608	996 985
Agriculture and Rural Development									
Dept of Agriculture Affairs	1 708 212	1 935 608	1 875 624	2 031 311	1 698 463	1 709 463	1 547 780	1 991 934	2 025 316
Transport									
Department of Transport	2 008 549	2 026 108	2 191 053	2 389 891	2 158 160	2 158 160	2 028 344	2 316 847	2 364 597
Communication									
Dept of Economic Dev	132 489	132 379	119 162	126 688	95 793	93 630	87 055	128 345	125 662
Total: Economic Affairs	5 000 090	5 250 068	5 629 756	5 717 791	4 911 694	4 933 844	4 653 956	5 461 734	5 512 560
Environmental Protection									
Environmental Protection	398 579	404 192	375 046	409 419	335 720	341 243	317 770	443 916	540 220
Total: Environmental Protection	398 579	404 192	375 046	409 419	335 720	341 243	317 770	443 916	540 220
Housing and Community Amenities									
Housing Development									
Department of Housing	1 388 589	1 369 711	1 539 398	1 231 750	1 081 839	1 081 839	1 239 287	1 291 866	1 350 569
Total: Housing and Community Amenities	1 388 589	1 369 711	1 539 398	1 231 750	1 081 839	1 081 839	1 239 287	1 291 866	1 350 569
Health									
Outpatient services	12 006 670	12 913 208	13 801 825	14 342 056	14 123 809	14 353 078	13 725 321	13 926 466	14 769 562
R and D Health (CS)	2 265 242	2 407 801	2 554 227	2 885 155	3 603 829	3 660 976	3 896 011	2 784 250	2 832 936
Hospital Services	4 115 265	4 399 179	4 655 223	4 915 730	4 870 079	5 042 393	4 351 602	4 326 371	4 526 208
Total: Health	18 387 177	19 720 188	21 011 275	22 142 941	22 597 717	23 056 447	21 972 934	21 037 087	22 128 706
Recreation, Culture and Religion									
Sporting and Recreational Affairs									
Sport, Arts and Culture	455 074	451 681	470 341	524 882	428 479	428 479	473 381	519 618	513 587
Total: Recreation, Culture and Religion	455 074	451 681	470 341	524 882	428 479	428 479	473 381	519 618	513 587
Education									
Pre-primary & Primary Phases									
Secondary Education Phase									
Subsidised Services to Education									
Education not defined by level	29 020 420	30 679 064	31 953 760	33 893 648	33 754 627	33 828 935	32 586 347	32 721 755	33 513 005
Total: Education	29 020 420	30 679 064	31 953 760	33 893 648	33 754 627	33 828 935	32 586 347	32 721 755	33 513 005
Social protection									
Social Security Services	345 229	380 097	426 939	443 350	405 948	403 388	396 259	415 867	461 785
Social Services and Population Development	1 471 660	1 655 046	1 715 926	1 916 677	1 876 240	1 878 800	1 620 234	1 826 386	1 954 238
Total: Social protection	1 816 889	2 035 143	2 142 865	2 360 027	2 282 188	2 282 188	2 016 493	2 242 253	2 416 023
Total provincial payments and estimates by policy :	62 025 802	65 864 471	69 210 393	72 796 323	71 332 354	71 906 275	68 770 447	69 607 720	72 316 352



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

PROVINCIAL TREASURY

Ismini Towers
46 Hans Van Rensburg
Polokwane
0699

Private Bag x 9486

Tel: 015 298 7000

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