



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## PROVINCIAL TREASURY

**LIMPOPO**

# OVERVIEW OF ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

**2022/23**

*The heartland of southern Africa - development is about people*


## Foreword

The 2022/23 provincial budget is presented during the ongoing steam of COVID-19, which is accompanied by the new waves of infections and the recent emergency of the new omicron variant. The COVID-19 pandemic continues to force government to act in a context of great uncertainty and under heavy economic, fiscal and social pressures. Both the national and provincial government are continuing to protect the health of the citizens and to limit the impact of the crisis on the already ailing economy.

The Russian-Ukraine conflict is also going to be a major setback to the Global economic recovery which was continuing to rise amid a resurging pandemic that posed unique policy challenges. Inflation has increased markedly in the United States and some emerging market economies including South Africa. As restrictions are relaxed, demand has accelerated, but supply has been slower to respond. Although price pressures are expected to subside in most countries in 2022, inflation prospects are highly uncertain. These increases in inflation are occurring even as employment is below pre-pandemic levels in many economies, forcing difficult choices on policymakers.

Monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy operating with more limited space than earlier in the pandemic will need to prioritize health and social spending while focusing support on the worst affected. In this context, international cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings where needed.

The International Monetary Fund (IMF) recently revised South Africa's GDP outlook from 5 percent to 4.6 percent. But the country is unlikely to sustain this pace of recovery beyond 2021, with growth expected to slow to 1.9 percent in 2022. In Limpopo, the provincial economy is expected to realize a rebound from the 2020 negative growth, stimulated by the international demand for minerals.



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07/03/2022

**DATE**

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## Abbreviations

AIDS	-	Acquired Immune Deficiency Syndrome
ART	-	Antiretroviral Therapy
ARV	-	Antiretroviral
DDM	-	District Development Model
EAP	-	Economic Active Population
ECD	-	Early Childhood Development
GDP	-	Gross domestic product
GHS	-	General Household Survey
HDI	-	Human Development Index
HIV	-	Human Immunodeficiency Virus
IMF	-	International Monetary Fund
LDP	-	Limpopo Development Plan
LED	-	Local Economic Development
LTA	-	Limpopo Tourism Agency
MTSF	-	Medium Term Strategic Framework
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
- WTO - World Trade Organization

## **1 Chapter1: Socio-Economic Overview**

### **1.1 Introduction**

The World economic recovery is continuing, but the momentum has weakened and uncertainty has increased with the recent resurgence of Omicron COVID-19 virus variant. The Russia-Ukraine conflict is bringing another complex dynamic to the already ailing global economy. The greater sub-Saharan Africa region is expected to grow by 4.0 percent in 2021, the slowest recovery in the world compared to advanced markets and other emerging markets and developing economies. Despite possibly achieving growth of 4.6 percent in 2021, South Africa is unlikely to maintain this momentum into 2022 according to the International Monetary Fund (IMF). The downward revision to South Africa's 2021 growth outlook is largely linked to better than expected growth during the first half of the year before the unrest, as well as the impact of its improved national accounts position, which has been helped by a stronger trade account bolstered by the commodities boom. However, the South African Reserve Bank (SARB) has warned that the country can't solely rely on upbeat commodities for the economic recovery, especially as commodity prices are cyclical.

Strong policy effort at the multilateral level is needed on vaccine deployment, climate change, and international liquidity to strengthen global economic prospects. National and provincial policies to complement the multilateral effort will require much more tailoring to country and region specific conditions and better targeting, as policy space constraints become more binding the longer the pandemic lasts.

### **1.2 World Economic Outlook**

The Global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. The ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption also

have limited growth prospects. The Russia-Ukraine crisis is expected to bring some major disruptions to the commodity prices.

**Table 1: World Economic Outlook Real GDP, annual percent change**

	Year over Year			
	Estimate		Projections	
	2020	2021	2022	2023
World Output	-3,1	5,9	4,4	3,8
Advanced Economies	-4,5	5,0	3,9	2,6
United States	-3,4	5,6	4,0	2,6
Euro Area	-6,4	5,2	3,9	2,5
Emerging Market and Developing Economies	-2,0	6,5	4,8	4,7
China	2,3	8,1	4,8	5,2
India	-7,3	9,0	9,0	7,1
Emerging and Developing Europe	-1,8	6,5	3,5	2,9
Russia	-2,7	4,5	2,8	2,1
Latin America and the Caribbean	-6,9	6,8	2,4	2,6
Brazil	-3,9	4,7	0,3	1,6
Mexico	-8,2	5,3	2,8	2,7
Middle East and Central Asia	-2,8	4,2	4,3	3,6
Saudi Arabia	-4,1	2,9	4,8	2,8
Sub-Saharan Africa	-1,7	4,0	3,7	4,0
Nigeria	-1,8	3,0	2,7	2,7
South Africa	-6,4	4,6	1,9	1,4

Source: International Monetary Fund, WEO, January 2022

Global growth is expected to moderate from 5.9 in 2021 to 4.4 percent in 2022 half a percentage point lower for 2022 than in the October World Economic Outlook (WEO), largely reflecting forecast markdowns in the two largest economies. A revised assumption removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages produced a downward 1.2 percentage-points revision for the United States. In China, pandemic induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage

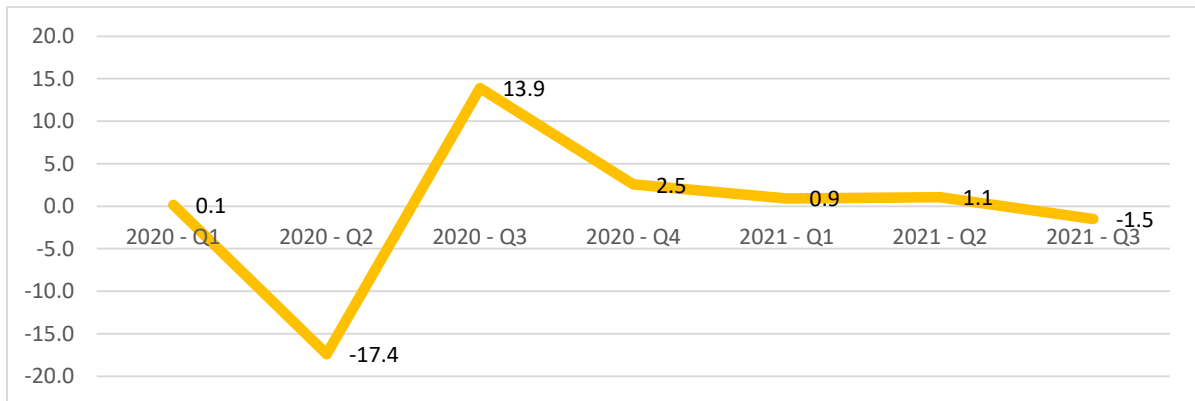
point downgrade. Global growth is expected to slow to 3.8 percent in 2023. Although this is 0.2 percentage point higher than in the previous forecast, the upgrade largely reflects a mechanical pickup after current drags on growth dissipate in the second half of 2022. The forecast is conditional on adverse health outcomes declining to low levels in most countries by end 2022, assuming vaccination rates improve worldwide and therapies become more effective.

Advanced economy output is forecast to exceed pre-pandemic medium-term projections, largely reflecting further sizable anticipated policy support in the United States that includes measures to increase potential. By contrast, persistent output losses are anticipated for the emerging market and developing economy group due to slower vaccine rollouts and generally less policy support compared to advanced economies.

### **1.3 South African Economic Overview**

The South African Gross Domestic Product (GDP) measures of national income and output for a given country's economy. The gross domestic product (GDP) is equal to the total expenditures for all final goods and services produced within the country in a stipulated period of time. The South African Real Gross Domestic Product (measured by production) decreased by 1.5 percent in the third quarter of 2021, following an increase of 1.1 percent in the second quarter of 2021.

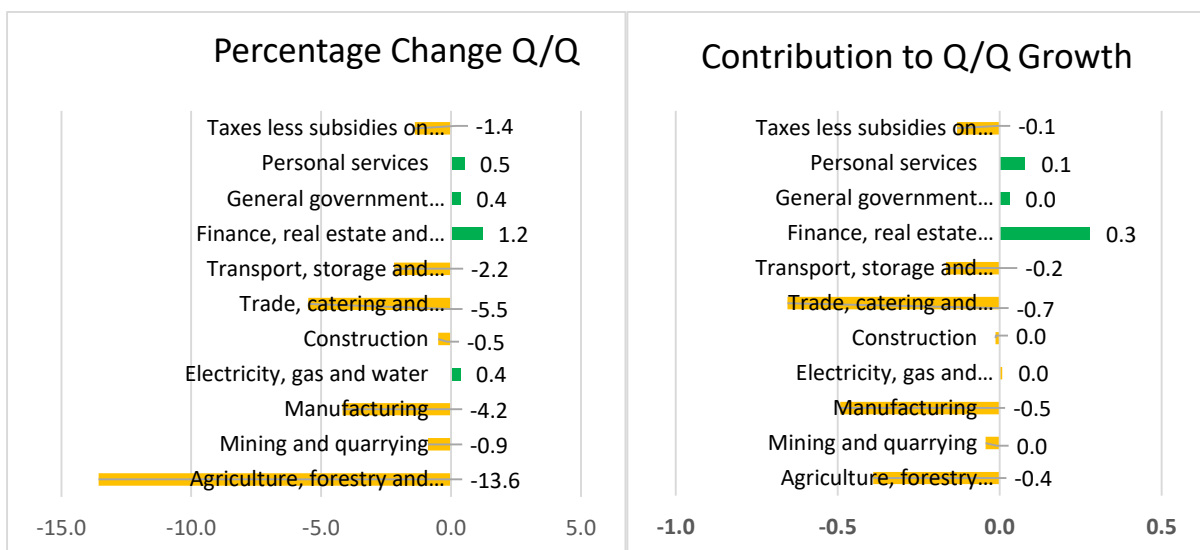
**Figure 1: SA GDP growth in expenditure (constant 2015 prices seasonally adjusted percent change Q on Q)**



Source: StatsSA, Gross Domestic Product, Q3 2021

Six industries recorded negative growth between the second quarter of 2021 and the third quarter of 2021. The largest negative contributors to growth in GDP in the third quarter were the trade, manufacturing and agriculture industries. The trade industry decreased by 5.5 percent and contributed -0.7 of a percentage point to GDP growth, with the manufacturing industry decreased by 4.2 percent and contributed -0.5 of a percentage point to GDP growth. The agriculture industry decreased by 13.6 percent and contributed -0.4 of a percentage point to GDP growth.

**Figure 2: SA Industries growth and Contributions to growth in GDP, Q3 2021 (percent points)**

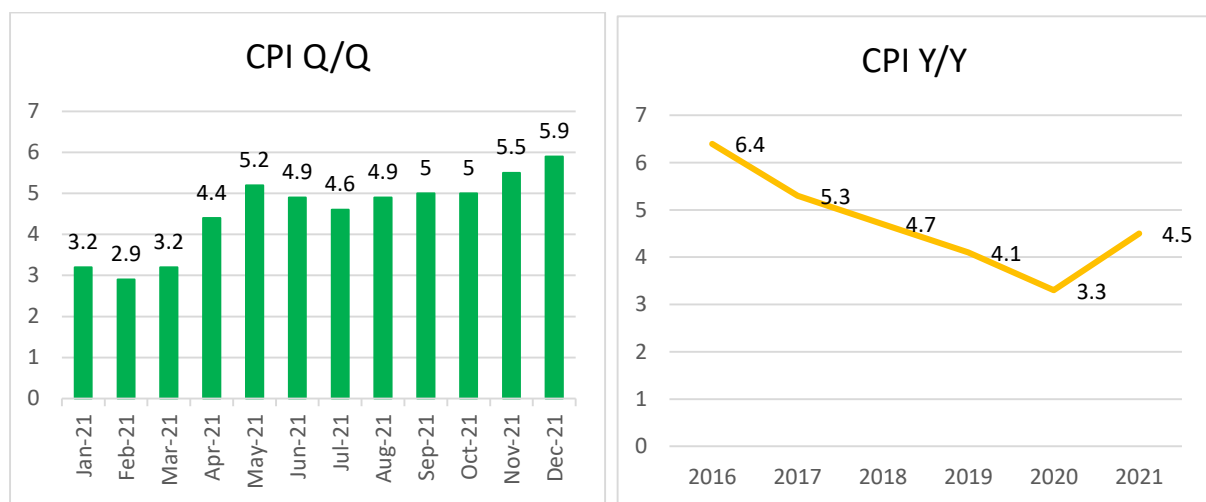


Source: StatsSA, Gross Domestic Product, Q3 2021

## 1.4 Headline Consumer Price Index (CPI)

Headline consumer inflation ended 2021 at 5.9 percent in December, up from 5.5 percent in November. The monthly increase was 0.6 percent, slightly higher than the 0.5 percent rise recorded between October and November. The factors driving the rise in the cost of living over the last few months were also behind December's inflation reading. Specifically, large price rises in the transport category (particularly fuel) and increases in important food groups such as meat and oils & fats.

**Figure 3: CPI headline quarter-on quarter and year-on-year rates**



Source: StatsSA, CPI 2021

The average headline Consumer Price Inflation (CPI) for goods and services in the country has been on the decline since 2016 to 2020, declining from 6.4 percent in 2016 to a low of 3.3 percent in 2020. The COVID-19 virus has spiked increases on the prices of fuel and food items, which lead to the 2021 CPI reaching 4.5 percent, higher than the averages recorded for 2020 (3.3 percent) and 2019 (4.1 percent).

## 1.5 Repo rate

In South Africa, the interest rates decisions are taken by the South African Reserve Bank's Monetary Policy Committee (MPC). The official SARB interest rate is the repo rate. This is the rate at which central banks lend or discount eligible paper for deposit money banks.

**Figure 4: SA repo rate**



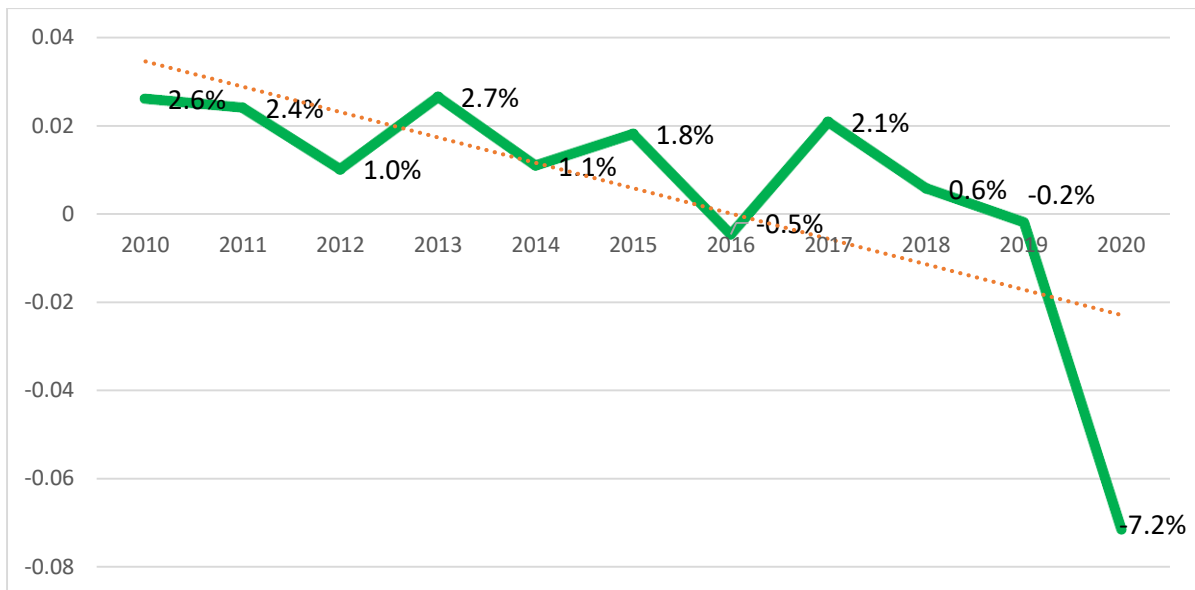
Source: SARB, 2021

The South African Reserve Bank (SARB) lifted its benchmark repo rate by 25 basis points to 4 percent at its January 2022 meeting, as widely expected. This is the second consecutive hike due to increased inflation risks and despite the economy still recovering from the fourth wave of COVID-19 infections driven by the Omicron variant. The Committee believes a gradual rise in the repo rate will be sufficient to keep inflation expectations well anchored and moderate the future path of interest rates. In December, headline inflation accelerated further to 5.9 percent, above market expectations of 5.7 percent and moving closer to the top of the SARB's target range of 3 to 6 percent. Headline CPI forecast has been revised slightly higher to 4.9 percent in 2022 (vs 4.3 percent in November) but lowered to 4.5 percent in 2023 (vs 4.6 percent). Meanwhile, the GDP growth projections by SARB were kept unchanged at 1.7 percent for 2022 and 1.8 percent for 2023. The central bank's model indicates gradual normalisation in the first quarter of 2022, and into 2023 and 2024.

## **1.6 Limpopo Economic Growth**

Limpopo province's, GDP growth has been facing a decline in recent years, growing well below the Limpopo Development Plan's aspired 3 percent growth rate. From 2018 the provincial economy grew by 0.6 percent, from the 2017 2.1 percent growth. Limpopo's GDP further declined to negative 0.2 percent in 2019 and to negative 7.2 percent in 2020. It is expected that as the mining and other industries recover the provincial economy will recover.

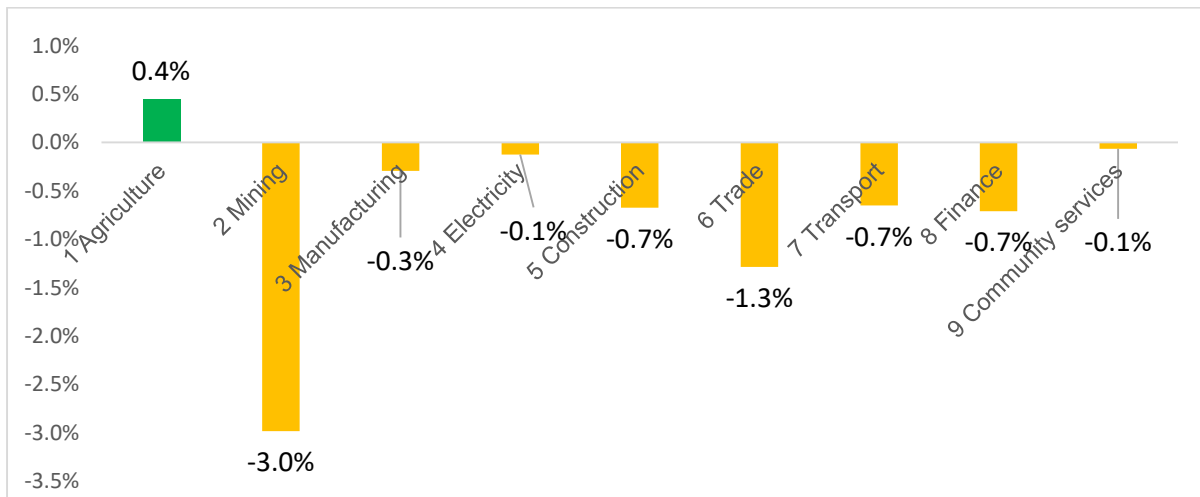
**Figure 5: Limpopo GDP Constant 2010 prices percent change year-on-year**



Source: IHS Regional Explorer, 2021

In 2020 the industry that contributed positively towards Limpopo’s gross domestic product was the agriculture sector with 0.4 percent points.

**Figure 6:Contribution to total economic growth (percent point, Constant 2010 prices)**



Source: IHS Regional Explorer, 2021

Due to the complications caused by the deadly Corona virus other industries contributed negatively towards the economic growth in Limpopo province. Mining industry recorded the highest negative of 3.0 percent followed by trade with negative 1.3 percent.



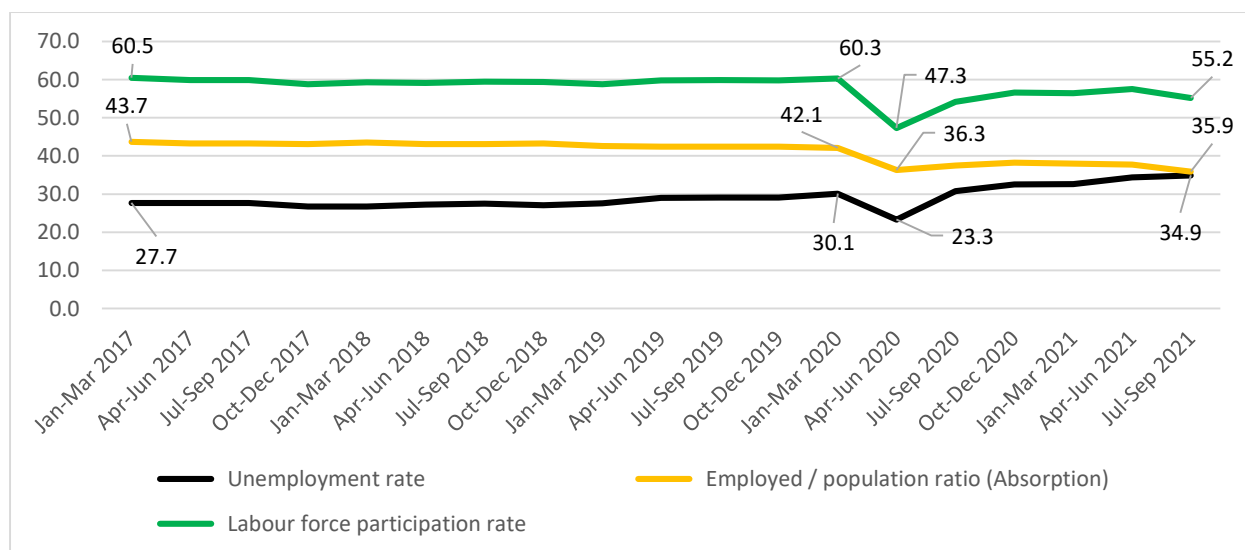
## 1.7 Labour Market

The number of working age population in South Africa compared to the employed number is widening, meaning that there are not enough jobs being created to absorb more people. The national unemployment rate has been on an increase in recent times due to the COVID-19 pandemic.

### 1.7.1 South Africa Unemployment, Employment and Labour force participation rate

Unemployed persons according to the Official definition are those aged between 15– and 64 years who: a) Were not employed in the reference week; and b) Actively looked for work or tried to start a business in the four weeks preceding the survey interview; and c) Were available for work, i.e. would have been able to start work or a business in the reference week; or d) Had not actively looked for work in the past four weeks, but had a job or business to start at a definite date in the future were available. Unemployment rate is the proportion of the labour force that is unemployed.

**Figure 7: SA Q3 Unemployment , Employment and Labour force participation rate**



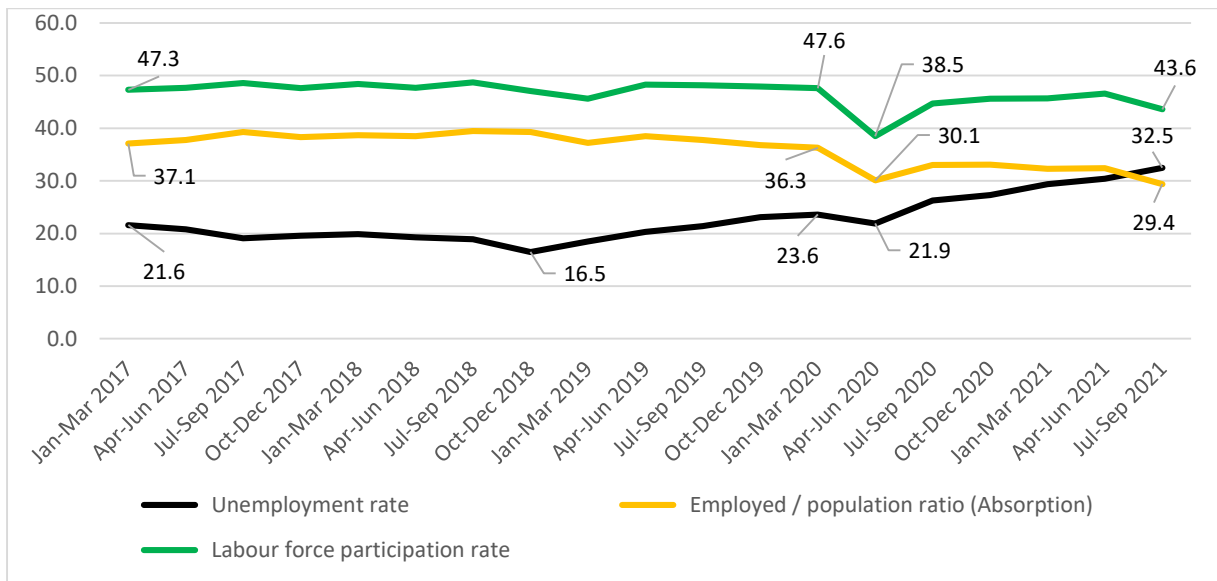
Source: StatsSA, 2021

According to the official definition of unemployment South African unemployment rate surged from 30.1 percent in the 1<sup>st</sup> quarter of 2020 to 34.9 percent in the 3<sup>rd</sup> quarter of 2021. This is an increase of about 5 percent since the beginning of the Covid-19 pandemic in early 2020. During the same period, the employed rate reduced from 42.1 percent in the 1<sup>st</sup> quarter of 2020 to 35.9 percent in the 3<sup>rd</sup> quarter of 2021. While the labour force participation rate decreased from 60.3 percent in the 1<sup>st</sup> quarter of 2020 to 55.2 percent in the 3<sup>rd</sup> quarter of 2021. The reduction in the labour force participation rate is an indication that the more and more people in the country have lost hope in looking or finding employment.

### **1.7.2 Limpopo Unemployment, Employment and Labour force participation rate**

Limpopo's unemployment rate surged from 23.6 percent in the 1<sup>st</sup> quarter of 2020 to 32.5 percent in the 3<sup>rd</sup> quarter of 2021. Though the provincial unemployment rate is still below the national unemployment rate, the province has seen a bigger upsurge of about 9 percent since the beginning of the COVID-19 pandemic in early 2020. During the same period, the absorption rate reduced from 36.3 percent in the 1<sup>st</sup> quarter of 2020 to 29.4 percent in the 3<sup>rd</sup> quarter of 2021, a reduction of about 7 percent in the absorption rate in the province. While the labour force participation rate also witnessed a decrease from 47.3 percent in the 1<sup>st</sup> quarter of 2020 to 43.6 percent in the 3<sup>rd</sup> quarter of 2021.

**Figure 8: Limpopo Unemployment, Employment and Labour force participation rate**

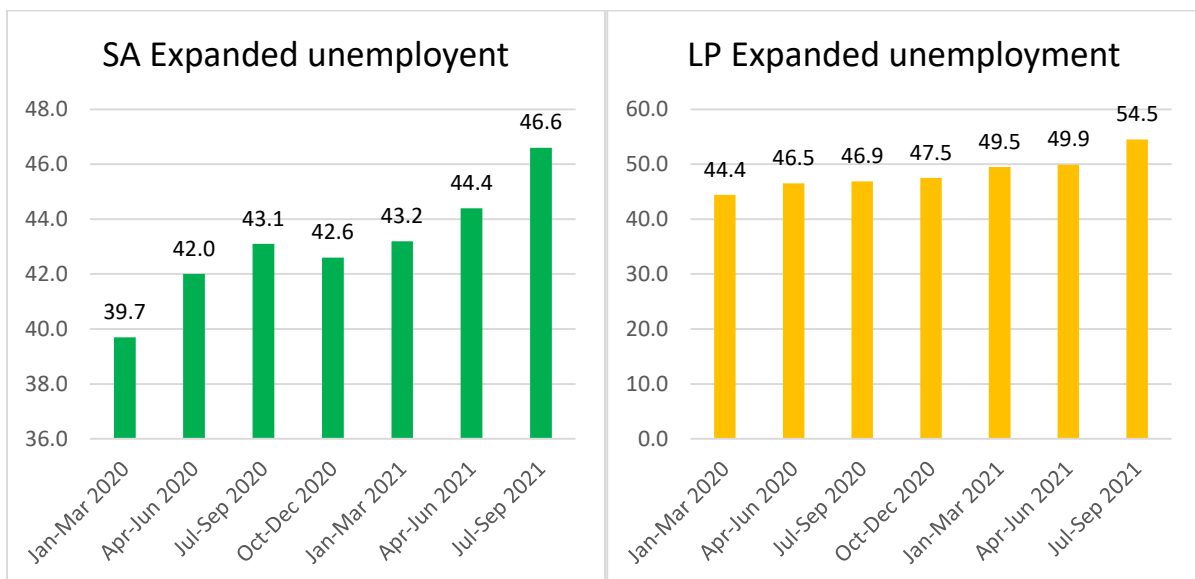


Source: StatsSA, 2021

### 1.7.3 SA and Limpopo Expanded definition of unemployment

Unemployed persons according to the Expanded definition are those aged between 15 and 64 years who fall under official unemployment (searched and available) and were available to work but are/or Discouraged work-seekers or have other reasons for not searching.

**Figure 9: South African and Limpopo expanded unemployment rate**

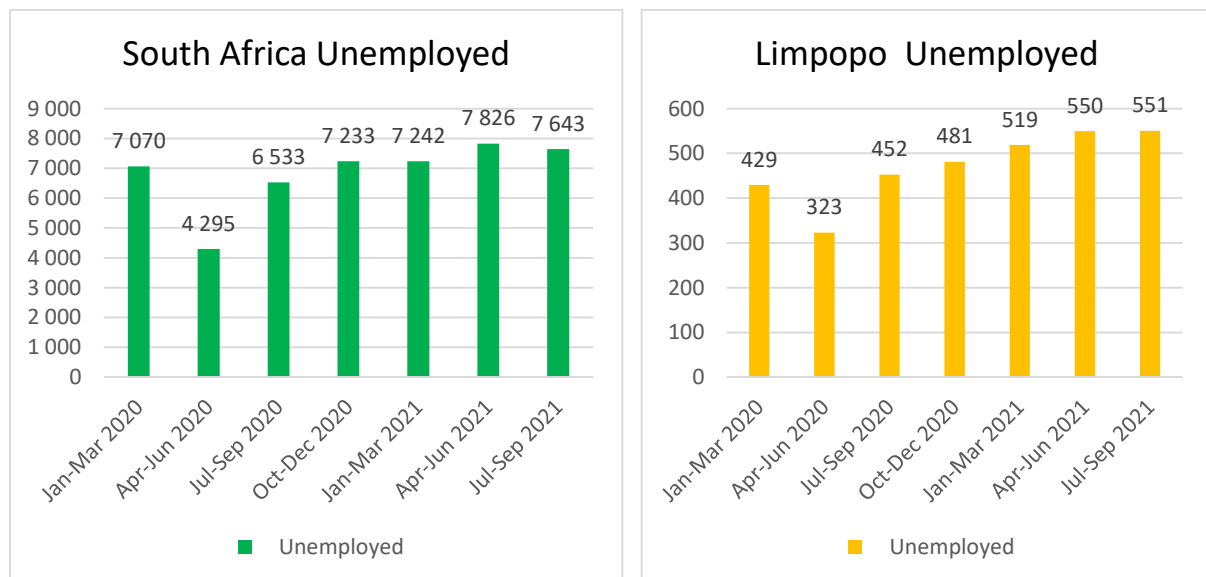


Source: StatsSA, 2021

South African expanded unemployment rate surged from 39.7 percent in the 1<sup>st</sup> quarter of 2020 to 46.6 percent in the 3<sup>rd</sup> quarter of 2021. This is an increase of about 6.3 percent since the beginning of the Covid-19 pandemic in the early 2020. In Limpopo the expanded unemployment rate increased from 44.4 percent in the 1<sup>st</sup> quarter of 2020 to 54.5 percent in the 3<sup>rd</sup> quarter of 2021. This is an increase of about 10 percent in the province since the beginning of the Covid-19 pandemic in the early 2020.

#### 1.7.4 South Africa and Limpopo number of unemployed

**Figure 10: South Africa and Limpopo unemployment ('000)**



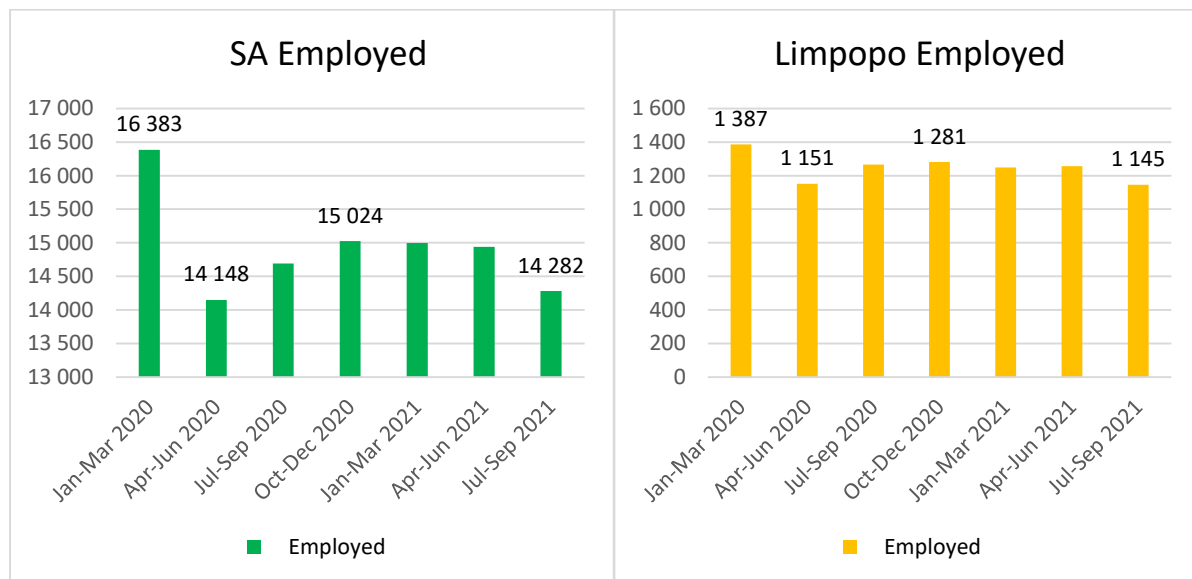
Source: StatsSA, 2021

Over the period Apr-Jun 2020 the unemployment number in South Africa and in Limpopo Province were recorded at 4.3 million and 323 thousand respectively. South Africa recorded an unemployment number of 7.8 million and Limpopo recorded 550 thousand in the second quarter of 2021. The number of unemployed persons in South Africa decreased by 183 000 to 7.6 million in the 3<sup>rd</sup> quarter of 2021, while in Limpopo there was no significant changes.

### 1.7.5 SA and Limpopo employed persons

Both South Africa and Limpopo province has experienced a decline in the number of people employed between Jan-March 2020 and Jul-Sep 2021.

**Figure 11:South Africa and Limpopo employed persons**



Source: StatsSA, 2021

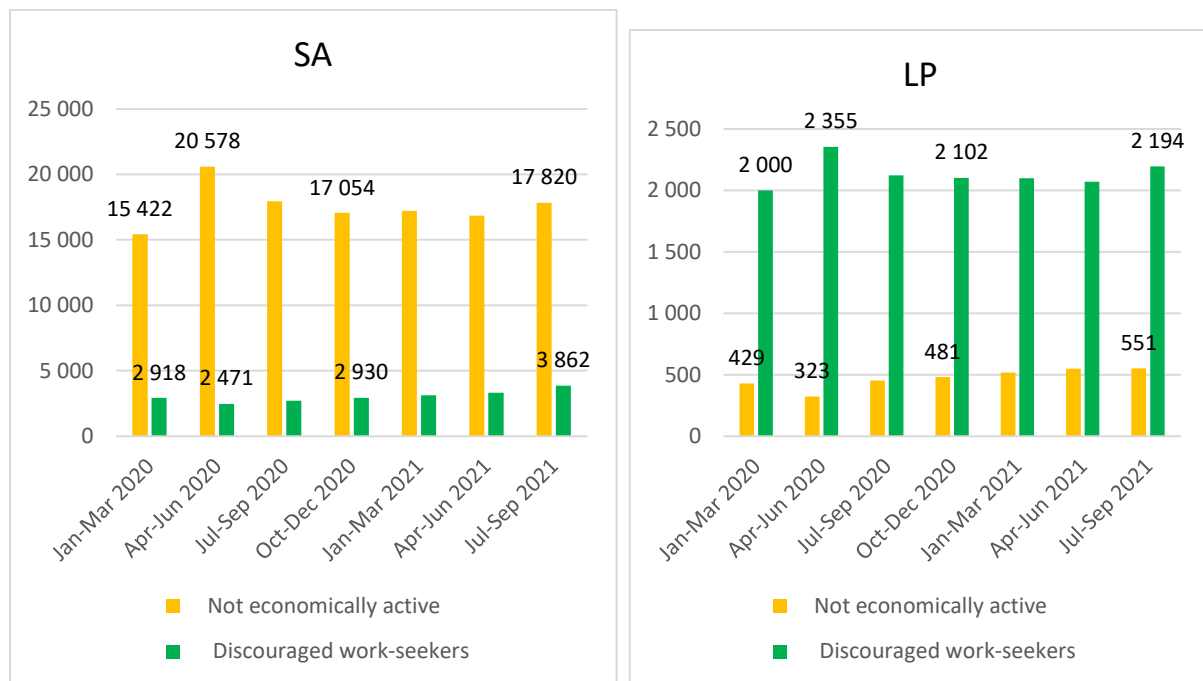
In South Africa the number of employed persons declined from 16.4 million between Jan-March 2020 to about 14.3 million in Jul-Sep 2021 period. About 2.1 million jobs were lost during the period under review in the country. The Limpopo number of employed persons declined from 1.4 million between Jan-Mar 2020 to 1.1 million between Jul-Sep 2021.

### 1.7.6 SA and Limpopo discouraged work seekers

Discouraged work-seeker is a person who was not employed during the reference period, wanted to work, was available to work/start a business but did not take active steps to find work during the last four weeks, provided that the main reason given for not seeking work was any of the following: no jobs available in the area; unable to find

work requiring his/her skills; lost hope of finding any kind of work. The COVID-19 pandemic has discouraged many people from looking for employment. It became difficult for most job-seekers to seek for employment at the time when COVID-19 was at the peak, also because many companies and businesses were closing down due to lack of business and profit.

**Figure 12: SA and Limpopo discouraged work-seekers**



Source: StatsSA, 2021

Over the period Apr-Jun 2020 the not economically active number in South Africa and in Limpopo Province were recorded at 20.5 Million and 2.3 Million respectively. While those discouraged work seekers were recorded at 2.4 Million for South Africa and 323 thousand for Limpopo. As at the end of third quarter SA recorded a number of 17.8 million and Limpopo recorded 2.1 Million not economically active people, with the number of discouraged work seekers increasing to 3.8 million in the country, while in the province the number increased to 551 thousand on the 3rd quarter of 2021 amid Covid-19

## 1.8 Demographic Profile

The ultimate purpose of the population estimates and population dynamics is to assist with policy making and planning based on the population structure and profile. The population dynamics cannot be addressed without taking into account the COVID-19 pandemic that has greatly affected the nation over the past months.

### 1.8.1 South African Population Estimates

The population estimates cover all the residents of South Africa at the 2021 mid-year point, and are based on the latest available information. The updated estimates are accompanied by an entire series of revised estimates for the period 2002–2021. On this basis, comparisons between this model and previous ones should not be made.

**Table 2: 2021 Mid-year population estimates by population group and sex**

Population group	Male		Female		Total	
	Number	percent of total population	Number	percent of total population	Number	percent of total population
African	23 761 051	80,9	24 879 278	80,9	48 640 329	80,9
Coloured	2 578 930	8,8	2 716 038	8,8	5 294 968	8,8
Indian/Asian	790 412	2,7	754 810	2,5	1 545 222	2,6
White	2 257 654	7,7	2 404 805	7,8	4 662 459	7,8
<b>Total</b>	<b>29 388 047</b>	<b>100,0</b>	<b>30 754 931</b>	<b>100,0</b>	<b>60142978</b>	<b>100,0</b>

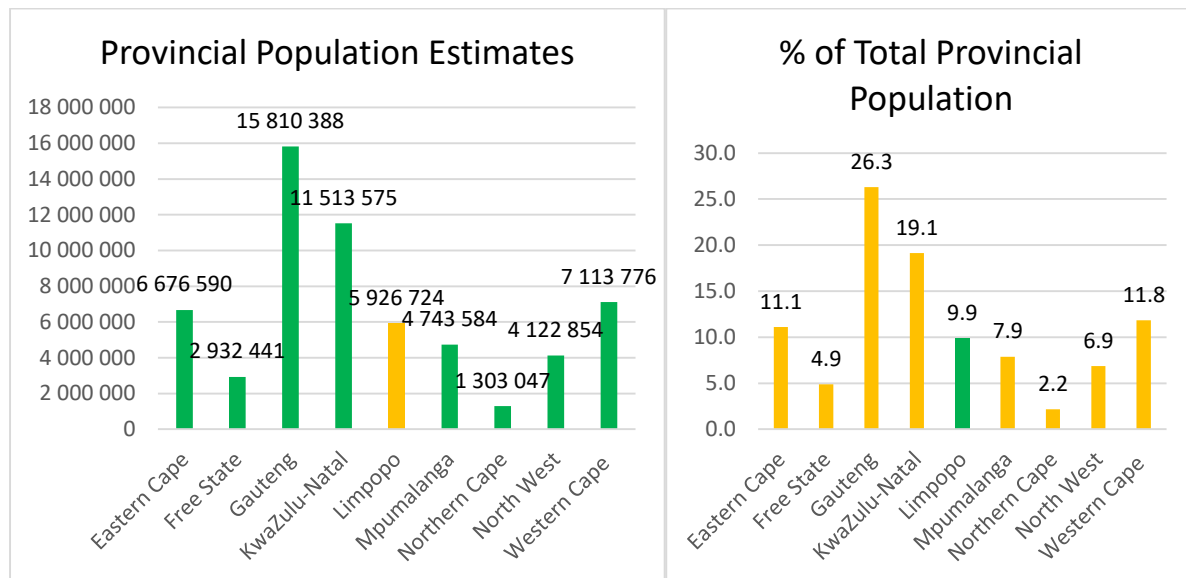
Source: StatsSA 2021 Mid-year population estimates

For 2021, Statistics South Africa (Stats SA) estimates the mid-year population at 60,14 million people. The black African population is in the majority (48,640 million) and constitutes approximately 81 percent of the total South African population. The white population is estimated at 4, 662 million, the coloured population at 5, 294 million and the Indian/Asian population at 1,545 million. Approximately 51.1 percent

(approximately 30, 754 million) of the population is female, while 48.9 percent (approximately 29, 388 million) is male.

### 1.8.2 Provincial population

**Figure 13: Provincial population estimates**



Source: StatsSA 2021 Mid-year population estimates

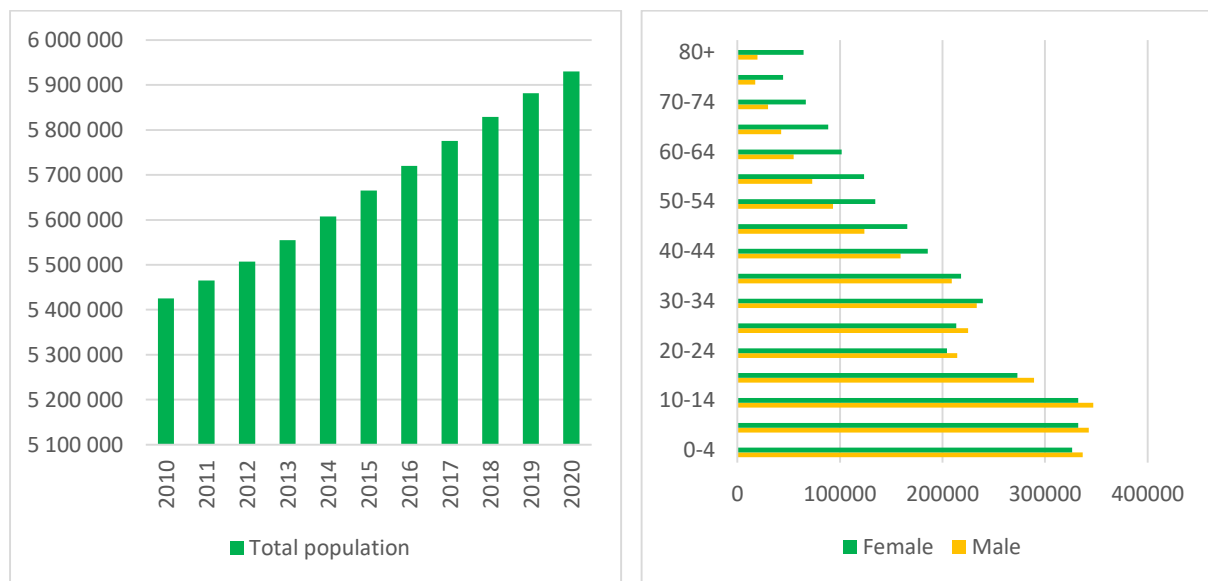
The provincial estimates show that in 2021, Gauteng with a population of around 15,8 Million has the largest share of the population, followed by KwaZulu-Natal (11,5 Million), Western Cape (7,1 Million), Eastern Cape (6,6 Million), Limpopo (5,9 Million), Mpumalanga (4,7 Million), North West (4,1 Million), Free State (2,9 Million) and Northern Cape (1,3 Million). Inter-provincial as well as international migration patterns significantly influence the provincial population numbers and structures in South Africa. By 2021 approximately 26.3 percent of South Africa’s population lived in Gauteng. Northern Cape has the smallest share of the population (2.2 percent). Limpopo province is in the middle with the fifth largest share of the South African population, constituting 9.9 percent of the population of the country.



### 1.8.3 Limpopo population

Limpopo population was recorded at 5.4 million in 2010 and it has since increased to 5.9 million in 2020, this means that the provincial population has increased by around 500 thousand people between 2010 and 2020 period. As the population number is forever increasing, it means there will be more demand for public goods such as water, housing, energy, healthcare, transportation and more.

**Figure 14: Limpopo Total Population and age Population structure**

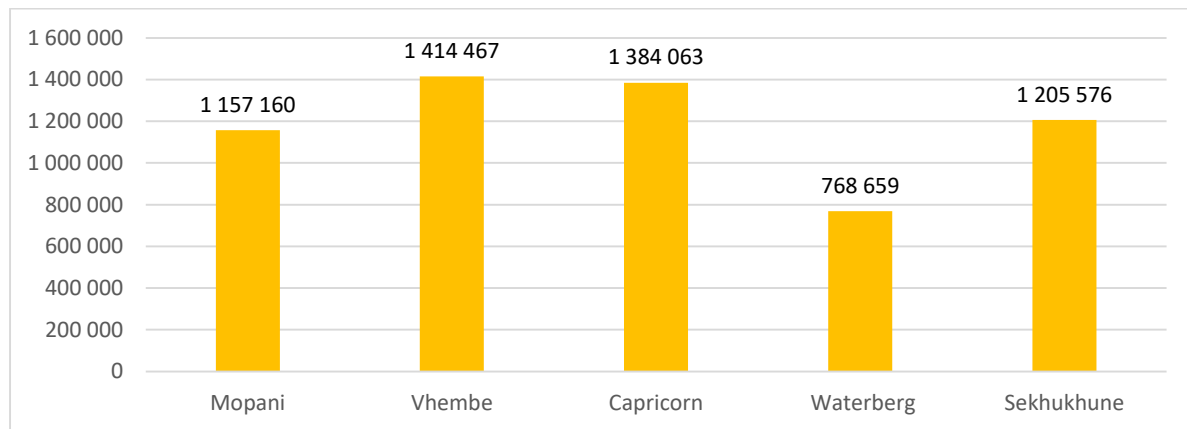


Source: IHS Markit- Regional Explorer, 2021

Limpopo population in terms of age structure tend to follow similar pattern as that of the country, dominated by people of young age or youth, with ages ranging between below 39 years. Though in Limpopo from the age group of 0-4 to the age group of 25-29 the male gender is dominant. From the age group of 30-34 to the age group of 80+ the Limpopo population is dominated by females with a large variance between the genders.

### 1.8.4 Limpopo district population

**Figure 15: Limpopo district population distribution**



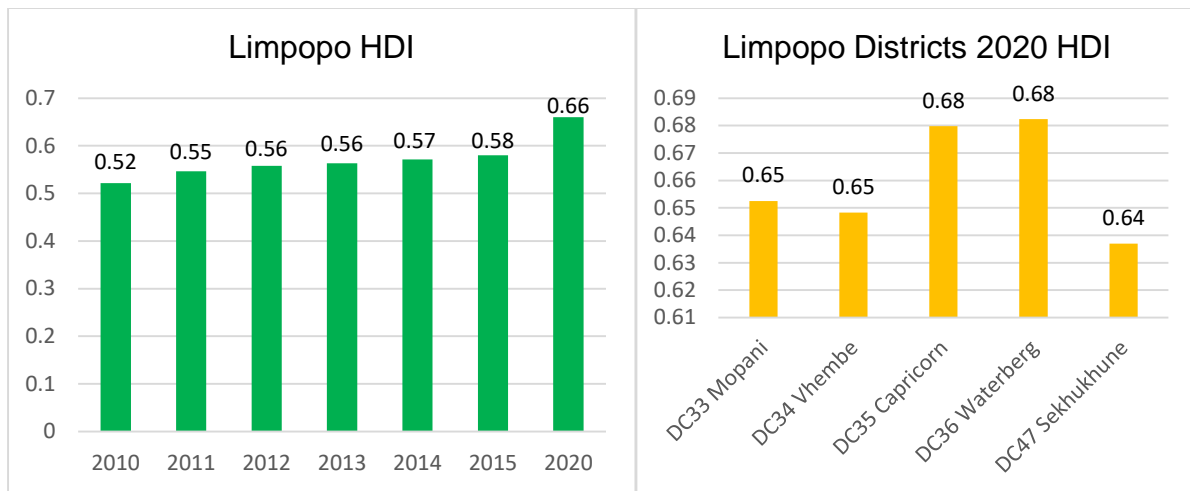
Source: IHS Markit- Regional Explorer, 2021

In terms of the district distribution of the Limpopo population, majority of the Limpopo population reside in Vhembe district with a population of around 1.4 Million. It is followed by Capricorn, Sekhukhune and Mopani districts with a population size of 1.3 Million, 1.2 Million, and 1.1 Million respectively. The lowest population in the province is found in Waterberg district with a population size of 768 thousand people.

### 1.9 Limpopo Human Development Index

The Human development index is used to measure the standard of living of citizens in a particular region. Limpopo province has improved when it comes to the standard of living for its citizens since 2010, as the provincial Human Development Index increased from 0.52 in 2010 to 0.66 in 2020. This is an indication that the living conditions of the people in the province has somehow increased over the period of time.

**Figure 16: Limpopo HDI**



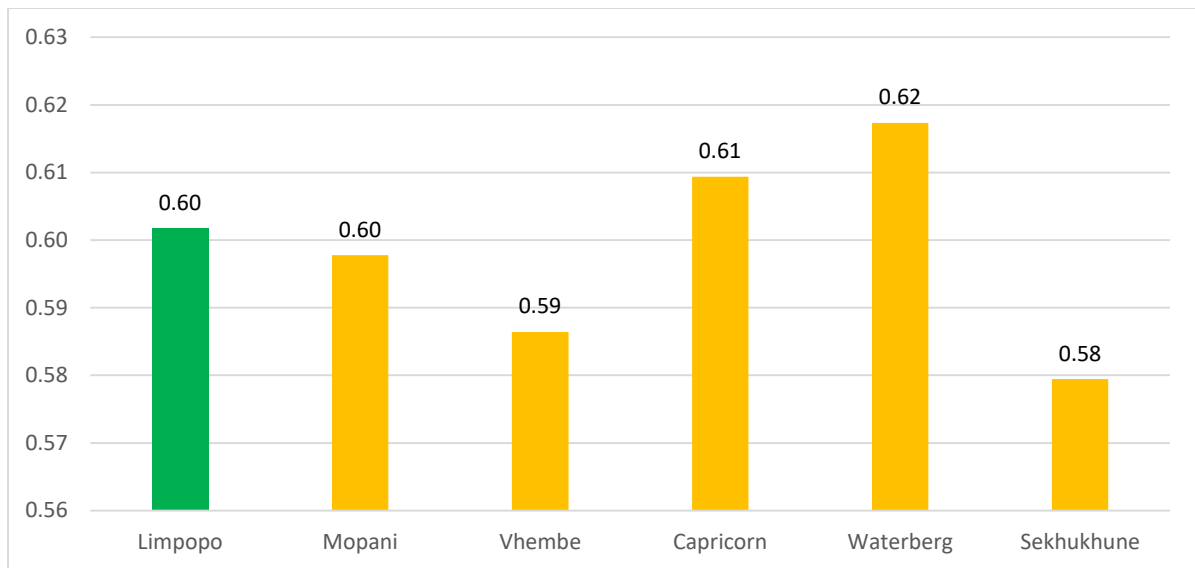
Source: IHS Markit- Regional Explorer

Citizens of Waterberg and Capricorn district have higher standard of living compared with other districts in Limpopo province recorded at 0.68 HDI point respectively. Sekhukhune district recorded an HDI of 0.64 which shows less human prosperity in levels of education, standard of living and life expectancy compared with other districts in the province.

### 1.10 Limpopo Inequality

Income inequality continue to be a challenge that is facing not only the country, but also in the province and districts in Limpopo. In recent times, the province has been experiencing an increase in the number of unemployed persons, as a result unemployment is also considered one of the factors of income inequality. Low level of education and skills limit people's ability to access decent jobs for themselves and to also participate fully in the society.

**Figure 17: Limpopo Gini coefficient**



Source: IHS Markit- Regional Explorer 2021

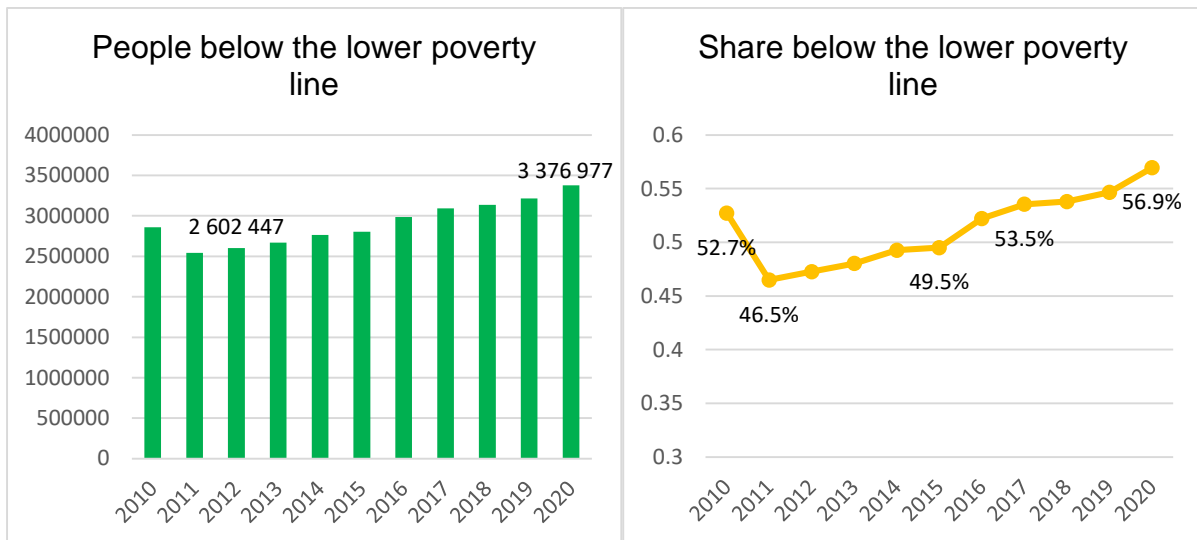
Limpopo province recorded a Gini Coefficient of 0.60 percent, there is no significant changes between 2019 and 2020 income inequality. Waterberg and Capricorn district recorded the highest income inequality amongst other districts in the province at 0.62 and 0.61. This is an affirming that the rich are getting richer while poor citizens are becoming poorer. Sekhukhune and Vhembe districts recorded 0.58 and 0.59 percent in 2020.

### **1.11 Limpopo Poverty indicators**

Poverty is more than lack of income and productive resources to ensure sustainable livelihoods. It includes hunger and malnutrition, limited access to education and other basic services as well as lack of participation in decision making, therefore poverty continues to be a prevalent issue. People living in poverty comes across challenges of meeting their basic need, most of them experience different types of health problems. Poverty eradication is a long-standing policy priority of various government programs with the aim to ensure an equitable society characterized by broad-based development. The number is anticipated to rise because of the consequences of COVID-19 where many people lost income streams from employment and business

failures (particularly informal traders). The lockdown also highlighted the extreme plight of the poor with hundreds of people joining queues to get food.

**Figure 18: Limpopo people living below the lower poverty line and share of people living below the poverty line**



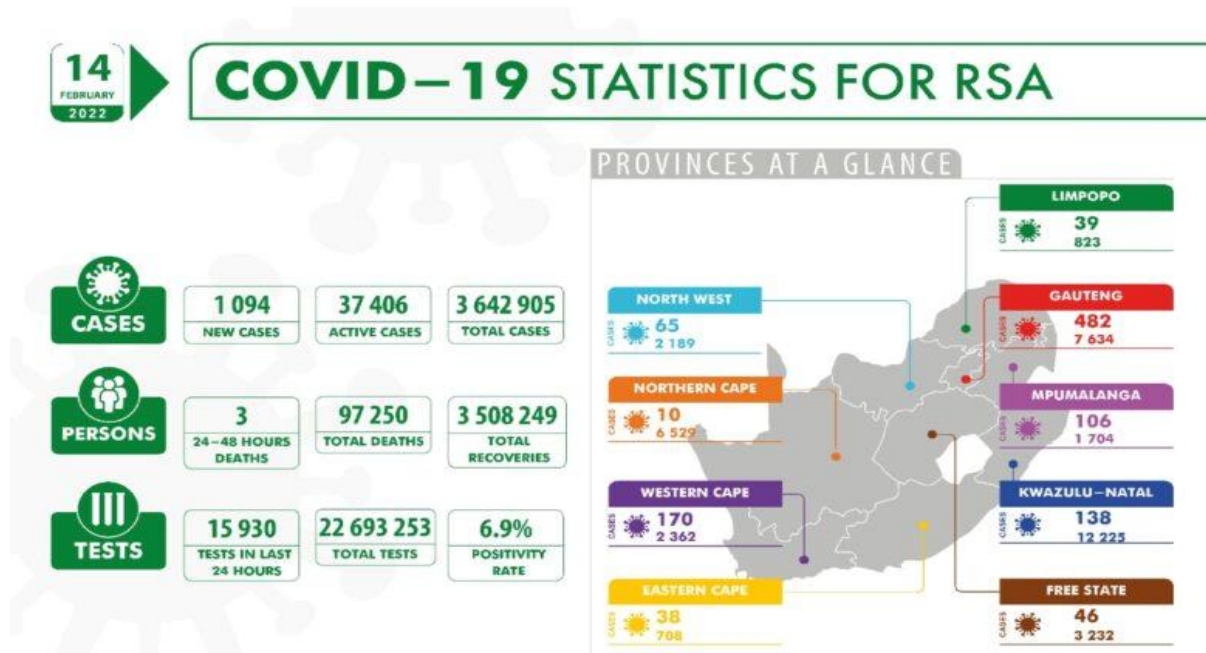
Source: IHS Markit- Regional Explorer

The number of people living below the lower poverty line has been increasing since 2012 to 2020. The COVID-19 pandemic has contributed in this increase as many people have lost their jobs and some businesses closed down. In 2012 Limpopo province recorded 2.6 million people living below the lower poverty line, the number increased in 2020 significantly to 3.3 million. The share of people living below the lower poverty line increased by 10.4 percent from 46.5 percent in 2011 to 56.9 percent in 2020.

### 1.12 SA update on COVID-19 as of 15 February 2022

The cumulative number of detected Covid-19 cases in South Africa stood at 3,642,925 with 1,094 new cases identified, the National Institute for Communicable Diseases (NICD) confirmed. This increase represented a 6.9 percent positivity rate.

Figure 19: SA Covid-19 stats



Source: NCID,2022

Gauteng continued to record the majority of new cases nationally at 482 (44 percent).

The national Department of Health reported 257 deaths and of these, three occurred in the past 24 – 48 hours. This brings the total fatalities to 97,250 to date.

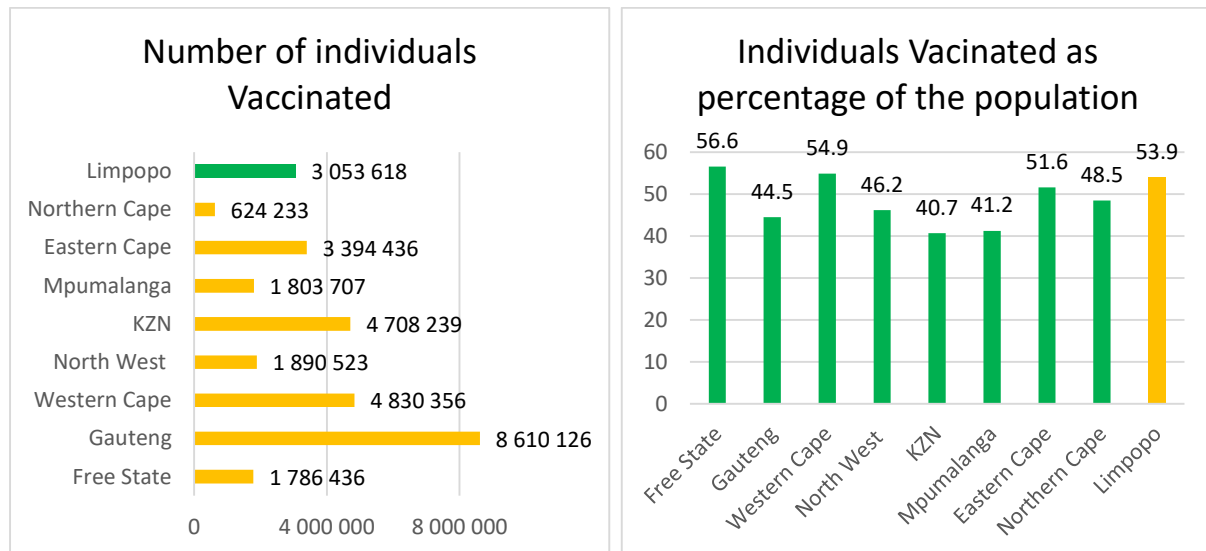
### 1.12.1 Covid-19 Provincial Breakdown

- Gauteng 44 percent
- Western Cape 16 percent
- KwaZulu-Natal 13 percent
- Mpumalanga 10 percent
- North West 6 percent
- Free State 4 percent
- Limpopo 4 percent
- Eastern Cape 3 percent
- Northern Cape 1 percent

The positivity rate, new cases per total new tested, was is 6.9 percent (1094/15930). The seven-day average was 8.2 percent.

## 1.12.2 Number of Vaccines Administered by province

**Figure 20: Total number of Vaccines Administered by province as at 15 February 2022**



Source: NICD,2022

The majority of the individuals that are vaccinated are from Gauteng at 8.6 Million with 44 percent of the population vaccinated, followed by Western Cape at 4,8 Million or 54 percent of the population, Kwa-Zulu Natal at 4,7 Million or 40 percent of the population. Limpopo and Eastern Cape each accounted for about 3 Million or 54 percent and 3,4 Million or 51,6 percent of their population vaccinated respectively. North West at 1,8 Million or 46,2 percent and Northern Cape at 624 thousand or 48,5 percent had the least number of people vaccinated.

## 1.13 Crime

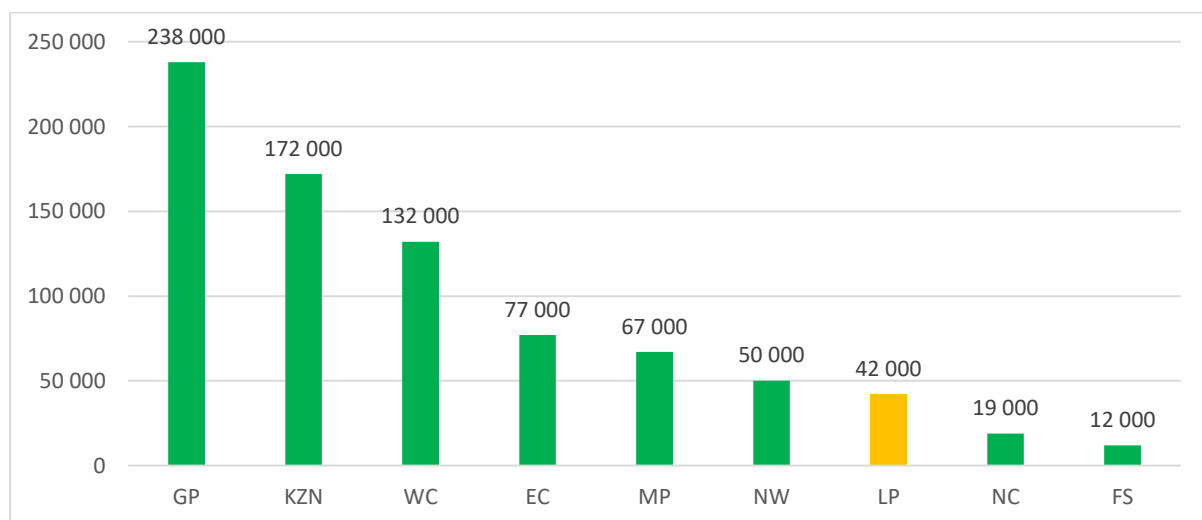
### 1.13.1 General individual perception about crime in SA

While lockdown restrictions attempted to control the spread of COVID-19 by keeping people at home, this may have increased the chance for domestic and family violence to occur. According to United Nations Women, since the outbreak of COVID-19,

emerging reports have shown that several types of violence against women and girls have intensified. According to GPSJS 2020/21 report, there has been a decrease in the proportions of those who believe that it is justifiable for a man to beat his woman/wife. Both males (88.3 percent) and females (87.3 percent) think that the spouse or intimate partner commit the most acts of gender-based violence. This is followed by those who think a previous partner, relative or family member that is not part of the household commits the most acts of gender-based violence. About 99 percent of persons aged 16 years and older agreed/strongly agreed that all kinds of violence against women and children must be reported.

### 1.13.2 House breaking in South Africa

**Figure 21: Number of households that experienced house breaking by province**



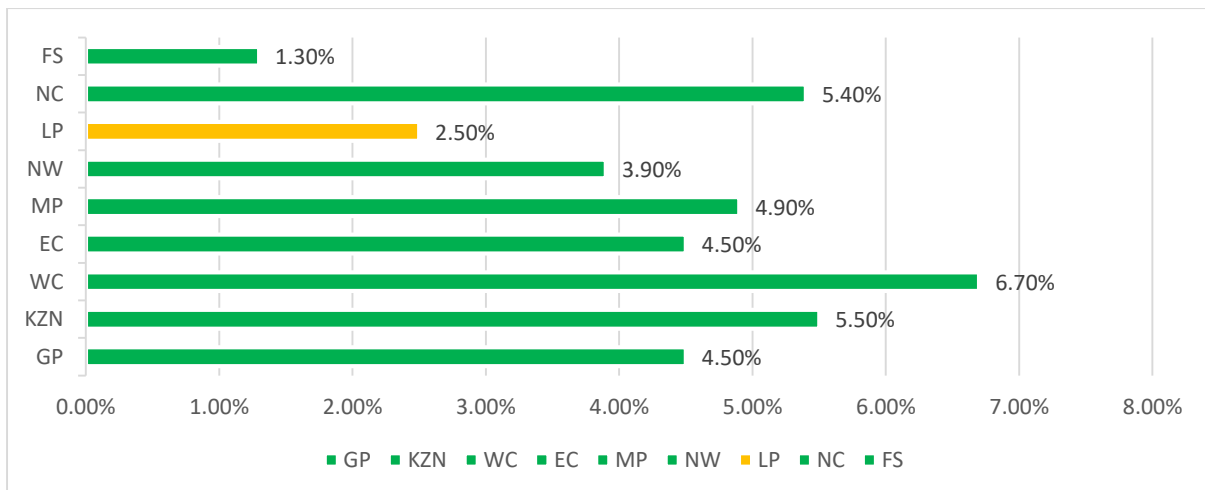
Source: StatsSA 2022

Home robbery has been declining since 2016/17. In 2020/21 the household experience of home robbery declined by 25 percent from the previous year. An estimated 141 000 incidences of home robberies occurred, affecting 112 000 or 0.6 percent of all households in 2020/21. About 56 percent of households that experienced home robbery reported it to the police. While housebreaking is the most common crime experienced by households in the country, the number of households that experienced housebreaking was down by 17 percent in 2020/21 from the previous year. An



estimated 1,0 million incidences of housebreaking occurred, affecting 809 000 households in South Africa. The number of affected households represents 4.6 percent of all households in the country. Almost 56 percent of households that experienced housebreaking reported it to the police.

**Figure 22: Percentage of households that experienced house breaking by province**



Source: StatsSA 2022

The province with highest proportion of households that experienced housebreaking was the Western Cape at 6.7 percent, followed by KZN, Northern Cape and Mpumalanga at 5.5, 5.4 and 4.9 percent respectively. Limpopo and Free State at 2.5 and 1.3 percent have experienced the lowest proportion of households that experienced housebreaking in the country.

### 1.14 Educational and employment inequality

The female unemployment rate has remained higher than that of their male counterparts. This is indicative of apparent disparities between men and women in different facets of life, which leaves women lagging behind in terms of socio-economic opportunities. According to the unemployment figures from the QLFS Q1: 2021 released by Stats SA, unemployment rates for males and females were 31.4 percent

and 34.0 percent respectively. Of these, black African women were the most vulnerable with an unemployment rate of 38.3 percent. Disparities by sex and occupation show that females accounted for 31.2 percent of those occupying managerial occupations. In addition, more women (56.2 percent) than men tended to be discouraged from participating in the labour market. In both Q1: 2020 and Q1: 2021, more than four in every ten young females were not in employment, education or training. Females were more likely to offer family commitment as a reason for not attending school than males (17.1 percent compared to 0.3 percent)

**Table 3: Main reasons given for not attending educational institutions**

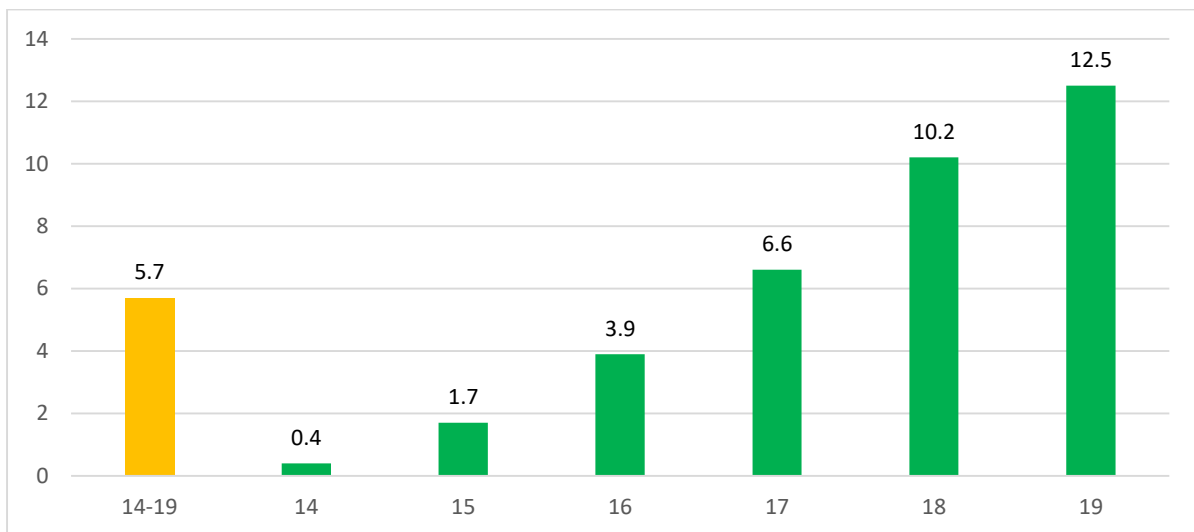
Gender	Male	Female
No money for fees	21,3%	21,9%
Poor academic performance	24,5%	20,6%
Family commitment	0,3%	17,1%
Education is useless	9,8%	6,1%
Illness and disability	9,5%	12,1%
Completed education	9,9%	7,3%
Working at home	5,7%	2,8%

Source: StatsSA, GHS 2019

### 1.15 Teenage pregnancy and gender based violence

Issues related to teenage pregnancy significantly impact the empowerment of women. In 2019, almost 6 percent of girls between 14 -19 years of age were at different stages of pregnancy during the 12 months prior to the survey. Even though young girls are allowed to attend school while pregnant, other challenges such as financial and family support and discrimination and victimisation from society exist, that hinders them from progressing to higher levels of education. Evidence shows that women of childbearing age who had their first birth at age 15-19 and 20-24 are less likely to attain a tertiary qualification compared to those who had their first birth later in life.

**Figure 23: Teenage pregnancy**



Source: StatsSA, GHS 2019

Gender-based violence is another major societal challenge in South Africa. While it is encouraging to note from the Governance, Public Safety, and Justice Survey (GPSJS) that most people do not justify wife-beating, some believe it is justifiable under certain circumstances. About 5.6 percent of the population believes that it is justified for a man/husband to beat his partner/wife if she has sex with another man or woman, and about 3.3 percent believed it is justified to do so if she neglects the children. One in four (26 percent) ever-partnered women age 18 or older have experienced intimate partner physical, sexual, or emotional violence in their lifetime.

### **1.16 Education**

The Corona Virus has presented a challenge in the education sector in South Africa and the province. The schools in the country experienced sudden closure for a period of time and learners were expected to continue learning from home. As the gradual return to schools were happening, the learners were expected to practice social distancing which became a problem as this was not anticipated or planned for by the Department of Education. The Department was also faced with a need to teach the learners while they were at home, which required the need to internet connection for both learners and teachers to enable them to send work to learners. Limpopo province is considered rural and the quality of education is not as advanced as in other

provinces such as Gauteng and the Western Cape and most public schools in the province still lack proper technology in the classes.

### 1.16.1 National Matric pass rate

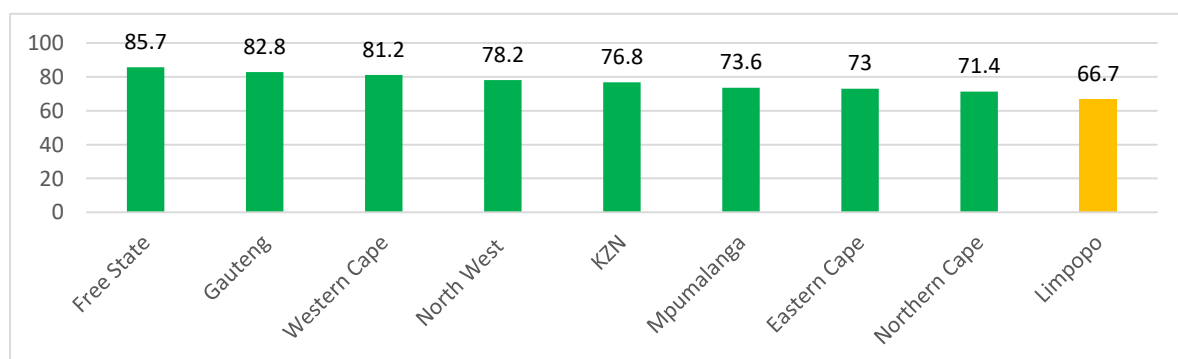
The 2021 class was the eighth cohort of candidates to write the National Senior Certificate (NSC) examination that is aligned to the National Curriculum and Assessment Policy Statement (CAPS), a curriculum that is benchmarked against international standards.

The Department of Basic Education (DBE) has published the matric results for the 2021 cohort, with the group achieving a pass rate of 76.4 percent. The matric pass rate has improved by 0.2 percentage points, increasing from 76.2 percent last year to 76.4 percent in 2021. About 256,031 learners received a Bachelor's degree pass, and with it, possible entry to one of the country's universities.

There was no change in terms of the bachelor pass between 2021 and 2020 as about 36.4 percent of matric students achieved a bachelor's pass compared to 2020 pass of 36.4 percent, 25.2 percent achieved a diploma pass compared to 2020 pass of 26 percent a reduction of 0.8 percent, and 14.8 percent achieved a higher certificate pass as compared to 2020 pass of 13.7 percent indicating an increase of 1.1 percent.

### 1.16.2 Provincial Matric pass rate

**Figure 24: Provincial pass rate**



Source: The Department of Basic Education (DBE)

In terms of provincial performance, the Free State again was the best-performing province with a pass rate of 85.7 percent. Gauteng came second at 82.8 percent and the Western Cape achieved 81.2 percent. Limpopo was the only province to achieve a pass rate below 70 percent as the province only managed to get 66.7 percent.

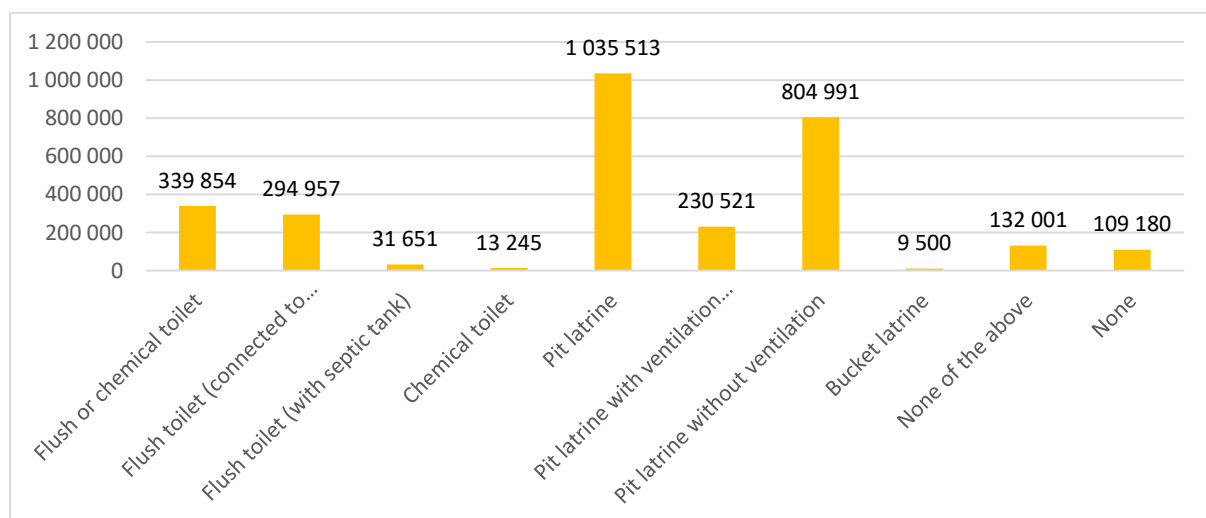
## 1.17 Basic Services

In recent times the government has been faced with a challenging situation, where it has to continue to provide basic services to its citizens and on the other hand protecting citizens from the deadly COVID-19 virus. The COVID-19 dynamics forced the government to reprioritise its fiscus to support the health sector and other proactive preventative methods as more and more people were getting infected from by the virus.

### 1.17.1 Access to Sanitation

Limpopo province continue to experience huge backlog in terms of sanitation due to the rurality of the province, as the public services take time to reach most rural areas. The development of advanced and hygienic toilets is still a huge challenge in most of the areas in the province.

**Figure 25: Limpopo household access to sanitation by type in 2020**



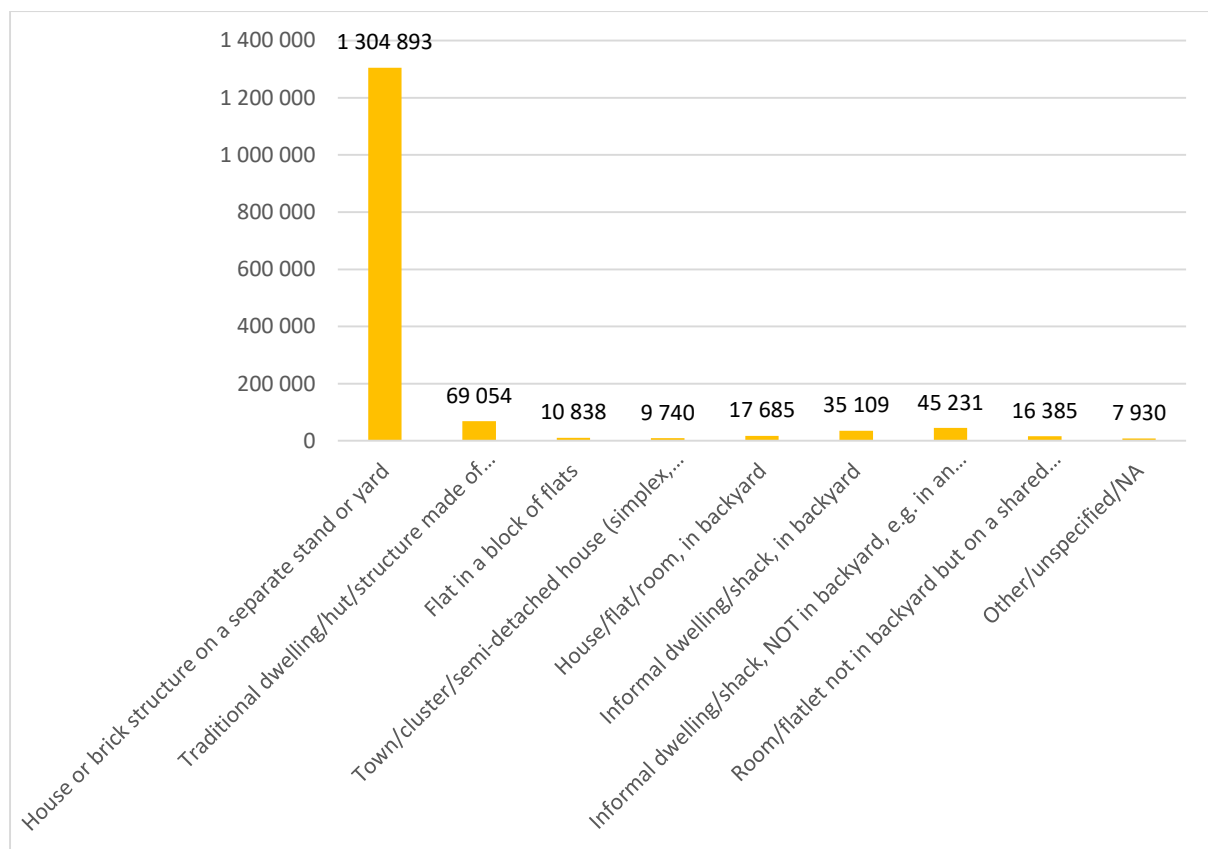
Source: Quantec, 2021

The total number of households with pit latrine toilet facility in Limpopo province was 1 million in 2020. Although there is some improvement in the number of households with hygienic toilets, the households number of those who are still using pit latrine without ventilation was 804 thousand, while those with ventilation was at 230 thousand in 2020. The province will need to put in some effort to address the 109 thousand households who still do not have access to toilet facilities.

### 1.17.2 Access to Dwelling

Limpopo province is dominated by people who live in houses or brick house structure on a separate stand or yard.

**Figure 26: Limpopo household access to dwelling by type in 2020**



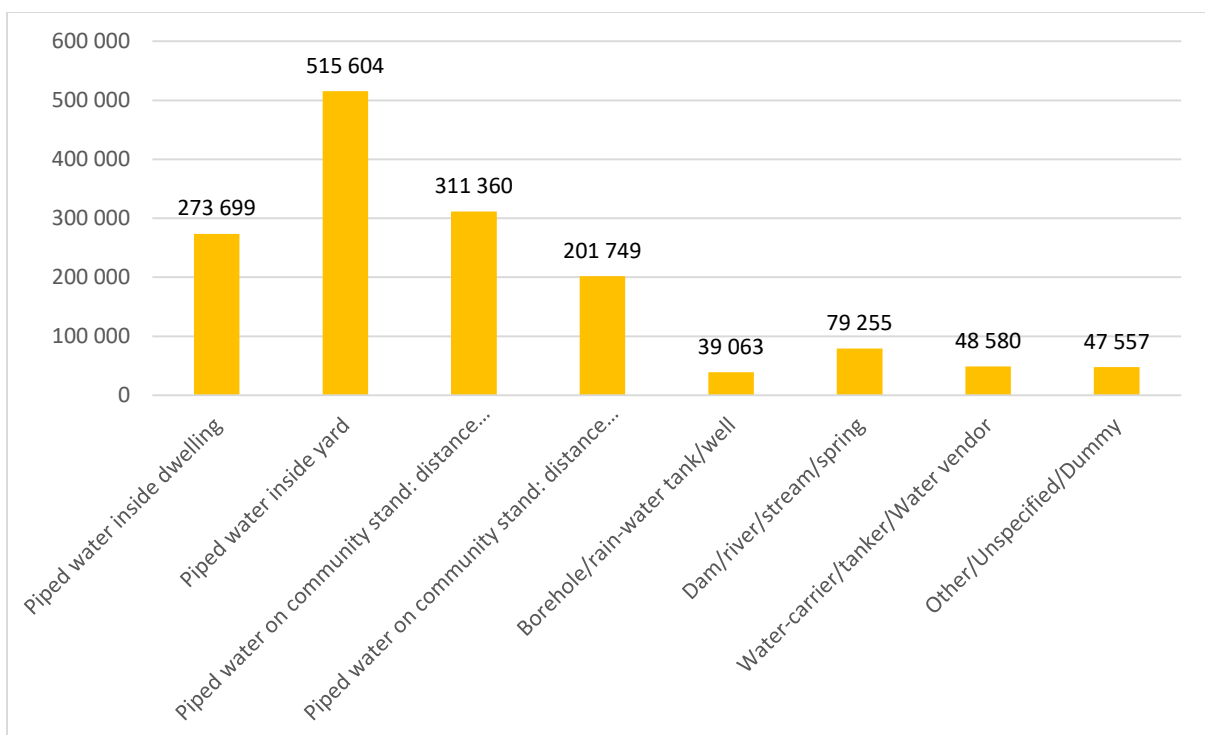
Source: Quantec, 2021

There are 1,3 million households who live in houses or brick houses on a separate stand or yard. This is followed by about 69 thousand households who live in a

traditional dwelling/hut/structure made of traditional material, while about 45 thousand households live in informal dwelling/shack not in a backyard and about 35 thousand live in an informal dwelling/shack in a backyard. Although Limpopo province is considered rural the number of people living in an informal dwelling are less.

### 1.17.3 Access to Water

**Figure 27: Limpopo household access to water by type in 2020**



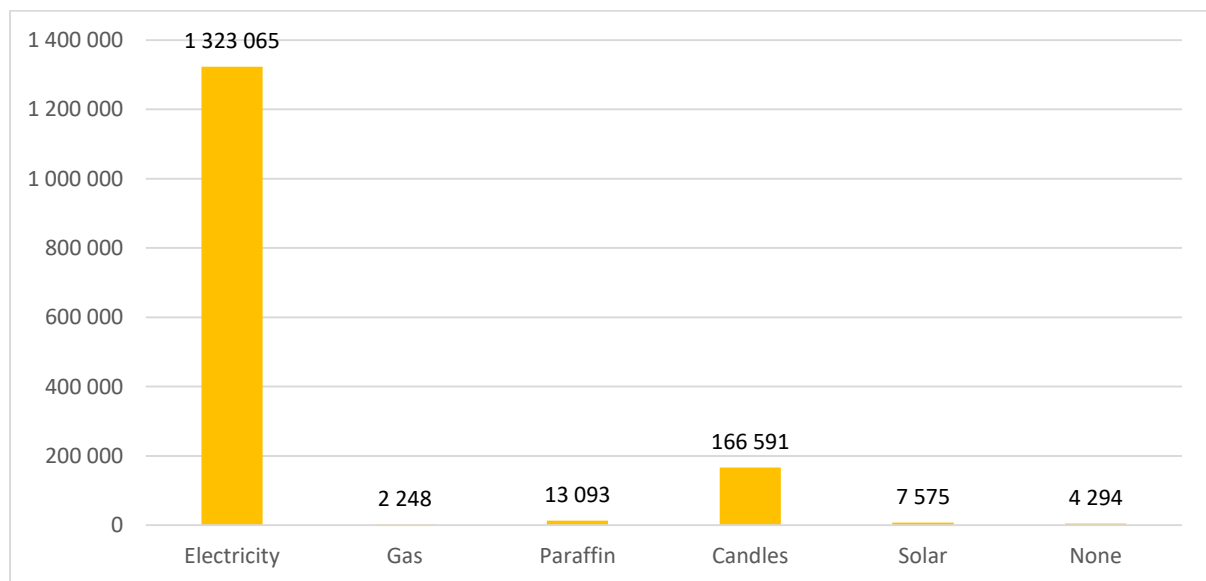
Source: Quantec, 2021

The number of households in Limpopo with access to piped water inside yard was 515 thousand during the year 2020, with those having piped water inside the dwelling being 273 thousand households. The level of access to water still need to be improved in the province as the province still has about 79 thousand households who collect their water from dams/river/stream/spring and about 48 thousand households who receive water through water-carrier/tanker/water vendors.

### 1.17.4 Access to Electricity

The use of electricity is significant especially at this era where technology is taking place. For a province to be advanced in Information, Communication and Technology (ICT) there should be good electrical connection especially in the rural remote areas.

**Figure 28: Limpopo household source of energy by type in 2020**



Source: Quantec 2021

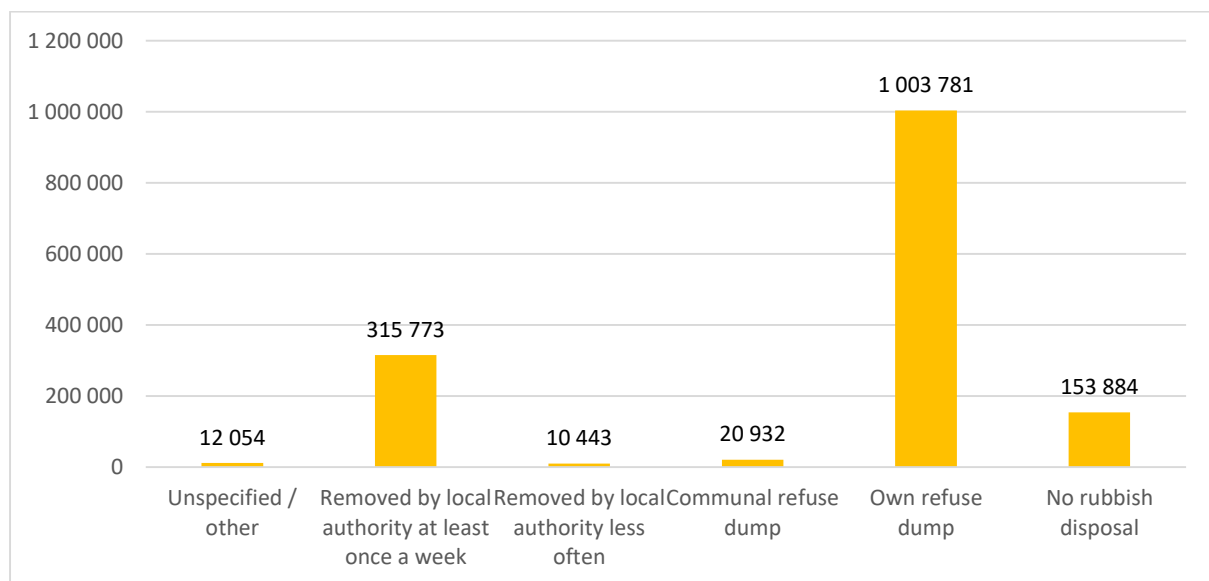
Limpopo province has improved on the provision of electrical connection over the years, the number of households with electrical connection was recorded at around 1,3 million in 2020. Those who depend on candles, paraffin, solar and gas for lighting were recorded at 166 thousand, 13 thousand, 7,5 thousand and 2,2 thousand respectively. Only around 4,2 thousand households have no electricity connection in the province and this may be due to the new developments of residential areas.



### 1.17.5 Access to Refuse removal

A proper management of refuse removal is of great significance in the province, as this helps in avoiding the polluting of water, air and the environment. This also create an opportunity for the municipality to enter in the waste and recycling economy as a new industry.

**Figure 29: Limpopo household access to refuse removal by type in 2020**



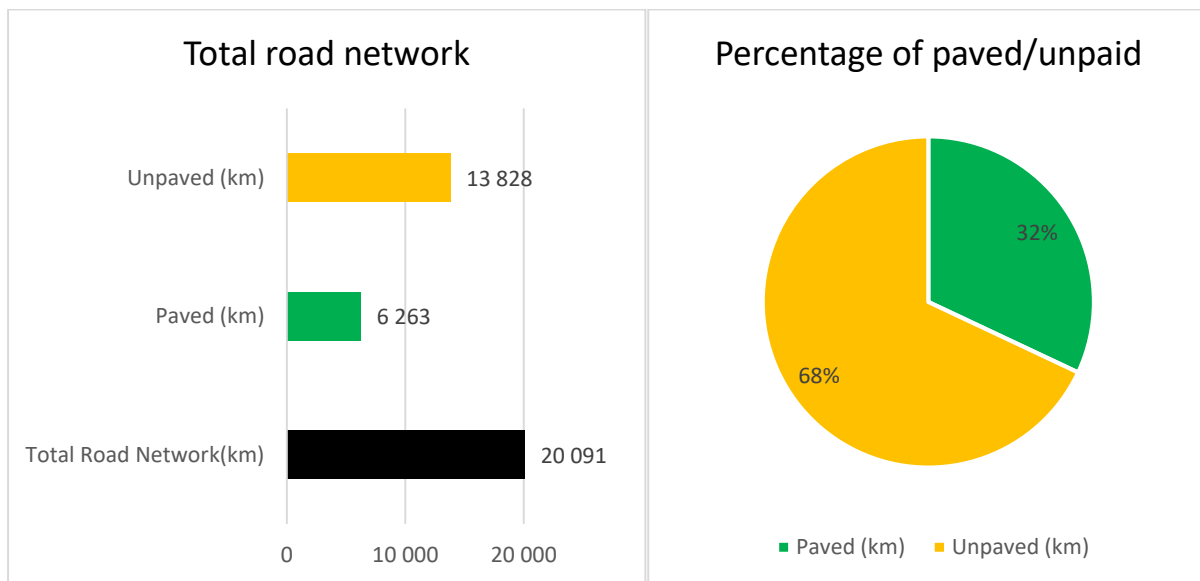
Source: Quantec, 2021

In Limpopo province the local authorities remove the refuse at least once a week from around 315 thousand households. The province still has a need to improve in refuse removal as the number of households that use their own refuse dump is over 1 million and those with no rubbish disposal were around 153 thousand in 2020.

### 1.17.6 Roads infrastructure

Limpopo province is largely rural, with about 79.3 percent of the population residing in the rural areas. This generally presents a huge challenge towards rural economic growth and development in the province, as rural economic development requires conducive and targeted road infrastructure development.

**Figure 30: Status of the Limpopo Provincial road network**



Source: Roads Agency Limpopo, 2021

Limpopo province has a total road network of about 20 thousand kilometres, of which only 6 263 kilometres are paved or 32 percent and about 14 thousand or 68 percent of the road network is unpaved.

### 1.18 Conclusion

The COVID-19 pandemic continues to present the world and the country with challenges. The challenges ranged from national budget cuts, as funds were redirected to deal with the Covid-19 pandemic and this has a negative effect on the provision and maintenance of basic services. World economy was sluggish and demand for goods and commodities was low. The electricity interruptions have worsened the situation as business could barely thrive under the load shedding conditions, as they were still trying to cope with the effects of the pandemic. This in turn has led to a high unemployment rate for in the country, caused by closure of businesses and slow productions in the province. The Limpopo Provincial Government is left with limited options but to use its budget to ignite and reassure the investors that there is a chance for economic development and growth in the local economy. Fiscal policy, which will be more directed to infrastructure development, investment in

manufacturing and value addition will be very key for the province to encourage private sector investment and stimulate job creation for the youth in the province.

The provincial economic recovery will depend on the outcome of the COVID-19 pandemic that in turn depends on the rollout of vaccines and attainment of herd immunity. 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.

## **2 CHAPTER 2: BUDGET STRATEGY AND AGGREGATES**

### **2.1 Introduction**

The global economy is expected to rebound from the 2020 decline that was due to the outbreak of COVID-19 towards the end of 2019 in China. The economic rebound is expected to be led by many emerging markets and developing nations economies. The South African and Limpopo economies are also expected to see positive growths in line with the global economy. The countries recovery will be largely derived by the demand for minerals products. The economic rebound will be highly dependent on the speed of the vaccination process in the country and the province, as the sooner the country reaches herd immunity the better will be the prospects of returning to full operation.

The COVID-19 pandemic has led the country to an unstable financial position with the South African economy already in a recession before the disaster. The situation worsened with the downgrade that was also received and the current electricity crisis is expected to worsen the situation, as businesses are struggling to cope. The current financial state of the country is unsustainable, with the economic growth being stagnant, unemployment rising to record highs, and inequality being extremely high as worsened by the COVID-19 pandemic. The South African economic conditions are mostly affected by local and global forces, such as the deteriorating financial conditions of the country caused by the continuing bailouts of state owned entities by the National Treasury and continuous electricity challenges in the country. On an international space the tension between Russia and Ukraine, as well as trade war between China and the United States of America, is not doing South Africa any good as this may lead to the collapse in the price of commodities. In terms of fiscal policy, the debt to GDP ratio of the country stabilized during 2021, giving fairly limited scope for further fiscal intervention if the COVID-19 crisis worsens.

The 2022 Medium Term Expenditure Framework (MTEF) is looking more favourable, as compared to the previous financial year, with an increased equitable share allocation coupled with additional funding for the Health and Education Sector and allocation to fund the public service wage agreement.

The total Limpopo Equitable Share allocation increases from R60.027 billion in 2021/22 to R64.056 billion or 6.7 percent in 2022/23, reduces by 3.1 percent to R62.073 billion in 2023/24 and increases to R64.127 billion in 2024/25 financial.

The above equitable share allocations include the following reductions and additions

1. In 2021/22 National Treasury implemented budget cuts that affect the allocations for the 2022/23 and 2023/24 financial years, as follows.

- R825 million and R1.308 billion in 2022/23 and 2023/24 respectively due to 2021/22 equitable share formula data updates, mainly **decreases in population** numbers;
- R971 million and R1.747 billion in 2022/23 and 2023/24 respectively for non-compensation of employee's fiscal consolidation; and
- R8.518 billion in 2022/23 and R5.485 billion in 2023/24 for compensation of employee's budget cuts due to the public service wage freeze.

2. During the 2022 MTEF the National Treasury has allocated the following additional funds included in the total equitable share amounts above:

- R82.596 million, R585.551 million and R661.709 million 2022/23 equitable share formula data updates, mainly increases in population numbers;
- R1.579 billion for non-pensionable compensation of employees allowances as per 2021/22 wage agreement.
- R882.381 million in 2022/23 and R884.669 million in 2023/24 for the implementation of the Presidential Youth Employment Initiatives in Department of Education;
- R884.101 million in 2022/23, R389.117 million in 2023/24 and R540.523 million in 2024/25 to support the Department of Health to respond to the COVID-19 pandemic and to reduce the impact of budget reductions on essential medical goods and services.

- R1.023 billion in 2022/23, R867.622 million in 2023/24 and R540.523 million in 2024/25 to fund shortfalls in compensation of employees in the Department of Education; and
- R23.175 million in 2022/23, R40.820 million in 2023/24 and R48.619 million in 2024/25 for support to existing Welfare Non-Governmental Organisations (NGOs) in the Department of Social Development.

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

- Department of Social Development is allocated **R7.404 million, R7.731 million and R7.731 million** in 2022/23, 2023/24 and 2024/25 respectively for Food Relief;
- Department of Social Development is also allocated **R64.487 million** in 2022/23, **R67.329 million** in 2023/24 and **R67.329 million** in 2024/25 in their equitable share as a conversion from the Social Worker Grant to employ social workers;
- Department of Social Development has further been allocated additional budget for Employment of Social Workers to deal with gender based violence, substance abuse and issues affecting children as follows: - **R14.610 million in 2022/23, R15.254 million in 2023/24 and R15.254 million in 2024/25** financial year;
- **R15.680 million, R16.731 million and R16.731 million** have been allocated in the MTEF for Department of Social Development to address the social and structural drivers on HIV, TB, STI's and gender based violence;
- An amount of **R35.345 million** in 2022/23, **R36.903 million** in 2023/24 and **R36.903 million in 2024/25** has been allocated in Department of Education to sustain the Sanitary Dignity Project.
- Provincial Treasury has been allocated additional funding of R10.819 million in 2022/23, R11.295 million in 2023/24 and R11.295 million in 2024/25 to improve municipal support and intervention.
- Provincial Treasury has also been allocated **R5.235 in 2022/23, R5.466 million in 2023/24 and R5.466 million in 2024/25** for Infrastructure Development support.

The final provincial equitable share allocation is summarised in the table below:

**Table 4: National Allocation to Limpopo Province**

National Allocation	MTEF ALLOCATIONS				MTEF Total
	2021/22	2022/23	2023/24	2024/25	
<b>Equitable Share Baseline</b>	<b>66,255,935</b>	<b>69,935,348</b>	<b>67,845,593</b>	<b>61,969,051</b>	<b>199,749,992</b>
Adjustment to baseline 2021/22: New data updates	-465,564	-824,833	-1,308,283	-	-2,133,116
Adjustment to baseline 2022/23: New data updates	-	82,596	585,551	661,709	1,329,856
<b>Revised allocation</b>	<b>65,790,371</b>	<b>69,193,111</b>	<b>67,122,861</b>	<b>62,630,760</b>	<b>198,946,732</b>
<b>Less: Fiscal Framework Reduction</b>	<b>(5,762,858)</b>	<b>(5,137,558)</b>	<b>(5,049,416)</b>	<b>1,496,532</b>	<b>(8,690,442)</b>
<b>Compensation of Employees 2020 (MTEF)</b>	<b>(4,199,785)</b>	<b>(5,131,559)</b>	<b>-</b>	<b>-</b>	<b>(5,131,559)</b>
<b>Compensation of Employees 2021 (MTEF)</b>	<b>(1,741,844)</b>	<b>(3,387,204)</b>	<b>(5,484,531)</b>	<b>-</b>	<b>(8,871,735)</b>
<b>Non-Compensation of Employees Fiscal Consolidation 2021</b>	<b>(737,729)</b>	<b>(970,801)</b>	<b>(1,747,113)</b>	<b>-</b>	<b>(2,717,914)</b>
<b>Wage agreement - Non Pensionable Allowance</b>	<b>-</b>	<b>1,579,131</b>	<b>-</b>	<b>-</b>	<b>1,579,131</b>
<b>Education: Presidential Youth Employment Initiatives</b>	<b>-</b>	<b>882,381</b>	<b>884,669</b>	<b>-</b>	<b>1,767,050</b>
<b>Social Development : Welfare NGO Funding</b>	<b>-</b>	<b>23,175</b>	<b>40,820</b>	<b>48,619</b>	<b>112,614</b>
<b>Health: Additional Sector Funding</b>	<b>-</b>	<b>844,101</b>	<b>389,117</b>	<b>540,523</b>	<b>1,773,741</b>
<b>Education: Additional Sector Funding</b>	<b>-</b>	<b>1,023,218</b>	<b>867,622</b>	<b>907,390</b>	<b>2,798,230</b>
<b>Plus: COVID-19 Support (Health Sector)</b>	<b>916,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Earmarked allocations: Included in the Equitable Share Baseline</b>	<b>146,944</b>	<b>153,580</b>	<b>160,709</b>	<b>160,709</b>	<b>461,233</b>
Plus: Social Development Food Relief function shift	7,072	7,404	7,731	7,731	22,866
Plus: Social Development Social Work grant conversion	61,592	64,487	67,329	67,329	199,145
Plus: Social Worker Addition	13,940	14,610	15,254	15,254	45,118
Plus: Social: Gender Based Violence and STI	14,965	15,680	16,731	16,731	49,142
Plus: Education: Sanitary Dignity Project	34,042	35,345	36,903	36,903	109,151
Plus: Treasury: Municipal Interventions	10,333	10,819	11,295	11,295	33,409
Plus: Treasury: Infrastructure Development	5,000	5,235	5,466	5,466	16,167
<b>Total Preliminary Provincial Equitable Share</b>	<b>60,027,513</b>	<b>64,055,553</b>	<b>62,073,445</b>	<b>64,127,292</b>	<b>190,256,290</b>
<i>Equitable Share year-on-year growth</i>	<i>-3.7%</i>	<i>6.7%</i>	<i>-3.1%</i>	<i>3.3%</i>	

In conclusion, the 2022/23 MTEF provincial equitable share allocation is R64.056 billion in 2022/23, R62.073 billion in 2023/24 and R64.127 billion in 2024/25 financial year.

## **2.2 Aligning Provincial Budget to achieve Governments Prescribed Outcomes**

South Africa Government's plans and intentions are outlined in the National Development Plan (NDP) and in the National Medium Term Strategic Framework 2019 - 2024 (MTSF). During 2022/23 financial year, the National Government will be continuing with the implementation of these plans and intentions as outlined in the NDP and the MTSF 2019 - 2024. The monitoring of public institutions in executing their legislative mandates will be of high priority, as this will assist in ensuring that government resources are used for purposes voted for by the Legislature, as well as ensuring that the government's outcomes are achieved.

The provincial government will need to strengthening the implementation of the district-based development framework, also referred to as the DDM Model, as launched by the State President. The NDP highlights the critical principle of government working together reinforcing a collaborative, integrated and cooperative manner, across all the spheres of government. The approach of working in silos needs to be done away with and must be guarded against if desired outcomes are to be achieved. Implementation of the District Development Model (DDM) as an 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 is the best approach that should be followed. The DDM stresses the issue of working together as all spheres of government and business and it can be summarised as 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 Province has aligned its priorities with the 2019-2024 Medium-Term Strategic Framework (MTSF) priorities in order to contribute to the achievement of the broader NDP Vision 2030. For this reason, the LDP Development Strategy is expressed in terms of the following eight priorities, as aligned with the MTSF priorities.

**Table 5: National MTSF 2019-2024 and LDP 2020-2025 Priorities**

<b>MTSF 2019 – 2024 Priorities</b>	<b>LDP 2020 – 2025 Priorities</b>
1. A capable, ethical and developmental state	1. Transform the public service for effective and efficient service delivery
2. Economic transformation and job creation	2. Transformation and modernisation of the provincial economy
3. Education, skills and health	3. Provision of quality education and a quality healthcare system
4. Consolidating the social wage through reliable and quality basic services	4. Integrated and sustainable socio-economic infrastructure development
	5. Accelerate social change and improve quality of life of Limpopo’s citizens
5. Spatial integration, human settlements and local government	6. Spatial transformation for integrated socio-economic development
6. Social cohesion and safe communities	7. Strengthen crime prevention and social cohesion
7. A better Africa and the world	8. Economic transformation and job creation through regional integration

The 2022/23 Limpopo Provincial Government’s budget allocation is in alignment with the 2020-2025 Limpopo Development Plan (LDP), which is also aligned to the National MTSF 2019-2024. The LDP 2020-2025 was adopted by the Limpopo Executive Committee on the 10 March 2021 to serve as an overarching Growth and Development Plan for the province during the 6th Term of Administration. The plan is designed to ensure that there is a social compact between government and private sectors, organised labour and civil society towards addressing the triple challenges of poverty, inequality and unemployment. The 2020-2025 LDP highlights the need to address the provincial development challenges and to unlock economic opportunities through increased productivity in the manufacturing sectors and a transformed economic structure with greater emphasis on value addition and high investment on

infrastructure projects that will help in the creation of employment and stimulating the economy. The 2020-2025 LDP is in alignment 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 the nine-point plan developed to accelerate the implementation of the NDP action plans, the economic stimulus package announced by State 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 Limpopo Provincial Government will continue to implement its plans as outlined in the revised 2020-2025 LDP and Provincial departments will implement their plans as outlined in their Departmental Strategic Plans and Annual Performance Plans. The departments plans help in guiding the provincial government to realize the 2020-2025 LDP targets. It should be noted that Covid-19 has destabilised the government plans in meeting some of the planned targets as set.

Below are the key strategies as expressed in MTSF 2019-2024 that the 2022/23 budget will be aiming to achieve:

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

As outlined in the LDP the Development Strategy is generally focused on improved governance, thereby creating an investment-friendly climate, and prioritising service delivery to Limpopo residents, in a sustainable way. This MTSF priority supports 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".

The Office of the Premier will continue to ensure efficient and effective public service in the Provincial Departments, Public Entities and Municipalities, through continuous creation of employment, skilling and development, retention and ensuring a well-

motivated staff compliment in the province. The basis for the planning and implementation during the 2022/23 financial will be based on the following:

- 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 prescribed timeframes.
- 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 Policy Framework.
- Monitor the alignment of integrated development plans to the Spatial referenced plans in the Province.
- Monitor the alignment of infrastructure projects to the provincial infrastructure plan.
- Monitor and coordinate the implementation of the Provincial Policy Framework.
- Monitor the implementation of the Provincial Research and Development framework.

### **2.2.2 Priority 2: Economic Transformation and Job creation**

This priority aims on growing, transforming, diversifying and modernising the economy, creating additional jobs, reducing poverty and unemployment, and ramping up measures to promote industrialisation, localisation, diversification, resilience and adaptability, to embrace the 4IR. In the short term, there are also commitments to recover the economy from the impact of COVID-19, as detailed in the Limpopo Socio-Economic Recovery Plan. The biggest challenge facing South Africa, as outlined in the MTSF, is the absence of faster, sustained and inclusive growth. In the short term the province and the country should aim at improving the productive capacity of the

economy, as well as building human capital and the capacity of the state. The focus should be on growing, transforming, diversifying and modernising the economy, creating additional jobs, reducing poverty and unemployment, and ramping up measures to promote industrialisation, localisation, diversification, resilience and adaptability, to embrace the 4IR.

Central to attaining the vision enshrined in the NDP, is the implementation of the Industrialisation Agenda that promotes economic growth, manufacturing, value addition (beneficiation and agro-processing), and technological innovation. A long-term vision is provided for dealing with the challenges of unemployment, inequality and creating a more inclusive society. Economic transformation can be achieved only when the private sector and government work together.

The vision is to have rural areas that are spatially, socially and economically integrated, and where residents have access to economic opportunities, food security and jobs, as a result of agrarian transformation and infrastructure development programmes. By 2030, agriculture will contribute more significantly to the GGP of Limpopo. With regard to economic sectors, the LDP will focus on the growth and enrichment of the following strengths, and/or potential strengths, of the Province: agriculture, tourism, mining, manufacturing, construction, and the waste economy. The key actions for each sector are listed below. The Department of Economic Development Environment and Tourism (LEDET) will implement the following programmes during the 2022/23 financial year:

### **Manufacturing Support Programmes**

The Department of LEDET will continue to support the development of skills for the economy to enhance manufacturing capabilities in the province through the implementation of the projects within the ambit of Manufacturing Support Centre and the Fabrication Laboratory.

## **Limpopo- Industrial Symbiosis Programme (ISP)**

This is a 3-year co-funded project, implemented in collaboration with National Cleaner Production Centre (NCPC) and rolled out in all the five (5) districts in the province targeting the whole value chain of waste management and recycling. The existing MOA will lapse in 2022/2023.

### **Proposed key programmes will include the following:**

#### **Energy Management Programme**

The Minister of the Department of Mineral Resource and Energy (DMRE) signed SANS 1544 Energy Performance Certificates regulations (EPC) requiring buildings to display their energy performance certificates in order to drive energy efficiency. The new regulations were being implemented during the 2021 financial year, demanding that both private and public sector declare their energy performance in buildings.

The province has in the past two years trained 28 TVETS and university engineering graduates from Limpopo Province in the Building Codes and Energy Performance Certificate standard for both government and private buildings in line with Department of Energy's Energy Performance Certificate (EPC) Regulations. The programme also offers practical training on the ISO5001:2011 Energy Management System standard in order to equip students and enable the deployment of controlled and regulated energy efficiency and renewable energy interventions.

The ultimate intention is for the trainees to receive Certified Energy Auditor (CEA) or Certified Energy Manager (CEM) certificates, which are international qualifications, administered and authorised by USA based Association of Energy Engineers (AEE) and to also obtain selected EWSETA qualification should they pass examinations.

As alluded above, these skills developed by the province are now in high demand nationally and the province is proud that 7 of the learners are already qualified as Energy Auditors in 2020/21. Two of the 7 received a second qualification as Certified Energy Managers and the rest are still to be qualified and will be part of the implementation of the new programme but working under the guidance of qualified auditors.

LEDET unfortunately could not continue with this programme in 2021/22 financial year due to budget constraints and wishes to pursue it in 2022/23 due to its relevance and impact in the

economy. Through this programme, the province will fast enhance its capacity to participate in the green economy sector and improve efficiencies in the manufacturing sector.

### **Industrialization**

LEDET will continue to support and coordinate the implementation of productivity and competitiveness in the economy including SMME's and cooperatives through various programmes such as Business Recovery, Capacity building and World-class Practices.

The Department 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.

To diversify the provincial economy and increase participation of the historically disadvantaged people in the green economy sector, the department will pursue opportunities in the Waste Management space through the Industrial Symbiosis programme. The Department will grow the beneficiation of waste by ensuring that one business's waste serves as an input in another business's operations.

### **Conduct Broad-Based Black Economic Empowerment (B-BBEE) Verification**

The B-BBEE Act 46 of 2013, through section 13G (1) of the Act, requires all spheres of government, public entities and organs of state to report on their compliance with Broad-Based Black Economic Empowerment in their audited annual financial statements and annual reports required under the Public Finance Management Act, 1999 (Act No. 1 of 1999). It will be for the first time that B-BBEE Compliance verification is conducted in the province.

### **Implementation of ROI framework**

As part of implementation of the Limpopo Mining Indaba Resolutions, the department will be implementing the ROI framework with all the participating Mines and host communities to achieve sustainability, impact, and social cohesion in the mining nodes. The ultimate plan is to host awards to recognize mining companies making a bigger impact and those that go an extra mile in serving their communities through their programmes

## **Tourism**

During the financial year 2022/2023, the Department of LEDET will focus on the following outcomes:

Enhancing the visitor experience through diversified destination and product offerings. Aspects that will also receive attention under this outcome is the hosting of the Marula Festival and conducting impact assessments of several events hosted by government and private sector. Furthermore, the department will continue implementing the tourism practitioners' programme that forms an integral part of building tourism capacity at municipal level. Improve access to quality products and services and ensure that the tourism sector transformation and capacity building is facilitated. The department will also implement sector skills development programmes in partnership with the National Department of Tourism and private sector.

In line with the seven (7) Medium Term Strategic Framework priorities and the six (6) departmental priorities, the the Limpopo Department of Agriculture and Rural Development (LDARD) will continue to contribute to the realisation of the agriculture and rural development mandates. This will take place in a continued strained environment as regards to reduced financial resources.

LDARD plans to establish agricultural infrastructures and equip infield irrigation. Water use systems will be developed and environmentally controlled production structures constructed. Climate smart agriculture technologies will be rehabilitated, and cultivated under Conservation Agriculture practises and alien plants cleared. Green jobs will be created through upstream and downstream agricultural activities, through agro - processing, irrigation expansion and Expanded Public Works Programme (EPWP). Farmers will be assisted through disaster relief schemes and surveys on the uptake of early warning information conducted.

LDARD will increase participation of producers in the integrated value chain through support of producers across different commodity groups. Production stock will be provided to farmers, and producers will be capacitated through demonstrations and facilitation of farmers' days. To ensure strong support and sustainability of FPSUs, farmer mobilisation sessions will be facilitated. Food security will be promoted through support to small holder producers and subsistence producers.

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

Students are targeted to graduate with agricultural qualification and participants trained in skills development programmes in the agricultural sector.

### **2.2.3 Priority 3: Education, skills and health**

By 2030, Limpopo must have a basic education system with high-quality, universal early childhood education and quality school education, with globally competitive literacy and numeracy standards. Education is seen as an important instrument in equalising individuals' life chances, preparing next generations to be economically mobile and successful, and is critical to poverty reduction.

Limpopo residents should have access to education and training of the highest quality, leading to improved learning outcomes. The education, training and innovation system should cater for different needs and produce highly-skilled individuals. The graduates of Limpopo's universities and colleges should have the skills and knowledge to meet the present and future needs of the economy and society. Research and development should be significantly expanded.

Long-term health goals for national and provincial government range from provision of quality primary health care services to reduced mortality rates, filling of critical posts, and improving health information management systems.



## **A: Education**

The 2022/23 Plans will be implemented in a materially improved environment, unlike during the past two financial years when Covid-19 impacted negatively on education and projects could not be implemented as planned. It is important to highlight that, greater efforts will be directed at recovering lost teaching and learning so that learners across the system have strong foundations for further learning and deeper understanding of the content at each level.

During the State of the Nation Address (SONA) in February 2019, the President announced that the country would proceed towards two years of compulsory pre-school for all children before they enter Grade 1. The President also reiterated that the responsibility of Early Childhood Development (ECD) centres would be migrated from Departments of Social Development (DSD) to Departments of Education (DOE) and in Limpopo thus transfer will be implemented in 2022/23.

The 2022/23 budget allocation includes the shift of the ECD function from LDSD to LDoE. Limpopo also plans to strengthen our ECD as it provides a firm foundation for all future learning opportunities.

The 2022/23 budget will put more emphasis on the following areas, which will contribute directly to the Limpopo Department of Education's (LDOE) core mandate:

**Improvement of the Quality of Teaching and Learning:** The LDOE is committed to improve learner performance across all the grades so that our learners exit the system with the firm foundation for further studies and engagement with other responsibilities. The Department has started implementing e-learning and will continue to enhance teaching and learning using e-learning at our schools. An amount of R312.718 million has been provided for e-learning. This will increase the number of learners who will have access to e-learning gadgets.

**Teacher Development and Support:** As part of improving teaching and learning, the LDOE will continue to invest in continuous professional development of teachers as well as ensuring proper and efficient functioning of districts and circuit offices. This will definitely lead to improved learner performance across the system.

**National School Nutrition Programme (NSNP):** LDOE has targeted to feed learners with nutritious food and to continue providing SMME's and food handlers with job opportunities in the 2022/23 financial year.

**Provisioning of Scholar Transport:** This programme is contributing a great deal to the empowerment of SMMEs in the province by continuing to ferry learners to schools. The programme will continue improving punctuality at schools as learners will no longer be arriving late at schools due to distance travelled.

**Infrastructure Development:** The demand for infrastructure across the province is well documented as per the norms and standards for school infrastructure. This is a matter that is receiving our undivided attention in order to create a safe and favourable environment for educative teaching and learning in our schools. The infrastructure needs of our educational institutions will be taken care of to nurture and create a conducive teaching and learning environment. The Infrastructure budget will be utilized towards new and replacement school infrastructure; upgrading of existing infrastructure; refurbishment, rehabilitation and renovations of existing school infrastructure (including storm damaged schools); as well as maintenance and repairs of existing infrastructure. In order to further improve teaching and learning conditions, LDOE is planning to undertake major upgrades and additions to needy schools across all the 10 educational districts in the Province. This investment will ensure major improvement of the teaching and learning environment particularly for schools in the rural areas, where there are dilapidated structures.

**Early Childhood Development:** This programme remains a priority of Government; therefore, LDOE has put this on its priority list. On this aspect we will continue to work very hard to ensure that our ECD practitioners are appropriately qualified. LDOE will

explore ways to ensure that there is improvement in the supply of other infrastructure resources required to enhance provisioning of services for early childhood learners.

**Special Education (Inclusive Education):** This programme is a priority for the education sector and that is the reason why it is also prioritized in the 2022/23 budget.

**School furniture:** LDOE is planning to purchase and distribute school furniture to schools in all 10 districts. This will cater for replacement and top-ups as per schools' needs.

**Learner and Teacher Support Material:** In the 2022/23 financial year, LDOE will implement a hybrid procurement method for e-Textbooks and hard copies for Public Ordinary Schools for the 2023 Academic Year. As part of LTSM, LDOE is also responsible for the provision of Scholastic Stationery for all Public Ordinary Schools. The Department will continue to use LTSM procurement as a catalyst for the empowerment of youth, women and persons living with disabilities in the Province.

**National School Funding Norms and Standards:** All schools are allocated funds that they use to pay for goods and services. Public ordinary schools receive funds as published by the Minister of Education as transfers to institutions. The funds are used by schools to run their daily activities including payments for water and lights to municipalities and Eskom. LDOE has been complying with minimum amounts payable to public schools as gazetted by the Minister of Education. Public ordinary schools are classified per quintiles 1 to 5. Quintiles 1, 2 and 3 do not charge school fees and learners in these schools attend for free. Transfers in terms of Norms and Standards for School Funding will be effected in May and November 2021 and all public ordinary schools, independent schools and special schools will receive their funds as planned.

## **B: Skills**

Skills development and capacity building remains an integral part of youth development and contribute to increasing the skills base in the province. In collaboration with other relevant Sector Education Training Authorities (SETAs), Colleges and Universities and Accredited Training Institutions, the Limpopo provincial government will offer comprehensive capacity building programmes and mentorship programmes to accelerate economic transformation and job creation in the province. A further key driver that was identified in the MTSF was Post Education and Training, with an emphasis on skills development as a key driver, with the aim of reducing the number of youth that are 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 (OTP) in Limpopo will continue to advance and advocate for investment in capacity building, training and development of the current government workforce and those who are outside the employment of the provincial government.

The 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**

As has been the case in the 2021 MTEF, the Limpopo Department of Health (LDOH) will continue to provide quality health care services that are accessible, comprehensive, integrated, sustainable and affordable. This will be done through the guidance from the outcomes as outlined in the Medium Term Strategic Framework and the Limpopo Developmental Plan. The key fundamental deliverables remain the

same in the 2022/23 financial year, namely decreasing Maternal and Child mortality; Combating HIV and decreasing the burden of diseases from Tuberculosis (TB); and Strengthening Health System Effectiveness.

Primary health care as a backbone of the health service delivery will be strengthened during the year through the esteemed district health systems model.

In 2022/23 and over the Medium Term Expenditure Framework (MTEF), the LDOH will continue to improve access to quality health care services by prioritizing the:

- Prevention and reduction of burden of disease and health promotion: increase ART adults and child remain in care rate and viral load suppressed rate at 12 months to 90.0 percent.
- Reduction of maternal, neonatal, and child mortality.
- Prevention and control of Communicable and Non-Communicable Diseases (NCDs).
- Provision and monitoring of essential medicine availability in all facilities.

The LDOH will continue to fight against the COVID-19 pandemic in 2022/23, as has been the case in the previous year. LDOH will continue to rollout the vaccination campaigns and other preventative measures in terms of the protocols as determined from time to time.

#### **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. It is envisioned in the NDP that, by 2030, residents will be more conscious of that which they have in common, than their differences. Their lived experiences will progressively undermine and cut across the divisions of race, gender and ethnic divides. By 2030 there must be basic social protection guarantees aimed at preventing or alleviating

poverty, and protecting against vulnerability. These guarantees should be easily accessible and available to those who need them the most. Transforming society and uniting the country will be hard to achieve without addressing social division, exclusion, and inequality. This will lead to reduced poverty, active citizenry and equity. It is therefore imperative to shift the attitudes of society.

During the 2022/23 financial year, the Limpopo Department of Social Development (LDSD) 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 key priority interventions in the 2022/23 LDSD Annual Performance Plan will be as follows:

- Implementation of the Comprehensive Poverty Relief Interventions Framework (CPRIF)
- Improved household food security through implementing of National Food and Nutrition Security Plan to benefit Community Nutrition Development Centres (CNDCs) which benefit food insecure people and create work opportunities through Expanded Public Works Programme (EPWP)
- Implement the National Strategic Plan (NSP) to eradicate the incidents of Gender Based Violence and Femicide (GBVF)
- Provision of skills development to youth aged between 18-35, Women aged 36 -59 Years and persons with Disability through Non-Profit and Community based organizations.
- To continue with family integration and preservation services
- Provision of social relief of distress to poor households in the form of school uniforms and other material support.
- Provision of Care and Protection Services to orphans and vulnerable children

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

The primary outcome of new development in Limpopo should be to achieve spatial transformation and assist in poverty alleviation through improved integrated settlement development and linking job opportunities and housing opportunities, whereby all residents have access to at least basic engineering, economic and social infrastructure and security of tenure. The spatial transformation of human settlements will be achieved through the consolidation of multi-programme investment in the eleven declared Priority Human Settlements and Housing Development Areas (PHSHDAs) (urban focus), and the Provincial Growth Point Programme.

There is a need to transform the functioning of human settlements so as to observe meaningful and measurable progress in creating more functionally integrated, balanced and vibrant urban settlements by 2030. This requires institutional capabilities for effective co-ordination and spatial investment decisions to effect spatial transformation across all geographic scales supported by policies, plans and instruments to reduce travel distances and costs, especially for poor households.

### **A: Human Settlements**

During the 2022/23 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 CoGHSTA mission as being an effective agent of change that delivers quality services to the Limpopo citizens. To give effect to this mission, CoGHSTA 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 2022/23 financial year.

- **Rural Housing programme:** CoGHSTA plans to reduce the housing backlog by completing new housing units through the Breaking New Grounds (BNG) programme.
- **Number of hectares acquired Human Settlements purpose:** The Department plans to acquire land to increase the delivery of housing in the Province.
- **Rental units constructed:** The Department planned to construct additional rental units during 2022/23 financial year.
- **Site Services:** The Department intends to service additional sites during 2022/23.

The Office of the Premier will continue to monitor the alignment of integrated development plans to the Spatial referenced plans in the Province. This will include monitoring the alignment of infrastructure projects to the provincial infrastructure plan.

## **B: Local government**

During the 2022/23 financial year the COGHSTA through its Cooperative Governance and Traditional Affairs branch, will continue monitoring and providing support to 27 municipalities. CoGHSTA will continue to provide implementation support of the District Development Model. CoGHSTA will also facilitate the implementation of reconstitution of Traditional Councils programme in line with the Traditional and Khoi-son Leadership Act no 3 of 2019 (TKLA).

During the 2022/23 financial year, Limpopo Provincial Treasury (LPT) 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. One of LPT's main objectives will be to continue monitoring 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 on Infrastructure and Municipal Finances will be prepared and presented to oversight structures.



## **2.2.6 Priority 6: Social Cohesion and Safe communities**

Apart from focusing on basic services such as water and sanitation, as well as access to information and communication technology (ICT), the aim is to create an environment that makes room for all nationalities, races, ethnicities, genders, ages, as well as differently-abled persons. There is also a strategic imperative to move people away from a dependence on social grants, towards becoming income-earners.

### **A: Social Cohesion**

It is envisioned in the NDP that, by 2030, residents of the country will be more conscious of that which they have in common, than their differences. Their lived experiences will progressively undermine and cut across the divisions of race, gender and ethnic divides. By 2030 there must be basic social protection guarantees aimed at preventing or alleviating poverty, and protecting against vulnerability.

The Limpopo Department of Sports Arts and Culture (LDSAC) will continue to play its leading role during the 2022/23 financial year in terms of promoting social cohesion and as the national identity defender in the province. The outputs within the programme budget of Arts and Culture contributes to the outcomes which seeks to increase participation in Social Cohesion and Nation Building Programmes, with the ultimate results of having cohesive and safe communities.

This will be achieved through support to statutory bodies to promote and protect heritage, national symbols, languages, arts, culture and geographical names standardisation processes. Each statutory body is set to develop a business plan to operationalize the object of its establishing legislation through programs that will enable active participation of women, people with disability and protection of children to build a cohesive society.

LDSAC will continue to develop the heritage landscape in collaboration with the National Department, specifically regarding the Liberation Heritage Route. Our focus

is also to ensure that museums meet the desired standard in terms of infrastructure and exhibitions.

LDSAC will participate in promotion of indigenous languages through different projects such as Multilingualism campaigns, story-telling, music, poetry, book writing and reading. This enables the department to create a platform for sharing public spaces

LDSAC is committed to the provision of a Provincial Theatre and access to libraries for the community through the delivery of library infrastructure.

LDSAC through institutional sport structures (sport confederation, school sport structures, sport focus schools, sport academies) will coordinate and facilitate sport activities towards achieving an active and winning citizenry.

## **B. Safe communities**

The Province has committed to creating an environment where people living in Limpopo will feel safe at home, at school and at work, and are able to enjoy a community life free of fear. There will be zero tolerance for serious crime, sexual offenses or corruption. During the 2022/23 financial year the Limpopo Department of Transport and Community Safety (LDTCS) will continue with its responsibility of intensifying the fight against crime and corruption in the Province in collaboration with other stakeholders. Most importantly it will 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 LDTCS is also tasked with the responsibility of mobilizing communities in the fight against crime. The LSTCS will increase the involvement of women, youth and people with disability in community safety programmes to get it to a satisfactory level.

During the 2022/23 financial year, the Limpopo Provincial Crime Prevention Strategy will continue to direct for more concerted efforts in combating crime and violence against women and children. The programme provides oversight on the effectiveness

and efficiency of the South African Police Service. The programme assesses the effectiveness of the South African Police Service in terms of visible policing that contribute towards the reduction of crime, with special focused on organized crime, (including fraud, and corruption), violent crime, crime against women and children. The programme will also provide coordination of the Justice, Crime Prevention and Security cluster in the Province to ensure synergy in dealing with crime prevention in an integrated manner.

In order to improve the relations between police and community, the Provincial Secretariat for Police Service is mandated to capacitate and support these statutory Community Police Forum structures (CPF's) and mandatory community structures to ensure community participation in the safety programme and projects. The strengthening and capacitation of the community structures will also assist in the establishment of local village block and street committees.

The Provincial Secretariat for Police Service ensures that policy directives on the conduct of the police are correctly implemented and complied with at all times. In an endeavour to achieve the objectives of the Secretariat for Police Service Act, the programme also conducts research into policing matters. The findings and recommendations provide insight and valuable information into the cause, effect and solutions to reduce and fight crime in the province.

### **2.2.7 Priority 7: A better Africa and world**

The National Development Plan and Agenda 2063 sets out a Vision for a future Africa, and the world. Limpopo has a unique advantage in that it borders three countries, namely Botswana, Zimbabwe and Mozambique. This presents an opportunity to export goods and services to these neighbouring countries, establish trade relations, and forge an integrated region, in support of an integrated continental and global political economy. Exports and trade have been identified as a key driver for economic growth. 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 Office of the Premier will continue to play a leading role 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 2022/23 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 increases from R70.551 billion in 2021/22 to R74.796 billion in 2022/23, reduces to R72.619 billion in 2023/24 and then increases to R75.107 billion in 2024/25 financial year. In order to finance the provincial expenditure, the Province will allocate the provincial own receipts of R1.481 billion in 2022/23, R1.552 billion in 2023/24 and R1.627 billion in 2024/25 financial year. The total receipts available for the 2022/23 financial year amounts to R76.277 billion in 2022/23, R74.171 billion in 2023/24 and R76.734 billion in 2024/25 financial year. The table below refers:

#### ***Table 6: Provincial Budget Summary***

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2021/22	2022/23	2023/24
<b>Provincial receipts</b>									
<b>Transfers from national</b>	<b>63 814 085</b>	<b>68 250 247</b>	<b>70 035 159</b>	<b>70 550 690</b>	<b>73 765 122</b>	<b>73 765 122</b>	<b>74 796 098</b>	<b>72 619 036</b>	<b>75 107 078</b>
Equitable share	55 178 775	58 964 758	60 298 989	60 027 513	62 556 211	62 556 211	64 055 553	62 073 445	64 127 292
Conditional grants	8 635 310	9 285 489	9 736 170	10 523 177	11 208 911	11 208 911	10 740 545	10 545 591	10 979 786
<b>Provincial own receipts</b>	<b>1 333 613</b>	<b>1 447 718</b>	<b>1 268 443</b>	<b>1 548 055</b>	<b>1 395 925</b>	<b>1 395 925</b>	<b>1 481 372</b>	<b>1 551 837</b>	<b>1 627 137</b>
<b>Total Provincial Receipts</b>	<b>65 147 698</b>	<b>69 697 965</b>	<b>71 303 602</b>	<b>72 098 745</b>	<b>75 161 047</b>	<b>75 161 047</b>	<b>76 277 470</b>	<b>74 170 873</b>	<b>76 734 215</b>
<b>Provincial payments</b>									
Current payments	55 579 067	59 334 946	59 055 244	58 305 113	63 030 734	63 820 443	62 053 903	62 613 535	63 852 488
Transfers and subsidies	8 348 239	8 289 603	8 092 571	7 584 854	9 787 157	9 913 199	9 508 879	9 580 544	9 033 040
Payments for capital assets	1 842 039	1 596 465	1 744 670	2 880 480	2 553 347	2 554 493	2 667 456	2 222 019	2 341 908
Payments for financial assets	95 126	5 341	13 301	-	1 312	1 312	-	-	-
<b>Unallocated Reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 328 298</b>	<b>-</b>	<b>-</b>	<b>2 047 232</b>	<b>-</b>	<b>1 506 779</b>
<b>Total provincial payments</b>	<b>65 864 471</b>	<b>69 226 355</b>	<b>68 905 786</b>	<b>72 098 745</b>	<b>75 372 550</b>	<b>76 289 447</b>	<b>76 277 470</b>	<b>74 416 098</b>	<b>76 734 215</b>
<b>Surplus/(deficit) before financing</b>	<b>(716 773)</b>	<b>471 610</b>	<b>2 397 816</b>	<b>(0)</b>	<b>(211 503)</b>	<b>(1 128 400)</b>	<b>0</b>	<b>(245 225)</b>	<b>0</b>
<b>Financing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reserves	1 116 848	688 735	-	-	211 503	-	-	-	-
<b>Surplus/(deficit) after financing</b>	<b>400 075</b>	<b>1 160 345</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2.4 Financing

The provincial budget is financed mainly from equitable share, conditional grants and provincial own revenue. Over the 2022 MTEF period, no amount has been drawn from the provincial reserves to fund the allocated budget.

### **3 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 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 Limpopo Provincial Treasury (LPT) 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 to fill posts 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 National Treasury Benchmark exercise 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**

Limpopo 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 2022 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 2022 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.

## 4 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 R64.056 billion, R62.073 billion and R64.127 billion in 2022/23, 2023/24 and 2024/25 financial respectively. The conditional grant allocation for 2022/23 financial year is R10.741 billion, R10.546 billion in 2023/24 and R10.980 billion in 2024/25 financial year. The Province is doing its best to maximise revenue collection despite the negative impact of COVID-19 pandemic. The provincial own revenue is projected to increase from R1.458 billion in 2021/22 to R1.481 billion in 2022/23, R1.552 billion in 2023/24 and R1.627 billion in 2024/25 supported by the provincial revenue enhancement strategies.

**Table 7: Summary of Provincial Receipts**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
<b>Transfers receipts from national</b>									
Equitable share	55 178 775	58 964 758	60 298 989	60 027 513	62 556 211	62 556 211	64 055 553	62 073 445	64 127 292
Conditional grants	8 635 310	9 285 489	9 736 170	10 523 177	11 208 911	11 208 911	10 740 545	10 545 591	10 979 786
<b>Total receipts: Treasury funding</b>	<b>63 814 085</b>	<b>68 250 247</b>	<b>70 035 159</b>	<b>70 550 690</b>	<b>73 765 122</b>	<b>73 765 122</b>	<b>74 796 098</b>	<b>72 619 036</b>	<b>75 107 078</b>
<b>Provincial own receipts</b>									
Tax receipts	569 124	659 762	626 956	694 650	688 426	688 426	725 120	761 411	800 213
Casino taxes	60 928	79 253	44 443	71 119	60 283	60 283	71 119	76 809	82 953
Horse racing taxes	46 181	40 386	33 208	47 829	52 441	52 441	50 623	54 673	59 047
Liquor licences	3 561	3 643	3 517	4 293	4 293	4 293	4 478	4 677	4 887
Motor vehicle licences	458 454	536 480	545 788	571 409	571 409	571 409	598 900	625 252	653 326
Sales of goods and services other than capital assets	320 740	309 301	251 264	339 026	295 461	295 461	330 059	344 615	360 900
Transfers received	5 412	21 891	21 005	9 683	16 911	16 911	10 099	10 548	11 022
Fines, penalties and forfeits	70 370	78 772	79 331	75 657	74 907	74 907	79 435	82 928	86 651
Interest, dividends and rent on land	291 745	268 143	250 470	261 620	251 949	251 949	274 183	287 063	299 953
Sales of capital assets	14 868	14 404	9 536	17 715	17 556	17 556	14 746	15 438	16 192
Transactions in financial assets and liabilities	56 417	89 461	57 706	59 704	50 715	50 715	47 730	49 834	52 206
<b>Total provincial own receipts</b>	<b>1 328 676</b>	<b>1 441 734</b>	<b>1 296 268</b>	<b>1 458 055</b>	<b>1 395 925</b>	<b>1 395 925</b>	<b>1 481 372</b>	<b>1 551 837</b>	<b>1 627 137</b>
<b>Total provincial receipts</b>	<b>65 142 761</b>	<b>69 691 981</b>	<b>71 331 427</b>	<b>72 008 745</b>	<b>75 161 047</b>	<b>75 161 047</b>	<b>76 277 470</b>	<b>74 170 873</b>	<b>76 734 215</b>

## 4.2 Equitable Share

The Provincial Equitable Share accounts for approximately 84.0 percent of the provincial available resources. The province is allocated R64.056 billion in 2022/23, R62.073 billion in 2023/24 and R64.127 billion in 2024/25 financial year.

The above equitable share allocations include the following reductions and additions

1. In 2021/22 National Treasury implemented budget cuts that affect the allocations for the 2022/23 and 2023/24 financial years, as follows.

- R825 million and R1.308 billion in 2022/23 and 2023/24 respectively due to 2021/22 equitable share formula data updates, mainly **decreases in population** numbers;
- R971 million and R1.747 billion in 2022/23 and 2023/24 respectively for non-compensation of employees' fiscal consolidation; and
- R8.518 billion in 2022/23 and R5.485 billion in 2023/24 for compensation of employees' budget cuts due to the public service wage freeze.

2. During the 2022 MTEF the National Treasury has allocated the following additional funds included in the total equitable share amounts above:

- R82.596 million, R585.551 million and R661.709 million 2022/23 equitable share formula data updates, mainly increases in population numbers;
- R1.579 billion for non-pensionable compensation of employees allowances as per 2021/22 wage agreement.
- R882.381 million in 2022/23 and R884.669 million in 2023/24 for the implementation of the Presidential Youth Employment Initiatives in Department of Education;
- R884.101 million in 2022/23, R389.117 million in 2023/24 and R540.523 million in 2024/25 to support the Department of Health to respond to the COVID-19 pandemic and to reduce the impact of budget reductions on essential medical goods and services.
- R1.023 billion in 2022/23, R867.622 million in 2023/24 and R540.523 million in 2024/25 to fund shortfalls in compensation of employees in the Department of Education; and

- R23.175 million in 2022/23, R40.820 million in 2023/24 and R48.619 million in 2024/25 for support to existing Welfare Non-Governmental Organisations (NGOs) in the Department of Social Development.

The province has also ring-fenced an amount of R1.000 billion in Department of Health for 2022/23 financial year to respond to COVID-19 pandemic.

### **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 is 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 R32.267 billion over the 2022 MTEF with R10.741 billion allocated in 2022/23, R10.546 billion in 2023/24 and R10.980 billion in 2024/25. The conditional grant allocations increase by 2.1 percent in 2022/23, then decreases by 1.8 percent in 2023/24 and increases by 4.1 percent in 2024/25 financial year. The table below refers:

**Table 8: Summary of National Conditional Grant transfers by vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
<b>Vote 3</b>	<b>2 273 815</b>	<b>1 994 828</b>	<b>2 359 258</b>	<b>2 922 144</b>	<b>3 042 803</b>	<b>3 042 803</b>	<b>3 162 676</b>	<b>3 229 293</b>	<b>3 373 623</b>
National School Nutrition Programme	1 218 191	1 287 931	1 231 100	1 456 918	1 504 387	1 504 387	1 529 904	1 568 178	1 638 605
HIV/AIDS (Life Skills Education)	19 938	23 667	14 137	26 552	28 915	28 915	26 875	27 036	28 226
Education Infrastructure Grant	953 326	635 936	996 196	1 334 570	1 399 810	1 399 810	1 315 811	1 371 984	1 433 659
EPWP Integrated Grant	1 759	2 365	1 773	2 080	2 080	2 080	2 702	-	-
Social Sector (EPWP) Grant	12 782	13 690	19 965	21 215	21 215	21 215	18 354	-	-
Learners with profound intellectual Disabilities Grant	20 934	25 669	26 224	32 666	34 151	34 151	34 451	34 228	35 023
Maths, Science and Technology Grant	46 885	5 569	69 863	48 143	52 245	52 245	49 721	49 592	51 828
<b>Early Childhood Development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184 858</b>	<b>178 275</b>	<b>186 282</b>
Maintenance Component	-	-	-	-	-	-	17 568	4 023	4 204
Subsidy Component	-	-	-	-	-	-	167 290	174 252	182 078
<b>Vote 4</b>	<b>395 264</b>	<b>311 963</b>	<b>191 346</b>	<b>327 249</b>	<b>347 135</b>	<b>347 135</b>	<b>336 813</b>	<b>331 772</b>	<b>346 260</b>
Land Care Programme	47 768	12 862	10 736	13 016	15 592	15 592	13 303	13 480	13 674
Comprehensive Agriculture Support Programme	271 236	237 996	118 875	233 511	236 067	236 067	237 816	241 700	252 555
EPWP Integrated Grant	4 999	7 686	6 591	7 013	7 013	7 013	10 361	-	-
Lima/Lelsema Projects	71 261	53 419	52 231	73 709	73 709	73 709	75 333	76 592	80 031
Provincial Disaster Drought Relief Grant	-	-	2 913	-	14 754	14 754	-	-	-
<b>Vote 06</b>	<b>3 376</b>	<b>3 562</b>	<b>2 973</b>	<b>2 198</b>	<b>2 198</b>	<b>2 198</b>	<b>2 146</b>	<b>-</b>	<b>-</b>
EPWP Incentive Allocation	3 376	3 562	2 973	2 198	2 198	2 198	2 146	-	-
<b>Vote 7</b>	<b>2 766 606</b>	<b>3 295 556</b>	<b>3 717 601</b>	<b>3 607 704</b>	<b>3 802 472</b>	<b>3 802 472</b>	<b>4 195 723</b>	<b>3 838 799</b>	<b>3 964 111</b>
<b>Health Professions Training and Development</b>	<b>139 315</b>	<b>221 705</b>	<b>231 727</b>	<b>230 320</b>	<b>246 506</b>	<b>246 506</b>	<b>372 699</b>	<b>375 318</b>	<b>353 623</b>
Training and Development Component	139 315	147 158	157 180	149 330	149 745	149 745	151 242	142 941	149 359
Statutory Human Resources	-	74 547	74 547	80 990	96 761	96 761	221 457	232 377	204 264
Health Facility Revitalisation	625 319	585 958	651 179	755 533	852 030	852 030	600 166	552 983	570 237
<b>District Health Programme Grant</b>	<b>1 601 169</b>	<b>1 992 085</b>	<b>2 305 720</b>	<b>2 097 726</b>	<b>2 163 225</b>	<b>2 163 225</b>	<b>2 621 492</b>	<b>2 388 635</b>	<b>2 495 907</b>
Comprehensive HIV and AIDS Component	1 573 698	1 927 923	2 216 342	1 814 106	1 815 327	1 815 327	1 935 362	1 924 794	2 011 235
Malaria Control Component	-	42 572	65 677	62 719	68 868	68 868	-	-	-
Human Papillomavirus Vaccine Component	27 471	21 590	23 701	30 253	36 816	36 816	-	-	-
COVID-19 Component	-	-	-	167 866	196 075	196 075	-	-	-
Mental Health Services Component	-	-	-	12 782	16 139	16 139	-	-	-
Oncology Services Component	-	-	-	10 000	30 000	30 000	-	-	-
District Health Component	-	-	-	-	-	-	686 130	463 841	484 672
National Tertiary Services	371 857	424 443	426 438	453 296	469 882	469 882	481 051	452 963	473 305
EPWP Integrated Grant	2 000	2 000	-	1 986	1 986	1 986	2 978	-	-
Social Sector (EPWP) Grant	26 946	37 295	28 284	36 891	36 891	36 891	33 847	-	-
National Health Insurance	-	32 070	31 805	31 952	31 952	31 952	83 490	68 900	71 039
Emergency Disaster Fund (COVID-19)	-	-	42 448	-	-	-	-	-	-
<b>Vote 8</b>	<b>358 809</b>	<b>361 599</b>	<b>386 511</b>	<b>426 184</b>	<b>426 184</b>	<b>426 184</b>	<b>424 444</b>	<b>440 951</b>	<b>460 754</b>
Public Transport Operations	356 809	359 599	384 511	424 147	424 147	424 147	422 338	440 951	460 754
EPWP Integrated Grant	2 000	2 000	2 000	2 037	2 037	2 037	2 106	-	-
<b>Vote 9</b>	<b>1 112 660</b>	<b>888 898</b>	<b>572 499</b>	<b>1 345 236</b>	<b>1 588 208</b>	<b>1 588 208</b>	<b>1 212 187</b>	<b>1 259 261</b>	<b>1 323 498</b>
Provincial Roads Maintenance Grant	975 319	873 136	566 794	1 333 213	1 576 185	1 576 185	1 199 876	1 259 261	1 323 498
Transport Disaster Management Grant	130 000	9 995	-	-	-	-	-	-	-
EPWP Integrated Grant	7 341	5 767	5 705	12 023	12 023	12 023	12 311	-	-
<b>Vote 10</b>	<b>181 216</b>	<b>177 830</b>	<b>128 743</b>	<b>205 791</b>	<b>212 621</b>	<b>212 621</b>	<b>219 703</b>	<b>218 114</b>	<b>229 017</b>
Mass Participation and Sport Development Grant	64 311	71 861	25 246	63 148	63 148	63 148	64 978	64 517	67 582
Community Library Services	115 123	104 203	101 965	140 606	147 436	147 436	152 619	153 597	161 435
EPWP Incentive Allocation	1 782	1 766	1 532	2 037	2 037	2 037	2 106	-	-
<b>Vote 11</b>	<b>1 235 123</b>	<b>1 373 593</b>	<b>834 546</b>	<b>1 133 445</b>	<b>1 141 881</b>	<b>1 141 881</b>	<b>1 176 418</b>	<b>1 227 401</b>	<b>1 282 523</b>
EPWP Incentive Allocation	-	750	1 231	2 037	2 037	2 037	-	-	-
Human Settlement Development	1 223 419	1 362 599	828 353	877 072	877 072	877 072	906 953	946 060	988 547
of which									
Human Settlement Development (flood repair)	29 678	-	-	-	-	-	-	-	-
Earmarked additions for the mining towns	66 330	-	-	-	-	-	-	-	-
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	254 336	254 336	269 465	281 341	293 976
Provincial Emergency Housing Grant	-	-	-	-	2 311	2 311	-	-	-
Title Deeds Restoration Grant	11 704	10 244	4 962	-	6 125	6 125	-	-	-
<b>Vote 12</b>	<b>140 489</b>	<b>79 195</b>	<b>144 498</b>	<b>155 362</b>	<b>225 543</b>	<b>225 543</b>	<b>10 435</b>	<b>-</b>	<b>-</b>
Social Sector (EPWP) Grant	7 452	8 250	9 096	9 581	9 581	9 581	7 865	-	-
EPWP Integrated Grant	-	2 385	1 793	2 338	2 338	2 338	2 570	-	-
Early Childhood Development	67 248	68 560	133 609	143 443	213 624	213 624	-	-	-
Maintenance Component	-	-	-	16 803	-	-	-	-	-
Subsidy Component	-	-	-	126 640	-	-	-	-	-
Social work employment grant	65 789	-	-	-	-	-	-	-	-
<b>Total conditional grants</b>	<b>8 467 358</b>	<b>8 487 024</b>	<b>8 337 975</b>	<b>10 125 313</b>	<b>10 789 045</b>	<b>10 789 045</b>	<b>10 740 545</b>	<b>10 545 591</b>	<b>10 979 786</b>

**Specific grants within the various departments are outlined below.**

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

The Early Childhood Development (ECD) function has been transferred from Social Development to Education in 2022/23. The Department of Education receives R184.858 million in 2022/23, R178.275 million in 2023/24 and R186.282 million in 2024/25 financial year.

The department will receive total conditional grant allocations amounting to R3.163 billion in 2022/23, R3.229 billion in 2023/24 and R3.373 billion in 2024/25 financial year. The conditional grants will be used for HIV/AIDS (Life Skills Education), Learners with Profound Intellectual Disabilities, National School Nutrition Programme, Education Infrastructure, Math, Science and Technology, Social Sector Extended Public Works Programme (EPWP), Early Childhood Development (ECD) 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.

### **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 COVID-19 lockdowns when the ports were closed and it was difficult to export or import goods.

The department will receive conditional grants amounting to R336.8 million in 2022/23, R331.8 million in 2023/24 and R346.3 million in 2024/25 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 R2.1 million for Integrated EPWP grant for the 2022/23 financial year. The grant plays a significant support in creating general employment 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 including COVID-19 virus.

Changes in the HIV, TB, Malaria and Community Outreach Grant has been implemented to reduce six components to form two main components in the conditional grant, namely a Comprehensive HIV/AIDS Component (made up from the HIV/AIDS and the TB components) and a District Health Component (made up of the Community Outreach, Malaria, HPV and COVID-19 components).

The department is allocated an amount of R4.196 billion for conditional grants in 2022/23, R3.839 billion in 2023/24 and R3.964 billion in 2024/25 financial year. Over the 2022 MTEF the department will have the following conditional grants; - District Health Programme Grant, Health Facility Revitalisation Grant, National Health Insurance Grant, National Tertiary Services Grant, Human Resource and Training Grant, EPWP Integrated Grant and EPWP Social Sector Grant. An amount of R137.612 million in 2022/23, R144.993 million in 2023/24 and R112.956 million have been added to the Human Resources and Training Grant to respond to costs associated with the placement of medical graduates.



Additional allocation has been added to the District Health Programmes Grant to augment the existing allocation within this grant, for costs associated with administering the COVID-19 vaccination roll-out programme by the provinces.

#### **Vote 8: Department of Transport and Community Safety**

The Department of Transport and Community Safety will receive conditional grants amounting to R424.444 million in 2022/23, R440.951 million in 2023/24 and R460.754 million in 2024/25 financial year. The allocation will be used for Public Transport Operations and Integrated Expanded Public Works Programme (EPWP) Grant.

#### **Vote 9: Department of Public Works, Roads and Infrastructure**

The Department of Public Works, Roads and Infrastructure will receive conditional grants amounting R1.212 billion in 2022/23, R1.259 billion in 2023/24 and R1.323 billion in 2024/25 financial year. The conditional grants will be used for Provincial Roads Maintenance and Integrated Expanded 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 allocated in 2022/23 financial year.

#### **Vote 10: Department of Sport, Arts and Culture**

The Department of Sport, Arts and Culture is allocated conditional grants amounting to R219.703 million in 2022/23, R218.114 million in 2023/24 and R229.017 million in 2024/25 financial year. The grant will be used mainly for Mass Participation and Sport Development, Community Library Services and Integrated Expanded Public Works Programme (EPWP) Incentive grant.

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

The Department Cooperative Governance, Human Settlements & Traditional Affairs will receive grants amounting to R1.176 billion in 2022/23, R1.227 billion in 2023/24 and R1.283 billion in 2023/24 financial year. The conditional grant is mainly for Human

Settlement Development and Informal Settlement Upgrading Partnership 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 R10.435 million for 2022/23 for Integrated Extended Public Works Programme (EPWP) and Social Sector EPWP. Early Childhood Development function and grant has been transferred to the Limpopo Department of Education.

### **4.4 Provincial Own Receipts (Own Revenue)**

The South African economy has been adversely impacted by the existence of COVID-19 like economies of other countries in the world. The negative impact of COVID-19 on the economy has resulted in reduced allocation of equitable share by National Treasury to Provinces. This has contributed to limited fiscal resources available to deliver services by the Province to improve the livelihood of its citizens. The Province is therefore compelled to initiate strategies in order to complement the declining equitable share. The economy is expected to have a positive rebound given that almost all sectors of the economy are opened which will confidently enhance the revenue collection in the Province. Provincial Treasury continues to support revenue enhancement initiatives brought forth by Departments and Public Entities thus ensuring that the Provincial Own revenue is maximised to augment the provincial equitable share baseline.

The Provincial government is mandated by the Constitution of the Republic of South Africa to generate own revenue to address provincial service delivery priorities. In 2022/23 financial year, the Limpopo own revenue collection is projected at R1.481 billion or 2.0 percent of the total provincial receipts. The provincial own revenue generated will be allocated for service delivery priorities. The revenue is generated from eleven (11) Departments and three (3) Schedule 3C public entities. Own revenue generated by Limpopo Legislature and two (2) Schedule 3D public entities are retained by institutions in terms of the requirement of the Public Finance Management Act.

Department of Transport and Community Safety is the largest contributor to provincial own revenue collection at 48.4 percent with motor vehicle licenses as the item that collects most revenue. The Department is currently implementing revenue enhancement initiatives to improve access to public services through 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 18.4 percent, from interest earned on bank balances. Interest earned on provincial bank balances cannot be relied on as it depends on the spending pattern of the Departments. Departments are continually encouraged to identify new sources of revenue in order to enhance revenue baseline.

The Department of Health is the third largest revenue contributor at 13.6 percent mainly from the collection of patient fees. The implementation of Electronic Data Interchange and Patient Verification System has yielded positive results of improving patient billing efficiency and revenue collection turnaround. The Department of Health continues to implement other revenue enhancement projects which among other include demarcation of parking bays for allocation to employees at a fee.

Following the Department of Health is the Department of Economic Development, Environment and Tourism at 11.2 percent with revenue being generated primarily from casino and horse racing taxes. The department is supported on revenue enhancement projects to upgrade the Wildlife Resorts in the Province which will ultimately increase the tourism revenue for the Department.

Other Departments contribute 8.4 percent mainly through Department of Education, Public Works, Road and Infrastructure and Agriculture & Rural Development and with potential to generate more revenue on interdepartmental(shared) services, property rentals; and boarding services and tuition fees respectively.

**Table 9: Provincial Own Revenue per vote**

	Audited outcome			Main appropriation	Revised Appropriation	Revised estimates	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25
<b>Summary of provincial own receipts per Vote</b>									
Vote 01: Office of the Premier	1 205	1 240	1 510	641	641	641	674	703	734
Vote 03: Education	45 563	78 882	51 545	53 234	53 234	53 234	60 906	63 586	66 639
Vote 04: Agriculture and Rural Development	12 005	15 804	11 015	12 936	12 936	12 936	13 557	14 181	14 818
Vote 05: Provincial Treasury	289 311	244 718	245 034	260 170	250 028	250 028	272 658	285 473	298 291
Vote 06: Economic Development, Environment & Tourism	150 559	179 732	117 857	176 905	150 972	150 972	165 669	177 400	190 017
Vote 07: Health	219 698	207 846	162 240	222 913	194 367	194 367	201 637	210 508	220 612
Vote 08: Transport and Community Safety	561 100	646 346	651 953	684 189	684 189	684 189	717 094	748 645	782 258
Vote 09: Public Works, Roads & Infrastructure	35 424	35 372	31 651	36 563	36 563	36 563	38 242	39 925	41 841
Vote 10: Sport, Arts & Culture	1 740	2 659	386	2 384	582	582	2 515	2 625	2 743
Vote 11: Co-Operative Governance, Human Settlements & Traditional Affairs	8 213	25 287	18 018	5 552	5 552	5 552	5 791	6 046	6 317
Vote 12: Social Development	3 860	3 167	5 061	2 568	6 859	6 859	2 630	2 745	2 867
<b>Total provincial own receipts by Vote</b>	<b>1 328 679</b>	<b>1 441 053</b>	<b>1 296 268</b>	<b>1 458 055</b>	<b>1 395 925</b>	<b>1 395 925</b>	<b>1 481 372</b>	<b>1 551 836</b>	<b>1 627 136</b>

The Provincial Own Revenue table above depicts the history of own receipts per vote from the 2018/19 financial year to 2020/21 financial year, and the collection estimates over 2022 MTEF period. The Provincial own revenue estimates increase from the adjusted estimates of R1.395 billion in 2021/22 to R1.481 billion in 2022/23 financial year which represent an increase of 6.1 percent and is above the projected inflation rate.

### **Vote 1: Office of the Premier**

Office of the Premier derives its main sources of own revenue from commission on insurance and parking fees. The own revenue budget grows by 5.1 percent, 4.3 percent and 4.4 percent in 2022/23, 2023/24 and 2024/25 percent respectively. The average growth of 4.6 percent over the 2022 MTEF is due to inflationary related factors.

### **Vote 3: Education**

The main sources of own revenue of the department are commission on insurance and examination fees. The own revenue budget grows by 14.4 percent, 4.4 percent and 4.8 percent in 2022/23, 2023/24 and 2024/25 respectively. Abnormal growth in 2022/23 is mainly influenced by revenue included in the baseline for services rendered

on behalf of Department of Basic Education. Average growth over the MTEF is at 7.8 percent.

#### **Vote 4: Agriculture**

The revenue collection for the department is mainly on academic services: tuition, registration, exam fees, boarding services from agricultural colleges as well as sale of agricultural produce. The own revenue budget grows by 4.8 percent, 4.6 percent and 4.5 percent in 2022/23 ,2023/24 and 2024/25 respectively. Average growth over the MTEF is 4.6 percent mainly due to inflationary related factors.

#### **Vote 5: Provincial Treasury**

Provincial Treasury revenue is generated through commission on insurance, interest on bank balances, sale of tender documents, parking fees and previous year's debts recoveries. The own revenue budget grows from R285.473 million to R298.291 million and R312.609 million respectively in 2022/23, 2023 /24 and 2024/25, i.e. 9.1 percent, 4.7 percent and 4.5 percent respectively. The average growth over the 2022 MTEF of 6.1 percent.

#### **Vote 6: Economic Development, Environment and Tourism**

The main sources of revenue for the Department are from casino, horse racing taxes, hunting permits, liquor licenses and tourism revenue. The own revenue budget of the department increased by 9.7 percent in 2022/23 and increases by 7.1 percent in 2023/24 and 7.1 percent in 2024/25. The increase of the revenue baseline is on casino taxes due to anticipated opening of the economy.

#### **Vote 7: Health**

The revenue of the department is mainly generated from patient fees. The own revenue budget grows by 3.7 percent, 4.4 percent and 4.8 percent in 2022/23 ,2023/24 and 2024/25 respectively. Average growth over the MTEF is 4.3 percent mainly due to inflationary related factors. The growth rate below the projected CPI in 2022/23 is due to new reforms implemented by RAF when making payments for patient fee debt.

### **Vote 8: Transport and Community Safety**

Main sources of revenue are derived from motor vehicle licences and traffic fines. Other sources include abnormal load fees and public permits. The own revenue budget of the department increases by 4.8 percent and 4.4 percent in 2022/23 and 2023/24 and in 2024/25 factored in 4.5 percent in line with the Treasury guidelines. The average growth over the 2022 MTEF is 4.6 percent.

### **Vote 9: Public Works, Roads & Infrastructure**

Main source of revenue is derived mainly from rental of government properties. Other revenue sources are commission on insurance and sale of tender documents. The own revenue budget of the department increases by 4.6 percent ,4.4 percent and 4.8 percent in 2022/23, 2023/24 and 2024/25 respectively which is due to inflationary related factors. The average growth over the MTEF is 4.6 percent

### **Vote 10: Sport, Arts and Culture**

The Department derives its own revenue mainly on entrance fees from hosting Mapungubwe Arts Festival. The own revenue budget of the Department increases by an abnormal growth of 332.1 percent in 2022/23 with expectation of again hosting Mapungubwe Arts Festival in 2022/23. Positive growth of 4.4 percent and 4.5 percent is anticipated in 2023/24 and 2024/25 respectively. The average growth over the 2022 MTEF is 67.7 percent.

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

The main sources of revenue are commission on insurance and parking fees. The own revenue budget of the Department increases by 4.3 percent in 2022/23 and 4.4 percent in 2023/24 respectively whilst 4.5 percent was factored in 2024/25. The average growth over the MTEF is 4.4 percent.

### **Vote 12: Social Development**

The main sources of revenue are commission on insurance, rentals and parking fees. The own revenue budget of the Department declines by 61.7 percent in 2022/23 mainly due to once-off of recovery of previous year's related debts however, improved

growth in 2023/24 and 2024/25 of 4.4 percent is mainly due to inflationary related factors.

#### 4.5 Donor Funding

**Table 10: Summary of provincial donor funding**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2021/22	2022/23	2023/24
3. Education	17 950	23 154	3 887	174 952	174 952	174 952	105 035	58 230	60 953
6. Economic Development, Environment and Tourism	662	174	307	-	10 158	10 158	-	-	-
7. Health	2 486	733	76	-	-	-	-	-	-
9. Public Works, Roads and Infrastructure	2 539	4 187	5 000	3 551	3 551	3 551	-	-	-
12. Social Development	14 220	7 860	5 061	-	4 000	4 000	2 022	-	-
<b>Total donor funds</b>	<b>37 857</b>	<b>36 108</b>	<b>14 331</b>	<b>178 503</b>	<b>192 661</b>	<b>192 661</b>	<b>107 057</b>	<b>58 230</b>	<b>60 953</b>

It is estimated that a total amount of R107.057 million will be received from donors during 2022/23 financial year. An amount of R105.035 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 R2.022 million from HWSETA for training and development of internships.

## 5 CHAPTER 5: PAYMENTS

### 5.1 Overall Position

The provincial expenditure declines from R75.666 billion adjustment budget in 2021/22 to R74.230 billion in 2022/23 and then grows to R74.416 billion in 2023/24 and further increases to R75.227 billion in 2024/25 financial years.

**Table 11: Summary of provincial payments and Estimates per vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Office Of The Premier	418 399	426 506	382 520	405 049	399 075	399 075	417 502	403 087	413 044
2. Provincial Legislature	390 363	422 972	354 163	395 479	429 854	429 854	385 979	391 709	399 412
3. Education	30 679 064	31 953 760	32 939 203	32 586 347	35 725 977	36 660 399	36 445 088	36 771 323	36 599 445
4. Agriculture And Rural Development	1 935 608	1 875 624	1 616 467	1 547 780	1 645 166	1 640 665	1 657 274	1 649 650	1 698 124
5. Provincial Treasury	449 128	471 279	419 977	364 910	364 910	364 910	409 910	422 471	433 684
6. Economic Development, Environment And Tourism	1 692 544	1 938 125	1 380 849	1 395 602	1 648 602	1 648 602	1 612 128	1 447 188	1 474 918
7. Health	19 720 188	21 011 275	22 030 377	21 972 934	23 480 301	23 480 301	22 725 589	22 647 347	23 163 984
8. Transport And Community Safety	2 085 664	2 251 555	2 141 399	2 089 781	2 329 281	2 329 281	2 365 562	2 433 141	2 435 419
9. Public Works, Roads And Infrastructure	3 409 651	3 466 960	2 940 445	3 211 927	4 143 899	4 149 390	3 471 248	3 408 948	3 566 850
10. Sport, Arts And Culture	451 681	470 341	390 627	473 381	515 211	496 696	533 293	559 417	640 113
11. Co-Operative Governance, Human Settlement And Traditional Affairs	2 597 038	2 779 131	2 109 400	2 310 764	2 382 200	2 382 200	2 418 737	2 471 878	2 552 711
12. Social Development	2 035 143	2 142 865	2 200 364	2 016 493	2 308 074	2 308 074	1 787 927	1 809 939	1 849 731
<b>Total payments and estimates</b>	<b>65 864 471</b>	<b>69 210 393</b>	<b>68 905 791</b>	<b>68 770 447</b>	<b>75 372 550</b>	<b>76 289 447</b>	<b>74 230 237</b>	<b>74 416 098</b>	<b>75 227 435</b>

### 5.2 Payments by Vote

#### Vote 1: Office of the Premier

The Office of the Premier is allocated R417.5 million in 2022/23, R403.1 million in 2023/24 and R413.0 million in 2024/25 financial years. Included in the allocation is R33.6 million earmarked funding to implement ICT related projects in the province, COVID-19 Communication, IT GIS Project, Foreign Missions and ICT Equipment.



## **Vote 2: Provincial Legislature**

The Provincial Legislature receives an allocated budget of R385.979 million in 2022/23, R391.709 million in 2023/24 and R399.412 million in 2024/25 financial year.

## **Vote 3: Education**

Education receives the highest share of 49.1 percent of the provincial budget. The department is allocated R36.445 billion in 2022/23, R36.771 billion in 2023/24 and R36.599 billion in 2024/25 financial years respectively.

The 2022/23 allocation includes R882.4 million for Presidential Youth Employment Initiatives, R35.3 million for Sanitary Dignity Project, R100.0 million for E-Education, R200.0 million for Storm Damage Schools, R320.0 million additional Compensation of Employees for Educators, R3.163 billion for Conditional Grants and R696.4 million from own revenue.

The allocation also includes R316.8 million equitable share for Early Childhood Development (ECD) function shift from Social Development and R184.9 million for Early Childhood Development (ECD) Grant.

## **Vote 4: Agriculture and Rural Development**

Agriculture and Rural Development is allocated a budget of R1.657 billion in 2022/23, R1.650 billion in 2023/24 and R1.698 billion in 2024/25 financial years respectively. The allocation includes R336.8 million in 2022/22 financial year for Conditional Grants.

Included in the departmental allocation, is an amount of R27.9 million for Revitalisation of Agriculture and Agro-Processing Value Chain (RAAVC) Projects.

## **Vote 5: Provincial Treasury**

The Provincial Treasury receives a budget allocation of R409.9 million in 2022/23, R422.5 million in 2023/24 and R433.7 million during 2024/25 financial year.

Included in the departmental allocation over the MTEF is an amount of R10.0 million for Municipal Support, R6 million for implementation of the LOGIS asset management model in provincial departments and R25.0 million for improved transversal monitoring and support programmes.

### **Vote 6: Economic Development, Environment and Tourism**

The Department of Economic Development Environment and Tourism is allocated a budget of R1.612 billion in 2022/23, R1.447 billion in 2023/24 and R1.475 billion in 2024/25 financial year. Included in the allocation is R2.1 million for EPWP Conditional Grant and R749.0 million for transfers to Public Entities. The public entities transfer amount include R275.0 million for Musina-Makhado and Fetakgomo-Tubatse Special Economic Zones, R54.0 million for the turnaround of Great North Transport to be transferred to Limpopo Economic Development Agency, and R21.8 million for Tourism Marketing to be transferred to the Limpopo Tourism Agency

The department is responsible for economic development in the province and the allocation also includes an amount of R4 million for the implementation of the Limpopo Liquor Act, R32 million for state resort refurbishment, R7 million for Reserve commercialization and R5 million for the implementation of a resort central reservation system and lastly R28.3 million to pay debts due to its public entities

### **Vote 7: Health**

The Department of Health receives the second highest allocations of the provincial budget at 30.6 percent. The total allocation to the department is R22.726 billion in 2022/23, R22.647 billion in 2023/24 and R23.164 billion in 2024/25 financial year.

Included in the 2022/23 allocation is R115.0 million for placement of medical graduates, R185.0 million for Employment of Doctors, R20.0 million for Emergency Medical Services Communication Centres, R5.0 million for construction and demarcation of parking bays (Revenue Enhancement). The allocation also includes R4.195 billion for Conditional Grants and R609.7 million from own revenue.

Included in the equitable share allocation, is ring-fenced allocation of R1 billion for COVID-19 response and vaccine rollout programs.

### **Vote 8: Transport and Community Safety**

The Department of Transport and Community Safety is allocated R2.366 billion in 2022/23, R2.433 billion in 2023/24 and R2.435 billion in 2024/25 financial years respectively.

The 2022/23 allocation includes R424.4 million for conditional grants, R67.3 million for transfer to Gateway Airport Authority Limited (GAAL), R57.2 million for provincial priorities including R18,5 million for the construction of K53 Projects, R26 million for revitalization of Traffic Training College, R6.7 million for the revitalization of traffic stations and R6 million for the finalisation of the Thohoyandou taxi facility.

### **Vote 9: Public Works, Roads and Infrastructure**

The department receives a budget allocation of R3.471 billion in 2022/23, R3.409 billion in 2023/24 and R3.567 billion in 2024/25 financial years.

Included in the allocation is R150.0 million for Municipal Rates and Taxes and R1.212 billion for conditional grants, part of which will be allocated to Roads Agency Limpopo as part of the RAL allocation of R1.540 billion for roads maintenance and upgrading, partnerships and other operational costs.

### **Vote 10: Sport, Arts and Culture**

The Department of Sport, Arts and Culture receives an allocation of R533.3 million in 2022/23, R559.4 million in 2023/24 and R640.1 million in 2024/25 financial year. The allocation for 2022/23 includes conditional grants allocations amounting to R219.7 million.

Included in the departmental 2022/23 allocation is an amount of R33.0 million for the Provincial Theater and R8.5 million for 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 R2.419 billion in 2022/23, R2.472 billion in 2023/24 and R2.553 billion during 2024/25 financial year. Included in the allocation is conditional grant allocation of R1.176 billion for Human Settlement Development Grant (R907.0 million) and Informal Settlement Upgrading Partnership Grant (R269.5 million).

The allocation for 2022/23 financial year also includes R57.0 million for Construction and Maintenance of Traditional Council Offices and R5.0 million for Furnishing of Traditional Council Offices.

## **Vote 12: Social Development**

The Department of Social Development will receive R1.788 billion in 2022/23, R1.810 billion in 2023/24 and R1.850 billion during 2024/25 financial year. The 2022/23 above equitable and conditional grant allocation has been reduced due to Early Childhood Development function transfer to Limpopo Department of Education. The allocation includes a conditional grant allocation of R10.4 million for Expanded Public Works Programme.

Included in the budget allocation for 2022/23 and over the MTEF are the funds for conversion of Social Work Grant to Equitable Share, Food Relief Function Shift and Gender Based Violence and an additional R23.2 million for the payment of existing welfare NGO's.

### **5.3 Payments by Economic Classification**

The Provincial Budget is allocated in various Economic Classifications as per Standard Chart of Accounts (SCOA) namely; Compensation of Employees, Goods and Services, Transfers and Subsidies and Payments for Capital Assets as outlined in the table below.

**Table 12: Payments by economic classification**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
<b>Current payments</b>	<b>55 589 772</b>	<b>59 326 912</b>	<b>59 048 751</b>	<b>58 303 966</b>	<b>63 030 734</b>	<b>63 822 317</b>	<b>62 053 902</b>	<b>62 613 535</b>	<b>63 852 488</b>
Compensation of employees	45 754 591	48 464 902	48 048 076	46 863 677	49 799 867	50 527 988	50 756 769	50 690 020	51 453 180
Goods and services	9 833 341	10 859 167	10 998 722	11 439 309	13 229 875	13 293 337	11 296 104	11 922 434	12 398 178
Interest and rent on land	1 840	2 843	1 953	980	992	992	1 030	1 081	1 130
<b>Transfers and subsidies to:</b>	<b>8 344 146</b>	<b>8 284 610</b>	<b>8 095 991</b>	<b>7 586 002</b>	<b>9 787 157</b>	<b>9 912 647</b>	<b>9 508 879</b>	<b>9 580 544</b>	<b>9 033 040</b>
Provinces and municipalities	84 031	105 511	198 373	54 334	318 463	318 402	191 243	166 179	166 792
Departmental agencies and accounts	2 323 760	2 562 891	1 712 383	1 911 183	2 599 859	2 599 859	2 467 566	2 262 994	2 245 617
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	696 705	703 647	646 502	653 865	715 365	715 365	716 593	782 571	788 046
Non-profit institutions	3 011 563	2 842 955	3 943 492	3 313 795	4 334 563	4 334 094	4 375 236	4 532 651	3 967 475
Households	2 228 087	2 069 606	1 595 241	1 652 825	1 818 907	1 944 927	1 758 241	1 836 149	1 865 110
<b>Payments for capital assets</b>	<b>1 835 418</b>	<b>1 593 539</b>	<b>1 756 688</b>	<b>2 880 480</b>	<b>2 553 347</b>	<b>2 553 171</b>	<b>2 667 456</b>	<b>2 222 019</b>	<b>2 341 908</b>
Buildings and other fixed structures	1 528 950	1 226 702	1 281 311	2 389 821	1 812 035	1 811 809	2 168 785	1 861 719	1 918 625
Machinery and equipment	302 733	362 838	465 769	488 864	740 325	740 375	493 159	352 276	414 897
Heritage Assets	-	181	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	1 607	3 709	-	795	795	795	1 512	4 896	5 116
Land and sub-soil assets	-	-	-	-	-	0	-	-	-
Software and other intangible assets	2 128	109	9 608	1 000	192	192	4 000	3 129	3 270
<b>Payments for financial assets</b>	<b>95 135</b>	<b>5 332</b>	<b>4 361</b>	<b>-</b>	<b>1 312</b>	<b>1 312</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total economic classification</b>	<b>65 864 471</b>	<b>69 210 393</b>	<b>68 905 791</b>	<b>68 770 447</b>	<b>75 372 550</b>	<b>76 289 447</b>	<b>74 230 237</b>	<b>74 416 098</b>	<b>75 227 436</b>

### 5.3.1 Current Payments

Current payments include payments for Compensation of Employees and Goods and Services. The allocation for current payments is R62.054 billion in 2022/23, R62.614 billion in 2023/24 and R63.853 billion in 2024/25 financial year and represents 83.6 percent of the total allocation.

Included in the current payment is Compensation of Employees allocation which represent 68.6 percent of the total budget and is allocated R50.757 billion in 2022/23, R50.690 billion in 2023/24 and R51.453 billion in 2024/25 financial year. The Compensation of Employees is reducing in 2023/24 due to once off allocation for salary increases (non-pensionable cash allowance) in 2022/23 financial year.

Goods and Services represents 15.2 percent of the total allocation and is allocated R11.296 billion, R11.922 billion and R12.398 billion in 2022/23, 2023/24 and 2024/25 financial years respectively. The Goods and Services reduces by 1.3 percent from

2021/22 to 2022/23 financial year due to reduction in allocation for earmarked funding in 2022/23 financial year.

### **5.3.2 Transfers and subsidies**

The allocation for Transfers and Subsidies is R9.509 billion or 12.8 percent of the total budget in 2022/23, increased minimally to R9.581 billion in 2023/24 and reduces to R9.033 billion in 2024/25 financial year. The allocation is intended for transfers to Departmental Agencies (public entities) and schools, funded Non-Profit Organisations; Service Providers for Construction of Human Settlement Houses under Human Settlement Grant and for Payments of Leave Gratuity to staff exiting the public service.

### **5.3.3 Payment for Capital Assets**

Payments for Capital Assets reduces from R2.880 billion to R2.667 billion in 2022/23 financial year. The allocation is for Construction of Fixed Structures such as Roads and Buildings, Machinery and Equipment, Biological Assets and Software and Intangible Assets. An amount of R2.169 billion or 81.3 percent of the Payments for Capital Assets' budget is allocated to Buildings and Other Fixed Structures which is infrastructure investment and should assist in job creation in construction industry.

## 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 13: Payments by policy area**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2021/22	2022/23	2023/24
General Public Services	5 894 868	6 027 450	5 195 946	5 448 842	6 466 755	6 472 246	5 815 421	5 754 949	5 966 773
Public Order and Safety	59 556	60 502	50 507	61 437	57 824	57 824	62 316	72 714	75 998
Economic Affairs	5 250 068	5 629 756	4 760 533	4 653 956	5 235 013	5 230 512	5 208 703	5 132 021	5 177 428
Environmental Protection	404 192	375 046	327 675	317 770	330 212	330 212	363 944	325 244	355 035
Housing and Community Amenities	1 369 711	1 539 398	1 010 559	1 239 287	1 253 183	1 253 183	1 287 954	1 343 144	1 398 928
Health	19 720 188	21 011 275	22 030 377	21 972 934	23 480 301	23 480 301	22 725 589	22 647 347	23 163 984
Recreation, Culture and Religion	451 681	470 341	390 627	473 381	515 211	496 696	533 293	559 417	640 113
Education	30 679 064	31 953 760	32 939 203	32 586 347	35 725 977	36 660 399	36 445 088	36 771 323	36 599 445
Social protection	2 035 143	2 142 865	2 200 364	2 016 493	2 308 074	2 308 074	1 787 927	1 809 939	1 849 731
<b>Total provincial payments and estimates by policy area</b>	<b>65 864 471</b>	<b>69 210 393</b>	<b>68 905 791</b>	<b>68 770 447</b>	<b>75 372 550</b>	<b>76 289 447</b>	<b>74 230 236</b>	<b>74 416 098</b>	<b>75 227 435</b>

Office of the Premier, Legislature, Provincial Treasury and Public Works provides support to departments in terms of general public services and ensures 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 R5.815 billion, R5.755 billion and R5.967 billion in 2022/23, 2023/24 and 2024/25 financial year 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 R62.316 million in 2022/23 financial year. Economic affairs and environmental protection remains the responsibility of the Department of Economic Development, Environment and Tourism and Agriculture. These departments are allocated R5.573 billion in 2022/23, R5.457 billion in 2023/24 and R5.532 billion in 2024/25 financial years respectively.

Housing Development is the competency of the Department of Co-Operative Governance, Human Settlement and Traditional Affairs which is allocated R1.288 billion, R1.343 billion and R1.399 billion in 2022/23, 2023/24 and 2024/25 respectively.

The Department of Sport, Arts and Culture oversees recreation, culture and religion programmes in the province. The department is allocated R533.293 million in 2022/23, R559.417 million in 2023/24 and R640.113 million in financial year.

In terms of the Constitution of the Republic of South Africa, Department of Health, Education and Social Development are tasked with the responsibility of providing health care, basic education and social services to the public respectively. An amount of R60.958 billion or 82.1 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**

Strategic long-term planning is fundamental to the successful infrastructure improvement and this vision cuts across all provincial departments within the Limpopo Provincial Government. With infrastructure considered to be central to the South African economic reconstruction and recovery, the Limpopo Provincial Government has already undertaken to prioritize this by strengthening governance of infrastructure not only to promote value for money but make certain that the infrastructure budget allocations are utilized for the right projects in a coordinated and trusted manner.

The Limpopo Provincial Government infrastructure planning framework for 2022 Medium Term Expenditure Framework (MTEF) built on the experience gained during the planning and delivery of infrastructure over the years. Despite the challenges presented by COVID-19, the delivery of provincial infrastructure in the Limpopo Province continues to improve. Several initiatives were undertaken to improve and accelerate the implementation of projects and related expenditure. Some of the initiatives includes:



- The formation of a technical committee to accelerate the delivery of infrastructure and related expenditure, particularly conditional grants;
- Building infrastructure capacity within the Limpopo Department of Public Works, Roads and Infrastructure (LDPWR&I) through the Government Technical Advisory Centre (GTAC) programme;
- Increased focus and emphasis on forward planning for infrastructure.

There is evidence of maturity in the delivery and reporting of projects and programmes, both on a financial and non-financial aspects across provincial infrastructure governance structures as well as the implementation of the best practices as outlined in the Infrastructure Delivery Management System (IDMS) and the Framework for Infrastructure Delivery and Procurement Management (FIDPM) issued as Treasury Instruction 03 of 2019, effective from 01 October 2019.

The planning and delivery of 2022 MTEF projects therefore centres around the following key areas:

- Ensuring that the infrastructure planning cycle is aligned to the Provincial Budget Planning process;
- Identification of infrastructure projects ready for implementation in the 2022/23 MTEF. Focus on the above was on the projects advertised, awarded and sites hand over to contractors in the first quarter of 2022/23 financial year together with multi-year projects already at various stages of construction in the 2021/22 financial year;
- Identification of projects that will be planned and be ready for implementation in the outer years;
- Monitoring of construction works on the projects that are currently on sites;
- Improved efficiency of Supply Chain Management processes.

The implementation of the 2022 MTEF provincial infrastructure budget has been enhanced through the User Asset Management Plans (U-AMP) and the three-year Infrastructure Programme Management Plans (IPMP) prepared by a sector departments in detail specifying how the infrastructure programmes will be executed, monitored and controlled over the current MTEF period as required by Government Immovable Asset and Management Act (GIAMA); 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. These planning documents enables the implementing agents to adequately develop realistic Infrastructure Programme/Project Implementations Plans (IPIP).

This was following refresher workshops conducted with infrastructure experts from all departments and implementing agents facilitated through the GTAC programme. These workshops were aimed at improving the quality of these planning documents and to ensure a uniform framework for the management of immovable assets that are used.

The provincial infrastructure departments engaged on an Infrastructure Planning and Delivery Workshop in the third quarter of 2021/22 financial year to plan for the 2022/23 MTEF, where departments and implementing agents presented preliminary plans, key projects and programmes that were ready for implementation in the 2022/23 financial year and over a multi-year horizon. The Provincial Infrastructure Planning and Readiness Report for 2022/23 financial year was compiled, finalised and endorsed by all infrastructure governance structures. The final plans have been used as inputs into the Provincial Budget Planning process to align the plans with the Budget Cycle for 2022 MTEF.

The departmental infrastructure plans for Limpopo Provincial Government will be implemented through the total allocated infrastructure budget of R20.470 billion for the delivery of infrastructure over the 2022 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 14: Summary of provincial infrastructure payments and estimates by vote**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
Vote 03: Education	955 051	636 873	996 511	1 336 570	1 401 810	1 401 810	1 517 811	1 373 984	1 435 659
Vote 04: Agriculture and Rural Development	141 696	235 615	89 002	162 140	109 483	109 483	180 961	164 604	175 050
Vote 06: Economic Development, Environment and Tourism	64 678	20 120	11 360	25 200	19 200	19 200	27 000	20 000	10 000
Vote 07: Health	651 784	821 173	1 029 029	1 360 754	1 412 252	1 412 252	759 965	722 982	759 757
Vote 08: Transport and Community Safety	5 691	15 709	41 574	51 574	36 242	36 242	57 188	90 688	33 000
Vote 09: Public Works, Roads and Infrastructure	1 956 343	3 010 294	2 972 594	2 841 072	3 224 444	3 224 494	3 006 758	2 951 766	3 116 448
Vote 10: Sport, Arts and Culture	35 405	51 150	43 050	81 060	89 890	89 889	89 997	101 500	124 000
Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs	1 235 123	1 373 594	964 517	1 133 445	1 133 445	1 133 445	1 176 418	1 227 401	1 282 523
Vote 12: Social Development	37 705	36 796	25 213	38 308	35 808	35 808	20 717	21 629	22 600
<b>Total provincial infrastructure (including non infrastructure items)</b>	<b>6 083 476</b>	<b>6 201 324</b>	<b>6 172 850</b>	<b>7 030 123</b>	<b>7 462 574</b>	<b>7 462 623</b>	<b>6 836 815</b>	<b>6 674 554</b>	<b>6 959 037</b>

The table above summarises the budget allocation by vote over 2022 MTEF showing that the Department of Public Works Roads & Infrastructure is allocated a budget of R3.006 billion or 44 percent, Cooperative Governance, Human Settlement and Traditional Affairs with an allocation of R1.176 billion or 17 percent, the Department of Education with R1.517 billion or 22 percent and Department of Health with R 759. 9 million or 11 percent. Limpopo Provincial Government infrastructure is mainly funded through conditional grants and Provincial Equitable Share.

**Table 15: Summary of provincial infrastructure payments and estimates by category**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
<b>Existing infrastructure assets</b>	<b>2 379 051</b>	<b>1 613 534</b>	<b>1 615 907</b>	<b>3 279 303</b>	<b>2 982 679</b>	<b>2 429 293</b>	<b>2 426 345</b>	<b>2 440 462</b>	<b>2 609 077</b>
Maintenance and repairs	1 270 466	892 668	997 872	1 851 289	2 140 045	1 586 659	1 107 114	1 322 570	1 416 698
Upgrades and additions	940 067	583 885	326 821	1 303 122	740 392	740 392	1 001 428	978 072	1 051 784
Rehabilitation and refurbishment	168 518	136 981	291 214	124 892	102 242	102 242	317 803	139 820	140 595
<b>New infrastructure assets</b>	<b>308 481</b>	<b>439 166</b>	<b>622 096</b>	<b>780 218</b>	<b>916 139</b>	<b>916 139</b>	<b>664 515</b>	<b>585 534</b>	<b>575 910</b>
<b>Infrastructure transfers</b>	<b>2 131 136</b>	<b>2 803 075</b>	<b>2 316 348</b>	<b>2 254 643</b>	<b>2 626 215</b>	<b>2 626 215</b>	<b>2 718 828</b>	<b>2 625 946</b>	<b>2 736 191</b>
Infrastructure transfers - Current	489 225	12 687	-	12 037	2 037	2 037	2 000	-	-
Infrastructure transfers - Capital	1 641 911	2 790 388	2 316 348	2 242 606	2 624 178	2 624 178	2 716 828	2 625 946	2 736 191
<b>Infrastructure: Payments for financial assets</b>	-	-	-	-	-	-	-	-	-
<b>Infrastructure: Leases</b>	-	47 226	49 776	44 743	44 743	44 743	46 623	47 369	48 496
<b>Non Infrastructure</b>	<b>264 808</b>	<b>1 298 323</b>	<b>1 568 723</b>	<b>671 216</b>	<b>892 798</b>	<b>1 446 233</b>	<b>980 504</b>	<b>975 243</b>	<b>989 363</b>
<b>Total provincial infrastructure payments and estimates</b>	<b>5 083 476</b>	<b>6 201 324</b>	<b>6 172 850</b>	<b>7 030 123</b>	<b>7 462 574</b>	<b>7 462 623</b>	<b>6 836 815</b>	<b>6 674 554</b>	<b>6 959 037</b>
Capital infrastructure	3 058 977	3 950 420	3 556 479	4 450 836	4 382 951	4 382 951	4 700 574	4 329 372	4 504 486
Current infrastructure	2 024 499	2 250 904	2 616 371	2 579 285	3 079 623	3 079 672	2 136 241	2 345 182	2 454 557

1. Total provincial infrastructure is the sum of "Capital" plus "Recurrent maintenance". This includes non infrastructure items.

Over the 2022 MTEF, R20.470 billion is allocated across various investment categories. A budget of R664.5 million or 10 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 housing development.

The estimated budget allocation for rehabilitation and refurbishment is R317.8 million or 5 percent, upgrading and additions of existing facilities is R1.001 billion or 15 percent, capital transfers is R2.718 billion or 40 percent and R1.107 billion or 16 percent is allocated for maintenance. The other part of the infrastructure budget goes to leases which is R46.6 million or 1 percent and non-infrastructure which is R980.5 million or 14 percent.

For 2022/23, the Limpopo Provincial Government will implement a total of 2349 projects with a budget of R 6.901 billion.

The monthly Infrastructure Technical Management Committee (ITMC) led by Provincial Treasury and Public Works Roads & Infrastructure remains to be part of the governance structure that continuously assist the sector departments to undertake necessary decisions relating to the delivery management strategy and the contracting and procurement arrangements that have been agreed in the construction procurement strategy.

Provincial Treasury (PT) continues to liaise with all departments and conducted refresher workshops on the capturing of project list, budgets, expenditure and Table B5 in the web based Infrastructure Reporting Model (IRM). There is improved understanding and usage of IRM in the Province. Provincial Treasury will continue to hold one-one sessions and provide support to departments that still experience difficulties with the reporting tool.

For the purposes of the 2022/23 financial year, all departments captured their project information on the web based IRM. This will enable sector departments to report on progress and performance of their infrastructure on a monthly basis to both Provincial and National Treasury.

This budget has been objectively planned by identifying key projects in the sector departments so that we unlock challenges and therefore attract investments, drive the economic growth, create jobs and ensure development impact and job creation. The technical committee will continue to review the implementation of 2022/23 FY projects and identify blockages and interventions. Formal engagements will continue to 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.

## 6 Transfers

### 6.1.1 Transfers to Public Entities

**Table 16: Transfers to Public Entities**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
6. Economic Development, Environment and Tourism	774 462	1 044 807	615 194	663 983	663 983	663 983	748 983	699 005	659 622
Limpopo Gambling Board	68 086	72 117	61 381	60 652	60 652	60 652	75 652	75 652	79 056
Limpopo Tourism Agency	102 309	91 216	66 413	66 697	66 697	66 697	76 697	87 127	101 947
Limpopo Economic Development Agency	604 067	881 474	487 400	536 634	536 634	536 634	596 634	536 226	478 619
8. Transport and Community Safety	67 380	53 151	65 777	39 331	67 331	67 331	67 331	50 498	37 874
Gateway Airport Authority Limited	67 380	53 151	65 777	39 331	67 331	67 331	67 331	50 498	37 874
9. Public Works, Roads and Infrastructure	1 388 918	1 293 589	1 366 034	1 109 398	1 492 770	1 492 770	1 540 410	1 398 545	1 453 668
Limpopo Roads Agency	1 388 918	1 293 589	1 366 034	1 109 398	1 492 770	1 492 770	1 540 410	1 398 545	1 453 668
<b>Total departmental transfers</b>	<b>2 230 760</b>	<b>2 391 547</b>	<b>2 047 005</b>	<b>1 812 712</b>	<b>2 224 084</b>	<b>2 224 084</b>	<b>2 356 724</b>	<b>2 148 048</b>	<b>2 151 164</b>

Provincial Public Entities are allocated R2.357 billion in 2022/23 financial year, R2.148 billion in 2023/24 and R2.151 billion in 2024/25 financial year. Majority of allocation or 65.4 percent of the transfers to public entities is allocated Road Agency Limpopo at R1.540 billion for Construction and Maintenance of Provincial Roads, followed by Limpopo Economic Development Agency at R596.634 million. An amount of R76.697 million is allocated to Limpopo Tourism Agency, R75.652 million to Limpopo Gambling Board and R67.331 million to Gateway Airport Authority Limpopo in 2022/23 financial year.

### 6.1.2 Transfers to Local Government

**Table 17: Provincial Transfer to Local Government**

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Category A	-	-	-	-	-	-	-	-	-
Category B	6 676	5 991	3 296	4 514	2 414	4 016	3 849	4 129	4 349
Category C	74 380	95 395	191 788	45 008	311 053	311 053	154 339	154 399	154 596
Unallocated	395	432	557	851	851	706	892	930	972
<b>Total provincial transfers</b>	<b>81 451</b>	<b>101 818</b>	<b>195 641</b>	<b>50 373</b>	<b>314 318</b>	<b>315 775</b>	<b>159 080</b>	<b>159 458</b>	<b>159 917</b>

An amount of R159.080 million is allocated by different departments to pay for the rates and taxes and motor vehicles licenses in 2022/23 financial year. The allocation

is increased due to additional allocation of R150 million for Municipal Rates and Taxes for rates in Department of Public Works, Roads and Infrastructure.

## 7 Personnel Numbers and Costs

**Table 18: Summary of provincial personnel numbers and costs by vote**

	Actual						Revised estimate				Medium-term expenditure estimate					
	2018/19		2019/20		2020/21		2021/22				2022/23		2023/24		2024/25	
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs
<b>R thousands</b>																
<b>Vote</b>																
1. Office Of The Premier	474	301 263	464	312 615	439	307 791	439	-	439	297 011	439	326 271	435	324 956	435	329 574
2. Provincial Legislature	212	201 128	243	221 148	243	233 836	259	-	259	256 288	259	252 502	259	252 502	259	254 818
3. Education	68 511	24 725 638	68 511	26 230 009	56 832	26 114 714	61 394	-	61 394	27 663 851	61 394	26 924 236	61 394	27 174 105	61 394	27 498 544
4. Agriculture And Rural Development	3 128	1 109 876	3 132	1 135 357	3 128	1 080 184	3 122	-	3 122	1 040 187	3 122	1 046 905	3 090	1 046 906	3 090	1 093 914
5. Provincial Treasury	407	306 105	496	303 898	473	283 299	408	-	408	279 043	408	303 299	408	312 299	408	314 293
6. LEDET	1 373	575 496	1 248	581 796	1 343	541 111	1 144	-	1 144	553 700	1 144	559 201	1 183	551 450	1 123	576 212
7. Health	33 651	14 199 044	42 072	15 048 215	42 376	14 966 409	31 221	-	31 221	15 774 432	31 221	16 718 977	42 882	16 425 378	42 882	16 712 491
8. Transport And Community Safety	2 894	959 984	3 052	1 087 159	3 212	1 097 141	2 180	-	2 180	1 052 317	2 180	1 106 615	2 181	1 108 656	2 181	1 157 782
9. Public Works, Roads And	3 197	1 047 782	3 197	1 069 792	2 710	997 684	2 687	-	2 687	994 424	2 687	994 424	2 718	994 424	2 715	986 009
10. Sport, Arts And Culture	484	190 376	484	197 706	465	197 861	466	-	466	200 841	466	233 947	557	242 581	577	256 346
11. Co-GHSTA	3 787	1 012 555	3 671	1 079 897	3 831	1 051 959	3 651	-	3 651	992 925	3 651	983 691	3 277	999 534	3 380	999 553
12. Social Development	3 274	1 128 510	3 274	1 198 678	3 317	1 226 808	3 317	-	3 317	1 368 361	3 317	1 306 700	3 317	1 257 228	3 317	1 273 643
<b>Total</b>	<b>121 392</b>	<b>45 757 759</b>	<b>129 844</b>	<b>48 466 271</b>	<b>118 369</b>	<b>48 098 797</b>	<b>110 288</b>	<b>-</b>	<b>110 288</b>	<b>50 473 380</b>	<b>110 288</b>	<b>50 756 769</b>	<b>121 701</b>	<b>50 690 019</b>	<b>121 761</b>	<b>51 453 179</b>

The personnel numbers are projected to remain stagnant at 110 288 in 2022/23 and increase to 121 701 in 2023/24 and 121 761 in 2024/25 financial year to accommodate warm bodies and vacant funded posts.

## 7.1 Payments on Training

**Table 19: Summary of provincial payments on training**

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22			2022/23	2023/24	2024/25
1. Office Of The Premier	6 582	6 152	345	320	320	320	390	440	490
2. Provincial Legislature	1 241	1 217	1 615	1 640	1 640	1 640	1 720	1 796	1 877
3. Education	75 509	79 738	84 123	88 750	88 750	88 750	93 010	97 102	101 762
4. Agriculture And Rural Development	5 780	9 690	3 082	4 405	4 405	4 005	5 000	10 000	10 449
5. Provincial Treasury	3 496	1 030	2 839	4 916	4 916	4 916	7 634	7 977	8 360
6. LEDET	7 139	12 745	9 662	4 818	4 818	4 818	6 597	7 519	7 857
7. Health	549 977	488 729	546 756	669 003	679 649	676 847	810 997	806 264	796 310
8. Transport And Community Safety	6 030	6 600	6 800	4 074	2 854	2 854	927	602	629
9. Public Works, Roads And Infrastructure	11 130	11 757	3 689	11 737	7 325	113	12 191	12 191	12 191
10. Sport, Arts And Culture	1 540	1 630	1 712	1 516	1 516	1 516	1 580	1 580	1 625
11. Co-GHSTA	9 464	9 601	-	-	-	-	3 981	6 156	6 432
12. Social Development	4 571	4 669	4 926	5 197	5 197	5 197	5 446	5 686	5 941
<b>Total payments on training</b>	<b>682 460</b>	<b>633 558</b>	<b>665 549</b>	<b>796 376</b>	<b>801 390</b>	<b>790 976</b>	<b>949 473</b>	<b>957 313</b>	<b>953 923</b>

Training and development is allocated R949.473 million in 2022/23, R957.313 million and R953.923 million in 2024/25 financial year 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.



## 8 ANNEXURES

**Table 20: A1: Details of information on provincial own receipts**

	Audited outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21	2021/22	2021/22	2021/22	2022/23	2023/24	2024/25
<b>Tax receipts</b>	<b>569 124</b>	<b>659 224</b>	<b>626 955</b>	<b>694 650</b>	<b>688 426</b>	<b>688 426</b>	<b>725 120</b>	<b>761 411</b>	<b>800 213</b>
Casino taxes	60 928	79 253	44 443	71 119	60 283	60 283	71 119	76 809	82 953
Horse racing taxes	46 181	40 386	33 208	47 829	52 441	52 441	50 623	54 673	59 047
Liquor licences	3 561	3 648	3 517	4 293	4 293	4 293	4 478	4 677	4 887
Motor vehicle licences	458 454	535 937	545 788	571 409	571 409	571 409	598 900	625 252	653 326
<b>Sales of goods and services other than capital assets</b>	<b>308 212</b>	<b>309 134</b>	<b>251 264</b>	<b>339 026</b>	<b>295 461</b>	<b>295 461</b>	<b>330 059</b>	<b>344 615</b>	<b>360 900</b>
Sales of goods and services produced by department (excl. capital assets)	305 761	308 167	250 006	336 939	293 156	293 156	328 058	342 525	358 715
Sales by market establishments	-	-	-	-	-	-	-	-	-
Administrative fees	42 141	44 932	38 928	62 074	49 966	49 966	64 682	67 540	70 593
Other sales	263 620	263 236	211 078	274 865	243 190	243 190	263 376	274 985	288 122
<i>Of which</i>									
Commission on insurance	47 830	59 265	50 691	51 717	49 490	49 490	52 024	53 819	56 425
Patient fee	116 619	105 267	66 227	115 659	98 538	98 538	103 507	108 061	113 248
Parking fee	3 312	3 339	3 644	4 795	3 969	3 969	4 327	4 519	4 731
Rentals	66 344	69 509	65 468	87 209	80 360	80 360	87 410	145 547	95 237
Sales of scrap, waste, arms and other used current goods (excl. capital assets)	2 451	967	1 258	2 086	2 306	2 306	2 001	2 089	2 185
<b>Transfers received from:</b>	<b>5 412</b>	<b>21 891</b>	<b>21 005</b>	<b>9 683</b>	<b>16 911</b>	<b>16 911</b>	<b>10 099</b>	<b>10 548</b>	<b>11 022</b>
Other governmental units (Excl. Equitable share and conditional grants)	5 412	21 891	21 005	9 683	16 911	16 911	10 099	10 548	11 022
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	<b>70 370</b>	<b>78 795</b>	<b>79 331</b>	<b>75 657</b>	<b>74 907</b>	<b>74 907</b>	<b>79 435</b>	<b>82 928</b>	<b>86 651</b>
<b>Interest, dividends and rent on land</b>	<b>291 743</b>	<b>268 144</b>	<b>250 470</b>	<b>261 620</b>	<b>251 949</b>	<b>251 949</b>	<b>274 183</b>	<b>287 063</b>	<b>299 953</b>
Interest	291 327	267 987	250 258	260 937	251 789	251 789	273 465	286 313	299 168
Rent on land	417	157	212	683	160	160	718	750	785
<b>Sales of capital assets</b>	<b>27 401</b>	<b>14 404</b>	<b>9 536</b>	<b>17 715</b>	<b>17 556</b>	<b>17 556</b>	<b>14 746</b>	<b>15 438</b>	<b>16 192</b>
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	27 401	14 404	9 536	17 715	17 556	17 556	14 746	15 438	16 192
<b>Financial transactions in assets and liabilities</b>	<b>56 417</b>	<b>89 461</b>	<b>57 708</b>	<b>59 705</b>	<b>50 715</b>	<b>50 715</b>	<b>47 731</b>	<b>49 834</b>	<b>52 206</b>
<b>Total provincial own source receipts</b>	<b>1 328 679</b>	<b>1 441 053</b>	<b>1 296 268</b>	<b>1 458 055</b>	<b>1 395 925</b>	<b>1 395 925</b>	<b>1 481 372</b>	<b>1 551 837</b>	<b>1 627 137</b>





**Table 23: 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
	R&D health (CS) Hospital services		Provincial Hospital Services Central Hospital Services Health Sciences and Training Health Care Support Services Health Facilities Management
Recreation, culture and religion	Recreational and sporting services Cultural services	Sport, Arts and Culture	Administration Cultural Affairs Library and Archives Sport and Recreation
Education	Pre-primary and primary Secondary education Subsidiary service to education Education not definable by level	Education	Administration Public Ordinary Schools Independent Schools Subsidies Public Special School Early Childhood Development Infrastructure Development Auxiliary and Associated Services
Social protection	Social security services	Social Development	Administration Social Welfare services Children and Families Restorative Services Development and Research

**Table 24: A.4 (b) Details of Provincial payments and estimates by function area**

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2021/22	2022/23	2023/24
<b>R thousand</b>									
<b>General Public Services</b>									
Executive and Legislature									
Office of the Premier	418 399	426 506	382 520	405 049	399 075	399 075	417 501	403 087	413 044
Provincial Legislature	390 363	422 972	354 163	395 479	429 854	429 854	385 979	391 709	399 412
Financial and Fiscal Services									
Provincial Treasury	449 128	471 279	419 977	364 910	364 910	364 910	409 910	422 471	433 684
General Services (Public Works, Local Government)	4 636 978	4 706 693	4 039 286	4 283 404	5 272 916	5 278 407	4 602 031	4 537 682	4 720 633
<b>Total: General Public Services</b>	<b>5 894 868</b>	<b>6 027 450</b>	<b>5 195 946</b>	<b>5 448 842</b>	<b>6 466 755</b>	<b>6 472 246</b>	<b>5 815 421</b>	<b>5 754 949</b>	<b>5 966 773</b>
<b>Public Order and Safety</b>									
Police Services	59 556	60 502	50 507	61 437	57 824	57 824	62 316	72 714	75 998
Community Safety	59 556	60 502	50 507	61 437	57 824	57 824	62 316	72 714	75 998
<b>Total: Public Order and Safety</b>	<b>59 556</b>	<b>60 502</b>	<b>50 507</b>	<b>61 437</b>	<b>57 824</b>	<b>57 824</b>	<b>62 316</b>	<b>72 714</b>	<b>75 998</b>
<b>Economic Affairs</b>									
General Economic Affairs									
Dept of Economic Affairs	1 155 973	1 443 917	962 618	990 777	1 235 637	1 235 637	1 142 775	1 018 952	1 002 746
Agriculture and Rural Development									
Dept of Agriculture Affairs	1 935 608	1 875 624	1 616 467	1 547 780	1 645 166	1 640 665	1 657 274	1 649 650	1 698 124
Transport									
Department of Transport	2 026 108	2 191 053	2 090 892	2 028 344	2 271 457	2 271 457	2 303 246	2 360 427	2 359 421
Communication									
Dept of Economic Dev	132 379	119 162	90 556	87 055	82 753	82 753	105 408	102 992	117 137
<b>Total: Economic Affairs</b>	<b>5 250 068</b>	<b>5 629 756</b>	<b>4 760 533</b>	<b>4 653 956</b>	<b>5 235 013</b>	<b>5 230 512</b>	<b>5 208 703</b>	<b>5 132 021</b>	<b>5 177 428</b>
<b>Environmental Protection</b>									
Environmental Protection	404 192	375 046	327 675	317 770	330 212	330 212	363 944	325 244	355 035
<b>Total: Environmental Protection</b>	<b>404 192</b>	<b>375 046</b>	<b>327 675</b>	<b>317 770</b>	<b>330 212</b>	<b>330 212</b>	<b>363 944</b>	<b>325 244</b>	<b>355 035</b>
<b>Housing and Community Amenities</b>									
Housing Development									
Department of Housing	1 369 711	1 539 398	1 010 559	1 239 287	1 253 183	1 253 183	1 287 954	1 343 144	1 398 928
<b>Total: Housing and Community Amenities</b>	<b>1 369 711</b>	<b>1 539 398</b>	<b>1 010 559</b>	<b>1 239 287</b>	<b>1 253 183</b>	<b>1 253 183</b>	<b>1 287 954</b>	<b>1 343 144</b>	<b>1 398 928</b>
<b>Health</b>									
Outpatient services	12 913 208	13 801 825	14 117 219	13 725 321	14 682 228	14 682 228	14 864 241	14 962 995	15 252 363
R and D Health (CS)	2 407 801	2 554 227	3 250 379	3 896 011	3 814 928	3 814 928	3 147 543	2 870 659	2 961 866
Hospital Services	4 399 179	4 655 223	4 662 779	4 351 602	4 983 145	4 983 145	4 713 805	4 813 693	4 949 755
<b>Total: Health</b>	<b>19 720 188</b>	<b>21 011 275</b>	<b>22 030 377</b>	<b>21 972 934</b>	<b>23 480 301</b>	<b>23 480 301</b>	<b>22 725 589</b>	<b>22 647 347</b>	<b>23 163 984</b>
<b>Recreation, Culture and Religion</b>									
Sporting and Recreational Affairs									
Sport, Arts and Culture	451 681	470 341	390 627	473 381	515 211	496 696	533 293	559 417	640 113
<b>Total: Recreation, Culture and Religion</b>	<b>451 681</b>	<b>470 341</b>	<b>390 627</b>	<b>473 381</b>	<b>515 211</b>	<b>496 696</b>	<b>533 293</b>	<b>559 417</b>	<b>640 113</b>
<b>Education</b>									
Education not defined by level	30 679 064	31 953 760	32 939 203	32 586 347	35 725 977	36 660 399	36 445 088	36 771 323	36 599 445
<b>Total: Education</b>	<b>30 679 064</b>	<b>31 953 760</b>	<b>32 939 203</b>	<b>32 586 347</b>	<b>35 725 977</b>	<b>36 660 399</b>	<b>36 445 088</b>	<b>36 771 323</b>	<b>36 599 445</b>
<b>Social protection</b>									
Social Security Services	380 097	426 939	421 496	396 259	445 762	445 762	435 045	428 009	452 977
Social Services and Population Development	1 655 046	1 715 926	1 778 868	1 620 234	1 862 312	1 862 312	1 352 882	1 381 930	1 396 754
<b>Total: Social protection</b>	<b>2 035 143</b>	<b>2 142 865</b>	<b>2 200 364</b>	<b>2 016 493</b>	<b>2 308 074</b>	<b>2 308 074</b>	<b>1 787 927</b>	<b>1 809 939</b>	<b>1 849 731</b>
<b>Total provincial payments and estimates by policy area</b>	<b>65 864 471</b>	<b>69 210 393</b>	<b>68 905 791</b>	<b>68 770 447</b>	<b>75 372 550</b>	<b>76 289 447</b>	<b>74 230 236</b>	<b>74 416 098</b>	<b>75 227 435</b>



# LIMPOPO

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