

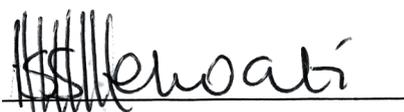
FOREWORD

The first EPRE Overview of the six administration since the democracy in 1994 is presented against a very difficult and challenging economic situation, both on a global and on a national scale. Global growth remains subdued and is expected to increase by 3.4 percent during 2020. However downward risks weigh down on the forecast. This includes the Covid19 virus outbreak, the possible downgrade by Moody's and the unresolved trade war between America and China.

The national economy is currently facing serious operational and structural constraint like the energy crisis with ESKOM, climate change and the slowdown in the Chinese economy. Economic growth is estimated to grow by only 0.3 per cent in 2019. The recovery of the economy will be brought about thorough consideration of the Economic Transformation, Inclusive Growth, and Competitiveness.

The Limpopo Provincial Administration started with a concerted effort in the 2017/18 financial year to reduce the percentage of total expenditure on Cost of Employment (COE) to below 70 percent. This effort will continue to ensure provincial fiscal policy sustainability and increase discretionary funds to be directed to economic growth enhancers to induce job creation and thereby combating poverty and income inequality

I want to thank the other members of Executive Council and the Heads of Departments of the different departments for the positive spirit in which the expected 2 percent cuts of the operational budgets were implemented despite major challenges in terms of spending in their own departments. The combined efforts to enhance proper budgetary control and expenditure management in the Limpopo province is appreciated.



HON. S SEKOATI (MPL)

MEC FOR FINANCE

Table of Contents

FOREWORD	ii
CHAPTER 1: SOCIO-ECONOMIC OVERVIEW	1
1.1. World Economic growth	1
1.2. South African Economic Outlook.....	2
1.2.1. Price Inflation.....	2
1.3. Limpopo Economic Outlook	3
1.4. Employment.....	5
1.5. Unemployment.....	5
1.5.1. Youth employment.....	6
1.6. Limpopo population.....	7
1.7. Income inequality	8
1.8. Human Development Index (HDI)	9
1.9. Poverty.....	10
1.10. Health.....	10
1.10.1. Disability.....	12
1.11. Social grant beneficiaries	12
1.12. Education	13
1.13. Housing.....	15
1.14. Water	16
1.15. Electricity.....	17
1.16. Sanitation	18
1.17. Refuse removal.....	19
1.18. Conclusion	20
CHAPTER 2: BUDGET STRATEGY AND AGGREGATES	21
2.1. Introduction	21
2.2. Aligning Provincial Budget to achieve Governments Prescribed Outcomes	23
2.2.2. A long quality life for all.....	24
2.2.3. All people in South Africa are safe.....	25
2.2.4. Decent employment through inclusive economic growth	26
2.2.5. A skilled and capable work force to support inclusive growth path	27
2.2.6. An efficient, competitive and responsive economic infrastructure network	
	27

2.2.7. Vibrant, equitable, sustainable rural communities contributing to food security for all.....	27
2.2.8. Sustainable human settlements and improved quality of household life	28
2.2.9. A responsive, accountable, effective and efficient local government system	29
2.2.10. Protect and enhance environmental assets and natural resources ...	29
2.2.11. Create a better South Africa, a better Africa and better world	30
2.2.12. An efficient, effective and development oriented public service	30
2.2.13. Social Protection	30
2.2.14. Nation building and Social cohesion.....	31
2.3. Summary of Budget Aggregates	32
2.4. Financing	33
CHAPTER 3: BUDGET PROCESS AND THE MEDIUM TERM EXPENDITURE FRAMEWORK	34
3.1. The relationship between Strategic planning and budget.....	34
3.2. The Budget Allocation Strategies	34
3.3. Provincial Budget Process	35
3.4. The role of Provincial Treasury	36
3.5. The role of Departments	37
CHAPTER 4: RECEIPTS	39
4.1. Overall Position	39
4.2. Equitable Share.....	40
4.3. Conditional Grants	40
4.4. Provincial Own Receipts (Own Revenue)	44
4.5. Donor Funding	49
CHAPTER 5: PAYMENTS	50
5.1. Overall Position	50
5.2. Payments by Vote	50
5.3. Payments by Economic Classification.....	54
5.3.1. Current Payments.....	55
5.3.2. Transfers and subsidies.....	56
5.3.3. Payment for Capital Assets	56
5.4. Payments by Policy Area	56

5.5. INFRASTRUCTURE MANAGEMENT.....	58
5.6. Transfers.....	62
6.1. Transfers to Public Entities	63
6.2. Transfers to Local Government.....	63
5.7. Personnel Numbers and Costs	64
5.8. Payments on Training	65
ANNEXURES.....	66

Table of Tables

Table 1 Gross domestic product, constant prices Percent change	1
Table 2:SA total consumer index	3
Table 3: GDP Average annual growth (constant 2010 prices) by districts.....	4
Table 4: Labour Force Characteristics by Age (Youth).....	7
Table 5: National Allocation to Limpopo Province	22
Table 6: Provincial Budget Summary	33
Table 7: Summary of Provincial Receipts.....	39
Table 8: Summary of National Conditional Grant transfers by vote.....	41
Table 9: Provincial Own Revenue per vote	45
Table 10: Summary of provincial donor funding	49
Table 11: Summary of provincial payments and Estimates per vote	50
Table 12: Payments by economic classification	55
Table 13: Payments by policy area	56
Table 14: Summary of provincial infrastructure payments and estimates by vote....	60
Table 15: Summary of provincial infrastructure payments and estimates by category	61
Table 16: Transfers to Public Entities.....	63
Table 17: Provincial Transfer to Local Government	63
Table 18: Summary of provincial personnel numbers and costs by vote	64
Table 19: Summary of provincial payments on training.....	65
Table 20: A.1 Details of information on provincial own receipts	67
Table 21: A.2 Details on information on Conditional Grants.....	68
Table 22: A.3 Details of provincial payments and estimates	69
Table 23: A.4 (a) Details of payments by functional area.....	70
Table 24: A.4 (b) Details of Provincial payments and estimates by function area	71

Table of Figures

Figure 1: SA sector size and sector growth (2010 to 2018).....	2
Figure 3: GDP Average growth (constant 2010 prices).....	4
Figure 4: Limpopo employment numbers by sector	5
Figure 5: Limpopo Unemployment Rate - official definition and discouraged workers	6
Figure 6: Provincial population in SA.....	8
Figure 7: The Gini coefficient SA and Limpopo	9
Figure 8: HDI in SA and Limpopo.....	9
Figure 9: People below the lower poverty line (StatsSA defined).....	10
Figure 10: Percentage distribution of the type of healthcare facilities consulted first by households when members fall ill.....	11
Figure 11: Medical aid coverage by population	11
Figure 12: Individuals aged 5 years and older with disabilities (percentage).....	12
Figure 13: Percentage of individuals and households who benefited from social grants 2018	13
Figure 14: SA 2019 Matric pass rate.....	14
Figure 15 Limpopo highest level of education aged 20+:	14
Figure 16: households by type of dwelling unit and by districts.....	15
Figure 17: Formal dwelling backlog - number of households not living in a formal dwelling and by districts	16
Figure 18: Number of households by level of access to Water	16
Figure 19: Water backlog - number of households below RDP-level	17
Figure 20: Number of households by electricity usage reached	17
Figure 21: Number of households with no electrical connection	18
Figure 22: Number of households by type of Toilet.....	19
Figure 23: Number of households by access to refuse removal.....	19
Figure 24: Number of households with no formal refuse removal	20

ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
AIDS	-	Acquired Immune Deficiency Syndrome
COE	-	Compensation of employees
CPI	-	Consumer Price Index
DHS	-	Department of Human Settlement
EAP	-	Economic Active Population
EPWP	-	Expanded Public Works Programme
FFC	-	Financial and Fiscal Commission
GAAL	-	Gateway Airport Authority Limited
GDE	-	Gross Domestic Expenditure
GDP	-	Gross domestic product
GFCF	-	Gross Fixed Capital Formation
GHS	-	General Household Survey
HDI	-	Human Development Index
HIV	-	Human Immunodeficiency Virus
IDMS	-	Infrastructure Delivery Management System
IMF	-	International Monetary Fund
LDP	-	Limpopo Development Plan
MLL	-	Minimum Living Level
MTEF	-	Medium Term Expenditure Framework
NCD	-	Communicable and Non-Communicable Diseases
NDP	-	National Development Plan
NHI	-	National Health Insurance
QLFS	-	Quarterly Labour Force Survey
SARS	-	South African Receiver of Revenue
SDGs	-	Sustainable Development Goals
SERO	-	Socio Economic Review and Overview
SEZ	-	Special Economic Zones
SMMEs	-	Small Medium Middle Enterprises
StatsSA	-	Statistics South Africa
USD	-	United States Dollar

CHAPTER 1: SOCIO-ECONOMIC OVERVIEW

Over the years, the global economy has faced numerous shocks prompting governments to embark on policy adjustments from monetary policy easing and expansionary fiscal policy depending on the position of the business cycle. In recent years’ global economy has been subdued exerting pressure on gross government revenue collection and thereby compromising global fiscal sustainability.

1.1. World Economic growth

World economy is expected to grow to as much as 3.6 percent in 2021. This is a marginal improvement from the anticipated 3.0 percent in 2019. The global economic growth estimate for 2019 and projection for 2020 would have been 0.5 percentage point lower in each year without the substantial monetary easing across advanced and emerging market economies in 2019. World economic growth will in the medium term be supported by economic growth in emerging markets and developing economies and sub Saharan Africa which is forecast to grow at 4.8 percent and 3.7 percent respectively in 2021.

Table 1: Gross domestic product, constant prices Percent change

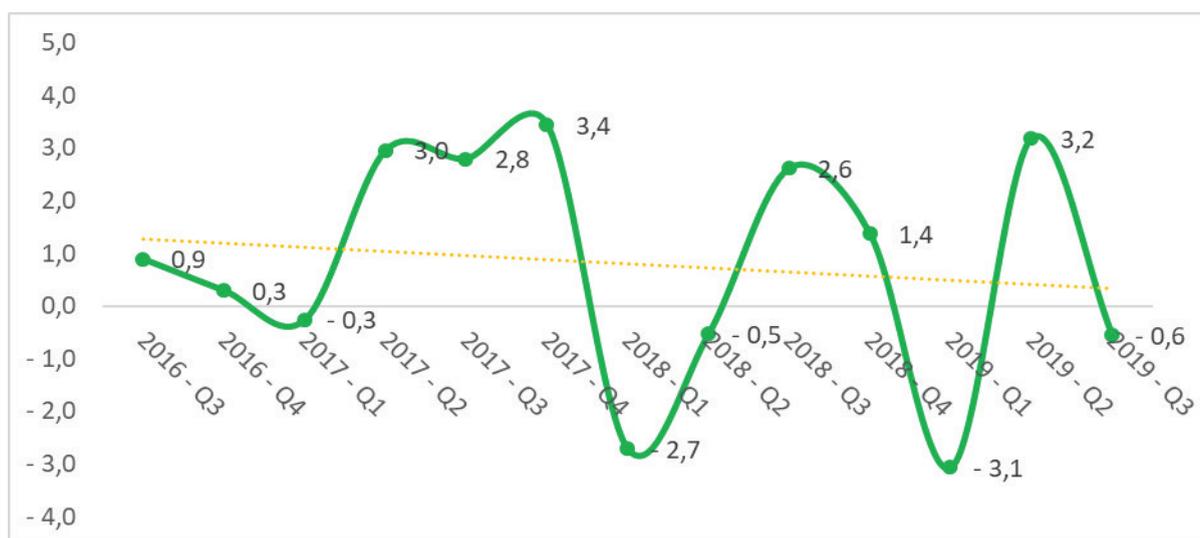
Country Group Name	2017	2018	2019	2020	2021	2022
World	3,8	3,6	3,0	3,4	3,6	3,6
Advanced economies	2,5	2,3	1,7	1,7	1,6	1,6
European Union	2,8	2,2	1,5	1,6	1,7	1,6
Emerging market and developing economies	4,8	4,5	3,9	4,6	4,8	4,8
Sub-Saharan Africa	3,0	3,2	3,2	3,6	3,7	3,9

Source: International Monetary Fund October 2019

1.2. South African Economic Outlook

South Africa's Gross Domestic Product (GDP) has shown relative improvement in the second quarter of 2019, growing at 3.2 percent, however lacklustre World economic momentum, low business confidence, has weighed down on full recovery. Real GDP decreased by -0.6 percent in the third quarter of 2019. The National Treasury anticipates economic growth to be an average of 0.5 percent for 2019 and pick up to 1.2 percent in 2020. While the International Monetary Fund (IMF) expects economic growth of 0.6 percent for 2019 and improving to 1 percent in 2020.

Figure 1: SA sector size and sector growth (2010 to 2018)



Source: StatsSA Gross Domestic Product 2019 Q3

1.2.1. Price Inflation

The headline Consumer Price Index (CPI) in January 2020 was 4.5 percent which is within the CPI band of 3 to 6 percent. CPI for non-durable goods was recorded at 6.1 percent. The country doesn't anticipate a significant up surge in the CPI in the medium term given the low brent crude oil prices. However upward risks are still prevalent due to continued wars in some of the oil producing countries that may affect consistent supply. Low CPI also implies that the reserve bank will not be under pressure to increase interest rates therefore keeping the cost of capital relatively low or may even

lead to further reduction in interest rates to stimulate household consumption and private sector borrowings.

Table 2: SA total consumer index

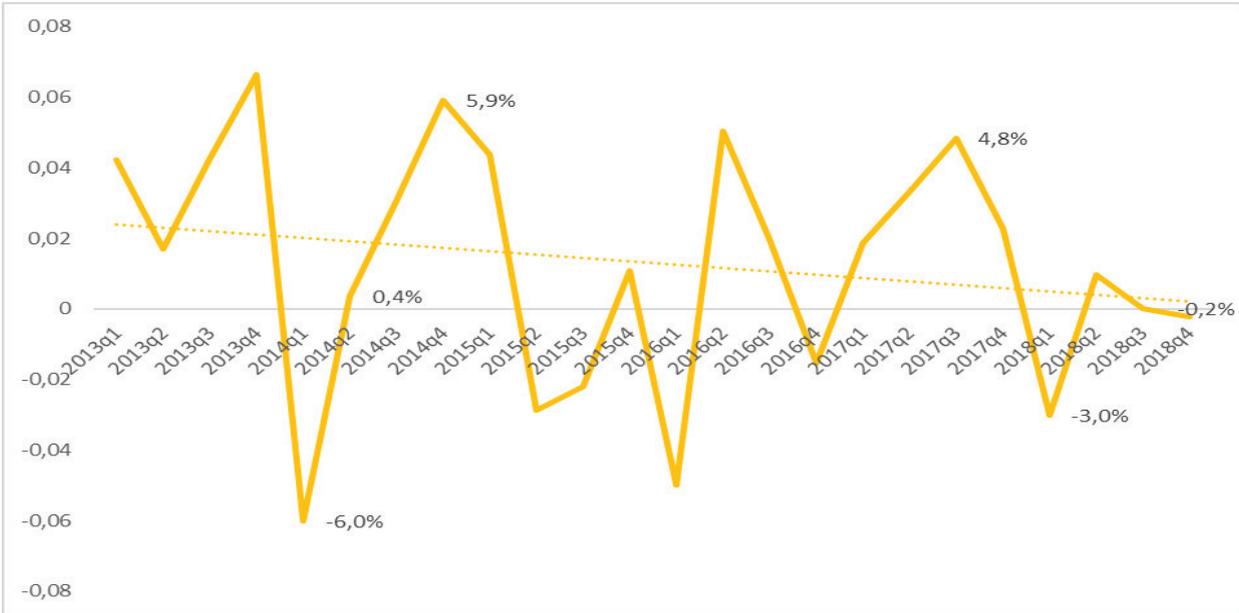
Group	Percentage change	
	Jan 2020 vs. Dec 2019	Jan 2020 vs. Jan 2019
All items (CPI Headline)	0,3	4,5
CPI excluding food and NAB, fuel and energy	0,1	3,7
CPI for all goods	0,6	4,9
CPI for durable goods	0,7	2,3
CPI for semi-durable goods	0,1	1,8
CPI for non-durable goods	0,7	6,1
CPI for services	0,1	4

Source: StatsSA September 2019

1.3. Limpopo Economic Outlook

Limpopo's economy has contracted from 4.8 percent in the fourth quarter of 2017 to -3.0 percent in the first quarter of 2018. The intermittent recovery in the second quarter of 2018 was short lived as deterioration in the macro-economic fundamentals weighed down on growth and recorded a contraction of -0.2 percent in the last quarter of 2018. The provincial economy is highly anchored in mining activities. The weakened provincial economic growth in 2018 and 2019 was influenced by the softening in the platinum prices. However, provincial growth is set to improve in 2020 and 2021 when platinum prices are expected to rise

Figure 2: GDP Average growth (constant 2010 prices)



Source: IHS Markit Regional eXplorer 1854 (2.6i)

District economies have equally suffered low economic momentum in 2018. Sekhukhune and Waterberg district experienced a technical recession following two consecutive contractions of -0.02 in the third quarter of 2018 and -0.01 in the fourth quarter in 2018. Waterberg and Sekhukhune have relatively high mining activities and are susceptible to foreign demand variations, currency volatility and labour protest.

Table 3: GDP Average annual growth (constant 2010 prices) by districts

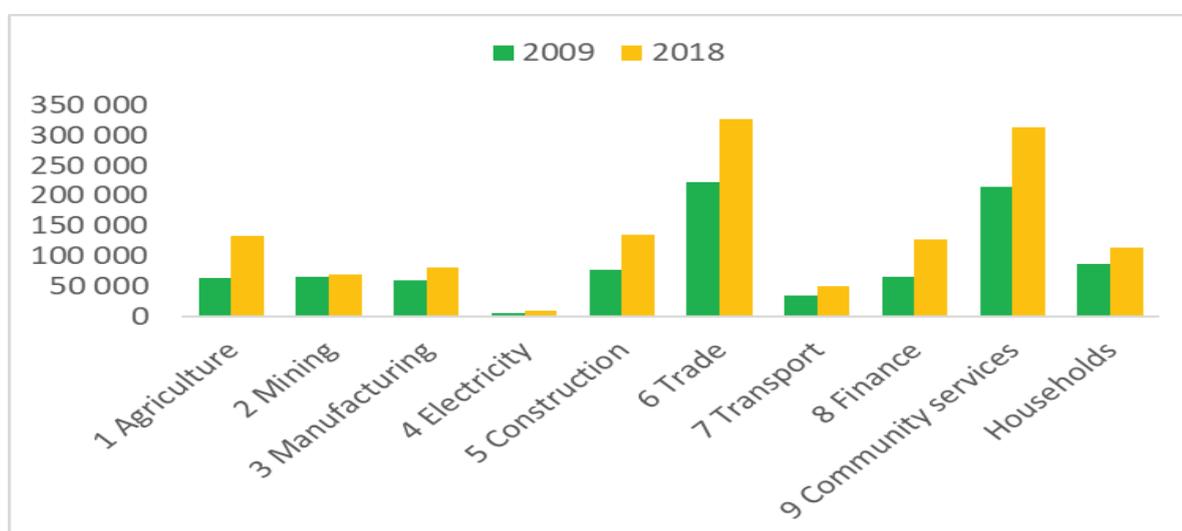
District	2017q4	2018q1	2018q2	2018q3	2018q4	Trend
Mopani	0,02	-0,04	0,00	0,00	0,00	
Vhembe	0,03	-0,03	-0,02	0,02	0,01	
Capricorn	0,03	-0,02	-0,01	0,02	0,01	
Waterberg	0,02	-0,03	0,04	-0,02	-0,01	
Sekhukhune	0,01	-0,02	0,04	-0,02	-0,01	

Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.4. Employment

The two largest sectors that employ the majority of people in the province is Trade and Community services. They are followed by, construction (from 76 thousand in 2009 to 135 thousand in 2018), agriculture (from 63 thousand in 2009 to 133 thousand in 2018) and finance sectors (from 65 thousand in 2009 to 126 thousand in 2018). The lowest employing sectors in the province are electricity, transport and mining employing 8 thousand, 50 thousand and 69 thousand respectively in 2018. Ironically, the mining sector contributes 28,0 percent to the provincial GDP yet employs only 5.1 percent of the total employed people in the province.

Figure 3: Limpopo employment numbers by sector



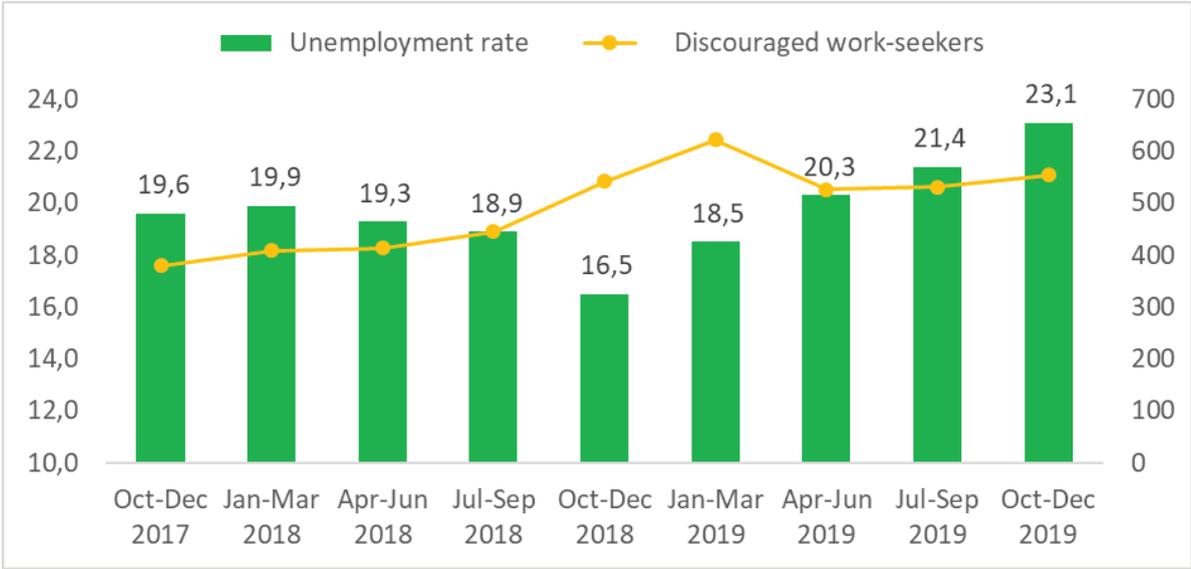
Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.5. Unemployment

Limpopo province has one of the lowest unemployment rates in the country, however the trend is erratic yet on an upward trend from December 2018. In the fourth quarter of 2018, provincial unemployment was 16.5 percent which has increased to 23.1 percent in the fourth quarter of 2019. Although the 2019 rate is less than the national average of 29.1 percent, there is a subtle understating of unemployment in the Limpopo province. The low unemployment rate can clearly be explained by the number of job seekers who are leaving the labour market due to despondency.

Discouraged work seekers grew by 45.9 percent (from 379 thousand in the fourth quarter of 2017 to 554 thousand in the fourth quarter of 2019). These are individuals that have given up searching for employment due to lack of opportunities combined with the lack of requisite skills required in vacancies present in the market.

Figure 4: Limpopo Unemployment Rate - official definition and discouraged workers



Source: StatsSA QLFS Q3

1.5.1. Youth employment

Although the youth constitute 56 percent of the working age population, only 38 percent (523 thousand) are in employment. This implies that the abortion rate of the youth is relatively low. This raises a social problem of a rise in discouraged young people who will redirect their energies towards socially inappropriate behaviours. Capricorn and Waterberg districts have the highest proportion of population that is in employment recording 40 percent and 42 percent respectively. Other districts recorded an average of 34 percent, indicative of low employment opportunities in the districts from the demand side while there is low skills base from the supply side. One of the key issues is the capital-intensive nature of the mining sector that hamper job creation in Sekhukhune and Waterberg. This situation prompts policy concerns of the type economic sectors that are being developed in the respective districts and what

preparatory intervention is put in place from labour perspective to support such sectors i.e. skills development.

Table 4: Labour Force Characteristics by Age (Youth)

15 - 34 Years old	National Total	Limpopo	Mopani	Vhembe	Capricorn	Waterberg	Sekhukhune
Working Age Population	20 475 956	2 008 860	393 343	470 918	466 536	279 337	398 725
% of total	54%	56%	56%	55%	55%	55%	57%
Labour Force	10 387 986	732 023	153 379	131 820	193 938	112 954	139 931
% of total	46%	42%	41%	37%	42%	44%	50%
Employment (at place of residence)	6 402 717	523 025	130 218	105 838	162 112	95 847	29 009
% of total	39%	38%	38%	33%	40%	42%	32%
Unemployment - official definition	3 985 269	208 998	23 161	25 982	31 826	17 107	110 922
% of total	65%	62%	69%	65%	65%	67%	59%
Not Economically Active - official definition	10 087 970	1 276 837	239 964	339 097	272 598	166 383	258 794
% of total	66%	68%	73%	69%	70%	67%	61%
Not Economically Active - expanded definition	8 304 510	999 868	190 083	268 524	209 513	137 837	193 911
% of total	66%	69%	74%	71%	72%	66%	62%
Discouraged work seekers	1 783 459	276 969	49 881	70 573	63 086	28 546	64 883
% of total	66%	65%	69%	65%	65%	70%	60%

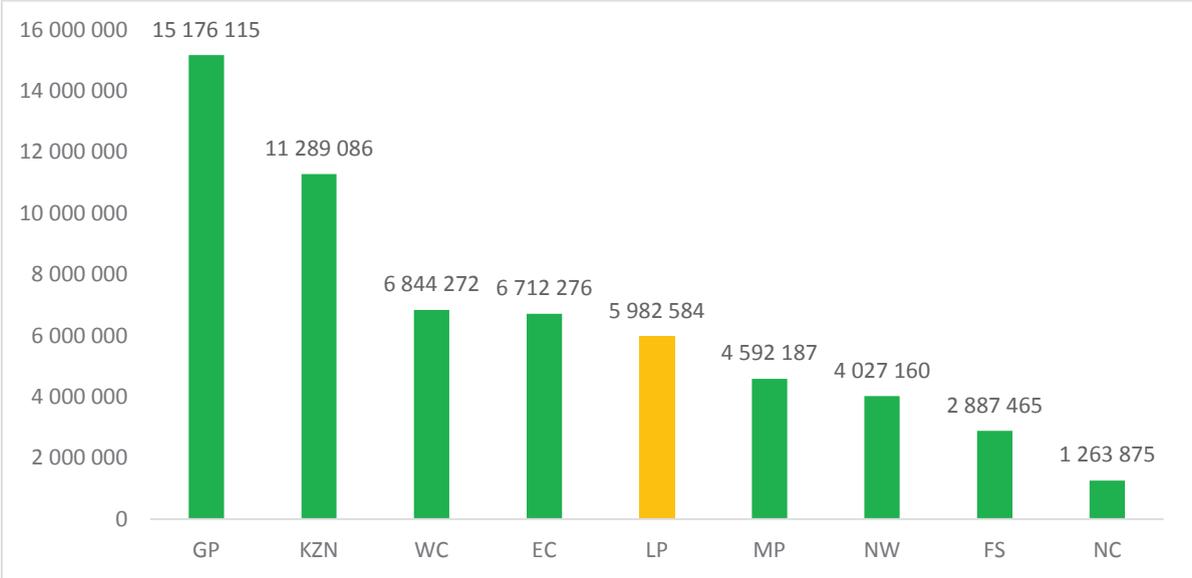
Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.6. Limpopo population

Limpopo's population is approximately 5.9 million which represents about 10 percent of the national population and is the fifth largest population in the country after Gauteng with a population of 15.1 million, KwaZulu Natal with 11.2 million, Western Cape with 6.8 million and Eastern Cape at 6.7 million. The Northern Cape, with a population of just over 1.2 million, is the province with the lowest population numbers.

The Limpopo population increased from 5.4 million in 2010 to 5.9 million in 2019. The number is projected to increase to 6.0 million in 2023. The provincial government is faced with a challenge to align its development plans in concurrence with the increasing population. It is an axiom that an increase in the number of people in a geographical location will subsequently result in the increase on the demand for public services. The provincial population growth rate was on average 0.9 percent between 2010 and 2019 and it is projected to decline to 0.8 in 2023.

Figure 5: Provincial population in SA

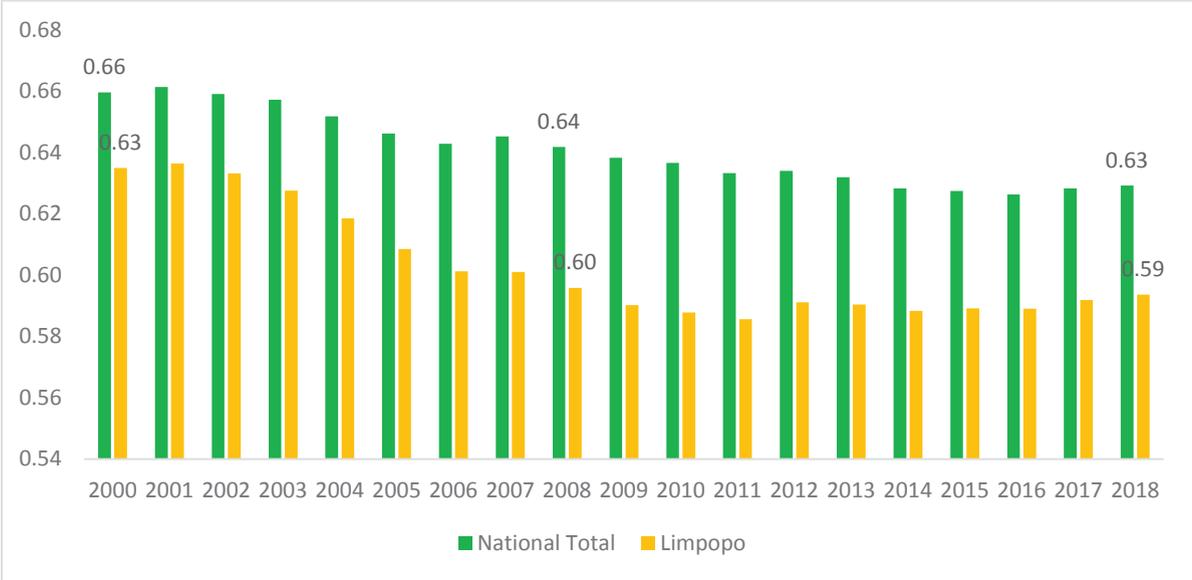


Source: StatsSA Mid-year population estimates 2019

1.7. Income inequality

Between 2011 and 2018, the Gini Coefficient in the country remained at an average of 0.63 according to IHS Markit Regional Explorer 2019. This is an improvement, however, from the exceptional year of 2000 where the Gini Coefficient was at around 0.66. While Limpopo Gini coefficient has improved from 0.63 in the year 2000 to 0.59 in 2018, this indicating a reduction in the level of inequality in the province. This is indicative of the poverty erradicating programmes and social programmes that are put in place by government. However, there is a long lasting and less fiscal dependent solution to income inequality and that is to create jobs for the unemployed.

Figure 6: The Gini coefficient SA and Limpopo

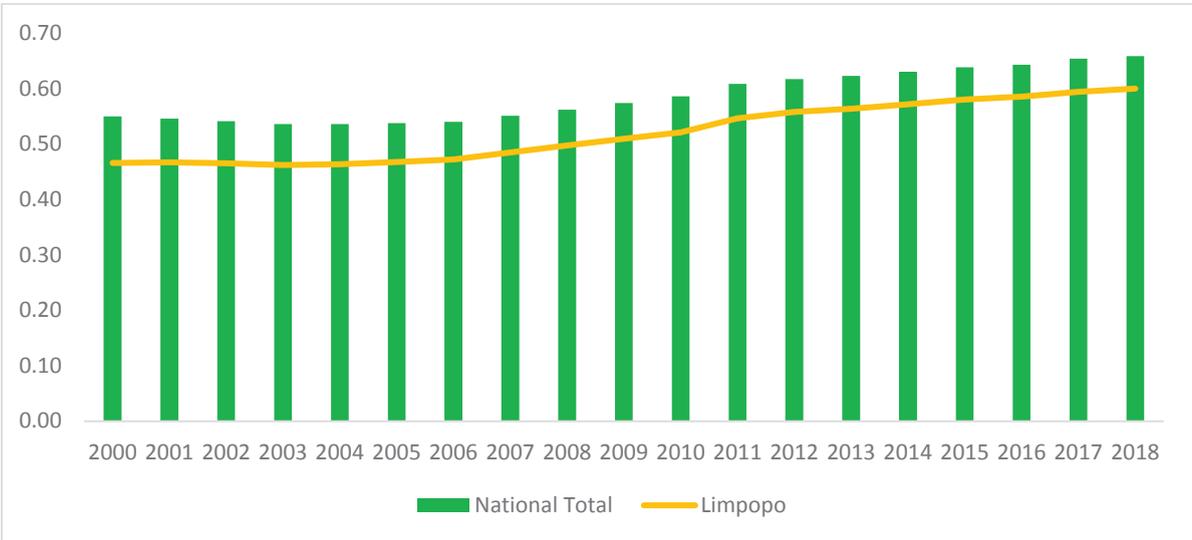


Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.8. Human Development Index (HDI)

The below graph indicates that HDI for South Africa increased from 0.55 in 2000 to 0.66 in 2018 while for Limpopo province it increased from 0.47 to 0.60 in 2018. The improvement in the level of Human Development is associated to better-quality of live and access to health and education in country and the province.

Figure 7: HDI in SA and Limpopo

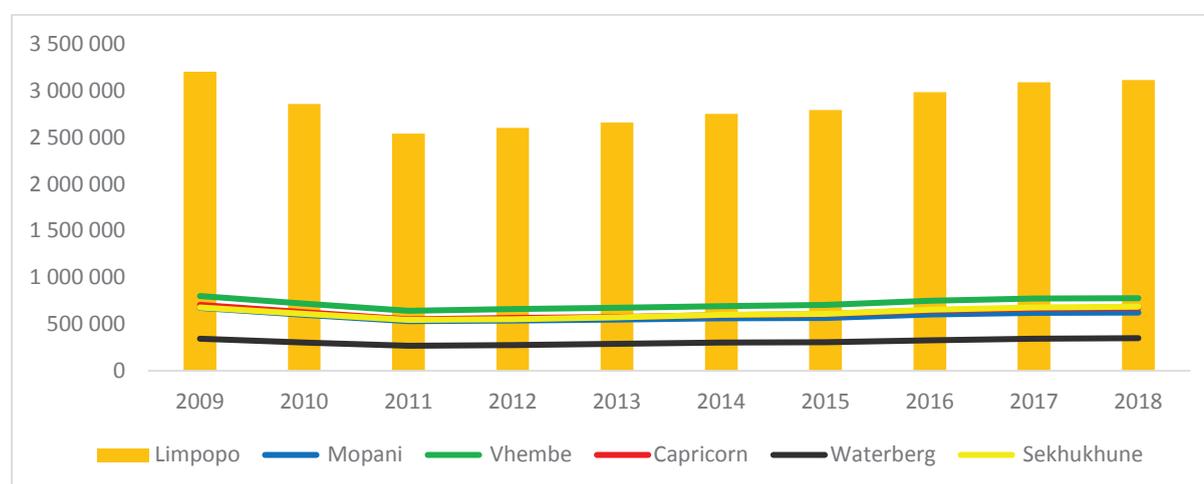


Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.9. Poverty

According to IHS Markit Regional Explorer 2018, the lower poverty line is defined by StatsSA as the level of consumption that includes both food and essential non-food items, but requires individuals to sacrifice some food items in order to obtain the non-food items. In 2009 the number of people below the Lower Poverty Line in Limpopo was 3.2 million persons or 52.7 percent of the population. The number reduced to 2.5 million in 2011 or 47.2 percent before shooting up 3.1 million or 53.4 percent in 2018. This is indicative that provincial government needs to continue to intensify its efforts in fighting and reducing the levels of poverty in the province.

Figure 8: People below the lower poverty line (StatsSA defined)

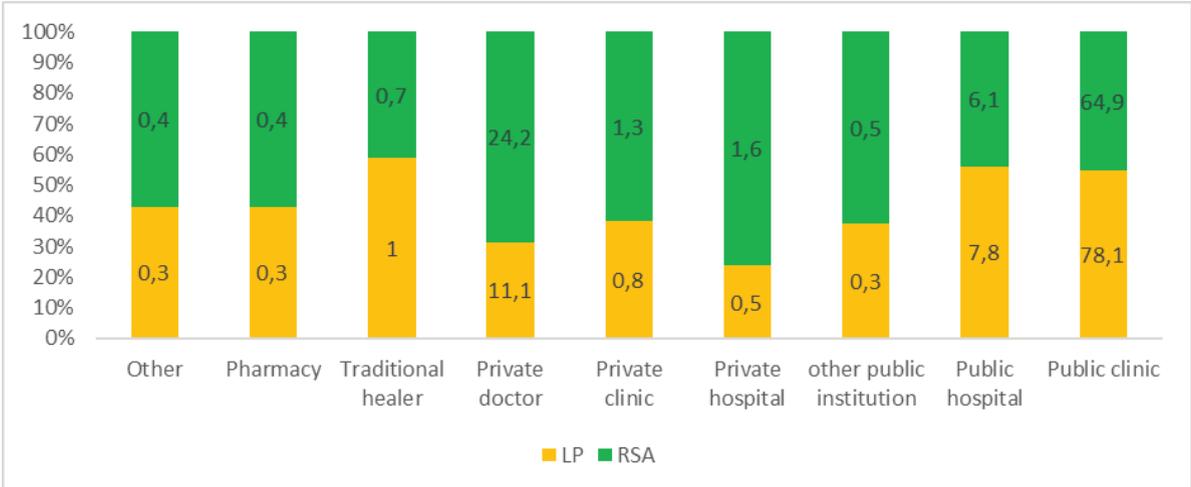


Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.10. Health

The above graph indicates the type of health-care facilities that are consulted first when household members fall ill or have accidents. Majority (78.1 percent) of the households consult public clinics at first instance, followed by consultation at private doctors at 11.1 percent, consultation at public hospitals at 7.8 percent. The latter is due to the fact that hospitals are a referral facility. Consultation at private clinics are the fourth to be consulted at 0.8 percent, followed by private hospitals at 0.5 percent and other public institutions and pharmacies at 0.3 percent respectively. Only 1 percent of households said that they would first go to a traditional healer.

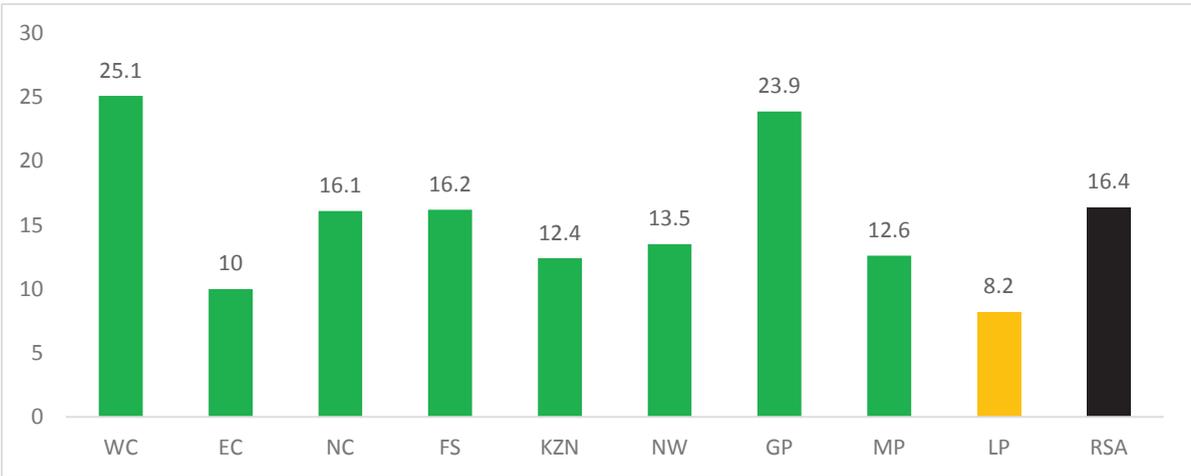
Figure 9: Percentage distribution of the type of healthcare facilities consulted first by households when members fall ill



Source: StatsSA: GHS 2018

The below figure indicates that the Western Cape has the highest percentage of people who are covered by medical aid at 25.1 percent, followed by the Gauteng province at 23.9 percent and the Free State province at 16.2 percent. The Northern Cape at 16.2 percent, North West at 13.5 percent, Mpumalanga province at 12.6 percent, Kwa-Zulu Natal at 12.4 percent, Eastern Cape at 10 percent and Limpopo at 8.2 percent has the lowest percentage of people who are covered by medical aid.

Figure 10: Medical aid coverage by population

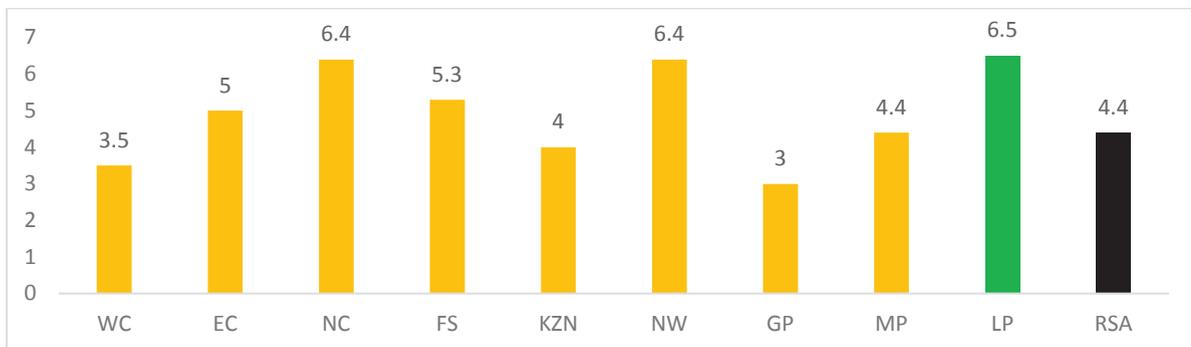


Source: StatsSA GHS 2018

1.10.1. Disability

Individuals who are having some difficulty with two or more activities or have a lot of difficulty to perform one activity, are classified as disabled. In 2018 Limpopo recorded 6.5 percent of the population aged 5 years and older who were classified as disabled, which is the highest in the country, followed by Northern Cape and North West at 6.4 percent. The incident of caring for disabled people be it from a fiscus and infrastructure point of view is high in the above mentioned provinces. In the Free State 5.3 percent were classified as disabled, 5 percent in Eastern Cape, 4.4 percent in Mpumalanga. Gauteng has the lowest percentage at 3.

Figure 11: Individuals aged 5 years and older with disabilities (percentage)

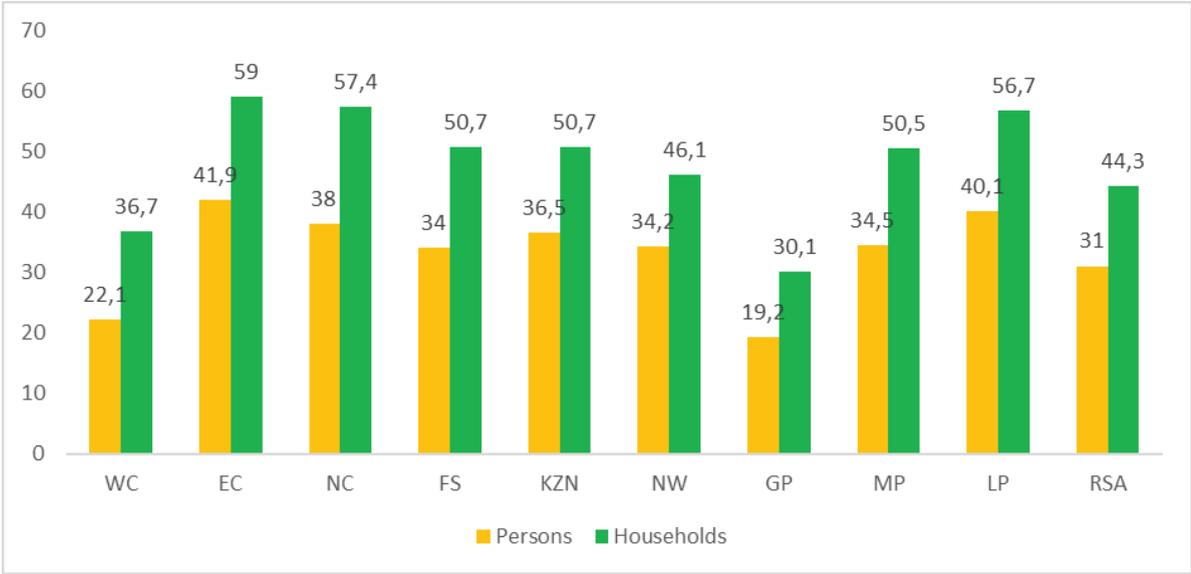


Source: StatsSA GHS 2018

1.11. Social grant beneficiaries

The below graph indicates that Eastern Cape has the highest percentage of households who received social grants at 59 percent, followed by Northern Cape at 57.4 percent households. Limpopo province has 56.7 percent households who are benefiting from social grants. Gauteng province at 30.1 percent and the Western Cape at 36.7 percent have the lowest percentage of households receiving social grants. In terms of percentage of individuals who received social grants per province, the Eastern Cape still has the highest at 41.9 percent, but now followed by Limpopo in second position with 40.1 percent and then Northern Cape at 38 percent. Western Cape at 22.1 and Gauteng at 19.2 have the lowest percentage of individuals receiving social grants.

Figure 12: Percentage of individuals and households who benefited from social grants 2018

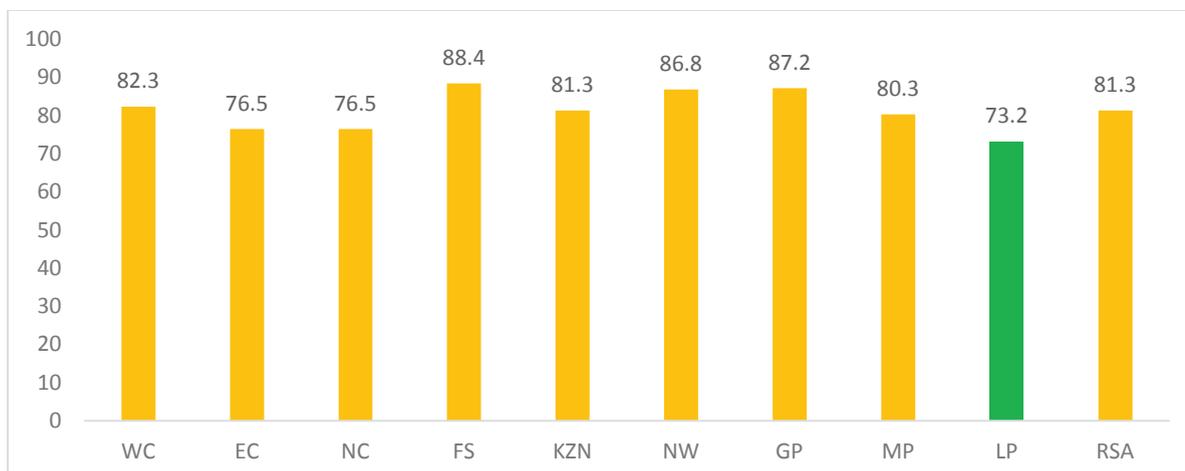


Source: StatsSA GHS 2018

1.12. Education

The national matric pass rate increased during 2019 with the overall pass rate for the first time exceeding 80 percent. The below figure indicates that the Free State province has the highest matric pass rate of 88.4 percent followed by the Gauteng province at 87.2 percent, North West at 86.8 percent, Western Cape at 82.3 percent, Kwa-Zulu Natal at 81.3 percent, Mpumalanga at 80.3 percent, Eastern Cape and Northern Cape at 76.5 percent respectfully. Limpopo province attained 73.2 percent pass rate, which is an improvement compared to the 2018 pass rate of 69.4 percent. The pass rate in Limpopo is still lower than the target of 80 percent as set in the Limpopo Development Plan. Limpopo remains determined to improve the pass rate and achieve the set target.

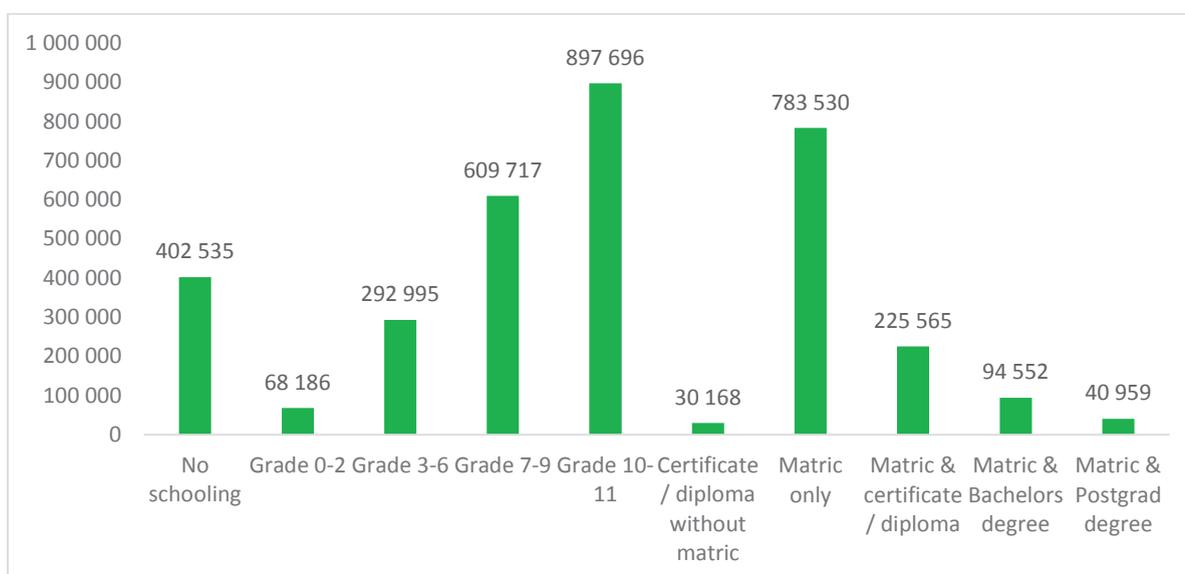
Figure 13: SA 2019 Matric pass rate



Source: Department of Basic Education

Limpopo province highest level of education for people aged 20 and above is dominated by people with Grade 10-11 at 897 thousand followed by those with Matric only at 783 thousand and those with grade 7-9 at 609 thousand. The population aged 20 and above with matric and certificate/Diploma is at 225 thousand and those with Matric and Degree at 94 thousand, while those with matric and post grad Degree are at 40 thousand. Around 402 thousand of people aged 20 and above are found to be without any form of schooling.

Figure 14: Limpopo highest level of education aged 20+:

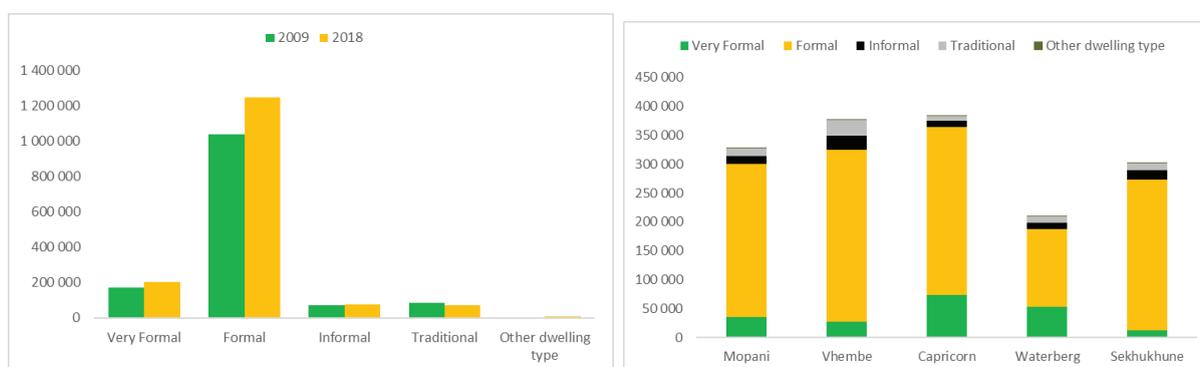


Source: IHS Regional Explorer 2018

1.13.Housing

Capricorn and Waterberg have the largest households living in very formal dwellings sitting at 73 835 households and 52 784 households respectively. While Vhembe and Sekhukhune districts have the largest number of households living in informal dwelling recorded at 24 thousand and 16 thousand households respectively. Although this number has been declining over the years, Mopani and Vhembe districts still have the largest number of households living in traditional dwellings recorded at 13 thousand and 27 thousand respectively.

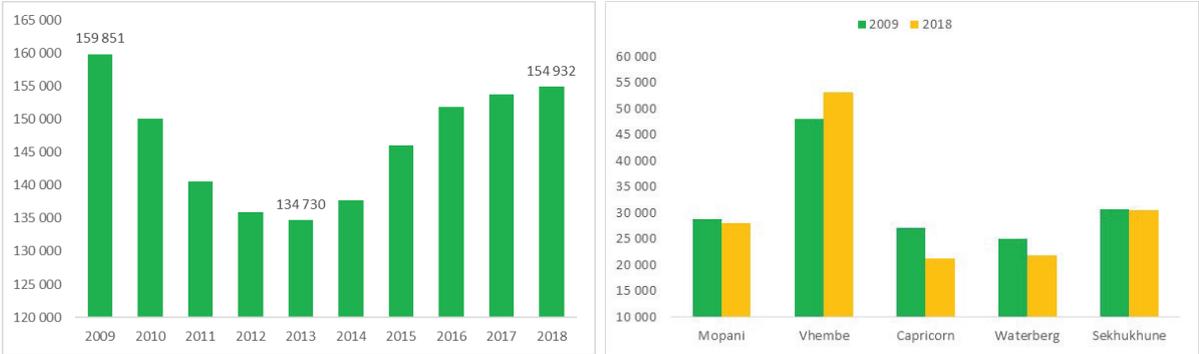
Figure 15: households by type of dwelling unit and by districts



Source: IHS Markit Regional eXplorer 1854 (2.6i)

The housing backlog in the province has reduced from 159 thousand in 2009 to 134 thousand in 2013, but has increased to 154 thousand in 2018. The backlog is a function of organic population growth, inward migration and urbanization. The only district in the province that has experienced backlog growth is the Vhembe district, while districts such as Mopani, Capricorn, Waterberg and Sekhukhune has experienced a reduction in the housing backlogs.

Figure 16: Formal dwelling backlog - number of households not living in a formal dwelling and by districts

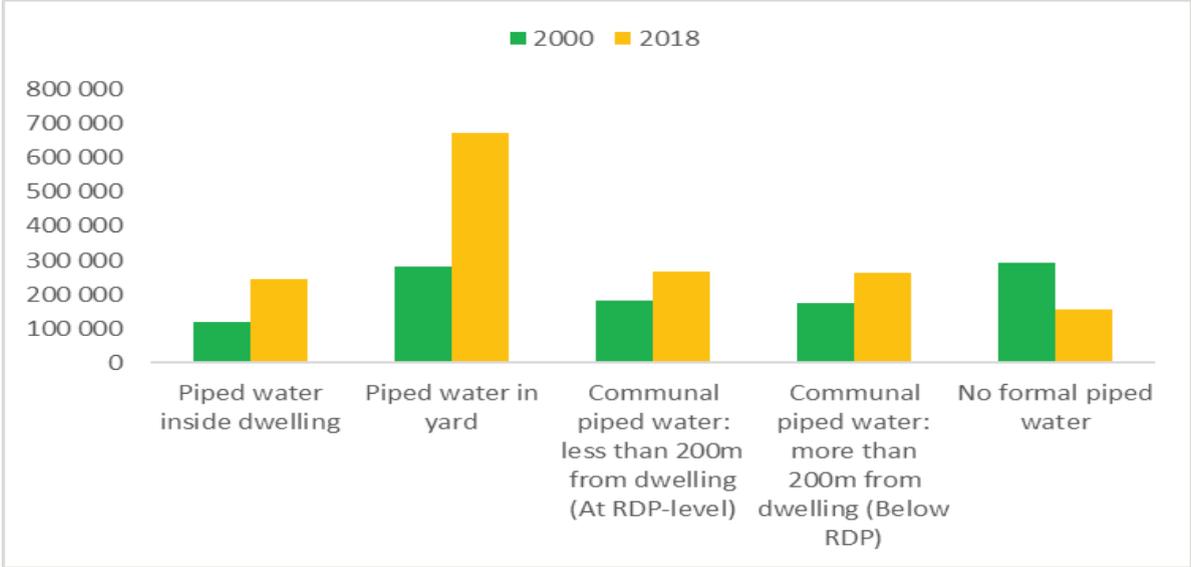


Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.14. Water

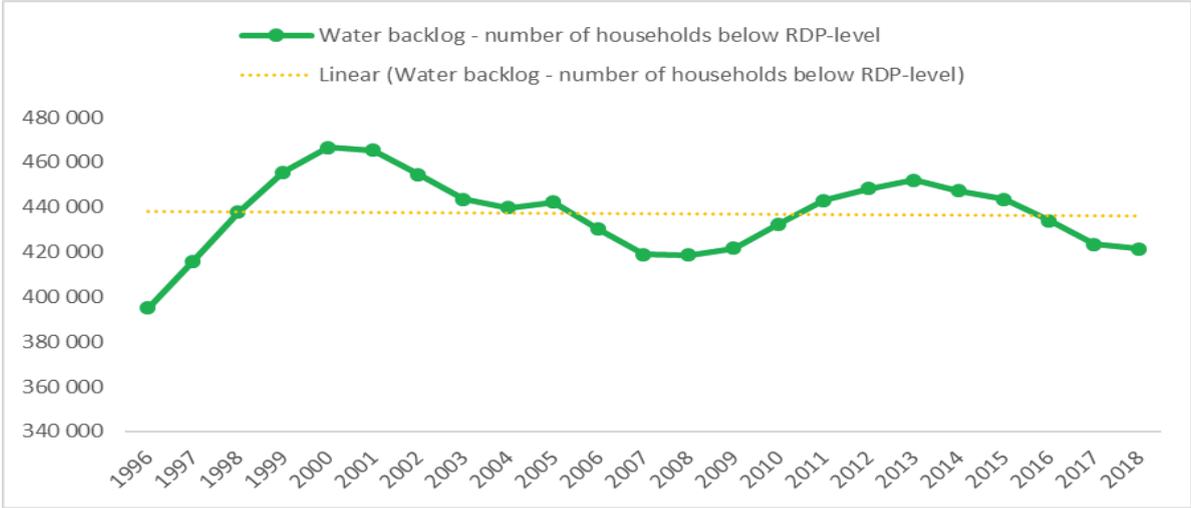
Majority of the households, about 57.2 percent (246 thousand households), have access to piped water either inside the dwelling or in the yard. This is a milestone from the situation of a decade ago where it was only 25.0 percent of households. Those who have access to water through communal piped water amount to 16.5 percent (263 thousand households). While the households without formal piped water reduced from 292 thousand households in 2009 to 157 thousand households in 2018.

Figure 17: Number of households by level of access to Water



Source: IHS Markit Regional eXplorer 1854 (2.6i)

Figure 18: Water backlog - number of households below RDP-level

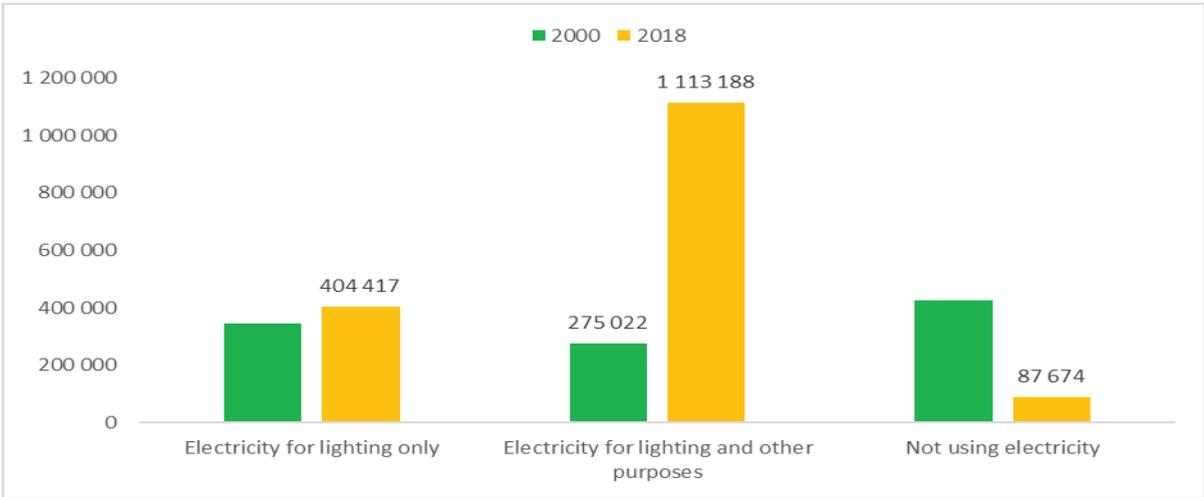


Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.15. Electricity

Despite the intermittent electricity supply, the South African government made significant strides in providing electricity to many households including those in marginalized rural settlements. In the province alone the number of households that have access to electricity for lighting only or for lighting and other purposes reached 1.5 million in 2018 (representing 94.5 percent of total households) from 0.6 million in 2000.

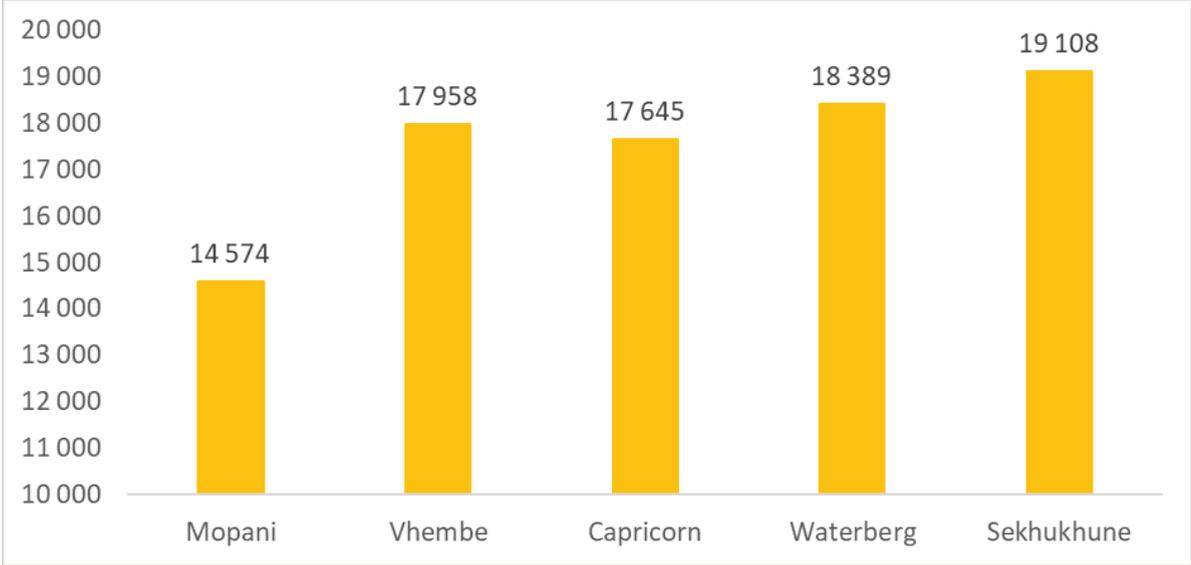
Figure 19: Number of households by electricity usage reached



Source: IHS Markit Regional eXplorer 1854 (2.6i)

There is a general equal distribution of backlogs among the districts with the exception of Mopani district with the lowest number of households without electricity (14 thousand households).

Figure 20: Number of households with no electrical connection

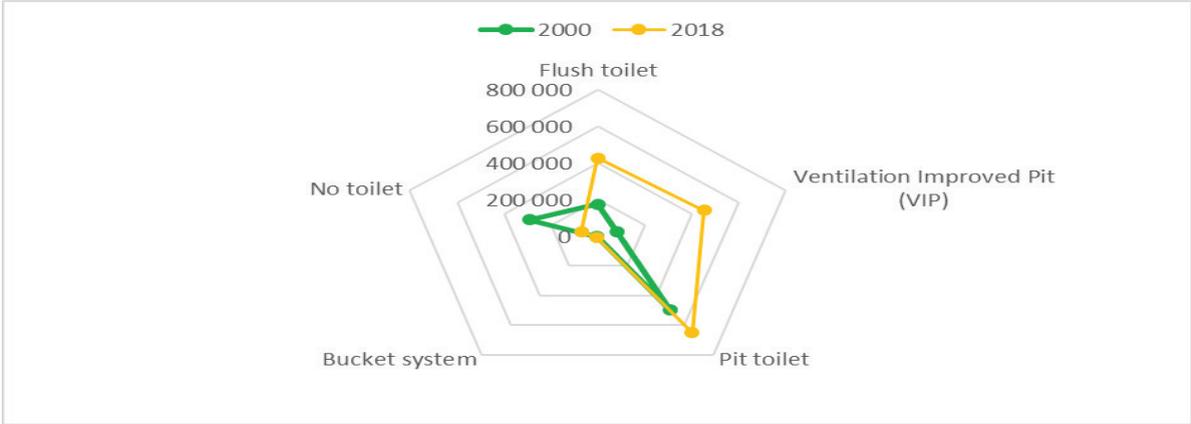


Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.16. Sanitation

The Limpopo government has made significant grounds in providing decent sanitation to the people of the province. The number of households with flush toilets increased from 172 thousand households in 2000 to 424 thousand household in 2018. This was complimented by the increase in the roll out of VIPs where about 452 thousand households where beneficiaries from 81 thousand households in 2000. The number of households with no toilets has reduced to 69 thousand households in 2018 from 292 thousand households in 2000.

Figure 21: Number of households by type of Toilet

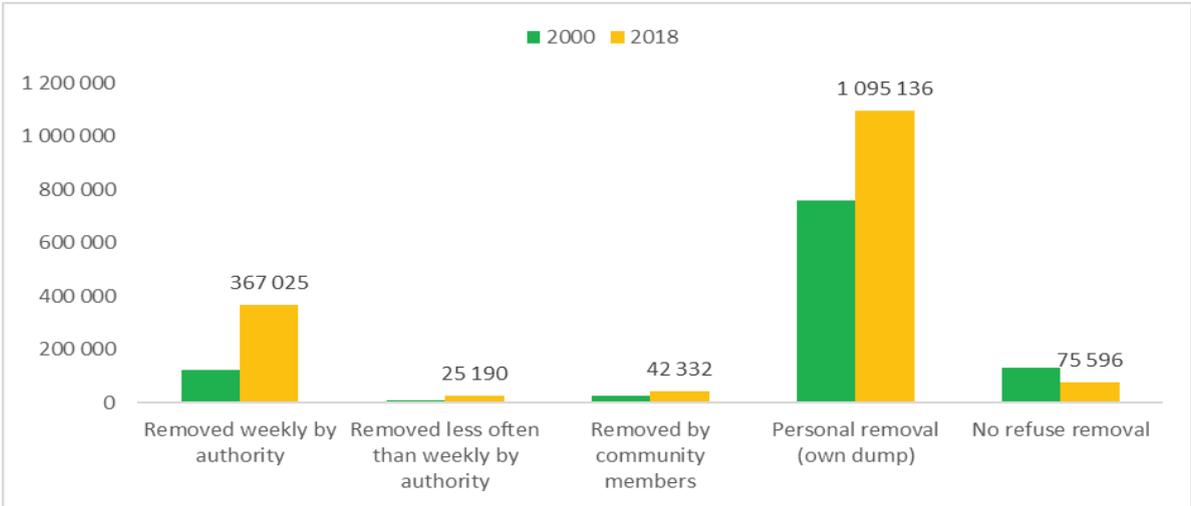


Source: IHS Markit Regional eXplorer 1854 (2.6i)

1.17. Refuse removal

The majority of households in the province disposes of their garbage personally and that number has grown to 1.09 million in 2018. This poses a serious risk to the environment and places significant responsibility on the government to establish adequate dumping areas, educate people on methods of disposing garbage and develop economic opportunities in the sector to make cleanliness fashionable. It is encouraging to observe that the number of households without refuse removal is declining overtime, the affected number of households were 75 thousand in 2018.

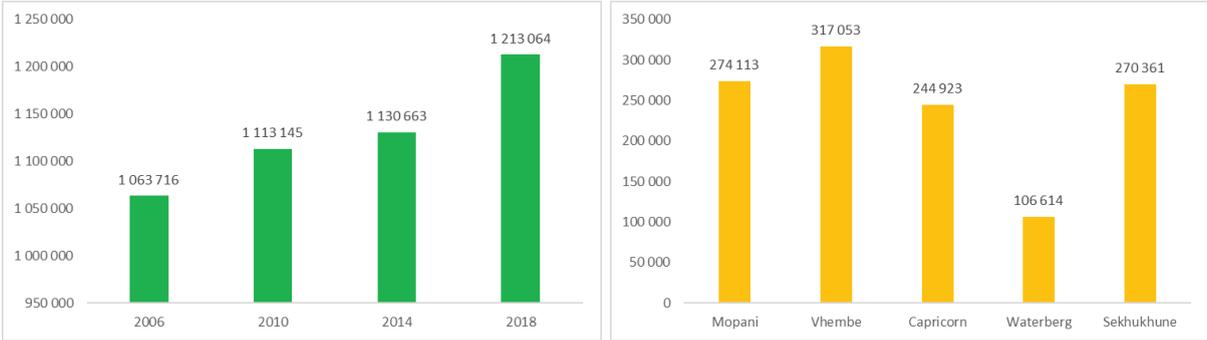
Figure 22: Number of households by access to refuse removal



Source: IHS Markit Regional eXplorer 1854 (2.6i)

Refuse removal backlogs are growing steadily- this is due to increase in the population and mushrooming informal settlements. Refuse removal backlogs grew from 1.06 million households in 2006 to 1.21 million households in 2018. The share is relatively the same in all districts with the exception of Waterberg district because of the low household population.

Figure 23: Number of households with no formal refuse removal



1.18. Conclusion

One of the key features of a developmental state is to ensure that all citizens, especially the poor and other vulnerable groups, have access to basic services. The Constitution of the country places the responsibility on government to ensure that such services are progressively expanded to all, within the limits of available resources. This therefore requires government to research and develop innovative solutions that will assist them to service maximum households with the limited resources. Technology application can assist government to roll out these services economically and effectively.

CHAPTER 2: BUDGET STRATEGY AND AGGREGATES

2.1. Introduction

The South African fiscal policy is under severe strain. National economic growth is estimated to grow by only 0.3 per cent in 2019 suppressed by the serious operational and structural constraints such as the energy supply, reduced international demand for South Africa exports, and climate change. Furthermore, the slow economic growth has led to a reduction in governments ability to optimally collect revenue leading to a R63.3 billion downward revisions to estimates of tax revenue in 2019/20 to support aggregate government expenditure.

The Limpopo Equitable Share allocation grows by 5.7 percent in 2020/21 to R62.329 billion, by 6.3 percent in 2021/22 to R66.256 billion and it is anticipated to grow by 5.6 percent in 2022/23 financial year to R69.935 billion. The provincial equitable share allocation was reduced due to data updates, fiscal framework reduction of 2 percent and a further reduction on Compensation of Employees. The reduction to the planned spending levels across all three spheres of government were needed as a result of lower than projected national government revenues and the need to stabilise the growth in national debt while providing support to State Owned Entities such as Eskom.

The equitable share baseline was adjusted downwards by R337.953 million and R845.077 million over the MTEF due to the impact of new and updated equitable share data and a 2 percent Fiscal Consolidation reduction on non-cost of employment respectively. Lastly, the equitable share allocation was further adjusted downward by and additional R289.611 million in 2020/21 and R307.891 million in 2021/22 on Compensation of Employees. In total, these reductions have resulted in the provincial allocation being reduced by R1.780 billion over the MTEF.

In addition to the reduced equitable share as a result of the provincial equitable formula, fiscal consolidation and reduction in Compensation of Employees, the following additions were made:

- **R12.805 million, R14.965 million and R15.680 million** have been made available in 2020/21, 2021/22 and 2022/23 respectively for Department of Social Development to address the social and structural drivers on HIV, TB, STI's and gender based violence.
- Additional **R32.749 million in 2020/21, R34.042 million in 2021/22 and R35.345 million** has been allocated to Department of Education for the Sanitary Dignity Project.
- Department of Social Development has been allocated additional budget for Employment of Social Workers to deal with gender based violence, substance abuse and issues affecting children as follows: - **R11.260 million in 2020/21, R13.940 million in 2021/22 and R14.610 million in 2022/23** financial year.

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

Table 5: National Allocation to Limpopo Province

National Allocation	2019/20	2020/21	2021/22	2022/23
Equitable Share Baseline	59 187 820	62 986 213	66 778 856	70 350 283
Adjustment to baseline": New data updates	(308 506)	(152 769)	4 980	(190 164)
Revised allocation	58 879 314	62 833 444	66 783 836	70 160 119
Less: Fiscal Framework Reduction	(4 913)	(271 716)	(282 956)	(290 405)
Less: COE Reduction	-	(289 611)	(307 891)	-
Add: Adjustments to Baseline	90 357	56 814	62 947	65 635
Plus: Social Worker Addition	-	11 260	13 940	14 610
Plus: Social: Gender Based Violence and STI	-	12 805	14 965	15 680
Plus: Education: Sanitary Dignity Project	21 000	32 749	34 042	35 345
Total Preliminary Provincial Equitable Share	58 964 758	62 328 931	66 255 936	69 935 349
<i>Equitable Share year-on-year growth</i>		5,7%	6,3%	5,6%

It total, the province is allocated R62.329 billion, R66.256 billion and R69.935 billion in 2020/21, 2021/22 and 2022/23 financial years respectively.

2.2. Aligning Provincial Budget to achieve Governments Prescribed Outcomes

The National Government's plans and intentions are expressed in the National Development Plan (NDP) and in the National Medium Term Strategic Framework 2020 - 2024 (MTSF) priorities. The government's outcome approach will continue to provide an opportunity for monitoring of public institutions in executing their legislative mandates, which will ensure that government resources are used for purpose voted for by the Legislature. These plans will serve as a basis for assessment for the government when it measures the impact of delivering services to the communities.

Limpopo Provincial Government will continue with implementation of the Limpopo Development Plan (LDP) as the provincial guiding document used to align provincial priorities to the national objectives especially the alignment of the NDP and the fourteen national outcomes. The mandates of each provincial department, as highlighted in their strategic plans and Annual Performance Plans played a major role in influencing the 2020/21 provincial budget allocations, as this assists in ensuring that the province achieves the LDP targets.

The new District Development Model aims to improve the coherence and impact of government service delivery with focus on all the Districts and Metros around the country as development spaces that can be used as centres of service delivery and economic development, including job creation. The District Development Model has been approved by government structures, including Cabinet.

Below are the key strategies as expressed in the LDP that the 2020/21 budget will be addressing:

2.2.1. Quality Basic Education

During the 2020/21 financial year, the Department of Education will direct its budget on putting more emphasis on areas that will contribute directly to the Department's core mandate, which is the delivery of quality education through ensuring that schools

function efficiently and by reducing schools that are underperforming in the province. The department will channel its efforts on the following:

- **Improve the Quality of Teaching and Learning:** The department plans to improve learning outcomes from Grade R to Grade 12 so that learners exit the system with the firm foundation for further studies and engagement with other responsibilities.
- **Teacher Development and Support:** As part of improving teaching and learning, the department will continue to invest in continuous professional development of teachers as well as ensuring proper and efficient functioning of districts and circuit office. This will definitely lead to improved learner performance across the system.
- **Infrastructure Development:** The infrastructure needs of educational institutions will be taken care of, which is to nurture and create conducive teaching and learning environment.
- **Early Childhood Development:** This programme remains a priority of the national and provincial departments and the department will continue to work very hard to ensure that ECD practitioners are appropriately qualified. The department will also ensure that there is improvement in the supply of other infrastructure resources required in this programme.

2.2.2. A long quality life for all

The Department of Health continues to provide quality health care service that is accessible, comprehensive, integrated, sustainable and affordable; the department will focus on health outcomes. In addition, the department will remain key focused on increasing life expectancy, decreasing maternal and child mortality; combating HIV and decreasing the burden of diseases from Tuberculosis (TB); and strengthening health system effectiveness. Further attention will be put on strengthening primary health care and implementing the district health systems model.

In 2020/21 and over the MTEF, the department will continue to improve access to quality health care services by prioritizing the following:

- Accelerate implementation of the Ideal Clinic realisation status.

- Prevention and reduction of burden of disease and health promotion:
 - Increase clients remaining on ART from 356 915 in 2019/20 to 386 193 in 2020/21;
 - Improve TB treatment success rate from 78.5 percent in 2019/20 percent to 81.0 percent in 2020/21;
 - Improve antenatal client initiated on ART rate from 97.7 percent in 2019/20 to 98.0 percent in 2020/21;
 - Improve immunization coverage under 1 year from 71.0 percent in 2019/20 to 85.0 percent in 2020/21;
 - Improvement of Cervical cancer and screening coverage from 52.7 percent in 2019/20 to 53.0 percent in 2020/21;
- Prevent and control Communicable and Non-Communicable Diseases (NCDs) by reducing malaria incidence and case fatality rate to less than 1.0 percent and also provide and monitor medicine availability in all facilities.

2.2.3. All people in South Africa are safe

In the 2020/21 financial year the Department of Transport and Community Safety will continue with its integrated transport planning as it is essential to the development of transport infrastructure and the rendering of transport services in an effective and efficient manner. The construction of transport infrastructure projects will contribute to efficient, competitive and responsive economic infrastructure in the Province. The Department plans to provide scheduled subsidised public transport services to more than 157 Million people over the next five years to ensure that population concentrations in areas with little productive economic activity gain easy access to areas of economic activity and state services.

The Department will further stimulate public transport services through transport planning initiatives, improving its operating licensing system and ensure easy access to services. A large percentage of Limpopo province is still rural with population concentrations in areas with little productive economic activity. Communities in these areas need access to areas

with economic activity, education and service points for health care and grant support. Scheduled public transport services could provide such access. The Department further aims at improving access to operating licensing services to ensure that the public transport is well regulated and safe. The Department will further prioritise the transport regulation programme, which will ensure that there is reduced road fatalities of 20 percent by 2025 and of 30 percent by 2030, which will strengthen community partnership in order to promote road safety.

2.2.4. Decent employment through inclusive economic growth

For the 2020/21 financial year, the Department of Economic Development Environment and Tourism priorities have been set for implementation. These priorities include economic transformation and job creation, Special Economic Zone Program implementation, SMMEs & Cooperative support; resuscitation of LIBSA, Establishment of the Cooperative Bank, enhance access to procurement opportunities for cooperatives, enhance integrated support to municipalities through the LED, red tape reduction program, business governance and regulation, climate change mitigation and adaptation, commercialization of the nature reserves, broadband and tourism transformation and marketing.

The Department will continuously ensure that SMMEs and cooperatives are financially and non-financially supported to ensure their development and sustainability in line with Limpopo SMMEs & Cooperatives Strategy. The province will continue to use the mining industry procurement and the revised preferential procurement regulations of 2017 to drive industrialization agenda of government. The department will focus on the rollout of LIBRA in municipalities and inspection and enforcement of business regulations, especially at liquor outlets.

The department will strengthen support of the SMMEs cooperatives through capacity building and training interventions. The province will continue to use the mining industry procurement and the Revised Preferential Procurement Regulations of 2017 to drive industrialization agenda of government.

2.2.5. A skilled and capable work force to support inclusive growth path

The shortage of relevant and the continuous migration of capable work force, to other provinces and even abroad, has over the years robbed this province of the ability to become economically self-reliant. The Limpopo Skills Academy will serve as a turning point in ensuring appropriate and relevant skills are groomed and retained in the province. The Office of the Premier will continue engaging institutions of higher learning especially those resident in the province to upscale on training and development on skills required for industrialisation of the province including in the Special Economic Zones. Other initiative includes operationalisation of the Data Centre, which is the provincial ICT nerve centre, which serves as a training platform for young people in ICT.

2.2.6. An efficient, competitive and responsive economic infrastructure network

The Department of Public Works Roads and Infrastructure is the main implementing agent for the delivery of provincial infrastructure as per the approved Infrastructure Delivery Management System (IDMS). The department will implement the following major plans in 2020/21 financial year, review the Limpopo Master Plan, Building Maintenance Strategy and Plan, overhaul ICT Infrastructure, Insourcing Strategy, Service Delivery Strategy (Customer Centric), Funding Model for purchase of government lease buildings (Increase the departmental asset portfolio). The department will further prioritise the Strategy for infrastructure project management, and the Road Asset Management System, Road Maintenance Strategy and Plan, and Operationalisation of the Strategic Infrastructure HUB.

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

Agricultural production in Limpopo has decreased over the years due to a number of challenges affecting the sector's performance. In order to overcome these challenges, the Department will focus on existing sustainable programmes, new models, partnerships and cooperative governance. In 2020/21 financial year, the Limpopo Department of Agriculture and Rural Development (LDARD), is planning to establish

49 agricultural infrastructures, equip 159 hectares with infield irrigation, manage 20 disaster risk reduction programmes, assist 1 000 farmers through disaster relief schemes and develop 4 GIS products. To improve agricultural production, 17 000 hectares will be rehabilitated. Creation of green jobs through upstream and downstream agricultural activities with the target of 6 000 jobs created through agro-processing, irrigation expansion and Expanded Public Works Programme (EPWP) is planned.

The Department will support small holder producers and train 1 050 farmers through Comprehensive Agricultural Support Programme (CASP). Capacity building programme for farmers will be intensified by ensuring that 10 projects are put on a rigorous mentorship programme to promote practical transfer of skills. The commercialisation of farmers from small scale farming to higher level of commercial scale will ensure the increase of primary agricultural production and in this regard 10 farmers will be graduated from small scale to the next level of commercial farming. In order to ensure strong support and sustainability of Farmer Production Support Units (FPSUs), 10 farmer mobilisations and support will be provided. There is a need to expand the skills base in the sector by attracting young farmers whereby 120 unemployed graduates will be placed at commercial farms to gain practical experience and knowledge. 6 000 households will benefit from food security programme. The Department will periodically provide strategic sector performance analysis of different economic indicators and commodities and support 6 agro-processing initiatives.

2.2.8. Sustainable human settlements and improved quality of household life

In the 2020/21 financial year the Limpopo Department of Co-operative Governance Human Settlement and Traditional Affairs (COGHSTA) intends to fast track the implementation all housing programmes as per the Multiyear Housing Development Plan for the province guided by the reviewed 2019-2024 MSTF.

The following delivery outputs per each human settlements programme are planned for the 20/21 financial year.

- The Department plans to reduce the housing backlog by completing 8 142 new housing units.

- The Department plans to acquire 30 hectares of land in an effort to increase the delivery of housing in the Province.
- The Department plans to construct 150 rental units during 2020/21 financial year.
- The Department intends to service 1687 site services.
- Department plans to construct 161 units during the 2021 financial year.

2.2.9. A responsive, accountable, effective and efficient local government system

In the 2020/21, the Department of Co-operative Governance Human Settlement and Traditional Affairs (COGHSTA) through its **Cooperative Governance and Traditional Affairs unit**, will continue with monitoring and provision of support to 27 municipalities, with implementation of infrastructure service delivery programs and SDF (Spatial Development Framework) in terms of the guidelines. The Department will further provide support to 3 municipalities with the implementation of programs within SEZ (Special Economic Zone).

The Department will continue to provide support with regard to Implementation of the District Development Model especially in Waterberg District which is earmarked for piloting. In an effort to improve Municipal Audit outcomes, the Department together with the Provincial Treasury attend audit steering committee meetings and assist with responses, monitor the implementation of audit action plans and reporting thereof. The department will also have established a committee where poor performing municipalities and best performing ones shares best practices; The Departments will also assist Municipalities in debt verification for revenue not to be overstated; and Conduct Annual Financial Statements (AFS) readiness assessments and review.

2.2.10. Protect and enhance environmental assets and natural resources

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

province. The Department will ensure it intensify its efforts in ensuring community compliance with the environmental laws and regulations. Capacity building and training programmes as well as awareness campaigns on environmental laws would be conducted with communities and all stakeholders. The fighting of rhino/lion poaching and exploitation of fauna and flora remains top of priorities for the Department in the 2020/21 year and beyond.

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

The Office of the Premier will continue to play a leading role in the Limpopo Provincial Government. The office will promote sound intergovernmental and international relations in the provincial government, by ensuring alignment between different levels of government for better coordination and delivery of services in the Province. In 2020/21 financial year, the Office of the Premier will continue to coordinate the International missions undertaken by Departments and the implementation of signed MOUs, as well as coordinating and monitoring of the implementation of donor funded projects/programmes in the Province.

2.2.12. An efficient, effective and development oriented public service

Efficient and effective public service in the Provincial Departments, Public Entities and Municipalities is necessary to ensure that public funds are adequately utilized to accelerate the provision of public services to all the people in the province. This will be achieved through continuous employment creation, skilling, developing, retaining and motivating personnel in the province.

2.2.13. Social Protection

In Limpopo Province, the Department of Social Development continues to lead in terms of developing a society of knowledgeable and capable citizens, through transforming society and by building conscious and capable citizens. In the 2020/21 financial year, the Department will continue with the following programs

- Providing of skills and empowerment programmes to 650 youths.
- Increasing the number of children from conception until the year before formal schooling accessing registered ECD programmes to 320 000
- Increasing the number of people receiving psycho-social services due to impact of HIV and AIDS to 494 500 by 2020/21
- Providing temporary relief to 25 000 people in distress is planned to expand and accelerate developmental social welfare service delivery to the poor, vulnerable and special focus groups.
- Providing integrated programmes and services to support, care and empower 16 500 victims of crime and violence in particular women and children is planned.

2.2.14. Nation building and Social cohesion

The Department of Sports Arts and Culture will continue to play its leading role in terms of promoting social cohesion and the national identity defender in the province. In the 2020/21 financial year, the Department together with the Department of Basic Education have developed plans to ensure that all schools in the province participate in the School Sport Leagues. Six Academies (One Provincial and Five district academies) will be supported to ensure that provision of sport science and medical services is available. Clubs, Hubs and Schools will be supported with attire and equipment to encourage participation in sport and recreation programmes in communities. The Limpopo Sport Awards programme will continue to be staged in the 2020/21 financial year to encourage outstanding performance in sport and recreation.

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

2.3. Summary of Budget Aggregates

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

Transfer receipts from National Government increased nominally by R4.193 billion or 6.2 percent from the 2019/20 budget of R68.025 billion to R72.219 billion in 2020/21 estimated to grow to R76.176 billion in 2021/22 and R80.306 billion in 2022/23. The province will collect provincial own receipts of R1.388 billion in 2020/21, R1.458 billion in 2021/22 and R1.535 billion 2021/22 financial year.

The total receipts available for the 2020/21 financial year amounts to R73.607 billion, R77.634 billion in 2021/22 and R81.841 billion in 2022/13 financial year. The table below refers:

Table 6: Provincial Budget Summary

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Provincial receipts									
Transfer receipts from national	56 500 397	59 893 092	63 814 085	68 025 751	68 248 217	68 349 402	72 219 110	76 175 959	80 306 503
Equitable share	48 708 568	51 960 337	55 178 775	58 964 758	58 964 758	58 964 758	62 328 931	66 255 935	69 935 348
Conditional grants	7 791 829	7 932 755	8 635 310	9 060 993	9 283 459	9 384 644	9 890 179	9 920 024	10 371 155
Provincial own receipts	1 468 966	1 325 226	1 333 613	1 316 599	1 379 109	1 385 832	1 388 054	1 458 055	1 534 855
Total provincial receipts	57 969 363	61 218 318	65 147 698	69 342 350	69 627 326	69 735 234	73 607 164	77 634 014	81 841 358
Provincial payments									
Current payments	48 460 867	51 762 126	55 548 775	59 300 122	59 753 088	59 857 713	62 176 742	65 632 120	69 153 073
Transfers and subsidies	7 408 763	7 948 558	8 378 530	8 185 421	8 740 071	8 644 788	8 067 033	8 142 586	8 498 213
Payments for capital assets	1 884 302	2 278 127	1 842 062	2 015 367	1 986 391	1 977 041	2 552 548	2 543 604	2 745 702
Payments for financial assets	167 819	36 854	95 127	-	772	59	-	-	-
Unallocated contingency reserve	-	-	-	-	-	-	810 842	1 315 703	1 444 371
Total provincial payments	57 921 751	62 025 665	65 864 494	69 500 910	70 480 322	70 479 601	73 607 165	77 634 013	81 841 359
Less: Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Baseline Available for Spending	57 921 751	62 025 665	65 864 494	69 500 910	70 480 322	70 479 601	73 607 165	77 634 013	81 841 359
Financing									
Provincial Cash Reserves	550 000	-	1 116 848	475 571	1 402 791	1 402 791	-	-	-
Surplus/(deficit) after financing	597 612	(807 347)	400 052	317 011	549 793	658 424	-	-	-

2.4. Financing

The provincial budget is financed mainly from equitable share, conditional grants and provincial own revenue. Over the 2020 MTEF period, no amount has been drawn from the provincial reserves to fund the allocated budget.

CHAPTER 3: BUDGET PROCESS AND THE MEDIUM TERM EXPENDITURE FRAMEWORK

3.1. The relationship between Strategic planning and budget

Planning and budgeting are two complementary and interdependent concepts that are relevant to any administration, both in public or business sector environments. The Provincial Government adopted the Limpopo Development Plan (LDP) 2015-2019 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 Province is in the process of reviewing of its provincial master plan, the Limpopo Development Plan (LDP) 2020-2025. The plan forms the basis of what the provincial government intends to achieve over the MTSF period.

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

3.2. The Budget Allocation Strategies

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

In ensuring compliance to the above stipulations, the Provincial Treasury embarks into consultation processes with provincial institutions through the Medium Term Expenditure Committee Hearings (MTEC's) where provincial institutions present the alignment of their MTEF budget and provincial priorities. The MTEC Hearings are held to provide support to the Executive Council Budget Committee which recommends the budget allocations to the Executive Council. These hearings provide a strong basis in ensuring that jointly agreed allocations achieve key policy priorities while maintaining fiscal discipline. These interactions capacitate Provincial Treasury to understand the departmental needs in order to provide a comprehensive motivation for allocation of limited resources to the Executive Council Budget Committee for consideration and approval by the Executive Council.

Provincial revenue sources are diminishing over time; this is evidenced by the Province loosing R1.780 billion over the MTEF requiring extra-ordinary measures to be put in place. 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.

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

3.4. The role of Provincial Treasury

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

Limpopo Provincial Treasury played a significant role of ensuring that the budget preparation process for 2020 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 2020 budget process:

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

3.5. The role of Departments

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

- Consultation with relevant stakeholders;
- Alignment of strategic plans and Annual Performance Plans (APPs) with the budget;
- Submission of budget bidding in line with the departmental mandates for consideration;

- Submission of budget documents as per the MTEF guidelines issued by Provincial Treasury;
- Participation during the MTEC hearing; and
- Ensuring that allocated funds are spent prudently.

CHAPTER 4: RECEIPTS

4.1. Overall Position

The province derives its receipts from equitable share, conditional grants, provincial own revenue and reserves. The equitable share allocation of the province is R62.329 billion in 2020/21, R66.256 billion in 2021/22 and grows to R69.935 billion in 2022/23. The conditional grant allocation for 2020/21 financial year is R9.890 billion, R9.920 billion in 2021/22 and R10.371 billion in 2022/23 financial year. The provincial own revenue for 2020/21 is R1.388 billion in 2020/21 and increases to R1.534 billion in 2022/23 supported by the provincial revenue enhancement strategies. The provincial own revenue grows by 5.4 percent in 2020/21 and 5.3 percent in 2022/23 financial years.

Provincial Treasury derives the provincial estimates from engagements with Provincial Departments and Public entities. In 2020/21, Provincial Treasury will continue to implement the revenue retention strategy to further motivate provincial institutions to increase their revenue baselines.

Table 7: Summary of Provincial Receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
Transfer receipts from national									
Equitable share	48 708 568	51 960 337	55 178 775	58 964 758	58 964 758	58 964 758	62 328 931	66 255 935	69 935 348
Conditional grants	7 791 829	7 932 755	8 635 310	9 060 993	9 283 459	9 251 344	9 890 179	9 920 024	10 371 155
Total transfer receipts from national	56 500 397	59 893 092	63 814 085	68 025 751	68 248 217	68 216 102	72 219 110	76 175 959	80 306 503
Provincial own receipts									
Tax receipts	458 530	501 514	569 124	604 232	626 495	626 495	660 665	694 650	728 919
Casino taxes	58 749	59 604	60 928	59 897	63 897	63 897	67 411	71 119	75 031
Horse racing taxes	26 130	30 860	46 181	46 972	42 972	42 972	45 335	47 829	50 460
Liquor licences	3 424	3 369	3 561	3 857	3 857	3 857	4 069	4 293	4 528
Motor vehicle licences	370 227	407 681	458 454	493 506	515 769	515 769	543 850	571 409	598 900
Sale of goods and services other than capital assets	261 275	278 393	320 849	305 313	310 316	312 801	324 527	339 024	358 475
Transfers received	204	620	5 412	5 700	1 020	1 020	9 179	9 683	10 216
Fines, penalties and forfeits	71 833	62 132	70 370	54 823	67 661	67 661	72 041	75 657	79 308
Interest, dividends and rent on land	404 971	348 441	294 025	281 727	265 641	265 512	249 166	261 620	274 185
Sale of capital assets	18 323	41 106	16 111	12 791	20 262	18 728	17 056	17 716	19 109
Transactions in financial assets and liabilities	253 829	93 020	57 723	52 014	87 713	94 635	55 419	59 705	64 644
Total provincial own receipts	1 468 966	1 325 226	1 333 613	1 316 599	1 379 109	1 385 832	1 388 054	1 458 055	1 534 855
Total provincial receipts	57 969 363	61 218 318	65 147 698	69 342 350	69 627 326	69 601 934	73 607 164	77 634 014	81 841 358

4.2. Equitable Share

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

The province receives R62.329 billion in 2020/21, R66.256 billion in 2021/22; and R69.35 billion in 2022/23 financial year. Included in these allocations is budget allocation for Social Development to address the social and structural drivers on HIV, TB, STI's and gender based violence and an allocation for Employment of Social Workers to deal with gender based violence, substance abuse and issues affecting children. Furthermore, the Department of Education is allocated funding for the Sanitary Dignity Project over the MTEF period. Details on these allocations are included in Chapter 2, Table 4.

4.3. Conditional Grants

Conditional grants are the allocation that provinces receive from the national share designed to achieve specific objectives with conditions that each recipient department must adhere to. The purpose of conditional grants is to address inter-governmental policy matters in all provinces. The province is allocated R9.890 billion in 2020/21, R9.920 billion in 2021/22 and R10.371 billion in 2022/23 financial years. The conditional grant allocations increased by 9.2 percent in 2020/21 and 4.5 percent in 2022/23 financial years.

New grants include, the conversion of the National Health Insurance fund (Contracting) and the Informal Settlement Upgrading Partnership Grant. 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		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Vote 3	2 088 243	2 019 768	2 273 815	2 460 517	2 507 693	2 507 693	2 756 180	2 809 919	2 943 798
National School Nutrition Programme	1 087 090	1 113 968	1 218 191	1 292 011	1 306 917	1 306 917	1 369 485	1 438 041	1 509 943
HIV/AIDS (Life Skills Education)	23 486	22 886	19 938	29 124	31 703	31 703	28 137	29 475	29 881
Education Infrastructure Grant	938 072	838 734	953 326	1 050 160	1 079 419	1 079 419	1 256 364	1 258 454	1 316 994
EPWP Incentive Allocation	1 876	2 211	1 759	2 385	2 466	2 466	2 089	-	-
Social Sector (EPWP) Grant	3 175	2 379	12 782	14 196	14 304	14 304	20 833	-	-
Learners with profound intellectual Disabilities Grant	-	4 666	20 934	26 839	27 082	27 082	32 432	34 523	35 679
Maths, Science and Technology Grant	34 544	34 924	46 885	45 802	45 802	45 802	46 860	49 426	51 301
Vote 4	332 349	321 918	395 264	342 345	336 194	336 194	323 618	339 976	349 657
Land Care Programme	10 429	13 672	47 768	12 863	12 863	12 863	12 970	13 416	13 703
Comprehensive Agriculture Support Programme	253 570	237 159	271 236	246 542	246 542	246 542	233 558	247 733	254 794
EPWP Incentive Allocation	4 475	3 731	4 999	7 686	7 686	7 686	6 610	-	-
Ilum a Lets em a Projects	63 875	67 366	71 261	75 254	69 103	69 103	70 480	78 827	81 160
Vote 06	3 443	2 567	3 376	3 563	3 563	3 563	2 994	-	-
EPWP Incentive Allocation	3 443	2 567	3 376	3 563	3 563	3 563	2 994	-	-
Vote 7	2 066 044	2 310 719	2 766 607	3 073 250	3 170 666	3 170 666	3 659 216	3 724 184	3 906 807
Health Professions Training and Development	124 779	131 684	139 315	190 426	221 715	221 715	232 171	242 052	251 008
Health Facility Revitalisation	378 900	416 805	625 319	457 951	457 951	457 951	742 473	528 577	552 826
Comprehensive HIV and AIDS	1 170 300	1 365 849	1 601 169	1 976 311	1 995 102	1 995 102	2 179 020	2 455 343	2 584 749
National Tertiary Services	362 361	366 283	371 858	409 263	424 484	424 484	445 200	464 898	483 682
EPWP Incentive Allocation	-	-	2 000	2 000	2 000	2 000	-	-	-
Social Sector (EPWP) Grant	21 975	30 098	26 946	37 299	37 299	37 299	28 286	-	-
National Health Insurance	7 729	-	-	-	32 115	32 115	32 066	33 314	34 542
Vote 8	326 129	347 610	358 809	378 790	378 790	378 790	404 035	424 147	422 338
Public Transport Operations	326 129	345 610	356 809	376 790	376 790	376 790	402 035	424 147	422 338
EPWP - Community Safety	-	2 000	2 000	2 000	2 000	2 000	2 000	-	-
Vote 9	997 357	1 136 431	1 112 680	1 164 021	1 164 021	1 164 021	1 300 462	1 149 130	1 203 929
Provincial Roads Maintenance Grant	992 531	1 130 534	975 319	1 018 253	1 018 253	1 018 253	1 164 756	1 149 130	1 203 929
Transport Disaster Management Grant	-	-	130 000	140 000	140 000	140 000	130 000	-	-
EPWP Incentive Grant	4 826	5 897	7 341	5 768	5 768	5 768	5 706	-	-
Vote 10	192 774	186 145	181 216	217 803	228 774	228 774	203 584	210 929	221 977
Mass Participation and Sport Development Grant	66 391	66 932	64 311	71 489	74 854	74 854	58 363	60 519	62 554
Community Library Services	124 544	117 217	115 123	144 314	151 920	151 920	143 221	150 410	159 423
EPWP Incentive Allocation	1 839	1 996	1 782	2 000	2 000	2 000	2 000	-	-
Vote 11	1 518 880	1 255 778	1 235 123	1 339 523	1 411 594	1 411 594	1 100 412	1 131 408	1 176 418
EPWP Incentive Allocation	636	2 000	-	2 026	2 026	2 026	2 000	-	-
Human Settlement Development	1 518 244	1 253 778	1 223 419	1 301 677	1 362 947	1 362 947	1 060 622	877 072	906 953
Informal Settlement Upgrading Partnership Grant	-	-	-	-	-	-	-	254 336	269 455
Housing Disaster Management	-	-	11 704	-	-	-	-	-	-
Title Deeds Restoration Grant	-	-	-	35 820	46 621	46 621	37 790	-	-
Vote 12	11 197	91 450	140 489	81 181	82 164	82 164	139 678	130 331	146 231
Social Sector (EPWP) Grant	11 197	8 973	7 452	10 189	10 189	10 189	9 954	-	-
EPWP Incentive Allocation	-	-	-	2 000	2 000	2 000	2 000	-	-
Early Childhood Development	-	35 693	67 248	68 992	69 975	69 975	127 724	130 331	146 231
Social Work Employment Grant	-	46 784	65 789	-	-	-	-	-	-
Total conditional grants	7 536 416	7 672 386	8 467 359	9 060 993	9 283 459	9 283 459	9 890 179	9 920 024	10 371 155

Specific grants within the various departments are outlined below.

Vote 3: Department of Education

The department will receive conditional grants amounting to R2.756 billion in 2020/21, R2.809 billion in 2021/22 and R2.941 billion in 2022/23 financial year. The conditional grants will be used for HIV/AIDS (Life Skills), Learners with Profound Intellectual Disabilities, National School Nutrition Programme, Education Infrastructure, Math, Science and Technology, Social Sector Extended Public Works Programme (EPWP), Extended Public Works Programme and Integrated. The conditional grants increase throughout the outer years of the MTEF except the Social Sector EPWP and EPWP Integrated grants as these allocations are based on performance.

Vote 4: Department of Agriculture

The department will receive conditional grants amounting to R323.6 million in 2020/21, R339.9 million in 2021/22 and R349.7 million in 2022/23 financial year. The conditional grants will be used mainly for Land Care, Comprehensive Agriculture Support Programmes and Ilima / Letsema projects and EPWP Integrated.

Vote 6: Department of Economic Development, Environment and Tourism

The department will receive an allocation of R3.0 million for EPWP Integrated grant for the 2020/21 financial year.

Vote 7: Department of Health

The department is allocated an amount of R3.659 billion for conditional grants in 2020/21, R3.724 billion in 2021/22 and R3.907 billion in 2022/23 financial year. Over the 2020 MTEF the department will have the following conditional grants; - Comprehensive HIV/AIDS Grant, Health Facility Revitalisation Grant, National Health Insurance Grant, National Tertiary Services Grant, Human Resources Capacitation Grant, EPWP Social Sector Grant.

Vote 8: Department of Transport and Community Safety

The department will receive conditional grants amounting to R404.0 million in 2020/21, R424.1 million in 2021/22 and R422.3 million in 2022/23. The allocation will be used for Public Transport Operations and EPWP Incentive Grant.

Vote 9: Department of Public Works, Roads and Infrastructure

The department will receive conditional grants amounting R1.3 billion in 2020/21, R1.149 billion in 2021/22 and R1.204 billion in 2022/23 financial year. The conditional grants will be used for Provincial Roads Maintenance and EPWP projects.

Vote 10: Department of Sports Arts and Culture

The department is allocated conditional grant amounting to R203.6 million in 2020/21, R210.9 million in 2021/22 and R222.0 million in 2022/23 financial year. The grant will be used mainly for Mass Participation and Sport Development, Community Library Services and EPWP Incentive grant.

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

The department will receive grants amounting to R1.1 billion in 2020/21 and R1.131 billion in 2021/22 financial year. The grant will increase to R1.175 billion in 2022/23 financial year. The conditional grant is mainly for Human Settlement Development, Title Deed Restoration and implementation of EPWP Incentive allocation.

Vote 12: Department of Social Development

The department has been allocated conditional grant of R139.7 million for 2020/21, R130.3 million in 2021/22 and R146.2 million in 2022/23 financial year. The grants funding will be used for Early Childhood Development, EPWP Incentive and EPWP Social Sector.

4.4. Provincial Own Receipts (Own Revenue)

The economic growth realized in recent times is much lower than the targets as set in the Limpopo Development Plan and the National Development Plan. The repressed economic growth will lead to under collection in the amount of national taxed revenue and given that the total debt levels are rising, South Africa and the Limpopo Province is facing a fiscal constraint. As a result, the Provincial Share of Revenue perpetually reduces despite the increasing population and developmental needs of citizens.

The South African government is faced with financial constraints for equitably sharing amongst the three spheres of government to address the socio-economic needs of citizenry. The financial constraints are a result of weak revenue collection; and poor fiscal and economic decisions. This leaves the country with few options such as borrowing funds from the market which is expensive to maintain; to minimise spending on goods and services while investing in infrastructure development; and to strengthen mechanism to generate national, provincial and municipal revenue.

The Provincial government is mandated by the Constitution of the Republic of South Africa to generate own revenue that would augment the Provincial Share of Revenue for allocation to provincial spending priorities. In Limpopo, the provincial revenue generation is increasing approximately at inflationary rate compared to real growth due to insufficient automated revenue management systems that requires attention. During 2020/21 financial year, the Limpopo provincial own revenue collection is projected at R1.388 billion or 1.9 percent of the total provincial receipts. The bulk of revenue is generated from the Department of Transport and Community Safety that generates 46.9 percent of the total provincial own revenue, mainly on motor vehicle licenses taxes. The planned construction of K53 at Thohoyandou and Seshego traffic stations; and the upgrading Mampakuil weighbridge by the Department of Transport and Community Safety will increase own revenue once projects are completed.

Limpopo Provincial Treasury is the second biggest provincial revenue generator at 17.9 percent from interest earned on bank balances. The Province does not depend much on interest earned on bank balances because it is volatile in nature. The more

departments spend in line with the procurement plans, the lower the accumulation of Provincial cash balances.

Following the Limpopo Provincial Treasury, is the Department of Health at 15.3 percent mainly from the collection of patient fees, while Economic Development, Environment and Tourism provides 12.1 percent primarily from casino and horse racing taxes. Department of Health is financially supported to maximise revenue through construction and demarcation of parking bays; and maintenance of Electronic Data Interchange with a view to generate more revenue; whereas the Department of Economic Development, Environment and Tourism is supported to enhance resorts hospitality for tourists and customers' comfort.

Other Departments contribute 7.8 percent with Departments of Public Works, Roads and Infrastructure; and Agriculture and Rural Development having potential to generate more revenue on property rentals; and boarding services and tuition fees respectively. The national revenue collection does not commensurate the increasing population, needs of the citizens and the increasing expenditure trend over the MTEF period and thus necessitates the province to continuously exert more efforts towards maximisation of provincial own revenue generation and ensuring efficient and effective revenue management.

Table 9: Provincial Own Revenue per vote

R thousand	Audited outcome			Main appropriati	Revised Apropratio	Revised estimates	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20	2019/20	2019/20	2020/21	2021/22	2022/23
Vote 01: Office of the Premier	1 186	752	1 205	583	4	587	608	641	674
Vote 02: Provincial Legislature	186	630	4 937	246	5 898	6 144	-	-	-
Vote 03: Education	67 488	63 106	45 563	43 826	31 167	74 993	51 034	53 234	60 906
Vote 04: Agriculture and Rural Development	13 101	14 709	12 005	11 722	-	11 722	12 320	12 936	13 557
Vote 05: Provincial Treasury	407 906	346 307	289 311	280 874	(45 117)	235 757	247 781	260 170	272 658
Vote 06: Economic Development, Environment & Tourism	123 473	135 550	150 559	158 941	-	158 941	167 683	176 905	186 635
Vote 07: Health	169 761	181 367	219 697	193 610	8 251	201 861	212 297	222 912	234 154
Vote 08: Transport and Community Safety	472 634	503 243	561 100	584 834	33 176	618 010	651 293	684 189	717 094
Vote 09: Public Works, Roads & Infrastructure	187 679	70 166	35 424	30 438	7 578	38 016	34 962	36 563	38 242
Vote 10: Sport, Arts & Culture	2 085	2 211	1 740	2 224	(89)	2 135	2 253	2 384	2 515
Vote 11: Co-Operative Governance, Human Settlements & Traditi	8 715	4 373	8 213	5 119	21 374	26 493	5 323	5 552	5 791
Vote 12: Social Development	14 752	2 763	3 860	4 182	(272)	3 910	2 500	2 568	2 630
Total provincial own receipts by Vote	1 468 965	1 325 176	1 333 616	1 316 598	61 972	1 378 570	1 388 053	1 458 053	1 534 854

The table above depicts the history of actual own receipts per vote from the 2016/17 financial year to 2018/19 financial year; the collection estimates for 2019/20 and the estimated revenue targets over 2020 MTEF period. The revenue estimates increase from the original target of R1.388 billion in 2020/21 to R1.534 billion in 2022/23 financial year which represents an average increase of 5.1 percent.

Vote 1: Office of the Premier

The Office of the Premier generates the bulk of its revenue from commission on insurance and Parking fees. The revenue target increases by 4.3 percent in 2020/21 and 5.0 percent over the MTEF period. The growth in 2020/21 and over the MTEF is inflationary related.

Vote 2: Provincial Legislature

The Provincial Legislature retains all revenue generated in line with section 22 of the Public Finance Management Act, and accounts for its revenue generated in a different financial management system that is not accessible by the Provincial Treasury.

Vote 3: Education

The main source of revenue in the Department of Education is commission on insurance. The revenue estimate is growing by 16.4 percent in 2020/21 and 11.6 percent over the MTEF period. The abnormal growth is mainly influenced by the once-off anticipated recovery of previous years' related debts.

Vote 4: Agriculture and Rural Development

The Department generates its revenue primarily from commission on insurance, academic services: tuition, registration & exam fees, boarding services and sale of agricultural produce. The revenue target is growing by 5.1 percent in 2020/21 and 5.0 percent over the MTEF period due to inflationary related factors.

Vote 5: Provincial Treasury

The main source of revenue in Provincial Treasury is interest received from favourable bank balances. The revenue budget of the department is growing at a negative growth of 11.8 percent in 2020/21 and negative 1.0 percent over the MTEF period. Interest earned on Provincial bank balances is volatile and is declining over the MTEF period due to improved spending and reduced cash reserves.

Vote 6: Economic Development, Environment and Tourism

Economic Development, Environment and Tourism derives its revenue mainly from casino taxes, horse racing taxes, hunting permits and tourism revenue (accommodation, entrance fee etc.). The revenue target increase by 5.5 percent in 2020/21 and over the MTEF period due to amongst others, tariff adjustments.

Vote 7: Health

Department of Health derives its revenue largely from patient fees and rental of dwellings. The revenue target is growing by 9.7 percent in 2020/21 and 6.5 percent over the MTEF period. The growth is influenced by improved collection of patient fees due to implementation of Electronic Data Interchange (EDI) and Patient Verification System for efficient billing.

Vote 8: Transport and Community Safety

Main source of revenue is generated from motor vehicle licence fees. The revenue target of the Department is growing by 11.1 percent in 2020/21 and 7.0 percent over the MTEF period. Abnormal growth in 2020/21 and over the MTEF is due to anticipated increase of motor vehicle license fee tariffs over the MTEF period and an anticipated extension of vehicle registering authorities.

Vote 9: Public Works, Roads & Infrastructure

The largest source of revenue for Department of Public Works, Roads and Infrastructure is rental of government properties. The revenue target is growing by 14.9 percent in 2020/21 and 7.9 percent over the MTEF period. Abnormal growth in 2020/21 and over the MTEF is mainly influenced by anticipated sale of capital assets.

Vote 10: Sport, Arts and Culture

The main source of revenue for the Department is entrance fees generated from the hosting of Mapungubwe Arts Festival. The revenue target of the department is growing by a minimal 1.3 in 2020/21 and 4.2 percent over the MTEF period. Minimal growth in 2020/21 is on entrance fees from the hosting of Mapungubwe Arts Festival based on collection trends for the previous financial years.

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

Main sources of revenue are commission on insurance and parking fees. The other source of revenue is from interest generated by implementing agencies. The revenue budget of the department is growing by 4.0 percent in 2020/21 and 4.2 percent over the MTEF period. The growth over the MTEF is inflationary related.

Vote 12: Social Development

The Department derives its revenue largely from commission on insurance and rental of dwellings. The revenue budget of the department is reducing by 40.2 percent in 2020/21 and 14.3 percent over the MTEF period. The negative growth in 2020/21 and over the MTEF is primarily influenced by reduced collection on previous years' expenditure related debts from Non Profit Organisations'.

4.5. Donor Funding

Table 10: Summary of provincial donor funding

R thousand	Outcome			Main Appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Vote 03 : Education	116 424	42 706	114 625	271 958	271 958	271 958	48 099	50 744	53 535
Vote 06 : LEDET	671	92	662	481	481	481	300	-	-
Vote 07: Health	-	1 961	2 486	926	926	926	-	-	-
Vote 09 : Public Works, Roads and Infrastructure	-	-	1 613	6 005	6 005	6 005	-	-	-
Vote 10 : Sport, Arts and Cuulture	849	121	-	-	-	-	-	-	-
Vote 12 : Social Development	12 000	4 005	14 220	7 860	7 860	7 860	6 076	-	-
Total	129 944	48 885	133 606	287 230	287 230	287 230	54 475	50 744	53 535

An amount of R48.1 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. Department of Economic Development, Environment and Tourism will receive a donation amounting to R300 thousand from Department of Public Service and Administration for initiatives for improvement of the public service. R6.1 million is receivable by the Department of Social Development from HWSETA for training and development of internships.

CHAPTER 5: PAYMENTS

5.1. Overall Position

The provincial expenditure grows from R69.5 billion in 2019/20 to R72.796 billion in 2020/21 and further grows to R77.318 billion in 2021/22 and to R80.396 billion in 2022/23 financial years. The expenditure growth is 4.7 percent in 2020/21 and 5.3 percent in 2022/23. The reduction of 2020 MTEF baselines figures was due to data updates, 2 percent reduction (fiscal consolidation) and reduction on compensation of employees' incremental percentage.

Table 11: Summary of provincial payments and Estimates per vote

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Vote 01: Office of the Premier	371 031	401 714	418 399	443 476	443 476	443 476	450 205	474 480	502 245
Vote 15: Provincial Legislature	321 008	340 987	390 363	375 755	439 701	437 488	385 137	406 114	429 476
Vote 03: Education	26 844 600	29 020 420	30 679 064	32 291 008	32 438 184	32 438 184	33 893 648	35 627 832	37 702 581
Vote 04: Agriculture and Rural Development	1 689 801	1 708 212	1 935 608	2 000 770	1 964 619	1 346 461	2 031 311	2 139 649	2 254 484
Vote 05: Provincial Treasury	441 152	427 560	449 128	506 841	506 841	506 841	521 312	529 037	559 660
Vote 06: Economic Development, Environmental Affairs and Tourism	1 312 225	1 681 908	1 692 544	1 722 710	1 984 710	1 984 710	1 706 008	1 842 015	1 911 312
Vote 07: Health	17 217 613	18 387 177	19 720 190	20 777 068	20 912 484	21 530 541	22 142 941	23 619 645	24 844 590
Vote 08: Transport and Community Safety	1 964 166	2 064 267	2 085 664	2 345 185	2 353 185	2 353 185	2 454 549	2 584 028	2 704 749
Vote 09: Public Works, Roads and Infrastructure	2 988 778	3 292 600	3 409 651	3 616 964	3 946 964	3 946 964	3 859 787	3 524 968	3 610 087
Vote 10: Sport, Arts and Culture	429 531	455 074	451 681	519 537	530 508	530 508	524 882	527 956	557 594
Vote 11: Cooperative Governance, Human Settlements and Traditional Affairs	2 679 638	2 428 857	2 597 059	2 720 467	2 777 538	2 779 131	2 466 516	2 568 438	2 695 701
Vote 12: Social Development	1 662 209	1 816 889	2 035 143	2 181 129	2 182 112	2 182 112	2 360 027	2 474 148	2 624 509
Total provincial payments by vote	57 921 751	62 025 665	65 864 494	69 500 910	70 480 322	70 479 601	72 796 323	76 318 310	80 396 988

5.2. Payments by Vote

Vote 1: Office of the Premier

The Office of the Premier receives a budget allocation of R450.2 million in 2020/21, R474.5 million in 2021/22 and R502.2 in 2022/23 financial years. The allocation increases by 4.3 percent over the MTEF.

Vote 2: Provincial Legislature

The Provincial Legislature receives an allocated budget of R385.1 million in 2020/21, R406.1 million in 2021/22 and R429.5 million in 2022/23 financial year. The budget has increased by 2.5 percent in 2020/21 or 4.6 percent over the MTEF period.

Vote 3: Education

The Department of Education is allocated a budget of R33.893 billion in 2020/21, R35.627 billion in 2021/22 and R37.702 billion in 2022/23 financial year. The 2020/21 allocation includes R2.756 billion for Conditional Grants and R626.9 million from own revenue. The allocation increase by 5.0 percent in 2020/21 and 5.8 percent in 2022/23 financial year.

In an endeavour to improve school's infrastructure in the province, the Education Infrastructure Grant is increased by R206.2 million or 19.6 percent in 2020/21 financial year.

Vote 4: Agriculture

The Department of Agriculture and Rural Development will receive a budget allocation of R2.031 billion in 2020/21, R2.139 billion in 2021/22 and R2.254 billion in 2022/23 financial year. Included in the allocation for 2020/21 is an amount of R323.6 million for Conditional Grants. The budget increases by 4.1 percent over the MTEF.

Included in the departmental allocation, is an amount of R50 million ring-fenced towards projects that are geared towards the Revitalisation of Agriculture and Agro-processing Value Chain in the province.

Vote 5: Provincial Treasury

The Provincial Treasury receives a budget allocation of R521.3 million in 2020/21, R529.0 million in 2021/22 and R559.7 million during 2022/23 financial year. The

budget allocation is increasing by 2.9 percent in 2020/21 and by 5.8 percent in 2022/23.

The allocation includes an amount of R19 million for support to Municipalities on infrastructure programmes and a further R10.3 million for implementation of the Municipal Support Hub.

Vote 6: Economic Development, Environment and Tourism

The Department of Economic Development is allocated a budget of R1.706 billion in 2020/21, of which R3.0 million is for a Conditional Grant and R762.9 million is for transfers to Public Entities. The departmental allocation increases to R1.842 billion in 2021/22 financial year and to R1.911 billion in 2022/23 financial year. The allocation increases by 3.6 percent over the MTEF period.

Included in the 2020/21 allocation to Public Entities is earmarked funding amounting to R255.2 million for priority projects including R100 million for the Special Economic Zone, R50 million for recapitalisation of Great North Transport and R30 million for Tourism Marketing.

Vote 7: Health

The Department of Health receives an allocation of R22.142 billion in 2020/21, R23.620 billion in 2021/22 and R24.844 in 2022/23 financial year. Included in the 2020/21 allocation is R3.659 billion for Conditional Grants and R548.8 million from own revenue. The allocation increases by 6.6 percent in 2020/21 and 6.1 percent over the MTEF period.

As a result of good performance on conditional grants by the department during the 2019/20 financial year, the departmental allocation of conditional grants is increased by R585.9 million or 19.1 percent in 2020/21 financial year. These funds are earmarked for provision of better health services including on Comprehensive HIV, AIDS & TB grant and the Health facility revitalisation grant.

Vote 8: Transport and Community Safety

The department is allocated R2.454 billion in 2020/21 financial year of which R404.0 million is for a conditional grant and R54.9 million is for transfer payments to the entity Gateway Airport Authority Limited (GAAL). The departmental allocation is increasing by 4.9 percent over the MTEF.

Vote 9: Public Works, Roads and Infrastructure

The department receives a budget allocation of R3.859 billion in 2020/21, R3.524 billion in 2021/22 and R3.610 billion in 2022/23 financial year. The allocation includes R1.3 billion for conditional grants and R1.479 billion to be transferred to Roads Agency Limpopo (RAL) for operational costs and roads maintenance and upgrades. The departmental allocation increase by 6.7 percent in 2020/21 financial year.

Included in the allocation of the department, is an amount of R10 million earmarked for programmes geared towards improvement of infrastructure delivery in the province. Furthermore, included in Roads Agency Limpopo allocation, is an amount of R400 million allocated from the provincial equitable share to address the over-commitment on roads projects.

Vote 10: Sport, Arts and Culture

The total allocation of the department amounts to R524.9 million in 2020/21, R527.9 million in 2021/22 and R557.6 million in 2022/23 financial year. The allocation increases by 2.4 percent over the MTEF period. The allocation for 2020/21 includes conditional grants allocations amounting to R203.6 million.

Included in the departmental allocation is an amount of R20.5 million for the completion of the planning process of the Provincial Theater.

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

The Department is receiving budget allocation of R2.466 billion in 2020/21, R2.568 billion in 2021/22 and R2.624 billion in 2022/23 financial year. The allocation makes provision for the delivery of quality housing through the Human Settlement Development Grant which is allocated an amount of R1.1 billion in 2020/21 financial year. The budget allocation has reduced by 9.3 percent in 2020/21 due to the reduction the grant funding and increases by 5.0 percent in 2022/23 financial year.

The departmental equitable share allocation includes earmarked allocations of R15 million for the Provincial Kingship and R50 million for construction and provision of office furniture in Traditional Council Offices.

Vote 12: Social Development

The Department is allocated a budget of R2.360 billion in 2020/21, R2.474 billion in 2021/22 and R2.624 billion in 2022/23 financial year. The allocation includes conditional grant allocations of R139.7 million in 2020/21 financial year. The allocation increases by 8.2 percent in 2020/21 and 6.1 percent in 2022/23 financial year.

Included in the budget allocation for 2020/21 is funds made available by the National Government of R11.3 million for employment of Social Workers and R12.8 million to respond to Gender Based Violence.

5.3. Payments by Economic Classification

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

Table 12: Payments by economic classification

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Current payments	48 460 867	51 762 126	55 548 775	59 300 122	59 753 088	59 857 713	62 176 742	65 632 120	69 153 073
Compensation of employees	40 107 796	42 582 425	45 742 252	49 191 590	48 968 153	48 691 356	50 818 159	53 788 381	56 737 201
Goods and services	8 352 723	9 179 091	9 805 682	10 107 562	10 783 965	11 165 387	11 357 637	11 842 759	12 414 845
Interest and rent on land	349	610	841	970	970	970	946	980	1 027
Transfers and subsidies to:	7 408 763	7 948 558	8 378 530	8 185 421	8 740 071	8 644 788	8 067 033	8 142 586	8 498 213
Provinces and municipalities	116 799	101 386	83 804	74 459	112 519	112 324	74 909	79 608	93 427
Departmental agencies and accounts	1 768 912	2 266 714	2 323 760	2 311 966	2 931 072	2 931 276	2 423 129	2 207 874	2 258 017
Higher education institutions	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	692 213	696 506	696 705	742 361	728 565	728 384	800 695	858 976	879 848
Non-profit institutions	2 547 400	2 868 740	3 038 717	3 005 241	2 880 991	2 879 882	3 002 386	3 129 805	3 291 410
Households	2 283 439	2 015 212	2 235 544	2 051 394	2 086 924	1 992 922	1 765 915	1 866 323	1 975 511
Payments for capital assets	1 884 302	2 278 127	1 842 062	2 015 367	1 986 391	1 977 041	2 552 548	2 543 604	2 745 702
Buildings and other fixed structures	1 366 531	1 815 856	1 528 950	1 507 404	1 569 488	1 565 215	1 958 146	1 897 341	1 926 198
Machinery and equipment	515 929	458 794	309 377	502 819	405 913	400 836	582 932	644 064	817 199
Heritage assets	-	793	-	-	182	182	-	-	-
Specialised military assets	-	-	-	35	-	-	-	-	-
Biological assets	772	1 650	1 607	4 509	3 709	3 709	2 470	2 200	2 305
Land and subsoil assets	-	66	-	-	-	-	-	-	-
Software and other intangible assets	1 070	968	2 128	600	7 099	7 099	9 000	-	-
Payments for financial assets	167 819	36 854	95 127	-	772	59	-	-	-
Total economic classification	57 921 751	62 025 665	65 864 494	69 500 910	70 480 322	70 479 601	72 796 323	76 318 310	80 396 988

5.3.1. Current Payments

The province has allocated R62.176 billion in 2020/21, R62.632 billion and R69.153 billion in 2021/22 and 2022/23 respectively for current payments. The allocation reflects a positive growth of 5.3 percent over the MTEF. Included in the current payments allocation for 2020/21 financial year is R50.818 billion or 69.8 percent for Compensation of Employees (COE) which represents 3.3 percent growth in 2020/21 and 4.9 percent over the MTEF. The province's allocation of compensation of employees is ring-fenced to curb the ever increasing COE budget.

A total amount of R11.347 billion, R11.842 billion and R12.414 billion is allocated to goods and services for 2020/21, 2021/22 and 2022/23 respectively. Goods and Services budget grows by 12.4 percent in 2020/21 and 7.2 percent over the MTEF. The increase is mainly influenced by classification of expenditure from transfers and subsidies to goods and services where services are rendered by NPO's and NPI's.

5.3.2. Transfers and subsidies

The provincial allocation on transfers and subsidies is mainly for transfers to Non-Profit Institutions and Organisations, households, departmental agencies and accounts and transfers to Public Entities and Municipalities. Total transfers and subsidies is decreasing by 1.4 percent from R8.185 billion in 2019/20 to R8.067 billion in 2020/21 and increases to R8.498 billion in 2022/23 financial year.

5.3.3. Payment for Capital Assets

The allocation for Payments for Capital Assets has increased from R2.015 billion in 2019/20 to R2.552 billion in 2020/21 financial year, payments for capital assets will further grow to R2.745 billion in 2022/23. This classification includes allocation for construction of new infrastructure, purchase of office furniture, transport equipment and other machinery and equipment.

5.4. Payments by Policy Area

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

Table 13: Payments by policy area

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
General public services	4 121 969	4 462 861	4 667 541	4 943 036	5 336 982	5 334 769	5 216 441	4 934 599	5 101 468
Public order and safety	47 915	55 718	59 556	61 884	60 502	60 502	64 658	67 515	65 028
Economic affairs	4 572 822	5 000 090	5 250 068	5 588 509	5 827 300	5 209 142	5 717 791	6 104 373	6 390 329
Environmental protection	345 455	398 579	404 192	418 272	414 712	414 712	409 419	393 804	415 188
Housing and community amenities	2 679 638	2 428 857	2 597 059	2 720 467	2 777 538	2 779 131	2 466 516	2 568 438	2 695 701
Health	17 217 613	18 387 177	19 720 190	20 777 068	20 912 484	21 530 541	22 142 941	23 619 645	24 844 590
Recreation, culture and religion	429 531	455 074	451 681	519 537	530 508	530 508	524 882	527 956	557 594
Education	26 844 600	29 020 420	30 679 064	32 291 008	32 438 184	32 438 184	33 893 648	35 627 832	37 702 581
Social protection	1 662 209	1 816 889	2 035 143	2 181 129	2 182 112	2 182 112	2 360 027	2 474 148	2 624 509
Total provincial payments and estimates by functional area	57 921 751	62 025 665	65 864 494	69 500 910	70 480 322	70 479 601	72 796 323	76 318 310	80 396 988

Office of the Premier, Legislature, Provincial Treasury and Public Works provides support to departments in terms of general public services and ensure that required legislations and policies are available and implemented by departments. Furthermore, these departments provide support and training to other departments in order to effectively implement the plans as adopted by Legislature. These departments are allocated a total budget of R5.2 billion, R4.9 billion and R5.1 billion in 2020/21, 2021/22 and 2022/23 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 R64.7 million in 2020/21 financial year. Economic affairs and environmental protection remains the responsibility of the Department of Economic Development, Environment and Tourism, Agriculture and Transport. These departments are allocated R5.7 billion in 2020/21, R6.1 billion in 2021/22 and R6.4 billion in 2022/23 financial years respectively.

Housing development is the competency of the department of Cooperative Governance, Human Settlement and Traditional Affairs which is allocated R2.5 billion, R2.6 billion and R2.7 billion in 2020/21, 2021/22 and 2022/23 respectively.

The Department of Sport, Arts and Culture oversees recreation, culture and religion programmes in the province. The department is allocated R524.9 million in 2020/21 financial year.

In terms of the Constitution of Republic of South Africa, Department of Health, Education and Social development are tasked with that responsibility of provision of health care, basic education and social services to the public respectively. An amount of R58.4 billion or 80.2 percent of the provincial budget is allocated to the three departments.

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

5.5. INFRASTRUCTURE MANAGEMENT

The Infrastructure Delivery Management System (IDMS) of the Limpopo Province approved by the Provincial Executive Council [EXCO] as a delivery model for the province is applicable and compulsory to all infrastructure departments. The IDMS put emphasis on the clarification of roles and responsibilities, and strategic decision-making control points to ensure that “grey areas” in respect of mandates, functions and responsibilities are eliminated.

It is a requirement of the IDMS that almost all departments should have a prescribed level of capacity for a successful roll out and implementation of the value chain. The province worked on strategies such as the Infrastructure Strategic Planning Hub in the Department of Public Works Roads and Infrastructure (DPWR&I) to ensure that the Department continue to be the implementing agent of choice for infrastructure delivery on behalf of Sector Departments. To date, the Department of Public Works Roads and Infrastructure did not manage to adhere fully with the capacity requirements stated in the IDMS and the required functional structures for infrastructure planning, delivery and monitoring. The DPWR&I did not manage to fully appoint built environment professionals either through permanent appointments nor temporal/contract appointment and as a result sector departments have requested permission to appoint alternative implementing agents to enhance capacity in the medium term.

Provincial Treasury in the past three years set up the Infrastructure Programme Support with the support of the National Treasury Government Technical Advisory Centre (GTAC) to enhance capacity and improve infrastructure planning and delivery in all Departments except for CoGHSTA; Health; and Education. This support has since come to an end and the impact is observed through the slow infrastructure spending during the 2019/20 financial year.

Department Education is struggling with infrastructure matters either on non-delivery, poor spending of budget and spending efficiencies (value for money), delays in projects completion and poor project monitoring. The built environment professionals are very expensive and the province recruited few to date. Such professionals are on

a Specific Occupation Dispensation (OSD), therefore resulting in difficulty in the recruitment of experienced and appropriately skilled professionals.

Both the department of Health and Education need the built environment skills in order to do proper infrastructure multiyear planning that is responsive to policy reforms such as the National Health Insurance (NHI) and eradication of sanitation backlogs respectively. This in turn will enable these departments to issue Implementing Agents with infrastructure business plans that are well articulated in terms of budgets and scope assignment, so that implementation and delivery becomes efficient. These skills are also critical for improved infrastructure governance and institutional arrangements as stipulated in the Service Delivery Agreement between the Implementing agents and departments.

Based on the above, the Executive Council noted with concern that the implementation of infrastructure projects in the province during the 2019/20 financial year has not been progressing as planned, and further that the lack of adequate capacity has contributed to slow spending of budgets. These assessments necessitated that a structured approach to identify new value-creating opportunities within provincial infrastructure. The Provincial Treasury as a chair of the Infrastructure Development Cluster Committee, assisted by the Department of Public Works, Roads and Infrastructure as co-chair; supported by Office of the Premier convened the workshop to respond to the directive of EXCO. All departments with infrastructure budgets including implementing agents were part of the session.

To date common challenges that are being experienced in the implementation of infrastructure projects in the province were reflected with emphasis on Education and Health as performance grants departments. Intervention strategies have been proposed which can be applied to enhance, improve and/or strengthen the provision of oversight on infrastructure delivery. Also, a reflection was done on the capacity of the Infrastructure Strategic Planning HUB in the DPWRI in providing support to departments on their infrastructure programmes.

The provincial economy needs reliable infrastructure to connect supply chain and efficiently supply goods and services, within and across borders. Infrastructure connects households across rural and urban areas to higher quality opportunities for employment, healthcare and education. The province, therefore need to deliver infrastructure at a rate which is acceptable to foster economic growth and create opportunities for the citizens of Limpopo. It is very evident that the 2020 Medium Term Expenditure Framework (MTEF) allocations should urgently respond to the highlighted provincial common challenges as infrastructure development is a necessity to accelerate economic growth and for poverty alleviation.

The Limpopo Provincial Government has allocated R20.5 billion for the delivery of infrastructure over the 2020 MTEF period. This allocation will fund infrastructure projects of various categories in line with the overall provincial strategic objectives; 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

	Outcome			Main appropriation	Adjusted appropriation	Revised baseline	Medium term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Rand thousand									
Vote 03: Education	829 216	1 301 995	955 051	1 051 986	1 081 245	1 081 245	1 258 291	1 261 150	1 319 820
Vote 04: Agriculture and Rural Development	169 245	144 165	201 723	223 426	195 866	195 866	220 214	319 044	170 763
Vote 06: Economic Development, Environment and Tourism	34 167	63 364	64 678	45 267	38 167	38 167	20 000	20 000	20 000
Vote 07: Health	678 526	652 027	651 784	656 200	619 156	619 156	952 819	754 798	789 904
Vote 08: Transport	26 000	19 779	5 691	43 021	43 021	43 021	51 574	50 462	51 906
Vote 09: Public Works, Roads and Infrastructure	687 849	2 595 040	1 956 343	2 153 433	2 669 648	2 669 648	3 370 658	2 995 219	3 042 367
Vote 10: Sport, Arts and Culture	35 666	35 526	35 405	47 128	54 828	54 828	79 759	62 448	66 648
Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs	1 518 244	1 254 461	1 223 419	1 337 497	1 411 594	1 411 594	1 100 412	1 131 408	1 176 418
Vote 12: Social Development	23 545	30 138	37 705	47 846	60 105	60 105	71 794	75 381	79 155
Total Infrastructure (including non infrastructure items)	4 002 458	6 096 495	5 131 799	5 605 804	6 173 630	6 173 630	7 125 521	6 669 910	6 716 981

In 2020/21 financial year, the Department of Public Works Roads and Infrastructure is allocated a budget of R3.370 billion or 47.3 percent, followed CoGHSTA with an allocation of R1.1 billion or 15.4 percent, the Department of Education with R1.258 billion or 18.7 percent and the Department of Health with R952.8 million or 13.4 percent. The Provincial infrastructure is mainly funded through conditional grant and Provincial Equitable Share.

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

	Outcome			Main appropriation	Adjusted appropriation	Revised baseline	Medium term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Rand thousand									
Existing infrastructure assets	1 910 161	4 291 571	2 379 051	3 510 185	3 749 207	3 749 207	4 122 939	3 533 575	3 748 539
Maintenance and repairs	333 845	1 028 473	1 270 466	1 602 322	1 546 769	1 546 769	1 968 972	1 720 071	1 827 694
Upgrades and additions	1 028 977	2 171 051	940 067	1 316 496	1 599 488	1 599 488	1 943 645	1 652 304	1 821 518
Rehabilitation and refurbishment	547 339	1 092 047	168 518	591 367	602 950	602 950	210 322	161 200	99 327
New infrastructure assets	450 300	410 678	320 940	555 547	549 831	549 831	567 639	541 631	272 568
Infrastructure transfers	1 641 997	1 353 779	2 178 704	1 447 350	1 512 247	1 512 247	1 220 689	1 361 151	1 298 906
Infrastructure transfers - Current	-	11 429	490 483	3 750	3 750	3 750	2 000	-	-
Infrastructure transfers - Capital	1 641 997	1 342 350	1 688 221	1 443 600	1 508 497	1 508 497	1 218 689	1 361 151	1 298 906
Infrastructure: Payments for financial assets	-	-	-	-	-	-	-	-	-
Infrastructure: Leases	-	-	-	-	-	-	-	-	-
Non Infrastructure	-	40 468	253 104	92 722	362 345	362 345	1 214 254	1 233 553	1 396 968
Total Infrastructure (including non infrastructure items)	4 002 458	6 096 495	5 131 799	5 605 804	6 173 630	6 173 630	7 125 521	6 669 910	6 716 981

Over the 2020 MTEF, R20.5 billion is allocated across various investment categories. A total budget of R1.4 billion or 6.7 percent is allocated over the MTEF towards new infrastructure mainly for construction of new clinics, libraries, schools, upgrades of gravel roads to tar, centres for place of safety, nature reserves and houses.

The estimated budget allocation for rehabilitation and refurbishment is R470.8 million or 2.3 percent over the 2020 MTEF, upgrading and additions of existing facilities amount to R5.4 billion or 26.4 percent while maintenance is allocated a total amount of R5.5 billion or 26.9 percent. The Provincial Treasury developed the terms of reference and guidelines to assist the departments with the acceleration of planning and design of projects for the 2020/21 financial year including the outer years of the MTEF period.

Department of Health has been given permission to set up an advisory professional service (Infrastructure Technical Resource Unit) as the Department transition to the NHI to assist with the academic complex programme which include Central Hospital, Pietersburg Hospital, Mankweng Hospital, Thabamopo Hospital, Medical School and 5 Regional Hospitals. The department is at an advanced stage with this process.

Department of Education will also set up an advisory professional service (Infrastructure Technical Resource Unit) to assist with the school's backlog sanitation

programme. The department has finalised the technical specification documents to source this service and the process is at an advanced stage.

The Limpopo Provincial Treasury continuously provide support in ensuring effective planning and implementation of infrastructure programmes. During various engagements, it was found that both departments and Municipalities neither have the requisite capacity nor the experience to initiate a gateway review for the Framework for Infrastructure Delivery and Procurement Management (FIDPM). As a result, Provincial Treasury engaged the Department of Public Works Roads and Infrastructure (infrastructure hub) for the release of professionals with requisite skills to conduct the independent project Review for Departments and Municipal projects with a CAPEX cost of R50.0 million and above. To this effect, the Limpopo Department of Public Works, Roads and Infrastructure has been granted approval to set up Programme Management Support (PMS) that will assist in operationalising the Infrastructure Strategic Professional Hub as a shared service for the province. The process to set up the PMS in DPWR&I is at advance stage and governance documents have been finalised for an agreement to be signed between the Limpopo Department of Public Works, Roads and Infrastructure and Government Technical Advisory Centre (GTAC) of the National Treasury.

Moreover, the Limpopo Provincial Government is making strides to use GIS as a strategic tool to plan infrastructure. This is aimed at ensuring that the provincial government has a functional GIS to enhance planning and decision-making. The Office of the Premier is coordinating the One District Integrated Development Model which all departments are supported to enhance their planning processes for greater impact. Limpopo Provincial Treasury will play oversight on the financial matters to strategically guide the financial planning of the District Development Model process, and also exercise control over implementation, therefore ensuring resource allocation efficiency to achieve maximum social and economic benefits.

5.6. Transfers

6.1. Transfers to Public Entities

The provincial Public Entities are allocated an amount of R2.296 billion in 2020/21 and R2.080 billion and R2.134 billion in 2021/22 and 2022/23 financial years respectively. The budget for entities has increased by 3.9 percent in 2020/21 and 2.6 percent in 2022/23 financial year.

Table 16: Transfers to Public Entities

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
Vote 06: LEDET	506 151	799 324	774 462	757 057	1 034 807	1 034 807	762 910	886 046	900 645
Vote 08: Transport and Community Safety	59 838	52 773	67 380	53 151	53 151	53 151	54 953	57 920	59 827
Vote 09: Public Works, Roads and Infrastructure	1 054 935	1 314 451	1 388 918	1 400 308	1 680 308	1 680 308	1 478 676	1 136 924	1 174 352
Total	1 620 924	2 166 548	2 230 760	2 210 516	2 768 266	2 768 266	2 296 539	2 080 890	2 134 824

6.2. Transfers to Local Government

An amount of R4.972.0 million is allocated by different departments to pay for the rates and taxes and motor vehicles licenses in 2020/21 financial year.

Table 17: Provincial Transfer to Local Government

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
Category B	1 232	1 815	3 139	3 019	3 019	3 019	3 185	3 357	3 518
Category C	24 984	26 350	17 298	1 693	1 693	1 693	1 787	1 885	1 975
Unallocated	679	713	-	-	-	-	-	-	-
Total provincial transfers to local government	26 895	28 878	20 437	4 712	4 712	4 712	4 972	5 242	5 493

5.7. Personnel Numbers and Costs

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

R thousands	Actual						Revised estimate				Medium-term expenditure estimate					
	2016/17		2015/16		2018/19		2019/20				2020/21		2021/22		2022/23	
	Personnel numbers ¹	Costs	Personnel numbers	Costs	Personnel numbers ¹	Costs	Filled posts	Additional posts	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs	Personnel numbers ¹	Costs
Vote																
Vote 01: Office of the Premier	470	265 738	476	280 808	474	301 263	464	-	464	317 311	462	331 134	463	354 665	463	377 017
Vote 15: Provincial Legislature	216	164 798	209	177 002	212	201 128	216	27	243	220 997	243	224 475	243	237 808	243	251 170
Vote 03: Education	68 687	21 743 507	68 511	23 182 961	68 511	24 725 638	65 938	2 573	68 511	26 059 419	70 462	27 050 417	70 462	28 511 285	70 462	30 215 519
Vote 04: Agriculture and Rural Development	3 091	1 046 072	3 089	1 072 904	3 127	1 109 876	3 000	131	3 131	852 766	3 114	1 231 924	3 103	1 324 033	3 103	1 388 230
Vote 05: Provincial Treasury	575	259 219	558	279 640	513	290 800	347	60	407	311 292	475	339 096	475	361 309	475	378 652
Vote 06: LEDET	1 463	511 975	1 406	513 931	1 373	575 496	1 265	48	1 313	598 142	1 343	608 017	1 374	642 628	1 412	677 325
Vote 07: Health	35 025	12 218 485	32 377	12 978 967	33 651	14 199 044	32 632	9 440	42 072	15 661 684	42 882	16 127 301	42 882	17 168 497	42 882	17 993 096
Vote 08: Transport and Community Safety	2 842	912 029	2 872	970 645	2 894	959 984	3 052	-	3 052	1 109 168	3 212	1 118 546	3 219	1 191 202	3 219	1 249 306
Vote 09: Public Works, Roads and Infrastructure	4 856	965 940	3 063	983 094	3 198	1 047 782	3 010	188	3 198	1 074 588	3 198	1 159 073	3 198	1 223 288	3 198	1 282 005
Vote 10: Sport, Arts and Culture	465	177 271	494	185 073	494	190 376	551	-	551	212 001	551	226 028	551	236 878	551	253 035
Vote 11: CoGHSTA	3 715	948 148	3 820	964 802	3 787	1 012 555	2 013	1 658	3 671	1 079 897	3 831	1 045 221	3 831	1 107 934	3 848	1 174 410
Vote 12: Social Development	3 028	894 614	3 191	992 608	3 274	1 128 510	3 274	-	3 274	1 194 090	3 317	1 356 928	3 317	1 428 854	3 317	1 497 436
Total provincial personnel numbers	124 433	40 107 796	120 066	42 982 425	121 498	46 742 232	115 762	14 125	129 887	48 691 356	133 090	50 818 159	133 118	53 788 382	133 173	56 737 201

The personnel numbers are projected to increase from 129 887 in 2019/20 to 133 090 in 2020/21, 133 118 in 2021/22 and 133 173 in 2022/23 financial year. An amount of R50.8 billion has been allocated to service the current staff within government and filling of key and critical posts.

The province's percentage share of compensation of employees against the total budget is 69.8 percent which is a decrease as compared to 71.6 percent in 2016/17 financial year. The measures which have been put in place to monitor the provincial personnel numbers are bearing fruit and should be strengthened. Provincial Treasury together with Office of the Premier will strengthen monitoring of personnel matters in the province.

5.8. Payments on Training

Table 19: Summary of provincial payments on training

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
Vote 01: Office of the Premier	3 316	6 641	6 582	6 152	6 152	6 152	6 463	6 788	7 114
Vote 02: Legislature	1 020	758	1 241	1 217	1 217	1 217	1 615	1 640	1 720
Vote 03: Education	67 971	71 370	75 509	79 738	79 738	79 738	84 123	88 750	93 010
Vote 04: Agriculture and Rural Development	11 535	11 791	12 410	13 440	12 281	7 046	14 118	14 895	15 609
Vote 05: Provincial Treasury	2 844	3 128	3 275	3 496	3 496	3 496	3 517	3 710	3 888
Vote 06: LEDET	10 423	7 626	7 139	12 745	12 745	12 745	9 662	10 818	11 326
Vote 07: Health	622 924	561 397	550 311	638 704	531 595	599 130	631 683	709 859	727 179
Vote 08: Transport and Community Safety	4 829	3 976	6 030	6 600	6 600	6 600	6 800	6 950	7 150
Vote 09: Public Works, Roads and Infrastructure	10 159	10 710	11 130	11 757	11 757	11 757	11 737	12 384	12 384
Vote 10: Sport, Arts and Culture	1 363	1 460	1 540	1 630	1 630	1 630	1 670	1 750	1 830
Vote 11: CoGHSTA	8 778	8 870	9 464	9 601	9 601	9 601	12 087	12 447	13 044
Vote 12: Social Development	9 858	5 936	4 571	4 669	4 669	4 669	4 926	5 197	5 446
Total provincial expenditure on training	755 019	693 663	689 203	789 749	681 481	743 781	788 401	875 188	899 700

The table above provides a summary of the amounts spent by departments on training and the MTEF budget include an amount of R788.4 million in 2020/21, R875.2 million in 2021/22 and R899.7 million in 2022/23 financial year respectively. Training and development of personnel contributes significantly towards developmental state.

ANNEXURES

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
Tax receipts	458 530	501 514	569 124	604 232	626 495	626 495	660 665	694 650	728 919
Casino taxes	58 749	59 604	60 928	59 897	63 897	63 897	67 411	71 119	75 031
Horse racing taxes	26 130	30 860	46 181	46 972	42 972	42 972	45 335	47 829	50 460
Liquor licences	3 424	3 369	3 561	3 857	3 857	3 857	4 069	4 293	4 528
Motor vehicle licences	370 227	407 681	458 454	493 506	515 769	515 769	543 850	571 409	598 900
Sale of goods and services other than capital assets	261 275	278 393	320 849	305 313	310 316	312 801	324 527	339 024	358 475
Sales of goods and services produced by department	259 344	272 742	318 400	303 450	307 480	310 057	322 540	336 938	356 514
Sales by market establishments	2 739	-	-	-	-	-	-	-	-
Administrative fees	32 351	35 463	41 999	45 945	44 113	43 959	45 273	47 580	48 864
Other sales	224 254	237 279	276 401	257 505	263 367	266 098	277 267	289 358	307 649
Of which									
Health patient fees	85 476	90 100	116 619	99 021	104 736	104 736	110 151	115 659	121 442
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1 931	5 651	2 449	1 863	2 834	2 744	1 987	2 086	1 961
Transfers received from:	204	620	5 412	5 700	1 020	1 020	9 179	9 683	10 216
Other governmental units	80	600	5 412	5 700	1 020	1 020	9 179	9 683	10 216
Universities and technikons	-	-	-	-	-	-	-	-	-
Foreign governments	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	124	20	-	-	-	-	-	-	-
Households and non-profit institutions	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	71 833	62 132	70 370	54 823	67 661	67 661	72 041	75 657	79 308
Interest, dividends and rent on land	404 971	348 441	294 025	281 727	265 641	265 512	249 166	261 620	274 185
Interest	404 768	347 958	293 608	281 096	265 055	265 035	248 517	260 937	273 467
Dividends	-	-	-	-	-	-	-	-	-
Rent on land	203	483	417	631	585	477	649	683	718
Sales of capital assets	18 323	41 106	16 111	12 791	20 262	18 728	17 056	17 716	19 109
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Other capital assets	18 323	41 106	16 111	12 791	20 262	18 728	17 056	17 716	19 109
Transactions in financial assets and liabilities	253 829	93 020	57 723	52 014	87 713	94 635	55 419	59 705	64 644
Total provincial own receipts	1 468 966	1 325 226	1 333 613	1 316 599	1 379 109	1 386 852	1 388 054	1 458 055	1 534 855

Table 22: A.3 Details of provincial payments and estimates

R thousand	Outcome			Main appropriation	Adjusted appropriation 2019/20	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2020/21	2021/22	2022/23
Current payments	48 460 867	51 762 126	55 548 775	59 300 122	59 753 088	59 857 713	62 176 742	65 632 120	69 153 073
Compensation of employees	40 107 796	42 582 425	45 742 252	49 191 590	48 968 153	48 691 356	50 818 159	53 788 381	56 737 201
Salaries and wages	34 943 649	37 047 990	39 819 030	43 088 711	42 839 633	42 525 049	44 470 599	47 195 566	49 848 771
Social contributions	5 164 147	5 534 435	5 923 222	6 102 879	6 128 519	6 166 307	6 347 560	6 592 816	6 888 430
Goods and services	8 352 723	9 179 091	9 805 682	10 107 562	10 783 965	11 165 387	11 357 637	11 842 759	12 414 845
of which									
Administrative fees	11 382	6 640	10 247	11 545	11 542	12 068	10 023	10 416	11 519
Advertising	34 225	35 417	27 715	45 351	38 037	31 395	48 584	42 534	44 621
Minor assets	40 667	37 413	54 387	69 679	84 755	52 304	75 768	151 804	99 566
Audit cost: External	75 559	91 885	91 207	96 820	110 748	104 510	107 289	112 617	118 721
Bursaries: Employees	27 309	28 673	31 109	38 510	39 715	39 897	42 553	44 411	46 648
Catering: Departmental activities	64 830	72 471	86 616	80 810	106 650	114 133	82 036	87 412	91 906
Communication (G&S)	181 931	187 675	200 769	217 374	211 433	211 360	224 356	229 469	242 928
Computer services	302 300	323 759	343 980	289 850	355 187	400 443	438 680	430 818	472 319
Consultants and professional services: Business and advisory services	202 341	180 148	120 702	189 619	149 547	142 960	141 611	130 843	161 803
Infrastructure and planning	64 057	16 213	4 981	39 729	18 922	6 750	75 304	15 014	15 733
Laboratory services	388 165	478 265	467 266	457 248	579 177	672 032	518 890	621 280	669 905
Scientific and technological services	-	-	90	-	-	-	-	-	-
Legal services	49 704	13 846	19 885	17 504	32 355	31 678	16 372	16 622	18 918
Contractors	468 782	382 964	655 791	800 034	794 269	791 751	800 546	782 212	800 566
Agency and support/ outsourced services	1 254 911	1 111 384	1 139 802	1 229 328	1 353 744	1 364 229	1 366 846	1 349 473	1 427 937
Entertainment	7 266	10 263	9 689	9 391	1 126	850	1 219	8 939	9 370
Fleet services (including government motor transport)	373 886	387 033	401 467	347 412	341 799	378 362	373 237	362 823	387 999
Housing	2	-	-	100	-	-	-	58	61
Inventory: Clothing material and accessories	19 747	29 159	24 515	19 236	26 763	36 134	24 723	27 087	28 386
Inventory: Farming supplies	74 705	73 888	78 354	57 278	58 363	29 072	59 198	61 693	68 032
Inventory: Food and food supplies	67 134	119 337	129 633	126 409	145 988	159 739	143 852	150 147	147 063
Inventory: Chemicals, fuel, oil, gas, wood and coal	53 724	22 915	35 940	32 515	32 239	36 484	43 009	34 050	35 685
Inventory: Learner and teacher support material	573 108	594 103	559 497	646 457	649 369	649 429	693 980	736 563	772 264
Inventory: Materials and supplies	60 673	48 256	43 856	62 073	55 520	53 201	112 586	68 051	66 076
Inventory: Medical supplies	311 032	408 863	367 509	323 942	508 587	540 425	508 848	522 483	590 492
Inventory: Medicine	1 098 322	1 360 889	1 652 566	1 696 929	1 516 604	1 588 953	1 622 096	1 918 007	1 966 757
Medias inventory interface	73	24	64	135	-	-	-	170	178
Inventory: Other supplies	40 598	74 270	61 773	78 908	112 081	116 836	120 334	119 609	124 959
Consumable supplies	217 521	163 819	168 648	234 486	252 251	234 391	260 400	265 714	275 611
Consumable: Stationery, printing and office supplies	154 801	152 768	175 010	218 234	239 115	238 204	238 821	251 646	256 381
Operating leases	267 890	273 027	299 665	322 526	320 051	316 230	340 798	351 544	380 283
Property payments	957 384	1 448 657	1 440 847	1 221 280	1 487 157	1 679 972	1 673 018	1 713 999	1 829 984
Transport provided: Departmental activity	318 347	295 143	325 284	356 565	335 365	334 853	338 305	363 557	380 728
Travel and subsistence	425 176	520 282	583 017	483 300	534 588	526 663	506 475	525 378	537 360
Training and development	56 432	78 641	55 822	91 070	80 910	74 994	108 949	124 316	120 251
Operating payments	40 123	72 011	52 232	83 368	73 583	70 736	89 996	90 747	95 242
Venues and facilities	42 558	48 028	52 450	64 275	76 725	74 512	74 542	77 885	80 950
Rental and hiring	26 057	30 961	33 297	48 272	49 700	50 197	74 392	43 368	37 643
Interest and rent on land	349	610	841	970	970	970	946	980	1 027
Interest	-	-	-	-	-	-	-	-	-
Rent on land	349	610	841	970	970	970	946	980	1 027
Transfers and subsidies to¹:	7 408 763	7 948 558	8 378 530	8 185 421	8 740 071	8 644 788	8 067 033	8 142 586	8 498 213
Provinces and municipalities	116 799	101 386	83 804	74 459	112 519	112 324	74 909	79 608	93 427
Provinces ²	806	953	1 018	1 191	1 734	1 887	1 947	1 364	1 429
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	806	953	1 018	1 191	1 734	1 887	1 947	1 364	1 429
Municipalities ³	115 993	100 433	82 786	73 268	110 785	110 437	72 962	78 244	91 998
Municipalities	98 796	90 942	79 375	68 820	106 448	106 135	68 516	73 572	87 104
Municipal agencies and funds	17 197	9 491	3 411	4 448	4 337	4 302	4 446	4 672	4 894
Departmental agencies and accounts	1 768 912	2 266 714	2 323 760	2 311 966	2 931 072	2 931 276	2 423 129	2 207 874	2 258 017
Social security funds	1 886	2 116	4 462	4 948	4 948	4 948	5 572	5 415	5 504
Provide list of entities receiving transfers ⁴	1 767 026	2 264 598	2 319 298	2 307 018	2 926 124	2 926 328	2 417 557	2 202 459	2 252 513
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises ⁵	692 213	696 506	696 705	742 361	728 565	728 384	800 695	858 976	879 848
Public corporations	692 213	696 506	696 705	742 361	728 565	728 384	800 695	858 976	879 848
Subsidies on production	366 025	350 896	339 896	365 571	351 571	351 571	398 660	434 829	455 701
Other transfers	326 188	345 610	356 809	376 790	376 994	376 813	402 035	424 147	424 147
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on production	-	-	-	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	-	-
Non-profit institutions	2 547 400	2 868 740	3 038 717	3 005 241	2 880 991	2 879 882	3 002 386	3 129 805	3 291 410
Households	2 283 439	2 015 212	2 235 544	2 051 394	2 086 924	1 992 922	1 765 915	1 866 323	1 975 511
Social benefits	333 725	386 943	407 233	278 553	384 702	327 737	308 016	321 832	362 711
Other transfers to households	1 949 714	1 628 269	1 828 311	1 772 841	1 702 222	1 665 185	1 457 899	1 544 491	1 612 800
Payments for capital assets	1 884 302	2 278 127	1 842 062	2 015 367	1 986 391	1 977 041	2 552 548	2 543 604	2 745 702
Buildings and other fixed structures	1 366 531	1 815 856	1 528 950	1 507 404	1 569 488	1 565 215	1 958 146	1 897 341	1 926 198
Buildings	902 404	1 460 927	1 467 118	1 375 666	1 445 415	1 460 042	1 435 080	1 528 072	1 502 343
Other fixed structures	464 127	354 929	61 832	131 738	124 073	105 173	523 066	369 269	423 855
Machinery and equipment	515 929	458 794	309 377	502 819	405 913	400 836	582 932	644 064	817 199
Transport equipment	133 467	112 595	95 074	114 540	96 250	102 571	94 758	98 751	123 274
Other machinery and equipment	382 462	346 199	214 303	388 279	309 663	298 265	488 174	545 313	693 925
Heritage assets	-	793	-	-	182	182	-	-	-
Specialised military assets	-	-	-	35	-	-	-	-	-
Biological assets	772	1 650	1 607	4 509	3 709	3 709	2 470	2 200	2 305
Land and subsoil assets	-	66	-	-	-	-	-	-	-
Software and other intangible assets	1 070	968	2 128	600	7 099	7 099	9 000	-	-
Payments for financial assets	167 819	36 854	95 127	-	772	59	-	-	-
Total economic classification	57 921 751	62 025 665	65 864 494	69 500 910	70 480 322	70 479 601	72 796 323	76 318 310	80 396 988
Less: Unauthorised expenditure	-	-	-	-	-	-	-	-	-
Baseline available for spending	57 921 751	62 025 665	65 864 494	69 500 910	70 480 322	70 479 601	72 796 323	76 318 310	80 396 988

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

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2016/17	2017/18	2018/19				2019/20	2020/21	2021/22
General Public Services									
Executive and Legislature									
Office of the Premier	371 031	401 714	418 399	443 476	443 476	443 476	450 205	474 480	502 245
Provincial Legislature	321 008	340 987	390 363	375 755	439 701	437 488	385 137	406 114	429 476
Financial and Fiscal Services									
Provincial Treasury	441 152	427 560	449 128	506 841	506 841	506 841	521 312	529 037	559 660
General Services (Public Works, Local Government)	2 988 778	3 292 600	3 409 651	3 616 964	3 946 964	3 946 964	3 859 787	3 524 968	3 610 087
Total: General Public Services	4 121 969	4 462 861	4 667 541	4 943 036	5 336 982	5 334 769	5 216 441	4 934 599	5 101 468
Public Order and Safety									
Police Services	47 915	55 718	59 556	61 884	60 502	60 502	64 658	67 515	65 028
Safety and Liaison	47 915	55 718	59 556	61 884	60 502	60 502	64 658	67 515	65 028
Total: Public Order and Safety	47 915	55 718	59 556	61 884	60 502	60 502	64 658	67 515	65 028
Economic Affairs									
General Economic Affairs									
Dept of Economic Affairs	849 479	1 150 840	1 155 973	1 174 825	1 452 058	1 452 058	1 169 901	1 315 409	1 356 339
Agriculture and Rural Development									
Dept of Agriculture Affairs	1 689 801	1 708 212	1 935 608	2 000 770	1 964 619	1 346 461	2 031 311	2 139 649	2 254 484
Transport									
Department of Transport	1 916 251	2 008 549	2 026 108	2 283 301	2 292 683	2 292 683	2 389 891	2 516 513	2 639 721
Communication									
Dept of Economic Dev	117 291	132 489	132 379	129 613	117 940	117 940	126 688	132 803	139 785
Total: Economic Affairs	4 572 822	5 000 090	5 250 068	5 588 509	5 827 300	5 209 142	5 717 791	6 104 373	6 390 329
Environmental Protection									
Environmental Protection	345 455	398 579	404 192	418 272	414 712	414 712	409 419	393 804	415 188
Total: Environmental Protection	345 455	398 579	404 192	418 272	414 712	414 712	409 419	393 804	415 188
Housing and Community Amenities									
Housing Development									
Department of Housing	2 679 638	2 428 857	2 597 059	2 720 467	2 777 538	2 779 131	2 466 516	2 568 438	2 695 701
Total: Housing and Community Amenities	2 679 638	2 428 857	2 597 059	2 720 467	2 777 538	2 779 131	2 466 516	2 568 438	2 695 701
Health									
Outpatient services	11 012 374	1 409 171	1 500 929	1 616 260	1 479 207	1 460 346	1 901 355	1 797 354	1 874 591
R and D Health (CS)	2 350 075	15 126 775	16 281 510	17 044 653	17 302 715	17 929 212	18 007 429	19 189 553	20 229 048
Hospital Services	3 855 164	1 851 231	1 937 751	2 116 155	2 130 562	2 140 983	2 234 157	2 632 738	2 740 951
Total: Health	17 217 613	18 387 177	19 720 190	20 777 068	20 912 484	21 530 541	22 142 941	23 619 645	24 844 590
Recreation, Culture and Religion									
Sporting and Recreational Affairs									
Sport, Arts and Culture	429 531	455 074	451 681	519 537	530 508	530 508	524 882	527 956	557 594
Total: Recreation, Culture and Religion	429 531	455 074	451 681	519 537	530 508	530 508	524 882	527 956	557 594
Education									
Pre-primary & Primary Phases									
Secondary Education Phase									
Subsidised Services to Education									
Education not defined by level	26 844 600	29 020 420	30 679 064	32 291 008	32 438 184	32 438 184	33 893 648	35 627 832	37 702 581
Total: Education	26 844 600	29 020 420	30 679 064	32 291 008	32 438 184	32 438 184	33 893 648	35 627 832	37 702 581
Social protection									
Social Security Services	305 581	345 229	380 097	424 407	420 690	420 690	443 350	456 443	478 353
Social Services and Population Development	1 356 628	1 471 660	1 655 046	1 756 722	1 761 422	1 761 422	1 916 677	2 017 705	2 146 156
Total: Social protection	1 662 209	1 816 889	2 035 143	2 181 129	2 182 112	2 182 112	2 360 027	2 474 148	2 624 509
Total provincial payments and estimates by policy area	57 921 751	62 025 665	65 864 494	69 500 910	70 480 322	70 479 601	72 796 323	76 318 310	80 396 988