

4.4 Total Provincial own receipts (revenue)

Table 1.17: Summary of Provincial Own Receipts by Vote

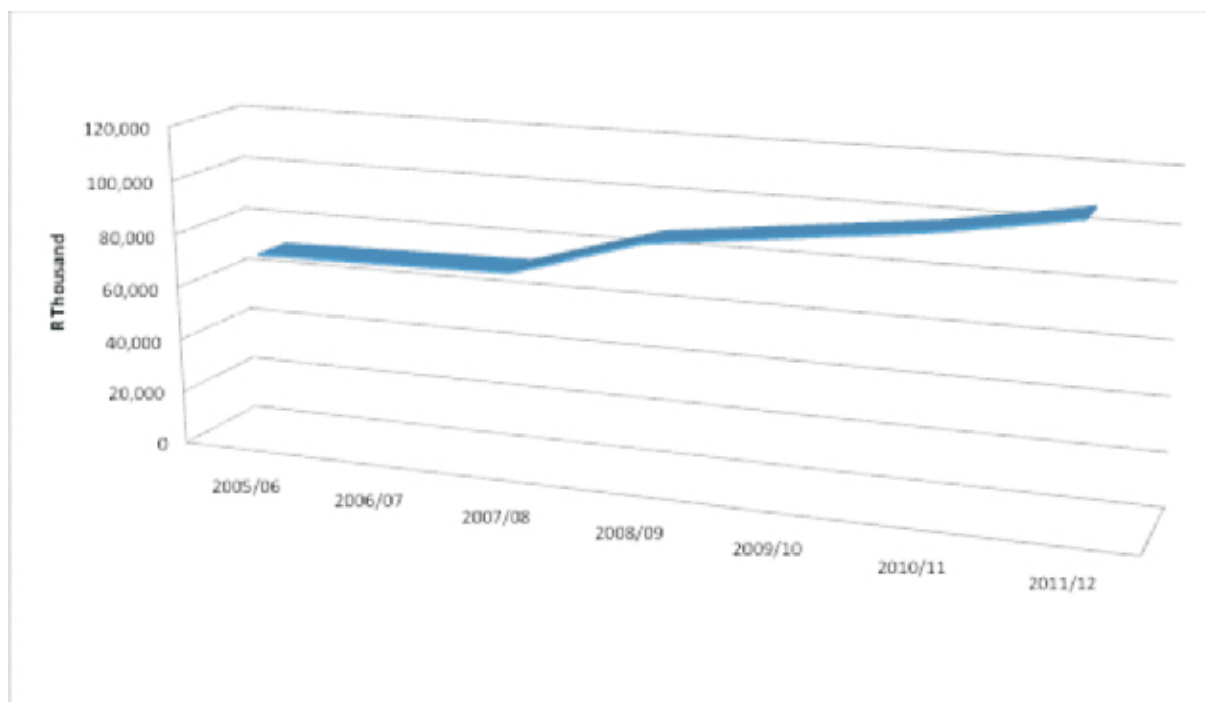
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2008/09	2009/10	2010/11
	2005/06	2006/07	2007/08						
Office of the Premier	459	1,063	468	679	963	963	709	714	714
Provincial Legislature	254	698	300	238	300	300	267	264	290
Education	17,056	47,497	20,651	21,222	30,273	30,273	22,105	23,069	24,684
Agriculture	13,817	10,257	10,770	11,697	11,697	11,697	12,281	12,894	13,540
Provincial Treasury	80,082	104,404	85,594	125,590	125,590	125,590	128,128	133,085	139,505
Economic Development, Environmental Affairs and Tourism	21,504	26,472	30,300	41,315	41,315	41,315	46,487	53,006	58,851
Health	70,950	71,800	72,584	87,175	87,175	87,175	93,009	98,799	107,000
Roads and Transport	149,134	157,357	170,860	209,632	209,632	209,632	219,382	232,404	244,026
Public Works	21,198	23,008	23,693	27,321	27,321	27,321	31,605	36,518	22,914
Safety, Security and Liaison	46	80	273	89	161	161	74	91	94
Social Development	359	248	3,684	307	579	579	334	339	656
Local Government and Housing	15,340	6,894	4,500	2,950	2,950	2,950	3,190	3,264	3,340
Sport, Arts and Culture	1,776	1,302	20,445	1,847	1,847	1,847	2,090	2,224	2,342
Total provincial own receipts	391,975	451,080	444,122	530,062	539,803	539,803	559,661	596,671	617,956

The Province generated R391.9 million, R451.1 million and R444.1 million for own revenue in 2005/2006, 2006/2007 and 2007/2008, respectively – an average increase of 4.3 per cent over the 2005/2006 MTEF (see Table 1.17). The largest contributors to the Provincial own revenue were the Department of Transport, which contributed R149.1 million, R157.4 million and R170.9 million in 2005/2006, 2006/2007 and 2007/2008, respectively, followed by the Provincial Treasury and the Department of Health. The Provincial Treasury contributed R80.1 million, R104.4 million and R85.6 million in the 2005/2006, 2006/2007 and 2007/2008 financial years, respectively, while the Department of Health contributed R70.9 million, R71.8 million and R72.6 million, respectively, in the same financial years.

Between the financial year 2007/2008 and the 2008/2009 revised estimates, the Provincial own revenue recorded a positive growth rate of 21.5 per cent, and for the period between the 2008/2009 revised estimates and the 2009/2010 fiscal year, a positive growth rate of about 3.7 per cent. For the 2009/2010 MTEF, the Provincial own revenue is estimated to grow by 3.4 per cent year-on-year. The drop in the growth rate for the 2009/2010 MTEF compared to the period between the 2008/2009 revised estimates and the 2009/2010 financial year is due to the fact that most departments' revenue, made up of interest, dividends and rent on land and financial transactions, fluctuates yearly, especially those that are relatively small.

4.4.1 The Department of Health

Figure 1.44: The Department of Health: Own Revenue



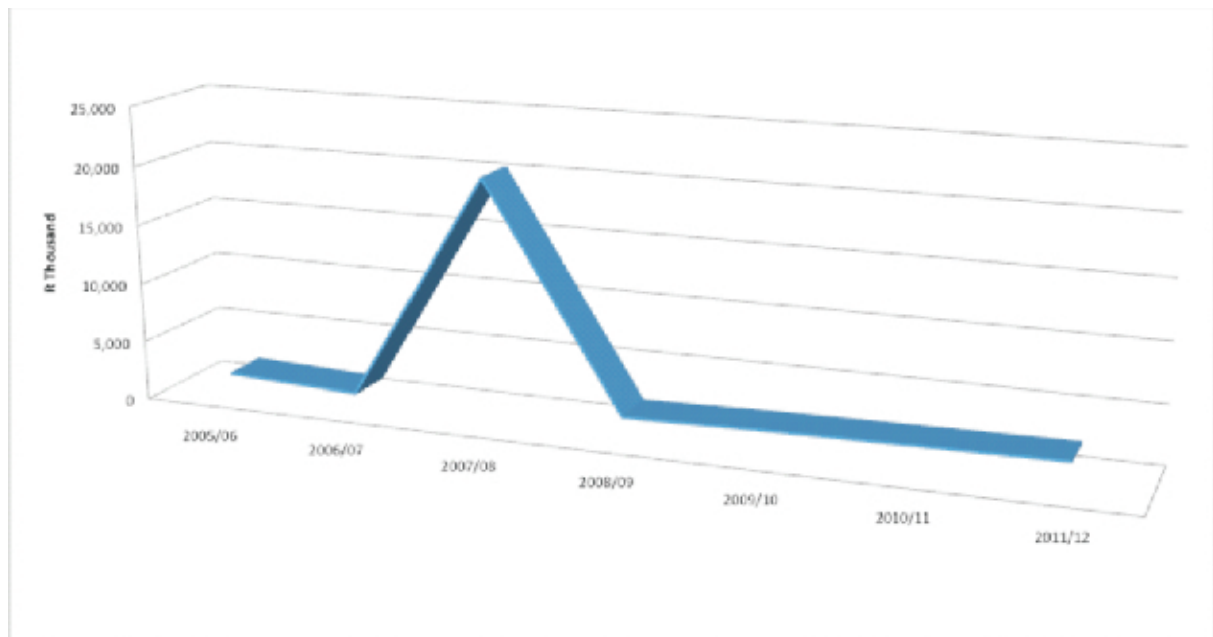
Source: Own calculations

The Department of Health is the third-largest contributor to the Provincial own revenue. More than half of the departmental own revenue it generates is derived from the sale of goods and services other than capital, in the form of patient fees.

As shown in Figure 1.44, for the 2005/2006 MTEF, the departmental own revenue increased by 0.1 per cent on average. During the period between 2007/2008 and the 2008/2009 revised estimates, departmental own receipts recorded a 20.1 per cent growth rate, which was due to the implementation of a revenue collection strategy for outstanding patient fees. In addition, for the period between the 2008/2009 revised estimates and the 2009/2010 fiscal year, the departmental own revenue recorded a growth rate of about 6.7 per cent – mainly due to anticipated sales of capital assets, as well as fees charged on the inspection of medical reports. For the 2009/2010 MTEF, the own revenue for this department is estimated to improve by 7.3 per cent in real terms, mainly to be derived from the expected increase on charges on medical reports.

4.4.2 The Department of Sport, Arts and Culture

Figure 1.45: The Department of Sport, Arts and Culture: Own Revenue



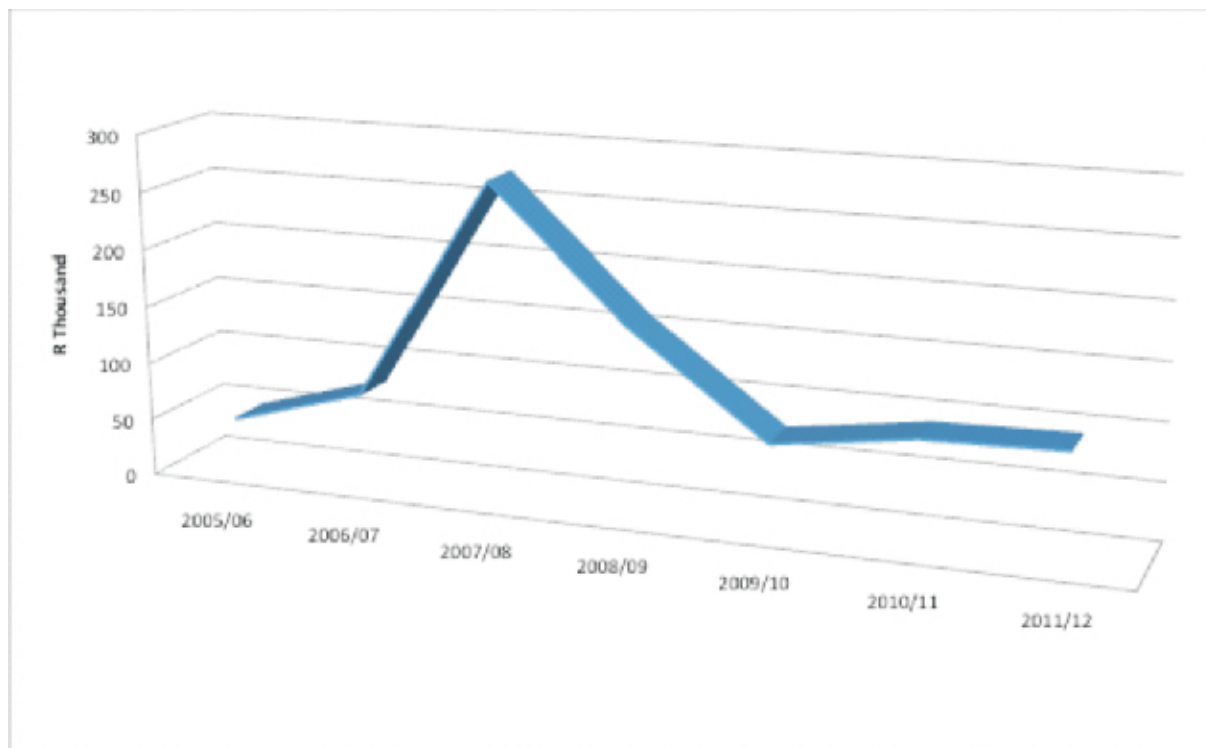
Source: Own calculations

Figure 1.45 shows a constant increase in departmental own revenue for the Department of Sport, Arts and Culture from the 2005/2006 to the 2011/2012 financial years. The figure also shows an upswing during the 2006/2007, 2007/2008 and 2008/2009 financial years. Over the 2005/2006 MTEF, Sport, Arts and Culture's departmental own revenue increased by about 125 per cent on average. The upswing and this above-average growth rate were due to a once-off refund of R20 million from the municipalities, which the department initially transferred to the municipalities to assist them in building stadia as part of the preparations for the 2010 Soccer World Cup. The municipalities did not use this fund as they received donations from the Development Bank of Southern Africa, and the fund was recovered during the 2007/08 financial year.

For the period between the 2008/2009 revised estimates and the 2009/2010 fiscal year, the departmental own revenue recorded a growth rate of about 13.2 per cent, which was mainly due to an expected increase on commission on insurance, since the department is expected to fill vacant posts over this period. The department projects a positive growth rate of about 4 per cent (adjusted for inflation) on the departmental own revenue over the 2009/2010 MTEF.

4.4.3 The Department of Safety and Security

Figure 1.46: The Department of Safety and Security: Own Revenue

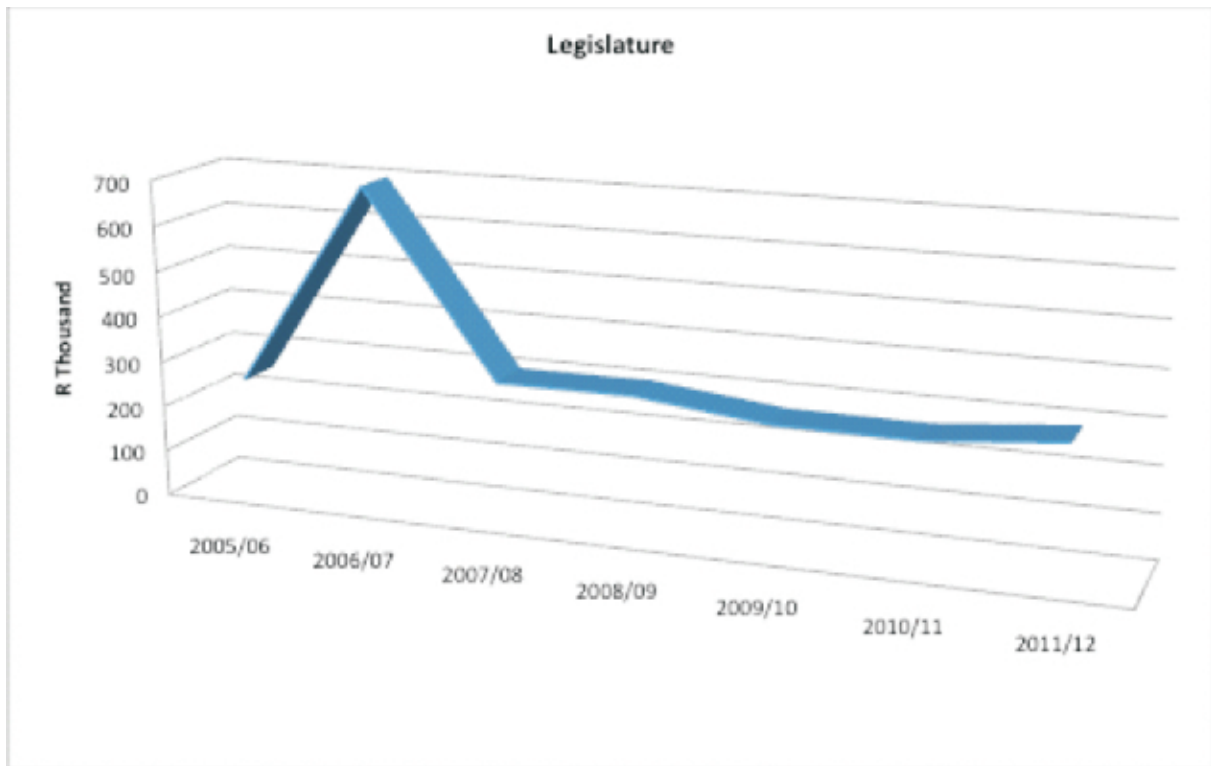


Source: Own calculations

Figure 1.46 shows a steady increase in departmental own revenue for the Department of Safety and Security from the 2005/2006 to the 2006/2007 financial years. For the 2007/2008 financial year, the department revised its revenue collection estimates by 241 per cent, from R80 000 to R273 000, due to the once-off recovery of outstanding debt in that financial year. However, for the period between the 2008/2009 revised estimates and the 2009/2010 financial year, the department recorded a significant negative growth rate of about 54 per cent, which was due to a once-off refund of overpayment to Manyeleti Youth Camp. For the 2009/2010 MTEF, the department estimates a positive growth rate of 12.7 per cent, based on the anticipated recovery of outstanding debt.

4.4.4 The Provincial Legislature

Figure 1.47: The Provincial Legislature: Own Revenue

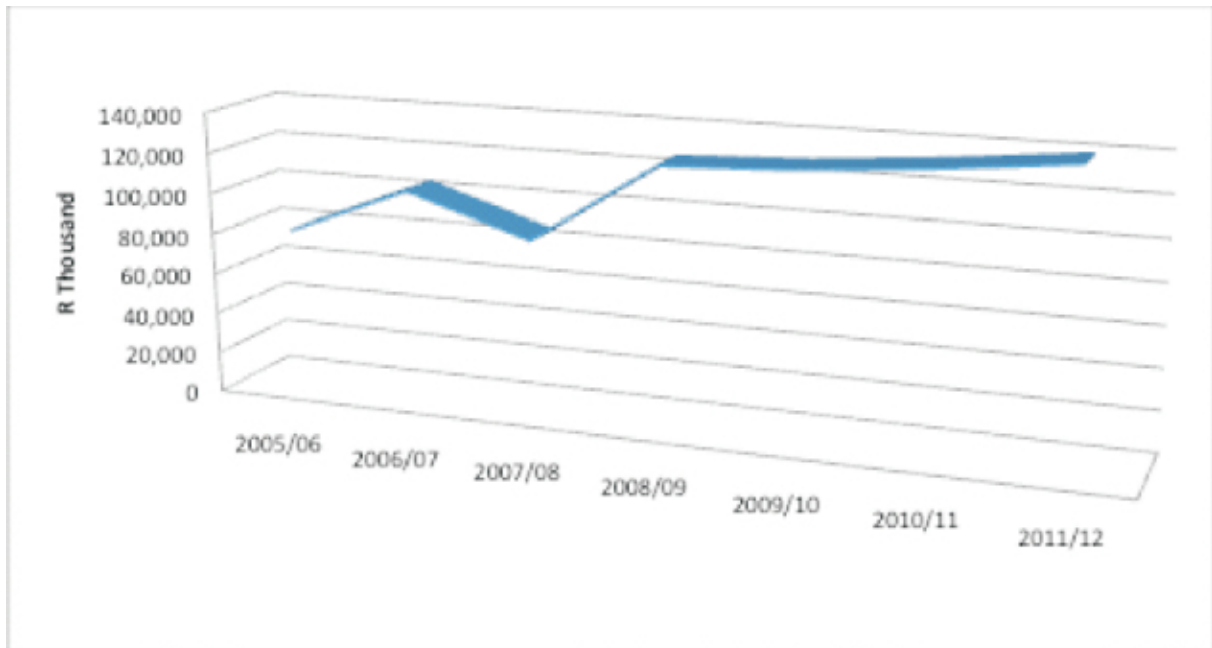


Source: Own calculations

The Limpopo Legislature is one of the Provincial votes that contribute little to the Provincial own revenue. This department generates its own revenue on items that are relatively small and fluctuate on a yearly basis. Over the 2005/2006 MTEF, the Limpopo Legislature's own receipts increased by 5.7 per cent, while they decreased dramatically (by 11 per cent) for the period between the 2008/2009 revised estimates and the 2009/2010 fiscal year. The increase was mainly due to the once-off sale of motor vehicle licences. For the 2009/2010 MTEF, the own revenue for the Limpopo Legislature is estimated to register a positive growth rate of 4.2 per cent, which is derived from an anticipated recovery of outstanding debt.

4.4.5 The Provincial Treasury

Figure 1.48: The Provincial Treasury: Own Revenue

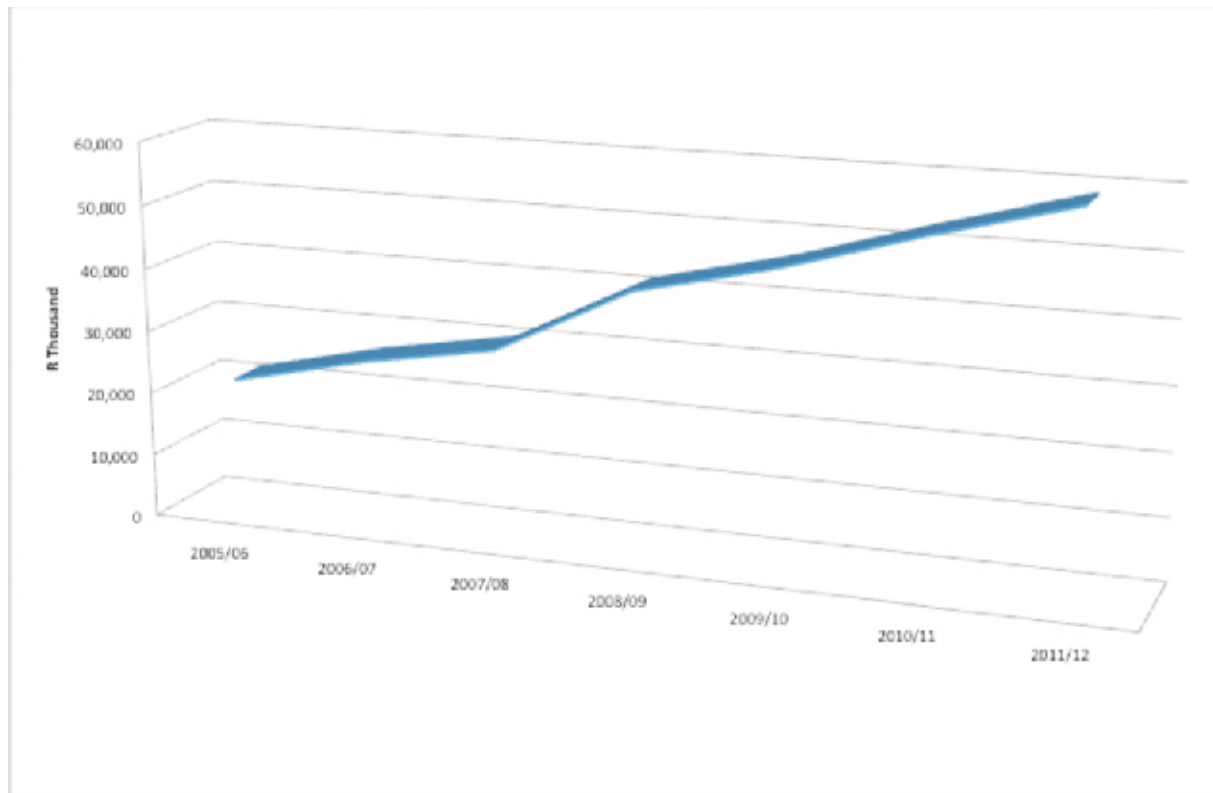


Source: Own calculations

The own revenue for the Provincial Treasury, which is mainly derived from interest income in a favourable bank balance, increased steadily over the 2008/2009 MTEF (see Figure 1.48). For the 2005/2006 MTEF, the Provincial Treasury recorded a growth rate of 2.2 per cent, while two per cent was recorded for the period between the 2008/2009 revised estimates and the 2009/2010 fiscal year. This minimal growth rate can be ascribed to the unpredictable nature of interest received. Over the 2009/2010 MTEF, the departmental own revenue for the Provincial Treasury is anticipated to show a 4.3 per cent growth rate.

4.4.6 The Department of Economic Development

Figure 1.49: The Department of Economic Development: Own Revenue

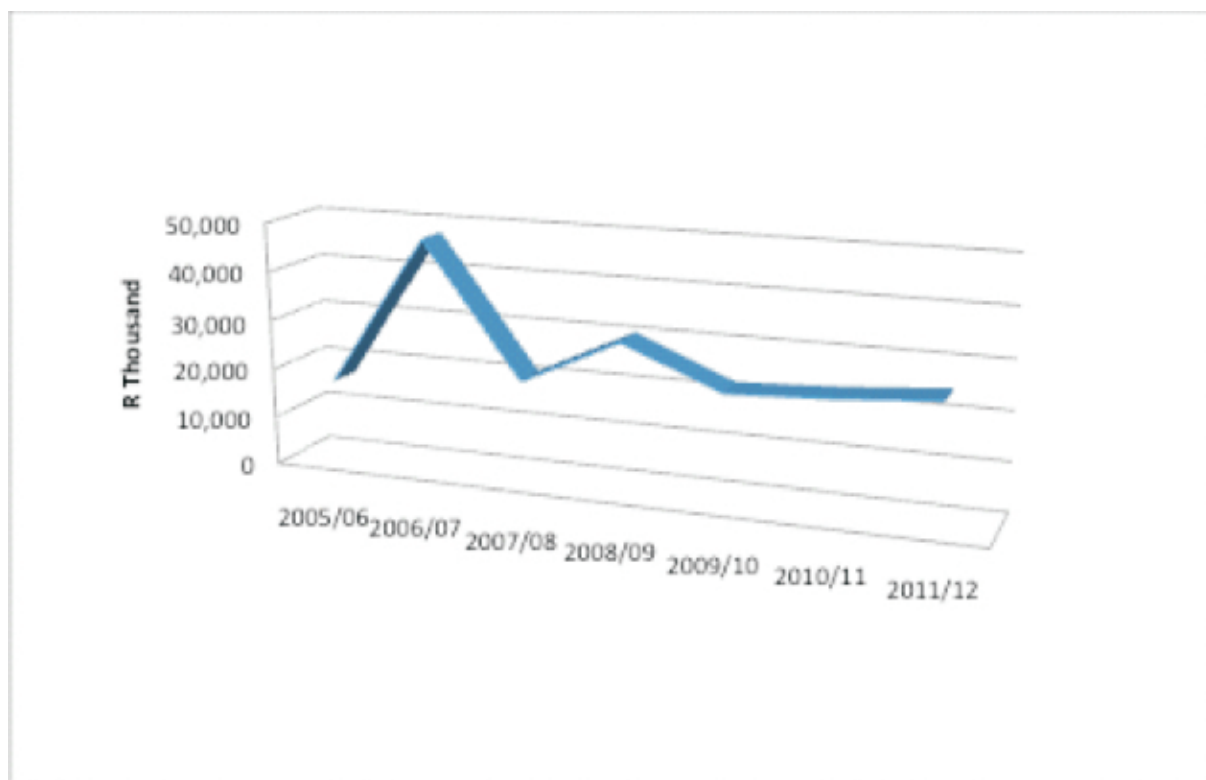


Source: Own calculations

The Department of Economic Development generates its revenue through the collection of casino taxes, horse racing taxes and liquor licences. Over the 2005/2006 MTEF, the own revenue trends for this department showed a 12.1 per cent increase on a year-on-year basis. For the period between the 2008/2009 revised estimates and the 2009/2010 fiscal year, the department recorded a growth rate of about 12.5 per cent, which was mainly due to the envisaged implementation of the Business Registration Act that calls for the uniform payment of licence fees. Over the 2009/2010 MTEF, this department anticipates an 8.2 per cent improvement in its revenue collection – a significant growth rate anticipated mainly as the result of liquor licence fees which are expected to increase over the 2009/2010 MTEF.

4.4.7 The Department of Education

Figure 1.50: The Department of Education: Own Revenue



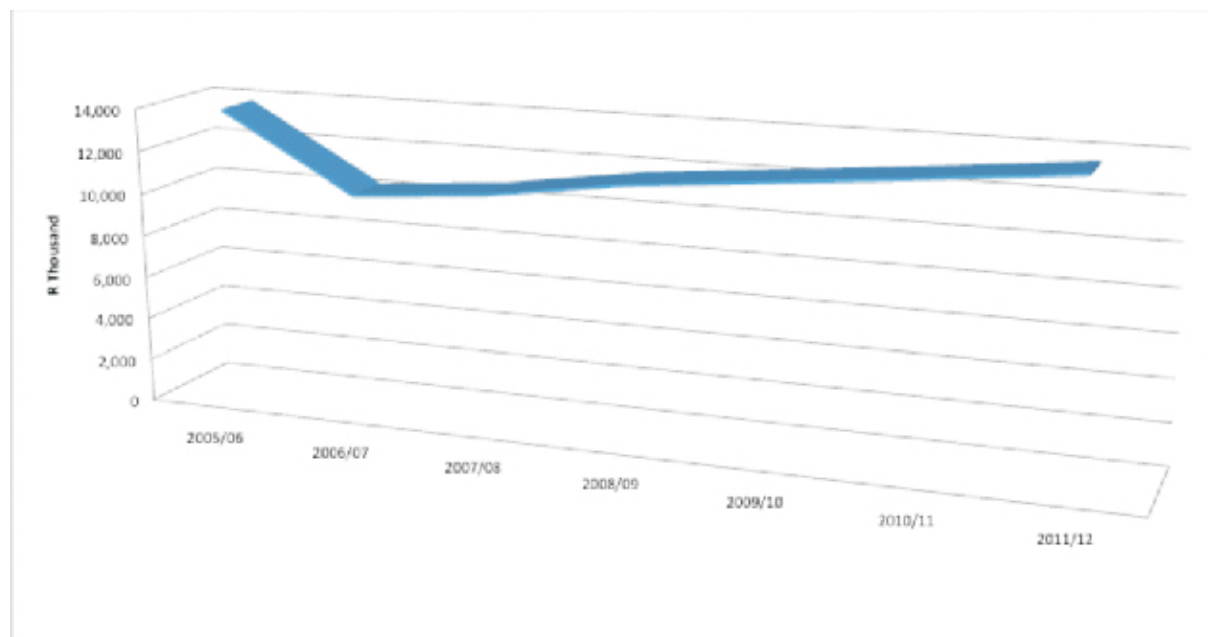
Source: Own calculations

The Department of Education collects its revenue mainly from the sale of goods and services other than capital assets and receipts from commission on insurance.

Figure 1.50 shows an increase in the Department of Education's revenue collection during the 2005/2006 to 2006/2007 financial years, while a drop of almost 57 per cent was recorded during the financial period 2006/2007 to 2007/2008, compared to the previous year. For the 2007/2008 MTEF, the department recorded a growth rate of two per cent. Between the 2008/2009 revised estimates and 2009/2010 financial year, the departmental own revenue showed a negative growth rate of 27 per cent, which was mainly due to the reduction on stale cheques over the period as the department moves to electronic bank transfers. Over the 2009/2010 MTEF, the department anticipates a four per cent growth rate.

4.4.8 The Department of Agriculture

Figure 1.51: The Department of Agriculture: Own Revenue



Source: Own calculations

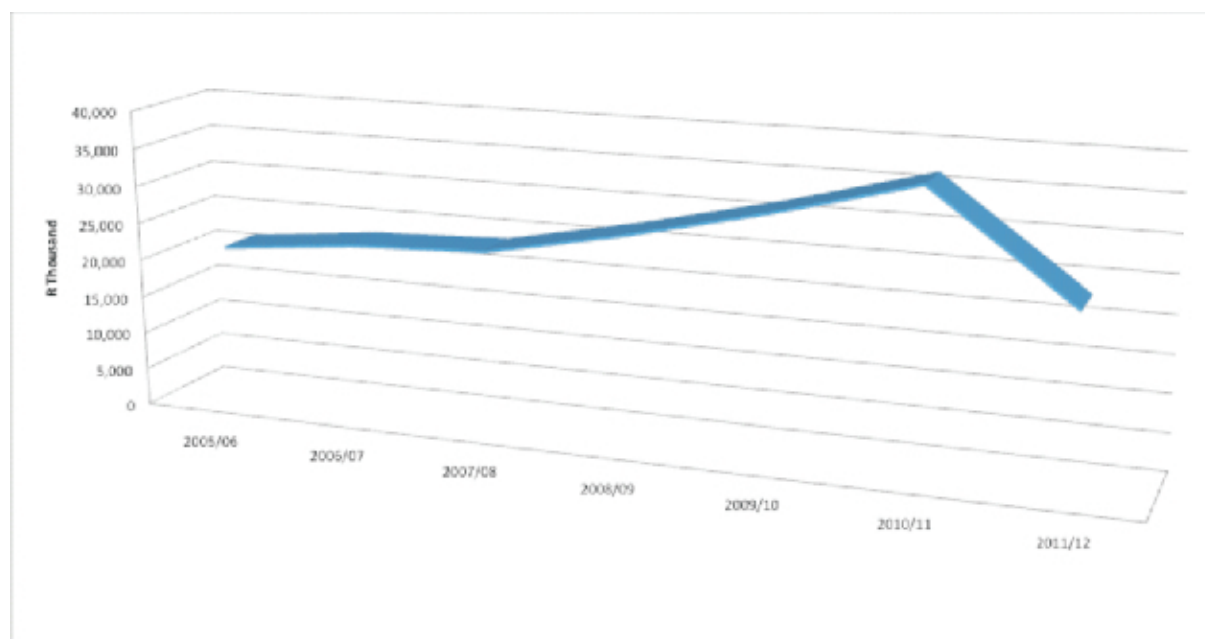
Figure 1.51 shows the Department of Agriculture's revenue collection for the 2004/2006 to 2009/2010 MTEF. The department's own receipts showed a steady increase of five per cent over the 2006/2007 to 2011/2012 financial period.

For the 2007/2008 MTEF, the department recorded an eight per cent growth rate. The Department of Agriculture collects its revenue mainly from items such as the sale of capital assets, commission on insurance, the sale of scrap and waste, and the sale of goods and services other than capital assets.

Between the 2008/2009 revised estimates and the 2009/2010 fiscal year, the department recorded a five per cent growth rate which was mainly due to the sale of agricultural equipment. Over the 2009/2010 MTEF, the Department estimates a real three per cent growth rate.

4.4.9 The Department of Public Works

Figure 1.52: The Department of Public Works: Own Revenue



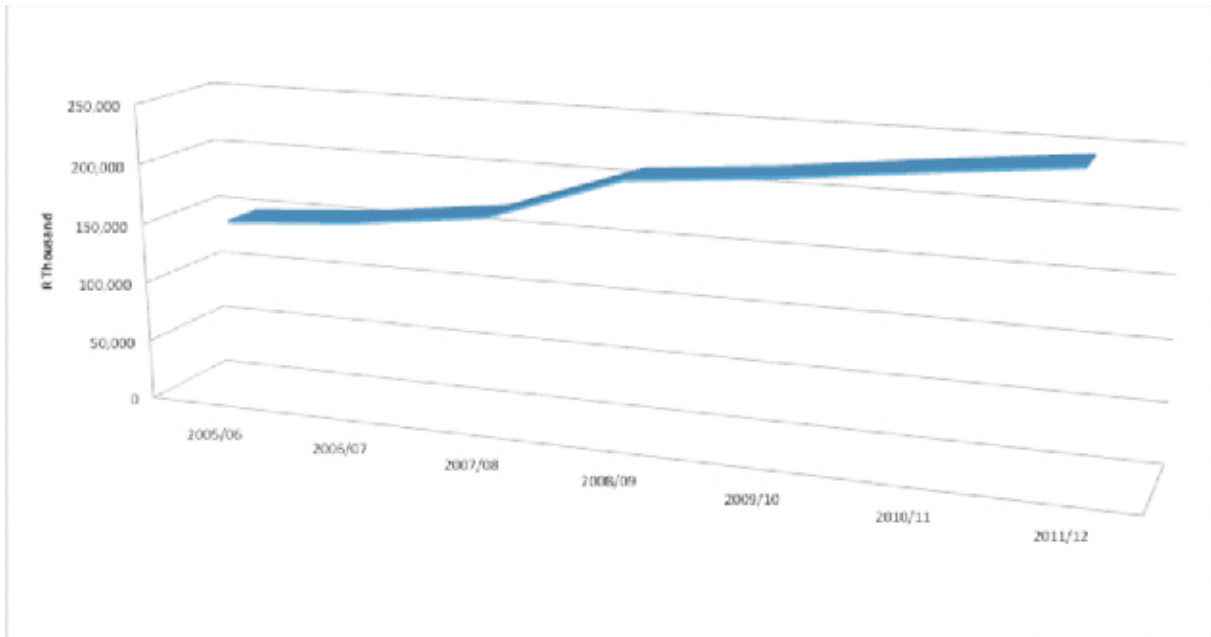
Source: Own calculations

Figure 1.52 shows a gradual upward trend in the Department of Public Work's own revenue from the 2005/2006 to the 2010/2011 financial period. The department recorded a six per cent growth rate in own receipts over the 2007/2008 MTEF. The department collects its own revenue from the sale of goods and services other than capital assets and commission on insurance.

Over the 2008/2009 revised estimates and the 2009/2010 fiscal year, the department recorded a 16 per cent growth rate. The significant positive growth rate was due to an eight per cent rental increase for the 2008/2009 fiscal year. Over the 2009/2010 MTEF, the department recorded a negative growth rate of 10 per cent.

4.4.10 The Department of Roads and Transport

Figure 1.53: The Department of Roads and Transport: Own Revenue



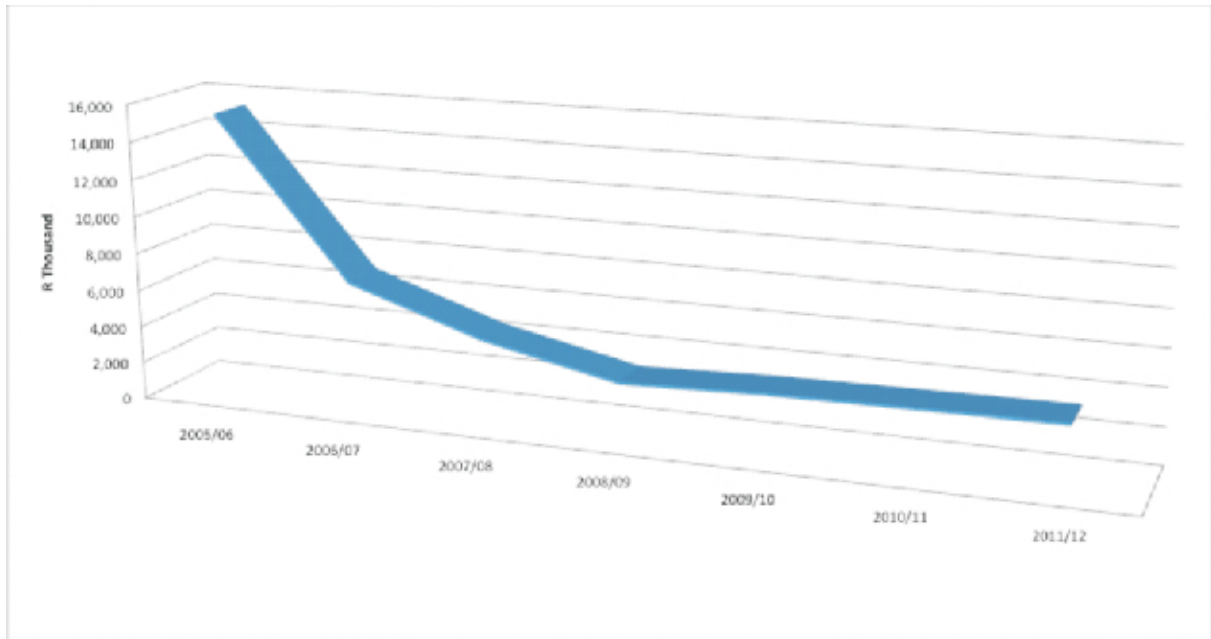
Source: Own calculations

The Department of Roads and Transport contributes one of the largest shares of the Provincial own revenue through its motor licence fees. Over the period 2005/2006 to 2011/2012, the department's own revenue increased steadily, and it recorded a two per cent growth rate over the 2007/2008 MTEF. The Department of Roads and Transport collects its revenue mainly from motor vehicle licence fees, the sale of goods and services other than capital assets, and fines, penalties and forfeits.

The department's own revenue increased by five per cent in the period between the 2008/2009 revised estimates and the 2009/2010 fiscal year, mainly due to an increase in budget for traffic fines and motor vehicle licences. Over the 2009/2010 MTEF, the department recorded a four per cent growth rate.

4.4.11 The Department of Local Government and Housing

Figure 1.54: The Department of Local Government and Housing: Own Revenue



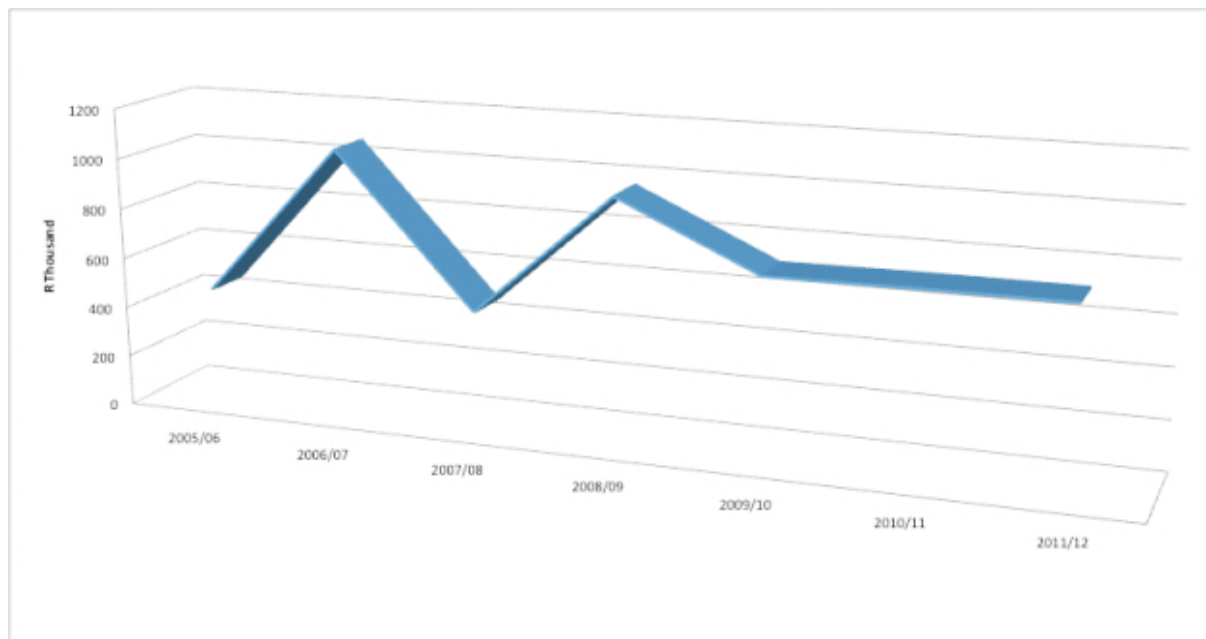
Source: Own calculations

Figure 1.54 shows that the Department of Local Government and Housing's own revenue decreased from the period 2005/2006 to the 2009/2010 MTEF. For the 2007/2008 MTEF, the department recorded a negative 11 per cent growth rate. The Department of Local Government collects its revenue mainly from the sale of goods and services other than capital assets and the sale of capital assets.

Between the 2008/2009 revised estimates and the 2009/2010 fiscal year, the departmental own revenue will increase by a minimal eight per cent due to an anticipated auction on motor vehicles.

4.4.12 The Office of the Premier

Figure 1.55: The Office of the Premier: Own Revenue



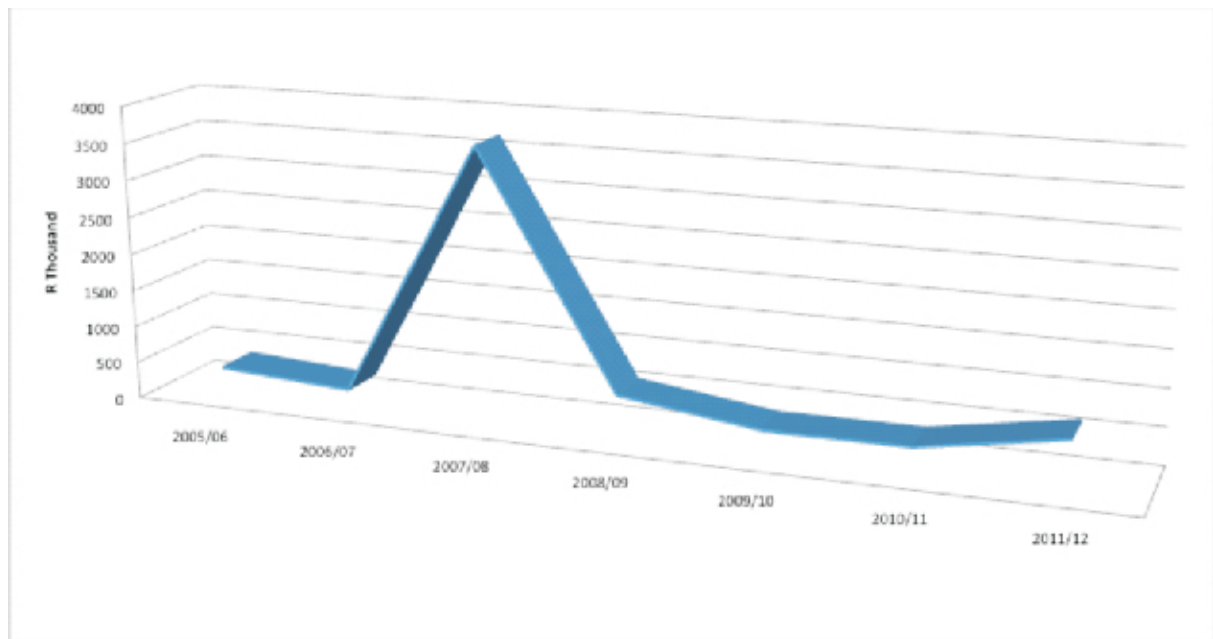
Source: Own calculations

Figure 1.55 depicts a steady increase in the Office of the Premier's own revenue for the period 2005/2006 and 2007/2008, and an insignificant growth rate over the 2009/2010 MTEF. For the 2007/2008 MTEF, the departmental revenue recorded a positive eight per cent growth rate. The Office of the Premier collects its revenue mainly from the sale of goods and services other than capital assets and financial transactions in assets.

Between the 2008/2009 revised estimates and the 2009/2010 fiscal year, the Office of the Premier is set to record a 26 per cent growth rate, which was mainly the result of a once-off recovery of training fees paid on behalf of the Provincial departments. The Office of the Premier recorded an insignificant growth rate of 0.2 per cent over the 2009/2010 MTEF.

4.4.13 The Department of Social Development

Figure 1.56: The Department of Social Development: Own Revenue



Source: Own calculations

Figure 1.56 shows an uphill curve for the Department of Social Development's own receipts over the financial period between 2006/2007 and 2007/2008, and thereafter a steep decline over the 2007/08 period. Over the 2007/08 MTEF, the department recorded a nine per cent growth rate. Social Development collects its revenue mainly from the sale of goods and services other than capital assets and financial transactions in assets.

Between the 2008/2009 revised estimates and the 2009/2010 fiscal year, the departmental own revenue showed a negative growth rate year-on-year. This decrease in the department's own revenue was mainly due to a once-off recovery of outstanding debt in the previous financial year. Over the 2009/2010 MTEF, the department records a positive 25 per cent growth rate. This is due to the fact that the department projects to collect parking fees from its employees, which was previously collected by the Department of Health.

4.5 Donor funding (official development assistance)

An amount of R13.393 million was received from various donors and transferred through the RDP fund from National Treasury to the Provincial Treasury for a variety of programmes in 2007/8, as indicated in Table 1.18.

Table 1.18: Donor funding for 2008/2009

Donor	Amount	Date Received	Receiving Department	Purpose
Belgium	200,000,00	Apr-08	Health	Extension of TB, HIV, STI prevention, care & support
Ireland	5,693,231,41	Jul-08	Local Government	Tourism Local Economic Development Programme
Finland	7,500,000,00	Dec-08	Office of the Premier	Information Communication Technology (ICT) INS

The new Information Society Programme In Republic (INSPIRE), funded by Finland to the amount of R7.5 million, was formulated with the overall objective of enhancing delivery and the implementation of the Provincial Growth and Development plan for poverty alleviation in Limpopo. The programme is managed by the Provincial Government Information Technology Officer (PGITO) in the Office of the Premier.

5 PROVINCIAL PAYMENTS

5.1 Overall position

Total Provincial payments stood at about R29.8 billion for the financial year 2008/2009. This amount was further revised upwards to R31.4 billion and signifies a growth rate of 20.4 per cent as adjusted for inflation (in real terms). For the period between the 2008/2009 and 2009/2010 financial years, the Provincial payments showed a nominal growth rate of 9.2 per cent. For the 2009/2010 MTEF, the Provincial payments estimates recorded a positive growth rate of 6.3 per cent in nominal terms, but lower than the positive growth rate of 6.7 per cent recorded in the previous MTEF. This trend shows that the Province has performed positively against certain socio-economic status indicators, such as increases in the number of Provincial dwellers that have access to water, electricity and sanitation, and positive economic growth.

The negative growth rate of 0.2 per cent in real terms or 6.3 per cent in nominal terms for the 2009/2010 MTEF is budgeted to finance the Provincial priorities reflected in the PGDS as Millennium Development Goals. The agreed Provincial priorities include economic growth, regional integration, enhanced innovation and competitiveness, and improved institutional efficiency and effectiveness of government. These Provincial priorities have a common goal: to improve the quality of life of the population of Limpopo.