

**Western Cape Government
Provincial Treasury**

Budget

**Overview of Provincial Revenue
and Expenditure**

2012

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Foreword

Budget 2012 has allocated resources to high priority areas linked to the achievement of the Provincial Strategic Objectives.

Initiatives by the Western Cape Government to address socio-economic challenges have already realised some returns, evidenced through improved educational outcomes, decreased child and maternal mortality rates and expanding treatment for HIV/Aids and TB. These gains should however be viewed within the bigger context of high youth unemployment, increasing substance abuse and fractured households.

The fortunes of the Western Cape economy are linked to developments internationally as well as within the broader economy. The Western Cape economic outlook has improved since the recent post-recession period and forecasts indicate that the economy is going to continue to grow over the next few years. However, the key risks to growth remain those mainly external to the Western Cape economy, and largely as a result of dampened growth in advanced economies that will impact on domestic exports.

Investment in strengthening the productive base of the economy through targeted infrastructure investment, improving the competitiveness of the economy through partnerships with the private sector and other spheres of government and unlocking the real growth potential of the export markets will support sustainable economic growth and job creation. Improving education outcomes and skill levels of the labour force, as well as improved health outcomes remain a priority for the Western Cape budget and receives the bulk of the provincial budget. This in turn will aid a reduction in unemployment rates and poverty, both of which are the root cause of a number of social challenges within the Province. Furthermore a number of initiatives are already underway and more will be introduced to promote social inclusion and a culture of active citizenship.

Underpinning improving the Western Cape Government's performance is also a strong focus on good governance. We will focus on greater efficiency, efficacy, value for money; collaboration, synergy and improved accountability within departments, entities and across spheres of government in spending public funds.

Budget 2012 represents the plan towards achieving these objectives and ensuring better lives for all Western Cape citizens.



DR JC STEGMANN

HEAD OFFICIAL: PROVINCIAL TREASURY

DATE: 1 MARCH 2012

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Abbreviations

AFR	Asset Financing Reserve
ART	Anti-Retroviral Treatment
BBBEE	Broad Based Black Economic Empowerment
BER	Bureau for Economic Research
CAPS	Curriculum and Assessment Policy Statement
Casidra	Cape Agency for Sustainable Development in Rural Areas
CASP	Comprehensive Agricultural Support Programme
CBD	Central Business District
CDW	Community Development Worker
CEA	Centre for Evaluation and Assessment
Ce-I	Centre for e-Innovation
CoE	Compensation of Employees
COP17	17 th United Nations Framework Convention on Climate Change Conference of Parties
CPFs	Community Policing Forums
CPI	Consumer Price Index
CSC	Corporate Services Centre
CSP	Community, Social and Personal
CTICC	Cape Town International Convention Centre
DBSA	Development Bank of Southern Africa
DCS	Department of Community Safety
DEDAT	Department of Economic Development and Tourism
DoBE	Department of Basic Education
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
ECB	European Central Bank
ECD	Early Childhood Development
EDA/P	Economic Development Agency/Partnership
EDP	Economic Development Partnership
EPWP	Expanded Public Works Programme
ESC	Economic Sector Committee
FASD	Foetal Alcohol Spectrum Disorder
FET	Further Education and Training
GDP	Gross Domestic Product

GDPR	Gross Domestic Product per Region
GFS	Government Finance Statistics
GIAMA	Government Immovable Asset Management Act
GIPTN	George Integrated Public Transport Network
HCT	HIV Counseling and Testing
HIV/Aids	Human Immune Virus/Acquired Immune Deficiency Syndrome
HRM	Human Resource Management
ICS	Improvement of Conditions of Service
ICT	Information Communication Technology
IDPs	Integrated Development Plans
IDZ	Industrial Development Zone
IMF	International Monetary Fund
LG FGRO	Local Government Financial Governance Review and Outlook
LG MTEC	Local Government Medium Term Expenditure Committee
LUPA	Land Use Planning Law
MIG	Municipal Infrastructure Grant
MMR	Maternal, Mortality Ratio
MOD	Mass Opportunity Development
MoG	Municipality of George
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MVLF	Motor Vehicle Licence Fees
NGOs	Non-Governmental Organisations
NHI	National Health Insurance
NHLS	National Health Laboratory Services
NHW	Neighbourhood Watch
NSC	National Senior Certificate
NTSG	National Tertiary Services Grant
OHS	Occupational Health and Safety
OSD	Occupational Specific Dispensation
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PNPs	Policing Needs and Priorities
PPPs	Public Private Partnerships
PRF	Provincial Revenue Fund
PRP	Provincial Regeneration Programme

PRTMCC	Provincial Road Traffic Management Coordinating Committee
PSBC	Public Service Bargaining Council
PSOs	Provincial Strategic Objectives
PTMS	Provincial Transversal Management System
PTOG	Public Transport Operations Grant
QLFS	Quarterly Labour Force Survey
SACENDU	South African Community Epidemiology Network on Drug Use
SAPS	South African Police Service
SARB	South African Reserve Bank
SCoA	Standard Chart of Accounts
SITA	State Information Technology Agency
SMMEs	Small Medium and Micro Enterprises
StatsSA	Statistics South Africa
TB	Tuberculosis
the dti	Department of Trade and Industry
US	United States
WCARF	Western Cape Agricultural Research Forum
WCED	Western Cape Education Department
WCGRB	Western Cape Gambling and Racing Board
WCPP	Western Cape Provincial Parliament
WCPSDF	Western Cape Provincial Spatial Development Framework
WCSP	Western Cape Safety Partnership

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Economic Outlook and Socio-economic Context

Introduction

This chapter provides an overview of the most recent global, national and regional domestic economic developments as well as selected socio-economic indicators for the Province.

Whilst economic growth forecasts have remained positive for advanced economies, several major risks remain. As a result, growth within emerging and developing economies also remain subdued. Despite the current restrained economic performance, a more optimistic outlook over the next 5 years is forecast.

Nationally, growth is expected to moderate initially before accelerating over the medium term, again led by greater household consumption and private sector investment.

The Western Cape economic outlook has improved since the recent post-recession period and is forecast to remain positive and increasing over the medium term. The finance, insurance, real estate & business services and transport, storage & communication sectors are expected to drive growth prospects over the next 5 years.

However, risks to growth, external to the Western Cape economy, remain largely as a result of dampened growth in advanced economies impacting on domestic exports.

The most recent labour market data shows that Provincial employment has returned to pre-recession levels. The Provincial unemployment rate has marginally declined, while the number of discouraged workseekers remains relatively low.

A number of key health, education, safety and social development indicators, amongst others, used to inform government's planning and investment strategy toward achieving enhanced growth and development outcomes are also highlighted in this chapter.

Macroeconomic outlook¹

Global economic outlook

Despite a positive outlook and economic growth during 2010 and 2011, the interdependence of economies around the world continues to fuel uncertainty around growth prospects and economic stability.

According to the International Monetary Fund (IMF), global economic growth slowed to 3.8 per cent year-on-year in 2011, having increased by 5.2 per cent in 2010. This moderation in growth is expected to continue during 2012, marked by slower growth in both developed and emerging markets. The growth easing is expected despite the release of more positive economic data, and mainly reflects the adverse impact of fiscal contraction, a continued slowdown in household consumption in the case of developed economies and previous interest rate increases which have impacted most on emerging countries.

Global economic growth expected to moderate in 2012

From an advanced economy perspective, growth is forecast to slow from 1.6 per cent year-on-year in 2011 to 1.2 per cent during 2012. The largest downward revision was for the Eurozone which is now expected to contract by 0.5 per cent this year, in contrast to an earlier expectation of 1.1 per cent growth. Much of the concerns regarding European economies remains centred on fiscal debt issues, particularly in Greece and Portugal, as well as the banking/finance sector. In fact, the latter stages of 2011 saw European banks hold off from lending to one another, spurring concerns of a renewed credit crunch. This lack of liquidity within European financial markets prompted

Eurozone contagion risks persist

¹ Economic data and information as at 10 February 2012.

intervention from the European Central Bank (ECB) who in December offered EU banks €500 billion worth of low interest loans, almost all of which was accepted. In addition to this, the ECB is set to release a further €325 billion worth of funds at the end of February. These interventions have addressed some of the concerns about the stability of the European financial system.

The risks posed by a disorderly Greek default remain high as Greek officials continue to negotiate for appropriate measures to secure a further €130 billion worth of bail-out funds. Their inability to finalise appropriate action continues to threaten the credibility of other highly-indebted Eurozone country's efforts to manage their fiscal debt - the so-called contagion.

The outlook for the US economy however has improved following more positive data releases over the past month. US GDP rose by 2.8 per cent quarter-on-quarter during the fourth quarter of 2011, following the 1.8 per cent quarter-on-quarter growth recorded in the third quarter of 2011. The improved fourth quarter growth was due to higher investment and personal consumption expenditure, whilst government consumption declined. Employment growth has also started improving with the most recent data showing that non-farm payroll employment had increased by 243 000 in January 2012, bringing the unemployment rate in the US to 8.3 per cent.

More optimistic outlook for US economy, but risks remain

On a more pessimistic note, the US housing market continues to underperform with house prices - as measured by the Case-Shiller index - down to levels last seen in 2003. However, the biggest uncertainty regarding the US outlook is the pace of fiscal tightening. The US Congressional Budget Office estimates that if the tax cuts originally passed by President George W. Bush expire in 2013, the 2 per cent payroll tax holiday ends and automatic spending cuts agreed in August 2011 are implemented, US growth could slow sharply to just 1.1 per cent next year. So, despite the more optimistic economic data, some important economic stresses remain.

In emerging and developing countries growth is expected to have slowed to 6.2 per cent in 2011 from more than 7 per cent during 2010. The growth easing is set to continue in 2012 to a projected 5.4 per cent, before an expected pickup back towards 6 per cent for 2013.

Slowed growth expected for emerging and developing economies

As has been the case for the last few years, developments within the Chinese economy are pivotal to developing and emerging market growth. After expanding by a breakneck

pace of almost 12 per cent year-on-year during the first quarter of 2010, the Chinese economy has consistently lost momentum to record growth of 8.9 per cent year-on-year in the last quarter of 2011. The fairly gradual manner in which growth momentum was lost in the second half of 2011 eased concerns of a so-called hard landing, i.e. a sudden and sharp growth slowdown, for the world's second largest economy.

In light of easing economic prospects and moderating consumer prices, the central bank of China cut the bank reserve requirement ratio by 50 basis points in November 2011, and is likely to embark on further cuts during the first half of 2012.

Table 1.1 below summarises the IMF's economic outlook until 2013.

Faster growth forecast for Sub-Saharan Africa

Interestingly Sub-Saharan Africa is the only major region tracked by the IMF where faster growth is forecast for 2012 than during 2011. The improved African growth prospect is despite the IMF's more subdued outlook for SA and suggests a very robust performance in many of the other countries in the region.

Table 1.1 Global economic growth outlook: 2011 – 2013

Country	2011	2012	2013	Country	2011	2012	2013
Advanced countries	1.6	1.2	1.9	Developing countries	6.2	5.4	5.9
USA	1.8	1.8	2.2	Developing Asia	7.9	7.3	7.8
Japan	-0.9	1.7	1.6	China	9.2	8.2	8.8
Euroland ¹	1.6	-0.5	0.8	India	7.4	7.0	7.3
Germany	3.0	0.3	1.5	Latin America	4.6	3.6	3.9
UK	0.9	0.6	2.0	Central & East Europe	5.1	1.1	2.4
Canada	2.3	1.7	2.0	Sub-Saharan Africa	4.9	5.5	5.3

¹ The 17 Euro countries

Source: IMF, *World Economic Outlook – January 2012*

Inflation forecast to slow down in 2012

Inflation pressures in both advanced and developing and emerging markets are expected to moderate during 2012 on the back of lower commodity prices and a lack of excessive demand pressure. In advanced economies consumer prices are expected to rise by 1.6 per cent in 2012 from 2.7 per cent during 2011. For developing and emerging markets, consumer price inflation is forecasted to slow to 6.1 per cent in 2012 from 7.2 per cent in 2011.

An immediate concern is recent oil price developments, which have seen the Brent crude oil price rise above \$116 per barrel. Although the price should ease when the Northern Hemisphere cold spell lifts, the threat of military confrontation between Iran

and Israel and the West may result in a higher than expected oil price over the short term.

The downside risks to the global economy remain prominent with advanced economies in particular facing significant headwinds. This risk has also placed pressure on growth in developing and emerging market economies, especially those with strong trade links to the Eurozone. An upside risk would be the continuation of better than expected US economic data, which would not only boost global growth but also fuel optimism about global prospects.

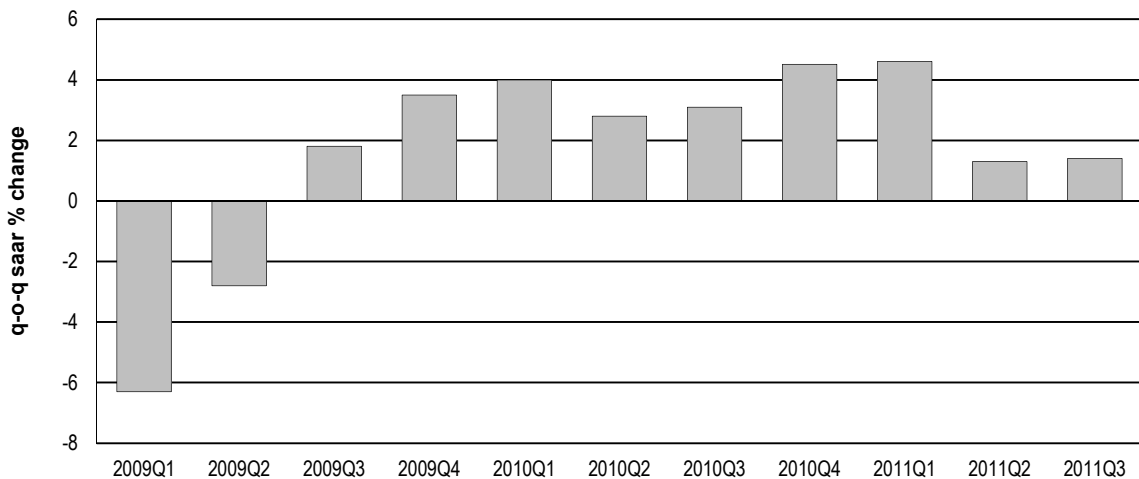
Developments in the South African economy

The SA economy grew by less than expected in the third quarter of 2011 as the primary and secondary sectors were hit hard by widespread industrial activity. StatsSA reported that GDP growth expanded by 1.4 per cent quarter-on-quarter, largely unchanged from the 1.3 per cent recorded in the second quarter of 2011, but almost 0.5 percentage points weaker than the Bloomberg consensus of 1.8 per cent.

SA GDP growth more subdued in third quarter of 2011

The fastest growing sector during the third quarter of 2011 was the wholesale and retail trade, catering and accommodation sector which grew by 6.1 per cent quarter-on-quarter. This was followed by the finance, insurance, real estate and business services sector which recorded growth of 4.5 per cent quarter-on-quarter. The mining and quarrying sector however contracted by a massive 17.4 per cent quarter-on-quarter in the third quarter of 2011 as a result of industrial action and a number of mine closures.

Figure 1.1 SA GDP; 2009Q1 - 2011Q3



Source: StatsSA

Upward revisions to consumer spending

Looking at the economy from a demand perspective, the most recent Quarterly Bulletin released by the South African Reserve Bank (SARB) contained a number of important revisions. For example, the revised estimates for consumer spending, the key driver of SA economic growth, is now much higher for the first half of 2011 than initially reported. The adjusted figures show that real consumer spending increased by 5.4 per cent year-on-year (a four-year peak) during the first six months of 2011 before easing to 4.7 per cent in the third quarter of 2011.

The higher consumer spending numbers were accompanied by upwardly adjusted estimates for real disposable income which grew at 5.6 per cent for the first half of 2011 versus 5 per cent originally reported.

Household spending on durable goods (e.g. passenger cars and furniture) remained the fastest growing spending category, increasing 12.9 per cent year-on-year during the third quarter of 2011. The spending on durable goods benefited not only from the higher income but also from the low interest rate environment and low import prices on the back of a stronger currency. This was followed by growth of 8.4 per cent in real spending on semi-durable goods (e.g. clothing and footwear) and services (e.g. rent and medical services) at 3.9 per cent. Real spending on non-durable goods (mainly food and beverages) continues to lag spending on other goods with volumes remaining low, with growth in non-durable goods spending slowing to 2.4 per cent year-on-year during the third quarter of 2011 from 3 per cent in the second quarter.

Another significant change is the upward revision in the gross fixed capital formation, or fixed investment, component. Private sector fixed investment outlays saw the biggest revisions. The decline in 2009 and 2012 is now estimated to be somewhat less severe, while the recovery in the first half of 2011 is now reported to have been much stronger at 5.5 per cent growth compared to earlier estimates of 2.4 per cent.

Increase in fixed investment

According to the SARB, fixed investment rose by 4.9 per cent year-on-year in the third quarter of 2011 following growth of 4.0 per cent in the second quarter. Most of this growth came from the private sector but there was a significant divergence in growth amongst the various asset classes. The revisions show much stronger growth coming from machinery and equipment (the largest investment category) and a more pronounced contraction in the residential and non-residential building asset classes than previously estimated.

The SARB mentions some specific factors that boosted private sector fixed investment, especially in the third quarter of 2011. One factor in particular was the surge in investment from the agricultural sector in anticipation of a good crop season accompanied by the higher maize price. Capital spending on warehouses as well as machinery and equipment by vehicle manufacturers also increased during the third quarter of 2011 in the run-up to the launch of new models in 2012.

Good crops boosted private sector fixed investment

In terms of some of the key drivers of private sector fixed investment, both business confidence and manufacturing capacity utilisation remain at fairly low levels. This argues against overly robust private fixed investment. However, a continuation of the improved sentiment about the global economy in early 2012 should provide a boost to investment intentions.

Medium term growth outlook

Table 1.2 below shows the Bureau for Economic Research's forecast for selected variables.

Fixed investment growth is expected to accelerate in 2012 and 2013. The Bureau for Economic Research (BER) expects household consumption expenditure growth to moderate to 3.4 per cent year-on-year in 2012 from 4.9 per cent in 2011. The slower growth is mainly as a result of base effects (primarily in durable goods spending), higher prices and slower growth in real wages. Growth in consumer spending is then set to rebound to 4.3 per cent year-on-year in 2013 as employment recovers further while inflation slows somewhat.

In all, fixed investment growth is forecast to accelerate to 4.5 and 5.4 per cent year-on-year in 2012 and 2013 respectively. This follows growth of 4.2 per cent year-on-year estimated for 2011. The faster growth in total fixed investment comes despite slower growth forecasted for private sector fixed investment in 2012, and is mainly as a result of an expected acceleration in capital spending by government and public corporations.

Overall, GDP growth is expected to moderate to 2.8 per cent year-on-year in 2012, from 3.1 per cent in 2011. Thereafter growth is forecast to accelerate to 3.6 per cent year-on-year in 2013.

GDP expected to moderate to 2.8 per cent in 2012 before increasing to 3.6 per cent in 2013

Table 1.2 BER forecast for selected variables: 2011 - 2013

	Estimate	Projections	
	2011	2012	2013
Final household consumption expenditure	4.9	3.4	4.3
Government consumption expenditure	4.2	4.1	4.1
Gross fixed capital formation	4.2	4.5	5.4
Real GDE	4.1	3.9	4.7
Total exports	5.8	3.4	4.7
Total imports	9.0	7.2	8.1
Real GDP	3.1	2.8	3.6
Inflation (annual averages)			
CPI (Headline)	5.0	6.3	5.8
PPI (All items)	8.4	6.8	4.4
Exchange rates (annual averages)			
R/US\$	7.25	7.88	7.65
R/Euro	10.08	10.03	9.86
R/Pound sterling	11.61	12.23	11.84

Source: BER, *Economic prospects*, January 2012

Inflation developments and outlook

Domestic price pressures remained on an upward trajectory in the final months of 2011. For the first time since January 2010, headline SA consumer inflation (measured by the CPI) breached the central bank's 3 to 6 per cent inflation target band in November 2011. At 6.1 per cent year-on-year, the CPI remained above the 6 per cent mark in December. Indeed, the fourth quarter of 2011 was the first quarter since the third quarter of 2009 that CPI measured above 6 per cent year-on-year. CPI increased by 5 per cent year-on-year in 2011, up from 4.3 per cent during 2010. Underlying (or core) inflation picked up to 3.9 per cent in the second half of 2011, compared to 3.1 per cent in the first six months of the year.

Headline CPI numbers in December were mainly driven by three components, food and non-alcoholic beverages (1.7 percentage points), housing (mainly reflecting higher rental costs and adding 1.5 percentage points) and transport (1.2 percentage points).

Looking ahead, inflation is likely to continue to be influenced by developments in the afore-mentioned three components. Food price inflation is expected to accelerate over the short-term and coupled with higher petrol prices (the average petrol price in January and February 2012 was more than 23 per cent higher than during the first two months of 2011) and the potential of widespread inflation pass-through from a sustained weaker rand, is expected to push CPI to a peak of around 6.5 per cent by mid-2012. The BER expects headline CPI inflation to remain above 6 per cent for 2012 as a whole, averaging 6.3 per cent

CPI to remain above inflation target band in 2012

for the calendar year. CPI inflation is expected to moderate to 5.8 per cent in 2013.

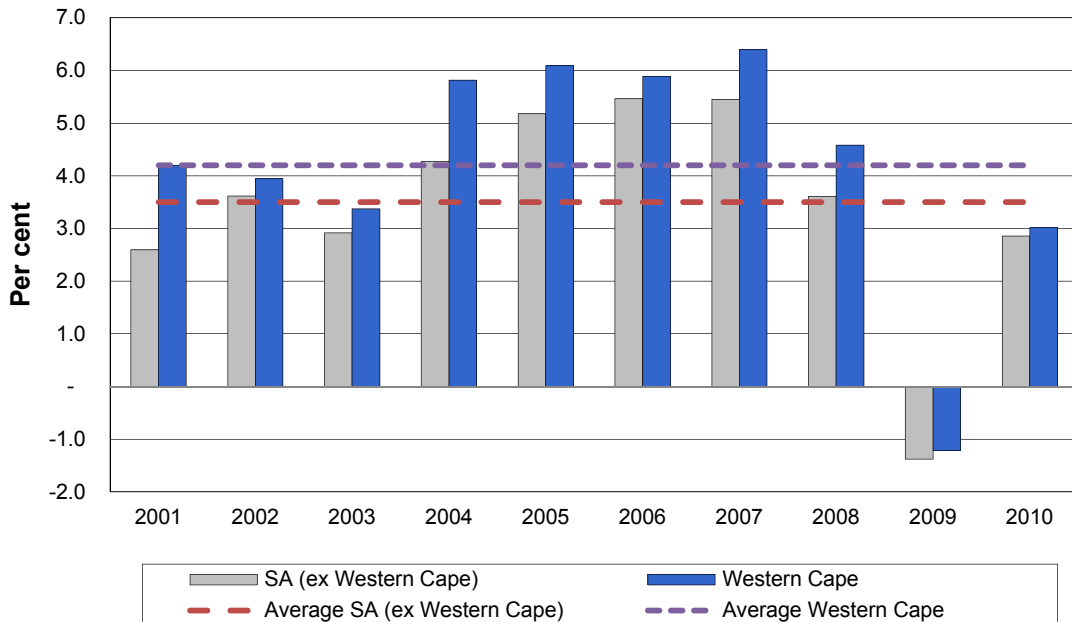
Under normal circumstances the prospect of inflation breaching the upper limit of the SARB's target on a sustained basis would have prompted an interest rate increase(s). However, with significant uncertainties being faced by the global economy and an easing in economic growth in the domestic economy, the SARB is expected to keep rates unchanged for the time being. The BER expects rates to remain on hold through 2012 and likely only increase in 2013, pending more clarity regarding the global economic recovery and the trajectory of domestic core inflation.

Economic outlook for the Western Cape

The Western Cape has over time performed slightly better than the rest of the country in terms of economic growth. Between 2001 and 2010 the Western Cape economy grew at an average of 4.2 per cent per annum, 0.7 of a percentage point higher than the average growth of 3.5 per cent per annum recorded for the rest of South Africa over the same period. This growth highlights the relative resilience of the regional economy relative to the rest of the Country.

Western Cape economy continues to outperform SA economy

Figure 1.2 Western Cape economy continues to outperform the rest of SA



Source: StatsSA

In 2010 the Western Cape economy recorded growth above expectations at 3.0 per cent year-on-year² following a contraction of 1.2 per cent during 2009. The national economy recorded growth of 2.9 per cent during the same period.

Table 1.3 Sectoral breakdown of Western Cape economic growth and contribution - 2010

Sector	Y-o-Y % change	%Contribution
Agriculture	-1.8	4.0
Mining	3.3	0.2
Manufacturing	5.0	17.3
Electricity, gas & water	1.3	1.4
Construction	0.7	4.5
Wholesale and retail trade, catering & accommodation	3.3	14.9
Transport, storage & communication	1.9	10.1
Finance, insurance, real estate and business services	3.6	32.5
Community, social & personal services	0.6	5.2
General government	3.2	10.1
Total at basic prices	3.0	100.0

Source: StatsSA

Manufacturing sector records fastest growth in 2010

The manufacturing sector was the fastest growing sector in the Province during 2010, increasing by 5 per cent and contributing 0.9 of a percentage point to growth. This was largely a bounce-back after declining by 8.6 per cent during 2009. In fact, all except the textiles, clothing and leather goods and electrical apparatus manufacturing sub-sectors showed a strong recovery during 2010. Following on the manufacturing sector was the finance, insurance, real estate and business services sector which recorded growth of 3.6 per cent. The finance, insurance, real estate and business services sector is the biggest sector in the regional economy (32.5 per cent) and in 2010 made the biggest contribution to economic growth (1.2 percentage points).

The wholesale and retail trade, catering and accommodation as well as the mining (smallest sector in the Western Cape – see Table 1.4 below) both grew by 3.3 per cent. It is worth mentioning that growth in the trade sector showed a big divergence during 2010. The wholesale and retail trade component grew whilst the catering and accommodation sub-

² At basic prices

sector registered another contraction despite World Cup related tourism activity likely having given the industry a boost. The agricultural sector was the only sector to have recorded negative growth during 2010, declining by 1.8 per cent.

Table 1.4 summarises the top 5 contributors to economic growth during 2010.

Table 1.4 Top 5 contributors to growth - 2010

Top 5 contributors in 2010	Percentage point contribution
Finance, insurance, real estate & business services	1.2
Manufacturing	0.9
Wholesale & retail trade, catering & accommodation	0.5
General government	0.3
Transport, storage & communication	0.2
Rest	0.0
Total	3.0

Source: StatsSA

Looking ahead, the fortunes of the Western Cape economy are linked to developments internationally as well as within the broader South African economy. According to BER/Quantec Research calculations, the Western Cape economy grew at an estimated 3.6 per cent during 2011. However, this growth is expected to moderate (in line with forecasts for the national and international economy) to 3.5 per cent during 2012. Overall, average annual growth between 2012 and 2016 is expected to come in just below the average for the previous decade at 4.0 per cent (compared to 4.2 per cent for 2001 – 2010). Growth over this period is likely to again be driven by the tertiary sector. In particular, the finance, insurance, real estate and business services and transport, storage and communication sectors are likely to be the biggest contributors.

Western Cape economy forecast to grow by 4 per cent on average between 2012 and 2016

Table 1.5 Growth forecast for GDP; 2011 - 2016 at constant 2005 prices

Description	2011(e)	2012(f)	2013(f)	2014(f)	2015(f)	2016(f)	Average annual growth (2012 - 2016)
Agriculture, forestry & fishing	4.4	2.7	2.7	3.5	3.9	3.9	3.4
Mining & quarrying	4.3	1.1	0.9	1.0	1.1	1.1	1.1
Manufacturing	3.0	2.4	3.4	3.5	3.4	3.4	3.2
Electricity, gas & water	1.1	3.3	3.2	3.3	3.3	3.3	3.3
Construction	1.9	2.5	3.7	4.1	4.2	5.0	3.9
Wholesale & retail trade, catering & accommodation	4.0	3.7	4.1	4.0	4.0	4.0	4.0
Transport, storage & communication	4.8	4.9	5.5	5.7	5.5	5.6	5.4
Finance, insurance, real estate & business services	4.0	4.1	4.3	4.8	4.9	5.0	4.6
Community, social & personal services	3.0	2.9	3.0	3.0	3.2	3.2	3.0
General government	2.4	2.3	3.5	3.3	3.5	3.5	3.2
Total	3.6	3.5	4.0	4.2	4.3	4.4	4.0

Sources: StatsSA/Quantec/BER, e denotes estimate, f denotes forecast
BER/Quantec Research

Slower growth in economies of export partners and national economy greatest risk to Western Cape economy

Risks to the outlook

The risks to the regional economic outlook stem mainly from external sources; a further moderation in advanced economy growth is likely to impact negatively on the Western Cape, especially from an export perspective.

From a national perspective, the slowing SA growth is likely to hold downside risks to the regional economic forecast, especially over the short term. In addition, the pace of job creation remains a concern, especially given the prominent role of consumer driven sectors in the Western Cape.

Western Cape Labour Market Trends

While the South African economy has recovered from the recession – year-on-year growth in real GDP has been positive since the first quarter of 2010 – the labour market shows only muted signs of recovery.

Increase in number of discouraged workseekers nationally

Nationally, the number of individuals unemployed according to the expanded definition has grown by 8.9 per cent per annum since 2008, totaling almost 6.6 million by the end of 2011. Underlying this rapid growth is the surge in the number of discouraged workseekers, which has grown by more than 25 per cent per annum over the past three years.

In the Western Cape, approximately 550 000 people find themselves unemployed (using the broad definition), up from just over 400 000 in the fourth quarter of 2008 and representing an average annual growth rate of 10.8 per cent over the three-year period. Discouraged workseekers are a significant proportion of the expanded labour force nationally (11.5 per cent), but continue to constitute less than two per cent of the provincial labour force.

Table 1.6 Labour market aggregates, 2008 and 2011

	2008Q4	2011Q4	Change	
	Thousands	Thousands	Thousands	Per cent per Annum
Western Cape				
Working Age Population	3 318	3 490	172	1.7
Employment	1 847	1 848	1	0.0
Narrow Unemployment	370	507	136	11.0 *
Narrow Labour Force	2 217	2 355	137	2.0
Expanded Unemployment	406	553	147	10.8 *
Expanded Labour Force	2 253	2 401	148	2.1
Discouraged Workseekers	36	46	10	8.9
South Africa				
Working Age Population	31 352	32 888	1 536	1.6
Employment	14 059	13 525	-534	-1.3
Narrow Unemployment	3 910	4 244	334	2.8 †
Narrow Labour Force	17 969	17 769	-200	-0.4
Expanded Unemployment	5 087	6 561	1 475	8.9 *
Expanded Labour Force	19 145	20 086	941	1.6 †
Discouraged Workseekers	1 177	2 317	1 141	25.3 *

Source: Own calculations, StatsSA (2009; 2012)

Note: An asterisk (*) denotes a statistically significant change between 2008 and 2011 at the 95 per cent level of confidence, while a dagger (†) indicates a statistically significant change at the 90 per cent level of confidence.

Although not confirmed in terms of statistical significance in the 2011 PERO, it appears that the labour force continues to shift towards higher educational attainment over time, a trend observed both provincially and nationally. Indeed, the only statistically significant changes observed in the structure of the provincial labour force are the decline in the number of individuals with no formal education (falling from around 40 000 in the first quarter of 2008 to under 20 000 three years later) and the rise in the number with degrees (growing by an average annual rate of 10.7 per cent per annum). Those with incomplete secondary education (Grade 8 through Grade 11) account for 38 per cent of the labour force, while matriculants account for a further 29.6 per cent.

Shift toward a more educated labour force

Tertiary sector employs two-thirds of the formal workforce

The primary sector is the smallest of the three major sectors, accounting for around 8 per cent of formal employment in the Western Cape. Approximately 25 per cent of employment is located within the secondary sector, while the tertiary sector employs two-thirds of the formal workforce. The dominance of the services sector within national and provincial employment means that three of the four largest employment sectors fall within the tertiary sector. Community, Social and Personal (CSP) services is the largest industry in terms of employment, employing roughly 25 per cent of the formal workforce. It is followed by wholesale and retail trade (around 20 per cent of formal employment), manufacturing (18 per cent) and financial and business services (15 per cent). The informal sector is relatively small in South Africa and even more so in the Western Cape. Just 11.1 per cent of provincial employment is within the informal sector, compared to around one quarter nationally. The informal sector in the Province is dominated by men, those under the age of 45 years, and those without matric.

Unemployment highest amongst youth and those with less than a matric

The PERO 2011 confirmed that the key national patterns of labour market disadvantage – by race, gender, age and education – are generally evident within the provincial labour market. Relative to their shares of the working age population or the labour force in the Western Cape, Africans are over-represented in unemployment and under-represented in employment. Conversely, Whites are over-represented in employment and under-represented in unemployment. As a result, unemployment rates are highest amongst Africans, followed by Coloureds and then by Whites. The disadvantaged positions of young people and of those with poor education levels within the labour market remain: unemployment amongst 15 to 24 year olds is twice the provincial average, while being a third higher than the provincial average amongst those with primary or incomplete secondary education.

Provincial employment returns to pre-recession levels

The most recent labour market statistics estimate employment in the Western Cape at 1.8 million in the fourth quarter of 2011, a level marginally higher than a year ago, although this change is not found to be statistically significant. Critically, however, as Table 1.7 shows, Provincial employment has now returned to pre-recession levels, while the national employment total remains 3.8 per cent below the fourth quarter 2008 peak of 14.1 million. Nationally, employment has increased by 360 000 since the fourth quarter of 2010, to reach just over 13.5 million. All of this increase occurred during the past two quarters: in the 12-month period to the second quarter of 2011, there had been little employment response to recent expansions in output. The

number of narrowly unemployed individuals in the Province now stands at 550 000, marginally higher than a year ago, with the unemployment rate standing at 21.5 per cent in the fourth quarter of 2011. This is slightly lower than the national rate of 23.9 per cent, statistically significant at the 90 per cent level.

Table 1.7 Recent Labour Market Trends, 2010Q4 to 2011Q4

	2010Q4	2011Q1	2011Q2	2011Q3	2011Q4	Change: 2010Q4 - 2011Q4	
						Absolute	Relative
Western Cape							
Aggregates (Thousands)							
Working Age Population	3 431	3 450	3 456	3 473	3 490	59	1.7
Employment	1 777	1 789	1 806	1 810	1 848	71	4.0
Narrow Unemployed	499	510	504	550	507	8	1.5
Narrow Labour Force	2 276	2 300	2 310	2 360	2 355	79	3.5
Broad Unemployed	523	530	538	581	553	29	5.6
Broad Labour Force	2 301	2 319	2 345	2 391	2 401	100	4.4
Discouraged Workseekers	24	19	34	30	46	22	89.6
Rates (Per cent)							
Narrow Unemployment	21.9	22.2	21.8	23.3	21.5	-0.4 percentage points	
Broad Unemployment	22.7	22.8	23.0	24.3	23.0	0.3 percentage points	
Narrow LFPR	66.3	66.7	66.8	68.0	67.5	1.1 percentage points	
Broad LFPR	67.0	67.2	67.8	68.8	68.8	1.7 percentage points	
South Africa							
Aggregates (Thousands)							
Working Age Population	32 406	32 520	32 652	32 765	32 888	482	1.5
Employment	13 161	13 145	13 148	13 344	13 525	363	2.8
Narrow Unemployed	4 138	4 365	4 538	4 442	4 244	107	2.6
Narrow Labour Force	17 299	17 510	17 686	17 786	17 769	470	2.7
Broad Unemployed	6 289	6 588	6 745	6 646	6 561	272	4.3
Broad Labour Force	19 450	19 733	19 893	19 990	20 086	636	3.3
Discouraged Workseekers	2 151	2 223	2 207	2 204	2 317	166	7.7
Rates (Per cent)							
Narrow Unemployment	23.9	24.9	25.7	25.0	23.9	-0.0 percentage points	
Broad Unemployment	32.3	33.4	33.9	33.2	32.7	0.3 percentage points	
Narrow LFPR	53.4	53.8	54.2	54.3	54.0	0.6 percentage points	
Broad LFPR	60.0	60.7	60.9	61.0	61.1	1.1 percentage points	

Source: Own calculations, Quarterly Labour Force Survey (2010Q4 - 2011Q4)

Note: No changes are found to be statistically significant at the 95 per cent level.

A key difference in the provincial and national labour markets remains the relative lack of discouraged workseekers within the Western Cape. The QLFS data estimates of discouraged workseekers in the Province have generally ranged between 20 000 and 50 000 in each quarter presented in the table, while nationally there were between 2.1 million and 2.4 million. This translates into significantly different broad unemployment rates between the Western Cape and the country as a whole: in the fourth quarter of 2011, broad unemployment is estimated at

Number of discouraged workseekers remains low in the Western Cape

23.0 per cent in the Province compared to 32.7 per cent nationally.

The socio-economic context in the Western Cape

A number of development indicators and data have been selected to depict the socio-economic context within the Province. Amongst others, key health, education and population indicators are explored to illustrate the social realities of the Province.

The Western Cape population profile

The Western Cape population currently stands at approximately 5.288 million or 10.45 per cent of the national population.

In 2011 there were 95 men for every 100 women in the Western Cape compared to 94 men for every 100 women nationally. Children under the age of 15 accounted for 29 per cent of the total Provincial population, while those aged 15 - 24 years account for 17.2 per cent. Youth, defined as people aged 15 - 34 years, represent 34.4 per cent of the Province's total population, decreasing marginally from 34.9 per cent estimated in 2010. People older than 65 years of age constituted 6.1 per cent of the total Western Cape population, marginally higher the 2010 population estimate.

Table 1.8 Western Cape Mid-year Population Estimates, 2011

Age	Western Cape			All provinces			Percentage of total national population
	Male	Female	Total	Male	Female	Total	
0-4	257 255	250 755	508 010	2 616 905	2 572 623	5 189 528	10.26
5-9	269 110	263 919	533 029	2 673 783	2 630 266	5 304 049	10.49
10-14	254 230	242 837	497 067	2 679 192	2 639 499	5 318 691	10.51
15-19	228 250	226 454	454 704	2 603 277	2 572 171	5 175 448	10.23
20-24	231 402	227 828	459 230	2 461 985	2 438 390	4 900 375	9.69
25-29	232 105	242 724	474 829	2 249 909	2 348 267	4 598 176	9.09
30-34	217 115	215 654	432 769	2 021 186	2 019 565	4 040 751	7.99
35-39	198 783	203 737	402 520	1 744 715	1 855 452	3 600 167	7.12
40-44	149 403	164 750	314 153	1 214 597	1 398 335	2 612 932	5.17
45-49	125 458	145 969	271 427	1 010 273	1 234 309	2 244 582	4.44
50-54	111 341	135 771	247 112	905 142	1 133 389	2 038 531	4.03
55-59	91 642	110 169	201 811	745 049	928 220	1 673 269	3.31
60-64	74 846	94 173	169 019	582 801	768 502	1 351 303	2.67
65-69	56 130	71 261	127 391	419 152	569 547	988 699	1.95
70-74	40 046	49 217	89 263	289 184	425 931	715 115	1.41
75-79	25 431	33 322	58 753	172 858	288 117	460 975	0.91
80+	17 572	29 204	46 776	125 028	249 138	374 166	0.74
Total	2 580 119	2 707 744	5 287 863	24 515 036	26 071 721	50 586 757	100.00

Source: StatsSA

All numbers have been rounded off to the nearest hundred.

Migration continues to have a meaningful impact on the population estimate of the Western Cape, with estimated net in-migration (more people entering than leaving the Province) of 95 556 people between 2006 and 2011. Approximately 206 000 people are estimated to have migrated to the Province during this period, with the majority coming from the Eastern Cape (104 000), Gauteng (50 000) and KwaZulu Natal (17 000), while almost 111 000 people are expected to leave the Province, primarily for Gauteng (40 000), the Eastern Cape (30 000) and KwaZulu Natal (13 200). Nationally, Gauteng dominates net in-migration at 367 000, followed by the Western Cape and KwaZulu Natal at 1 400. The remaining provinces are all estimated to experience net out-migration.

WC estimated net in-migration of over 206 000 between 2006 and 2011

Life expectancy and Mortality rates³

Life expectancy, maternal mortality and child mortality and HIV and TB incidence are considered key indicators of wellness of the Western Cape population.

Estimated life expectancy at birth between 2006 and 2011 remained highest in the Western Cape than any other Province at 59.9 years for males and 65.8 years for females. The projected national life expectancy rates for the same period come in at 52.1 years for males and 56.2 years for females.

Life expectancy remains highest for Western Cape

According to the Western Cape Department of Health the leading causes of mortality and morbidity in the Western Cape remain HIV/Aids, TB, injuries from violence and traffic accidents, non-communicable diseases such as cardio vascular disease, high blood pressure, asthma, cancers, and mental illnesses as well as childhood illnesses. Substance abuse, and in particular alcohol abuse is one of the most important drivers of the injury burden of the Province with 60 per cent of injuries being alcohol related.

The infant mortality rate, which is mortality amongst children less than 1 year old, in the Western Cape has declined from 25.9 per 1 000 live births in 2007 to 23.7 per 1 000 live births in 2008. Similarly the child mortality rate (i.e. mortality amongst children less than 5 years old) has declined in the Province from 34.5 per 1 000 live births in 2007 to 30.9 per 1 000 live births in 2008. This

Continued decline in infant and child mortality

³ Information for this section is sourced from StatSA and the WC Department of Health

Success in reducing infant and child mortality rates

again is lower than the national rate of 73 per 1 000 live births in 2006. Improved child health measures such as expanded vaccination schedules, early identification of malnutrition and better monitoring of child health have thus already realised some success in reducing infant and child mortality rates.

Maternal mortality as measured by the Health Department's Institutional maternal mortality ratio (MMR) stood at 67.7 per 1 000 live births for 2005 – 2007, which is low compared to the rest of South Africa. Non-pregnancy related infections, of which AIDS is the main contributor, complications of hypertension and obstetric hemorrhage, pregnancy related sepsis, pre-existing maternal disease and acute collapse or embolism are the leading causes of maternal deaths in the Western Cape.

HIV/AIDS and TB

According to the 2009 Antenatal Survey, HIV prevalence in the Western Cape was estimated at 16.8 per cent. The highest prevalence estimates remains amongst those within 25 - 29 and 30 - 34 years age categories and amongst those residing in the Khayelitsha sub-district.

Western Cape continues to achieve highest cure rate of TB in South Africa

The greatest risk to the effective treatment of TB is concurrent HIV co-infection. In 2009 the Western Cape achieved a new smear positive TB cure rate of 80.5 per cent – the highest cure rate in South Africa – while the Eden and Overberg districts achieved the World Health Organisation target of 85 per cent. The TB defaulter rate has also declined over the past few years to 7 per cent in 2009.

Learner enrolment

In 2010 there were 52 597 Grade R learners in public ordinary schools; 919 936 Grade 1 to 12 learners in public ordinary schools; 18 292 learners at schools for learners with special needs and 38 120 full time equivalent students at FET colleges in the Western Cape.

In 2011 there were 53 688 Grade R learners in public ordinary schools; 923 224 Grade 1 to 12 learners in Public Ordinary Schools; 18 878 for learners with special needs and 35 748 full time equivalent students at FET Colleges in the Western Cape. Enrolment in Grades 1 to 12 in public ordinary schools grew by 11 526 between 2010 and 2011.

Literacy and numeracy rates

The Western Cape Education Department conducts systemic testing each year for Grade 3, 6 and 9. In order to identify schools and areas where literacy and numeracy performance is both weak and strong and to determine what kind of remedial action is required. In 2011, over 239 000 Grade 3, 6 and 9 learners took part in the tests. The breakdown of learners per grade is as follows: Grade 3 - 79 109; Grade 6 - 78 288 and Grade 9 - 81 936. This was the second year in a row that all three Grades were tested, following a pilot in Grade 9 in 2010.

Systemic testing each year for Grades 3, 6 and 9

In order to guarantee the independence of the tests, the systemic tests have always been administered by outside service providers. In 2011, the Centre for Evaluation and Assessment (CEA) was approached to update and evaluate the existing testing instruments to ensure that they remain relevant, credible and in line with the curriculum and the changing school system in which schools operate. After analysing and evaluating the Grade 3 and 6 tests, the CEA identified various areas that needed to be expanded or improved upon in order to ensure that the test instruments are in line with international standards.

Therefore, when interpreting these results, one must consider that there have been changes - specifically in the Grade 3 literacy and Grade 6 language tests. One must also consider that the WCED systemic tests have a pass requirement of 50 per cent. In the Grade 3 Literacy and Grade 6 Language tests, the CEA felt it was necessary to expand the tests, as well as increase their levels of difficulty so that they are in line with international experience and best practice. Because of the changes made, it is no longer possible to make comparisons between past Literacy and Language results and the most recent results. Therefore, in 2011 the Grade 3 literacy and Grade 6 language results should be seen as a new beginning and not in contrast to the 2010 results.

2011 Literacy and Numeracy results for Grade 3, 6 and 9 based on new testing frameworks

In terms of the Grade 9 tests, a pilot for Grade 9 was conducted in 2010, with the first tests being written in 2011. Therefore the results of the Grade 9 language and mathematics tests of 2011 will also set new benchmarks for future comparisons.

While there were slight changes made to the Grade 3 numeracy and Grade 6 maths test instruments, the CEA indicated that comparisons can be made when assessing improvements within the system. However, one must keep in mind that the tests were set at a slightly higher level.

The 2011 results are as follows: Grade 3 Literacy – 30.4 per cent; Grade 6 Language – 31.5 per cent and Grade 9 Language – 44.2 per cent. Grade 3 Numeracy – 47.6 per cent; Grade 6 Maths – 23.4 per cent and Grade 9 Maths – 10.4 per cent.

2011 National Senior Certificate (NSC) Examination Results

Percentage pass rate of 82.9 per cent in the 2011 NSC examinations

The class of 2011 has achieved a percentage pass rate of 82.9 per cent in the 2011 NSC examinations. This is an increase of 6.1 per cent over the percentage pass rate attained in 2010. The matric pass rate in the Province has improved from 75.7 per cent in 2009 to 76.8 per cent in 2010 and 82.9 per cent in 2011. This makes the Western Cape the top performing province in the Country for 2011. This result, amongst others, is significant as it indicates that progress is being made in improving the education outcomes of learners in the Western Cape. While the percentage pass rate is an important indicator when assessing the NSC, other indicators such as the quantity and quality of passes should also be considered.

Substantial and major improvements in pass rate and university admission in 2011

In this instance, the Western Cape has achieved some substantial improvements in 2011. Of the 41 212 full-time candidates that enrolled in the 2011 NSC, a total of 39 988 candidates wrote the exams, of which, 33 146 passed. In 2011, the Department exceeded its previous record of the number of candidates who have achieved access to Bachelor Degree study, with a total of 801 more learners qualified in 2011 than in 2010. This number has steadily increased over the last three years with the total number eligible increasing from 14 324 in 2009 to 14 414 in 2010 and 15 215 in 2011 (i.e. a percentage increase of 6.5 per cent from 2010 to 2011).

Another key indicator of the quality of passes is the number of candidates who passed with distinctions and the number of mathematics and science passes achieved. In 2011, 68.7 per cent of candidates passed their mathematics exam, compared to 66 per cent in 2010. In physical sciences, the percentage pass rate improved substantially from 59.6 per cent to 65.3 per cent, an increase of 5.7 per cent. Other key improvements include increases in the number of schools that achieved 90 per

cent or more (191 compared to 174 in 2010), and schools that achieved 80 per cent or more (269 compared to 224 in 2010).

The 2011 NSC also saw major improvements made in reducing the number of 'underperforming schools' (schools that achieved a percentage pass rate of less than 60 per cent in 2010) in the Province. The number of underperforming public high schools dropping by more than 60 per cent from 78 per cent in 2010 to 30 per cent in 2011.

Reduction in under performing schools

Social Welfare challenges

Children in the Western Cape

Accurate data on child abuse are impossible to obtain, though the extent of it is known to be high in the Western Cape. It is often associated with alcohol abuse, family break-up and general neglect of children. Declining fertility rates have improved the situation somewhat, but many children are still not offered the supportive and warm environment that they need for them to grow into becoming healthy adults. Such behaviour has inter-generational effects, thereby also undermining the growth of a productive and healthy society.

Currently, it is estimated that there are 1.5 million orphans and vulnerable children in South Africa. It is well-recognised that the majority of children are rendered vulnerable by poverty and all its associated challenges such as HIV and AIDS. The combined effects of these factors present the greatest threats to our government's ability to achieve its objectives and commitments towards the realisation of children rights as enshrined in the Constitution (Children Services Directory, Western Cape 2011, National Department of Social Development).

1.5 million orphans and vulnerable children in SA

In 2009, about a third of all children in South Africa were living with both parents while just under 40 per cent were living with their mother only. About a quarter were living with neither biological parent, while less than 4 per cent lived with their father only. In the case of the Western Cape, more than half were living with both parents and a third with their mother only. Fifteen per cent of children were living with neither parent and 4 per cent with only their father. The relatively large percentage of children living with neither parent is probably accounted for by skip-generation and other types of extended families common among Black South Africans (Social and Demographic Trends, Western Cape, September 2011).

Almost 40 per cent of children living with neither or only one parent

When comparing the Western Cape with the rest of South Africa it has been found that a smaller percentage of children in the Western Cape live in households reporting hunger than their national counterparts. In the Western Cape 22 per cent of children lived in households that reported hunger in 2009. In the case of South Africa 28 per cent of children lived in households reporting hunger. Children in the Western Cape are also substantially less likely to live in low income households (i.e. households falling with the lowest 40 per cent of income distribution and earning less than R555 per capita) and in households without an employed adult (12 per cent in WC compared to 37 per cent in RSA).

Substantial increase in children receiving social grants

According to Statistics South Africa (StatsSA), the proportion of children in South Africa receiving social grants has increased significantly from 15 per cent in 2003 to 52 per cent in 2009. In the Western Cape, 666 406 children (that is, about a third of all children) were recipients of social grants in 2010 compared to 20 per cent of the general Western Cape population. These figures are up from 28 per cent of children and 16 per cent of population in 2007. Children's grants represented two thirds (65 per cent) of all grants made in 2010 in the Western Cape. Child Support Grants were by far the most common (95 per cent) with Foster Care and Care Dependency Grants making up the rest (Social and Demographic Trends, Western Cape, September 2011).

Older persons

According to StatsSA, almost 3.9 million people in South Africa were over the age of 60 years in 2011. About half a million of these (491 202) were living in the Western Cape. As such, the elderly account for 7.6 per cent of the South African population and 9.3 per cent of the population of the Western Cape.

Increasing proportion of elderly in households reporting hunger

The proportion of older persons in households reporting hunger is substantially lower in the Western Cape than in South Africa as a whole. In 2002, it was a third of the national average and in 2009 half of the national average for the elderly. However, the historical trend is disturbing. In both South Africa and the Western Cape the proportion of elderly in households reporting hunger declined significantly between 2002 and 2008, from 25 per cent to 11 per cent and 7 per cent to 5 per cent respectively. However, it increased sharply from 2008 to 2009 increasing from 11 per cent to 18 per cent in South Africa and from 5 per cent to 13 per cent in the Western Cape.

The same trend has occurred in respect of all households in South Africa (30 per cent in 2002 to 16 per cent in 2008 and 24 per cent in 2009). In the case of the Western Cape this means that all the gains achieved since 2002 have been wiped out – in 2009 the figure was almost double what it was in 2002 and almost three times what it was in 2008. In short, although the elderly in the Western Cape are better off than the elderly in other provinces and the South African population as a whole, 13 per cent of them were living in households reporting hunger in 2009 (Social and Demographic Trends, Western Cape, September 2011).

Alcohol and substance abuse

The incidence of abuse of both alcohol and other substances is high in the Western Cape. Both these forms of abuse are often also associated with violence, and alcohol abuse also often spills over into abuse of women and children.

Monthly data collected from 23 specialist treatment centres by the South African Community Epidemiology Network on Drug Use (SACENDU) indicates that the demand for treatment for drug abuse in Cape Town is still increasing. A total of 3 134 patients were treated for the period January to June 2010 as compared to 2 637 during the period January to June 2008.

Demand for drug abuse treatment increasing

The mean age range of patients treated was 13 and 41 during the period 2008 to 2010. Forty-four per cent of the patients in treatment were younger than 25 years of age. Methamphetamine (Tik), alcohol and dagga, are the most common drugs used.

Males continue to predominate consistently at around 74 per cent of patients. A great proportion (57 per cent) of the patients is unemployed. The majority are single (69 per cent) followed by those who are married (15 per cent). Three quarters of the patients have completed secondary education (grades 8 to 12), while 15 per cent have primary education and 8 per cent have a tertiary education.

Alcohol, however, remains the primary substance of abuse in most sites in the Province and causes the biggest burden of harm in terms of 'secondary risks', including injury, premature non-natural deaths, foetal alcohol syndrome, and as a potential catalyst for sexual risk behaviour and hence HIV transmission.

Alcohol remains primary substance of abuse

Incidence of drug and alcohol-related crime increasing

Research done by the Western Cape Department of Community Safety showed a strong relationship between alcohol abuse, crime and injury. Almost 60 per cent of those arrested in Cape Town in 2000 were tested positive for an illegal drug, with levels particularly high (66 per cent) for crimes such as housebreaking.

Table 1.9 shows that 46.05 per cent of drug-related crime in the country in 2009/10 took place in the Western Cape. The table also shows that more than 25 per cent of reported cases of people driving under the influence of alcohol or drugs in the country were reported in the Western Cape over that period.

Table 1.9 Drug-related crime and Driving under the influence of alcohol or drugs in the Western Cape in a South African context between 2007 and 2011

	Reported cases			
	2007/08	2008/09	2009/10	2010/11
Drug-related crime: WC	45 985	52 781	60 409	70 588
Drug-related crime: RSA	109 134	117 172	134 840	150 673
Percentage share: WC	42.14	45.05	44.80	46.85
Driving under the influence of alcohol or drugs: WC	11 616	12 741	15 644	17 244
Driving under the influence of alcohol or drugs: RSA	48 405	56 165	62 939	66 697
Percentage share: WC	24.00	22.68	24.86	25.85

Source: *Crime Information – South African Police Services*

Selected Crime Trends

Reduction in overall contact crime

According to the South African Police Service's Crime Statistics report, the Western Cape Province was successful in reducing overall contact crime between 2003/04 and 2010/11. The number of reported cases of burglaries at residential premises and car hijacking also declined.

The trends between 2003/04 and 2010/11 show a trend of increasing robbery cases in residential and non-residential premises in the Western Cape Province.

Over the same period, reported drug related crime cases increased from 19 940 to 70 588. Motorists behavior with regards to driving under the influence of alcohol and drugs worsened, with reported cases increasing from 4 957 to 17 244. Similar trends have been experienced nationally. Contrary to the national situation, the illegal possession of firearms and ammunition in the Province increased from 1 912 to 2 551.

Conclusion

Uncertainty surrounding the stability of the Eurozone Economy remains one of the major risks to the global economy. Despite this risk, moderate growth is forecast for the next year, with a more optimistic outlook thereafter. On the national front, economic growth is expected to slow over the short term before improving over the medium term on the back of higher household consumption and increased private sector investment. Western Cape's economic growth is expected to again exceed national economic growth in 2011 and beyond. The Western Cape economy is expected to grow at an average of 4.0 per cent between 2011 and 2016.

Initiatives by the Western Cape Government to address socio economic challenges has already realised some returns, evidenced through improved educational outcomes, decreased child and maternal mortality rates and expanding treatment for HIV/Aids and TB. These gains should however be viewed within the bigger context of stable HIV/Aids incidence rates, high youth unemployment, increasing substance abuse and fractured households.

Investment in strengthening the productive base of the economy through targeted infrastructure investment, improving the competitiveness of the economy through partnerships with the private sector and other spheres of government and unlocking the real growth potential of the export markets will support sustainable economic growth and job creation. Improving education outcomes and skill levels of the labour force, as well as improved health outcomes are also expected to support long term economic growth. This in turn will aid a reduction in unemployment rates and poverty, both of which are the root cause of a number of social challenges within the Province.

2

Medium Term Policy Context

Introduction

Fiscal consolidation has been a fundamental feature of the Country's budget process, particularly so since the emergence of the global economic downturn and further risks to the global, national and provincial economy. This process has resulted in a constrained fiscal envelope, with reductions to available national transfers, partly to reign in government expenditures and the national deficit position, amidst observations of sovereign debt defaults in some developed countries.

With less flexibility, it is incumbent upon Government to maintain and improve good governance and improved management practices in support of greater efficiency, efficacy, value for money, collaboration, synergy and improved accountability within departments and entities as well as across spheres of government. These practices are imperative regardless of our economic fortunes.

Natural population growth, in-migration and growth in labour supply that exceeds growth in the availability of employment opportunities remains a reality.

On the social front, the greater share of the population lives in predominantly urban areas, with increased demands on the provision of housing, basic services such as water and sanitation and access to education, health and other social services to promote social inclusion and reduce poverty.

The Province will continue to pursue efforts aimed at reducing poverty

Inequality has in recent years fuelled social disintegration, which has manifested itself through community services protests. These protests require mitigation through dialogue, political and public participation and stronger partnerships with communities which constitutes a further thrust of Budget 2012.

The Province will continue to pursue efforts aimed at reducing poverty through improved access to and quality of social services in order to position the economy on a higher growth path. Furthermore, the Province will ensure that the largest portion of the population benefits from any improved economic fortunes.

This chapter takes account of some of the key policy thrusts that underpin the Western Cape Government's 2012 MTEF Budget allocations. It can be divided into four broad categories: the Provincial Strategic Plan and processes; Education, Health and other social services to promote social inclusion and reduce poverty; and to address economic and governance priorities.

Provincial Strategic Objectives (PSOs)

The Province over the medium term will focus its efforts on implementing its adopted 12 Provincial Strategic Objectives (PSOs), develop programmes to ensure the necessary synergy and alignment across votes in priority setting; and foster greater alignment between policy development and the budget formulation processes.

The strategic objectives are workable areas, consisting of clusters of projects or programmes that together are significant public sector commitments aimed at bringing about a new Western Cape developmental trajectory. Departments have aligned their strategic and annual performance plans to these Strategic Objectives.

Table 2.1 shows the alignment between the Provincial Strategic Objectives, the National Outcomes and the established Provincial Workgroups for each PSO.

Table 2.1 Alignment between PSOs, National Outcomes and Workgroups

National Outcomes	Provincial Strategic Objectives	Work groups
Decent employment through inclusive growth	1. Creating opportunities for growth and jobs	Economic Development Agency/ Partnership [EDA/P] Enabling Environment Provincial Infrastructure Skills Technical Expanded Public Works Programme (EPWP)
Improved quality of basic education	2. Improving Education Outcomes	
An efficient, competitive and responsive economic infrastructure network	3. Increasing access to safe and efficient transport	N1 Corridor N2 Corridor N7 Corridor Provincial Road Traffic Management Coordinating Committee (PRTMCC)
A long and healthy life for all South Africans	4. Increasing wellness	Violence and Injury prevention Women and child health Healthy lifestyles Infectious diseases (HIV and TB)
All people in South Africa are and feel safe	5. Increasing Safety	Optimising civilian oversight Optimising road safety Western Cape Safety Partnership Maximising the safety contribution of PGWC institutions, assets & people
Sustainable human settlements and improved quality of household life	6. Developing integrated and sustainable Human Settlements	Human Settlement Planning Human Settlement Delivery Affordable Housing
Environmental assets and natural resources that are well protected and continually enhanced	7. Mainstreaming Sustainability and Optimising Resource-use Efficiency	Climate Change Water Management Pollution and Waste Management Biodiversity Management Agricultural land-use Management Built Environment
Vibrant, equitable and sustainable rural communities with food security for all Create a better South Africa and contribute to a better and safer Africa and World	8. & 9. Promoting social inclusion and reducing poverty	Early Childhood Development Substance Abuse After-school activities ('2 – 6pm') Food Security Family Support Violence Prevention Civic Participation & promoting and appreciating different cultures and identities
A skilled and capable workforce to support an inclusive growth path	10. Integrating service delivery for maximum impact	IDP Indaba Bulk infrastructure Decentralised service delivery Provincial Intersectoral Steering Committee (Thusong programme)
A responsive, accountable, effective and efficient local government system	11. Increasing opportunities for growth and development in rural areas	Agricultural production Market access Research and Technology Rural development Revitalisation of extension
An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	12. Building the best-run provincial government in the world	Institutional governance Management by results People management Financial Management Citizen centric Services Delivery E-government

*Strong alignment
between Provincial
Strategic Objectives and
National Outcomes*

The Provincial and National Objectives and Outcomes are strongly aligned to one another, as they do indeed apply to concurrent and associated functions across the two spheres. Both the national and provincial approaches seek to better coordinate different plans, activities and budgets across spheres and departments. The focus of the outcomes approach is on sectors and the achievement of the former with its concomitant intergovernmental implications, as opposed to the focus on individual department activities (improved synergy).

Provincial Transversal Management System

The Provincial Cabinet, to give effect to the implementation of the PSO's has approved the implementation of a Provincial Transversal Management System (PTMS) and has instructed departments and entities to develop coherent plans with clear deliverables and units of measurement to ensure that the Western Cape would be in a position to measure progress towards achieving its stated objectives.

*Reporting on
implementation plans will
measure progress*

Staff within departments were tasked with the responsibility of developing strategic directives (implementation plans with outputs linked to the PSOs through the transversal workgroups) and is required to report to the three Strategic Sector Committees (SSC). The PSOs are divided amongst these three Committees as follows: Economic Sector Committee or ESC (PSO 1, PSO 3, PSO 6, PSO 7, PSO 11); Governance Sector Committee or GSC (PSO 10, PSO 12); and Human Development Sector Committee or HDSC (PSO 2, PSO 4, PSO 5, PSO 8, PSO 9).

Linking the Funds to the Plans

What is funded and how much gets funded are dependent on provincial and or national and policy objectives, the size and scope of the resource envelope as well as the prevailing economic conditions.

Nationally, the overall resource envelope is key in determining the final resource allocation between and amongst the spheres of government.

In making recommendations on resource allocations, the Provincial Treasury has applied public finance management principles in deciding on funding levels to departments and entities:

- Firstly, resources would be disbursed to those areas where no discretion exists. In this regard personnel costs is basically considered as non-discretionary and would therefore receive funding;
- Secondly, to allocate funds to areas where limited discretion exist. These include areas where, if left unattended, it would result in declines in service levels. Adjustments for higher construction inflation, goods and services expenditure such as food, fuel, textbooks, medicines and medical equipment and cost-effective accommodation requirements all fall within this category;
- Thirdly, to defer priority spending items with some discretion to the second and third years of the 2012 MTEF and in the case of major capital project to even allocate resources beyond the current MTEF cycle where indicated; and
- Fourthly, to consider the growth rates in current baselines and the state of readiness to implement the programmes for which additional funding was requested as well as the capacity to spend effectively.
- Lastly, to direct spending to those areas that will collectively make the biggest impact, particularly on economic growth and job creation.

Personnel cost is non-discretionary

Budget Process

The budget which the Province ultimately tables is as a result of extensive consultation between the Province and National Government and within the Province between the Treasury and departments and entities. The success of our current budget process by its cooperative and participatory nature has led to significant improvements in transparency and quality of budgetary information.

Improvements in transparency and quality of budgetary information

The Budget Policy Committee, chaired by the Minister for Finance Economic Development and Tourism, debates the allocation of resources to provincial departments and entities before recommendations are presented to Provincial Cabinet. The Committee in its deliberation considers both political and technical imperatives, which amongst others, are informed by the Premier's State of the Province Address, further guided by the Provincial Strategic Objectives and the 12 National Outcomes, all of which attempt to respond to the current and anticipated economic, social, environmental and spatial trends within the Province.

Given the current economic environment, the proposals from the Budget Policy Committee to Cabinet are backed by continued improvement in resource management with the aim of freeing up funds which could be used to support initiatives to create opportunities for growth and jobs over the 2012 MTEF period.

The Provincial Budget is mainly driven by expenditures on social service delivery through functions such as Education, Health, and other social services that promote inclusion and efforts to reduce poverty.

The economic functions in the main are driven through the departments of Economic Development and Tourism; Transport and Public Works; Agriculture, etc. Despite the proportional ratios that is spent on the social versus the economic functions delivered by Government, finding the right balance between these functions remain a challenge.

The thrust of Budget 2012 is to improve the performance of the State, particularly in times of economic hardship, through: maintaining and strengthening key social services in education and health; investing in the capacity of the economy to grow through infrastructure investment; improving the efficiency and effectiveness of government expenditure and integration and co-ordination with national and local government as well as the private sector to improve socio-economic outcomes.

Education

Education forms the foundation upon which the Province is able to improve its skills base. Interventions aimed at strengthening education are focused on "getting learning right". This encompasses a focus on access, adequacy and efficiency, equity and quality.

Ensuring that education opens up opportunities for employment and higher education institutions

Access, adequacy and efficiency are promoted through amongst others: the provision of high quality learning programmes to all five-year olds through the Early Childhood Development programme, an increase in the number of learners enrolled in relevant programmes in the General Education and Training and Further Education and Training bands that eventually should lead to higher levels of employment or access to higher education, and to incrementally strengthen inclusive education to ensure that the needs of all learners are met.

Addressing improved education outcomes have been taken up in PSO 2: Improving Education Outcomes. The main indicators measuring the progress in achieving PSO 2: Improving Education Outcomes is given expression through three overarching goals which are:

- Improved literacy and numeracy in primary schools;
- Improved number and quality of passes in the National Senior Certificate; and
- The reduction in the number of under-performing schools.

The expansion in the learner enrolment numbers impacts on teaching staff, infrastructure provision and resourcing. Still, there is evidence of a gradual and sustained improvement in the quality of education, as measured by external tests and examinations.

Education attainment levels in the Province have improved and this is seen through the improvement in the grade 3 and 6 literacy and numeracy systemic and annual national assessment results and the National Senior Certificate exam results.

Education attainment levels improved

However, improving the quality of education remains an area to focus on, especially with the ever increasing learner numbers and high repetition and dropout rates.

Health

Health services and priority programmes are continually being strengthened to improve the quality of health care and health outcomes within the Province. The Western Cape Government is committed to increasing the wellness of the people of the Province. This will be achieved by addressing the factors that contribute to the Burden of Disease with the aim of preventing ill health before it occurs and by providing a comprehensive quality health care service.

The Province undertakes to provide equitable access to quality health services in partnership with the relevant stakeholders within a balanced and well managed health system. The Healthcare 2010 Plan and Comprehensive Service Plan embodied the strategic direction of the Health Department over recent years and provided a sound foundation for the development and implementation of the proposed Healthcare 2020 strategy. The intended Healthcare 2020 strategy identifies seven key principles namely:

- Patient centeredness;
- Strengthening the primary healthcare philosophy;
- Strengthening the District Health Services model;
- Moving towards an outcomes based approach to healthcare;
- Addressing equity in terms of access, resource allocation and outcomes;
- Addressing affordability within health services through improved organisation efficiencies to get the best value for money; and
- Building strategic partnerships with private sector, civil society and other spheres of government nationally and internationally.

Other Social services to promote social inclusion and reduce poverty

Emphasis on youth at risk, women, elderly and the poor

The Province has adopted a holistic approach to protect and advance the interests of youth, women, elderly and the poor. The emphasis on the protection of youth at risk, women, elderly and the poor is evidenced in the various social intervention campaigns underway in the Province.

Efforts are also taken to increase domestic violence awareness, prevention and identification of child abuse. Various youth programmes offered at Mass Opportunity Development (MOD) Centres, schools and community centres aim to realise informed, healthy communities who actively participate in the prevention of criminal activity and protection of those at risk.

The Western Cape Government's plan to promote social inclusion and reduce poverty is based on integrating citizens who have drifted away from inclusion in the mainstream economic, developmental and social systems and activities back into the mainstream. The plan aims to improve the chances of all citizens to enter systems of inclusion as well as increasing participation in civic life.

The creation of conditions for sport and cultural talent to emerge will be nurtured and be allowed to flourish. Cultural Affairs and Sport aims to design and implement programmes which promote the inclusion of the most marginalised e.g. the disabled, women and girls.

Economic priorities

The inability to address poverty and persistently high unemployment rates, have in most instances, been the root cause of the many social ills plaguing the Province and the Country.

Economic growth is considered the foundation of all successful development and is driven primarily by the business sector operating in a conducive environment. Based on such a paradigm, the role of the State is to create and maintain an enabling environment for business and provide for demand-led, private sector growth.

The role of the state is to create an enabling environment for business

The development of the Provincial Strategic Objectives, amongst others, includes growing the economy and job creation. Therefore, to support the economic recovery and support families and communities, the composition of expenditure was required to shift in support of creating an enabling environment, one that strengthens the productive base of the economy and encourages investment in infrastructure, whilst maintaining key social services in Health, Education and other services that would promote inclusion and reduce poverty.

Plans to capitalise on labour absorption include amongst others, the Expanded Public Works Programme and Jobs Fund, even though of a temporary nature to cushion the effects of unemployment. The labour intensive infrastructure maintenance programme through the EPWP will contribute to creating job opportunities and additional expenditure on roads infrastructure with demonstrable economic impacts.

Economic research highlighted (in amongst others the 2011 Provincial Economic Review and Outlook) the need for an economic strategy to purposefully expand exports and attract investment into the economy particularly in the current global economic environment. The research also highlighted the need for improved efficiency and infrastructure strategies to support economic growth and job creation.

The 2012 MTEF Budget aims to strengthen efforts to advance the economic growth prospects of the Province through a suite of initiatives, which include:

- The establishment and contribution to set up costs of the Economic Development Partnership;

- Broadband/telecommunications strategy which holds opportunities to support improved efficiency, access to market opportunities and service delivery innovation;
- Initial Saldanha Industrial Development Zone (IDZ) set up and implementation costs;
- Strengthening of Wesgro to more actively actively pursue increased trade and investment promotion; and
- Expanded Public Works Programme to maintain momentum for labour intensive service delivery already started in the 2012 MTEF.

Economic Development Partnership

The establishment of the Economic Development Partnership (EDP) will provide better economic and market intelligence to enable evidence based economic development strategies. It is also expected that the EDP will develop an integrated economic and business brand platform for Western Cape, with a single strategy towards contested activities and markets, e.g. visitors, firms, events and festivals, students, investors, institutions, innovators and entrepreneurs, research, etc.

Economic and job growth are key priority objectives

The EDP will also endeavour to foster closer working relationships with national government departments, their agencies (such as Transnet and Portnet, Prasa, Eskom, etc.) and municipalities in the Province to foster economic development.

Trade and Investment Promotion

The risks to global economic recovery are ongoing with fiscal difficulties in the US and Europe and relatively high levels of unemployment in both. The effects of the Japanese earthquake/tsunami, particularly on the global manufacturing sector, contributed to the downward revision of economic growth forecasts. Fiscal austerity measures had a negative impact on the US economy spurring the need for fiscal consolidation. Risks to emerging markets include a sharp growth easing in China, which could negatively affect economic growth.

The 2011 Provincial Economic Review and Outlook (PERO) has highlighted that exports expose an economy to international contagion. There remains little doubt however that export-oriented development remains the appropriate route for a developing country and for regions within the country to take in search of welfare enhancing growth.

Given recent developments in the global and domestic economy and challenges in the Western Cape's major trading partners, have put an urgency on attracting foreign direct investment and seeking alternative markets.

Urgency on attracting foreign direct investment and seeking alternative markets

Wesgro, as the Provincial Trade and Investment promotion agency, has set investment targets within a band to allow for flexibility as economic conditions play out over the coming years.

In considering the capacity for export policies at the level of a provincial government the emphasis falls on supply side intervention, for example, encouraging and facilitating investment in human capital and investment in and maintenance of infrastructure. The training of skilled and artisanal labour, as identified by manufacturers, can improve competitiveness if government were to play a stronger role in training.

Cabinet has given in-principle support for the stabilisation of the provincial delivery mechanism for trade and investment promotion, tourism destination and other functions in the Wesgro public entity which will serve as the economic development delivery agent.

Cape Town International Convention Centre (CTICC) expansion

The Cape Town International Convention Centre's primary mission is to grow business tourism, to attract large international and national gatherings of high-spending visitors, most of whom would not otherwise have visited Cape Town and the Western Cape as leisure tourists.

The economic impact will be in terms of international visitors that bring "new money" into the Western Cape economy in the form of foreign currency. International visitors bring new money into the Province through the following: use the national carrier and other domestic airlines and pay airport taxes and levies; use land transport and accommodation; buy CTICC space and services; use restaurants and entertainment facilities; use banking, telecommunications and personal services; buy tour packages and visit tourism attractions – some in other parts of

the Province and the country; high value shopping; some extend their stay as leisure visitors while others return as leisure tourists with family and friends as a result of their business visit experience and some see opportunity and return to do business.

Expanding CTICC to double capacity

By expanding the Convention Centre, and almost doubling its capacity, the current contribution to GDP of R2.3 billion per annum and over 7 000 direct and indirect jobs created annually, will be increased significantly. This is in addition to the direct impact of the project during the three year construction phase.

Provincial Cabinet has already resolved that a contribution (additional equity in CTICC) will be made available over the 2012 MTEF:

Saldanha IDZ

The Saldanha Bay IDZ initiative seeks to establish a sustainable and niche industrial hub, as a mechanism that, firstly, coordinates planning for and the implementation of mega infrastructure investments, and secondly, serves to attract complementary investments which will boost the manufacturing position in the region.

Cabinet, based on a proven feasibility study has considered funding the request to support the application to the Department of Trade and Industry (**the dti**), for designation of the Saldanha Bay IDZ, subject to the outcomes of a detailed Business Plan and other application documents. These documents will be submitted to the Provincial Cabinet for consideration and resolution at a later date.

Resources are allocated to oversee and manage the planning and early implementation phase of the Saldanha Bay IDZ project; prepare the necessary applications documentation for the designation and operator permit to **the dti**; to continue inter- and intra-governmental co-operation between the national, provincial, local and parastatal bodies identified and to support the Advisory Panel, as required.

Broadband telecommunication

High speed internet access for business and residents is an essential element for the development of a globally competitive environment. It provides an ideal enabling environment for innovation and economic growth, in key

economic sectors, industries, Small, Medium and Micro Enterprises (SMMEs) and entrepreneurship development.

Broadband penetration in South Africa lags behind countries with a similar level of development such as the Czech Republic, Poland, Hungary and Turkey. Of the estimated 5.1 million Internet users in South Africa in 2006, only about 5 per cent access the internet using a high speed broadband connection. This implies that South Africa has a very low broadband penetration rate per person of a mere 0.6 per cent. What is more, within the African continent, South Africa has fallen into fourth place in terms of its internet penetration levels.

The readiness to adopt new technologies, innovative capacity and first class infrastructure and services are essential if a region is to attract and retain inward investment, stimulate job creation and ensure a fully inclusive society.

Within the ambit of regional economic development, attention should be focused on creating the optimal enabling environment for business, commerce, citizens and consumers to attain social and economic development goals and strategies of growing and transforming the regional economy.

Investment in the development of telecommunications infrastructure will aim to assist municipalities and provincial departments to foster greater economic growth in the region, as well as assist in achieving greater effectiveness and efficiencies in government service delivery in the Province. The telecommunications project aims to create an enabling environment for the creation of broadband infrastructure and skills that will be used to:

Development of telecommunications infrastructure to foster economic growth

- Improve provincial and local government service delivery (connected government);
- Improve citizens' access to communications infrastructure, information and opportunities – broadening their participation in society (connected citizens);
- Increase access to new opportunities and markets, while making the business environment more competitive (driving productivity); and
- Creating an environment for new kinds of service oriented businesses in the local, national and international space (connected economy).

Roads Infrastructure

Roads infrastructure provides opportunities to improve the economic prospects of the country and contribute to many socio-economic benefits. These include amongst others: access to markets, social integration and cohesion, safe and reliable transport, transformation in procurement and delivery through preferential procurement, contractor development and graduation of contractors, skills development and employment.

The focal areas for the roads infrastructure allocation include keeping roads well maintained and upgraded as well as improving the condition of roads that are in a poor condition but which have socio-economic significance.

Emphasis on keeping roads in good condition

The investment in roads aims to facilitate the rehabilitation of various large road capital projects based on road condition, safety and geometric needs that have been identified for immediate construction. A number of Gravel Road Upgrade Projects in the rural portions of the proclaimed road network have been identified. More projects are identified from local economic, street network and integrated transport plans for those regions, and will form the basis of a response to the National Rural Access Framework.

The Province aims to augment investment into the construction of new roads over the 2012 MTEF, with the aim of co-opting the private sector and relevant municipalities in pursuing projects that will sustainably stimulate the Western Cape economy.

The Department of Transport and Public Works developed business cases for projects to access the funds kept within the Asset Finance Reserve ring-fenced for the construction of new roads. Business cases for projects to the value of almost R2.5 billion were developed. These projects are: the Divisional Road 1205, (DR1205), between Gansbaai and Bredasdorp; the Wingfield Interchange pre-stressed bridges; the road network improvement in support of the Saldanha IDZ and the Port expansion; the By-Pass between TR1/1 and the N2 at George; and the Worcester Eastern By-Pass, between N1 and TR31/1.

The upgrading of the remaining section of the Divisional Road 1205, (DR1205), between Gansbaai and Bredasdorp from gravel to surfaced (\pm 27.5 km) will be transformed from a rural route to a scenic route, which passes through the Elim Valley, linking Gordon's Bay to Cape Agulhas via Hermanus and Bredasdorp. The short-term benefits to the rural community are significant work opportunities, both directly and indirectly, over

the duration of the project. The upgrading of the road forms part of the Whale Route, and is an essential infrastructure requirement in support of growth and development, mainly in agriculture and tourism. It is also in direct support of the rural development strategy.

The Wingfield Interchange pre-stressed bridges are some of the first bridges constructed in South Africa. The bridges were completed in 1961 and the structures now exceed their design life of 50 years. Approximately 260 900 vehicles on average pass through the Wingfield Interchange daily. The upgrade of the interchange will affect the adjacent roads, including the N7.

Complex traffic studies and modelling, including the development of short, medium and long-term development scenarios are required to establish the future travel demand. Proper feasibility must also be conducted to identify the most cost-effective solution. Given the importance of this interchange and the high risk it poses in terms of the potential economic impact should the bridges collapse, funds have been made available in the 2012 Budget to conduct the research and feasibility work on this project. Once all the research is completed, the Provincial Cabinet will take an informed decision on the matter.

Research and feasibility studies will inform decisions on the Wingfield Interchange project

The third project includes the planning, design and implementation of the road network improvement in support of the Saldanha IDZ and the Port expansion. Initial studies indicate that, from an economic perspective, this project will provide good returns on the investment. However, more detailed studies and planning is required to identify the optimum.

The Provincial Regeneration Project

Government's immovable property portfolio consists of owned and leased properties. Both require regular maintenance to keep buildings in a functional condition and to ensure compliance with the regulatory framework and service agreements. The regulatory environment include amongst others: the Public Finance Management Act (PFMA), Occupational Health and Safety Act (OH&S) and Government Immovable Asset Management Act (GIAMA).

The maintenance of infrastructure can also contribute to urban regeneration and provide opportunities to use government procurement to advance transformation of the economy, particularly as it relates to improvement in the country's skills base, contractor development, BBBEE, EPWP, etc.

Use of provincial properties to mobilise new investments in the City

Funding over the 2012 MTEF for the Central Business District Redevelopment will aim to maximise the socio-economic footprint in terms of inner city renewal. The redevelopment initiatives also aim to bring about synergy with other mooted projects within the broader inner city precinct and have an added advantage of minimising the burgeoning rental costs for office accommodation. This programme will use provincial properties as strategic catalysts to mobilise new investments in the central city by key stakeholders, the City of Cape Town, private sector and state-owned enterprises.

Funding for the Provincial Regeneration Programme (PRP) has been provided as part of the 2012 MTEF, with the understanding that this would be leveraged with other spheres of government and the private sector. The rationale is also to link the developments from the CBD, Foreshore (including the Waterfront expansion and Culemborg development) to that of the West Coast. Investing in Provincial own accommodation requirements will thus serve as a catalyst that will crowd-in private sector as well as other public sector investment.

The PRP expands beyond the CBD and aims to activate the re-development of designated precincts by using provincial properties as strategic catalysts to mobilise new investments. With the CBD as the anchor, these projects include the revamp of the Provincial head office precinct, the Somerset precinct redevelopment, the Cape Town International Convention Centre expansions and the associated Founders Garden precinct. Some of these will be embarked upon in partnership with the private sector and City of Cape Town.

Provincial Cabinet has agreed to fund the Artscape/Founders Garden; Somerset Precinct [to relocate the National Health Laboratory Services (NHLS)]; the acquisition of 35 Wale Street; and the Prestwich Precinct (Re-location of the Pavement Technology Testing Laboratory) over the 2012 MTEF.

The provincial head office revamp has also been approved and include two components:

- The development of the Leeuwen/Loop site which in the main is to cater for the accommodation requirements of the Department of Education (from leased to provincially owned). This development is already registered as a PPP project and the transaction advisor's team has been appointed; and

- The acquisition of 35 Wale Street is linked to the Head Office precinct further giving effect to the objection that the Provincial Government should own its accommodation rather than lease it.
- Prestwich Precinct: Re-location of the Pavement Technology Testing Laboratory. This application is for the relocation of the Soils Lab to a site closer to their 'target market', i.e. the Bellville Roads Camp, and to unlock the development potential of the property.

Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme (EPWP) is one of an array of government strategies aimed at addressing unemployment. The programme commenced on 1 April 2004 and had as goal the creation of one million work opportunities over its first five years.

EPWP is aimed at addressing unemployment

While the EPWP achieved its target of one million work opportunities one year ahead of time, some constraints were identified that limited its further expansion. These included the lack of incentives in place for provinces and municipalities to maximise their employment creation efforts, the lack of capacity among certain public bodies and insufficient mobilisation in some areas.

Improved mechanisms were required to make fighting unemployment a priority for all spheres of government. It was also noted that the work opportunities created were of a shorter duration than anticipated and that this limited the impact of the programme on poverty reduction. Measures and targets for increasing the average duration of work opportunities were therefore recommended for inclusion in the second phase of the programme.

The EPWP incentive grant was introduced in the second phase of the EPWP and phased in from 2009/10.

All provinces and municipalities are eligible to access the incentive. These public bodies have to enter into an agreement with the National Department of Public Works (DPW) in which they commit to a set of mutually agreed targets.

The Expanded Public Works Programme Grant for Provinces incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods, in compliance with the EPWP Guidelines in the following focus areas:

- Road maintenance and the maintenance of buildings;
- Low traffic volume roads and rural roads;
- Other economic and social infrastructure;
- Tourism and cultural industries; and
- Social Service programmes that have employment potential.

To be eligible for an EPWP grant allocation in 2012/13, a provincial department must have reported EPWP performance in the infrastructure, environment and culture sector or social sector.

In 2012/13, the allocation from these grants to each province was based on performance against the grant in the preceding year. The incentive paid to provinces is further calculated on the basis of the number of full-time equivalent jobs created. A full time equivalent is calculated as a one person year of work which is equivalent to 230 person days. For task-rated workers, tasks completed are used as a proxy for 8 hours of work per day.

Governance

Governance is the sum of the several ways institutions and individuals, public and private, take care of their business. Governance broadly includes two processes - the process of decision-making and the process by which decisions are actually applied or not applied.

A modernised government to create an open, opportunity society for all in the province

The Modernisation Process was undertaken to deliver clean, efficient services to the citizens of this province. The intention behind this was to build a modern government with the right tools to deliver the right services at the right time, with the right mix of competencies to do so. It was felt that this would be the kind of government needed to create an open, opportunity society for all in the province.

These desires find expression in Provincial Strategic Objective 12: Building the best-run regional government. This PSO includes six themes, namely: Efficient and transparent institutional governance; Financial management; People management; E-Government; Citizen-centric service delivery; and Management for results.

Financial management is one of the more important themes and includes financial governance, financial planning, management and budgeting. With these practices in place, it is

expected that irregular expenditures be reduced, corruption practically eradicated, audits be unqualified and most importantly, value for money and results-based spending are achieved.

Value for money and results-based spending

The Western Cape Government is committed to assisting departments, municipalities and entities in applying sound business practices, proper fiscal management and expenditure controls - all required to ensure clean and efficient governance. This theme will cover the steps the Provincial Treasury intends to take to achieve the highest financial management standard.

Conclusion

Fiscal consolidation, partly due to the current (less than optimal) economic environment, has resulted in a cautious approach to Government spending.

The Western Cape Government has committed itself to good governance practices, evident in the adoption of a transversal management system to measure and track performance related to the adoption of its 12 Provincial Strategic Objectives.

Social services such as Education, Health and others remain a priority for the Province and efforts in this regard are directed to improve effectiveness and efficiency in the delivery thereof.

Putting the Western Cape economy on a higher growth trajectory and job creation is the highest priority for the Province. It is believed that many of the social challenges facing the Province would be addressed by sustained economic investment and growth provided sustained job opportunities are concomitantly created.

The Province, in support of the economic argument, has prioritised funding that would amongst others create an enabling economic environment (the establishment of the Economic Development Partnership, Saldanha IDZ and Trade Promotion), catalytic infrastructure (roads and broadband telecommunications infrastructure) that would support the economy and efficiency with regards to office accommodation (buying office space as opposed to leasing).

3

Receipts

Introduction

The 2012 fiscal envelope is presented in the context of a fragile economic environment, increasing social needs, a shift in the composition of expenditure towards infrastructure investment that is supportive of economic growth, competitiveness and job creation.

The Western Cape Government finances its provincial expenditure via three sources, i.e. national transfers (Provincial Equitable Share and conditional grants, which together contribute 93.60 per cent of the budget in 2012/13); Provincial Own Receipts (taxes and fees/user charges, which account for 4.90 per cent); and the Asset Financing Reserve (AFR) and Provincial Revenue Fund (PRF) which contributes less than 2 per cent in the 2012/13 financial year.

The total provincial revenue envelope relative to the 2011/12 revised estimates, is adjusted upwards by R2.444 billion in 2012/13, R2.380 billion in 2013/14, and R2.887 billion in 2014/15.

Total provincial receipts are set to grow at an average annual rate of 6.40 per cent over the 2012 MTEF from R37.707 billion in 2011/12 (revised estimate) to R40.151 billion in 2012/13, R42.531 billion in 2013/14 and R45.418 billion in 2014/15.

Transfers from National Government (i.e. provincial equitable share and conditional grants) increase by R2.253 billion or 6.38 per cent from a revised estimate of R35.328 billion in 2011/12 to R37.581 billion in 2012/13 and it is estimated to grow to R40.328 billion in 2013/14 and R43.178 billion in 2014/15, or at an annual average rate of 6.92 per cent over the 2012 MTEF.

Funding from AFR used to support infrastructure investment

Total provincial receipts grow by an average annual 6.40 per cent over the 2012 MTEF

Table 3.1 Summary of Provincial Receipts

Receipts R'000	Outcome			Main appro- p-riation 2011/12	Adjusted appro- p-riation 2011/12	Revised estimate 2011/12	Medium-term estimate		
	Audited 2008/09	Audited 2009/10	Audited 2010/11				2012/13	2013/14	2014/15
Transfer receipts from National	23 053 690	28 064 895	32 536 439	34 910 403	35 328 138	35 328 138	37 581 229	40 327 668	43 178 299
Equitable share	18 241 996	21 762 635	24 455 824	26 754 333	27 052 442	27 052 442	28 772 188	30 752 911	32 977 450
Conditional grants	4 811 694	6 302 260	8 080 615	8 156 070	8 275 696	8 275 696	8 809 041	9 574 757	10 200 849
Financing	1 162 830	810 877	498 626	273 749	326 837	326 837	603 621	206 805	198 058
Asset Finance Reserve	943 275	667 536	215 864	273 749	273 749	273 749	377 405	206 805	198 058
Provincial Revenue Fund	219 555	143 341	282 762		53 088	53 088	226 216		
National receipts and financing	24 216 520	28 875 772	33 035 065	35 184 152	35 654 975	35 654 975	38 184 850	40 534 473	43 376 357
Provincial own receipts									
Tax receipts	1 193 734	1 208 864	1 230 722	1 214 949	1 214 949	1 261 510	1 245 464	1 264 232	1 283 375
Sales of goods and services other than capital assets	414 011	391 853	451 475	376 172	376 453	401 265	418 501	423 607	428 552
Transfers received	142 905	93 879	116 036	178 006	182 256	182 256	218 628	225 007	245 933
Fines, penalties and forfeits	2 596	3 008	3 158	1 111	1 152	3 978	1 266	1 387	1 370
Interest, dividends and rent on land	59 833	63 416	67 269	4 456	4 442	3 424	3 295	3 496	3 489
Sales of capital assets	17 375	892	95 137	24	24	2 074	24	24	24
Financial transactions in assets and liabilities	104 549	175 503	103 884	76 800	79 686	197 299	78 873	78 757	78 714
Provincial own receipts	1 935 003	1 937 415	2 067 681	1 851 518	1 858 962	2 051 806	1 966 051	1 996 510	2 041 457
Total provincial receipts	26 151 523	30 813 187	35 102 746	37 035 670	37 513 937	37 706 781	40 150 901	42 530 983	45 417 814
Transfers from National	88.15%	91.08%	92.69%	94.26%	94.17%	93.69%	93.60%	94.82%	95.07%
Equitable share	69.76%	70.63%	69.67%	72.24%	72.11%	71.74%	71.66%	72.31%	72.61%
Conditional grants	18.40%	20.45%	23.02%	22.02%	22.06%	21.95%	21.94%	22.51%	22.46%
Own receipts	7.40%	6.29%	5.89%	5.00%	4.96%	5.44%	4.90%	4.69%	4.49%
Asset Financing Reserve	3.61%	2.17%	0.61%	0.74%	0.73%	0.73%	0.94%	0.49%	0.44%
PRF Financing	0.84%	0.47%	0.81%	0.00%	0.14%	0.14%	0.56%	0.00%	0.00%
Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Provincial Own Receipts increase from an Adjusted Budget of R1.859 billion in 2011/12 to R1.966 billion in 2012/13, R1.997 billion in 2013/14 and R2.041 billion in 2014/15.

Funding from the Asset Finance Reserve and Provincial Revenue Fund, amounts to R1.008 billion over the MTEF.

Provincial Equitable Share

Provincial Equitable Share contributes an average 72.19 per cent of the total Western Cape budget over the 2012 MTEF

The Provincial Equitable Share contributes on average, 72.19 per cent of the total Western Cape budget over the 2012 MTEF. The equitable share is a redistributive formula-driven unconditional transfer, which is allocated to provinces and includes the following six components with their respective weights:

- An education component (48 per cent) based on school age cohort (5 - 17 years) and school enrolment data;
- A health component (27 per cent) using a risk adjusted capitation index based on the Risk Equalisation Fund and output data from public hospitals;
- A basic component (16 per cent) derived from each province's share of the national population;
- A poverty component (3 per cent) based on the population income per province;
- An institutional component (5 per cent) divided equally between provinces to fund institutional requirements of provinces; and
- An economic activity component (1 per cent) based on Gross Domestic Product per Region (GDP-R).

The 2011 MTEF saw the introduction of a number of changes to the Provincial Equitable Share. A new health component was introduced and the weights of the health, education and basic components were revised for the 2011 Division of Revenue.

The 2012 Provincial Equitable Share was updated with data from the 2011 Mid-year Estimates, 2011 School Realities Survey, the 2009 GDP-R, the 2005 Income and Expenditure Survey, data on people without medical insurance from the 2010 General Household Survey and output data from the health sector. These data revisions to the Provincial Equitable Share will be phased-in over three years.

The data updates over the 2011 and 2012 MTEF have resulted in increases to the relative Provincial Equitable Share portion allocated to the Western Cape, shown in Table 3.2.

Table 3.2 Changes in Provincial Equitable Share component shares

	Weight	2011 MTEF	2012 MTEF	Variance
	%	%	%	
Education	48	8.312	8.363	0.051
Health	27	10.493	10.644	0.151
Basic	16	10.45	10.453	0.003
Poverty	3	6.004	6.004	0
Institutional	5	11.111	11.111	0
Economic activity	1	14.332	14.033	-0.299
Final Share	100	9.374	9.437	0.063

Provincial equitable share transfers increase by an average annual of 6.82 per cent from R27.052 billion in the adjusted budget of 2011/12 to R28.772 billion in 2012/13, R30.753 billion in 2013/14 and R32.977 billion in 2014/15.

Inflationary adjustments to the Provincial Equitable Share

Inflation adjustments are intended to protect the real value of spending. Provincial Equitable Share inflation adjustments cater for the impact of the higher than anticipated adjustments to salaries following the Public Service Bargaining Council (PSBC) Resolutions signed during 2011. Gross allocations amounting to R266.785 million, R239.832 million and R563.082 million has been added in 2012/13, 2013/14 and 2014/15 respectively to cater for this. However, these allocations had to be adjusted to allow for the phase-in of the Provincial Equitable Share.

Policy priorities funded through the Provincial Equitable Share

Funding for policy priorities is made available through the Provincial Equitable Share in 2013/14 and 2014/15 to provide for priorities within education and social development. Overall, additional amounts of R104.370 million in 2013/14 and R179.247 million in 2014/15 have been provided for the expansion of no-fee schools and improved access to Grade R. An amount of R64.210 million in 2013/14 and R69.952 million in 2014/15 is added to the Department of Social Development for victim empowerment and child and youth care: access to early childhood development.

Additional funding for Education and Social Development

Conditional Grants

A number of changes have been effected to conditional grants since the 2011 National Medium Term Budget Policy Statement (MTBPS). A two pronged approach was adopted in revising the conditional grant baselines. This includes a 0.4 per cent reduction to certain conditional grant baselines over the MTEF in order to create savings. Furthermore, policy additions to certain conditional grant baselines are provided for over the 2012 MTEF. As a result of the policy additions, conditional grants to the Western Cape increase by an annual average of 7.22 per cent from R8.276 billion in the 2011/12 Adjusted Budget to R8.809 billion in 2012/13, R9.575 billion in 2013/14, and R10.201 billion in 2014/15.

Conditional grants increase by an annual average of 7.22 per cent over the 2012 MTEF

Revisions to Conditional Grants over the 2012 MTEF

Two new health grants are introduced in 2012/13, i.e. the National Health Insurance Grant (NHI) and the Nursing Colleges and Schools Grant.

For the NHI the Department of Health receives R11.500 million in 2012/13, R26.833 million in 2013/14 and R38.333 million in 2014/15. These allocations are aimed at strengthening primary health care as the platform on which the NHI will be implemented. The purpose of the pilots is to test the feasibility of policy proposals in the NHI Green Paper and the district based health services model of delivery.

The Nursing Colleges and Schools Grant provides for the refurbishment and upgrading of nursing colleges with the National Department of Health playing a more active role in planning, packaging and procurement of projects than normally done for health infrastructure grants. R10.320 million in 2012/13, R14.964 million in 2013/14, and R20.950 million for 2014/15 are allocated over the MTEF for this purpose.

Infrastructure Grants

A section has been added to the 2012 Division of Revenue Bill that places further responsibilities on heads of provincial departments that receive infrastructure conditional grants. These responsibilities include:

- Reporting infrastructure expenditure through the Project and Asset segments of the Standard Chart of Accounts;
- Maintaining up to date databases of all contracts that is compliant with the Registrar of Projects and i-Tender;
- Submitting approved signed-off organisational structures indicating number of posts per profession, highest educational qualifications, years of experience in public service infrastructure, number of vacancies and existing positions filled; and
- Ensuring that projects must comply with best practice standards and guidelines in terms of the Construction Industry Development Board Act, 2000 (Act No. 38 of 2000).

Provincial Treasuries are required to support provincial departments in complying with these requirements. The departments of Transport and Public Works, Health and Education would have to ensure that the required capacity exists in order to comply with the above directive.

Additional reporting requirements on Infrastructure Grants have been added in the 2012 Division of Revenue Bill

Anticipation for the City of Cape Town to receive level 3 accreditation in the 2013/14 financial year

Human Settlements Development Grant

Over the 2012 MTEF an amount of R5.581 billion is allocated to the Human Settlements Development Grant (HSDG). It is anticipated that all metropolitan municipalities will receive level 3 accreditation by the 2013/14 financial year implying that allocations will be transferred directly from the national department of Human Settlements to metropolitan municipalities. R678.369 million in 2012/13, R733.484 million in 2013/14 and R782.870 million in 2014/15 has been allocated directly to the City of Cape Town.

Expanded Public Works (EPWP) Grants

The EPWP Grant has been reconfigured, replacing the former in-year determination of incentives with an up-front transfer of funds based on performance in the preceding financial year to allow for improvement in planning and implementation of projects. Transfers will be dependent on provincial departments reporting on jobs created on the EPWP system and implementation of labour intensive projects.

The baselines of the economic and social sector EPWP Incentive Grants were revised. For 2012/13 an amount of R17.099 million is available from the EPWP Integrated Grant to Provinces and R24.724 million through the Social Sector EPWP Incentive Grant.

As a result of the restructuring of the EPWP, the funding split differs from that of the 2011 MTEF. Provincial Equitable Share funding has, as previously, been used to compensate for the decline in the EPWP grant to ensure that the current job creation momentum is maintained. For 2012/13, the two National Expanded Public Works grants are supplemented by R21.505 million from the Provincial Equitable Shares.

Other Conditional Grants

When comparing the 2011 and 2012 MTEFs, the following revisions to conditional grants have been made:

- Further Education and Training Colleges Grant: Upward adjustments of R12.577 million over the 2012 MTEF. The additions cater for the higher than anticipated wage agreements in 2011.
- Education Infrastructure Grant: Downward revision of R8.007 million over the 2012 MTEF, the revised MTEF allocations are now R431.397 million, R451.931 million and R455.916 million in 2012/13, 2013/14, and 2014/15 respectively.

- Technical Secondary Schools Recapitalisation Grant: upward adjustments of R2.219 million in 2012/13, R2.342 million in 2013/14 and R1.920 million in 2014/15. The grant amount of R35.183 million over the 2012 MTEF is to be used for recapitalisation initiatives including building and refurbishing workshops. The grant is furthermore intended for buying and installing new machinery and equipment consistent with technical subjects.
- National Tertiary Services Grant (NTSG): technical reductions of R93.623 million in 2013/14 and R106.443 million in 2014/15 have been made. Despite the overall technical reductions, Western Cape still receives one of the highest growth rates in NTSG allocations compared to other provinces. The revised MTEF allocations are R2.182 billion, R2.401 billion and R2.538 billion in 2012/13, 2013/14 and 2014/15 respectively.
- Comprehensive HIV and Aids Grant: Downward adjustment of R5.169 million in 2012/13, and R7.942 million in 2013/14 and an addition of R82.869 million in 2014/15. The addition in 2014/15 seeks to accommodate the increased uptake related to the lowering of the CD4 count threshold. The revised allocations are R738.080 million in 2012/13, R927.547 million in 2013/14 and R1.074 billion in 2014/15.
- Hospital Revitalisation Grant: an amount of R38.516 million is added over the 2012 MTEF. Increases in funding are targeted for large infrastructure projects that will be implemented through public private partnerships. The revised MTEF allocations are R496.085 million, R503.526 million and R511.079 million in 2012/13, 2013/14 and 2014/15 respectively.
- Provincial Road Maintenance Grant: baseline reductions of R4.542 million in 2012/13, R31.361 million in 2013/14 and R37.870 million in 2014/15. The revised allocations are R478.895 million in 2012/13, R490.359 million in 2013/14 and R515.153 million in 2014/15.
- Devolution of Property Rates Fund Grant: baseline reductions of R3.229 million in 2012/13 and R6.542 million in 2013/14 and R8.175 million in 2014/15. An amount of R1.030 billion is allocated over the MTEF to enable provinces to cover the cost of municipal property rates and to facilitate the transfer of property rates expenditure and payment of provincial property rates.
- Public Transport Operations Grant: upward adjustments of R5.757 million in 2012/13, R15.720 million in 2013/14, and R9.752 million in 2014/15. The revised MTEF allocations are R696.237 million, R734.180 million, R771.320 million in 2012/13,

2013/14 and 2014/15 respectively. The additions augment funding by provincial departments towards public transport services.

Table 3.3 mainly provides the detailed conditional grants by vote and grant over the 2012 MTEF.

Table 3.3 Summary of conditional grants by vote and grant

Vote and grant R'000	Outcome			Main appro- pria- tion 2011/12	Adjusted appro- pria- tion 2011/12	Revised estimate 2011/12	Medium-term estimate		
	Audited	Audited	Audited				2012/13	2013/14	2014/15
	2008/09	2009/10	2010/11						
Vote 1: Department of the Premier	5 000								
Internally Displaced People Management Grant	5 000								
Vote 4: Community Safety	2 690			543	543	543	800		
Internally Displaced People Management Grant	2 690								
Social Sector EPWP Incentive Grant for Provinces				543	543	543	800		
Vote 5: Education	292 811	302 353	889 501	1 176 991	1 190 413	1 190 413	1 323 569	1 403 566	1 457 579
Education Infrastructure Grant ^{Note}	120 478	169 976	255 062	385 039	385 039	385 039	431 397	451 931	455 916
Dinaledi Schools Grant				6 720	6 720	6 720	9 571	10 097	10 673
HIV and Aids (Life Skills Education) Grant	13 727	14 626	14 440	16 388	16 388	16 388	17 416	18 371	19 404
Further Education and Training Colleges Grant	77 305		446 971	527 117	534 671	534 671	584 213	653 036	689 938
National School Nutrition Programme Grant	81 301	117 751	169 775	227 433	230 906	230 906	244 784	258 247	269 613
Technical Secondary Schools Recapitalisation Grant			3 253	8 619	8 619	8 619	11 264	11 884	12 035
Social Sector EPWP Incentive Grant for Provinces				5 675	8 070	8 070	23 924		
Expanded Public Works Programme Integrated Grant for Provinces							1 000		
Vote 6: Health	2 492 177	2 851 754	3 587 695	3 718 253	3 738 100	3 738 100	3 998 984	4 464 547	4 811 341
Health Infrastructure Grant ^{Note}	63 933	73 658	195 904	119 179	126 780	126 780	131 411	139 296	150 171
Hospital Revitalisation Grant	232 748	377 286	614 071	481 501	490 758	490 758	496 085	503 526	511 079
National Tertiary Services Grant	1 500 193	1 583 991	1 763 234	1 973 127	1 973 127	1 973 127	2 182 468	2 400 714	2 537 554
Nursing Colleges and Schools Grant							10 320	14 964	20 950
Health Professions Training and Development Grant	356 414	362 935	384 711	407 794	407 794	407 794	428 120	451 667	478 767
National Health Insurance Grant							11 500	26 833	38 333
Comprehensive HIV and Aids Grant	268 931	383 531	554 971	660 614	660 614	660 614	738 080	927 547	1 074 487
Forensic Pathology Services Grant	69 958	67 141	73 753	70 226	70 226	70 226			
Social Sector EPWP Incentive Grant for Provinces			1 051	5 812	8 801	8 801			
World Cup Health Preparation Strategy Grant		3 212							
Expanded Public Works Programme Integrated Grant for Provinces							1 000		
Vote 7: Social Development	5 000			4 704	4 704	4 704			
Internally Displaced People Management Grant	5 000								
Social Sector EPWP Incentive Grant for Provinces				4 704	4 704	4 704			
Vote 8: Human Settlements	1 305 862	1 497 437	1 940 537	1 638 845	1 638 845	1 638 845	1 725 180	1 865 344	1 990 939
Human Settlements Development Grant	1 305 862	1 497 437	1 940 037	1 638 845	1 638 845	1 638 845	1 725 180	1 865 344	1 990 939
Disaster Relief Grant									
Expanded Public Works Programme Incentive Grant for Provinces			500						

Table 3.3 Summary of conditional grants by vote and grant (continued)

Vote and grant R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate		
	Audited 2008/09	Audited 2009/10	Audited 2010/11				2012/13	2013/14	2014/15
Vote 9: Environmental Affairs and Development Planning				6 000	6 000	6 000	1 000		
Expanded Public Works Programme Integrated Grant for Provinces				6 000	6 000	6 000	1 000		
Vote 10: Transport and Public Works	591 145	1 412 764	1 429 961	1 381 264	1 467 621	1 467 621	1 503 732	1 569 960	1 651 379
Provincial Roads Maintenance Grant ^{Note}	299 002	364 644	408 254	411 141	411 141	411 141	478 895	490 359	515 153
Devolution of Property Rate Funds Grant	147 094	250 285	264 700	291 281	309 622	309 622	319 501	345 421	364 906
Disaster Management Grant: Transport	145 049	204 061	124 605		61 885	61 885			
Expanded Public Works Programme Integrated Grant for Provinces				12 587	18 718	18 718	9 099		
Public Transport Operations Grant		593 774	632 402	666 255	666 255	666 255	696 237	734 180	771 320
Vote 11: Agriculture	58 320	158 816	142 841	133 812	133 812	133 812	154 003	163 829	166 817
Land Care Programme Grant: Poverty Relief and Infrastructure Development	3 428	3 085	3 270	3 466	3 466	3 466	7 740	7 233	4 070
Drought Relief/Agriculture Disaster Management Grant									
Comprehensive Agriculture Support Programme Grant	49 205	57 598	63 064	82 346	82 346	82 346	91 863	104 859	108 394
Disaster Management Grant: Agriculture Ilima/Letsema Projects Grant	5 687	92 143	52 507	48 000	48 000	48 000	50 400	51 737	54 353
Expanded Public Works Programme Integrated Grant for Provinces		5 990	24 000				4 000		
Vote 13: Cultural Affairs and Sport	58 689	79 136	90 080	95 658	95 658	95 658	101 773	107 511	122 794
Mass Participation and Sport Development Grant	27 401	38 063	40 442	42 964	42 964	42 964	44 644	47 301	49 966
Community Library Services Grant	31 288	41 073	49 638	48 694	48 694	48 694	56 129	60 210	72 828
Expanded Public Works Programme Integrated Grant for Provinces				4 000	4 000	4 000	1 000		
Total Conditional grants	4 811 694	6 302 260	8 080 615	8 156 070	8 275 696	8 275 696	8 809 041	9 574 757	10 200 849

Note: Pre 2011/12: This conditional grant was previously known as the Infrastructure Grant to Provinces.

Total Provincial Own Receipts

Section 228 of the Constitution states that the power of the provincial legislature to impose taxes, levies, duties and surcharges may not be exercised in a way that will prejudice national economic policies, economic activities across provincial boundaries, or the national mobility of goods and services, capital or labor.

Bound and guided by the Constitution, the Western Cape Government is therefore provided with a narrow tax platform from which the relatively larger expenditure obligations needs to be financed.

In aggregate, Provincial Own Receipts will increase from R1.859 billion in the 2011/12 Adjusted Budget to R1.966 billion in 2012/13, R1.997 billion in 2013/14, and to R2.041 billion in 2014/15.

Provincial Own Receipts contribute 4.90 per cent to the 2012/13 budget

Table 3.4 shows the estimated contributions by the different votes to Provincial Own Receipts.

Table 3.4 Summary of Provincial Own Receipts by vote

Vote R'000	Outcome			Main appro- priation 2011/12	Adjusted appro- priation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
1. Department of the Premier	664	1 593	1 744	591	591	591	613	3.72	613	613
2. Provincial Parliament	269	233	151	52	52	132	52	(60.61)	52	52
3. Provincial Treasury	385 682	366 991	381 611	298 262	298 262	349 585	298 262	(14.68)	298 262	298 262
4. Community Safety	3 093	3 406	3 645	2 586	2 286	2 286	2 783	21.74	2 952	2 952
5. Education	22 545	26 747	22 234	24 025	24 025	25 764	24 533	(4.78)	25 065	25 065
6. Health	437 143	413 813	445 432	483 191	483 191	485 670	535 813	10.32	542 192	563 118
7. Social Development	2 516	7 981	6 811	565	565	3 314	593	(82.11)	615	615
8. Human Settlements	80 845	97 329	61 330	60 000	60 000	154 200	60 000	(61.09)	60 000	60 000
9. Environmental Affairs and Development Planning	740	1 044	1 263	318	318	1 788	318	(82.21)	318	318
10. Transport and Public Works	968 286	981 059	1 103 716	951 587	951 587	987 539	1 011 421	2.42	1 034 668	1 058 689
11. Agriculture	25 518	24 255	27 384	24 242	25 030	25 030	25 454	1.69	25 454	25 454
12. Economic Development and Tourism	5 944	11 921	7 271	5 334	8 040	9 743	5 334	(45.25)	5 334	5 334
13. Cultural Affairs and Sport	1 758	1 043	4 396	715	4 965	5 808	825	(85.80)	935	935
14. Local Government			693	50	50	356	50	(85.96)	50	50
Total provincial own receipts	1 935 003	1 937 415	2 067 681	1 851 518	1 858 962	2 051 806	1 966 051	(4.18)	1 996 510	2 041 457

Table 3.5 shows the total annual Provincial Own Receipts budgets by source between 2011/12 and 2014/15. Motor vehicle licence fees, casino taxes and hospital fees (included in the sales of goods and services, other than capital assets as per economic classification) continue to be the major sources of provincial own receipts.

Table 3.5 Western Cape Own Receipts by source 2011/12 – 2014/15

Source R'000	2011/12	2012/13	2013/14	2014/15
	Adjusted appropriation	Medium-term estimate		
Tax receipts	1 261 510	1 245 464	1 264 232	1 283 375
Casino taxes	315 913	277 000	277 000	277 000
Motor vehicle licences	912 885	943 400	962 168	981 311
Horse racing taxes	27 129	20 000	20 000	20 000
Other taxes (Liquor licence fees)	5 583	5 064	5 064	5 064
Sales of goods and services other than capital assets	401 265	418 501	423 607	428 552
Transfers received	182 256	218 628	225 007	245 933
Fines, penalties and forfeits	3 978	1 266	1 387	1 370
Interest, dividends and rent on land	3 424	3 295	3 496	3 489
Sales of capital assets	2 074	24	24	24
Financial transactions in assets and liabilities	197 299	78 873	78 757	78 714
Total provincial own receipts	2 051 806	1 966 051	1 996 510	2 041 457

Casino and horse racing taxes

Casino taxes are projected to contribute R277 million annually over the 2012 MTEF period. Horse racing taxes remain flat with R20 million projected for each year over the 2012 MTEF.

The ending of the exclusivity period within the Western Cape Metro has created the opportunity for one of the existing outlying casinos to possibly relocate to the metropolitan area. Legislation to amend the provision allowing casino licence holders to operate exclusively has been drafted and the process requesting public comment will commence shortly.

Motor Vehicle Licence Fees (MVLf)

Motor Vehicle Licence Fees are the single largest contributor to Provincial Own Receipts and is projected to contribute R912.885 million in 2011/12. Over the 2012 MTEF period revenue from MVLf is projected to increase to R943.400 million in 2012/13, R962.168 million in 2013/14 and R981.311 million in 2014/15. These increases are mainly as a result of anticipated growth in the number of registered passenger vehicles over the MTEF period.

Motor Vehicle Licence Fees is projected to contribute R912.885 million in 2011/12

The Provincial Treasury in concert with the Department of Transport and Public Works has commissioned an update of an earlier study which examined the Province's motor vehicle licence structure. The study examines the economic and social implications; equity considerations of possible cross-border licensing practices, the impact on the provincial fiscus, and to propose a number of alternative approaches to addressing the impact of vehicle registration migration and the resulting revenue losses. Findings from this research will be used to inform decisions regarding the appropriateness of the current motor vehicle fee structure and whether there is scope to update or amend the current motor vehicle license structure in the Province.

Sales of goods and services other than capital assets

Sales of goods and services other than capital assets is expected to increase from R401.265 million in 2011/12 (Adjusted Budget) to R418.501 million in 2012/13, R423.607 million in 2013/14 and R428.552 million in 2014/15. Increases between the 2011/12 financial year and the 2012 MTEF can be attributed to an increase in hospital fees (R12 million annually throughout the MTEF period) as well as increases in Sales of goods and services, other than capital goods, from the Department of Transport

and Public Works, (R27.629 million in 2012/13, R32.108 million in 2013/14, R36.986 million in 2014/15) from leasing provincial property at market-related rentals to third parties.

Hospital fees

Hospital fees to contribute R284 million per annum over the 2012 MTEF

Hospital fees (incorporated under 'Sales of Goods and Services, other than Capital Assets' in Table 3.5) are expected to contribute R272 million to provincial own receipts in 2011/12. This amount will increase to a projected R852 million over the 2012 MTEF. The projected increase in hospital fees can be attributed to an increase in patient fee collection.

Transfers received

Transfers received comprise mostly from the Global Fund. Over the 2012 MTEF, an estimated R642.711 million has been committed for strengthening, expanding and sustaining the province's HIV/Aids prevention, treatment and care programme. The Global Fund commitment has been extended until 30 June 2016.

Transfers received will increase from an Adjusted Budget of R182.256 million in 2011/12 to R218.628 million in 2012/13, R225.007 million in 2013/14 and R245.933 million in 2014/15.

Financial Transactions in Assets and Liabilities

Revenue linked to Financial Transactions in Assets and Liabilities can mostly be attributed to the Department of Human Settlements and mainly caters for revenue items such as the Enhanced Extended Discount Benefit Scheme.

Financing

Asset Financing Reserve enables increased spending on key infrastructure projects

The Asset Financing Reserve (AFR) was set up to separate daily (current) and long-term (capital) cash transactions, the latter to be used to finance infrastructure-related expenditure. The Asset Financing Reserve has been built up over the years through unspent funds of departments as surrendered at the end of a financial year less approved roll-overs, revenue collected above budget less approved revenue retention requests and interest earnings on investment above budget.

The accumulation of funds within the AFR for infrastructure related projects is beneficial in that projects can be packaged in a manner so as to ensure greater linkages with one another and in so doing, create multiplier effects. Funds within the AFR have been allocated for the construction and rehabilitation of specific roads and CBD regeneration including co-funding of catalytic infrastructure inclusive of telecommunications. Allocations from the AFR amount to R377.405 million in 2012/13; R206.805 million in 2013/14 and R198.058 million in 2014/15.

Over the 2012 MTEF the Province is budgeting for a deficit of R771.846 million, which is financed from accumulated reserves. The Province's ability to finance the deficit budget has been made possible through accumulated reserves built up over previous years and importantly saving measures implemented by departments. These cost saving measures have helped ensure that the Province is able to maintain the momentum built up in recent years regarding infrastructure expenditure as well as priorities aimed at supporting economic development and increasing the competitiveness of the provincial economy.

Conclusion

The total resource envelope grows by an average of 6.40 per cent over the 2012 MTEF period. Limited additional allocations to the Provincial Equitable Share, revisions to the Conditional Grants framework, and limited growth in Provincial Own Receipt inflows present a tight fiscal resource envelope over the 2012 MTEF.

Increases in the Provincial Equitable Share for 2012/13 cater for increased personnel costs related to general salary increments. Funding for policy priorities from National is only made available in 2013/14 and 2014/15.

Conditional grant allocations increase on average by 7.22 per cent over the 2012 MTEF period.

The Province is tabling a deficit budget with additional funding provided through the AFR in support of targeted provincial infrastructure interventions and in particular for road rehabilitation, economic catalytic and CBD regeneration projects.

4

Payments by Vote

Introduction

In crafting the 2012 Budget, the emphasis was on allocating resources to high priority areas as reflected in the Provincial Strategic Objectives, particularly the key objective of creating opportunities for growth and jobs. Reprioritisation between and within departmental baselines was critical, as is, strengthening the focus on the performance of the public sector in achieving results.

The proposed 2012 Budget allocations aim to affirm that economic development and job creation are key to addressing many of the challenges facing the Province.

Therefore, to support the economic recovery and support families and communities, the composition of expenditure shifted to support infrastructure investment whilst maintaining key social services in health and education. The focus will be on improving the quality of health and education and other social services to improve outcomes and promote social inclusion. Underpinning the Western Cape Government's performance in these areas is a strong focus on good governance.

The Budget prioritises spending that strengthens the productive base of the economy with increased expenditure on capital infrastructure and contributes to increasing the competitiveness of the Western Cape economy.

Plans to capitalise on labour absorption include amongst others, the Expanded Public Works Programme and Jobs fund, even though of a temporary nature to cushion the effects of unemployment. The labour intensive infrastructure maintenance programme through the EPWP and additional expenditure on roads infrastructure with demonstrable economic impacts will contribute to creating job opportunities.

This chapter outlines the expenditure plans of the provincial departments and Provincial Parliament towards achieving the Western Cape Government's key priorities and policy objectives over the medium term. The chapter further summarises the provincial allocations and transfers to Provincial Public Entities over the 2012 MTEF which are additional implementing agents in the delivery of government's services.

Expenditure by Department

Table 4.1 provides a snapshot of past expenditure trends from the 2008/09 financial year to the estimates over the new MTEF. In 2012/13, the provincial budget grows by 7.83 per cent from a revised estimate of R36.989 billion to R39.885 billion in 2012/13 and is expected to grow further to R44.885 billion by 2014/15. The largest beneficiaries of the 2012/13 budget are Health (36.69 per cent share), Education (35.68 per cent share), Transport and Public Works (11.56 per cent share) followed by Human Settlements (4.82 per cent share).

Table 4.1 Summary of provincial payments and estimates by vote

Vote R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
1. Department of the Premier	429 493	478 089	620 918	697 197	694 018	694 018	699 802	0.83	754 436	785 667
2. Provincial Parliament	62 323	64 054	74 606	88 242	88 716	86 716	93 603	7.94	99 254	105 209
3. Provincial Treasury	120 950	138 371	127 500	144 976	143 420	142 920	154 286	7.95	164 441	172 665
4. Community Safety	242 329	272 623	288 542	310 978	307 218	307 218	358 414	16.66	374 027	396 251
5. Education	9 192 478	10 613 313	11 955 743	13 331 843	13 377 152	13 377 152	14 229 057	6.37	15 141 749	16 010 394
6. Health	8 655 845	10 371 034	12 344 628	13 395 060	13 428 910	13 429 652	14 632 361	8.96	15 739 982	16 751 232
7. Social Development	1 215 245	1 165 389	1 222 183	1 331 611	1 332 141	1 319 677	1 411 512	6.96	1 539 274	1 633 460
8. Human Settlements	1 539 212	1 701 333	2 165 120	1 836 006	1 836 506	1 834 960	1 920 894	4.68	2 059 383	2 193 014
9. Environmental Affairs and Development Planning	204 584	263 330	299 970	351 262	348 534	348 534	379 273	8.82	390 645	414 039
10. Transport and Public Works	2 766 228	3 872 191	3 807 886	4 116 260	4 207 273	4 191 101	4 608 897	9.97	4 592 152	4 795 666
11. Agriculture	355 699	490 117	483 485	501 718	517 192	517 192	559 792	8.24	589 321	616 270
12. Economic Development and Tourism	229 921	263 217	235 751	254 414	257 070	257 070	291 117	13.24	383 542	403 091
13. Cultural Affairs and Sport	499 970	301 730	294 023	313 158	352 480	352 480	390 761	10.86	410 342	443 701
14. Local Government	76 423	81 121	110 689	135 974	129 997	129 997	155 228	19.41	155 413	164 730
Total provincial payments and estimates by vote	25 590 700	30 075 912	34 031 044	36 808 699	37 020 627	36 988 687	39 884 997	7.83	42 393 961	44 885 389

Note: This table excludes direct charges.

Vote 1: Department of the Premier

The Department of the Premier, together with the Provincial Treasury continues to drive Provincial Strategic Objective 12, which aims to build the best run regional government in the world. PSO 12 has six outcome themes, of which five are emphasised here namely: e-Government, Efficient and Transparent Institutional Governance, Citizen-centric Service Delivery, Management for Results and People Management. The Department receives R699.802 million in 2012/13, R754.436 million in 2013/14 and R785.667 million in 2014/15.

The Department of the Premier and Provincial Treasury drives the objective to build the best run regional government

The Provincial Strategic Management Branch supports the Premier and Cabinet to effectively exercise their executive authority in respect of provincial strategic management. Key focus areas include policy and strategy, strategic management information, strategic communication and strategic projects. The institutionalisation of the functional Provincial Transversal Management System (PTMS) remains a key success factor, including the conducting of bi-annual policy reviews in order to assess the progress in achieving each provincial strategic objective.

Corporate Services

To optimise service delivery, the priority focus remains on institutionalising an effective, efficient and professional Corporate Services Centre (CSC). The aim is to ensure consistent application of provincial guidelines, norms, standards, delegation and business processes and in so-doing minimise functional risks. Service Level Agreements with client departments, provide clear service standards in terms of which corporate services are delivered.

Clear service standards in terms of corporate services

Developing a comprehensive Provincial People Management Strategy has commenced, and will cover the entire spectrum of the people management ambit – from best recruitment and selection practices to retention and continuous development of human resources within the Western Cape Government.

e-Government

Improving e-Government is one of the key elements of Provincial Strategic Objective 12. The implementation of the e-government strategy will improve e-government services, enhance e-governance and digitally enable communities.

Active collaboration for a Provincial Broadband Implementation Plan

The Department is a key stakeholder in the implementation of the Integrated Financial Management System Project, which is a joint initiative between the Department of Public Service and Administration (DPSA), National Treasury and the State Information Technology Agency (SITA). The overarching objective is the integration of financial management, human resource management, integrated supply chain management and related business intelligence, audit and decision systems.

The Department is actively collaborating with the Department of Economic Development and Tourism in all facets of the Provincial Broadband Implementation Plan. The broader aim is to take advantage of any potential benefits, cost optimisation and improved value propositions in the network connectivity space. To improve service delivery, the Department of the Premier through its Centre for e-Innovation (Ce-I) Branch will drive the connection of all government buildings in respect of telecommunication broadband infrastructure.

As such an amount of R12.500 million in 2012/13, R13 million in 2013/14 and R13.702 million in 2014/15 is set aside for the collaborative initiative with the City of Cape Town in respect of Fibre Optic Broadband Connectivity. In addition, in respect of ICT community outreach, the Department aims to expand the number of Cape Access e-Community Centres from 25 in the 2011/12 financial year to 34 in the 2012/13 financial year.

Vote 2: Provincial Parliament

Continue to give effect to Constitutional mandate

Over the 2012 MTEF period, the Western Cape Provincial Parliament (WCPP) will place increased emphasis on the constitutional obligation of the oversight role by the Legislature to ensure that service delivery needs are focus areas of departments. The oversight function will include the reviewing of the implementation of laws passed, its successes and shortcomings as well as rigorous oversight over departments and entities reporting to the committees to ensure that electoral mandates are pursued. This will result in an increase in oversight visits, public hearings and study visits by the Standing Committees of the WCPP.

Provincial Parliament will continue providing oversight over the Executive and the provincial organs of state, as well as ensure that the public is educated on the workings of the WCPP and actively participate in its processes and procedures. The budget to be appropriated for this vote (excluding direct charges) amounts to R298.066 million over the three years of the 2012 MTEF.

Vote 3: Provincial Treasury

The Provincial Treasury is allocated a budget of R154.286 million for 2012/13, R164.441 million for 2013/14 and R172.665 million for 2014/15.

Towards achieving the Provincial Strategic Objective of building the best-run regional government in the world, the Provincial Treasury will focus on ensuring conformance of all provincial departments, public entities and municipalities with all relevant prescripts of financial management as well as improved fiscal performance management.

Improving financial and fiscal performance management

In maintaining the financial management integrity of the Western Cape Government's finances, Treasury has recommitted to support provincial departments, public entities and municipalities in respect of advising and recommending appropriate and adequate financial management structures required for effective and efficient financial management performance. The Provincial Treasury will also develop relevant regulatory frameworks and transversal policies in terms of internal control activities.

Develop frameworks and policies in terms of internal control

The implementation measures toward improving fiscal performance management will realise, amongst others:

- Better planning through strategic sourcing to ensure efficiency and value for money in spending;
- Improvement in the quality and integrity of financial accounting and reporting;
- Robust revenue and cash flow management, enhancing the responsiveness of provincial, municipal and public entity budgets to socio-economic outcomes;
- Improvements in the sustainability and credibility in expenditure management; and
- Continued improvement in in-year performance monitoring, evaluation and reporting.

Western Cape Gambling and Racing Board (WCGRB)

The Western Cape Gambling and Racing Board (WCGRB) is tasked with regulating all gambling, racing and any other activities incidental thereto in the Province. The WCGRB currently operates as a self-sufficient entity. The recent decline in revenue accruing to the Board is as a result of the loss of some exclusivity fees. This is placing the financial sustainability of the WCGRB at risk, however the proposed revision to the current exclusivity and tax regime that will be introduced in

Provincial Parliament 2012/13, will amongst others address this sustainability risk.

Vote 4: Community Safety

Over the 2012 MTEF the Department of Community Safety (DCS) receives a total budget allocation of about R1.129 billion. This translates into R358.414 million in 2012/13, R374.027 million in 2013/14 and R396.251 million in 2014/15.

Increasing Safety

The Department of Community Safety champions the implementation of Provincial Strategic Objective 5 aimed at increasing safety. The four policy thrusts are:

- Maximising safety of the Western Cape Governments' assets and personnel;
- Improving performance of the South African Police Service (SAPS) through effective oversight;
- Reducing overall levels of crime including road accidents, fatalities; drug related and social crime; and
- Strengthening "whole of society" community safety initiatives through private-public partnerships.

Improve performance of the SAPS

Civilian oversight

As part of its oversight role, the Department managed to identify the Policing Needs and Priorities (PNPs) of communities through strategic research conducted. Results of this research would be incorporated into the police plan and would be used as a tool to measure effectiveness and efficiency of policing in the Province. The Community Safety Barometer study conducted measured and identified the perceived level of safety and fear of crime. Going forward, the Department will look at impact research into specialised police units and drugs.

Focus on Community Safety Bill for improved oversight

The Community Safety Bill would facilitate and enhance the relationship between the Department of Community Safety, the Community Policing Forums (CPFs), SAPS and the communities. The Bill also aims to regulate the functions of the Department; regulate the reporting of the state of policing in the Western Cape and regulate the civilian oversight responsibilities of the Western Cape Provincial Executive Council.

The Department also continues to enhance its efforts in implementing social crime prevention strategies and places a greater emphasis on encouraging the communities to actively participate in the initiatives to promote public safety. A web-based Community Safety Expanded Partnership Programme (CSEPP) was developed to oversee service delivery at police stations. Amongst others, the Department continues with the training of Neighbourhood Watch (NHW) to enhance visible policing.

An additional budget of R13.270 million has been set aside to fund the establishment of a security incubation partnership over the 2012/13 MTEF. The funding will give effect to the aim of the Western Cape Safety Partnership (WCSP) i.e. to serve as an 'ideas laboratory' that will focus on reducing the opportunities for crime across the Western Cape by: identifying, simulating, filtering and incubating innovative ideas; co-ordinating pilot trials and test sites; and working closely with relevant stakeholders in the public, private and voluntary sectors. It is also expected that other stakeholders would entrench the WCSP through funding contributions.

Increased budget to enhance safety through security partnerships

Traffic Management

The Department is committed to intensifying road safety education and changing overall road user behavior. Since 2008, the Province reduced road fatalities by 24 per cent. Furthermore, the Department will intensify the implementation of law enforcement initiatives such as presence at weighbridges; permanent 24 hour services; training of traffic officers; checking of vehicles at roadblocks and working closely with the municipal police services.

Road fatalities reduced by 24 per cent since 2008

Security Risk Management

In order to ensure a safe and secure service delivery environment, the Department continues to enhance efficiency of the electronic access control system. The DCS also aims at addressing the skills gap to facilitate the implementation of a holistic safety and security risk management solutions. The project is to maximise its security spend on all our facility centres.

Vote 5: Education

The Western Cape Education Department (WCED) is allocated an amount of R45.381 billion over the 2012 MTEF, with allocations of R14.229 billion in 2012/13, R15.142 billion in 2013/14 and R16.010 billion in 2013/14. The Department receives 35.68 per cent of the provincial budget for the 2012/13 financial year.

Improving education outcomes

Improving education outcomes will be the major focus area

The improvement of education outcomes remain a key priority of the Department and it will continue to strengthen and deepen the key initiatives identified in 2009 for the 2012 MTEF and through to 2019. These will, in turn, ensure that the National Action Plan for 2014 is serviced. This Action Plan is the Department of Basic Education's (DoBEs) strategy to overcome weak areas in the education system that have been identified as needing support. By improving performance in the identified areas, learners will benefit from a higher quality education. The nation as a whole will also benefit as school graduates with better skills and knowledge levels enter further and higher education, and the workplace. The Action Plan has twenty seven goals. The goals set out achievement relating to learning and enrolment and what exactly needs to be done and which areas need to improve in terms of learning and enrolment.

The main goals to improve education outcomes in the Province remain improving performance in Literacy and Numeracy in Grades 1 to 6, increasing the number of learners passing Grade 12, including an increase in the number of learners passing with matric endorsement and an increase in the number of learners passing mathematics and science; and reducing the number of under-performing schools. In order to achieve the Department's goals it has committed to improve literacy and numeracy outcomes by directing maximum resources, both human and financial, to the first three years of schooling. This will be coupled with the WCED testing programme at Grades 3, 6 and 9. The programme of testing will inform the roll out of the eight year strategy to train and support teachers in primary schools in the teaching of literacy and numeracy. Further to this, the Grade 12 results will similarly assist in ensuring that appropriate support is provided to the schools and subjects most in need of strengthening.

Teacher training and adequate support

The WCED programme to train teachers and provide adequate supplies of both quality textbooks and reading material as required will ensure that the curriculum changes planned under the implementation of the Curriculum and Assessment Policy Statement (CAPS) are adequately managed by teachers and schools. Support and intervention programmes are meant to address under-performance. This will be enhanced by the incrementally strengthened policy environment, the training and mentoring programme, accountability systems and an ethos which ensures that school hours are used optimally. The social support programme for learners and schools with particular needs will be continued and strengthened.

Emphasis on improved academic performance, excellent management of schools, good supply of textbooks and use of technology

Public Ordinary School Education

More than eighty per cent of the Department's budget for the 2012/13 financial year is allocated to public ordinary school education. The main services included under this Programme are primary and secondary school education at public ordinary schools (including infrastructure), district office management and development support to educational institutions, human resource development as well as the National School Nutrition Programme. To provide for the progressive equalisation of per learner subsidies paid at schools in Quintiles 1 – 3, amounts of R42.094 million in 2013/14 and R79.205 million in 2014/15 are earmarked for the expansion of no-fee schools. In 2007, schools in income Quintiles 1 and 2 were declared to be no-fee schools. This policy was extended to include quintile 3 schools in 2010, so that the poorest 60 per cent of learners are now in no-fee schools. This expansion of no-fee schools has led to better resourcing of schools in the poorest communities as the allocations replace the minimal school fees that they were previously able to collect.

80.1 per cent of the Department of Education's budget for the 2012/13 financial year is allocated to public ordinary school education

Early Childhood Development (ECD)

Amounts of R428.969 million in 2012/13, R490.175 million in 2013/14 and R551.914 million in 2014/15 have been provided for Early Childhood Development (ECD). Included in these amounts are allocations for the expansion of Grade R and the Expanded Public Works Programme (EPWP) in order to provide learnerships for ECD practitioners. The ECD allocation will enable the Department to expand the number of Grade R places available and improve the quality of delivery particularly for learners from poor and rural communities. The focus is thus on increasing the per learner allocation, training additional personnel, improving their remuneration and providing

R1.47 billion provided for ECD over the 2012 MTEF

additional Learner Teacher Support Material (LTSM). To provide for the improvement of access to a quality Grade R programme, amounts of R62.276 million in 2013/14 and R100.042 million in 2014/15 are for improving the quality of basic education as identified in the education sector's medium term strategy ("Action Plan 2014"). Studies from all over the world, including South Africa, show that participation in a quality Grade R programme improves the ability to learn at primary school. Hence, the additional allocations are made for the further expansion of Grade R in 2013/14 and 2014/15.

Education Infrastructure

R518.356 million in 2012/13 for the construction of new facilities and replacing inappropriate structures

Education's Building Programme Expenditure provides for a marginal increase in infrastructure investment over the MTEF, from R2.229 billion (Budget 2011) to R2.347 billion (Budget 2012). This infrastructure investment of which new and replacement assets is the key driver, provides for the construction of new schools, to cater for increasing learner numbers and overcrowding. The replacing of inappropriate structures is also an important aspect within the program, for the provision of proper educational facilities. For the construction of new facilities and replacing inappropriate structures, an amount of R518.356 million has been allocated for 2012/13; whilst R572.168 million and R505.579 million have been allocated for 2013/14 and 2014/15, respectively. The upgrades and additions budget, which largely provides for Grade R classrooms, replacement of inappropriate structures and additional classrooms, shows an allocation of R391.601 million over the MTEF. The maintenance and repair budget of R114.725 million shows a slight increase compared to the 2011/12 budget of R108.413 million. The provision increases to R119.411 million and R125.381 million in 2013/14 and 2014/15, respectively. The piloting of alternative construction technology will be a key strategy over the MTEF.

Vote 6: Health

Health receives R47 billion over next 3 years

A total of R47.124 billion has been allocated to the Department of Health over the 2012 MTEF towards improving wellness in the Province. Disaggregated, this amounts to allocations of R14.632 billion in 2012/13, R15.740 billion in 2013/14 and R16.751 billion in 2014/15.

Healthcare 2020 Strategy

Underpinning the strategic thrust, the Healthcare 2020 Strategy builds on past experience and lessons learned and propose an innovative approach to improve the quality of and access to services, ultimately improving the overall state wellness in the Province. Core principles upon which the Strategy is based includes continued patient centred quality of care, a health outcomes approach, further implementation of the primary healthcare philosophy which focuses on prevention, strengthening the district health system model, building strategic partnerships with amongst other NGOs, academia, the private sector and other Government departments and improved equity in provision and affordability of the service.

Improving overall patient experience and quality of clinical care

The Department will continue to prioritise reducing the incidence of injuries, improving women, maternal and child health, improving mental health and reducing the incidence of infectious diseases such as HIV and AIDS and Tuberculosis.

Deaths due to homicide are the leading cause of premature deaths in the Western Cape, claiming almost 600 lives per month. Approximately 50 per cent of all injury related deaths are linked to alcohol misuse or abuse. The 2012 MTEF will see the Department embark on the High 5 Project in conjunction its strategic government department partners to reduce alcohol-related violence in 5 high risk areas the Western Cape, namely Khayelitsha, Nyanga, Elsies River, Hout Bay and Khayamandi. The project seeks to actively reduce alcohol supply and the provision of safer drinking through the implementation of the Liquor Act, reduce alcohol demand through information and awareness campaigns and screening and interventions for alcohol abusers. Active community participation and the use of surveillance information for planning will be key to the success of the Programme.

High 5 Project to reduce alcohol-related injuries

Improving maternal and child health

Efforts in respect of improving maternal and child health outcomes, as embodied in the saving-mothers-and-children plan, has seen some success in reducing child and maternal mortality over the past 4 years. The Department will continue to increase cervical cancer screening rates, improving access to and quality of antenatal services, improve the rate of antenatal visits prior to 20 weeks gestation, increase the percentage of HIV pregnant women on Anti-Retroviral Treatment (ART) towards realising zero vertical transmission, accelerate the roll-out of the immunisation programme and

Emphasis on improving maternal and child health outcomes

coverage through improved in-facility management and outreach campaigns and improve the identification of malnutrition and nutrition support offered. At a clinical level, the Department will continue to up-skill medical staff through training on the management of childhood illnesses, basic antenatal care, infant feeding and the management of obstetric and neonatal emergencies, amongst others. Cervical and breast cancer screening, early identification and management remain a priority. The Department will also be establishing a cancer registry as per national legislation.

TB and HIV and Aids interventions

The implementation of the provincial HIV Counseling and Testing (HCT) Strategy and an integrated TB/HIV prevention plan remains a priority. Over the next year, the Department intends expanding ART programme to 135 018 patients, including increasing the percentage of HIV-TB co-infected patient on ART, providing over 105 million male condoms and providing HCT to almost 825 000 clients.

Promoting healthy lifestyles

A Healthy Lifestyles campaign is to be launched in 2012/13 in response to the increasing incidence of non-communicable diseases such as cardio-vascular disease, hypertension and asthma. Amongst others the campaign intends advocating and encouraging healthy eating, increasing physical activity and the establishment of non-smoking zones to reduce smoking. Further interventions include the development of a school health programme which emphasises healthy eating habits and increased physical activity.

Healthy lifestyles campaign to address increased incidence of cardiovascular disease

A focus on mental health

Improving mental health outcomes also received attention over the 2012 MTEF, with particular focus on preventing mental illness and the provision of quality mental health services that emphasise on patient-led recovery.

The National Health Insurance

Additional funding has been allocated to the Department for nursing college and school infrastructure management and the National Health Insurance (NHI). The NHI grant provides funding to test innovations necessary for implementing the NHI, undertake health system strengthening initiatives and support selected pilot districts in implementing identified service delivery interventions. The initiatives prioritised in the Western Cape include: a school health service to be delivered in district

hospitals and to lesser extent health centres, a specialist outreach service to the rural districts and within the Cape Metro.

Health Infrastructure

R2.793 billion has been provided over the 2012 MTEF for Health infrastructure. This infrastructure investment, of which new and replacement assets is the key driver, provides for the construction of health facilities, such as new ambulance stations, new clinics and new community centers and for upgrades and additions and maintenance of facilities.

An amount of R348.968 million has been allocated in 2012/13 for the construction of new and replacement facilities, with R186.691 million and R321.522 million allocated in 2013/14 and 2014/15, respectively.

The allocation to upgrades and additions of health facilities, primarily hospitals, in 2012/13 amounts to R125.407 million; whilst R71.294 million and R89.279 million is allocated in 2013/14 and 2014/15 respectively.

Amounts of R159.383 million in 2012/13, R176.198 million in 2013/14 and R185.294 million 2014/15 been allocated towards the maintenance and repairs of all public health facilities.

The commissioning of the Khayelitsha District Hospital in the first quarter of 2012 is intended to improve access to healthcare to residents of Khayelitsha and surrounding areas. The commissioning of the Mitchell's Plain District Hospital in the latter part of 2012/13 will further enable improved access to healthcare. A budget of R169.500 million (excluding Health Tegnology) has been allocated in 2012/13 for completion of the construction phase of the Mitchell's Plain District Hospital.

Commissioning of Khayelitsha and Mitchell's plain hospitals to improve access to healthcare

The rehabilitation, renovation and refurbishments allocation increases significantly in 2013/14 to R472.240 million from R243.323 million allocated in 2012/13 before declining to R349.259 million in 2014/15. This is mainly due to the intended commencement of the upgrade of Valkenberg Psychiatric Hospital in 2013. The hospital will be rehabilitated at an estimated total cost of R900 million, with completion expected in March 2017. The much anticipated upgrade will significantly reduce the current forensic psychiatry backlog for prisoners awaiting trial. An amount of R584 million has been allocated for this project over the 2012 MTEF.

Upgrade of Valkenberg Psychiatric Hospital to significantly reduce forensic psychiatric backlog

Vote 7: Social Development

The Department of Social Development ensures the provision of a comprehensive network of social development services that enable and empower the poor, the vulnerable and those with special needs.

More than R4 billion will go towards funding social development over the 2012 MTEF

The Department's plans and budget will continue to be redirected for the most effective and efficient fit between community needs and national and provincial strategic priorities. The main focus of the Department will be to promote social inclusion and to reduce poverty in the Western Cape.

For this purpose an amount of R4.584 billion is allocated to the Department over the 2012 MTEF. The allocation comprises of R1.412 billion in 2012/13, R1.539 billion in 2013/14 and R1.633 billion in 2014/15.

For the expansion of Social Welfare Services the Department estimates to spend R1.180 billion in 2012/13, R1.307 billion in 2013/14 and R1.387 billion in 2014/15. The allocations cover essential priorities such as Substance Abuse, Child Care and Protection Services, Victim Empowerment, Care and Support Services to Families and the Expanded Public Works Programme.

Substance Abuse

Subsidised spaces in treatment programmes increased from 3 700 to 4 800 in 2011

In an attempt to intensify interventions that seek to avert the burden of substance abuse in the Province, the Department estimates to spend R77.730 million in 2012/13, R80.779 million in 2013/14 and R84.026 million in 2014/15. Since 2009 the Department has increased the subsidised spaces in treatment programmes from 3 700 to 4 800 in 2011.

Child Care and Protection Services inclusive of ECD

The Department estimates to spend R406.423 million in 2012/13, R479.663 million in 2013/14 and R515.376 million in 2014/15 on Child Care and Protection Services.

Early Childhood Development and Victim Empowerment

Included in the above priority spending the Department receives additional funding of R64.210 million in 2013/14 and R69.952 million in 2014/15. The funds will enable the Department to further increase the subsidies and the number of days the subsidy is paid to non-profit organisations providing early childhood care to 0 - 4 year olds. This subsidy should also assist providers to pay improved wages, purchase learner training and support material, provide improved nutrition and maintain

facilities. The additional allocation also provides for the appointment of Child and Youth Care workers that provide direct support to children in their homes and at community level. It should also improve the current victim empowerment programmes.

Care and Support Services to Families

The Department estimates to spend R38.695 million in 2012/13, R40.638 million in 2013/14 and R41.265 million in 2014/15 on Care and Support Services to Families. The Western Cape Government will focus on the strengthening of families in an attempt to improve the social dysfunction in our communities and within our families. A strong focus will be placed towards teenage parents.

Focus is on the strengthening of families in an attempt to improve the social dysfunction in communities

Youth Development

Youth Development is aimed at the youth at risk in the Western Cape. The Department estimates to spend R24 million in 2012/13, R25.200 million in 2013/14 and R26.485 million in 2014/15 on youth development, enhancing the efficiency of probation and diversion services by partnering with the Social Crime Prevention programme and MOD centre model aimed at incentivising school-going young people, and special projects aimed at the social inclusion of out of school youth.

Expanded Public Works Programme

In order for the Department to scale-up EPWP initiatives, the Department receives R17.020 million in 2012/13, R17.956 million in 2013/14 and R18.926 million in 2014/15. In addition to the above allocation, the Department also receives R4.704 million in 2012/13 to continue with the job creation initiatives, relating to internships, introduced during the previous financial year.

Vote 8: Human Settlements

The allocation to the Department of Human Settlements amounts to R1.921 billion in 2012/13, R2.059 billion in 2013/14 and R2.193 billion in 2014/15.

R6.2 billion allocated towards Human Settlements over the 2012 MTEF

A significant portion (89.81 per cent) of the Department's budget is funded through the Human Settlement Development Grant (HSDG), amounting to R1.725 billion in 2012/13, R1.865 billion in 2013/14 and R1.991 billion in 2014/15. In preparation for metropolitan municipalities receiving level 3 accreditation, funding to the City of Cape Town has been ring fenced. Once level 3 accreditation has been awarded to the City, it is anticipated that the funding will flow directly from the National Department of Human Settlements to the City.

Amounts of R678.369 million in 2012/13; R733.484 million in 2013/14 and R782.870 million in 2014/15 has been reserved for the City of Cape Town for the provision of housing.

Developing Integrated and Sustainable Human Settlements

The Department's planned policy initiatives will be implemented through the strategic priorities of the Provincial Strategic Objective (PSO) for Developing Integrated and Sustainable Human Settlements in terms of achieving its specific outcomes. In summary, the three main strategic outcomes under this PSO are:

- Accelerated delivery of housing opportunities;
- A sense of ownership and personal responsibility amongst beneficiaries, owners and tenants; and
- Optimal and sustainable use of resources.

Prioritising the provision of basic services and serviced sites in order to accelerate provision of housing opportunities

In terms of accelerated delivery of housing opportunities, the Department plans to provide 11 653 serviced sites and 15 626 houses in 2012/13. The Department also plans to increase the number of households assisted with unrestricted access to basic services and security of tenure by 2014 (by influencing municipalities to prioritise the provision of serviced sites and the upgrading of existing informal settlements over building houses in their Human Settlement Plans). Furthermore, the Department plans to evaluate different site and service options. These plans would be considered as contributing to housing opportunities resulting in more inadequately-housed citizens getting access to basic services and land. In addition, the Department further plans to develop a policy to assist backyard dwellers.

The Department plans to stimulate delivery of housing opportunities to the gap market by:

- Increasing the gap market income threshold to R15 000 to broaden housing affordability;
- Encouraging private sector investment in rental stock for the gap market and enhancing the supply of new rental housing opportunities;
- Encouraging improved property management of rental stock; and
- Making well-located land available for development.

Integrated Development Planning and Human Settlement Planning

The Department continues with its co-ordinated approach to human settlements through effective Integrated Development Planning and Human Settlement Planning. Furthermore, the Department continues to assist high potential municipalities to become accredited as housing developers, strengthen support to municipalities and integrate the work of different departments involved in human settlement development, using the Integrated Development Plans (IDPs) as the basis.

Stimulating the delivery of housing opportunities to the gap market

To ensure improved service delivery and performance, the Department will introduce a Project Management Unit which will provide a central hub for all project-related information, standard operating procedures, and ensure the application of appropriate project management methodologies. This will assist managers in tracking, monitoring and reporting on projects over their life cycles. Local governments are the primary implementers of human settlement development. To further address the challenges experienced across housing programmes, Professional Resource Teams (PRT) will assist municipalities with project packaging, security of tenure and unblocking of PHP programmes. The teams consist of project managers and service providers that serve as a pool of professionals within the scarce skills category that will assist municipalities to manage, package and quality assure housing projects and pipeline project cycles to ensure implementation readiness of new projects.

Professional Resource Teams (PRT) will assist municipalities with project packaging, security of tenure and unblocking of PHP programmes

Vote 9: Environmental Affairs and Development Planning

The overall budget allocations to the Department of Environmental Affairs and Development Planning comprise R379.273 million in 2012/13, R390.645 million in 2013/14 and R414.039 million in 2014/15.

The Provincial Spatial Plan

The Provincial Spatial Plan will be produced by the end of the 2012/13 financial year reflecting biodiversity elements at a more detailed scale, as well as other spatial information spatially indicating capital investment of provincial departments as well as national departments (with regional offices in the Western Cape) and serve as an instrument to ensure coordinated and sustainable investment in the Province.

The Provincial Spatial Plan will be produced by the end of the 2012/13 financial year as an instrument to ensure co-ordinated and sustained investment in the Province

The roll-out of the Western Cape Sustainable Water Management Plan is envisaged for the 2012/13 financial year

Mainstreaming Sustainability

The Department's contribution to enhance sustainability within the Province, culminated in the drafting of a Strategic Review document. A key objective is to work towards a collective understanding and clarification of the sustainability strategy, which also addresses the issue of how 'sustainability is to be 'mainstreamed'. The approval of the Sustainable Energy Bill and related Regulations are key deliverables in this regard as well as the finalisation of the Provincial Strategic Environmental Assessment for photovoltaic farms. Furthermore the roll-out of the Western Cape Sustainable Water Management Plan is envisaged for the 2012/13 financial year.

Addressing Climate Change

Insights gained from the 17th United Nations Framework Convention on Climate Change Conference of Parties (COP17) are to be channelled towards refining the Province's Climate Change mandate. The Department continues to developing databases for measuring energy consumption and CO₂ emissions and for monitoring implementation of renewable energy and efficiency programmes and projects. A related focus area is the development of Climate Change Adaptation Plans for municipalities.

Development and implementation of a new Provincial Land Use Planning Law (LUPA)

The development and implementation of a new Provincial Land Use Planning Law (LUPA) will consolidate many different land use planning laws and also greatly reduce the time taken to make land use planning decisions.

Waste Management Licences

Waste Management Licences issued by the Department will have conditions that focus on waste diversion and minimisation, where appropriate. The assessment of municipal and industry waste management plans elevate waste avoidance as well as waste minimisation interventions. The system which monitors and evaluates the implementation of the municipal integrated waste management plans will play a key role in the monitoring of the waste in terms of a waste diversion indicator. Municipalities will be required to report against this indicator.

Green Procurement Policy

The implementation of the Green Procurement Policy focuses on the procurement of goods and services by the Provincial Government, where the principles of waste minimisation and resource efficiency are to be promoted in five elements of the supply chain management process.

The principles of waste minimisation and resource efficiency are to be promoted in the procurement of goods and services

The Western Cape Nature Conservation Board (CapeNature)

The Department of Environmental Affairs and Development Planning's budget includes the allocations to CapeNature of R201.766 million in 2012/13, R203.268 million in 2013/14 and R214.239 million in 2014/15. CapeNature constitutes the Department's Public Entity responsible for biodiversity conservation management. The restoration and maintenance of the integrity of the Western Cape's sensitive ecosystems remain a priority, especially sustainable water management through integrated catchment management.

Draft Western Cape Biodiversity Conservation Plan

The development of the Draft Western Cape Biodiversity Conservation Plan seeks to inform land use decision-making and is to be used as a tool to guide responsible development. A key aspect is to foster more effective implementation of the EIA regulations with all spheres of government, which aims to address habitat and ecosystem degradation as a result of land-use change more effectively.

A Western Cape Biodiversity Conservation Plan to guide responsible development

New tourism products

A number of new tourism products were developed and upgraded by CapeNature such as Kogelberg, Rocher Pan, Goukamma, Swartberg and Cederberg Nature Reserves. In addition, various feasibility studies were undertaken at a number of reserves, including De Mond, Keurbooms River and Walker Bay. The infrastructure upgrade funding allocated amounts to R24.966 million for 2012/13, R26.339 million for 2013/14 and R27.761 million for 2014/15. A portion of this allocation will be used for indirect costs for project planning and implementation.

Job creation and socio-economic development

An amount of R6 million is allocated to CapeNature as an Expanded Public Works Incentive Grant for the 2012/13 financial year. CapeNature is committed to sustainable economic growth, job creation and will therefore expand its EPWP performance. Within the framework of a growing Conservation Economy, particular emphasis is to be placed on job creation

and socio-economic development through conducting various tourism operations, expanded livelihood projects as well as to seek partnerships such as the 'People Working for the Environment Project'.

Vote 10: Transport and Public Works

The thrust of the budget is to improve performance and to grow the economy

The Department receives an amount of R13.997 billion over the 2012 MTEF. The MTEF allocation comprises of R4.609 billion in 2012/13, R4.592 billion in 2013/14 and R4.796 billion in 2014/15.

The thrust of the budget for Transport and Public Works is to improve performance and to grow the economy through increased investment in capital and maintenance of infrastructure.

Strategic interventions of the Department include:

- Increasing access to safe and efficient transport;
- Provincial Infrastructure; and
- The Expanded Public Works Programme.

From a strategic alignment perspective, allocations were guided by the Provincial Strategic Objectives (PSO), more specifically the intended outcomes for PSO 1 to increase opportunities for growth and jobs, PSO 3 to increase access to safe and efficient transport, and PSO 12 to build the best-run provincial government in the world.

The budget of the Department will therefore be utilised for managing, maintaining and constructing public works infrastructure and planning, designing, constructing, rehabilitating and maintaining of the provincial road network including public transport and weighbridge infrastructure. The Department is also responsible for Transport Operations and Transport Regulations, which include, inter alia, the facilitation of subsidised commuter transport services, empowering land transport stakeholders, the registration and licensing of motor vehicles, and overload control services on both national and provincial roads, etc.

The budget for Public Works and Transport Infrastructure amounts to R10.081 billion over the 2012 MTEF

The Department's budget for Public Works and Transport Infrastructure amounts to R10.081 billion over the 2012 MTEF of which the Public Works programme accounts for 39.1 per cent and the Transport programme accounts for 60.9 per cent.

The Public Works Infrastructure Programme receives R3.941 billion over the 2012 MTEF to provide a balanced provincial government building infrastructure that promotes integration, accessibility, sustainability, equity, environmental sensitivity, economic growth and social empowerment. The MTEF allocations amounts to R1.424 billion in 2012/13, R1.219 billion in 2013/14 and R1.299 billion in 2014/15.

The Transport Infrastructure (including roads infrastructure) Programme receives R6.140 billion over the 2012 MTEF to deliver and maintain transport infrastructure that is sustainable, integrated and environmentally sensitive that supports and facilitates social empowerment and economic growth and promotes accessibility and the safe, affordable movement of people, goods and services. The MTEF allocations amounts to R1.917 billion in 2012/13, R2.074 billion in 2013/14 and R2.148 billion in 2014/15.

In support of the Province's economic growth and development objectives an additional amount of R0.574 billion, over the MTEF, or R169.488 million in 2012/13, R206.805 million in 2013/14 and R198.058 million in 2014/15 have been allocated within the economic sector for construction and rehabilitation of roads and the Inner City Regeneration Programme. In addition amounts of R103.2 million and R36 million have been provided in the 2015/16 and 2016/17 financial years respectively for Inner City Regeneration projects.

Roads

Specific additional allocations from the Asset Finance Reserve (AFR) over the 2012 MTEF for specific road infrastructure projects, include:

Additional allocations has been made for new roads

- The upgrading of the remaining section of the Divisional Road 1205, (DR1205), between Gansbaai and Bredasdorp from gravel to surfaced (± 27.5 km) at a cost estimate of R250 million;
- R28.980 million to conduct research and feasibility work on the most cost-effective solution to upgrade the Wingfield Interchange pre-stressed bridges, which are some of the first bridges constructed in South Africa; and
- R23.310 million to do the detail planning, design and feasibility study work on the Road network improvement in support of the Saldanha Industrial Development Zone (IDZ) and the Port expansion. The cost estimate to implement the entire project is R415 million.

The transformation of the buildings in the City will serve as a vehicle for growth and job creation

Inner City Regeneration

The Provincial property portfolio in the CBD provides a golden opportunity to improve the central city infrastructure. The transformation of the buildings in the City will serve as a vehicle for growth and job creation. The Inner City Regeneration aims to activate the re-development of designated precincts by using provincial properties as strategic catalysts to mobilise new investments. Amongst these projects are the Somerset precinct redevelopment, expansion of the Cape Town International Convention Centre and the Founders Garden precinct. Some of these will be embarked on in partnership with the private sector and City of Cape Town. Specific Inner City Regeneration Projects that received allocations from the AFR over the 2012 MTEF are:

- *The Artscape/Founders Garden project: The estimated cost of the project is R149.500 million including the Project Officer, Project Office and Transaction Advisor's Team. Funding over the 2012 MTEF amounts to R4 million in 2012/13; R33 million in 2013/14; R54 million in 2014/15 and R58.500 million in 2015/16.*

The Urban Design Framework for this project incorporates elements such as an enclosed open and green space on Founders Garden; Access and movement routes between the CTICC, the proposed Culemborg developments, to the Civic Centre and to the proposed "The Fringe" development; expansion of Convenco's parking area; an open air facility or amphitheatre as part of Artscape's requirement; the integration of public spaces by the introduction of a pedestrian route that will connect Founders Garden with the elevated Civic Centre concourse through the foyers of Artscape.

- *The redevelopment of the Somerset Precinct amounting to R103 million. This is part of the enabling work for the redevelopment of the site and involves the relocation of the National Health Laboratory Services (NHLS). The total amount is allocated/reserved over a five year period: R4 million for 2012/13; R4.750 million for 2013/14; R13.550 million in 2014/15; R44.700 million in 2015/16 and R36 million for 2016/17.*

- *The Cape Town Head Office accommodation* project amounts to R151.051 million. The Head office accommodation projects include, amongst other, the development of the Leeuwen/Loop Street building and the potential acquisition of 35 Wale Street. These developments also give effect to the notion that the Provincial Government should own its accommodation rather than leasing. According to the studies done thus far, from a cost-benefit perspective, ownership outweighs leasing over the long run.
- *The Prestwich Precinct redevelopment*, which involves the relocation of the Pavement Technology Testing Laboratory to a site closer to the 'target market' (Bellville Roads Camp). The relocation will unlock the site's development potential. The budget estimate for the construction of a new building is R10 million. The allocations over the MTEF are R1 million in 2012/13; R4.7 million in 2013/14 and R4.3 million 2014/15.

Expanded Public Works Programme

The Community Based Programme with the Department of Transport and Public Works manages the implementation of programmes and strategies that lead to the development and empowerment of communities and contractors, including the provincial management and co-ordination of the Expanded Public Works Programme within the Province. The nationally determined target for the creation of EPWP work opportunities for the Western Cape is set at 72 142 work opportunities for 2012/13. This target also includes job opportunities created within the local sphere of government.

Target of 72 142 work opportunities for 2012/13

An amount of R9.099 million for 2012/13 has been provided to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised in provincial Transport and Public Works programmes.

George Integrated Public Transport Network (GIPTN)

The project aims to transform the current public transport services in George into a reliable, safe and affordable scheduled service that should meet the transport needs of all the citizens. This project further focuses on the poor, historically disadvantaged and underserviced communities. While these objectives are common to Integrated Public Transport Networks (IPTNs), the technical design and service offering in George is unique.

The George Integrated Public Transport Network aims to transform the current public transport services in George into a reliable, safe and affordable scheduled service

The project will achieve the objectives through a unique arrangement between the Department and the Municipality of George (MoG), as well as through outsourced services contracts with an operator and specialist service providers for fare management, monitoring, infrastructure and other aspects of the public transport system. These arrangements are the first of their kind in South Africa.

Public Transport Operations Grant (PTOG) performance monitoring

To ensure the provision of a reliable subsidised public transport service in the City of Cape Town through an effective and efficient kilometre-based monitoring regime for subsidised transport services to ensure an efficient and effective service from the Public Transport Operations Grant (PTOG), the operating subsidy for the Golden Arrow Bus Service. The grant framework provides for the devolvement of the operating license function to the city during the 2012/13 financial year.

Vote 11: Agriculture

The Department of Agriculture receives a total amount of R1.765 billion over the 2012 MTEF, R559.792 million in 2012/13, R589.321 million in 2013/14 and R616.270 million in 2014/15.

The Department takes the lead in the Provincial Strategic Objective 11 to increase opportunities for growth and development in rural areas, which aims to prioritise agricultural production; market access for all farmers; research and technology; rural development; revitalisation of extension; human capital development and natural resource management over the medium term.

Efficient use of water

The Department promotes efficient use of water by the commercial and small holder farmers by continuing the real-time web application project and the extending the water wise and biodiversity awareness campaigns to other areas of the Province. The Land Care Programme grant, which is primarily aimed at poverty relief and infrastructure development also play a role in this regard. Over and above the R7.740 million, allocated for the LandCare conditional grant, the Programme receives R4 million in 2012/13 for implementing additional job creation projects within the EPWP framework.

*Increased R4 million
Land Care grant for
EPWP related
infrastructure*

The impacts of climate change calls for new ways of executing agricultural research and giving advice to farmers. Over the medium term, the Department aims to develop a climate change plan for the agricultural sector that includes conservation agriculture and client-focused research programmes.

The Western Cape Agricultural Research Forum

The Western Cape Agricultural Research Forum (WCARF) will play a leading role in coordinating research efforts between all role players. A focus would also be placed on the human and infrastructure research and development capacity. An additional amount of R32.933 million over the 2012/13 MTEF has been set aside for this purpose. Since 2009, about 411 research papers were published and 675 lectures disseminated the research output. During 2010/11, 81 research projects were executed, 7 new projects approved and 28 final reports submitted on completed projects.

The Comprehensive Agricultural Support Programme

The Comprehensive Agricultural Support Programme (CASP) and Ilima/Letsema conditional grants play a critical role in increasing agricultural production, ensuring food security in the Province and facilitating market access for farmers. The Ilima/Letsema grant aims to reduce poverty through the rehabilitation and establishment of food gardens and assists farmers to use the land more productively.

CASP and Ilima conditional grants support farmers to become successful and access markets

These initiatives are geared towards farmers becoming successful business enterprises. A total of 4 200 on-farm site visits were conducted to advise farmers on the latest technologies available. Food Security implemented 48 communal and 720 household food security projects across the Province. Over the 2012/13 MTEF, the CASP and Ilima grants are allocated a total budget of R461.606 million. Specific emphasis has been placed on support for land reform projects, and the commodity approach used, are yielding results. More than 300 ha of fruit trees have been established on land reform farms with the assistance of the fruit industry, and the mid-term review indicates that of the 202 land reform projects in the Province about 76 per cent of these farming enterprises have access to markets.

Casidra

Casidra facilitates the Department's implementation of rural economic projects. The total amount of R45.567 million has been set aside for core funding over the 2012/13 MTEF.

A coordinated approach will ensure improved market access in the local and export markets

Market access to agricultural export market

The Market Access Work Group will continue with its coordinated approach to ensure improved market access in the local and export markets. The necessary attention would be given to the market access programme to assist farmers to cope with the stringent barriers to trade and to diversify its export products and mix. About 35 farmers were assisted to access markets, of which about 6 wine and fruit companies each accessed the Nigerian and Netherlands markets, respectively.

Veterinary Services

Intensified vaccinations, testing and inspection of animals against diseases will minimise animal health risks

The Department will further intensify vaccinations, testing and inspection of animals against diseases, hold regular abattoir visits for monitoring and audits to minimise animal health risks, ensure food safety and facilitate exports of animals and animal products.

Rural Development

The aim of the Rural Development Programme is to create an enabling environment that will facilitate private sector investment and socio-economic development in rural areas. In Dyselsdorp, the pilot rural node, 501 temporary employment and 884 training opportunities have been created through various projects. The coordination of provincial and national departments with the pilot rural development node, Dyselsdorp resulted in the leveraging of more than R75 million in the two years.

Vote 12: Economic Development and Tourism

The Department of Economic Development and Tourism (DEDAT) receives a total of R1.078 billion over the 2012 MTEF. Annual allocations amount to R291.117 million in 2012/13; R383.542 million in 2013/14 and R403.091 million in 2014/15.

Creating Opportunities and growth for jobs

The Department's key goal is to create opportunities for businesses and citizens to grow the economy and employment. The Department takes the lead in Provincial Strategic Objective 1 of creating opportunities for growth and job creation which aims to Create and maintain an enabling environment for business and provide demand-led private sector driven support for growth sectors, industries, towns and businesses.

The Department will focus on 5 areas namely: economic vision, strategic planning and policies; Enabling environment for business; private sector driven support; Infrastructure-led growth; and EPWP work opportunities. Linked to these 5 focus areas and over the 2012 MTEF, the Department has developed a policy, strategy and practical interventions that will:

- Facilitate and address activities regarding the mismatch between skills demand and supply across the economic spectrum;
- Establish and maintain partnerships with the private sector, which encourages apprenticeships and workforce experiential learning at FET colleges and other institutions of learning, such as the initiative for the Artisan Training programme at Northlink College;
- Develop a brand and vision which will support economic development in order to attract appropriate skills and investment (Future Cape Initiative);
- Continue to invest in the improvement of market access and procurement support for enterprises; and
- Continue with the re-engineering of the Tourism sector and through the development of new and innovative routes and product offerings, using strategies to effectively leverage partnerships between the Province and national/local governments.

Focus areas are: economic vision, strategic planning and policies; enabling environment for business; private sector driven support; infrastructure-led growth; and EPWP work opportunities

The Western Cape Economic Development Partnership

International precedent shows that economic development strategy is best implemented by partnerships between government, the private sector and people who have real business expertise. It is also essential to ensure value for money in our spending on economic development and proper integration between the various role-players in executing the economic development strategy. For this reason the Western Cape Government supports the establishment of the Economic Development Partnership (EDP).

The Establishment of an Economic Development Partnership

Funding amounting to R3.500 million in 2012/13, R3.696 million in 2013/14 and R3.896 million in 2014/15 has been allocated as the Province's share towards the establishment of the Economic Development Partnership (EDP). The key aims of the EDP are to:

- Build a shared economic vision and a common agenda; communicate plans and achievements of partners; provide

better economic and market intelligence, so that economic development strategies are more evidence-based; and

- Establish an integrated economic and business brand platform for Western Cape, with a single strategy towards contested activities and markets, e.g. visitors, firms, events and festivals, students, investors, institutions, innovators and entrepreneurs, research, etc. Further to establish closer working relationships with national government departments and agencies on the economy.

Creating an enabling environment for business

The establishment of a Red Tape Unit

A key policy introduction has been the enhanced focus on red tape reduction as this significantly influences the cost of doing business in the Province. To this end a Red Tape unit has been established in the Department to champion and co-ordinate all red tape related government initiatives and to improve the business regulatory environment. This entails working with business associations and all spheres of government, including national, WCG departments, and local government.

Infrastructure-led economic growth

Earmarked allocations to strengthen the Province's strategic initiatives

As part of improving the competitiveness of the region through infrastructure led economic growth, additional funding of up to R161.79 million (R80 million in 2013/14 and R81.79 million in 2014/15) has also be made available for the expansion of the Cape Town International Convention Centre (CTICC) from the funds held in reserve for economic projects. Additional allocations for this purpose are subject to legislative amendments. Funding amounting to R5 million in 2012/13, R5.280 million in 2013/14 and R5.565 million in 2014/15 has also been made available for the Saldanha Bay IDZ initiative, to support the application to the DTI for designation of the area as in IDZ, subject to the outcomes of the detailed Business Plan.

A Provincial Telecommunication Broadband Strategy

A collaborative initiative by the Department of Economic Development and Tourism, but consisting of representation from all provincial departments as well as the City of Cape Town, is the Provincial Telecommunication Broadband Strategy. The Province has begun implementing the telecommunications roll-out and broadband development. Initial project funding of R10 million in 2012/13, R10.560 million in 2013/14 and R11.130 million in 2014/15 has been earmarked for the establishment of the Project Office and the appointment of transaction advisors as part of this major project's start up activities. Given the magnitude of funding required for such a huge infrastructure initiative, the Western Cape Government

plans to set up a Special Purpose Vehicle/Public Private Partnership to drive the creation of the provincial telecommunication fibre backbone.

Boosting Trade and Investment

Moreover, the Trade and Investment Promotion agent Wesgro has also been allocated additional amounts of R6.500 million in 2012/13, R6.864 million in 2013/14 and R7.235 million in 2014/15 to strengthen their initiatives to attract foreign direct investments, enhance trade and seek alternative markets. The focus is on putting the Province in a better position to respond to challenges in the changing and depressed global and domestic economy through opening up trade links with amongst others the rest of Africa and other developing economies, in Asia and South America apart from enhancing links with our current trading partners such as the EU and US.

Enhancing exports, promoting markets and investments

Sector Development

The Department has further set its priorities to support high growth, rapidly developing sectors that offer considerable new economic growth opportunities. The Department aims to enhance exports, promote markets and investments, improve collaboration along the value chain and improve the competitiveness of businesses in an effort to create employment and grow the local economy. The Western Cape Government has adopted a dual approach to sector development through the selection of priority sectors and sectors with employment growth possibilities.

Priority areas include sectors such as the oil, gas and marine industries, information and communications technology, business processing, the green economy and financial services. DEDAT has also prioritised sectors that can provide a foundation for sustained employment. Here, examples include fashion, textiles and agro-processing.

Support to small business and enterprise development

SMME support is critical to stimulate the provincial economic activities. It is generally accepted that entrepreneurship can be used very effectively to counter the effects of unemployment. It is therefore essential that the Provincial Government continue to invest in methods which enable business enterprises to flourish and grow. In this way more jobs can be created. Over the 2012 MTEF, the Enterprise Development Fund events, Youth Entrepreneurship Programme and legacy mentorship will give effect to this purpose.

SMME support to stimulate provincial economic activities

Vote 13: Cultural Affairs and Sport

The Department of Cultural Affairs and Sport receives an amount of R1.245 billion over the 2012 MTEF. This amounts to R390.761 million in 2012/13, R410.342 million in 2013/14 in 2012/13 and R443.701 million in 2014/15 to fulfill its responsibilities in Sport and Recreation, Arts and Culture, Libraries, Museums and Heritage and Archives.

*A Socially inclusive
active and creative
Western Cape*

The work of the Department of Cultural Affairs and Sport is directed at giving effect to its vision of a socially inclusive, creative and active Western Cape. The Department's plans are aimed at increasing participation and excellence in sport, recreation, the arts and culture. The Department is also committed to ensure the focused use of libraries, museums and archives; to promote and build human capital through the programmes that they present and to create an environment of learning and heritage appreciation.

Every division in the Department is unified through the five key strategic thrusts namely talent identification; striving towards excellence; popularisation or mass participation and access; skills development, networks and partnerships and the development of appropriate policy and systems.

*Mass participation and Opportunity and Development (MOD)
centres*

*School sport, including
MOD centres, libraries
museums and arts and
culture organisations are
key focus areas*

Sport and Recreation's critical priority over the next year is the consolidation of the MOD centre programme which amongst others aims build the cognitive abilities of our learners after school hours and to address social problems such as substance abuse and prevent school dropouts. This includes creating access to and provide opportunities in school sport and recreation, by establishing and/or facilitating the establishment of partnerships and assisting with the provision of resources and infrastructure, for the purposes of delivering mass participation in sport and recreation activities.

Centres have been identified in impoverished communities that have little or no sports facilities and opportunities for their learners. To this end, increased support via allocations of R13.270 million over the 2012 MTEF has been provided for the MOD centres.

Greater focus will be placed on School Sport codes and the accessibility thereof. MOD centres provide a feeder mechanism to the SHARP centres of excellence to develop talent at a higher level of achievement. Support of the Western Cape

Sport School will continue over the 2012/13 financial year, and beyond.

Sport and Recreation

Over the 2012 MTEF, regional sport academies will be initiated in the Province. The Department's continued support to federations will continue and will be further improved so as to ensure their programmes are adequately supported. Sport tourism will also be promoted through the promotion of events in towns with growth potential.

Library Services

Library services remain an important area of work in 2012/13 in ensuring that literacy levels are improved especially amongst the youth. Library Services will continue to provide books and other media to public libraries and will roll out three trolley depot sites in 2012/13 as part of the conditional grant. Funding of additional staff at public libraries through conditional grant funding will also be continued. The Department will provide financial assistance for the building of two library facilities in addition to the 341 service points it currently services.

Library Services to continue investment in libraries to ensure literacy levels are improved amongst youth

To supplement municipal investment of library services and to sustain the future professional delivery of library services in the most vulnerable (B3) municipalities, an amount of R148 million over the 2012 MTEF has been added to the baseline of the Department.

Funding the Arts

The Department of Cultural Affairs and Sport supports a number of arts and culture organisations. The purpose of the annual funding is to promote, develop and preserve arts and culture by contributing towards programmes and projects of non-profit organisations within the Province. Priority allocations amounting to R25.959 million over the 2012 MTEF has been made available to inter alia establish twinning arrangements between smaller, less resourced arts and culture organisations and larger organisations such as Baxter and Cape Town City Ballet.

Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme (EPWP) Grant for Provinces is meant to incentivise provincial departments to expand work creation efforts through the use of labour intensive delivery methods, in compliance with the EPWP Guidelines. The Department of Cultural Affairs and Sport receives R4 million in 2012/13 (R1 million from the national incentive grant and

R3 million from the equitable share) to strengthen labour initiatives in the culture and heritage tourism sectors.

Museums, Language, Heritage and Archives

Museums, heritage sites and archives to promote social inclusion

The Department uses museums, heritage sites and archives to promote social inclusion and understanding through the promotion of the national symbols and pride and appreciation of our shared heritage. The Department of Cultural Affairs and Sport runs various projects at museums, in its arts and culture division, at the archive and through its heritage division to promote this programme.

Museum Services receives continued support of R5.573 million over the 2012 MTEF to upgrade and transform exhibitions to reflect a more inclusive history of the communities they serve. The transformation of exhibitions at its 28 affiliated museums aims to attract visitors and provide educational and other programmes at these museums. The Department will continue to render a professional language service in the three official languages of the Province and to develop previously marginalised indigenous languages and sign language.

Archive Services aims to increase awareness and thereby increase access through various promotional programmes, including the National Archives Week. The Department will provide access to archival heritage and advocate for proper management and care of public records of provincial significance.

Vote 14: Local Government

The Department of Local Government is allocated an amount of R475.371 million over the 2012 MTEF. This allocation includes amounts of R155.228 million in 2012/13, R155.413 million in 2013/14 and R164.730 million in 2014/15.

Municipalities supported to be institutionally functional

In terms of municipal governance, the Department will continue to provide support to municipalities to achieve institutional functionality within municipalities.

To promote good governance and accountability, the Department will continue to support municipalities with anti-corruption interventions such as assisting with compilation and implementation of anti-corruption strategies and fraud prevention plans.

Community Development Worker (CDW) Programme

The Community Development Worker (CDW) Programme, designed to address institutional gaps in service delivery and investment programmes of government, provides guidance and direct advice to poor and vulnerable community members who otherwise would not know which government department/agency to approach for assistance. The Department aims to create awareness and improve access to government services, and facilitate community access to socio-economic opportunities. The Department will furthermore continue to consolidate partnerships with key stakeholders and government departments on various community projects, such as the food garden programme with the Department of Agriculture.

CDWs and Thusong centres to increase access to government and services

Thusong Centres

In the 2011/12 financial year, the Department has provided integrated services to communities through Thusong Mobiles in Gansbaai, Botriver, Velddrif, Lamberts Bay, Heidelberg, Wolseley, Franschhoek, Zwelethemba, Rawsonville, Riversdal, Grabouw, Zwelihle, and Kayamandi. In the interest of unlocking opportunities for communities through improved access, the Department aims to:

- Expand Thusong Centres by supporting the establishment of two additional Thusong Centres with a view contually of achieving one centre for each local municipality, including expansion of the basket of existing services;
- Double the number of Mobile Thusongs which deliver a range of government services to areas that have no permanent centres. This enables people to gain direct access to one stop government services, rather than having to travel long distances to conduct simple transactions, such as applying for Identity Documents; and
- Co-operate with CDWs to provide an extension support service to Thusong Centres and Zones through the Thusong Extension Programme.

Training and capacity building programmes

To strengthen public participation, the Department aims to enable communities to actively participate in Local Government through training and capacity building programmes. The Department will focus on strengthening the effectiveness of ward committees according to the Provincial Framework for Functional and Effective Ward Committee

Strengthening of public participation through functional ward committees, neighbourhood plans and a sound municipal communication strategy

System. Induction and capacity building programmes will be provided to all ward committee members, while monitoring of ward committee functionality will be guided by functionality indicators and the provincial reporting template. The ward committees will use Neighbourhood Development Plans that reflect key local priorities to plan and monitor service delivery and they will report to and from communities. This process will be further supported by sound municipal communication strategies and functional District Public Participation and Communication Forums which will allow or information sharing, collaborative planning and best practice.

Experts deployed from the pool of expertise to provide hands-on support to municipalities

The attraction and retention of scarce skills in financial and technical positions remains a challenge, especially in municipalities situated in the rural areas of the Province. The Department has established a “pool of expertise” to assist municipalities to build their capacity in terms of these critical skills. The Department will continue its partnerships with stakeholders such as the Development Bank of Southern Africa (DBSA) to capacitate municipalities to deliver effective services. In addition, the Department established a municipal bursary scheme to address the shortage of scarce skills such as engineering.

Integrated Development Plans (IDPs)

Departments and municipalities will be engaged on IDP priorities, implementation and budget alignment

The Department aims to achieve Integrated Development Plans (IDPs) that reflect the priorities, budgets, and projects of all three spheres of government through focusing on the IDP Indaba. The IDP Indaba remains one of the core deliverables for the Department in order realise the Provincial Strategic Objective output of being the single window of coordination for government.

Municipal Infrastructure Grant (MIG)

Shift from administrative to practical, technical support on municipal infrastructure

The Department will assist municipalities to develop and implement programmes for upgrading and financing their infrastructure. The Department will continue to support municipalities to spend 100 per cent of their Municipal Infrastructure Grant (MIG) allocations by providing multi-faceted support on bulk infrastructure planning, financing, and delivery (e.g. financial options analysis and technical advice).

Disaster risk management

To mainstream disaster risk management in municipalities, the Department will support municipalities to capture their disaster risk management strategies in their IDPs. The Department's assistance aims to ensure that municipalities have applicable disaster management plans which can be activated in emergency situations/ disastrous events to minimise the social, economic, technological and environmental impacts of such events. This will ensure that municipal plans take into consideration the disaster risks as well as their mitigation.

Mitigation of the risk of human-induced or natural disasters which could threaten to disrupt the lives of the most vulnerable communities

Summary of Transfers to Public Entities

The Public Finance Management Act (PFMA) defines a *provincial public entity*, as either a provincial government business enterprise, or a board, commission, company or corporation, which is established in terms of legislation. In addition, it is fully or substantially funded from the Provincial Revenue Fund or a tax and is accountable to the Provincial Legislature.

Provincial allocations and transfers from the applicable provincial departments to provincial public entities over the 2012 MTEF is summarised and discussed in this section. These allocations are indicated in Tables 4.2 and 4.3 for the period 2008/09 to 2014/15.

Table 4.2 Summary of provincial transfers by vote to public entities

Vote R'000	Outcome			Main appro- priation 2011/12	Adjusted appro- priation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
1. Department of the Premier	17 442	8 211	7 528		6 000	6 000		(100.00)		
2. Provincial Parliament										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health										
7. Social Development										
8. Human Settlements				600	600	600	600		600	600
9. Environmental Affairs and Development Planning	94 658	133 272	160 061	192 202	192 842	192 842	201 766	4.63	203 268	214 239
10. Transport and Public Works		40 000	300	4 500	4 750	4 737	4 000	(15.56)	3 500	3 500
11. Agriculture	55 886	150 948	144 425	85 957	94 725	95 725	105 640	10.36	116 143	119 666
12. Economic Development and Tourism	93 482	115 586	100 355	72 490	79 695	79 695	59 200	(25.72)	54 664	54 935
13. Cultural Affairs and Sport	2 000	1 883	785	1 842	1 892	1 892	1 992	5.29	2 148	2 256
14. Local Government										
Total transfers to public entities	263 468	449 900	413 454	357 591	380 504	381 491	373 198	(2.17)	380 323	395 196

Table 4.3 Summary of departmental transfers to national and provincial public entities by transferring vote

Public entities (transferring vote) R'000	Outcome			Main appro- priation 2011/12	Adjusted appro- priation 2011/12	Revised estimate 2011/12	Medium-term estimate		
	Audited 2008/09	Audited 2009/10	Audited 2010/11				2012/13	2013/14	2014/15
National Government Business Enterprises:									
1. South African Rail Commuter Corporation Vote 10: Transport and Public Works			300	4 500	4 750	4 737	4 000	3 500	3 500
2. Artscape Vote 13: Cultural Affairs and Sport	130	125	135	142	142	142	150	160	168
National public entities:									
3. Agricultural Research Council Vote 11: Agriculture									
4. South African National Parks (SANPARKS) Vote 12: Economic Development and Tourism	1 350	250	1 400						
5. Council for Scientific and Industrial Research Vote 12: Economic Development and Tourism		3 500							
6. Social Housing Foundation Vote 8: Human Settlements				600	600	600	600	600	600
Provincial Government Business Enterprises:									
7. Casidra (Pty) Ltd Vote 11: Agriculture	90 572	236 348	190 175	112 757	122 025	123 025	105 640	116 143	119 666
Vote 10: Transport and Public Works	55 886	150 948	144 425	85 957	94 725	95 725	105 640	116 143	119 666
Vote 12: Economic Development and Tourism	34 686	45 400	45 750	26 800	27 300	27 300			
Western Cape public entities:									
8. Western Cape Cultural Commission Vote 13: Cultural Affairs and Sport	668	595	100	150	150	150	200	250	263
9. Western Cape Gambling and Racing Board Vote 3: Provincial Treasury									
10. Western Cape Investment and Trade Promotion Agency (Wesgro) Vote 1: Department of the Premier	20 669	20 325	15 000	12 250	14 956	14 956	22 000	22 464	22 735
Vote 12: Economic Development and Tourism			28						
11. Western Cape Language Committee Vote 13: Cultural Affairs and Sport	252	263	150	170	220	220	190	210	221
12. Western Cape Liquor Board Vote 12: Economic Development and Tourism							7 700	7 700	7 700
13. Western Cape Nature Conservation Board Vote 9: Environmental Affairs and Development	94 658	133 272	160 061	192 202	193 842	193 842	201 766	203 268	214 239
Vote 12: Economic Development and Tourism	94 658	133 272	160 061	192 202	192 842	192 842	201 766	203 268	214 239
14. Western Cape Provincial Development Council Vote 1: Department of the Premier	10 202	6 681	7 500		6 000	6 000			
Vote 12: Economic Development and Tourism	7 042	6 381	7 500		6 000	6 000			
Vote 12: Economic Development and Tourism	3 160	300							
15. Western Cape Destination Marketing Organisation Vote 12: Economic Development and Tourism	33 617	45 811	38 205	32 440	35 439	35 439	25 000	20 000	20 000
16. Western Cape Provincial Youth Commission Vote 1: Department of the Premier	10 400	1 830							
Not listed in PFMA, but indicated as a public entity in Estimates of Provincial Expenditure									
17. Heritage Western Cape Vote 13: Cultural Affairs and Sport	950	900	400	1 380	1 380	1 380	1 452	1 528	1 604
18. Small Enterprise Development Agency (SEDA) Vote 12: Economic Development and Tourism				1 000	1 000	1 000	4 500	4 500	4 500
Total	263 468	449 900	413 454	357 591	380 504	381 491	373 198	380 323	395 196

Tables 4.2 and 4.3 shows that in 2012/13 a total of R373.198 million will be transferred from various provincial departments to both national and provincial public entities. This signifies a decrease of R8.293 million or 2.17 per cent from the 2011/12 revised estimates of R381.491 million.

The year-on-year decrease in transfers to public entities is mainly reflected in transfers to the Cape Agency for Sustainable Integrated Development in Rural Areas (Pty) Ltd (Casidra) and the Destination Marketing Organisation (DMO). Transfers to Casidra (Pty) Ltd decreases by 14.13 per cent or R17.385 million from the 2011/12 revised estimate while the DMO is allocated 29.46 per cent or R10.439 million less than the 2011/12 revised estimate.

Provincial public entities and provincial government business enterprises will receive 94.96 per cent or R354.406 million of the total amount to be transferred to public entities in 2012/13; namely R201.766 million to the Western Cape Nature Conservation Board (CapeNature), R105.640 million to Casidra (Pty) Ltd, R25 million to the Destination Marketing Organisation (DMO), and R22 million to the Western Cape Investment and Trade Promotion Agency (Wesgro). Wesgro and the DMO, together with the Western Cape Liquor Board, all report to the Minister of Finance, Economic Development and Tourism, via the Department of Economic Development and Tourism. So too does the Western Cape Gambling and Racing Board via the Provincial Treasury.

Table 4.3 indicates the introduction of new transfers to the Western Cape Liquor Board of R7.700 million for each of the financial years within the 2012 MTEF. Following the finalisation of legislation and regulatory requirements, these allocations provides for the establishment and operational cost of the Liquor Board as a Public Entity in 2012/13.

In 2012/13, transfers to Wesgro will increase by 47.1 per cent or R7.044 million from the revised estimate of 2011/12. The entire transfer to Wesgro over the 2012 MTEF is an earmarked priority allocation, which includes R3.500 million for the Saldanha IDZ project.

Conclusion

This chapter has provided an overview of the payments by vote which outlines the expenditure plans of the Provincial Parliament, individual departments and associated entities towards achieving sectoral, provincial and national priorities.

The specific priorities of the Western Cape Medium Term Budget Policy Statement 2012 – 2015 are linked to the achievement of the 12 Provincial Strategic Objectives and include prioritising economic growth and jobs, whilst strengthening health and education and key social services to promote social inclusion and reduce poverty of all citizens of the Western Cape. The Provincial Government believes that by creating an enabling environment for businesses to grow and employment would address a number of social challenges in the Province. The 2012 MTEF allocations emphasise this priority with investment in infrastructure that would enhance the productive capacity of the economy.

Investing in a suite of economic projects: The establishment of the Economic Development Partnership, the Saldanha IDZ, Trade and Investment promotion, access roads and the Cape Provincial Regeneration Project aims to put the Province's economy on a higher growth Trajectory. Budget 2012 is an funding plan in response to the 12 Strategic Objectives adopted by the Western Cape Government.

5

Payments by Economic Classification, Infrastructure, Public Private Partnerships (PPPs) and Training

Introduction

The economic classification of consolidated provincial expenditure inclusive of infrastructure, PPPs and training expenditure is discussed in this chapter. These expenditure items are classified in terms of the international standard for classification, Government Finance Statistics (GFS 2001) and the revised Standard Chart of Accounts (SCOA).

Government, with less flexibility in revenues, has committed itself to good governance and management practices in support of greater efficiency and value for money spent. In this regard departments were mandated to drive efficiencies and in doing so direct efficiency savings to improve spending levels in programmes where the expected return would have the desired impact. Compensation of Employees is considered one of the areas, where possible efficiencies could be achieved. Departments in this regard were advised to scrutinise their staff establishments and recruitment plans, inclusive of taking lag-time configuration in filling vacancies when preparing their 2012 MTEF Budget.

Transfer Payments are directed at municipalities, entities, schools, non-profit organisations, etc. and is aimed at strengthening service delivery. Key amongst the transfers should be the objective that Government desire value for money from these transfers.

This Chapter also considers expenditure on Infrastructure, which include the construction of new (capital), upgrading and rehabilitation of infrastructure. Funding infrastructure investment is aimed at extending the useful life of assets of the Provincial Government and is conducted through various funding investments, inclusive of Public Partnership Organisations.

Therefore, considering the current economic climate uncertainty, departments will have to direct and manage their spending in such a way to increase public service efficiency towards the desired economic, governance and social objectives over the coming MTEF period.

Payments by Economic Classification

Table 5.1 depicts the Summary of Provincial Payments and Estimates by Economic Classification.

Provincial Expenditure

The estimated total provincial expenditure for the 2012/13 financial year is R39.917 billion (inclusive of the direct charges) and is an aggregation of Current payments of R29.938 billion, followed by Transfers and subsidies of R6.440 billion, Payments for capital assets of R3.502 billion and Payments for financial assets of R4.177 million. Of the total provincial expenditure, Current payments accounts for 75 per cent, and is mainly made up of Compensation of employees (R21.758 billion) and Goods and services (R8.180 billion). Goods and services inter alia, includes expenditure items for Advertising, Consultants and professional services, Travel and subsistence, Medicine and Medical supplies, Learner and teacher support material (LTSM) and Property payments. Transfers and subsidies mainly consist of transfers to Non-profit institutions (39.6 per cent or R2.552 billion) and Households (28.9 per cent or R1.861 billion). Buildings and other fixed structures make up the majority of Payments for capital assets, amounting to 86.8 per cent or R3.036 billion.

Compensation of Employees

The largest item of expenditure at provincial level is Compensation of Employees (CoE) amounting to R21.758 billion or 54.5 per cent in 2012/13. CoE, in nominal terms is expected to increase by 7.28 per cent between 2011/12 and 2014/15, and includes provision for public service salary agreements. These agreements include the shifting of the improvement of Conditions of Service implementation date from 1 May to 1 April 2012. CoE is expected to increase to R24.776 billion by 31 March 2015.

Compensation of employees accounts for 54.5 per cent of 2012/13 budget comparative to 54.7 per cent in the 2011/12 main budget

Table 5.1 Summary of provincial payments and estimates by economic classification

Economic classification R'000	Outcome						Medium-term estimate			
				Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				2011/12	2011/12	2011/12	2012/13
Current payments	19 246 579	22 066 189	24 933 247	27 737 922	27 689 753	27 644 227	29 938 355	8.30	31 949 030	33 836 880
Compensation of employees	13 420 894	15 739 000	17 950 606	20 151 407	20 075 357	20 065 840	21 757 875	8.43	23 289 499	24 775 910
Goods and services	5 824 819	6 325 739	6 981 761	7 585 689	7 613 556	7 577 552	8 179 686	7.95	8 658 683	9 060 073
Interest and rent on land	866	1 450	880	826	840	835	794	(4.92)	848	897
Transfers and subsidies to	4 420 849	5 442 597	6 199 236	6 038 026	6 169 381	6 175 450	6 440 482	4.29	7 104 520	7 558 139
Provinces and municipalities	700 922	599 823	741 517	757 091	832 569	831 771	877 539	5.50	944 191	971 777
Departmental agencies and accounts	184 624	227 678	286 137	262 451	277 296	277 124	291 554	5.21	284 689	297 314
Universities and technikons	1 768	2 449	3 569	5 428	4 578	3 129	14 083	350.08	16 678	16 775
Foreign governments and international organisations	137	104	85	145	122	122	130	6.56	138	145
Public corporations and private enterprises	93 798	834 129	823 577	819 527	827 309	828 479	844 459	1.93	974 429	1 020 949
Non-profit institutions	1 970 894	2 097 742	2 212 001	2 420 839	2 431 981	2 431 106	2 552 138	4.98	2 867 661	3 100 281
Households	1 468 706	1 680 672	2 132 350	1 772 545	1 795 526	1 803 719	1 860 579	3.15	2 016 734	2 150 898
Payments for capital assets	1 912 662	2 546 291	2 876 453	3 028 839	3 156 153	3 160 363	3 501 983	10.81	3 336 019	3 485 759
Buildings and other fixed structures	1 620 416	2 220 101	2 464 190	2 542 357	2 622 798	2 637 981	3 035 974	15.09	2 870 502	3 014 538
Machinery and equipment	268 974	298 524	376 230	418 663	458 367	459 927	391 862	(14.80)	375 294	380 394
Heritage assets			35							
Specialised military assets										
Biological assets					480	480	444	(7.50)	470	490
Land and subsoil assets	3 700	6 303	19 219	52 608	59 108	46 608	60 341	29.46	77 100	77 355
Software and other intangible assets	19 572	21 363	16 779	15 211	15 400	15 367	13 362	(13.05)	12 653	12 982
<i>Of which: "Capitalised Compensation" included in Payments for capital assets</i>		141	137							
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>	328 623	1 994 842	2 257 163	2 162 698	2 235 024	2 229 773	2 295 611	2.95	2 306 645	2 517 658
Payments for financial assets	10 610	20 835	22 108	3 912	5 340	8 647	4 177	(51.69)	4 392	4 612
Total economic classification	25 590 700	30 075 912	34 031 044	36 808 699	37 020 627	36 988 687	39 884 997	7.83	42 393 961	44 885 389
Direct charge	23 676	30 519	28 605	30 253	30 253	30 253	31 787	5.07	33 535	35 547
Total economic classification (including direct charge)	25 614 376	30 106 431	34 059 649	36 838 952	37 050 880	37 018 940	39 916 784	7.83	42 427 496	44 920 936

Table 5.2 shows that the number of personnel employed are projected to increase from an estimated 78 851 on 31 March 2012 to 80 867 on 31 March 2015, which amounts to 2016 or 2.6 per cent additional. This increase in personnel numbers is spread across departments, with expected increases of 30.1 per cent in Provincial Treasury and 25.7 per cent in

Transport and Public Works. The expansion of the establishment in Provincial Treasury is mainly to improve the financial management oversight and support to municipalities. The increase in personnel at Transport and Public Works is mainly due to the anticipated recruitment of staff for transport infrastructure and community based programmes.

2012 MTEF personnel numbers will increase by 2 016

Since 31 March 2009 personnel numbers has increased significantly by 3 770 or 5 per cent overall, to the projected end-result in March 2012, of which the majority of the increase occurred in Health i.e. 1 880 or 49.9 per cent of the total increase.

Table 5.2 Summary of personnel numbers and cost by vote

Vote		As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
1. Department of the Premier	(numbers)	631	686	909	1 013	1 030	1 053	1 060
	(R'000)	172 642	210 849	266 406	331 969	356 984	385 532	410 025
2. Provincial Parliament	(numbers)	93	73	78	97	98	98	98
	(R'000)	17 519	21 642	24 446	32 095	37 573	40 005	42 595
3. Provincial Treasury	(numbers)	280	300	248	249	324	324	324
	(R'000)	71 482	93 902	89 297	95 942	113 109	121 819	129 985
4. Community Safety	(numbers)	902	876	828	920	979	999	999
	(R'000)	143 032	173 835	179 212	201 172	237 827	254 064	272 134
5. Education	(numbers)	39 850	40 816	40 429	40 596	40 596	40 596	40 596
	(R'000)	7 089 690	8 214 843	9 193 265	10 130 570	10 733 920	11 412 014	12 049 790
6. Health	(numbers)	27 074	27 472	28 554	28 954	29 969	30 134	30 243
	(R'000)	4 876 271	5 780 151	6 808 175	7 715 021	8 478 408	9 158 861	9 831 726
7. Social Development	(numbers)	1 832	1 795	1 900	2 285	2 431	2 131	2 131
	(R'000)	273 466	335 294	369 027	421 736	478 363	504 706	542 095
8. Housing	(numbers)	454	449	391	460	485	485	485
	(R'000)	96 246	107 314	111 532	123 431	140 775	147 652	157 382
9. Environmental Affairs and Development Planning	(numbers)	307	343	313	371	413	413	413
	(R'000)	66 548	86 719	100 303	114 766	133 129	148 922	159 112
10. Transport and Public Works	(numbers)	1 632	1 649	1 888	1 596	1 956	2 006	2 006
	(R'000)	260 926	304 423	342 187	377 654	455 532	486 951	517 542
11. Agriculture	(numbers)	944	1 049	1 058	1 084	1 124	1 124	1 124
	(R'000)	155 243	180 397	208 017	229 569	261 294	276 968	292 175
12. Economic Development and Tourism	(numbers)	195	219	247	256	243	243	243
	(R'000)	51 325	61 090	67 742	77 901	91 823	97 924	102 767
13. Cultural Affairs and Sport	(numbers)	611	619	574	619	735	735	735
	(R'000)	100 106	111 298	118 190	130 199	140 911	149 960	158 735
14. Local Government	(numbers)	276	285	306	351	410	410	410
	(R'000)	46 398	57 243	72 807	83 815	98 227	104 121	109 847
Total provincial personnel numbers		75 081	76 631	77 723	78 851	80 793	80 751	80 867
Total personnel cost (R'000)		13 420 894	15 739 000	17 950 606	20 065 840	21 757 875	23 289 499	24 775 910
Unit cost (R'000)		179	205	231	254	269	288	306

Over the MTEF, the main contributing factor for the increase in personnel costs of R4.710 billion is unit costs. The annual unit cost of personnel is projected to increase from R254 000 as at 31 March 2012 to R306 000 as at 31 March 2015. The annual average increase over this period is 6.4 per cent, which is

attributable to annual salary increases, pay progression and Occupational Specific Dispensation (OSD) adjustments.

Transfers and subsidies

The total allocation for Transfers and subsidies of R6.440 billion increases by R265.032 million or 4.3 per cent in 2012/13 from the 2011/12 revised estimates of R6.175 billion.

The increase of 350.1 per cent on Transfers to Universities and technikons in 2012/13 is mainly at the Department of Economic Development and Tourism whereby transfers will be made to the Northlink Colleges for the artisan training programme as part of skills development.

Transfers to Non-profit institutions is expected to increase by 5 per cent on the 2011/12 revised estimate from R2.431 billion to R2.552 billion in 2012/13. The bulk of the 2012/13 transfers to non-profit institutions is shared between the Departments of Education (53.2 per cent) and Social Development (28.8 per cent).

Education's transfers are made for learner teacher support material, maintenance and operational needs to the section 21 schools, colleges and the adult learning centres.

The transfer of funds to various non-profit institutions by Social Development is to assist in delivering on the mandate of the Department. The programmes include substance abuse, prevention and rehabilitation; care and service to older persons; childcare and protection services; care and support services to families and services to persons with disabilities.

Payments for capital assets

Table 5.1 also depicts the Province's capital investment programme, which is one of the pillars for stronger economic growth. In 2012/13 the investment increases by R341.620 million from the 2011/12 revised estimate with aggregate capital expenditure amounting to R3.502 billion.

*Capital investment in
2012/13 increases by
R341.620 million*

The Departments of Education, Health and Transport and Public Works accounts for R3.459 billion or 98.8 per cent of the total provincial capital investment in 2012/13.

Infrastructure expenditure

Infrastructure investment contributes to economic growth and job creation

It is generally accepted that infrastructure investment contributes to economic growth and job creation. The role of Government is to invest in both social and economic infrastructure. In a provincial context social infrastructure investment relates, in the main, to education and health infrastructure, while economic infrastructure mainly relates to transport infrastructure (roads). Both social and economic infrastructure investment should contribute to economic growth. Investment in health and educational facilities should contribute to improved wellness of the population and improved educational outcomes. Improved infrastructure also contributes to the ability of government to deliver services more efficiently and effectively.

Investment in transport infrastructure should contribute to reducing the cost of doing business by the private sector and resultantly to a local economy that is more competitive in the global economy. Key considerations for allocating funding towards economic infrastructure should be to understand to what extent an investment will contribute to improving a country or region's economic competitiveness and reducing the cost of doing business. Another important aspect is to what extent government investment will be able to crowd-in private sector investment and thereby stimulate the economy and create jobs, etc.

Government further realises that the expansion of infrastructure and maintenance of existing infrastructure are important dimensions for development of a developing country. The aging of existing infrastructure and growing demand for infrastructure investment (social and economic) in underserved areas place a huge responsibility on government to allocate additional resources towards such investment. Due to limited resources and demand for other public services, it is a challenge to allocate substantial additional resources for infrastructure investment over the medium term.

The additional allocations for economic infrastructure were taken against this background. The discussion on infrastructure in this Chapter focuses on expenditure within the different infrastructure categories by the Western Cape Government.

Table 5.3 below provides a summary of provincial infrastructure expenditure by category (new and replacement assets; upgrades and additions; rehabilitation, renovations and

refurbishments; maintenance and repairs; infrastructure transfers current and capital and other capital projects).

The provision for infrastructure in 2012/13 at R4.049 billion is 9.47 per cent higher compared to the revised estimate of R3.698 billion in 2011/12.

Table 5.3 Summary of provincial infrastructure payments and estimates by category

Category R'000	Outcome			Main appro- pria- tion	Adjusted appro- pria- tion	Revised estimate	Medium-term estimate				
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate (Nominal)			% Change from Revised estimate 2011/12- 2014/15	
							2012/13	2011/12	2013/14		2014/15
New and replacement	729 158	547 021	709 117	1 080 898	888 598	888 598	965 465	8.65	884 742	921 084	1.20
Upgrades and additions	529 654	981 471	786 533	458 745	679 161	674 935	546 664	(19.00)	609 384	689 611	0.72
Rehabilitation, renovations and refurbishments	707 735	762 626	1 033 071	1 191 102	1 193 307	1 193 307	1 441 294	20.78	1 486 073	1 499 952	7.92
Maintenance and repairs	814 437	744 925	787 881	757 571	751 431	750 431	919 822	22.57	1 008 687	1 069 479	12.53
Infrastructure transfers - current	2 522	78 196	86 259	33 205	44 859	44 859	36 841	(17.87)	60 309	59 309	9.75
Infrastructure transfers - capital	33 343	144 278	124 933	144 832	134 426	134 426	125 811	(6.41)	228 541	216 105	17.15
Other capital projects	122 571	129 089	21 115	11 280	11 785	11 785	12 815	8.74	13 416	14 592	7.38
Total provincial infrastructure payments and estimates	2 939 420	3 387 606	3 548 909	3 677 633	3 703 567	3 698 341	4 048 712	9.47	4 291 152	4 470 132	6.52

Infrastructure by category

New and replacement

New and replacement assets account for the second largest allocation within the infrastructure budget: R965.465 million or 23.85 per cent of the 2012/13 infrastructure budget. The largest allocation towards new and replacement of assets are for the departments of Education (R518.356 million) and Health (R348.968 million), followed by Transport and Public Works (R75.700 million).

Upgrades and additions

The overall allocation for upgrades and additions accounts for the fourth largest allocation over the MTEF period with allocations of R546.664 million or 13.50 per cent of the total infrastructure budget in 2012/13. The allocation increases to R609.384 million in 2013/14 and again to R689.611 million in 2014/15.

The Department of Transport and Public Works receives R263.351 million, the Department of Health receives R125.407 million and the Department of Education R157.906 million in the 2012/13 financial year respectively.

Rehabilitation, renovation and refurbishment increase by more than 20 per cent

Rehabilitation, renovations and refurbishments

Rehabilitation, renovations and refurbishments accounts for the biggest share of the infrastructure allocation at R1.441 billion or 35.60 per cent of the total allocation in 2012/13. This allocation increases to R1.486 billion in 2013/14 and R1.500 billion in 2014/15. Together with the budget provisions for maintenance this is a clear indication of the seriousness of the backlogs of dated infrastructure that the Province is facing. The Department of Transport and Public Works receives the highest allocation in this category of R1.198 billion followed by the Department of Health with R243.323 million.

Maintenance and Repairs remain a top priority with a 22.57 per cent increase

Maintenance and repairs

Budget constraints over time have contributed to the current maintenance backlog. The allocation for maintenance and repairs was prioritised in an attempt to ramp up efforts to reduce the backlogs. However, this remains a challenge, but in the 2012 Budget further allocations are made to preserve the asset base.

The total maintenance and repairs budget for the 2012/13 financial year, accounts for the *third largest allocation* of R919.822 million or 22.72 per cent of the total infrastructure budget. It continues to show upward growth to R1.009 billion in 2013/14 and R1.069 billion in 2014/15. This category of infrastructure spending reflects by far the highest growth of 22.57 per cent compared to 2011/12 revised estimate. This is a clear demonstration that the Province is serious about preserving the asset base. The provision for road maintenance and repairs is R643.106 million in 2012/13 is biggest contributor.

Disaggregation of the infrastructure by vote

Table 5.4 provides a disaggregation of the infrastructure allocations across the different votes. The major share of planned infrastructure spending is housed in the Department of Transport and Public Works (R2.212 billion or 54.64 per cent in 2012/13) followed by Health (R889.896 million or 21.98 per cent), Education (R790.987 million or 19.54 per cent) and Agriculture (R136.001 million or 3.36 per cent).

In respect of Agriculture, infrastructural development is linked to increased agricultural production on farms. The conditional grant frameworks, namely CASP, Ilima/Ietsema and LandCare are prescriptive in terms of support for not only infrastructure development, but for other pillars (i.e. training, research, conservation and marketing) as well. The types of infrastructure depend on the business plans submitted and the development requirements for the implementation of approved business plans. This includes, for example, the establishment of orchards and vineyards. The infrastructure requirements can include irrigation systems, mechanisation, farming structures (i.e. animal housing, milking parlours, etc.) and other biological assets. Other commodities have been identified for support going forward, and the above also applies to these. Ownership vests with the beneficiaries.

In respect of Environmental Affairs and Development Planning (CapeNature), the infrastructure budget caters for new and replacement assets (although not exclusively), improvements in campsites, overnight facilities, picnic sites and ablution facilities. The allocations for infrastructure upgrades amount to R19.658 million in 2012/13, R25 million in both 2013/14 and 2014/15.

Table 5.4 Summary of provincial infrastructure payments and estimates by vote

Vote R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
1. Department of the Premier		22 291	835							
2. Provincial Parliament										
3. Provincial Treasury										
4. Community Safety										
5. Education	277 838	378 794	528 082	688 399	720 286	715 060	790 987	10.62	771 944	784 290
6. Health	509 068	663 366	942 610	827 760	826 615	826 615	889 896	7.66	931 839	970 946
7. Social Development	27 382	2 100	320							
8. Human Settlements										
9. Environmental Affairs and Development Planning				26 993	26 993	26 993	19 658	(27.17)	25 000	25 000
10. Transport and Public Works ^{Note}	1 840 499	2 244 330	1 932 643	2 000 669	2 000 669	2 000 669	2 212 170	10.57	2 334 584	2 455 709
11. Agriculture	52 633	76 725	144 419	133 812	129 004	129 004	136 001	5.42	147 785	152 397
12. Economic Development and Tourism									80 000	81 790
13. Cultural Affairs and Sport	232 000									
14. Local Government										
Total provincial infrastructure payments ^{Note}	2 939 420	3 387 606	3 548 909	3 677 633	3 703 567	3 698 341	4 048 712	9.47	4 291 152	4 470 132

Public Private Partnerships (PPPs)

Provincial PPP projects

Three provincial PPP project agreements are signed and are being implemented.

Chapman's Peak Drive PPP - a process was completed to re-negotiate the contract and a third addendum to this contract has been agreed to between the parties. In terms of Treasury Regulation 16.9 (amendment and variation of PPP agreements) approval was granted by National Treasury on 31 January 2011 in this regard. Construction of the permanent toll plaza at Hout Bay commenced in the first quarter of 2012 with public opposition from some interest groups and individuals. Provision has been made for the provincial contribution for the construction of the Toll Plaza at Hout Bay to the amount of R23.700 million.

The Department of Health is continuing with the implementation of the **Western Cape Rehabilitation Centre and Lenteguur Psychiatric Hospital PPP**. The Private Party is considering the possibility to renegotiate some of the provisions in the contract.

The **De Hoop Nature Reserve's** interim agreement was replaced by a final agreement in December 2009 and implementation thereof continues.

There are a number of registered provincial PPP projects which have progressed to different stages, but have not as yet reached closure. These projects include:

Whale Trail II and Lekkerwater PPP: National Treasury granted Treasury Approval III (TA III – final approval) for the project. Negotiations are in the final stages and it is expected that a PPP agreement will be signed in the near future. The process of concluding the PPP negotiations is taking longer than originally anticipated.

Tygerberg Hospital Redevelopment PPP Project: The Department of Health registered this as a PPP project during May 2009. A project officer was appointed and assumed duty during January 2012. It is anticipated that this project will gather momentum in the 2012/13 financial year. Some key decisions are still required pertaining to what the project should entail, before the Department will be in a position to proceed with the appointment of transaction advisors. This is very complex project and many stakeholders are involved; e.g. the

National Department of Health, National Treasury and universities to mention a few.

Other projects: The Department of Transport and Public Works has identified a number of properties in Cape Town for possible management through PPP projects as part of their planned Regeneration Programme. A steering committee has been established and a project officer has been appointed. Eight business cases to the value of R585.151 million have been submitted and Cabinet approved an amount of R413.551 million over the 2012 MTEF and beyond for four projects, namely the Artscape/Founder's Garden, Somerset Precinct (relocation of National Health Laboratory), Head Office Accommodation and Prestwich Precinct (relocation of the Pavement Technology Testing Laboratory). Three of these projects are registered PPPs; i.e. Artscape/Founder's Garden, Prestwich Precinct and the Head Office Accommodation project. The Somerset Precinct project is also a potential PPP and could be registered in the near future.

Table 5.5 gives a financial overview of current PPP projects. Total PPP projects amounts to R64.360 million in 2012/13.

Table 5.5 Summary of departmental public private partnership projects

Project description R'000	Project Unitary Annual Fee at time of contract	Total cost of project						Medium-term estimate			
					Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
		Audited	Audited	Audited				2012/13	2011/12	2013/14	2014/15
		2008/09	2009/10	2010/11	2011/12	2011/12	2011/12				
Projects under implementation^a		39 157	43 063	48 375	54 963	52 045	52 045	49 832	(4.25)	49 832	49 832
PPP unitary charge		36 828	40 411	46 740	51 414	48 440	48 440	47 394	(2.16)	47 394	47 394
Penalties (if applicable)		225	614								
Advisory fees		150		66	1 273	1 200	1 200		(100.00)		
Project monitoring cost		1 954	2 038	1 569	2 276	2 405	2 405	2 438	1.37	2 438	2 438
Revenue generated (if applicable)											
Contingent liabilities (information)											
Proposed Projects^b							6 578	14 528	90.45	42 523	74 000
Advisory fees							6 578	12 528	90.45	38 523	54 000
Project team costs								2 000		4 000	20 000
Site acquisition costs											
Other project costs											
Total Public-Private Partnership projects		39 157	43 063	48 375	54 963	52 045	58 623	64 360	9.79	92 355	123 832

^a Projects signed in terms of Treasury Regulation 16

^b Projects in preparation, registered in terms of Treasury Regulation 16

Municipal PPP projects

Drakenstein Municipality signed the **Paarl Central Business District Redevelopment PPP** agreement on 1 April 2010. Site works, such as the metering of parking and the relocation of street traders, have commenced.

Theewaterskloof Municipality registered the **Grabouw 4 Property Transactions PPP** in 2007. The Municipality is in the process of clarifying the issue of ownership of land with regard to the Eikenhof Dam Resort and the Community Precinct. Progress on this project is very slow.

Swellendam Municipality has registered a **mixed-use development PPP**. National Treasury has issued their Treasury Views and Recommendations IIA letter during July 2009. The procurement and bidding process has not as yet been concluded.

The Witzenberg Municipality is pursuing the redesign, constructing, maintenance and operation of the **Pine Forest Resort**.

The Cederberg Municipality is running a design, constructing, operating and maintenance of a **water reclamation plant**. However, in the interim, the Municipality has applied for alternative capital funding and there is a possibility that this PPP might be de-registered.

The City of Cape Town has registered a PPP to **deliver waste diversion and beneficiation in composting of solid waste**.

Expenditure on Training

Training and Development helps in optimising the utilisation of human resources that further helps employees to achieve the organisational objectives as well as personal growth. It further helps in preparing new graduates for employment and providing skill upgrading. Ongoing training initiatives in the Western Cape Government are therefore focused on developing both internal staff capacity, as well as to nurture prospective staff through pre- or in-service bursaries and exposure to the working environment.

Table 5.6 shows the provincial payments on training per Department. The total estimated expenditure on training amounts to R442.537 million in the 2012/13 financial year, which is 6.6 per cent more than the revised estimate of R421.879 million in the 2011/12 financial year.

The Provincial Government will utilise the funding to offer a total number of 21 194 training opportunities 5 801 bursaries, 947 internships and 2 503 learnerships in 2012/13.

Table 5.6 Summary of provincial payments on training by vote

Vote R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
1. Department of the Premier	3 393	3 075	3 526	5 481	4 194	4 194	4 631	10.42	4 925	5 370
2. Provincial Parliament	480	63	135	455	460	460	382	(16.96)	405	426
3. Provincial Treasury	3 621	4 248	2 033	3 271	3 271	3 271	3 390	3.64	3 693	3 693
4. Community Safety	1 107	1 780	1 230	1 924	2 387	1 649	2 378	44.21	2 540	2 721
5. Education	68 590	118 245	102 422	108 627	108 627	108 627	108 526	(0.09)	114 455	120 250
6. Health	152 974	212 322	258 618	262 743	268 302	262 918	279 679	6.37	290 808	308 634
7. Social Development	7 773	8 220	9 626	7 845	6 345	6 345	7 165	12.92	7 004	7 361
8. Human Settlements	3 842	2 721	1 099	702	966	918	1 001	9.04	1 062	1 113
9. Environmental Affairs and Development Planning	1 104	1 444	838	1 560	1 313	1 120	1 797	60.45	1 881	1 979
10. Transport and Public Works	18 543	20 772	18 838	22 631	21 348	20 557	21 620	5.17	21 498	21 149
11. Agriculture	5 830	12 477	7 454	9 621	8 569	8 569	8 699	1.52	9 133	9 805
12. Economic Development and Tourism	967	951	1 534	1 399	740	740	1 273	72.03	2 070	2 377
13. Cultural Affairs and Sport	1 299	1 364	979	2 126	2 126	2 126	1 582	(25.59)	1 652	1 734
14. Local Government	229	48	235	480	354	385	414	7.53	438	463
Total provincial payments on training	269 752	387 730	408 567	428 865	429 002	421 879	442 537	4.90	461 564	487 075

The **Department of the Premier** has identified human resource management (HRM), information communication technology (ICT), internal audit and organisation development as main focus areas for training initiatives. In addition, staff also receives training which is function-specific (for example policy analysis, monitoring and evaluation). Furthermore, a total of 108 bursaries are offered in 2012/13 to internal staff to either achieve a qualification or to further their studies.

The **Provincial Treasury** has made provision for bursaries and short courses for staff in, amongst others, economics, accounting, public administration and management, financial, contract and asset management, project management, as well as mentoring and coaching skills over the 2012 MTEF.

The **Department of Community Safety** will continue to facilitate greater compliance with the safety and security regulatory and policy environment. The Traffic Management programme focuses on providing formal training courses to the traffic law enforcement officials to ensure a professional traffic policing workforce.

The **Department of Education** estimates to spend R108.526 million on training in 2012/13. This amount includes spending on 1 801 internal and external bursary opportunities (specifically for educators) and the appointment of 44 interns. Further to this, the Department will also train teachers in the Intermediate Phase and in Grade 11, for the introduction of the Curriculum and Assessment Policy Statement (CAPS) in 2013.

The **Department of Health** utilises bursaries as both a recruitment tool and as part of the staff retention strategy. The Department will offer 3 000 bursary opportunities per annum over the 2012 MTEF for, amongst others, nursing, medicine, physiotherapy, pharmacy, occupational therapy, radiography, emergency medicine, medical technology and clinical engineering to ensure the development and maintenance of a capacitated public health sector workforce.

The **Department of Social Development** estimates to invest R7.165 million on training in 2012/13. This investment will include the appointment of 400 interns, 100 learnerships as well as funding for 129 bursaries to improve internal capacity and capacity within the social work field.

The **Department of Human Settlements** will be allocating R300 000 to bursaries, while another R700 000 is earmarked for internships. Previous training interventions in terms of external bursaries awarded, already resulted in the appointment of 3 trainee engineers within the Department.

The **Department of Environmental Affairs and Development Planning** identified scarce skills required to achieve its mandate. This includes areas such as town and regional planning, climate change, air quality, geographical information systems and environmental management. The Department makes available bursaries for full and part time studies in these areas (40 in 2012/13). External bursars are accommodated through internships or contract appointments after completion of their studies. Current staff are also encouraged to further their studies through part time bursaries and preference is provided to the historical disadvantaged individuals and identified scarce skills.

The **Department of Transport and Public Works** estimates to spend R21.620 million on training in 2012/13. This amount includes spending on 420 internal and external bursary opportunities in administration and the built environment (in specific with regard to financial management, auditing, etc. and engineering, quantity surveying, architecture and town regional planning), as well as 80 internships and 2 000 learnerships.

The **Department of Agriculture** continues to offer accredited and needs driven agricultural training to at least 400 students per academic year. Learnerships are offered to learners in different agricultural skills sets at various Further Education and Training (FET) Centers. At least 210 bursaries and 45 Internships will be offered across a spectrum of occupations.

The **Department of Cultural Affairs and Sport** provided a total of 16 Internships during the 2011/12 financial year. Currently the Department has a total of 26 employees who receive bursaries for studies within the field of Public management, finance, library services, public and visual history, marketing and information technology. These will remain focus areas for training in the 2012 MTEF.

The **Department of Economic Development and Tourism** currently has a total of 13 employees who receive bursaries which is linked to the Department's capacity improvement plan. Furthermore, an additional 53 training opportunities will also be provided to staff where required. A total of R1.273 million has been allocated for training and staff development. The training that will be provided includes computer training such as Microsoft Office suite etc. and more specialised short courses in project management and financial management.

The **Department of Local Government** will be allocating R414 000 to bursaries. This amount includes spending on 16 bursary opportunities and the appointment of 18 interns.

Conclusion

This chapter has provided an overview of the payments by Economic Classification, Infrastructure, Public Private Partnerships and Training.

Compensation of Employees (COE) is the largest item on the current payments budget. The COE budget provides for the improvement in conditions of service as well as for the funding of current and expanded establishments in various departments.

Transfers and subsidies is the second largest item on the 2012/13 budget, which includes transfers to municipalities, departmental agencies, universities and technikons, public corporations and private enterprises, non-profit organisations and households.

Payments for capital assets includes expenditure on infrastructure. The Western Cape Government is providing investment for both social and economic infrastructure. Social infrastructure investments mainly relate to education and health, while economic infrastructure mainly to transport. The expansion of infrastructure and maintenance of existing infrastructure are both important dimensions for development in the Province.

Several Public Private Partnership (PPP) projects are under way in the Province and include the Chapmans Peak Drive project, Western Cape Rehabilitation Centre and Lentegeur Psychiatric Hospital, The De Hoop Nature Reserve's, Whale Trail II and Lekkerwater, Tygerberg Hospital Redevelopment Project, Paarl Central Business District Redevelopment, Pine Forest Resort and a number of others in early stages of development. These projects include partnerships within the Provincial and Local Government spheres.

The Western Cape Government is committed to ongoing training, which is focused on developing both internal staff capacity and nurturing prospective staff through pre- or in-service bursaries and exposure to the working environment. Exposure to the working environment includes learnerships and internships within Provincial Departments.

6

Transfers and Provincial Payments to Local Government

Introduction

Municipalities play a critical role in furthering government's objective of providing services to communities, while facilitating sustainable development. Over the next three years, provincial transfers to local government will assist municipalities with the delivery of basic services and to improve municipal planning, governance and administration, financial capacity and training interventions to achieve greater efficiency in service delivery.

Municipal own revenue sources are supplemented by the local government equitable share, which is the main fiscal instrument that is used to redistribute local government's share of nationally raised revenue. In addition, municipal own revenue is supplemented by national conditional grants and provincial transfers. These conditional grants and transfers are aimed at assisting municipalities to meet specific policy objectives or to address critical challenges that can impact on service delivery.

The Municipal Finance Management Act, 2003 (MFMA) requires that the MEC for Finance must, to the extent possible, when tabling the provincial budget in the Provincial Legislature, make public particulars of any allocations due to each municipality in terms of the provincial budget, including the amount to be transferred to the municipality during each of the next three financial years. In addition, the annual Division of Revenue Act (DoRA) requires that the Provincial Treasury must, on the same day that the Provincial budget is tabled in the Provincial Legislature, but not later than 14 April of that budget year, publish the following in a Gazette:

- The allocation per municipality for every grant/transfer to be made by the Province to municipalities from the Province's own funds;
- The envisaged division of the allocation contemplated in respect of each municipality for the next financial year (2013/14) and the 2014/15 financial year; and
- The conditions and other information in respect of these allocations to facilitate measurement of the financial performance and the use of required inputs and outputs.

Allocations over the 2012 MTEF are made public per municipality. The Western Cape Government, in giving effect to the legislative requirements of both the MFMA and the DoRA, has institutionalised a process through which the Provincial Government engages with municipalities on strategic, delivery and budgetary issues. These engagements are known as the Local Government Medium Term Expenditure Committee (LG MTEC) and Local Government Financial Governance Review and Outlook (LG FGRO) processes.

From a financial perspective, the 2012/13 financial year is still going to be challenging for many municipalities given the prevailing economic conditions. Additional challenges with which municipalities need to contend are slow capital expenditure, increasing consumer debtors, financial sustainability of small, rural and district municipalities and governance and institutional stability.

The provincial allocations per municipality will be made public by means of the Local Government Allocations Gazette, tabled in the Provincial Parliament together with the 2012 Budget. The Gazette outlines the frameworks and allocations to recipient municipalities for each grant over the three-year MTEF period, in both the Provincial and Municipal financial years.

Publication of the provincial allocations per municipality enables improved planning and budgeting

This information enables municipalities to improve planning and budgeting and to implement associated programmes over a three-year budgeting cycle. Sources and levels of provincial funding are made predictable and criteria on which these allocations are based would be made transparent for municipalities by their public disclosure. It also assists the provincial and local spheres of government to better align their plans and spending priorities.

The Provincial Treasury will publish a working document on www.westerncape.gov.za that will contain, firstly, the allocations per project and ward and secondly, the spatial

spending of the Provincial budget per municipality per ward but at this stage only for specific departments.

Table 6.1 Summary of provincial transfers to local government by category

Vote transfers R'000	Outcome			Main appropriation 2011/12	Adjusted appropriation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Category A	953 092	995 468	769 433	840 949	852 444	852 123	1 092 848	28.25	1 137 164	1 207 424
Category B	436 766	517 628	765 019	621 843	683 265	683 300	623 638	(8.73)	600 421	603 488
Category C	18 878	53 709	22 471	5 634	6 042	5 677	3 648	(35.74)	3 564	3 651
Other				16 280			33 223		104 970	133 784
Total departmental transfers to local government	1 408 736	1 566 805	1 556 923	1 484 706	1 541 751	1 541 100	1 753 357	13.77	1 846 119	1 948 347

Provincial transfers to municipalities as indicated in Table 6.1 are budgeted to increase from a revised allocation of R1.541 billion in 2011/12 to R1.756 billion in 2012/13. In 2013/14, the transfers to municipalities are expected to increase again to R1.846 billion and further to R1.948 billion in 2014/15.

Provincial transfers to the Category A municipality (City of Cape Town) are budgeted to increase from a revised allocation of R852.123 million in 2011/12 to R1.093 billion in 2012/13. The 2010/11 baseline was reduced mainly because of the reallocation of funds from the City of Cape Town's Integrated Housing and Human Settlement Development Grant allocation to the Provincial Department of Human Settlements own projects (i.e. People's Housing Project, Social Housing Institutions, Individual Housing Subsidies and Extended Enhance Discount Benefit Scheme).

During the 2013/14 and 2014/15 financial years, the amount transferred to the City of Cape Town is budgeted to increase marginally from R1.137 billion to R1.207 billion.

During the 2011/12 financial year several once-off allocations were effected for the Category B municipalities, resulting in upward adjustments in the revised estimates from the main appropriation. These allocations have resulted in erratic budget trends when compared with the 2010/11 and 2011/12 allocations. Observations are that the total transfers to Category B municipalities decrease from R765.019 million in 2010/11 to R683.300 million in 2011/12. Budgeted transfers to the municipalities are expected to further decrease in 2012/13 to R627.138 million and to R600.421 million in 2013/14 and marginally increase to R603.488 million in 2014/15.

Allocations to Category C municipalities are budgeted to decrease from a revised allocation of R5.677 million in 2011/12 to R3.648 million in 2012/13. The amount transferred is budgeted to further decrease in 2013/14 to R3.564 million and increase to R3.651 million in 2014/15.

Municipalities are required to report quarterly to the provincial transferring officer on their performance against the transferred amounts. The municipalities' performance on these grants are monitored on a monthly basis by means of the In-Year Monitoring and Management system (IYM) and further assessed during quarterly visits to municipalities. Further grant monitoring mechanisms are going to be introduced by Provincial Government to disincentivise poor spending by municipalities.

Provincial Payments and Estimates by Metro, District and Local Municipalities

Table 6.2 illustrates how the Province's entire budget over the MTEF is to be spatially spent within the Province, informed by current realities, policies and strategies.

Of the R39.885 billion Provincial budget for 2012/13, a total of R27.438 billion or 68.8 per cent of total estimated provincial spending will take place within the boundaries of the Cape Town Metro. R1.957 billion or 4.9 per cent of the budget is estimated to be spent in the West Coast district; R4.901 billion or 12.3 per cent in the Cape Winelands; in Overberg R1.369 billion or 3.4 per cent; in Eden R3.529 billion or 8.8 per cent; and in Central Karoo R661.459 million or 1.7 per cent.

The spatial spending of the Provincial budget is consistent with the findings of the Western Cape Provincial Spatial Development Framework (WCPSDF) in that the largest portion of the Provincial budget, relative to the relevant district's portion, is spent in the identified growing or developing towns, each relating to a particular municipality. This approach supports local economic development and the access to basic services and assists with delivering on the district or regional growth objectives.

Table 6.2 Provincial payments and estimates by district and local municipalities

Municipalities R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Cape Town Metro	17 646 262	20 614 441	23 518 395	25 495 707	25 535 663	25 505 261	27 437 586	7.58	29 374 855	31 032 729
West Coast Municipalities	1 297 890	1 473 615	1 622 964	1 935 184	1 952 550	1 951 965	1 956 656	0.24	2 038 541	2 365 172
Matzikama	202 462	197 571	221 653	250 470	255 412	255 004	265 115	3.97	294 548	322 988
Cederberg	201 892	278 208	258 063	285 076	284 494	284 494	292 208	2.71	286 031	301 238
Bergrivier	110 931	136 028	142 452	184 364	190 170	190 170	161 151	(15.26)	230 629	433 510
Saldanha Bay	229 496	267 679	327 168	429 697	430 157	429 980	409 600	(4.74)	397 741	432 034
Swartland	433 691	396 577	429 770	516 217	493 269	493 269	524 214	6.27	508 672	508 591
Across wards and municipal projects	119 418	197 552	243 858	269 360	299 048	299 048	304 368	1.78	320 921	366 811
Cape Winelands Municipalities	3 218 415	3 706 609	4 300 942	4 577 645	4 539 636	4 540 087	4 901 834	7.97	5 174 341	5 341 184
Witzenberg	369 352	328 446	393 860	464 925	454 887	454 887	526 049	15.64	437 911	477 923
Drakenstein	845 434	1 039 706	1 109 573	1 308 168	1 205 167	1 205 167	1 239 519	2.87	1 390 735	1 396 379
Stellenbosch	595 483	711 736	861 548	817 451	830 106	830 106	982 690	18.38	1 038 414	1 058 979
Breede Valley	812 154	883 888	1 099 948	1 170 528	1 216 605	1 217 056	1 295 192	6.42	1 374 202	1 383 705
Langeberg	221 455	262 497	290 407	324 115	324 545	324 545	349 500	7.69	400 263	472 101
Across wards and municipal projects	374 537	480 336	545 606	492 458	508 325	508 325	508 689	0.07	532 816	552 097
Overberg Municipalities	735 592	936 264	1 077 566	1 188 901	1 185 776	1 185 539	1 368 853	15.46	1 468 649	1 517 866
Theewaterskloof	298 386	343 249	343 806	374 185	385 701	385 701	404 488	4.87	412 548	438 371
Overstrand	147 573	183 366	311 727	332 726	287 219	287 219	395 452	37.68	518 063	506 822
Cape Agulhas	97 395	166 051	123 779	140 608	148 450	148 450	144 556	(2.62)	137 449	145 809
Swellendam	96 055	101 833	117 801	127 774	124 462	124 225	156 565	26.03	143 199	152 446
Across wards and municipal projects	96 183	141 765	180 453	213 607	239 944	239 944	267 792	11.61	257 390	274 418
Eden Municipalities	2 294 092	2 860 350	3 060 382	3 066 875	3 236 304	3 235 657	3 528 886	9.06	3 460 596	3 663 110
Kannaland	89 091	99 181	80 232	92 217	94 734	94 734	161 937	70.94	105 923	120 952
Hessequa	140 857	205 240	211 973	179 346	191 125	191 125	197 651	3.41	204 064	216 318
Mossel Bay	219 150	260 613	287 842	343 518	342 061	341 964	411 182	20.24	369 948	370 588
George	917 445	988 064	1 095 254	1 207 208	1 264 546	1 264 113	1 418 591	12.22	1 476 802	1 549 459
Oudshoorn	397 813	412 668	480 286	536 214	558 166	558 110	521 292	(6.60)	546 316	578 435
Bitou	65 129	143 474	168 164	153 126	129 111	129 111	160 111	24.01	124 178	156 888
Knysna	256 415	323 796	256 961	251 852	268 135	268 074	272 219	1.55	277 877	294 257
Across wards and municipal projects	208 192	427 314	479 670	303 394	388 427	388 427	385 903	(0.65)	355 489	376 214
Central Karoo Municipalities	398 449	484 633	450 795	544 388	570 699	570 179	661 459	16.01	718 815	780 689
Laingsburg	16 518	18 929	22 094	24 471	24 786	24 506	29 975	22.32	28 494	30 177
Prince Albert	38 828	31 211	35 921	41 067	44 560	44 560	41 082	(7.81)	45 724	83 431
Beaufort West	298 066	357 990	319 839	409 844	432 424	432 184	478 656	10.75	528 774	545 845
Across wards and municipal projects	45 037	76 503	72 941	69 007	68 929	68 929	111 746	62.12	115 822	121 236
Other							29 723		158 165	184 639
Total provincial expenditure by district and local municipality	25 590 700	30 075 912	34 031 044	36 808 699	37 020 627	36 988 687	39 884 997	7.83	42 393 961	44 885 389

Table 6.3 shows a different composition of the provincial spatial spending, i.e. per cluster (economic, social and governance and administration). Of the entire budget, an amount of R5.839 billion or 14.6 per cent is spent by the economic sector, of which R3.490 billion is spent in the City of Cape Town in 2012/13. R32.913 billion or 82.52 per cent is spent by the social sector while R1.103 billion or 2.8 per cent is spent by the governance and administration sector in 2012/13.

The lion's share of the budget will be spent in the social cluster

The social sector is made up of the Departments of Community Safety, Health, Education, Social Development, Human Settlements and Cultural Affairs and Sport.

Environmental Affairs and Development Planning, Agriculture, Transport and Public Works and Economic Development and Tourism, make up the economic sector; with the balance of the provincial votes, i.e. Department of the Premier, Provincial Parliament, Local Government and Provincial Treasury, representing the governance and administrative sector.

Table 6.3 Summary of provincial payments and estimates per sector by district and local municipality

Cluster estimates R'000	Outcome			Main appro- piation			Adjusted appro- piation			Revised estimate			Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	2011/12	2011/12	2011/12	2012/13	Change from Revised estimate			2013/14	2014/15				
								2011/12	2011/12	2011/12			2011/12	2013/14	2014/15	
Economic Sector	3 556 432	4 888 855	4 827 092	5 223 654	5 330 069	5 313 897	5 839 079	9.88		5 955 660	6 229 066					
Cape Town Metro	2 017 361	3 020 290	3 057 014	3 270 178	3 271 683	3 255 944	3 489 947	7.19		3 628 435	3 730 133					
West Coast District	308 960	313 137	252 018	484 870	457 417	457 417	376 667	(17.65)		384 092	608 915					
Cape Winelands District	582 936	625 897	804 017	790 658	873 088	873 088	952 601	9.11		1 026 513	951 293					
Overberg District	114 810	200 317	216 449	252 723	216 038	216 038	315 021	45.82		380 020	353 593					
Eden District	460 411	617 670	445 010	318 009	415 627	415 194	549 151	32.26		355 206	373 304					
Central Karoo	71 954	111 544	52 584	107 216	96 216	96 216	155 692	61.82		181 394	211 828					
Social Sector	21 421 502	24 425 422	28 270 239	30 518 656	30 634 407	30 621 139	32 913 276	7.49		35 106 593	37 243 412					
Cape Town Metro	15 028 522	16 851 205	19 557 329	21 185 033	21 231 722	21 219 559	22 873 131	7.79		24 600 595	26 100 138					
West Coast District	988 930	1 158 870	1 368 640	1 447 112	1 493 905	1 493 320	1 577 260	5.62		1 653 693	1 755 501					
Cape Winelands District	2 623 092	3 067 186	3 477 741	3 768 434	3 648 021	3 648 472	3 928 752	7.68		4 124 629	4 366 598					
Overberg District	620 782	735 211	860 359	933 262	966 796	966 559	1 050 373	8.67		1 088 153	1 163 797					
Eden District	1 833 681	2 240 693	2 612 516	2 748 216	2 820 027	2 819 813	2 978 560	5.63		3 102 690	3 289 106					
Central Karoo	326 495	372 257	393 654	436 600	473 937	473 417	505 200	6.71		536 833	568 273					
Governance and Administration Sector	612 766	761 635	933 713	1 066 389	1 056 151	1 053 651	1 102 919	4.68		1 173 544	1 228 271					
Cape Town Metro	600 379	742 946	904 052	1 040 496	1 032 258	1 029 758	1 074 508	4.35		1 145 825	1 202 458					
West Coast District		1 608	2 306	3 202	1 228	1 228	2 729	122.23		756	756					
Cape Winelands District	12 387	13 526	19 184	18 553	18 527	18 527	20 481	10.55		23 199	23 293					
Overberg District		736	758	2 916	2 942	2 942	3 459	17.57		476	476					
Eden District		1 987	2 856	650	650	650	1 175	80.77		2 700	700					
Central Karoo		832	4 557	572	546	546	567	3.85		588	588					
Other							29 723			158 165	184 639					
Total payments and estimates per sector	25 590 700	30 075 912	34 031 044	36 808 699	37 020 627	36 988 687	39 884 997	7.83		42 393 961	44 885 389					

Conclusion

Direct transfers by the Province to municipalities have been budgeted at R1.756 billion for 2012/13, R1.846 billion for 2013/14 and R1.948 billion for 2014/15. The majority of these funds will be transferred to the City of Cape Town.

Expenditure by the Provincial departments in municipalities has been budgeted at R39.885 billion for 2012/13, R42.394 billion for 2013/14 and R44.885 billion for 2014/15. The largest share of these budget allocations is attributed to the provincial social cluster, followed by the economic and governance clusters.

7

Summary of Aggregates

Table 7.1 below provides the overall budget summary of the key provincial revenue and expenditure components of the 2012 MTEF budget.

In 2012/13 transfer receipts from National (equitable share and conditional grants) increase by R2.253 billion or 6.3 per cent from the 2011/12 revised estimate. National transfers will grow at an annual average rate of 6.9 per cent over the 2012 MTEF from R35.328 billion in the 2011/12 revised estimate to R43.178 billion in 2014/15.

Provincial Own Receipts decrease by an annual average of 0.2 per cent over the 2012 MTEF from R2.052 billion in the 2011/12 revised estimate to R2.041 billion in 2014/15. Financing is mainly provided for in 2012/13 as a result of withdrawals from the Asset Finance Reserve, cash draw-downs and the stabilisation of a Working Capital Reserve to assist with cash-flow requirements.

An average annual decrease of 0.2 per cent for Provincial Own Receipts over the MTEF

In 2012/13 the total provincial payments increase by 8 per cent or R2.967 billion to R40.151 billion when compared to the 2011/12 revised estimate of R37.184 billion. The majority of the increase is on current payments, a 8.3 per cent or R2.294 billion increase. Over the 2012 MTEF, the total provincial payments are set to increase from R40.151 billion in 2012/13 to R45.418 billion by 2014/15.

Provincial payments set to grow by 7.9 per cent

Chapter 4 outlines the expenditure plans of departments and details how these funds will be used to achieve national and provincial policy priorities within a balanced budget for each year of the 2012 MTEF.

Table 7.1 Provincial budget summary

R'000	Outcome			Main appropriation 2011/12	Adjusted appropriation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Provincial receipts										
Transfer receipts from national	23 053 690	28 064 895	32 536 439	34 910 403	35 328 138	35 328 138	37 581 229	6.38	40 327 668	43 178 299
Equitable share	18 241 996	21 762 635	24 455 824	26 754 333	27 052 442	27 052 442	28 772 188	6.36	30 752 911	32 977 450
Conditional grants	4 811 694	6 302 260	8 080 615	8 156 070	8 275 696	8 275 696	8 809 041	6.44	9 574 757	10 200 849
Financing	1 162 830	810 877	498 626	273 749	326 837	326 837	603 621	84.69	206 805	198 058
Asset Finance Reserve	943 275	667 536	215 864	273 749	273 749	273 749	377 405	37.87	206 805	198 058
Provincial Revenue Fund	219 555	143 341	282 762		53 088	53 088	226 216	326.12		
Provincial own receipts	1 935 003	1 937 415	2 067 681	1 851 518	1 858 962	2 051 806	1 966 051	(4.18)	1 996 510	2 041 457
Total provincial receipts	26 151 523	30 813 187	35 102 746	37 035 670	37 513 937	37 706 781	40 150 901	6.48	42 530 983	45 417 814
Provincial payments										
Current payments	19 246 579	22 066 189	24 933 247	27 737 922	27 689 753	27 644 227	29 938 355	8.30	31 949 030	33 836 880
Transfers and subsidies	4 420 849	5 442 597	6 199 236	6 038 026	6 169 381	6 175 450	6 440 482	4.29	7 104 520	7 558 139
Payments for capital assets	1 912 662	2 546 291	2 876 453	3 028 839	3 156 153	3 160 363	3 501 983	10.81	3 336 019	3 485 759
Payments for financial assets	10 610	20 835	22 108	3 912	5 340	8 647	4 177	(51.69)	4 392	4 612
Direct charge	23 676	30 519	28 605	30 253	30 253	30 253	31 787	5.07	33 535	35 547
Contingency reserve				12 492	12 492	12 492	212 173	1 598.47	31 870	353 799
Net internal financing				32 257	487	487	21 944	4 405.95	71 617	143 079
Smoothing - previous Budgets				151 969	151 969	151 969		(100.00)		
Total provincial payments	25 614 376	30 106 431	34 059 649	37 035 670	37 215 828	37 183 888	40 150 901	7.98	42 530 983	45 417 814
Surplus (Deficit)	537 147	706 756	1 043 097	-	298 109	522 893	-	(100.00)	-	-

Annexure

Additional Tables

Table 1 Conditional grants: Information relating to Chapter 3

Vote and grant R'000	2008/09			2009/10			2010/11			2011/12			Medium-term estimate		
	Adjusted appro- piation	Actual transfer	Audited outcome	Main appro- piation	Adjusted appro- piation	Audited outcome	Main appro- piation	Adjusted appro- piation	Audited outcome	Main appro- piation	Adjusted appro- piation	Revised estimate	2012/13	2013/14	2014/15
Vote 1: Department of the Premier		5 000	5 000												
Internally Displaced People Management		5 000	5 000												
Vote 4: Community Safety		2 690	2 690							543	543	543	800		
Internally Displaced People Management		2 690	2 690												
Social Sector EPWP Incentive Grant for Provinces										543	543	543	800		
Vote 5: Education	282 736	298 188	292 811	297 569	302 764	302 353	893 572	894 103	889 501	1 176 991	1 190 413	1 190 413	1 323 569	1 403 566	1 457 579
Education Infrastructure Grant ^{Note}	120 475	120 475	120 478	170 395	170 395	169 976	255 062	255 062	255 062	385 039	385 039	385 039	431 397	451 931	455 916
Dinaledi Schools Grant										6 720	6 720	6 720	9 571	10 097	10 673
HIV and Aids (Life Skills Education) Grant	13 847	13 847	13 727	14 626	14 626	14 626	15 392	15 392	14 440	16 388	16 388	16 388	17 416	18 371	19 404
Further Education and Training Colleges Grant	77 305	77 305	77 305				446 512	447 043	446 971	527 117	534 671	534 671	584 213	653 036	689 938
National School Nutrition Programme Grant	71 109	86 561	81 301	112 548	117 743	117 751	173 318	173 318	169 775	227 433	230 906	230 906	244 784	258 247	269 613
Technical Secondary Schools Recapitalisation Grant							3 288	3 288	3 253	8 619	8 619	8 619	11 264	11 884	12 035
Social Sector EPWP Incentive Grant for Provinces										5 675	8 070	8 070	23 924		
Expanded Public Works Programme Integrated Grant for Provinces													1 000		
Vote 6: Health	2 633 668	2 682 678	2 492 177	2 819 092	2 973 939	2 851 754	3 481 521	3 575 203	3 587 695	3 718 253	3 738 100	3 738 100	3 998 984	4 464 547	4 811 341
Health Infrastructure Grant ^{Note}	93 810	94 643	63 933	114 924	145 634	73 658	131 529	174 035	195 904	119 179	126 780	126 780	131 411	139 296	150 171
Hospital Revitalisation Grant	400 388	400 388	232 748	388 845	420 060	377 286	580 554	623 328	614 071	481 501	490 758	490 758	496 085	503 526	511 079
National Tertiary Services Grant	1 486 054	1 503 749	1 500 193	1 583 991	1 583 991	1 583 991	1 763 234	1 763 234	1 763 234	1 973 127	1 973 127	1 973 127	2 182 468	2 400 714	2 537 554
Nursing Colleges and Schools Grant													10 320	14 964	20 950
Health Professions Training and Development Grant	356 414	356 414	356 414	362 935	362 935	362 935	384 711	384 711	384 711	407 794	407 794	407 794	428 120	451 667	478 767
National Health Insurance Grant													11 500	26 833	38 333
Comprehensive HIV and Aids Grant	241 467	241 467	268 931	309 913	383 538	383 531	554 054	555 054	554 971	660 614	660 614	660 614	738 080	927 547	1 074 487
Forensic Pathology Services Grant	55 535	86 017	69 958	58 484	74 543	67 141	66 251	73 653	73 753	70 226	70 226	70 226			
Social Sector EPWP Incentive Grant for Provinces							1 188	1 188	1 051	5 812	8 801	8 801			
Word Cup Health Preparation Strategy Grant					3 238	3 212							1 000		
Expanded Public Works Programme Integrated Grant for Provinces													1 000		
Vote 7: Social Development		5 000	5 000							4 704	4 704	4 704			
Internally Displaced People Management		5 000	5 000												
Social Sector EPWP Incentive Grant for Provinces										4 704	4 704	4 704			
Vote 8: Human Settlements	1 203 984	1 305 862	1 305 862	1 581 425	1 581 425	1 497 437	1 869 343	1 953 221	1 940 537	1 638 845	1 638 845	1 638 845	1 725 180	1 865 344	1 990 939
Human Settlements Development Grant	1 203 984	1 305 862	1 305 862	1 581 425	1 581 425	1 497 437	1 868 843	1 952 721	1 940 037	1 638 845	1 638 845	1 638 845	1 725 180	1 865 344	1 990 939
Disaster Relief Grant															
Expanded Public Works Programme Incentive Grant for Provinces							500	500	500						

Table 1 Conditional Grants: Information relating to Chapter 3 (continued)

Vote and grant R'000	2008/09			2009/10			2010/11			2011/12			Medium-term estimate		
	Adjusted appro- p-riation	Actual transfer	Audited outcome	Main appro- p-riation	Adjusted appro- p-riation	Audited outcome	Main appro- p-riation	Adjusted appro- p-riation	Audited outcome	Main appro- p-riation	Adjusted appro- p-riation	Revised estimate	2012/13	2013/14	2014/15
Vote 9: Environmental Affairs and Development Planning															
Expanded Public Works Programme Integrated Grant for Provinces										6 000	6 000	6 000	1 000		
Vote 10: Transport and Public Works															
Provincial Roads Maintenance grant ^{Note}	446 129	864 829	591 145	1 123 783	1 618 333	1 412 764	1 244 725	1 533 405	1 429 961	1 381 264	1 467 621	1 467 621	1 503 732	1 569 960	1 651 379
Devolution of Property Rate Funds Grant	299 002	299 002	299 002	364 644	364 644	364 644	408 254	408 254	408 254	411 141	411 141	411 141	478 895	490 359	515 153
Disaster Management: Transport	147 127	147 127	147 094	164 865	268 864	250 285	181 351	283 041	264 700	291 281	309 622	309 622	319 501	345 421	364 906
Expanded Public Works Programme Integrated Grant for Provinces		418 700	145 049		390 551	204 061		186 490	124 605		61 885	61 885			
Public Transport Operations Grant				500	500		22 718	23 218		12 587	18 718	18 718	9 099		
Vote 11: Agriculture															
Land Care Programme Grant: Poverty Relief and Infrastructure Development	46 512	66 208	58 320	76 725	161 513	158 816	90 334	142 979	142 841	133 812	133 812	133 812	154 003	163 829	166 817
Drought relief/Agriculture disaster management grant	3 428	3 428	3 428	3 085	3 085	3 085	3 270	3 270	3 270	3 466	3 466	3 466	7 740	7 233	4 070
Comprehensive Agriculture Support Programme (CASP) Grant	43 084	49 205	49 205	57 640	57 640	57 598	63 064	63 064	63 064	82 346	82 346	82 346	91 863	104 859	108 394
Provincial Infrastructure Disaster Management: Agriculture		13 575	5 687	10 000	94 788	92 143		52 645	52 507						
Ilima/Letsema Projects Grant				6 000	6 000	5 990	24 000	24 000	24 000	48 000	48 000	48 000	50 400	51 737	54 353
Expanded Public Works Programme Integrated Grant for Provinces													4 000		
Vote 13: Cultural Affairs and Sport															
Mass Participation and Sport Development Grant	58 602	58 880	58 689	79 213	79 310	79 136	90 170	90 170	90 080	95 658	95 658	95 658	101 773	107 511	122 794
Community Library Services Grant	27 168	27 446	27 401	38 237	38 237	38 063	40 532	40 532	40 442	42 964	42 964	42 964	44 644	47 301	49 966
Expanded Public Works Programme Integrated Grant for Provinces	31 434	31 434	31 288	40 976	41 073	41 073	49 638	49 638	49 638	48 694	48 694	48 694	56 129	60 210	72 828
										4 000	4 000	4 000	1 000		
Total Conditional grants	4 671 631	5 289 335	4 811 694	5 977 807	6 717 284	6 302 260	7 669 665	8 189 081	8 080 615	8 156 070	8 275 696	8 275 696	8 809 041	9 574 757	10 200 849

Table 2 Details of total provincial own receipts: Information relating to Chapter 3

Receipts R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Tax receipts	1 193 734	1 208 864	1 230 722	1 214 949	1 214 949	1 261 510	1 245 464	(1.27)	1 264 232	1 283 375
Casino taxes	301 100	284 528	296 313	277 000	277 000	315 913	277 000	(12.32)	277 000	277 000
Motor vehicle licences	865 162	894 986	901 651	912 885	912 885	912 885	943 400	3.34	962 168	981 311
Horseracing taxes	22 628	23 845	26 331	20 000	20 000	27 129	20 000	(26.28)	20 000	20 000
Other taxes (Liquor licence fees)	4 844	5 505	6 427	5 064	5 064	5 583	5 064	(9.30)	5 064	5 064
Sales of goods and services other than capital assets	414 011	391 853	451 491	376 172	376 453	401 265	418 501	4.30	423 607	428 552
Sales of goods and services produced by department (excluding capital assets)	413 077	390 557	450 079	375 461	375 742	400 424	417 893	4.36	422 999	427 944
Sales by market establishments	67 908	41 952	77 391	24 050	24 050	50 298	49 712	(1.17)	54 122	58 929
Administrative fees	24 702	21 982	28 579	19 919	19 919	26 893	24 188	(10.06)	24 257	24 328
Agricultural activities			1 888							
Inspection fees	782	526	842	773	773	773	773		773	773
Licences or permits	19 563	17 342	19 740	13 928	13 928	20 257	18 177	(10.27)	18 246	18 317
Registration	441	401	514	280	280	318	300	(5.66)	300	300
Request for information	3 916	3 693	5 595	3 737	3 737	3 738	3 737	(0.03)	3 737	3 737
Other		20		1 201	1 201	1 807	1 201	(33.54)	1 201	1 201
Other sales	320 467	326 623	344 109	331 492	331 773	323 233	343 993	6.42	344 620	344 687
<i>of which</i>										
Academic services: Registration, tuition & examination fees	6 728	6 876	8 511	8 423	8 002	7 827	8 349	6.67	8 398	8 448
Boarding services	12 957	12 258	12 416	12 404	12 438	12 433	12 562	1.04	12 567	12 572
Commission on insurance	8 984	9 424	10 354	9 898	9 899	9 917	10 326	4.12	10 600	10 600
External examinations										
Health services										
Hospital fees	255 247	258 432	283 019	272 000	272 000	263 771	284 000	7.67	284 000	284 000
Laboratory services	2 714	1 173	2 513	2 713	2 713	2 790	2 813	0.82	2 813	2 813
Lost library books										
Miscellaneous capital receipts	27	4					10			
Parking	12	11	14			12		(100.00)		
Rental of buildings, equipment and other services	3 593	3 796	5 022	3 905	3 905	3 510	3 494	(0.46)	3 494	3 494
Sales of goods	9 737	13 590	2 401	1 293	1 293	2 266	1 099	(51.50)	1 099	1 099
Sales of agricultural products	8 112	7 958	7 894	9 111	9 899	9 899	9 811	(0.89)	9 811	9 811
Sport gatherings	877	749	540	545	421	597	851	42.55	884	894
Subsidised motor transport	7									
Tender documentation	349	803	1 086	400	400		400		400	400
Trading account surplus										
Tuition fees										
Vehicle repair service	33	85	127	93	93	93	93		93	93
Services rendered	7 510	7 864	5 866	5 744	5 744	5 744	5 327	(7.26)	5 327	5 327
Photocopies and faxes	1 997	2 193	3 373	3 865	3 865	2 904	4 055	39.63	4 254	4 254
Replacement: Security cards	22	31	30	28	31	30	33	10.00	35	37
Other	1 561	1 376	943	1 070	1 070	1 440	770	(46.53)	845	845

Table 2 Details of total provincial own receipts: Information relating to Chapter 3 (continued)

Receipts R'000	Outcome			Main appro- priation 2011/12	Adjusted appro- priation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	934	1 296	1 412	711	711	841	608	(27.71)	608	608
Transfers received from	142 905	93 879	116 036	178 006	182 256	182 256	218 628	19.96	225 007	245 933
Other governmental units	4 671		3 050		4 250	4 250		(100.00)		
Universities and technikons	13 693	15 302	15 926	11 543	11 543	11 543	15 618	35.30	15 618	15 618
Foreign governments										
International organisations	122 675	78 568	97 050	166 462	166 462	166 462	203 009	21.96	209 388	230 314
Public corporations and private enterprises	1 866	9	10							
Households and non-profit institutions				1	1	1	1		1	1
Fines, penalties and forfeits	2 596	3 008	3 158	1 111	1 152	3 978	1 266	(68.17)	1 387	1 370
Interest, dividends and rent on land	59 833	63 416	67 253	4 456	4 442	3 424	3 295	(3.77)	3 496	3 489
Interest	59 561	63 370	67 196	3 503	3 489	3 271	3 142	(3.94)	3 143	3 136
Dividends	15	8	26	153	153	153	153		153	153
Rent on land	257	38	31	800	800				200	200
Sales of capital assets	17 375	892	95 137	24	24	2 074	24	(98.84)	24	24
Land and subsoil assets	14 524	800	94 979			2 013		(100.00)		
Other capital assets	2 851	92	158	24	24	61	24	(60.66)	24	24
Financial transactions in assets and liabilities	104 549	175 503	103 884	76 800	79 686	197 299	78 873	(60.02)	78 757	78 714
Arrear wages income										
Loan repayments										
Recovery of previous year's expenditure	10 408	36 613	19 496	10 311	10 567	23 518	11 267	(52.09)	11 272	11 224
Staff debt	8 167	6 675	11 957	6 294	6 175	6 174	6 130	(0.71)	6 124	6 114
Stale cheques	(27)	(57)								
Unallocated credits	3 231	2 176	1 171	851	851	1 551	851	(45.13)	851	851
Cash surpluses	7 121	19	6	3	3	3	3		3	3
Other	75 649	130 077	71 254	59 341	62 090	166 053	60 622	(63.49)	60 507	60 522
Total departmental receipts	1 935 003	1 937 415	2 067 681	1 851 518	1 858 962	2 051 806	1 966 051	(4.18)	1 996 510	2 041 457

Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5

Economic classification R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Current payments	19 246 579	22 066 189	24 933 247	27 737 922	27 689 753	27 644 227	29 938 355	8.30	31 949 030	33 836 880
Compensation of employees	13 420 894	15 739 000	17 950 606	20 151 407	20 075 357	20 065 840	21 757 875	8.43	23 289 499	24 775 910
Salaries and wages	11 749 991	13 812 128	15 754 848	17 679 789	17 633 660	17 613 115	19 087 554	8.37	20 435 162	21 740 211
Social contributions	1 670 903	1 926 872	2 195 758	2 471 618	2 441 697	2 452 725	2 670 321	8.87	2 854 337	3 035 699
Goods and services	5 824 819	6 325 739	6 981 761	7 585 689	7 613 556	7 577 552	8 179 686	7.95	8 658 683	9 060 073
<i>Of which</i>										
Administrative fees	166 417	185 387	179 352	181 282	181 539	181 713	194 758	7.18	198 749	203 007
Advertising	97 292	52 612	45 744	64 955	56 019	54 506	45 999	(15.61)	48 354	49 338
Assets <R5 000	71 944	64 125	83 749	99 263	144 268	144 613	138 769	(4.04)	140 293	154 100
Audit cost: External	53 472	73 405	79 689	93 456	92 059	90 448	86 675	(4.17)	91 040	96 067
Bursaries (employees)	26 587	37 291	40 995	30 407	28 559	29 889	27 817	(6.93)	30 197	31 903
Catering: Departmental activities	40 087	33 195	32 083	33 806	36 313	35 648	37 289	4.60	38 973	40 878
Communication	110 579	126 657	118 075	128 453	121 612	118 282	124 350	5.13	132 505	137 737
Computer services	216 638	231 849	364 116	391 083	397 761	400 301	349 245	(12.75)	368 878	385 658
Cons/prof: Business and advisory services	494 781	341 041	306 228	475 162	358 511	352 604	380 358	7.87	366 050	367 522
Cons/prof: Infrastructure & planning	30 632	30 697	30 313	26 488	45 848	43 294	69 463	60.44	83 970	84 405
Cons/prof: Laboratory services	349 169	395 711	407 591	433 644	435 710	412 316	417 210	1.19	461 616	485 834
Cons/prof: Legal costs	25 359	32 353	27 152	23 528	22 594	27 680	19 927	(28.01)	21 241	23 519
Contractors	451 747	512 394	503 263	488 585	555 832	563 740	577 327	2.41	600 800	628 030
Agency and support/ outsourced services	378 378	436 223	420 852	424 521	624 278	642 261	733 961	14.28	751 855	782 511
Entertainment	1 269	1 281	1 240	2 259	2 213	2 176	2 722	25.09	2 835	2 927
Fleet services (including government motor transport)	6 863	8 469	4 395	1 085	960	1 085	1 011	(6.82)	1 013	1 097
Housing										
Inventory: Food and food supplies	145 884	186 549	254 772	330 140	116 320	109 256	108 399	(0.78)	117 327	122 311
Inventory: Fuel, oil and gas	32 107	35 050	41 437	41 066	40 602	42 638	45 056	5.67	45 943	47 728
Inventory: Learner and teacher support material	254 685	266 958	234 954	315 216	259 633	260 305	323 672	24.34	337 285	352 063
Inventory: Materials and supplies	32 856	48 087	54 595	52 582	49 600	49 733	53 959	8.50	56 240	57 276
Inventory: Medical supplies	551 887	649 924	780 274	786 521	815 829	827 620	916 159	10.70	988 834	1 034 881
Inventory: Medicine	549 909	661 488	787 355	883 629	842 117	766 066	900 193	17.51	992 664	1 064 727
Medsas inventory interface										
Inventory: Military stores					10	12		(100.00)		
Inventory: Other consumables	116 053	134 900	150 485	160 155	150 312	156 092	172 296	10.38	181 961	187 366
Inventory: Stationery and printing	114 077	118 173	128 877	134 587	130 860	133 869	139 253	4.02	145 997	153 839
Lease payments	205 039	187 032	219 807	211 010	284 544	287 259	323 876	12.75	333 134	339 419
Rental and hiring					1 878	2 652	78	(97.06)	53	54
Property payments	596 688	709 767	929 364	895 732	974 005	990 843	1 114 339	12.46	1 215 901	1 275 907
Transport provided: Departmental	121 452	154 860	148 824	174 458	174 133	172 617	181 916	5.39	191 214	200 883
Travel and subsistence	378 824	417 776	418 486	458 536	400 391	417 992	409 682	(1.99)	428 229	446 742
Training and development	90 640	96 816	89 308	124 286	129 229	121 073	131 775	8.84	139 926	147 058
Operating expenditure	67 416	58 755	67 699	72 169	95 722	97 760	108 670	11.16	99 381	104 965
Venues and facilities	46 088	36 914	30 687	47 625	44 295	41 209	43 482	5.52	46 225	50 323
Interest and rent on land	866	1 450	880	826	840	835	794	(4.92)	848	897
Interest	775	889	434	96	110	104	301	189.33	328	349
Rent on land	91	561	446	730	730	731	493	(32.56)	520	548

Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5 (continued)

Economic classification R'000	Outcome			Main appropriation 2011/12	Adjusted appropriation 2011/12	Revised estimate 2011/12	Medium-term estimate % Change from Revised estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				2012/13	2011/12	2013/14	2014/15
Transfers and subsidies to (Current)	2 672 514	3 779 663	4 102 518	4 314 384	4 465 018	4 453 482	4 675 093	4.98	5 117 563	5 462 421
Provinces and municipalities	391 629	564 050	680 511	694 706	760 184	759 386	822 917	8.37	887 091	935 177
Provinces	2 019	2 748	2 597	2 650	2 744	2 744	2 814	2.55	2 929	2 991
Provincial Revenue Funds										
Provincial agencies and funds	2 019	2 748	2 597	2 650	2 744	2 744	2 814	2.55	2 929	2 991
Municipalities	389 610	561 302	677 914	692 056	757 440	756 642	820 103	8.39	884 162	932 186
Municipalities	389 610	561 302	677 914	692 056	757 440	756 642	820 103	8.39	884 162	932 186
of which										
Regional services council levies										
Municipal agencies and funds										
Departmental agencies and accounts	182 802	225 073	233 423	249 916	264 761	264 589	255 727	(3.35)	252 508	263 426
Social security funds			11							
Entities receiving transfers	182 802	225 073	233 412	249 916	264 761	264 589	255 727	(3.35)	252 508	263 426
Western Cape Provincial Development Council	10 202	6 681	7 500		6 000	6 000		(100.00)		
Western Cape Gambling and Racing Board										
CMD Capital Augmentation										
Hospital Trading Account: Karl Bremer										
Environmental Commissioner										
Western Cape Nature Conservation Board	94 658	133 272	160 061	192 202	193 842	193 842	184 475	(4.83)	185 050	195 012
South African National Roads Agency Limited										
Agricultural Research Council										
Destination Marketing Organisation	33 617	46 061	38 205	32 440	35 439	35 439	25 000	(29.46)	20 000	20 000
Western Cape Trade and Investment Promotion Agency	20 669	20 325	15 000	12 250	14 956	14 956	22 000	47.10	22 464	22 735
Western Cape Cultural				150	150	150	200	33.33	250	263
Western Cape Liquor Board	668	595	100				7 700		7 700	7 700
Western Cape Language	252	263	150	170	220	220	190	(13.64)	210	221
Artscape	130	125	135	142	142	142	150	5.63	160	168
Heritage Western Cape	950	900	400	1 380	1 380	1 380	1 452	5.22	1 528	1 604
SETA	2 895	3 377	3 042	4 011	4 011	3 247	3 536	8.90	3 805	4 071
Government Motor Trading	2 263	3 001			400	992	400	(59.68)	430	450
CSIR										
Western Cape Provincial Youth Commission	10 400	1 830								
Social Housing Foundation				600	600	600	600		600	600
Other	6 098	8 643	8 819	6 571	7 621	7 621	10 024	31.53	10 311	10 602
Universities and technikons	1 768	2 449	3 569	5 428	4 578	3 129	14 083	350.08	16 678	16 775
Foreign governments and international organisations	137	104	85	145	122	122	130	6.56	138	145
Public corporations and private enterprises	93 798	794 129	823 577	819 527	827 309	828 479	844 459	1.93	894 429	939 159
Public corporations	89 340	197 190	190 464	117 257	126 775	127 762	109 640	(14.18)	119 643	123 166
Subsidies on production	5 700			13 145	10 774	10 774	17 940	66.51	18 268	19 302
Other transfers	83 640	197 190	190 464	104 112	116 001	116 988	91 700	(21.62)	101 375	103 864
Private enterprises	4 458	596 939	633 113	702 270	700 534	700 717	734 819	4.87	774 786	815 993
Subsidies on production	1 700									
Other transfers	2 758	596 939	633 113	702 270	700 534	700 717	734 819	4.87	774 786	815 993
Non-profit institutions	1 831 933	1 989 669	2 105 505	2 346 705	2 387 126	2 368 646	2 516 826	6.26	2 827 734	3 058 358
Households	170 447	204 189	255 848	197 957	220 938	229 131	220 951	(3.57)	238 985	249 381
Social benefits	50 454	57 162	70 485	30 953	33 702	39 030	29 538	(24.32)	30 543	31 992
Other transfers to households	119 993	147 027	185 363	167 004	187 236	190 101	191 413	0.69	208 442	217 389

Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5 (continued)

Economic classification R'000	Outcome			Main appropriation 2011/12	Adjusted appropriation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate 2011/12	2012/13	2013/14	2014/15
Transfers and subsidies to (Capital)	1 748 335	1 662 934	2 096 718	1 723 642	1 704 363	1 721 968	1 765 389	2.52	1 986 957	2 095 718
Provinces and municipalities	309 293	35 773	61 006	62 385	72 385	72 385	54 622	(24.54)	57 100	36 600
Provinces										
Provincial Revenue Funds										
Provincial agencies and funds										
Municipalities	309 293	35 773	61 006	62 385	72 385	72 385	54 622	(24.54)	57 100	36 600
Municipalities	309 293	35 773	61 006	62 385	72 385	72 385	54 622	(24.54)	57 100	36 600
<i>of which</i>										
Regional services council levies										
Municipal agencies and funds										
Departmental agencies and accounts	1 822	2 605	52 714	12 535	12 535	12 535	35 827	185.82	32 181	33 888
Social security funds										
Entitles receiving transfers	1 822	2 605	52 714	12 535	12 535	12 535	35 827	185.82	32 181	33 888
Western Cape Provincial Development Council										
Western Cape Gambling and Racing Board										
CMD Capital Augmentation	1 573	1 715	52 299	12 535	12 535	12 535	18 536	47.87	13 963	14 661
Hospital Trading Account: Karl Bremer										
Environmental Commissioner										
Western Cape Nature Conservation Board							17 291		18 218	19 227
South African National Roads Agency Limited										
Agricultural Research Council										
Destination Marketing Organisation										
Western Cape Trade and Investment Promotion Agency										
Western Cape Cultural										
Western Cape Liquor Board										
Western Cape Language										
Artscape										
Heritage Western Cape										
SETA										
Government Motor Trading	249	890	415							
CSIR										
Western Cape Provincial Youth Commission										
Social Housing Foundation										
Other										
Universities and technikons										
Foreign governments and international organisations										
Public corporations and private enterprises		40 000							80 000	81 790
Public corporations		40 000								
Subsidies on production										
Other transfers		40 000								
Private enterprises									80 000	81 790
Subsidies on production										
Other transfers									80 000	81 790
Non-profit institutions	138 961	108 073	106 496	74 134	44 855	62 460	35 312	(43.46)	39 927	41 923
Households	1 298 259	1 476 483	1 876 502	1 574 588	1 574 588	1 574 588	1 639 628	4.13	1 777 749	1 901 517
Social benefits										
Other transfers to households	1 298 259	1 476 483	1 876 502	1 574 588	1 574 588	1 574 588	1 639 628	4.13	1 777 749	1 901 517

Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5 (continued)

Economic classification R'000	Outcome			Main approp- riation 2011/12	Adjusted approp- riation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Transfers and subsidies to (Total)	4 420 849	5 442 597	6 199 236	6 038 026	6 169 381	6 175 450	6 440 482	4.29	7 104 520	7 558 139
Provinces and municipalities	700 922	599 823	741 517	757 091	832 569	831 771	877 539	5.50	944 191	971 777
Provinces	2 019	2 748	2 597	2 650	2 744	2 744	2 814	2.55	2 929	2 991
Provincial Revenue Funds										
Provincial agencies and funds	2 019	2 748	2 597	2 650	2 744	2 744	2 814	2.55	2 929	2 991
Municipalities	698 903	597 075	738 920	754 441	829 825	829 027	874 725	5.51	941 262	968 786
Municipalities of which	698 903	597 075	738 920	754 441	829 825	829 027	874 725	5.51	941 262	968 786
Regional services council levies										
Municipal agencies and funds										
Departmental agencies and accounts	184 624	227 678	286 137	262 451	277 296	277 124	291 554	5.21	284 689	297 314
Social security funds			11							
Entities receiving transfers	184 624	227 678	286 126	262 451	277 296	277 124	291 554	5.21	284 689	297 314
Western Cape Provincial Development Council	10 202	6 681	7 500		6 000	6 000		(100.00)		
Western Cape Gambling and Racing Board										
CMD Capital Augmentation	1 573	1 715	52 299	12 535	12 535	12 535	18 536	47.87	13 963	14 661
Hospital Trading Account: Karl Bremer										
Environmental Commissioner Western Cape Nature Conservation Board	94 658	133 272	160 061	192 202	193 842	193 842	201 766	4.09	203 268	214 239
South African National Roads Agency Limited										
Agricultural Research Council										
Destination Marketing Organisation	33 617	46 061	38 205	32 440	35 439	35 439	25 000	(29.46)	20 000	20 000
Western Cape Trade and Investment Promotion Agency	20 669	20 325	15 000	12 250	14 956	14 956	22 000	47.10	22 464	22 735
Western Cape Cultural	668	595	100	150	150	150	200	33.33	250	263
Western Cape Liquor Board							7 700		7 700	7 700
Western Cape Language	252	263	150	170	220	220	190	(13.64)	210	221
Artscape	130	125	135	142	142	142	150	5.63	160	168
Heritage Western Cape	950	900	400	1 380	1 380	1 380	1 452	5.22	1 528	1 604
SETA	2 895	3 377	3 042	4 011	4 011	3 247	3 536	8.90	3 805	4 071
Government Motor Trading	2 512	3 891	415		400	992	400	(59.68)	430	450
CSIR										
Western Cape Provincial Youth Commission	10 400	1 830								
Social Housing Foundation				600	600	600	600		600	600
Other	6 098	8 643	8 819	6 571	7 621	7 621	10 024	31.53	10 311	10 602
Universities and technikons	1 768	2 449	3 569	5 428	4 578	3 129	14 083	350.08	16 678	16 775
Foreign governments and international organisations	137	104	85	145	122	122	130	6.56	138	145
Public corporations and private enterprises	93 798	834 129	823 577	819 527	827 309	828 479	844 459	1.93	974 429	1 020 949
Public corporations	89 340	237 190	190 464	117 257	126 775	127 762	109 640	(14.18)	119 643	123 166
Subsidies on production	5 700			13 145	10 774	10 774	17 940	66.51	18 268	19 302
Other transfers	83 640	237 190	190 464	104 112	116 001	116 988	91 700	(21.62)	101 375	103 864
Private enterprises	4 458	596 939	633 113	702 270	700 534	700 717	734 819	4.87	854 786	897 783
Subsidies on production	1 700									
Other transfers	2 758	596 939	633 113	702 270	700 534	700 717	734 819	4.87	854 786	897 783
Non-profit institutions	1 970 894	2 097 742	2 212 001	2 420 839	2 431 981	2 431 106	2 552 138	4.98	2 867 661	3 100 281
Households	1 468 706	1 680 672	2 132 350	1 772 545	1 795 526	1 803 719	1 860 579	3.15	2 016 734	2 150 898
Social benefits	50 454	57 162	70 485	30 953	33 702	39 030	29 538	(24.32)	30 543	31 992
Other transfers to households	1 418 252	1 623 510	2 061 865	1 741 592	1 761 824	1 764 689	1 831 041	3.76	1 986 191	2 118 906

Table 3 Details of provincial payments and estimates by economic classification: Information relating to Chapter 5 (continued)

Economic classification R'000	Outcome			Main appro- pria- tion 2011/12	Adjusted appro- pria- tion 2011/12	Revised estimate 2011/12	Medium-term estimate				
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			2013/14	2014/15
							2012/13	2011/12			
Payments for capital assets	1 912 662	2 546 291	2 876 453	3 028 839	3 156 153	3 160 363	3 501 983	10.81	3 336 019	3 485 759	
Buildings and other fixed structures	1 620 416	2 220 101	2 464 190	2 542 357	2 622 798	2 637 981	3 035 974	15.09	2 870 502	3 014 538	
Buildings	728 933	787 039	1 101 877	1 076 820	1 122 189	1 129 696	1 568 042	38.80	1 365 110	1 372 634	
Other fixed structures	891 483	1 433 062	1 362 313	1 465 537	1 500 609	1 508 285	1 467 932	(2.68)	1 505 392	1 641 904	
Machinery and equipment	268 974	298 524	376 230	418 663	458 367	459 927	391 862	(14.80)	375 294	380 394	
Transport equipment	19 534	19 877	25 366	11 035	16 230	16 215	15 418	(4.92)	14 990	16 034	
Other machinery and equipment	249 440	278 647	350 864	407 628	442 137	443 712	376 444	(15.16)	360 304	364 360	
Heritage assets			35								
Specialised military assets											
Biological assets					480	480	444	(7.50)	470	490	
Land and subsoil assets	3 700	6 303	19 219	52 608	59 108	46 608	60 341	29.46	77 100	77 355	
Software and other intangible assets	19 572	21 363	16 779	15 211	15 400	15 367	13 362	(13.05)	12 653	12 982	
<i>Of which: "Capitalised Compensation" included in Payments for capital assets</i>		141	137								
<i>Of which: "Capitalised Goods and services" included in Payments for capital assets</i>	328 623	1 994 842	2 257 163	2 162 698	2 236 392	2 231 141	2 295 611	2.89	2 306 645	2 517 658	
Payments for financial assets	10 610	20 835	22 108	3 912	5 340	8 647	4 177	(51.69)	4 392	4 612	
Total economic classification	25 590 700	30 075 912	34 031 044	36 808 699	37 020 627	36 988 687	39 884 996	7.83	42 393 961	44 885 389	

Table 4 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 5

Category R'000	Outcome			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2008/09	2009/10	2010/11				2011/12	2011/12	2011/12	2012/13
New and replacement assets ^{Note}	729 158	547 021	709 117	1 080 898	888 598	888 598	965 465	8.65	884 742	921 084
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	225 475	305 075	215 369	579 986	382 643	382 643	518 356	35.47	572 168	505 579
6. Health	99 296	149 781	432 032	421 389	426 432	426 432	348 968	(18.17)	186 691	321 522
7. Social Development	27 382									
8. Human Settlements										
9. Environmental Affairs and Development Planning ^a				26 993	26 993	26 993	19 658	(27.17)	25 000	25 000
10. Transport and Public Works	165 005	92 165	59 416	50 000	50 000	50 000	75 700	51.40	98 100	66 200
11. Agriculture			2 300	2 530	2 530	2 530	2 783	10.00	2 783	2 783
12. Economic Development and Tourism										
13. Cultural Affairs and Sport	212 000									
14. Local Government										
Upgrades and additions ^{Note}	529 654	981 471	786 533	458 745	679 161	674 935	546 664	(19.00)	609 384	689 611
1. Department of the Premier		22 291	835							
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education			210 437		216 796	212 570	157 906	(25.72)	80 365	153 330
6. Health	74 018	113 008	94 519	98 347	101 967	101 967	125 407	22.99	71 294	89 279
7. Social Development		2 100								
8. Human Settlements										
9. Environmental Affairs and Transport and Public Works	435 636	844 072	480 742	360 398	360 398	360 398	263 351	(26.93)	457 725	447 002
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport	20 000									
14. Local Government										
Rehabilitation, renovations and refurbishments ^{Note}	707 735	762 626	1 033 071	1 191 102	1 193 307	1 193 307	1 441 294	20.78	1 486 073	1 499 952
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health	180 619	238 228	254 479	148 955	151 160	151 160	243 323	60.97	472 240	349 259
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	527 116	524 398	778 592	1 042 147	1 042 147	1 042 147	1 197 971	14.95	1 013 833	1 150 693
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

Table 4 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 5 (continued)

Category R'000	Outcome			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2008/09	2009/10	2010/11				2011/12	2011/12	2011/12	2012/13
Maintenance and repairs ^{Note}	814 437	744 925	787 881	757 571	751 431	750 431	919 822	22.57	1 008 687	1 069 479
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	52 363	73 719	102 276	108 413	119 413	118 413	114 725	(3.11)	119 411	125 381
6. Health	85 197	109 985	130 565	142 639	125 499	125 499	159 383	27.00	176 198	185 294
7. Social Development			320							
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	676 877	561 221	554 720	506 519	506 519	506 519	643 106	26.97	710 326	755 914
11. Agriculture							2 608		2 752	2 890
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Infrastructure transfer - current	2 522	78 196	86 259	33 205	44 859	44 859	36 841	(17.87)	60 309	59 309
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health			9 900	5 150	9 772	9 772		(100.00)	12 000	11 000
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	2 522	78 196	2 564	2 500	2 500	2 500	2 500		2 500	2 500
11. Agriculture			73 795	25 555	32 587	32 587	34 341	5.38	45 809	45 809
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Infrastructure transfer - capital	33 343	144 278	124 933	144 832	134 426	134 426	125 811	(6.41)	228 541	216 105
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education					1 434	1 434		(100.00)		
6. Health										
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	33 343	144 278	56 609	39 105	39 105	39 105	29 542	(24.45)	52 100	33 400
11. Agriculture			68 324	105 727	93 887	93 887	96 269	2.54	96 441	100 915
12. Economic Development and Tourism									80 000	81 790
13. Cultural Affairs and Sport										
14. Local Government										

Table 4 Summary of provincial infrastructure payments and estimates by category and vote relating to Chapter 5 (continued)

Category R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2008/09	2009/10	2010/11				2012/13	2011/12	2013/14	2014/15
Other capital projects ^{Note}	122 571	129 089	21 115	11 280	11 785	11 785	12 815	8.74	13 416	14 592
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education										
6. Health	69 938	52 364	21 115	11 280	11 785	11 785	12 815	8.74	13 416	14 592
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works										
11. Agriculture	52 633	76 725								
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										
Total provincial infrastructure payments and estimates	2 939 420	3 387 606	3 548 909	3 677 633	3 703 567	3 698 341	4 048 712	9.47	4 291 152	4 470 132
<i>of which</i>										
Professional fees ^b	378 015	569 906	492 394	468 357	531 934	531 934	653 783	22.91	510 107	524 882
1. Department of the Premier										
2. Provincial Legislature										
3. Provincial Treasury										
4. Community Safety										
5. Education	68 101	45 362	65 569	52 156	115 733	115 733	117 130	1.21	93 194	90 782
6. Health	140 000	143 008	146 135	156 673	156 673	156 673	162 939	4.00	162 939	162 939
7. Social Development										
8. Human Settlements										
9. Environmental Affairs and Development Planning										
10. Transport and Public Works	169 914	381 536	280 690	259 528	259 528	259 528	373 714	44.00	253 974	271 161
11. Agriculture										
12. Economic Development and Tourism										
13. Cultural Affairs and Sport										
14. Local Government										

^a These amounts are in respect of the Western Cape Nature Conservation Board.

^b Professional fees based on estimated amounts.

Note: Inclusive of Professional fees.

Table 5 Summary of departmental personnel number and cost: Information relating to Chapter 5

Description	Outcome			Main appropriation 2011/12	Adjusted appropriation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Total for department										
Personnel numbers (head count)	75 081	76 631	77 723	79 432	79 118	78 851	80 793	2.46	80 751	80 867
Personnel cost (R'000)	13 420 894	15 739 000	17 950 606	20 151 407	20 075 357	20 065 840	21 757 875	8.43	23 289 499	24 775 910
<i>of which</i>										
Human resources component										
Personnel numbers (head count)	1 085	1 277	1 119	1 054	1 064	1 191	1 221	2.52	1 224	1 227
Personnel cost (R'000)	199 302	226 198	220 150	218 047	224 556	261 734	286 859	9.60	309 833	330 809
Head count as % of total for department	1.45	1.67	1.44	1.33	1.34	1.51	1.51		1.52	1.52
Personnel cost as % of total for department	1.49	1.44	1.23	1.08	1.12	1.30	1.32		1.33	1.34
Finance component										
Personnel numbers (head count)	1 092	1 204	1 274	1 350	1 326	1 495	1 566	4.75	1 575	1 578
Personnel cost (R'000)	187 174	205 495	245 563	279 976	277 435	319 290	356 914	11.78	382 250	406 955
Head count as % of total for department	1.45	1.57	1.64	1.70	1.68	1.90	1.94		1.95	1.95
Personnel cost as % of total for department	1.39	1.31	1.37	1.39	1.38	1.59	1.64		1.64	1.64
Full time workers										
Personnel numbers (head count)	65 620	67 791	69 575	70 617	70 153	69 586	71 566	2.85	71 818	71 923
Personnel cost (R'000)	11 902 165	13 577 560	15 552 495	17 199 897	17 082 530	17 061 434	18 490 568	8.38	19 784 246	21 035 098
Head count as % of total for department	87.40	88.46	89.52	88.90	88.67	88.25	88.58		88.94	88.94
Personnel cost as % of total for department	88.68	86.27	86.64	85.35	85.09	85.03	84.98		84.95	84.90
Part-time workers										
Personnel numbers (head count)	181	154	152	147	148	655	680	3.89	381	381
Personnel cost (R'000)	24 090	28 084	32 451	35 695	35 962	43 696	60 781	39.10	51 429	54 898
Head count as % of total for department	0.24	0.20	0.20	0.19	0.19	0.83	0.84		0.47	0.47
Personnel cost as % of total for department	0.18	0.18	0.18	0.18	0.18	0.22	0.28		0.22	0.22
Contract workers										
Personnel numbers (head count)	9 214	8 942	7 986	8 668	8 817	8 610	8 547	(0.73)	8 553	8 563
Personnel cost (R'000)	1 494 639	2 133 356	2 365 660	2 915 815	2 956 866	2 960 710	3 206 526	8.30	3 453 824	3 685 913
Head count as % of total for department	12.27	11.67	10.27	10.91	11.14	10.92	10.58		10.59	10.59
Personnel cost as % of total for department	11.14	13.55	13.18	14.47	14.73	14.75	14.74		14.83	14.88

Table 6 Information on training: Relating to Chapter 5

Description	Outcome			Main appropriation 2011/12	Adjusted appropriation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
Number of staff	75 081	76 631	77 723	79 436	79 208	78 851	80 793	2.46	80 751	80 867
Number of personnel trained	59 404	58 479	61 549	28 559	61 996	30 349	31 791	4.75	31 979	31 979
<i>of which</i>										
Male	21 575	21 183	22 101	9 534	10 471	11 027	10 591	(3.95)	10 635	10 635
Female	37 829	37 296	39 448	19 025	20 903	19 322	21 200	9.72	21 344	21 344
Number of training opportunities	21 084	27 427	24 198	21 224	22 464	21 260	21 194	(0.31)	21 204	21 217
<i>of which</i>										
Tertiary	1 351	865	948	948	1 052	948	967	2.00	982	987
Workshops	1 858	923	715	740	740	695	755	8.63	765	775
Seminars	145	168	411	421	421	421	417	(0.95)	427	425
Other	17 730	25 471	22 124	19 115	20 372	19 317	19 129	(0.97)	19 120	19 135
Number of bursaries offered	2 666	1 592	2 170	5 334	5 292	5 333	5 801	8.78	5 825	5 867
Number of interns appointed	791	599	759	893	887	887	947	6.76	942	942
Number of learnerships appointed	1 036	424	2 319	2 413	2 433	2 433	2 503	2.88	2 503	2 403
Number of days spent on training	7 190	6 680	6 725	6 693	6 672	6 672	6 693	0.31	6 693	6 693

Table 7 Transfers to local government by category and municipality: Information relating to Chapter 6

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main appropriation	Adjusted appropriation	Revised estimate	% Change from Revised estimate			
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Category A	953 092	995 468	769 433	840 949	852 444	852 123	1 092 848	28.25	1 137 164	1 207 424
City of Cape Town	953 092	995 468	769 433	840 949	852 444	852 123	1 092 848	28.25	1 137 164	1 207 424
Category B	436 766	517 628	765 019	621 843	683 265	683 300	623 638	(8.73)	600 421	603 488
Beaufort West	36 783	24 488	9 504	7 831	10 647	10 659	9 392	(11.89)	5 270	5 517
Bergrivier	5 797	10 721	16 684	12 558	18 590	18 593	8 437	(54.62)	2 307	2 418
Bitou	5 960	62 666	56 517	17 641	19 910	19 912	19 806	(0.53)	13 218	13 876
Langeberg	10 124	15 074	23 130	27 751	31 750	31 750	21 065	(33.65)	20 709	21 744
Breede Valley	54 551	34 916	84 075	40 834	40 808	40 815	37 714	(7.60)	30 758	32 272
Cape Agulhas	5 454	16 861	19 627	22 279	29 755	29 758	31 592	6.16	3 790	3 976
Cederberg	6 752	10 908	35 430	10 400	9 399	9 409	10 836	15.17	6 367	6 672
Drakenstein	32 316	62 083	65 514	72 190	72 310	72 317	64 904	(10.25)	53 319	55 975
George	38 746	20 460	67 136	50 666	91 252	91 258	71 631	(21.51)	83 788	62 321
Kannaland	2 718	4 874	355	6 280	7 310	7 316	6 974	(4.67)	6 418	4 630
Knysna	40 647	38 168	46 828	45 493	55 519	55 522	42 834	(22.85)	35 611	37 388
Laingsburg	212	193	2 715	1 023	1 901	1 906	4 159	118.21	762	793
Hessequa	19 892	40 562	50 286	20 841	22 422	22 449	21 317	(5.04)	14 284	14 997
Matzikama	25 465	6 971	16 810	10 683	13 448	13 459	11 946	(11.24)	7 501	7 860
Mossel Bay	14 508	16 964	33 665	43 500	43 674	43 678	47 802	9.44	17 582	18 456
Oudtshoorn	26 955	10 534	19 513	20 757	18 683	18 687	16 188	(13.37)	12 951	13 593
Overstrand	715	15 482	33 302	37 059	13 059	13 062	11 430	(12.49)	29 327	30 789
Prince Albert	270	394	216	3 636	7 986	7 990	894	(88.81)	2 709	2 839
Saldanha Bay	20 661	11 777	31 546	32 382	50 862	50 865	30 232	(40.56)	23 854	25 043
Stellenbosch	18 705	18 018	35 924	43 041	20 015	20 018	46 104	130.31	31 446	32 995
Swartland	14 688	28 070	55 862	28 404	24 886	24 887	22 599	(9.19)	21 846	22 937
Swellendam	6 224	3 242	6 833	7 509	5 018	4 914	10 207	107.71	4 887	5 132
Theewaterskloof	21 066	25 304	30 243	37 674	46 621	46 628	47 374	1.60	27 586	28 956
Witzenberg	27 557	38 898	23 304	21 161	27 440	27 448	23 581	(14.09)	15 282	16 035
Other				250			4 620		128 849	136 274
Category C	18 878	53 709	22 471	5 634	6 042	5 677	3 648	(35.74)	3 564	3 651
Cape Winelands	4 582	8 039	5 573	2 215	2 241	2 296	1 796	(21.78)	1 799	1 799
Central Karoo	4 069	5 988	5 162	1 618	1 872	1 452	1 852	27.55	1 765	1 852
Eden	4 351	25 271	3 272	140	170	170		(100.00)		
Overberg	2 552	3 725	1 325		150	150		(100.00)		
West Coast	3 324	10 686	7 139	1 661	1 609	1 609		(100.00)		
Other										
Other ^{Note 1}				16 280			33 223		104 970	133 784
Total transfers to local government	1 408 736	1 566 805	1 556 923	1 484 706	1 541 751	1 541 100	1 753 357	13.77	1 846 119	1 948 347
Funds retained by the Department of Human Settlements (not included in the transfers to local government) ^{Note 2}	469 083	278 216	838 723	600 267	600 267	600 267	517 012	(13.87)	607 024	638 422

Note 1 Other	Human Settlements Development Grant (Beneficiaries)		
	2012/13 Allocation (R'000)	2013/14 Allocation (R'000)	2014/15 Allocation (R'000)
The allocation amounts are dependent on the readiness of projects to be implemented by municipalities. These amounts will be gazetted as and when projects are approved and are ready for implementation.	29 723	104 970	128 784
Total	29 723	104 970	128 784

Note 2 Funds retained by the department	Human Settlements Development Grant (Beneficiaries)		
	2012/13 Allocation (R'000)	2013/14 Allocation (R'000)	2014/15 Allocation (R'000)
Departmental projects	361 305	459 429	489 000
Individual subsidies	36 155	26 000	26 000
Extended Enhanced Discount Benefit Scheme	30 000	30 000	30 000
NHBRC	4 000	4 000	4 000
OPSCAP (Excl. Settlement assistance transfer to CoCt: R1 million)	85 552	87 595	89 422
Total	517 012	607 024	638 422

Table 8 Summary of provincial payments and estimates by policy area

Policy Area R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
General public services	689 189	761 635	933 713	1 066 389	1 056 151	1 053 651	1 102 919	4.68	1 173 544	1 228 271
Public order and safety	242 329	272 623	288 542	310 978	307 218	307 218	358 414	16.66	374 027	396 251
Economic affairs	3 351 848	4 625 525	4 527 122	4 872 392	4 981 535	4 965 363	5 459 806	9.96	5 565 015	5 815 027
Environmental protection	204 584	263 330	299 970	351 262	348 534	348 534	379 273	8.82	390 645	414 039
Housing and community amenities	1 539 212	1 701 333	2 165 120	1 836 006	1 836 506	1 834 960	1 920 894	4.68	2 059 383	2 193 014
Health	8 655 845	10 371 034	12 344 628	13 395 060	13 428 910	13 429 652	14 632 361	8.96	15 739 982	16 751 232
Recreation, culture and religion	499 970	301 730	294 023	313 158	352 480	352 480	390 761	10.86	410 342	443 701
Education	9 192 478	10 613 313	11 955 743	13 331 843	13 377 152	13 377 152	14 229 057	6.37	15 141 749	16 010 394
Social protection	1 215 245	1 165 389	1 222 183	1 331 611	1 332 141	1 319 677	1 411 512	6.96	1 539 274	1 633 460
Total payments and estimates by policy area	25 590 700	30 075 912	34 031 044	36 808 699	37 020 627	36 988 687	39 884 997	7.83	42 393 961	44 885 389

Table 9 Payments table summary by policy area

GFS function	Category	Department	Programme
General public services	Legislative	Department of the Premier	1.1 Executive Support (Administration)
		Provincial Parliament	2.1 Administration 2.2 Facilities for Members and Political Parties 2.3 Parliamentary Services
	Financial and Fiscal Affairs	Provincial Treasury	3.1 Administration 3.2 Sustainable Resource Management 3.3 Asset and Liabilities Management 3.4 Financial Governance
			General Services
		Local Government	14.1 Administration 14.2 Local Governance 14.3 Development and Planning 14.4 Traditional Institutional
Public Order and Safety	Police Services	Community Safety	4.1 Administration 4.2 Civilian Oversight 4.3 Crime Prevention & Community Police Relations 4.4 Traffic Management 4.5 Security Risk Management
Economic Affairs	General Economic	Economic Development and Tourism	12.1 Administration 12.2 Integrated Economic Development Services 12.3 Trade and Sector Development 12.4 Business Regulation and Governance 12.5 Economic Planning 12.7 Skills Development 10.2 Public Works Infrastructure
		Transport and Public Works	
	Agriculture	Agriculture	11.1 Administration 11.2 Sustainable Resource Management 11.3 Farmer Support and Development 11.4 Veterinary Services 11.5 Technology Research and Development Services 11.6 Agricultural Economics 11.7 Structured Agricultural Training 11.8 Rural Development
	Transport	Transport and Public Works	10.1 Administration 10.3 Transport Infrastructure 10.4 Transport Operations 10.5 Transport Regulations 10.6 Community Based Programmes
	Communication	Economic Development and Tourism	12.6 Tourism, Arts and Entertainment

Table 9 Payments table summary by policy area (continued)

GFS function	Category	Department	Programme	
Environmental Protection	Environmental Protection	Environmental Affairs and Development Planning	9.1	Administration
			9.2	Environmental Policy, Planning and Coordination
			9.3	Compliance and Enforcement
			9.4	Environmental Quality Management
			9.5	Biodiversity Management
			9.6	Environmental Empowerment Services
Housing and Community Amenities	Housing Development	Human Settlements	8.1	Administration
			8.2	Housing Needs, Research and Planning
			8.3	Housing Development
			8.4	Housing Asset Management Property Management
Health	Health n.e.c	Health	6.1	Administration
	Outpatient Service		6.2	District Health Services
	R & D Health (CS)		6.6	Health Sciences and Training
	Hospital Services		6.3	Emergency Medical Services
			6.4	Provincial Hospital Services
			6.5	Central Hospital Services
			6.7	Health Care Support Services
			6.8	Health Facilities Management
Recreation Culture and Religion	Recreational and Sporting Services	Cultural Affairs and Sport	13.4	Sport and Recreation
	Cultural Services		13.1	Administration
			13.2	Cultural Affairs
Education	Pre-primary and Primary Education	Education	13.3	Library and Archives Services
			5.2.1	Public Primary Schools
	5.7		Early Childhood Development	
	Secondary Education		5.2.2	Public Secondary Schools
	Subsidiary Service to Education		5.3	Independent school subsidies
	Education not definable		5.1	Administration
			5.2.3	Professional Services
			5.2.4	Human Resource Development
			5.2.5	National School Nutrition Programme
			5.4	Public Special School Education
5.5		Further Education and Training		
5.6		Adult Basic Education Training		
5.8		Auxiliary Associated Services		
Social Protection	Social Security Services	Social Development	7.1	Administration
			7.2	Social Welfare Services
			7.3	Development and Research

Table 10 Details of provincial payments and estimates by policy area

GFS function R'000	Outcome			Main appro- piation 2011/12	Adjusted appro- piation 2011/12	Revised estimate 2011/12	Medium-term estimate		
	Audited 2008/09	Audited 2009/10	Audited 2010/11				2012/13	2013/14	2014/15
FUNCTION - GENERAL PUBLIC SERVICES									
Category - Legislative									
Department of the Premier (Programme 1.1)	84 370	75 325	65 859	64 466	66 724	66 724	67 094	73 267	76 349
Provincial Parliament (Vote 2)	62 323	64 054	74 606	88 242	88 716	86 716	93 603	99 254	105 209
Total for Category - Legislative	146 693	139 379	140 465	152 708	155 440	153 440	160 697	172 521	181 558
Category - Financial and fiscal affairs									
Department of Provincial Treasury (Vote 3)	120 950	138 371	127 500	144 976	143 420	142 920	154 286	164 441	172 665
Total for Category - Financial and fiscal affairs	120 950	138 371	127 500	144 976	143 420	142 920	154 286	164 441	172 665
Category - General services									
Department of the Premier (Programme 1.2, 1.3 to 1.5)	345 123	402 764	555 059	632 731	627 294	627 294	632 708	681 169	709 318
Department of Local Government (Vote 14)	76 423	81 121	110 689	135 974	129 997	129 997	155 228	155 413	164 730
Total for Category - General services	421 546	483 885	665 748	768 705	757 291	757 291	787 936	836 582	874 048
TOTAL FOR FUNCTION - GENERAL PUBLIC SERVICES	689 189	761 635	933 713	1 066 389	1 056 151	1 053 651	1 102 919	1 173 544	1 228 271
FUNCTION - PUBLIC ORDER AND SAFETY									
Category - Police services									
Department of Community Safety (Vote 4)	242 329	272 623	288 542	310 978	307 218	307 218	358 414	374 027	396 251
Total for Category - Police services	242 329	272 623	288 542	310 978	307 218	307 218	358 414	374 027	396 251
TOTAL FOR FUNCTION - PUBLIC ORDER AND SAFETY	242 329	272 623	288 542	310 978	307 218	307 218	358 414	374 027	396 251
FUNCTION - ECONOMIC AFFAIRS									
Category - General economic affairs									
Department of Economic Development and Tourism (Vote 12 excluding 12.6)	164 579	192 404	171 763	191 951	194 131	194 131	238 077	334 958	353 716
Department of Transport and Public Works (Programme 10.2)	770 606	750 990	884 096	1 031 144	1 060 102	1 043 930	1 423 682	1 218 744	1 299 056
TOTAL FOR FUNCTION - General economic affairs	935 185	943 394	1 055 859	1 223 095	1 254 233	1 238 061	1 661 759	1 553 702	1 652 772

Table 10 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- priation 2010/11	Adjusted appro- priation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2012/13	2013/14
Category - Agriculture									
Department of Agriculture (Vote 11)	355 699	490 117	483 485	501 718	517 192	517 192	559 792	589 321	616 270
Total for Category - Agriculture	355 699	490 117	483 485	501 718	517 192	517 192	559 792	589 321	616 270
Category - Transport									
Department of Transport and Public Works (Programmes 10.1, 10.3 to 10.6)	1 995 622	3 121 201	2 923 790	3 085 116	3 147 171	3 147 171	3 185 215	3 373 408	3 496 610
Total for Category - Transport	1 995 622	3 121 201	2 923 790	3 085 116	3 147 171	3 147 171	3 185 215	3 373 408	3 496 610
Category - Communication									
Department of Economic Development and Tourism (Programme 12.6)	65 342	70 813	63 988	62 463	62 939	62 939	53 040	48 584	49 375
Total for Category - Communication	65 342	70 813	63 988	62 463	62 939	62 939	53 040	48 584	49 375
TOTAL FOR FUNCTION - ECONOMIC AFFAIRS	3 351 848	4 625 525	4 527 122	4 872 392	4 981 535	4 965 363	5 459 806	5 565 015	5 815 027
FUNCTION - ENVIRONMENTAL PROTECTION									
Category - Environmental protection									
Department of Environmental Affairs and Development Planning (Vote 9)	204 584	263 330	299 970	351 262	348 534	348 534	379 273	390 645	414 039
Total for Category - Environmental protection	204 584	263 330	299 970	351 262	348 534	348 534	379 273	390 645	414 039
TOTAL FOR FUNCTION - ENVIRONMENTAL PROTECTION	204 584	263 330	299 970	351 262	348 534	348 534	379 273	390 645	414 039
FUNCTION - HOUSING AND COMMUNITY AMENITIES									
Category - Housing Development									
Department of Human Settlements (Vote 8)	1 539 212	1 701 333	2 165 120	1 836 006	1 836 506	1 834 960	1 920 894	2 059 383	2 193 014
Total for Category - Housing Development	1 539 212	1 701 333	2 165 120	1 836 006	1 836 506	1 834 960	1 920 894	2 059 383	2 193 014
TOTAL FOR FUNCTION - HOUSING AND COMMUNITY AMENITIES	1 539 212	1 701 333	2 165 120	1 836 006	1 836 506	1 834 960	1 920 894	2 059 383	2 193 014

Table 10 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2012/13	2013/14
FUNCTION - HEALTH									
Category - Health n.e.c.									
Department of Health (Programme 6.1)	249 104	266 710	321 481	445 222	413 705	406 775	488 548	508 531	535 885
Total for Category - Health n.e.c.	249 104	266 710	321 481	445 222	413 705	406 775	488 548	508 531	535 885
Category - Outpatient service									
Department of Health Services (Programme 6.2)	3 139 800	3 722 530	4 367 380	4 926 594	4 949 312	4 938 747	5 498 095	6 015 110	6 463 672
Total for Category - Outpatient service	3 139 800	3 722 530	4 367 380	4 926 594	4 949 312	4 938 747	5 498 095	6 015 110	6 463 672
Category - R & D Health (CS)									
Department of Health Services (Programme 6.6)	136 629	194 624	241 374	233 466	237 455	237 389	254 878	263 138	279 083
Total for Category - R & D Health (CS)	136 629	194 624	241 374	233 466	237 455	237 389	254 878	263 138	279 083
Category - Hospital services									
Department of Health Services (Programmes 6.3, 6.4, 6.5 and 6.7 and 6.8)	5 130 312	6 187 170	7 414 393	7 789 778	7 828 438	7 846 741	8 390 840	8 953 203	9 472 592
Total for Category - Hospital services	5 130 312	6 187 170	7 414 393	7 789 778	7 828 438	7 846 741	8 390 840	8 953 203	9 472 592
TOTAL FOR FUNCTION - HEALTH	8 655 845	10 371 034	12 344 628	13 395 060	13 428 910	13 429 652	14 632 361	15 739 982	16 751 232
FUNCTION - RECREATION CULTURE AND RELIGION									
Category - Recreation and sporting services									
Department of Cultural Affairs and Sport (Programme 13.4)	305 271	85 571	78 522	79 778	80 999	80 999	84 835	91 079	96 272
Total for Category - Recreation and sporting services	305 271	85 571	78 522	79 778	80 999	80 999	84 835	91 079	96 272
Category - Cultural services									
Department of Cultural Affairs and Sport (Programmes 13.1 to 13.3)	194 699	216 159	215 501	233 380	271 481	271 481	305 926	319 263	347 429
Total for Category - Cultural services	194 699	216 159	215 501	233 380	271 481	271 481	305 926	319 263	347 429
TOTAL FOR FUNCTION - RECREATION CULTURE AND RELIGION	499 970	301 730	294 023	313 158	352 480	352 480	390 761	410 342	443 701

Table 10 Details of provincial payments and estimates by policy area (continued)

GFS function R'000	Outcome			Main appro- piation 2010/11	Adjusted appro- piation 2010/11	Revised estimate 2010/11	Medium-term estimate		
	Audited 2007/08	Audited 2008/09	Audited 2009/10				2011/12	2012/13	2013/14
FUNCTION - EDUCATION									
Category - Pre-primary and primary education									
Department of Education (Programme 5.7 and sub-programme 5.2.1)	4 260 760	5 071 388	5 826 455	6 354 989	6 321 069	6 321 069	6 687 290	7 130 254	7 575 004
Total for Category - Pre-primary and primary education	4 260 760	5 071 388	5 826 455	6 354 989	6 321 069	6 321 069	6 687 290	7 130 254	7 575 004
Category - Secondary education									
Department of Education (Sub-programme 5.2.2)	2 807 036	3 118 546	3 337 850	3 645 978	3 779 373	3 779 373	4 094 216	4 322 557	4 570 216
Total for Category - Secondary education	2 807 036	3 118 546	3 337 850	3 645 978	3 779 373	3 779 373	4 094 216	4 322 557	4 570 216
Category - Subsidiary service to education									
Department of Education (Programme 5.3)	44 119	55 522	59 696	64 188	64 188	64 188	68 874	74 040	78 112
Total for Category - Subsidiary service to education	44 119	55 522	59 696	64 188	64 188	64 188	68 874	74 040	78 112
Category - Education not definable by level									
Department of Education (Programmes 5.1, 5.4, 5.5, 5.6 and 5.8, sub-programmes 5.2.3, 5.2.4, 5.2.5)	2 080 563	2 367 857	2 731 742	3 266 688	3 212 522	3 212 522	3 378 677	3 614 898	3 787 062
Total for Category - Education not definable by level	2 080 563	2 367 857	2 731 742	3 266 688	3 212 522	3 212 522	3 378 677	3 614 898	3 787 062
TOTAL FOR FUNCTION - EDUCATION	9 192 478	10 613 313	11 955 743	13 331 843	13 377 152	13 377 152	14 229 057	15 141 749	16 010 394
FUNCTION - SOCIAL PROTECTION									
Category - Social security services									
Social Development (Vote 7)	1 215 245	1 165 389	1 222 183	1 331 611	1 332 141	1 319 677	1 411 512	1 539 274	1 633 460
Total for Category - Social security services	1 215 245	1 165 389	1 222 183	1 331 611	1 332 141	1 319 677	1 411 512	1 539 274	1 633 460
TOTAL FOR FUNCTION - SOCIAL DEVELOPMENT	1 215 245	1 165 389	1 222 183	1 331 611	1 332 141	1 319 677	1 411 512	1 539 274	1 633 460
TOTAL: BY FUNCTION	25 590 700	30 075 912	34 031 044	36 808 699	37 020 627	36 988 687	39 884 997	42 393 961	44 885 389

Table 11 Summary of Expanded Public Works Programme (EPWP) payments and estimates

Provincial department R'000	Outcome			Main appro- priation 2011/12	Adjusted appro- priation 2011/12	Revised estimate 2011/12	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11				% Change from Revised estimate			
							2012/13	2011/12	2013/14	2014/15
1. Department of the Premier										
2. Provincial Parliament										
3. Provincial Treasury										
4. Community Safety	3 148	10 622	10 238	7 063	10 078	10 078	10 100	0.22	10 654	11 188
5. Education	56 935	68 249	81 001	90 240	90 240	90 240	115 164	27.62	94 932	99 679
6. Health	59 655	82 720	79 768	92 751	95 740	95 740	100 087	4.54	96 307	101 507
7. Social Development				4 704	4 704	4 704		(100.00)		
8. Human Settlements										
9. Environmental Affairs and Development Planning				6 000	6 000	6 000	6 000			
10. Transport and Public Works			650 142	774 728	774 728	774 728	872 382	12.60	819 239	885 739
11. Agriculture							4 000			
12. Economic Development and Tourism										
13. Cultural Affairs and Sport				4 000	4 000	4 000	4 000			
14. Local Government										
Total EPWP	119 738	161 591	821 149	979 486	985 490	985 490	1 111 733	12.81	1 021 132	1 098 113
Financed from:										
Equitable share	119 738	161 591	820 098	940 165	943 180	943 180	1 062 109	13	1 021 132	1 098 113
Conditional Grants			1 051	39 321	42 310	42 310	40 823	(4)		
Other							8 801			
Total EPWP	119 738	161 591	821 149	979 486	985 490	985 490	1 111 733	13	1 021 132	1 098 113

Glossary

Asset Financing Reserve	Built up over the years through unspent funds of departments as surrendered at the end of a financial year less approved roll-overs, revenue collected above budget less approved revenue retention requests, and interest earnings on investment above budget.
Baseline	The initial allocations used during the budget process, derived from the previous year's forward estimates.
Basic prices	Basic prices is the measure of Gross Domestic Product that does not take into account the value of taxes levied and subsidies received on production.
Broad unemployment	Includes discouraged employment seekers in the labour force.
Budget policy	Budget policy is the means by which government directs and adjusts its overall and differentiated levels of spending in order to foster and influence a nation's economy and social welfare.
Burden of disease	Refers to the nature and drivers of the causes of mortality and morbidity.
Conditional Grants	Allocations of money from one sphere of government to another, conditional on certain services being delivered or on compliance with specified requirements.
Consumer price inflation (CPI)	The main measure of inflation, charting the price movements of a basket of consumer goods and services.
Countercyclical fiscal policy	Policy that has the opposite effect on economic activity to that caused by the business cycle, such as slowing spending growth in a boom period and accelerating spending in a recession.
Current account (of the balance of payments)	The difference between total exports and total imports, also taking into account service payments and receipts, interest, dividends and transfers. The current account can be in deficit or surplus. See <i>also trade balance</i> .

Discouraged work seekers	Individuals who want to work and are available to work, but who are not actively looking for work.
Division of revenue	The allocation of funds between the spheres of government as required by the Constitution. See <i>also equitable share</i> .
Equitable share	The allocation of revenue to the national, provincial and local spheres of government as required by the Constitution. See <i>also division of revenue</i> .
Financial year	The 12 months according to which companies and organisations budget and account.
Fiscal framework	A framework for integrating fiscal policy and budgeting over the medium-term by linking a system of aggregate fiscal forecasting to a disciplined process of maintaining detailed medium-term budget estimates by ministries reflecting existing government policies.
Fiscal policy	Policy on taxation, spending and borrowing by government.
Fiscal space	The ability of a government's budget to provide additional programme resources without jeopardising fiscal sustainability.
Gross domestic product (GDP)	A measure of the total national output, income and expenditure in the economy. GDP per head is the simplest overall measure of welfare, although it does not take account of the distribution of income, nor of goods and services produced outside the market economy.
Headline CPI	The main measure of inflation, charting the price movements of a basket of consumer goods and services.
Industrial development zone	Designated sites linked to an international air or sea port, supported by incentives to encourage investment in export-oriented manufacturing and job creation.
Inflation	An increase in the general level of prices.
Labour absorptive capacity	Quantifies the difference between target employment growth rate and actual employment growth rate.

Labour force	Number of employed and unemployed individuals of working age.
Medium-term expenditure framework (MTEF)	The three-year spending plans of national and provincial governments published at the time of the Budget.
Narrow unemployment rate	Rate of unemployment that does not take into account the discouraged employment seekers from the labour force.
National budget	The projected revenue and expenditure that flow through the National Revenue Fund. It does not include spending by provinces or local government from their own revenues.
Provincial own receipts	Refers to taxes/fees and/or user charges, which a provincial department receives.
Public entities	Companies, agencies, funds and accounts that are fully or partly owned by government or public authorities and are regulated by law.
Real consumer spending	Expenditure on goods and services, including salaries, which are used up within a short period of time – usually a year.
Real interest rate	The level of interest after taking account of inflation.
Recession	Decline of Gross Domestic Product for two or more consecutive quarters.
Seasonally adjusted and annualised	The process of removing the seasonal volatility (monthly or quarterly) from a time series. This provides a measure of the underlying trend in the data. Annualised: to express a rate as if it were applied over one year.
Working age population	Individuals aged between 15 and 65.