

Honourable Speaker & Deputy Speaker

Honourable Premier

Members of the Executive Council

Leaders of Opposition Parties

Traditional Leaders present

Director General and Heads of Departments

Distinguished Ladies and Gentlemen

Thobela, avuxeni, ndi matsheloni, good morning, goeie more

Madam Speaker, in the state of the nation address, President Ramaphosa said *‘The task of building a better South Africa is our collective responsibility as a nation, as the people of South Africa. It is at the centre of the work of every department of government, of every agency, of every public entity’*.

In line with the sentiments expressed by the President, we approach the end of the 5<sup>th</sup> term of both the Limpopo Government and Legislature, certain that indeed at the centre of our work has been the determination to build a better country and Province, and under your respective leadership, Honourable Premier and Madam Speaker, we can say without any fear of contradiction that we have created the necessary conditions for the renewal and growth of our province. The results of our work were encapsulated in the report that the Honourable Premier gave in his State of the Province on the 22<sup>nd</sup> of last month.

Madam Speaker, South Africa like any of the countries in the world is affected by the global economic outlook. The IMF has projected that global economic growth will decline to 3.6 percent in 2019 before picking up slightly to 3.7 percent in 2020 however the World Bank only expects 2.9 percent world economic growth during 2019. Given the global outlook, the National Treasury has projected South Africa’s GDP real growth to rise to 1.5 percent in 2019 and strengthen moderately to 2.1 percent in 2021.

Notwithstanding sluggish growth patterns at National level, the province recorded growth of 1.8 percent in 2017 and is expected to continue performing better. The provincial growth was largely supported by Waterberg and Sekhukhune districts recording growth of 3.3 percent and 3.1 percent respectively.

Madam Speaker, the implementation of government developmental goals, and growth-enhancing economic reforms as pronounced by the President requires amongst others, good governance, cost efficiency measures and maximization of government revenues.

On payment within 30 days, as at 31 January 2019 the province was sitting at a cumulative compliance rate of 88.2 percent (2018/19). For the past three years the compliance of the province was 90.2 percent for 2015/16, 88.9 percent for 2016/17 and 86.9 percent for 2017/18. This stagnant performance is as a result of the Department of Health which yearly runs out of cash during the fourth quarter of the financial year (unavailability of cash translate into non-payment of service providers). For 2018/19 financial year only two departments (Office of the Premier and Provincial Treasury) have maintained a 100 percent compliance rate for paying suppliers on time, all other departments are at a compliance rate of above 93 percent with exception of Health which is at 67 percent.

The provincial departments audit outcomes improved for the 2017/18 financial year. Seven departments (2017/18) obtained unqualified audit opinions as compared to five during 2016/17, both Economic Development, Environment and Tourism (LEDET) and Agriculture and Rural Development improved from Qualified to Unqualified in 2017/18 and Provincial Treasury managed to maintain its clean audit outcomes (unqualified without matters) during the two periods. No department regressed during 2017/18 but we are still faced with 5 qualified departments in 2017/18 which are currently being addressed. Unfortunately, in the public entity space, Limpopo Gambling Board could not maintain its clean audit and GAAL regressed from unqualified to qualified. In order to address the continuous material misstatements in the annual financial statements, Provincial Treasury has issued Instruction Note 03 of 2018/19 in which departments and public entities are instructed to compile 9 months interim financial statements for

submission and review by AGSA. It is trusted that this review will assist in eliminating unnecessary audit findings, which in turn will lead to improved audit outcomes.

Madam Speaker, the Audit Committee is discharging its mandate as required by Regulation 3.1.10 of the Treasury Regulations. To date the Audit Committee was able to advise the Provincial Executive on interventions that were needed to support the Departments of Education and Sport, Arts and Culture. The Committee has also been able to advise and report quarterly to individual Members of the Executive on matters affecting their respective Department's financial matters and performance. In order to strengthen this interaction Members of the Executive Council will now be invited to attend at least one quarterly audit committee meeting (per annum) for them to be engaged by the Audit Committee members.

Madam Speaker, the provincial government, through Limpopo Provincial Treasury and Limpopo Economic Development, Environment and Tourism, developed a strategy to direct government procurement in the province in line with PPPFA Regulations of 2017. EXCO approved the strategy in March 2018 and we are using the strategy to give impetus to economic empowerment of designated groups in terms of our strategic objectives as a country to transform our economic landscape.

We are starting to see results of this strategy, which became effective from 2018/19 financial year. As of 31 December 2018 from the total procurement spend of R13.2 billion, noticeable spend achievements are as follows:

- Black-owned businesses = R5.9 billion or 45 percent of the spend;
- Black youth-owned businesses = R1.4 billion or 10 percent of the spend;
- Black women-owned businesses = R2.3 billion or 17 percent of the spend;
- SMMEs = R6.3 billion or 48 percent of the spend;
- Rural/Township Enterprises = R2.2 billion or 16 percent of the spend.

However, there is still a challenge with regards to the spend on businesses owned by the following designated groups which is receiving attention by the different departments and entities - Spend on Persons with Disabilities is R41.7 million or 0.3 percent spend from annual target of 7 percent, Black-owned cooperatives - R22.4

million or 0.2 percent of spend, annual target being 10 percent and Military veterans - R61.9 million or 0.5 percent of spend from an annual target of 3 percent.

As part of SCM reforms in the province, the Limpopo Provincial government has commenced with the pilot implementation of a Combined Assurance Model on SCM in their monitoring of departments and public entities. This, we hope, will go a long way to address audit issues related to SCM.

On infrastructure, Honourable Members, the provincial expenditure has improved significantly. In 2017/18 financial year, we recorded 98 percent spending from 81 percent in 2014/15. We believe that these spending trends will be sustained in the new MTSF. The improved performance on infrastructure is attributed to a number of interventions that the province has introduced; including amongst others; the support through Government Technical Advisory Centre (GTAC) and integration of the infrastructure strategic planning hub built environment professionals into the infrastructure units of supported departments.

In line with the National Development Plan (NDP), and working with all relevant stakeholders, the Provincial Treasury has taken a range of steps to reform SCM systems focusing on infrastructure delivery. The Province developed and approved a Model SCM Policy Guideline for Infrastructure Procurement and Delivery Management. This generic policy guideline is applicable to all provincial departments and their entities in line with the Standard for Infrastructure Procurement and Delivery Management (SIPDM). Thus improving processes, rules and infrastructure to make it easier for the public sector and its private sector suppliers to transact.

Honourable members, you are familiar with the challenges that have bedevilled our local sphere of government, our municipalities. In the past few years we had municipalities whose financial systems collapsed, resulting in failure to meet their financial obligations such as payments of salaries and bulk suppliers, such as ESKOM. We have of late seen some improvement in municipalities that had experienced financial management challenges due to the work that we do as part of our statutory obligations in conjunction with the Department of CoGHSTA. Together with CoGHSTA

and ESKOM we have established a Task Team to reduce the challenges relating to issues of electricity supply and payment by municipalities. Such details will be provided in the budget votes of the relevant departments.

Madam Speaker the Honourable Premier addressed the VBS issue in his State of the Province Address (SOPA), which resulted in the loss of funds by some of our municipalities and the consequent challenges as a result. Together with CoGHSTA, we assessed the cash flow status of individual municipalities in order to identify areas that needed urgent attention. The outcomes of this exercise were communicated to the municipalities, with the request that the affected municipalities develop a recovery plan. We continuously monitor the implementation of these plans together with CoGHSTA in order to help stabilise the finances of these entities.

Madam Speaker the implementation of Municipal Infrastructure Grant remains central for provision of basic services by municipalities. As the Honourable Premier has pointed out in the SOPA, there is a marked improvement in the MIG spend since the 2016 local government elections. The provision of a team engineers to the Provincial Treasury by the National Treasury through the GTAC programme has helped tremendously in enhancing our capacity to effectively monitor infrastructure development at both local and provincial government.

Madam Speaker Auditor General of South Africa has just concluded the 2017/18 audit processes for all municipalities in the province with the exception of Thabazimbi and Modimolle Mookgophong Local Municipalities. The audit outcomes for 2017/18 indicate that as a province we have attained 8 unqualified audit opinions. Two municipalities improved their audit opinion to qualified which resulted in 13 municipalities with qualified audit opinions compared to 10 municipalities previously. We are certain that the two MFMA advisers, provided by National Treasury, for asset management and supply chain management will go a long way in assisting municipalities to improve the audit outcomes

Municipal Standard Chart of Accounts (mSCOA) has been in effect since July 2017. Its objective is to modernise financial management through updated systems and technology. We do acknowledge the niggling challenges we face in the implementation of mSCOA, and collectively with the advisor from NT and system vendors at the municipalities we are working hard to ensure that mSCOA is fully functional in our municipalities.

Madam Speaker, as the President said in the SONA, at the centre of our work, is to build a better country in general, and province in particular, we are of the view that the budget we present today is rooted in this objective. We have over the course of this term done some of these tasks that we have just mentioned, including the work we did with the Department of Education in terms of section 18 of the PFMA. We are also of the view that to consolidate the renewal of our province we have to strengthen aspects of our governance.

Honourable members, the Limpopo Development Plan (LDP) continues to be the provincial master plan which is used to align provincial priorities to the national objectives, especially the alignment of the NDP and the fourteen government outcomes. The provincial budget allocations are informed by the mandates of each provincial department together with their Annual Performance Plans. These allocations are a means of ensuring that the province attains the LDP targets which the provincial performance is measured against.

Madam Speaker this 2019 MTEF budget is presented under the theme “Promoting fiscal sustainability in the Province”. We are proud to indicate that the provincial cash position has been stabilized and we have been able to fund provincial priorities from the reserves that have been accumulated over time through unspent funds. In the 2018/19 financial year an amount of R1.3 billion was allocated to departments from these reserves.

Madam Speaker, despite the unexpected technical recession the country was faced with, characterized with slow economic growth and less tax revenue collection,

National Treasury has made efforts to protect the provincial equitable share baselines which grows by an average 6.9 percent.

Madam Speaker the province receives three sources of funding, namely the Provincial Equitable Share, Conditional Grants and Own Revenue. The Limpopo Equitable Share allocation grows by 6.9 percent in 2019/20 and 6.4 percent over the MTEF which represents 11.7 percent of the national equitable share allocation, a reduction of 0.1 percent over the MTEF. The reduction in the Limpopo Equitable Share allocation is mainly influenced by technical updates in the Education component of the Equitable share formula and the continued net outward migration of the Limpopo population.

The Limpopo equitable share allocation is R58.9 billion, R62.9 billion and R66.8 billion in 2019/20, 2020/21 and 2021/22 financial years respectively.

An amount of R9.1 billion is allocated as Conditional Grants in 2019/20 and increases in 2020/21 to R9.5 billion and to R10.3 billion in 2021/22. These grants are appropriated to address inter-governmental policy matters in all provinces.

It should be highlighted here Madam Speaker that due to the stimulus package introduced by the State President, there will be a need for reprioritisation and fiscal consolidation. As part of the package grants such as Comprehensive HIV/AIDS, Comprehensive Agriculture Support Programmes (CASP), Education Infrastructure grant were reprioritised and new grants such as Human Resource Capacitation grant is introduced in the Department of Health.

Through the implementation of the Provincial Revenue Enhancement Strategy, we have as the Provincial Treasury been able to collect an amount of R6.3 billion during this five-year period, supported by provincial departments and institutions.

Taxes, in the form of motor vehicle licenses, remains the highest contributor partly due to an increase in the number of cars registered. More revenue is earned through interest earned on provincial bank balances. The continuous infrastructure improvement of our state resorts has also made a positive contribution. We have also

enhanced our health revenue management systems through the use of Electronic Data Interchange and Patient Verification Systems.

The Provincial own revenue is projected at R1.3 billion, R1.4 billion and R1.5 billion in 2020/21, 2021/22 and 2022/23 respectively which is an increase of 5.8 percent over the 2019 MTEF period. Departments and Public Entities that generate revenue above their set targets, may receive incentives in line with the Provincial Revenue and Retention Strategy.

Madam Speaker, in this MTSF, the provincial government was able to spend an average of 98 percent of its allocated budgets, in the 2017/18 financial year the province spent 99 percent. This is commendable performance and details on the impact of these funds will be furnished in full by respective MEC's in due course.

The provincial budget allocation to departments is increasing from R65.3 billion in 2018/19 to R69.5 billion in 2019/20 and further increasing to R72.8 billion in 2020/21 and to R77.9 billion in 2021/22 financial year.

The expenditure growth is 4.5 percent in 2019/20 and 7.3 percent in 2021/22.

Madam Speaker included in the above Provincial MTEF allocations the province has allocated the funds into the various economic classifications as follows:

### **Current Payments**

R59.3 billion in 2019/20, R62.6 billion and R66.5 billion in 2020/21 and 2021/22 respectively for current payments. The allocation reflects a positive growth of 5.8 percent over the MTEF. Included in the current payments allocation for 2019/20 financial year is R49.2 billion or 70.8 percent for Compensation of Employees which represents 6.8 percent growth in 2019/20 and 5.4 percent over the MTEF. The province's allocation of compensation of employees is ring-fenced to curb the ever increasing budget.



## **Goods & Services**

A total amount of R10.1 billion, R10.7 billion and R11.7 billion is allocated to goods and services for 2019/20, 2020/21 and 2021/22 respectively. Goods and Services budget grows by 0.9 percent in 2019/20 and 7.6 percent over the MTEF. The increase is mainly influenced by savings realised from compensation of employees and additional funding made available from provincial own revenue and cash reserves for the promotion of programmes and projects that enhance economic growth within the province.

## **Transfers & Subsidies**

The provincial allocation on transfers and subsidies is mainly for transfers to Non-Profit Institutions and Organisations, households, departmental agencies and accounts and transfers to Public Entities and Municipalities. Total transfers and subsidies is decreasing by 3.2 percent from R8.4 billion in 2018/19 to R8.1 billion in 2019/20 and to R8.5 billion in 2021/22 financial year.

## **Payments for Capital Assets**

The allocation for Payments for Capital Assets has reduced from R2.1 billion in 2018/19 to R2.0 billion in 2019/20. This classification includes allocation for construction of new infrastructure, purchase of office furniture, transport equipment and other machinery and equipment.

Madam Speaker, included in the above allocations, over the 2019 MTEF, is R16.9 billion for various infrastructure investment categories. A budget of R1.2 billion or 7.1 percent is allocated towards new infrastructure mainly for construction of new clinics, libraries, schools, upgrades of gravel roads to tar, centres for place of safety and houses. The estimated budget allocation for rehabilitation and refurbishment is R1.5 billion or 8.9 percent, upgrading and additions of existing facilities is R3.3 billion or 19.8 percent and R6.2 billion or 36.5 percent is allocated for maintenance.

Madam Speaker the Provincial MTEF allocations, (R69.5 billion in 2019/20, R72.8 billion in 2020/21 and R77.9 billion in 2021/22) is allocated to the various departments as follows:

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

The Office of the Premier is allocated a budget allocation of R443.5 million in 2019/20, R467.9 million in 2020/21 and further increases to R493.1 million during 2021/22. The allocation increases by 5.4 percent over the MTEF.

### **Vote 2: Provincial Legislature**

The Provincial Legislature is allocated a budget of R375.8 million for 2019/20 financial year. Their budget increases to R396.4 million in 2020/21 and R418.0 million for the 2021/22 financial year.

### **Vote 3: Education**

The Department of Education receives an allocation of R32.3 billion in 2019/20, R34.1 billion in 2020/21 and R36.3 billion in 2021/22 financial year. The 2019/20 allocation includes R2.5 billion for Conditional Grants and R594.2 million from own revenue. The allocation increase by 4.7 percent in 2019/20 and 6.4 percent in 2021/22.

### **Vote 4: Agriculture**

The Department of Agriculture and Rural Development is allocated a budget of R2.0 billion in 2019/20 financial year to deliver its mandate of which R342.3 million is for Conditional Grants. The budget increases by 1.7 percent in 2019/20 and 5.8 percent in 2021/22 financial year.

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

The Provincial Treasury receives a budget allocation of R506.8 million in 2019/20, R534.2 million in 2020/21 and R562.5 million during 2021/22 financial year. The budget allocation is increasing by 7.2 percent in 2019/20 and 5.3 percent in 2021/22. The allocation includes an amount of R23.9 million for Provincial Infrastructure Support Programmes and R9.6 million for Municipalities Interventions.

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

The Department of Economic Development is allocated a budget of R1.7 billion in 2019/20, of which R3.6 million is for a Conditional Grant and R757.0 million is for transfers to Public Entities. The allocation increases by 3.4 percent in 2019/20 and 4.6 percent over the MTEF period.

### **Vote 7: Health**

Health receives an allocation of R20.8 billion in 2019/20, R22.0 billion in 2020/21 and R23.8 in 2021/22 financial year. Included in the 2019/20 allocation is R3.1 billion for Conditional Grants and R520.2 million from own revenue. The allocation increases by 5.5 percent in 2019/20 and 8.4 percent in 2021/22 financial year. Included in the conditional grants allocation is the Human Resources Capacitation Grant, a new grant allocated for employment of Health Professionals in the Province.

### **Vote 8: Transport**

The department is allocated R2.2 billion in 2019/20 financial year of which R376.8 million is for a conditional grant and R53.2 million is for transfer payments to the entity Gateway Airport Authority Limited (GAAL). The allocation is increasing by 5.8 percent in 2019/20 and 5.4 percent in 2021/22 financial year.

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

The Department receives a budget allocation of R3.6 billion in 2019/20, R3.4 billion in 2020/21 and R3.7 billion in 2021/22 financial years. The allocation includes R1.2 billion for conditional grants and R1.4 billion to be transferred to Roads Agency Limpopo (RAL) for operational costs and roads maintenance and upgrading.

### **Vote 10: Community Safety**

The Department of Community Safety receives a budget allocation of R117.6 million in 2019/20, R122.0 million in 2020/21 and R128.6 million in 2021/22 financial year. The allocation includes R2.0 million is for EPWP Incentives Grant. The budget allocation increases by 5.3 percent in 2019/20 and 5.4 percent in 2021/22.

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

The Department is allocated budget of R2.7 billion in 2019/20 and in 2020/21 and R2.8 billion in 2021/22 financial year. The allocation makes provision for the delivery of quality housing through the Human Settlement Development Grant which is allocated an amount of R1.3 billion in 2019/20 financial year. The budget allocation increases by 0.2 percent in 2019/20 and 3.8 percent in 2021/22.

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

The Department is allocated a budget of R2.2 billion in 2019/20, R2.3 billion in 2020/21 and R2.5 billion in 2021/22 financial year. The allocation increases by 6.9 percent in 2019/20 and 7.6 percent in 2021/22 financial year. The allocation includes conditional grant allocations of R81.2 million in 2018/19 financial year.

### **Vote 13: Sport, Arts and Culture**

The total allocation of the department amounts to R519.5 million in 2019/20, R534.7 million in 2020/21 and R564.4 million in 2021/22 financial years. The allocation increases by 6.5 percent in 2019/20 and 5.5 percent in 2021/22 financial year. An amount of R217.8 million is allocated for conditional grants in 2019/20 financial year.

Madam Speaker, noting the journey that we have travelled, we have come to the end of our period in this august house, it therefore necessitates that we ensure that we don't leave a vacuum in government. On that note a special Section 29 Appropriation Bill is tabled so as to ensure that government is operational until after the elections and when the incoming Legislature is able to approve the full budget.

I would like to express my appreciation to the Honourable Premier and my EXCO colleagues for their support and guidance in the course of building a better Province for our people. Members of the Portfolio Committee, under the capable leadership of Comrade Namane Masemola, GOBETSE!! And you members of the legislature.

And much thanks goes to the dedicated men and women, who constitute team Treasury under the leadership of HOD Gavin Pratt, thank you very much for your dedication and commitment.

Honorable members let me conclude by paraphrasing the Premier's bold assertion during SOPA, that 'Limpopo is a much better place to live in than it was before'.

Madam speaker I present to the house the following documents:

- The Limpopo Interim Appropriation Bill, 2019
- The Limpopo Appropriation Bill, 2019;
- Estimates of Provincial Revenue and Expenditure;
- Overview of Provincial Revenue and Expenditure;
- Socio-Economic Review and Overview; and
- Supporting gazettes.

Mintirho ya vulavula!

I thank you.

**Table 1: Provincial Own Revenue per vote**

| R thousand  | Outcome          |                  |                  | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                  |                  |
|---|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|------------------|
|   | 2015/16          | 2016/17          | 2017/18          | 2018/19            |                        |                  | 2019/20               | 2020/21          | 2021/22          |
| Vote 1: Office of the Premier   | 1 834            | 1 186            | 752              | 567                | 617                    | 617              | 583                   | 608              | 652              |
| Vote 2: Provincial Legislature  | 316              | 186              | 630              | 234                | 744                    | 744              | 246                   | 260              | 274              |
| Vote 3: Education   | 63 781           | 67 488           | 63 106           | 41 264             | 40 981                 | 40 981           | 43 826                | 46 597           | 49 160           |
| Vote 4: Agriculture and Rural Development                                   | 13 222           | 13 101           | 14 709           | 12 579             | 12 579                 | 12 579           | 11 722                | 12 003           | 12 689           |
| Vote 5: Provincial Treasury   | 302 970          | 407 906          | 346 307          | 300 000            | 287 997                | 287 997          | 280 874               | 265 636          | 243 149          |
| Vote 6: Economic Development, Environment and Tourism                       | 124 557          | 123 473          | 135 550          | 160 918            | 150 941                | 150 941          | 158 941               | 167 683          | 176 905          |
| Vote 7: Health  | 135 609          | 169 761          | 181 367          | 168 177            | 177 700                | 177 700          | 193 610               | 204 259          | 215 493          |
| Vote 8: Transport   | 419 630          | 472 466          | 502 978          | 524 149            | 528 806                | 528 806          | 584 740               | 649 140          | 720 705          |
| Vote 9: Public Works, Roads and Infrastructure                              | 156 871          | 187 679          | 70 166           | 28 355             | 34 877                 | 34 877           | 30 438                | 31 962           | 33 566           |
| Vote 10: Community Safety   | 253              | 168              | 264              | 232                | 122                    | 122              | 94                    | 105              | 111              |
| Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs | 35 987           | 8 715            | 4 845            | 4 784              | 5 773                  | 5 773            | 5 119                 | 5 415            | 5 730            |
| Vote 12: Social Development   | 3 424            | 14 752           | 2 763            | 3 969              | 3 969                  | 3 969            | 4 182                 | 4 292            | 4 528            |
| Vote 13: Sport, Arts and Culture  | 1 687            | 2 085            | 2 211            | 1 940              | 2 063                  | 2 063            | 2 224                 | 2 368            | 2 444            |
| <b>Total Provincial own receipts</b>  | <b>1 260 141</b> | <b>1 468 966</b> | <b>1 325 648</b> | <b>1 247 168</b>   | <b>1 247 169</b>       | <b>1 247 169</b> | <b>1 316 599</b>      | <b>1 390 327</b> | <b>1 465 406</b> |

**Table 2: Summary of Provincial Receipts**

| R thousand  | Outcome           |                   |                   | Main appropriation | Adjusted appropriation | Revised estimate  | Medium-term estimates |                   |                   |
|---|-------------------|-------------------|-------------------|--------------------|------------------------|-------------------|-----------------------|-------------------|-------------------|
|   | 2015/16           | 2016/17           | 2017/18           | 2018/19            |                        |                   | 2019/20               | 2020/21           | 2021/22           |
| <b>Transfer receipts from national</b>                |                   |                   |                   |                    |                        |                   |                       |                   |                   |
| Equitable share                                       | 45 866 202        | 48 708 568        | 51 960 337        | 55 178 775         | 55 178 775             | 55 178 775        | 58 964 758            | 62 986 213        | 66 778 856        |
| Conditional grants                                    | 7 347 625         | 7 891 829         | 7 932 755         | 8 544 269          | 8 765 310              | 8 765 310         | 9 060 993             | 9 530 337         | 10 318 874        |
| <b>Total Transfer receipts from national</b>          | <b>53 213 827</b> | <b>56 600 397</b> | <b>59 893 092</b> | <b>63 723 044</b>  | <b>63 944 085</b>      | <b>63 944 085</b> | <b>68 025 751</b>     | <b>72 516 550</b> | <b>77 097 730</b> |
| <b>Tax receipts</b>                                   | <b>409 938</b>    | <b>458 530</b>    | <b>501 514</b>    | <b>518 925</b>     | <b>545 330</b>         | <b>545 330</b>    | <b>604 232</b>        | <b>663 796</b>    | <b>736 232</b>    |
| Casino taxes  | 56 600            | 58 749            | 59 604            | 73 774             | 58 436                 | 58 436            | 59 897                | 60 496            | 62 311            |
| Horse racing taxes                                    | 18 001            | 26 130            | 30 860            | 32 001             | 42 601                 | 42 601            | 46 972                | 46 504            | 50 574            |
| Liquor licences                                       | 3 300             | 3 424             | 3 369             | 3 800              | 3 663                  | 3 663             | 3 857                 | 4 069             | 4 293             |
| Motor vehicle licences                                | 332 037           | 370 227           | 407 681           | 409 350            | 440 630                | 440 630           | 493 506               | 552 727           | 619 054           |
| Sales of goods and services other than capital assets | 240 563           | 260 792           | 278 537           | 287 932            | 286 373                | 286 372           | 305 312               | 322 123           | 339 156           |
| Transfers received                                    | 149               | 204               | 20                | -                  | 5 413                  | 5 413             | 5 700                 | 6 013             | 6 344             |
| Fines, penalties and forfeits                         | 59 797            | 71 833            | 62 127            | 78 763             | 52 064                 | 52 064            | 54 823                | 57 734            | 60 910            |
| Interest, dividends and rent on land                  | 319 258           | 406 419           | 348 962           | 303 287            | 289 719                | 289 719           | 281 727               | 266 580           | 244 140           |
| Sales of capital assets                               | 14 993            | 18 322            | 41 356            | 11 748             | 20 329                 | 20 329            | 12 791                | 13 437            | 14 061            |
| Transactions in financial assets and liabilities      | 215 443           | 252 866           | 93 132            | 46 513             | 47 942                 | 47 942            | 52 014                | 60 643            | 64 563            |
| <b>Total Provincial own receipts</b>                  | <b>1 260 141</b>  | <b>1 468 966</b>  | <b>1 325 648</b>  | <b>1 247 168</b>   | <b>1 247 169</b>       | <b>1 247 169</b>  | <b>1 316 599</b>      | <b>1 390 327</b>  | <b>1 465 406</b>  |
| <b>Total Provincial receipts</b>                      | <b>54 473 968</b> | <b>58 069 363</b> | <b>61 218 740</b> | <b>64 970 212</b>  | <b>65 191 254</b>      | <b>65 191 254</b> | <b>69 342 350</b>     | <b>73 906 877</b> | <b>78 563 136</b> |

**Table 3: Summary of Provincial Payments and Estimates by economic classification**

| R thousand  | Outcome           |                   |                   | Main appropriatio | Adjusted appropriatio | Revised estimate  | Medium-term estimates |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|-------------------|
|   | 2015/16           | 2016/17           | 2017/18           | 2018/19           |                       |                   | 2019/20               | 2020/21           | 2021/22           |
| <b>Current payments</b>                             | <b>44 776 572</b> | <b>48 460 867</b> | <b>51 762 152</b> | <b>55 460 764</b> | <b>55 885 321</b>     | <b>57 308 613</b> | <b>59 300 122</b>     | <b>62 596 796</b> | <b>66 538 938</b> |
| Compensation of employees                           | 37 753 155        | 40 107 796        | 42 582 425        | 45 956 168        | 45 868 686            | 46 248 721        | 49 191 590            | 51 881 913        | 54 808 661        |
| Goods and services                                  | 7 022 932         | 8 352 723         | 9 179 117         | 9 503 677         | 10 015 716            | 11 058 973        | 10 107 562            | 10 713 860        | 11 729 199        |
| Interest and rent on land                           | 485               | 349               | 610               | 920               | 920                   | 920               | 970                   | 1 023             | 1 078             |
| <b>Transfers and subsidies</b>                      | <b>6 061 628</b>  | <b>7 408 763</b>  | <b>7 948 068</b>  | <b>7 827 310</b>  | <b>8 456 954</b>      | <b>8 457 273</b>  | <b>8 185 421</b>      | <b>8 164 057</b>  | <b>8 554 304</b>  |
| Provinces and municipalities                        | 96 538            | 116 799           | 101 386           | 95 014            | 86 495                | 86 495            | 74 459                | 78 863            | 83 191            |
| Departmental agencies and accounts                  | 1 405 801         | 1 768 912         | 2 266 714         | 1 909 011         | 2 288 224             | 2 288 224         | 2 311 966             | 2 054 563         | 2 165 419         |
| Foreign governments and international organisations | -                 | -                 | -                 | -                 | -                     | -                 | -                     | -                 | -                 |
| Public corporations and private enterprises         | 651 890           | 692 213           | 696 506           | 736 834           | 736 834               | 736 834           | 742 361               | 814 951           | 858 976           |
| Non-profit institutions                             | 2 090 004         | 2 547 400         | 2 868 740         | 3 124 858         | 3 089 995             | 3 089 995         | 3 005 241             | 3 118 879         | 3 256 997         |
| Households  | 1 817 395         | 2 283 439         | 2 014 722         | 1 961 592         | 2 255 407             | 2 255 725         | 2 051 394             | 2 096 801         | 2 189 721         |
| <b>Payments for capital assets</b>                  | <b>2 097 641</b>  | <b>1 865 905</b>  | <b>2 278 617</b>  | <b>2 085 421</b>  | <b>2 061 497</b>      | <b>2 069 695</b>  | <b>2 015 367</b>      | <b>2 088 962</b>  | <b>2 828 469</b>  |
| Buildings and other fixed structures                | 1 635 532         | 1 348 134         | 1 815 856         | 1 680 356         | 1 605 162             | 1 613 362         | 1 507 404             | 1 570 943         | 1 981 272         |
| Machinery and equipment                             | 461 759           | 515 929           | 459 284           | 401 285           | 451 726               | 451 724           | 502 819               | 513 826           | 844 884           |
| Heritage assets                                     | -                 | -                 | 793               | -                 | 180                   | 180               | -                     | -                 | -                 |
| Specialised military assets                         | -                 | -                 | -                 | -                 | -                     | -                 | 35                    | 40                | 42                |
| Biological assets                                   | -                 | 772               | 1 650             | 2 167             | 2 167                 | 2 167             | 4 509                 | 3 533             | 1 617             |
| Land and sub-soil assets                            | -                 | -                 | 66                | -                 | -                     | -                 | -                     | -                 | -                 |
| Software and other intangible assets                | 350               | 1 070             | 968               | 1 612             | 2 262                 | 2 262             | 600                   | 620               | 654               |
| <b>Payments for financial assets</b>                | <b>36 154</b>     | <b>167 819</b>    | <b>36 854</b>     | <b>-</b>          | <b>90 913</b>         | <b>90 999</b>     | <b>-</b>              | <b>-</b>          | <b>-</b>          |
| <b>Total economic classification</b>                | <b>52 971 995</b> | <b>57 903 354</b> | <b>62 025 691</b> | <b>65 373 495</b> | <b>66 494 686</b>     | <b>67 926 580</b> | <b>69 500 910</b>     | <b>72 849 815</b> | <b>77 921 710</b> |

**Table 4: Summary of Provincial Payments and Estimates per vote**

| R thousand  | Outcome           |                   |                   | Main appropriati  | Adjusted appropriati | Revised estimate  | Medium-term estimates |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|----------------------|-------------------|-----------------------|-------------------|-------------------|
|   | 2015/16           | 2016/17           | 2017/18           | 2018/19           |                      |                   | 2019/20               | 2020/21           | 2021/22           |
| Vote 1: Office of the Premier   | 340 674           | 371 031           | 401 714           | 420 680           | 420 680              | 420 680           | 443 476               | 467 867           | 493 132           |
| Vote 2: Provincial Legislature  | 297 960           | 321 008           | 340 987           | 360 927           | 417 309              | 417 309           | 375 755               | 396 400           | 418 012           |
| Vote 3: Education   | 25 118 175        | 26 826 203        | 29 020 420        | 30 607 772        | 30 834 506           | 30 834 506        | 32 291 008            | 34 095 860        | 36 265 889        |
| Vote 4: Agriculture and Rural Development                                   | 1 620 258         | 1 689 801         | 1 708 212         | 1 917 354         | 1 967 270            | 1 967 270         | 2 000 770             | 2 111 206         | 2 233 347         |
| Vote 5: Provincial Treasury   | 363 722           | 441 152           | 427 560           | 472 850           | 472 850              | 472 309           | 506 841               | 534 159           | 562 644           |
| Vote 6: Economic Development, Environment and Tourism                       | 1 153 443         | 1 312 225         | 1 681 908         | 1 665 374         | 1 665 374            | 1 665 374         | 1 722 710             | 1 805 669         | 1 903 175         |
| Vote 7: Health  | 15 432 089        | 17 217 613        | 18 387 177        | 19 511 420        | 19 701 774           | 21 092 334        | 20 777 068            | 21 997 146        | 23 853 727        |
| Vote 8: Transport   | 1 727 714         | 1 871 614         | 1 960 378         | 2 106 228         | 2 106 228            | 2 106 228         | 2 227 547             | 2 374 961         | 2 502 369         |
| Vote 9: Public Works, Roads and Infrastructure                              | 2 685 343         | 2 988 778         | 3 292 600         | 3 118 176         | 3 555 294            | 3 553 970         | 3 616 964             | 3 375 334         | 3 684 066         |
| Vote 10: Community Safety   | 82 656            | 92 552            | 103 915           | 109 714           | 111 714              | 111 714           | 117 638               | 121 998           | 128 586           |
| Vote 11: Co-operative Governance, Human Settlements and Traditional Affairs | 2 185 684         | 2 679 638         | 2 428 857         | 2 624 006         | 2 714 006            | 2 714 006         | 2 720 467             | 2 737 903         | 2 841 601         |
| Vote 12: Social Development   | 1 585 497         | 1 662 209         | 1 816 889         | 1 986 729         | 2 039 968            | 2 083 168         | 2 181 129             | 2 296 582         | 2 470 808         |
| Vote 13: Sport, Arts and Culture  | 378 780           | 429 531           | 455 074           | 472 264           | 487 714              | 487 714           | 519 537               | 534 730           | 564 355           |
| <b>Total</b>  | <b>52 971 995</b> | <b>57 903 354</b> | <b>62 025 691</b> | <b>65 373 494</b> | <b>66 494 686</b>    | <b>67 926 581</b> | <b>69 500 910</b>     | <b>72 849 815</b> | <b>77 921 711</b> |

**Table 5: Summary of National Conditional Grant transfers by vote**

| R thousand   | Outcome          |                  |                  | Main appropriation | Adjusted appropriation | Revised estimate | Medium-term estimates |                  |                   |
|--|------------------|------------------|------------------|--------------------|------------------------|------------------|-----------------------|------------------|-------------------|
|  | 2015/16          | 2016/17          | 2017/18          |                    |                        |                  | 2019/20               | 2020/21          | 2021/22           |
|  | 2018/19          |                  |                  |                    |                        |                  |                       |                  |                   |
| <b>Vote 3</b>  | <b>1 919 982</b> | <b>2 088 243</b> | <b>2 019 768</b> | <b>2 349 648</b>   | <b>2 385 382</b>       | <b>2 385 382</b> | <b>2 460 517</b>      | <b>2 646 847</b> | <b>2 818 629</b>  |
| National School Nutrition Programme                    | 991 122          | 1 087 090        | 1 113 968        | 1 229 299          | 1 255 019              | 1 255 019        | 1 292 011             | 1 363 072        | 1 438 041         |
| HIV/AIDS (Life Skills Education)                       | 24 238           | 23 486           | 22 886           | 27 116             | 28 964                 | 28 964           | 29 124                | 31 137           | 32 849            |
| Education Infrastructure Grant                         | 863 797          | 938 072          | 838 734          | 1 011 680          | 1 011 680              | 1 011 680        | 1 050 160             | 1 175 467        | 1 266 336         |
| EPWP Incentive Allocation                              | 2 672            | 1 876            | 2 211            | 2 134              | 2 134                  | 2 134            | 2 385                 | -                | -                 |
| Social Sector (EPWP) Grant                             | 2 482            | 3 175            | 2 379            | 14 355             | 14 355                 | 14 355           | 14 196                | -                | -                 |
| Learners with profound intellectual Disabilities Grant | -                | -                | 4 666            | 21 700             | 23 688                 | 23 688           | 26 839                | 28 932           | 30 523            |
| Maths, Science and Technology Grant                    | 35 671           | 34 544           | 34 924           | 43 364             | 49 542                 | 49 542           | 45 802                | 48 239           | 50 880            |
| <b>Vote 4</b>  | <b>329 331</b>   | <b>332 349</b>   | <b>321 918</b>   | <b>345 387</b>     | <b>395 303</b>         | <b>395 303</b>   | <b>342 345</b>        | <b>361 568</b>   | <b>389 230</b>    |
| Land Care Programme                                    | 9 903            | 10 429           | 13 672           | 12 603             | 47 803                 | 47 803           | 12 863                | 13 570           | 14 316            |
| Comprehensive Agriculture Support Programme            | 263 806          | 253 570          | 237 159          | 256 521            | 271 237                | 271 237          | 246 542               | 268 605          | 290 679           |
| EPWP Incentive Allocation                              | 5 285            | 4 475            | 3 731            | 5 000              | 5 000                  | 5 000            | 7 686                 | -                | -                 |
| ILima/Letsema Projects                                 | 50 337           | 63 875           | 67 356           | 71 263             | 71 263                 | 71 263           | 75 254                | 79 393           | 84 235            |
| <b>Vote 06</b>   | <b>2 481</b>     | <b>3 443</b>     | <b>2 567</b>     | <b>3 376</b>       | <b>3 376</b>           | <b>3 376</b>     | <b>3 563</b>          | <b>-</b>         | <b>-</b>          |
| EPWP Incentive Allocation                              | 2 481            | 3 443            | 2 567            | 3 376              | 3 376                  | 3 376            | 3 563                 | -                | -                 |
| <b>Vote 7</b>  | <b>1 879 185</b> | <b>2 066 168</b> | <b>2 311 781</b> | <b>2 720 840</b>   | <b>2 811 194</b>       | <b>2 811 194</b> | <b>3 073 250</b>      | <b>3 321 449</b> | <b>3 754 177</b>  |
| Health Professions Training and Development            | 117 554          | 124 779          | 131 684          | 139 366            | 139 366                | 139 366          | 147 168               | 155 262          | 163 801           |
| Health Facility Revitalisation                         | 357 322          | 378 900          | 416 805          | 536 898            | 625 405                | 625 405          | 457 951               | 484 830          | 522 832           |
| Comprehensive HIV and AIDS                             | 1 065 528        | 1 170 424        | 1 366 911        | 1 600 516          | 1 602 363              | 1 602 363        | 1 947 302             | 2 167 956        | 2 525 491         |
| of which   |                  |                  |                  |                    |                        |                  |                       |                  |                   |
| Community Outreach Services Component                  | -                | -                | -                | -                  | -                      | -                | 258 929               | 273 429          | 445 789           |
| Comprehensive HIV AIDS Grant Component                 | -                | -                | -                | -                  | -                      | -                | 1 598 159             | 1 776 843        | 1 962 848         |
| Malaria Control  | -                | -                | -                | -                  | -                      | -                | 45 366                | 70 370           | 66 937            |
| Tuberculosis Component                                 | -                | -                | -                | -                  | -                      | -                | 44 848                | 47 314           | 49 917            |
| National Tertiary Services                             | 312 393          | 362 361          | 366 283          | 387 560            | 387 560                | 387 560          | 409 263               | 436 684          | 460 702           |
| Human Papillomavirus Vaccine Grant                     | -                | -                | -                | 27 471             | 27 471                 | 27 471           | 29 009                | 30 604           | 32 287            |
| EPWP Integrated Grant                                  | 1 079            | -                | -                | 2 000              | 2 000                  | 2 000            | 2 000                 | -                | -                 |
| EPWP Social Sector Incentive Grant                     | 17 826           | 21 975           | 30 098           | 27 029             | 27 029                 | 27 029           | 37 299                | -                | -                 |
| Human Resource Capacitaion Grant                       | -                | -                | -                | -                  | -                      | -                | 43 258                | 46 113           | 49 064            |
| National Health Insurance                              | 7 483            | 7 729            | -                | -                  | -                      | -                | -                     | -                | -                 |
| <b>Vote 8</b>  | <b>298 298</b>   | <b>326 129</b>   | <b>345 640</b>   | <b>356 809</b>     | <b>356 809</b>         | <b>356 809</b>   | <b>376 790</b>        | <b>402 035</b>   | <b>424 147</b>    |
| Public Transport Operations                            | 298 298          | 326 129          | 345 640          | 356 809            | 356 809                | 356 809          | 376 790               | 402 035          | 424 147           |
| <b>Vote 9</b>  | <b>976 853</b>   | <b>997 357</b>   | <b>1 136 431</b> | <b>1 131 500</b>   | <b>1 168 618</b>       | <b>1 168 618</b> | <b>1 164 021</b>      | <b>1 164 114</b> | <b>1 253 439</b>  |
| Provincial Roads Maintenance Grant                     | 969 733          | 992 531          | 1 130 534        | 1 124 146          | 1 161 264              | 1 161 264        | 1 158 253             | 1 164 114        | 1 253 439         |
| EPWP Integrated Grant                                  | 7 120            | 4 826            | 5 897            | 7 354              | 7 354                  | 7 354            | 5 768                 | -                | -                 |
| <b>Vote 10</b>   | <b>2 078</b>     | <b>-</b>         | <b>2 000</b>     | <b>2 000</b>       | <b>2 000</b>           | <b>2 000</b>     | <b>2 000</b>          | <b>-</b>         | <b>-</b>          |
| EPWP Integrated Allocation                             | 2 078            | -                | 2 000            | 2 000              | 2 000                  | 2 000            | 2 000                 | -                | -                 |
| <b>Vote 11</b>   | <b>1 129 138</b> | <b>1 518 880</b> | <b>1 255 778</b> | <b>1 312 187</b>   | <b>1 312 187</b>       | <b>1 312 187</b> | <b>1 339 523</b>      | <b>1 333 757</b> | <b>1 361 631</b>  |
| EPWP Incentive Allocation                              | 829              | 636              | 2 000            | 2 000              | 2 000                  | 2 000            | 2 026                 | -                | -                 |
| Human Settlement Development                           | 1 128 309        | 1 518 244        | 1 253 778        | 1 285 681          | 1 285 681              | 1 285 681        | 1 301 677             | 1 098 807        | 1 079 035         |
| of which   |                  |                  |                  |                    |                        |                  |                       |                  |                   |
| Human Settlement Development (flood repair)            | 5 701            | 34 182           | -                | 29 678             | 29 678                 | 29 678           | -                     | -                | -                 |
| Earmarked additions for the ff mining towns            | 17 540           | 66 330           | -                | 66 330             | 66 330                 | 66 330           | -                     | -                | -                 |
| Thabazimbi   | 7 171            | 27 100           | -                | 27 100             | 27 100                 | 27 100           | -                     | -                | -                 |
| Greater Tubatse  | 1 684            | 6 430            | -                | 6 430              | 6 430                  | 6 430            | -                     | -                | -                 |
| Elias Motsoaledi                                       | 3 255            | 12 300           | -                | 12 300             | 12 300                 | 12 300           | -                     | -                | -                 |
| Lephalale  | 4 720            | 17 800           | -                | 17 800             | 17 800                 | 17 800           | -                     | -                | -                 |
| Fetakgomo( LIM 476)                                    | 710              | 2 700            | -                | 2 700              | 2 700                  | 2 700            | -                     | -                | -                 |
| Mogalakwena  | -                | -                | -                | -                  | -                      | -                | -                     | -                | -                 |
| Housing Disaster Management                            | -                | -                | -                | 24 506             | 24 506                 | 24 506           | -                     | -                | -                 |
| Informal Settlements upgrading Partnership Grant       | -                | -                | -                | -                  | -                      | -                | -                     | 197 160          | 282 596           |
| Title DeedsRestoration Grant                           | -                | -                | -                | -                  | -                      | -                | 35 820                | 37 790           | -                 |
| <b>Vote 12</b>   | <b>3 188</b>     | <b>11 197</b>    | <b>91 450</b>    | <b>127 200</b>     | <b>130 439</b>         | <b>130 439</b>   | <b>81 181</b>         | <b>73 616</b>    | <b>77 665</b>     |
| EPWP Incentive Allocation                              | 3 188            | 11 197           | 8 973            | 8 008              | 8 008                  | 8 008            | 2 000                 | -                | -                 |
| EPWP Social Sector                                     | -                | -                | -                | -                  | -                      | -                | 10 189                | -                | -                 |
| Early Childhood Development                            | -                | -                | 35 693           | 68 561             | 71 800                 | 71 800           | 68 992                | 73 616           | 77 665            |
| Social work employment grant                           | -                | -                | 46 784           | 50 631             | 50 631                 | 50 631           | -                     | -                | -                 |
| <b>Vote 13</b>   | <b>183 762</b>   | <b>192 774</b>   | <b>186 146</b>   | <b>195 322</b>     | <b>200 002</b>         | <b>200 002</b>   | <b>217 803</b>        | <b>226 951</b>   | <b>239 956</b>    |
| Mass Participation and Sport Development Grant         | 63 417           | 66 391           | 67 407           | 67 679             | 68 558                 | 68 558           | 71 489                | 75 451           | 79 651            |
| Community Library Services                             | 118 404          | 124 544          | 116 743          | 125 643            | 129 444                | 129 444          | 144 314               | 151 500          | 160 305           |
| EPWP Incentive Allocation                              | 1 941            | 1 839            | 1 996            | 2 000              | 2 000                  | 2 000            | 2 000                 | -                | -                 |
| <b>Total conditional grants</b>                        | <b>6 724 296</b> | <b>7 536 540</b> | <b>7 673 479</b> | <b>8 544 269</b>   | <b>8 765 310</b>       | <b>8 765 310</b> | <b>9 060 993</b>      | <b>9 530 337</b> | <b>10 318 874</b> |