

# Vote 3

## Cooperative Governance and Traditional Affairs

### Adjusted budget summary

R thousand	2011/12			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>47 933 580</b>	<b>48 204 662</b>	-	271 082
<b>of which:</b>				
Current payments	691 255	727 414	-	36 159
Transfers and subsidies	47 222 446	47 456 969	-	234 523
Payments for capital assets	19 779	19 779	-	-
Payments for financial assets	100	500	-	400
Executive authority	Minister of Cooperative Governance and Traditional Affairs			
Accounting Officer	Director-General of Cooperative Governance			
Accounting Officer	Director-General of Traditional Affairs			
Website address	www.cogta.gov.za			

### Aim

*Improve cooperative governance across the three spheres of government, in partnership with institutions of traditional leadership, thereby ensuring that provinces and municipalities carry out their service delivery and development functions effectively.*

### Mid-year performance status

Indicator	Programme	Annual performance		
		Projected for 2011/12 as published in the 2011 ENE	Achieved in the first six months of 2011/12 (April to September)	Changed estimate for 2011/12
As published in the 2011 ENE	Programme linked to the indicator			
Total number of traditional councils (of 840) supported through capacity building programme per year	Traditional Affairs	350	280	
Value of municipalities' spending on municipal infrastructure grant per year	Infrastructure and Economic Development	R11.4bn	R4.5bn	
Total number of households reached with basic services funded by the municipal infrastructure grant:	Infrastructure and Economic Development			
-water		1.6 million	0	
-sanitation		929 070	0	
-roads		1.3 million	0	
-community lighting		616 186	0	
Percentage of indigent households accessing free basic services:	Infrastructure and Economic Development			
-water		71%	94%	
-electricity		58%	84%	
Total number of fully functional disaster management centres (of 62) across the 3 spheres of government	National Disaster Management Centre	40/62 (65%)	10 (16%)	
Number of government departments included in the national disaster management centres' wide area network per year, including the Satellite Application Centre and the South African Weather Services	National Disaster Management Centre	3	0	
Number of students supported through the disaster management bursary programme	National Disaster Management Centre	25	25	
Number of provinces, districts and metros with disaster management frameworks	National Disaster Management Centre	15	11	
Number of work opportunities created through the community work programme per year	Infrastructure and Economic Development	63 630	83 791	
Total number of municipalities (of 46 targeted municipalities) supported in implementing local economic development strategies	Infrastructure and Economic Development	10	3	
Total number of municipalities (of 278) with integrated development plans drafted in accordance with development planning outcomes	Provincial and Municipal Government Systems	278 (100%)	278 (100%)	

## Mid-year progress

The number of households receiving water, sanitation and roads through the municipal infrastructure grant will not be reported in this year's AENE, as the achieved targets have not yet been confirmed and verified. The department has until December 2011 to verify the accuracy of the number provided.

The department's target for departments to be included in the national disaster management centres' wide area network has not been reached, as the programme has not received any assistance due to lack of funds and capacity within the responsible directorate.

## Adjusted Estimates of National Expenditure 2011

Programme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Administration	212 569	-	-	(4 200)	(3 000)	(7 200)	205 369
Policy, Research and Knowledge Management	46 006	-	-	(4 500)	-	(4 500)	41 506
Governance and Intergovernmental Relations	34 213 870	-	266 317	(3 620)	-	262 697	34 476 567
Disaster Response Management	821 172	-	-	(4 940)	-	(4 940)	816 232
Provincial and Municipal Government Systems	248 316	-	-	(620)	2 165	1 545	249 861
Infrastructure and Economic Development	12 307 878	5 600	-	17 880	-	23 480	12 331 358
Traditional Affairs	83 769	-	-	-	-	-	83 769
<b>Total</b>	<b>47 933 580</b>	<b>5 600</b>	<b>266 317</b>	<b>-</b>	<b>(835)</b>	<b>271 082</b>	<b>48 204 662</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>691 255</b>	<b>-</b>	<b>-</b>	<b>36 994</b>	<b>(835)</b>	<b>36 159</b>	<b>727 414</b>
Compensation of employees	232 862	-	-	13 782	2 165	15 947	248 809
Goods and services	458 393	-	-	23 212	(3 000)	20 212	478 605
<b>Transfers and subsidies</b>	<b>47 222 446</b>	<b>5 600</b>	<b>266 317</b>	<b>(37 394)</b>	<b>-</b>	<b>234 523</b>	<b>47 456 969</b>
Provinces and municipalities	46 545 926	-	-	790	-	790	46 546 716
Departmental agencies and accounts	86 118	-	-	228	-	228	86 346
Public corporations and private enterprises	192 061	-	-	(38 412)	-	(38 412)	153 649
Non-profit institutions	10 164	-	-	-	-	-	10 164
Households	388 177	5 600	266 317	-	-	271 917	660 094
<b>Payments for capital assets</b>	<b>19 779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 779</b>
Machinery and equipment	18 019	-	-	-	-	-	18 019
Software and other intangible assets	1 760	-	-	-	-	-	1 760
<b>Payments for financial assets</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>400</b>	<b>500</b>
<b>Total</b>	<b>47 933 580</b>	<b>5 600</b>	<b>266 317</b>	<b>-</b>	<b>(835)</b>	<b>271 082</b>	<b>48 204 662</b>

## Programme 1: Administration

Subprogramme	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
R thousand							
Ministry	26 943	-	-	1 000	-	1 000	27 943
Management	10 168	-	-	5 000	-	5 000	15 168
Chief Operating Officer	42 751	-	-	1 000	(3 000)	(2 000)	40 751
Corporate Services	38 825	-	-	(4 300)	-	(4 300)	34 525
Financial Services	18 944	-	-	-	-	-	18 944
Communication and Liaison	25 469	-	-	(6 900)	-	(6 900)	18 569
Legislation Review and Drafting	10 625	-	-	-	-	-	10 625
Internal Audit and Risk Management	9 821	-	-	-	-	-	9 821
Office Accommodation	29 023	-	-	-	-	-	29 023
<b>Total</b>	<b>212 569</b>	<b>-</b>	<b>-</b>	<b>(4 200)</b>	<b>(3 000)</b>	<b>(7 200)</b>	<b>205 369</b>

**Programme 1: Administration (continued)**

		2011/12						
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
<b>Economic classification</b>								
<b>Current payments</b>	<b>208 683</b>	–	–	(5 300)	(3 000)	(8 300)	<b>200 383</b>	
Compensation of employees	90 885	–	–	6 100	–	6 100	96 985	
Goods and services	117 798	–	–	(11 400)	(3 000)	(14 400)	103 398	
<b>Transfers and subsidies</b>	<b>100</b>	–	–	–	–	–	<b>100</b>	
Provinces and municipalities	100	–	–	–	–	–	100	
<b>Payments for capital assets</b>	<b>3 686</b>	–	–	700	–	700	<b>4 386</b>	
Machinery and equipment	3 686	–	–	700	–	700	4 386	
<b>Payments for financial assets</b>	<b>100</b>	–	–	400	–	400	<b>500</b>	
<b>Total</b>	<b>212 569</b>	–	–	(4 200)	(3 000)	(7 200)	<b>205 369</b>	

**Programme 2: Policy, Research and Knowledge Management**

		2011/12						
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
<b>Economic classification</b>								
<b>Current payments</b>	<b>39 046</b>	–	–	(4 500)	–	(4 500)	<b>34 546</b>	
Compensation of employees	20 501	–	–	–	–	–	20 501	
Goods and services	18 545	–	–	(4 500)	–	(4 500)	14 045	
<b>Payments for capital assets</b>	<b>6 960</b>	–	–	–	–	–	<b>6 960</b>	
Machinery and equipment	5 200	–	–	–	–	–	5 200	
Software and other intangible assets	1 760	–	–	–	–	–	1 760	
<b>Total</b>	<b>46 006</b>	–	–	(4 500)	–	(4 500)	<b>41 506</b>	

**Programme 3: Governance and Intergovernmental Relations**

		2011/12						
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
<b>Economic classification</b>								
<b>Current payments</b>	<b>34 213 870</b>	–	266 317	(3 620)	–	262 697	<b>34 476 567</b>	
Management: Governance	2 900	–	–	–	–	–	2 900	
Intergovernmental Relations Coordination	8 788	–	–	(330)	–	(330)	8 458	
Intergovernmental Fiscal Relations	14 423	–	266 317	(3 290)	–	263 027	277 450	
Governance and Public Participation	5 726	–	–	–	–	–	5 726	
South African Local Government Association	25 486	–	–	–	–	–	25 486	
Municipal Demarcation Board	38 482	–	–	–	–	–	38 482	
South African Cities Network	5 282	–	–	–	–	–	5 282	
United Cities and Local Government of Africa	4 882	–	–	–	–	–	4 882	
Equitable Share	34 107 901	–	–	–	–	–	34 107 901	
<b>Total</b>	<b>34 213 870</b>	–	<b>266 317</b>	<b>(3 620)</b>	–	<b>262 697</b>	<b>34 476 567</b>	

**Programme 3: Governance and Intergovernmental Relations (continued)**

		2011/12					
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
<b>Economic classification</b>							
<b>Current payments</b>	<b>31 837</b>	–	–	(3 620)	–	<b>(3 620)</b>	<b>28 217</b>
Compensation of employees	19 490	–	–	–	–	–	19 490
Goods and services	12 347	–	–	(3 620)	–	(3 620)	8 727
<b>Transfers and subsidies</b>	<b>34 182 033</b>	–	<b>266 317</b>	–	–	<b>266 317</b>	<b>34 448 350</b>
Provinces and municipalities	34 107 901	–	–	–	–	–	34 107 901
Departmental agencies and accounts	63 968	–	–	–	–	–	63 968
Non-profit institutions	10 164	–	–	–	–	–	10 164
Households	–	–	266 317	–	–	266 317	266 317
<b>Total</b>	<b>34 213 870</b>	–	<b>266 317</b>	<b>(3 620)</b>	–	<b>262 697</b>	<b>34 476 567</b>

**Programme 4: Disaster Response Management**

		2011/12					
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Management; Head of Disaster	2 696	–	–	1 628	–	1 628	4 324
Legislation, Policy and Compliance Management	7 594	–	–	(1 000)	–	(1 000)	6 594
Planning Coordination and Support	9 442	–	–	6 178	–	6 178	15 620
Intelligence and Information Systems Management	26 440	–	–	(11 746)	–	(11 746)	14 694
Disaster Relief Transfers	775 000	–	–	–	–	–	775 000
<b>Total</b>	<b>821 172</b>	–	–	<b>(4 940)</b>	–	<b>(4 940)</b>	<b>816 232</b>
<b>Economic classification</b>							
<b>Current payments</b>	<b>43 028</b>	–	–	<b>(4 240)</b>	–	<b>(4 240)</b>	<b>38 788</b>
Compensation of employees	18 473	–	–	–	–	–	18 473
Goods and services	24 555	–	–	(4 240)	–	(4 240)	20 315
<b>Transfers and subsidies</b>	<b>775 000</b>	–	–	–	–	–	<b>775 000</b>
Provinces and municipalities	775 000	–	–	–	–	–	775 000
<b>Payments for capital assets</b>	<b>3 144</b>	–	–	<b>(700)</b>	–	<b>(700)</b>	<b>2 444</b>
Machinery and equipment	3 144	–	–	(700)	–	(700)	2 444
<b>Total</b>	<b>821 172</b>	–	–	<b>(4 940)</b>	–	<b>(4 940)</b>	<b>816 232</b>

**Programme 5: Provincial and Municipal Government Systems**

		2011/12					
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
Management: Provincial and Local Government Support	3 154	–	–	–	2 165	2 165	5 319
Provincial Government Support and Intervention	9 358	–	–	–	–	–	9 358
Local Government Support and Intervention	10 457	–	–	(410)	–	(410)	10 047
Development Planning	5 927	–	–	(1 000)	–	(1 000)	4 927
Municipal Systems Improvement Grant	219 420	–	–	790	–	790	220 210
<b>Total</b>	<b>248 316</b>	–	–	<b>(620)</b>	<b>2 165</b>	<b>1 545</b>	<b>249 861</b>

**Programme 5: Provincial and Municipal Government Systems (continued)**

		2011/12					
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
<b>Economic classification</b>							
<b>Current payments</b>	<b>28 862</b>	–	–	(1 410)	2 165	<b>755</b>	<b>29 617</b>
Compensation of employees	19 362	–	–	–	2 165	2 165	21 527
Goods and services	9 500	–	–	(1 410)	–	(1 410)	8 090
<b>Transfers and subsidies</b>	<b>219 420</b>	–	–	<b>790</b>	–	<b>790</b>	<b>220 210</b>
Provinces and municipalities	219 420	–	–	790	–	790	220 210
<b>Payments for capital assets</b>	<b>34</b>	–	–	–	–	–	<b>34</b>
Machinery and equipment	34	–	–	–	–	–	34
<b>Total</b>	<b>248 316</b>	–	–	<b>(620)</b>	<b>2 165</b>	<b>1 545</b>	<b>249 861</b>

**Programme 6: Infrastructure and Economic Development**

		2011/12					
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
<b>Economic classification</b>							
<b>Current payments</b>	<b>278 535</b>	–	–	<b>56 292</b>	–	<b>56 292</b>	<b>334 827</b>
Compensation of employees	25 590	–	–	7 682	–	7 682	33 272
Goods and services	252 945	–	–	48 610	–	48 610	301 555
<b>Transfers and subsidies</b>	<b>12 023 743</b>	<b>5 600</b>	–	<b>(38 412)</b>	–	<b>(32 812)</b>	<b>11 990 931</b>
Provinces and municipalities	11 443 505	–	–	–	–	–	11 443 505
Public corporations and private enterprises	192 061	–	–	(38 412)	–	(38 412)	153 649
Households	388 177	5 600	–	–	–	5 600	393 777
<b>Payments for capital assets</b>	<b>5 600</b>	–	–	–	–	–	<b>5 600</b>
Machinery and equipment	5 600	–	–	–	–	–	5 600
<b>Total</b>	<b>12 307 878</b>	<b>5 600</b>	–	<b>17 880</b>	–	<b>23 480</b>	<b>12 331 358</b>

**Programme 7: Traditional Affairs**

		2011/12					
		Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
<b>Economic classification</b>							
<b>Current payments</b>	<b>83 769</b>	–	–	–	–	–	<b>83 769</b>
Management: Head of Traditional Affairs	8 809	–	–	(228)	–	(228)	8 581
Policy and Legislation for Traditional Affairs	10 166	–	–	3 500	–	3 500	13 666
Institutional Support and Coordination	11 093	–	–	2 500	–	2 500	13 593
National House of Traditional Leaders	20 701	–	–	(6 000)	–	(6 000)	14 701
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	22 150	–	–	228	–	228	22 378
Commission on Traditional Leadership Disputes and Claims	10 850	–	–	–	–	–	10 850
<b>Total</b>	<b>83 769</b>	–	–	–	–	–	<b>83 769</b>

**Programme 7: Traditional Affairs (continued)**

R thousand	2011/12						Adjusted appropriation
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments		
<b>Economic classification</b>							
<b>Current payments</b>	<b>61 264</b>	-	-	(228)	-	(228)	<b>61 036</b>
Compensation of employees	38 561	-	-	-	-	-	38 561
Goods and services	22 703	-	-	(228)	-	(228)	22 475
<b>Transfers and subsidies</b>	<b>22 150</b>	-	-	<b>228</b>	-	<b>228</b>	<b>22 378</b>
Departmental agencies and accounts	22 150	-	-	228	-	228	22 378
<b>Payments for capital assets</b>	<b>355</b>	-	-	-	-	-	<b>355</b>
Machinery and equipment	355	-	-	-	-	-	355
<b>Total</b>	<b>83 769</b>	-	-	-	-	-	<b>83 769</b>

## Details of adjustments to Estimates of National Expenditure 2011

### Roll-overs – R5.600 million

Programme 6: Infrastructure and Economic Development

R5.600 million has been rolled over to establish 18 committed employment sites for the community work programme.

### Unforeseeable and unavoidable expenditure – R266.317 million

Programme 3: Governance and Intergovernmental Relations

R266.317 million was granted to the department to pay non-returning local councillors whose term has ended after the 18 May 2011 elections as a once-off gratuity.

### Virements and shifts

#### Programmes

- Administration
- Policy, Research and Knowledge Management
- Governance and Intergovernmental Relations
- Disaster Response Management
- Provincial and Municipal Government Systems
- Infrastructure and Economic Development
- Traditional Affairs

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 1</b>		<b>(11 400)</b>	<b>Programme 1</b>		<b>6 500</b>
Goods and services	Reduction on consultants	(6 100)	Compensation of employees	For employment of technical support in regions	6 100
	Reduction on contractors	(400)	Payments for financial assets	To finance thefts and losses to be written off	400
	Reduction on travel	(4 900)	<b>Programme 6</b>		<b>4 900</b>
			Goods and services	For establishment and support of cooperatives at local level	4 900
Percentage of programme budget		<b>5.4%</b>			
<b>Programme 2</b>		<b>(4 500)</b>	<b>Programme 6</b>		<b>4 500</b>
Goods and services	Reduction on consultants	(4 500)	Goods and services	For establishment and support of cooperatives at local level	4 500
Percentage of programme budget <sup>2</sup>		<b>9.8%</b>			

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
<b>Programme 3</b>		<b>(3 620)</b>	<b>Programme 6</b>		<b>2 830</b>
Goods and services	Reduction on consultants	(2 830)	Goods and services	For establishment and support of cooperatives at local level	2 830
	Reduction on travel	(790)	<b>Programme 5</b>		<b>790</b>
			Provinces and municipalities	Transfer to newly formed municipality in North West	790
Percentage of programme budget		<b>0.0%</b>			
<b>Programme 4</b>		<b>(4 940)</b>	<b>Programme 6</b>		<b>4 240</b>
Goods and services	Reduction on consultants	(4 240)	Goods and services	For establishment and support of cooperatives at local level	4 240
Machinery and equipment	Reduction on procurement of office equipment	(700)	<b>Programme 1</b>		<b>700</b>
			Machinery and equipment	For revamping the CCTV cameras in the department	700
Percentage of programme budget		<b>0.6%</b>			
<b>Programme 5</b>		<b>(1 410)</b>	<b>Programme 6</b>		<b>1 410</b>
Goods and services	Reduction on consultants	(1 000)	Goods and services	For establishment and support of cooperatives at local level	1 000
	Reduction on consultants	(410)	Goods and services	For establishment and support of cooperatives at local level	410
Percentage of programme budget		<b>0.6%</b>			
<b>Programme 6</b>		<b>(38 412)</b>	<b>Programme 6</b>		<b>38 412</b>
Public corporations and private enterprises	Delays in setting up the Municipal Infrastructure Support Agency as an entity	(7 682)	Compensation of employees	For establishment of the entity and employment of support staff	7 682
	Delays in setting up the Municipal Infrastructure Support Agency as an entity <sup>1</sup>	(30 730)	Goods and services	For establishment of the entity and employment of support staff	30 730
Percentage of programme budget		<b>0.3%</b>			
<b>Programme 7</b>		<b>(228)</b>	<b>Programme 7</b>		<b>228</b>
Goods and services	Savings on contractors <sup>1</sup>	(228)	Departmental agencies and accounts	For augmentation of the budget of the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	228
Percentage of programme budget		<b>0.3%</b>			
<b>Total</b>		<b>(64 510)</b>			<b>64 10</b>

1. National Treasury approval has been obtained

2. In terms of the PFMA, only the legislature may approve this virement.

## Other adjustments – R835 000

### **Adjustments due to significant and unforeseeable economic and financial events**

#### Programme 5: Provincial and Municipal Government Systems

An additional amount of R2.165 million has been allocated for higher personnel remuneration increases than the main budget provided for.

### **Declared savings**

#### Programme 1: Administration

Savings of R3 million have been declared due to underspending on computer services.

**Expenditure for 2010/11 and preliminary expenditure for 2011/12**

Programme	2010/11					2011/12		
	Expenditure outcome					Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 10 - Sep 10	% of adjusted appropriation	Apr 10 - Mar 11	% of adjusted appropriation	Adjusted appropriation	Apr 11 - Sep 11	% of adjusted appropriation
Administration	197 922	75 310	38.1	169 532	85.7	205 369	81 418	39.6
Policy, Research and Knowledge Management	48 168	13 430	27.9	35 433	73.6	41 506	13 003	31.3
Governance and Intergovernmental Relations	30 666 385	13 151 001	42.9	30 658 732	100.0	34 476 567	13 950 701	40.5
Disaster Response Management	293 240	39 795	13.6	283 092	96.5	816 232	14 878	1.8
Provincial and Municipal Government Systems	251 210	229 696	91.4	248 081	98.8	249 861	145 929	58.4
Infrastructure and Economic Development	13 042 117	5 184 830	39.8	12 999 723	99.7	12 331 358	4 808 898	39.0
Traditional Affairs	74 077	24 009	32.4	61 817	83.4	83 769	37 877	45.2
<b>Total</b>	<b>44 573 119</b>	<b>18 718 071</b>	<b>42.0</b>	<b>44 456 410</b>	<b>99.7</b>	<b>48 204 662</b>	<b>19 052 704</b>	<b>39.5</b>
<b>Economic classification</b>								
<b>Current payments</b>	<b>625 975</b>	<b>290 463</b>	<b>46.4</b>	<b>588 473</b>	<b>94.0</b>	<b>727 414</b>	<b>269 047</b>	<b>37.0</b>
Compensation of employees	200 603	82 129	40.9	174 301	86.9	248 809	113 743	45.7
Goods and services	425 271	208 334	49.0	414 071	97.4	478 605	155 304	32.4
Interest and rent on land	101	–	0.0	101	100.0	–	–	0.0
<b>Transfers and subsidies</b>	<b>43 921 269</b>	<b>18 426 659</b>	<b>42.0</b>	<b>43 850 073</b>	<b>99.8</b>	<b>47 456 969</b>	<b>18 781 034</b>	<b>39.6</b>
Provinces and municipalities	43 513 951	18 345 175	42.2	43 495 856	100.0	46 546 716	18 590 052	39.9
Departmental agencies and accounts	110 713	40 895	36.9	110 713	100.0	86 346	33 388	38.7
Foreign governments and international organisations	489	–	0.0	119	24.3	–	208	0.0
Non-profit institutions	9 104	3 640	40.0	7 468	82.0	10 164	1 798	17.7
Households	287 012	36 949	12.9	235 917	82.2	660 094	155 588	23.6
<b>Payments for capital assets</b>	<b>25 596</b>	<b>880</b>	<b>3.4</b>	<b>17 592</b>	<b>68.7</b>	<b>19 779</b>	<b>2 233</b>	<b>11.3</b>
Machinery and equipment	25 596	880	3.4	17 592	68.7	18 019	2 233	12.4
<b>Payments for financial assets</b>	<b>279</b>	<b>69</b>	<b>25</b>	<b>272</b>	<b>97</b>	<b>500</b>	<b>390</b>	<b>78</b>
<b>Total</b>	<b>44 573 119</b>	<b>18 718 071</b>	<b>42.0</b>	<b>44 456 410</b>	<b>99.7</b>	<b>48 204 662</b>	<b>19 052 704</b>	<b>39.5</b>

**Main expenditure trends for the first half of 2011/12**

Total expenditure for 2010/11 was 99.7 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 was R19.053 billion, or 39.5 per cent of the adjusted appropriation of R48.205 billion for the year as a whole. In comparison, mid-year expenditure in 2010/11 was R18.718 billion, or 42 per cent of the 2010/11 adjusted appropriation. Expenditure in the first six months of 2011/12 increased by R334.633 million or 1.8 per cent, compared to expenditure in the first six months of 2010/11.

The main expenditure increase compared to 2010/11 is due to increase in grants allocations and expansion of the department's mandate.



## Departmental receipts

	2010/11					2011/12			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 10 - Sep 10	Apr 10 - Sep 10 % of adjusted estimate	Apr 10 - Mar 11	Apr 10 - Mar 11 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 11 - Sep 11	Apr 11 - Sep 11 % of adjusted estimate
R thousand									
<b>Departmental receipts</b>	<b>627</b>	<b>110</b>	<b>17.5</b>	<b>241</b>	<b>38.4</b>	<b>633</b>	<b>633</b>	<b>291</b>	<b>46.0</b>
Sales of goods and services produced by department	148	74	50.0	143	96.6	150	150	78	52.0
Sales of scrap, waste, arms and other used current goods	16	-	-	6	37.5	18	18	2	11.1
Interest, dividends and rent on land	3	1	33.3	3	100.0	3	3	1	33.3
Sales of capital assets	-	-	-	-	-	-	-	151	-
Transactions in financial assets and liabilities	460	35	7.6	89	19.3	462	462	59	12.8
<b>Total</b>	<b>627</b>	<b>110</b>	<b>17.5</b>	<b>241</b>	<b>38.4</b>	<b>633</b>	<b>633</b>	<b>291</b>	<b>46.0</b>

### Main departmental revenue trends for the first half of 2011/12

Departmental revenue collection in the first six months of 2011/12 was R291 000, or 46 per cent of the adjusted revenue estimate of R633 000 for the year as a whole. In comparison, mid-year revenue collection in 2010/11 was R110 000, or 17.5 per cent of the 2010/11 adjusted estimate. Departmental revenue collection in the first six months of 2011/12 increased by R181 000 or 164.5 per cent, compared to revenue in the first six months of 2010/11.

The main revenue increase compared to 2010/11 is due to the more than projected amount for the collection of parking fees and debt recovery.

### Changes to transfers and subsidies, including conditional grants

#### Summary of changes to transfers and subsidies per programme

	2011/12						
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Other adjustments			
R thousand							
<b>Governance and Intergovernmental Relations</b>							
<b>Households</b>							
<b>Other transfers to households</b>							
<b>Current</b>	-	-	266 317	-	-	266 317	266 317
Municipal Councillors Pension Fund	-	-	266 317	-	-	266 317	266 317
<b>Provincial and Municipal Government Systems</b>							
<b>Provinces and municipalities</b>							
<b>Municipalities</b>							
<b>Municipal bank accounts</b>							
<b>Current</b>	219 420	-	-	790	-	790	220 210
Municipal systems improvement grant	219 420	-	-	790	-	790	220 210
<b>Infrastructure and Economic Development</b>							
<b>Public corporations and private enterprises</b>							
<b>Public corporations</b>							
<b>Other transfers</b>							
<b>Current</b>	192 061	-	-	(38 412)	-	(38 412)	153 649
Development Bank of Southern Africa	192 061	-	-	(38 412)	-	(38 412)	153 649
Siyenza Manje							

**Summary of changes to transfers and subsidies per programme (continued)**

		2011/12						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation	
<b>Households</b>								
<b>Other transfers to households</b>								
	<b>Current</b>	<b>5 600</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 600</b>	<b>393 777</b>	
	Community Work Programme	5 600	-	-	-	5 600	393 777	
<b>Traditional Affairs</b>								
<b>Departmental agencies and accounts</b>								
<b>Departmental agencies (non-business entities)</b>								
	<b>Current</b>	<b>-</b>	<b>-</b>	<b>228</b>	<b>-</b>	<b>228</b>	<b>22 378</b>	
	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	-	-	228	-	228	22 378	

**Summary of changes to conditional grants: Local government**

Subprogramme		2011/12						
		Adjustments appropriation						
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Other adjustments	Total adjustments appropriation	Adjusted appropriation	
<b>Provincial and Municipal Government Systems</b>								
	Municipal systems improvement grant	-	-	790	-	790	220 210	